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Chief Risk Officer and SEVP

October 12, 2021

By electronic submission to Comments@FDIC.gov

Mr. George P. Sheesley
Assistant Executive Secretary
Attention: Comments RIN 3064–ZA27,
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Request for Information on the Federal Deposit Insurance Corporation's Supervisory Approach to Examinations During the Pandemic (RIN 3064–ZA27)

Dear Mr. Sheesley:

Truist Bank appreciates the opportunity to provide information and comments on the Federal Deposit Insurance Corporation's ("FDIC") notice and request for information regarding the FDIC's supervisory approach to examinations during the Coronavirus Disease 2019 ("COVID-19") pandemic. Truist Bank, a North Carolina state-chartered bank that is not a member of the Federal Reserve System, is subject to regulation, supervision and examination by the FDIC, as well as the North Carolina Office of the Commissioner of Banks.

Truist Financial Corporation (NYSE: TFC) and its wholly owned subsidiary Truist Bank (together, "Truist") is a purpose-driven financial services company committed to inspiring and building better lives and communities. Formed by the historic merger of equals of BB&T and SunTrust, Truist offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management. Headquartered in Charlotte, North Carolina, Truist is a top 10 U.S. financial holding company with total assets of \$522 billion as of June 30, 2021. More information about Truist and its full line of products and services is available at truist.com.

Background

The FDIC has been performing offsite examinations of Truist Bank since March 2020, following the declaration of the National Emergency concerning the COVID-19 pandemic. During such time, the FDIC has effectively leveraged technology systems, including video conferencing, remote access, and secure file sharing platforms that have allowed it to conduct the vast majority of its examination activities in a virtual environment. Truist Bank's overall experience of the FDIC's off-site examination process has been

overwhelmingly positive during such a unique environment. In particular, Truist Bank commends the FDIC's flexibility and formidable efforts to quickly and effectively adapt and transition to off-site-only examinations in a manner consistent with the FDIC's mission to promote the stability and safety and soundness of its supervised insured depository institutions. The FDIC's efforts have resulted in significant efficiencies in the examination process, including reductions in travel-related costs and individual travel time, reductions in costs (including environmental impact) of providing dedicated office space for on-site examiners, reductions in printing costs, as well as improvements to speed and security of information sharing, among others. Truist Bank remains committed to working with the FDIC to increase examination-related efficiencies for both the agency and the bank and strongly supports the FDIC's hybrid approach to examinations that consists of virtual examinations, augmented by more strategic on-site activities.

Activities

Prior to the COVID-19 pandemic, examination practices were already evolving to permit an increased number of examination activities to be conducted off-site. The ability to effectively shift examination activities off-site depends, among other things, on the type and extent of electronic information available, the ability to transmit such information securely, as well as the level of interaction with bank personnel required by the particular activity. Truist Bank agrees with the FDIC that reviewing and analyzing an institution's historical financial information, policies and procedures, management reports, and other data that is easily accessible and reviewable in electronic format, are particularly well-suited to be conducted off-site.

On the other hand, Truist Bank believes that certain activities are best performed on-site and encourages the FDIC to consider continuing those activities in-person. Such activities include, at a minimum, examination kick-off and exit meetings, in-depth strategic or substantive discussions between examiners and bank management, and those reviews that involve materials not readily available/accessible electronically and/or that are exceptionally sensitive. Truist Bank highly values in-person meetings with its FDIC examiners and supervisory staff and looks forward to the continuation of certain in-person activities again when safe and practical to do so.

Technology

Truist Bank commends the FDIC's openness to leveraging advances in technology and its adoption of a variety of technologies to continually improve efficiencies in both its communications and examination process for on- and off-site examination activities. Notably, during the COVID-19 pandemic, the FDIC and Truist Bank have relied heavily on video-conferencing and online meetings, which have worked well as an alternative to in-person meetings and have facilitated interaction and information sharing. Truist Bank applauds the FDIC's flexibility in adapting to the technologies of its supervised banks as opposed to committing to, or imposing, any single platform. This allows the FDIC and its supervised banks to adapt more quickly to advances in technology and reduces the cost of examinations.

On a related note, the COVID-19 pandemic also prompted public accounting firms that serve as external auditors to FDIC-supervised institutions to also shift many of their engagement activities off-site during the pandemic. Similar to the FDIC, public accounting firms now conduct most of their document reviews remotely via secure file sharing platforms. During the pandemic, Truist Bank has made several non-objection requests to the FDIC for its authorization to disclose confidential supervisory information ("CSI"),

lawfully in the possession of Truist Bank, to its external auditors in accordance with 12 CFR 309.6(b)(7), including details on how and under what conditions CSI was to be shared off-site with external auditors. Truist Bank suggests that, when evaluating the benefits of a more permanent approach to off-site examinations, the FDIC may consider modernizing and harmonizing its regulations regarding the sharing of CSI with external auditors (and other similarly situated third parties) in a manner that encourages external auditors (and such other third parties) to expand their off-site activities, and in a manner consistent with other recent regulatory enhancements in this area.

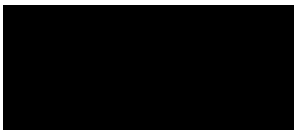
Communication

Truist Bank and the FDIC regularly communicate through various channels, including email, video conferences, and phone calls. While the various channels contribute to the ability of the FDIC and Truist Bank to communicate frequently and effectively, Truist Bank would submit that certain methods are more convenient than others. For example, Truist Bank finds the electronic transmission of letters during the pandemic to be an improvement in the sharing of supervisory-related communications. Electronically transmitted communications arrive more quickly, are easier to disseminate on a need-to-know basis, and are easier to track. However, to maximize the likelihood that these essential communications are received, understood, escalated, and acted upon in a manner meeting supervisory expectations, Truist Bank recommends that, in transmitting electronic communications, the FDIC's distribution of formal, sensitive communications should not be limited to a single individual, but should routinely copy appropriate Regulatory Relations liaison personnel. Truist Bank further suggests that the FDIC maintain its practice of coordinating with its supervised banks to ensure that distribution lists are updated regularly to prevent breakdowns in the communications.

Conclusion

Truist Bank appreciates the FDIC's proactive outreach seeking information regarding its supervisory approach to examinations during the pandemic. Truist Bank supports a hybrid approach that allows the FDIC to maximize the benefits of off-site activities, while preserving the valuable and meaningful relationships between examiners and bank management that are at the core of the supervisory process. Truist Bank welcomes the opportunity to provide any additional observations that the FDIC may consider helpful.

Sincerely,

A solid black rectangular redaction box covering the signature area.

Clarke R. Starnes, III