



**SUNTRUST BANK  
2018 CIDI RESOLUTION PLAN  
PUBLIC SECTION**

July 1, 2018

# SunTrust 2018 CIDI Resolution Plan

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## SunTrust 2018 CIDI Resolution Plan

### Introduction

Section 165(d) of the Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") requires bank holding companies with \$50 billion or more in total assets to periodically submit to the Board of Governors of the Federal Reserve System ("Federal Reserve Board") and Federal Deposit Insurance Corporation ("FDIC") a plan for the bank holding companies' rapid and orderly resolution in the event of material distress or failure (the "165(d) Resolution Plan"). The Federal Reserve Board and FDIC subsequently jointly adopted a final rule implementing this provision of the Dodd-Frank Act (Federal Reserve Regulation QQ, Part 381 of the FDIC regulations, the "DFA Rule").<sup>1</sup> Separately, the FDIC's final rule requires insured depository institutions ("IDIs") with \$50 billion or more in total assets to periodically submit to the FDIC a plan ("Covered Insured Depository Institution ('CIDI') Resolution Plan") for the institutions' resolution (Part 360 of the FDIC regulations, the "CIDI Rule").<sup>2</sup>

SunTrust Bank ("STB"), SunTrust Banks, Inc's ("STI" or "SunTrust") wholly-owned IDI, is subject to the CIDI Rule because its total assets exceed \$50 billion.

SunTrust<sup>3</sup> is a diversified financial services holding company with businesses that provide a broad range of financial services to consumer, business, and corporate and institutional clients. Through STB, SunTrust offers deposit, credit, trust, and investment services. Additional subsidiaries provide mortgage banking, asset management, securities brokerage, equipment leasing, capital markets, and investment banking services. Within its retail, commercial, and private wealth businesses, STB operates primarily within the Southeastern and Mid-Atlantic United States, most notably Florida, Georgia, Virginia, Tennessee, Maryland, North Carolina, South Carolina, and the District of Columbia (the "SunTrust footprint"). Within the SunTrust footprint, the company possesses strong market positions and provides clients with a wide selection of branch and 24-hour technology-based channels, including ATMs, call centers, and digital banking (Internet, mobile, tablet). Within its corporate and investment banking, commercial real estate, certain consumer lending, and mortgage businesses, SunTrust has a more national presence. The SunTrust client base encompasses a broad range of individuals, businesses, corporations, institutions, and government agencies. SunTrust has three primary Business Segments: Consumer Banking and Private Wealth Management, Wholesale Banking, and Mortgage Banking. In the first quarter of 2017, the Mortgage Banking business line was consolidated with the Consumer segment and in the first quarter of 2018 regulatory approval was received to merge the legal entity SunTrust Mortgage (STM) into SunTrust Bank (STB). The merger of STM with STB is expected to be complete in August 2018 and the changes and impact as a result of this legal entity consolidation will be discussed as part of the next CIDI plan submission.

Over recent years, SunTrust has made a concerted effort to diversify its business mix, enhance its focus on executional excellence and risk management, as well as materially de-risk its balance sheet, which has led to a lower risk profile and improved asset quality. A 2015 ratings upgrade from Fitch of STB's Senior Debt rating to 'A-' from 'BBB+' was supported by improving earnings, the company's balanced and diverse business mix, and good asset quality.<sup>4</sup> The current S&P rating for STB's Senior Debt is 'A-'; however, on September 22, 2017 S&P changed the outlook from 'Stable' to 'Positive' based on SunTrust's focus on risk reduction and diversification within its loan portfolio, which is reflected in the improved loan performance in recent years.

SunTrust has constructed a hypothetical insolvency scenario solely for the purpose of developing the Resolution Plan required by the FDIC's regulations and related supervisory guidance. The Resolution Plan provides for the resolution of STB following a hypothetical, idiosyncratic shock that must result in the imminent failure of STI and STB.

This Resolution Plan focuses on the resolution of STB and SunTrust Mortgage ("STM"), while the 165(d) Resolution Plan addresses the resolution of STI and SunTrust Robinson Humphrey, Inc. ("STRH"). The Resolution Plan demonstrates how SunTrust material entities could be resolved in a reasonable period of time, without the use of extraordinary government support, funds from the United States taxpayer, nor the use of Title II Orderly Liquidation

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<sup>1</sup> Federal Reserve Board and FDIC, Resolution Plans Required, 76 Fed. Reg. 67323 (Nov. 1, 2011).

<sup>2</sup> FDIC, Resolution Plans Required for Insured Depository Institutions with \$50 billion or more in Total Assets, 77 Fed. Reg. 3075 (Jan. 23, 2012).

<sup>3</sup> The term "SunTrust" refers to the consolidated enterprise.

<sup>4</sup> FitchRatings.com (October 5, 2015).

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Authority, and in a manner that substantially mitigates the risk that the failure of these material entities or core business lines would have on the financial stability in the United States. Any actions or losses reflected in the Plan do not reflect a view of the actual risk characteristics of portfolios but rather represent a hypothetical scenario developed solely for purposes of creating a loss event large enough to render SunTrust insolvent for purposes of the CIDI Resolution Plan.

This Public Section summarizes the key elements of the Resolution Plan. Initial FDIC guidance indicated that the July 1, 2018 submission should present information as of December 31, 2017; however, subsequent guidance allowed for the broad use of year-end 2016 financial information, with specific exceptions where year-end 2017 was confirmed. As such, unless otherwise indicated, information in this Public Section is provided as of December 31, 2016.

### The SunTrust Purpose

SunTrust is one of the nation's largest and strongest financial services companies, but most importantly, it is an organization driven by purpose and a personal touch. SunTrust is passionate about its purpose of "*Lighting the Way to Financial Well-Being*". Helping instill a sense of confidence in the financial circumstances of clients, communities, teammates, and shareholders is at the center of the SunTrust business model.

#### i. The Names of Material Entities

The CIDI Rule requires covered companies to identify material entities which are any companies significant to the activities of a critical service<sup>5</sup>, core business line, or component of franchise value. SunTrust identified the following material entities:

- **SunTrust Banks, Inc. ("STI")** is the top-tier legal entity in SunTrust's organizational structure. It is a bank holding company that has elected financial holding company status under the Bank Holding Company Act. Its shares are publicly-traded on the New York Stock Exchange.
- **SunTrust Bank ("STB")** is a wholly-owned, indirect subsidiary of STI, is Georgia state-chartered and a state member bank of the Federal Reserve System. STB and its subsidiaries hold approximately 98% of SunTrust's total assets and employ over 94% of total SunTrust teammates. The vast majority of the material elements of the core business lines are contained within STB, as are the vast majority of the internally provided critical services.
- **SunTrust Mortgage ("STM")<sup>6</sup>** is a wholly-owned subsidiary of STB that originates, purchases, sells, and services mortgage loans. STM contains those material elements of the Mortgage Banking core business line and critical services that are not housed in STB.
- **SunTrust Robinson Humphrey, Inc. ("STRH")** is a wholly-owned subsidiary of STI, with SunTrust Robinson Humphrey also being the trade name of the corporate and investment banking services of SunTrust Banks, Inc. STRH provides comprehensive capital raising, strategic advisory and investment solutions to serve the needs of corporate clients across the United States.

While this Plan identifies the above entities as material to STB, the scope of the IDI Plan is specific to the IDI and subsidiaries. As a result, this plan focuses on the resolution of STB and STM, while the resolution of STI and STRH is detailed in the 165(d) plan submitted at year end 2017.

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<sup>5</sup> Critical services are those services and operations of the IDI, such as information technology ("IT") support and operations, and human resources that are necessary to continue the day-to-day operations of the IDI.

<sup>6</sup> In the first quarter of 2017, the Mortgage Banking business line was consolidated with the Consumer segment and in the first quarter of 2018 regulatory approval was received to merge the legal entity SunTrust Mortgage (STM) into SunTrust Bank (STB). The merger of STM with STB is expected to be complete in August 2018.

### ii. Description of Core Business Lines

Under the CIDI Rule, core business lines are defined as those business lines, including associated operations, services, functions, and support that upon failure would result in a material loss of revenue, profit or franchise value. SunTrust identified the following five core business lines:

- **Consumer Banking ("CB")** provides services to consumers and branch-managed small business clients through an extensive network of traditional and in-store branches, ATMs and Interactive Teller Machines ("ITMs"), the internet (www.suntrust.com), mobile banking, and telephone (1-800-SUNTRUST). Financial products and services offered to consumers and small business clients include deposits and payments, loans (offered through the non-core Consumer Lending business line), brokerage, and various fee-based services. Discount/online and full-service brokerage products are offered to individual clients through SunTrust Investment Services. Consumer Banking also serves as an entry point for clients and provides services for other lines of business.
- **Private Wealth Management ("PWM")** provides a full array of wealth management products and professional services including loans, deposits, brokerage, professional investment management, and trust services to both individual and institutional clients seeking active management of their financial resources. Institutional clients are served by the Institutional Investment Solutions business. Discount/online and full-service brokerage products are offered to individual clients through SunTrust Investment Services ("STIS"). STIS is a nonmaterial nonbank entity of STI (affiliate of STB) that caters to the brokerage solution needs of high and ultra-high net-worth individuals. In addition, STIS provides retail brokerage services to affluent clients through Premier Bankers and Financial Advisors in the branch network. STIS' financials are split across Consumer Banking business and Private Wealth Management. The STIS revenue and the associated expense is reflected in STIS from a legal-entity standpoint, but is reflected in the line of business that manages the client relationship for management accounting purposes. SunTrust also provides advisory services through SunTrust Advisory Services ("STAS"), which was established as a subsidiary of STIS in 2016. In 2017, however, it became a peer entity to STIS (nonbank entity of STI, affiliate of STB). STAS provides investment advisory services, portfolio management, securities, and other financial services. STAS serves individuals, trusts, estates, and charitable organizations.
- **Mortgage Banking ("MTG")** offers residential mortgage products nationally through its retail, consumer direct, and correspondent channels. The Mortgage Banking business line services loans for STM, STB, and for other investors, the majority of which are for government-sponsored enterprises or government agencies.
- **Corporate and Investment Banking ("CIB")** offers traditional banking products such as loans, deposits and treasury banking solutions. Other product offerings include syndicated lending, trading and various investment banking services to larger corporate and middle market/commercial clients of SunTrust on a national basis. Corporate and Investment Banking is organized around two businesses: Corporate Banking Group and Investment Banking Group. These businesses are differentiated by client needs with investment banking clients accessing the capital markets more frequently than corporate banking clients. The businesses are integrated and the products of each business are utilized as needed and when required by clients. STRH is the trade name of the CIB LOB.
- **Commercial and Business Banking ("CBB")** offers a comprehensive line of products and services, including deposit, treasury and cash management, lending, leasing, and access to capital markets and investment management solutions to businesses, institutions, not-for-profit organizations and government entities through geographically based units across the Southeast, Mid-Atlantic, Ohio, and Texas (Commercial Banking expanded to Ohio and Texas in 2017). In Q1 2018, Metro Business Banking was transferred to the Consumer segment, as those clients frequently use retail branches for transactions and services.

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### iii. Consolidated Financial Information Regarding Assets, Liabilities, Capital and Major Funding

The composition of STB's assets primarily includes \$141.7 billion in loans (~71% of total assets), \$30 billion in securities (~15% of total assets), and \$5.2 billion in cash and cash equivalents (~3% of total assets). These assets are funded via a mix of deposits, debt, and equity. Deposit liabilities of approximately \$162 billion fund the majority of the balance sheet (~81% of total assets). Other borrowed money and subordinated debt of \$9.2 billion comprise the second largest source of liability funding (~4.5% of total assets). Finally, shareholder equity of \$23.5 billion accounts for nearly ~12% of total on balance sheet funding. As evidenced by the table below, SunTrust is well capitalized per PCA guidelines. Supporting financial information regarding STB's balance sheet is presented in the following tables below.

Table P.iii-1 – SunTrust Bank Consolidated Balance Sheet

As of December 31, 2016

(\$ in millions)

Assets	STB Consolidated \$	STB Consolidated %
Cash and due from banks	5,091	2.5 %
Federal funds sold and securities borrowed or purchased under agreements to resell	171	0.1 %
<b>Cash and cash equivalents</b>	<b>5,262</b>	<b>2.6 %</b>
Trading assets	4,029	2.0 %
Securities available for sale	29,980	14.9 %
Loans held for sale	4,165	2.1 %
Loans held for investment	143,458	71.5 %
Allowance for loan losses	(1,708)	(0.9)%
<b>Net loans</b>	<b>141,750</b>	<b>70.7 %</b>
Premises and equipment	1,367	0.7 %
Goodwill	5,880	2.9 %
Other intangible assets	1,653	0.8 %
Other assets	6,345	3.2 %
<b>Total assets</b>	<b>\$200,558</b>	<b>100.0 %</b>

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Liabilities & Equity	STB Consolidated \$ Amount	STB Consolidated %
Noninterest-bearing deposits	40,511	20.2%
Interest-bearing deposits	121,247	60.5%
<b>Total domestic deposits</b>	<b>161,759</b>	<b>80.7%</b>
Foreign deposits	610	0.3%
<b>Total deposits</b>	<b>162,369</b>	<b>81.0%</b>
Funds purchased	2,117	1.1%
Securities sold under agreements to repurchase	359	0.2%
Subordinated notes and debentures	1,694	0.8%
Other borrowed money	7,501	3.7%
Trading liabilities	219	0.1%
Other liabilities	2,741	1.4%
<b>Total liabilities</b>	<b>177,000</b>	<b>88.3%</b>
<b>Total shareholders' equity</b>	<b>23,558</b>	<b>11.7%</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$200,558</b>	<b>100.0%</b>

Source: STB Call Report

STB is the most significant source of funding for SunTrust. STB is funded primarily by core client deposits, with secondary sources of secured funding from Federal Home Loan Bank advances and unsecured debt issuances.

The following table depicts Basel III calculations of regulatory capital ratios for STB, consolidated with its subsidiaries.

Table P.iii-2 – Regulatory Capital Summary

As of December 31, 2016

Common Equity Tier 1 Capital	10.7%
Tier 1 capital ratio	10.7%
Total capital ratio	12.3%
Leverage ratio	9.6%

Source(s): SunTrust 10-K as of December 31, 2016

For additional financial information on SunTrust, refer to annual, quarterly, and current reports filed with the SEC and available at [www.sec.gov](http://www.sec.gov).

#### **iv. Description of Derivative Activities and Hedging Activities**

SunTrust uses various derivative financial instruments both in a dealer capacity to facilitate client transactions and for risk management purposes. SunTrust generally manages the risk associated with these derivatives within the framework of its value-at-risk approach that monitors the risk associated with covered positions' exposures. Derivatives are used as a risk management tool to hedge SunTrust's balance sheet exposure to changes in identified cash flow and fair value risks, either economically or in accordance with hedge accounting provisions.

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SunTrust's Corporate Treasury function is responsible for employing various hedging strategies to manage these objectives. Additionally, as a normal part of its operations, SunTrust enters into interest rate lock commitments on mortgage loans that are accounted for as freestanding derivatives and has certain contracts containing embedded derivatives that are carried, in their entirety, at fair value.

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### v. Memberships in Material Payment, Clearing, and Settlement Systems

The following table identifies the memberships of SunTrust legal entities in material payment, clearing, and settlement systems.

Table P.v-1 – Memberships in Material Payment, Clearing, and Settlement Systems

	System	System Description	Substitutability Options at Failure	Legal Entity with Membership(a)	Legal Entity Users	Business Lines Supported
<b>Payment Utilities Direct Participation</b>						
1	Electronic Payments Network (The Clearing House)	The Clearing House provides payment, clearing and settlement services (automated-clearing-house, funds-transfer, and check-image payments) to its member banks and other financial institutions. The Automated Clearing House system exchanges payments through batched debits and credits from business, consumer and government accounts.	The Clearing House is the only private-sector ACH operation, clearing and settling nearly half the United States volume.	STB	STB, STM	All
2	Viewpointe <sup>(b)</sup>	Viewpointe provides SunTrust with its check image archive, image exchange, and check net settlement capabilities. Founded in 2000, Viewpointe Archive Services, LLC is owned by SunTrust, IBM and four other large financial institutions. SunTrust uses Viewpointe to send return items to the bank of first deposit.	If issues should arise, return item cash letters could be sent to the Federal Reserve Bank and settled through their electronic channels.	STI	STB	All
<b>Payment Systems Indirect Access through Counterparty Agents</b>						
3	<b>Correspondent Banks for USD Clearing:</b> HSBC, NY Citibank, NY JPMorgan Chase Bank of America	These banks are used for check clearing services.	Many other banks offer these services. An alternative for clearing checks is to send outbound image files to the Federal Reserve System for credit.	STB	STB, STM, STRH	All

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	<b>System</b>	<b>System Description</b>	<b>Substitutability Options at Failure</b>	<b>Legal Entity with Membership(a)</b>	<b>Legal Entity Users</b>	<b>Business Lines Supported</b>
<b>Clearinghouses Direct Participation</b>						
4	Depository Trust and Clearing Corporation (DTCC) (Membership #2095)	Provides clearing, settlement and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments, and over-the-counter derivatives. The DTCC Trade Information Warehouse provides life cycle event processing services for approximately 98% of all credit derivative transactions in the global marketplace.	DTCC, DTC and NSCC stands at the center of global trading activity and is not easily substitutable.	STRH	STRH	CIB
5	Depository Trust and Clearing Corporation (DTCC) (Membership #2114)			STB	STB	All
6	National Securities Clearing Corporation (NSCC)	NSCC is a wholly-owned subsidiary of DTCC, and is registered with and regulated by the Securities and Exchange Commission. NSCC provides clearing, settlement, risk management, central counterparty services, and a guarantee of completion for certain transactions for virtually all broker-to-broker trades involving equities, corporate and municipal debt, American depository receipts, exchange-traded funds, and unit investment trusts. It also nets trades and payments among its participants, reducing the value of securities and payments that need to be exchanged by an average of 98% each day.		STRH	STRH	CIB
<b>Clearinghouses Indirect Access through Counterparty Agents</b>						
7	National Securities Clearing Corporation (NSCC) via National Financial Services	National Financial Services offers integrated brokerage solutions to clients ranging from retail broker/dealer to institutional investment firms and contracts with NSCC for clearing on behalf of STB.	If issues should arise, STB could contract to use the STRH connection to NSCC.	STB	STB	All
<b>Settlement Utilities Direct Participation</b>						
	Viewpointe	See above for description for line item 2	See above for description for line item 2	STI	STB	All
	National Securities Clearing Corporation (NSCC)	See above for description for line item 6	See above for description for line item 6	STRH	STRH	CIB
<b>Settlement Systems Indirect Access through Counterparty Agents</b>						
8	BoNY for Fixed Income	Inform is a web portal application hosted by Bank of New York Mellon. Inform functions as a GUI front end to BNY Mellon's mainframe Asset Securities Processing system for clearance, settlement and custody of depository-eligible (DTC & FRB) securities held by SunTrust Bank Safekeeping. STRH teammates manage clearance, settlement and custody of customer securities in BNY Mellon's mainframe ASP application through the Inform web portal.	Many other banks offer these services.	STB	STB	All
				STRH	STRH	CIB

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	System	System Description	Substitutability Options at Failure	Legal Entity with Membership(a)	Legal Entity Users	Business Lines Supported
<b>Securities Depositories Direct Access</b>						
9	Depository Trust Company (DTC)	DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation and a limited-purpose trust company under New York State banking law supervised by the New York Department of Financial Services. DTC is a member of the U.S. Federal Reserve and a registered clearing agency with the Securities and Exchange Commission. DTC's primary activities include settling trades in corporate, municipal and mortgage-backed securities. DTC permits participants to transfer securities held in each participant's account or for the account of a participant's customer.	DTCC, DTC and NSCC stands at the center of global trading activity and is not easily substitutable.	STRH	STRH	CIB
	National Securities Clearing Corporation (NSCC)	See Above for Description for line item 6	See Above for Description for line item 6	STRH	STRH	CIB
<b>Securities Depositories Indirect Access through Counterparty Agents</b>						
10	Fixed Income Clearing Corporation (FICC) via Broadridge	Broadridge Financial Solutions, Inc. provides FICC compliant clearing for fixed income securities, including treasury securities and mortgage backed securities for the purposes of fixed income transaction processing.	The easiest option here would be to go direct to FICC, a subsidiary of DTCC.	STRH	STRH	CIB
<b>Government Agencies Direct Access</b>						
11	FHA Connection	The FHA Connection provides FHA-approved lenders and business partners with direct, secure, online access to computer systems of the U.S. Department of Housing and Urban Development (HUD).	The functionality and availability of this service would not be affected.	STM	STM	MTG
12	FHLMC (Home Steps Connect)	Along with Fannie Mae, Freddie Mac buys mortgages on the secondary market, pools them, and sells them as a mortgage-backed security to investors on the open market.		STM	STM	MTG
13	FNMA (Fannie Mae Connect)			STM	STM	MTG
14	GNMA (Ginnienet)	Ginnie Mae guarantee allows mortgage lenders to obtain a better price for their loans in the capital markets. Lenders then can use the proceeds to make new mortgage loans available to consumers, which helps to lower financing costs and create opportunities for sustainable, affordable housing for families seeking home ownership.	The functionality and availability of this service would not be affected.	STM	STM	MTG
<b>Payments (Trade Settlement) Utilities Through an Affiliate</b>						
	SunTrust Funds Transfer System via Online Cash Manager (OCM) (FedWire and SWIFT)	Online Cash Manager OCM is a secure, browser-based tool for online banking, bill pay, ACH and payroll. On the ACH origination side, we receive ACH files from our internal and external clients via OCM and OTM and direct file transmissions.	Internally Owned	STB	STRH	CIB
	SunTrust Treasury Management (ACH) for FX & Fixed Income via Online Treasury Management (OTM)	Web Enabled application for corporate banking functions.	Internally Owned	STB	STRH STB	CIB

Source(s): Interviews with Lines of Business and Function Subject Matter Experts

<sup>(a)</sup> In no case is STB's performance as a member in a payment, clearing, or settlement system guaranteed by a third party.

<sup>(b)</sup> STB connects to FRBCheck indirectly through Viewpointe via a connection owned by STI, but as an affiliate can be used by STB.

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### vi. Description of Foreign Operations

SunTrust Bank does not have material foreign banking operations.

### vii. Identities of Material Supervisory Authorities

SunTrust Bank is a member of the Federal Reserve System and regulated by the Federal Reserve Board, Federal Reserve Bank of Atlanta, FDIC, Consumer Financial Protection Bureau, and Georgia Department of Banking and Finance. Some of STI's nonbank subsidiaries are regulated and supervised by various other regulatory bodies, including, but not limited to, the Securities and Exchange Commission, Commodity Futures Trading Commission, Financial Industry Regulatory Authority, National Futures Association, and state insurance authorities.

### viii. Identities of Principal Officers

STB's principal officers are identified below.

Table P.viii-1 – Principal Officers in Alphabetical Order

As of December 31, 2016

Principal Officer	Title
William H. Rogers, Jr.	Chairman and Chief Executive Officer
Margaret Callihan	Corporate Executive Vice President, Chief Human Resources Officer
Thomas Freeman	Corporate Executive Vice President, Consumer Banking and Private Wealth Management Executive
Mark A. Chancy	Corporate Executive Vice President, Wholesale Banking Executive
Anil T. Cheriyan	Corporate Executive Vice President, Chief Information Officer
Dorinda Smith	Corporate Executive Vice President, Mortgage Banking Executive
Raymond D. Fortin	Corporate Executive Vice President, General Counsel and Corporate Secretary
Aleem Gillani	Corporate Executive Vice President, Chief Financial Officer
Susan Johnson	Corporate Executive Vice President, Chief Marketing and Client Experience Officer
Jerome T. Lienhard, II	Corporate Executive Vice President, Chief Risk Officer

Source: Workday

### ix. Description of the Corporate Governance Structure and Processes Related to Resolution

#### a. Integration of Resolution Planning into Corporate Governance Structure and Processes

SunTrust has implemented a governance framework for development, review, and approval of the IDI Resolution Plan and for ongoing monitoring of resolution planning matters. As required under the CIDI Rules, the Resolution

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Plan was approved by the STB Board of Directors on June 19, 2018 pursuant to a process that involved active, informed participation across SunTrust lines of business and support functions.

SunTrust recognizes the importance of integrating resolution planning in its strategic and business-as-usual activities and therefore maintains a sustainable governance structure. The governance framework for the development, review, and approval of the Resolution Plan and for ongoing monitoring of resolution planning matters has been further enhanced, building upon practices described in the previously submitted 2015 CIDI Plan.

The Capital Adequacy and Resolution ("CAR") team continues to include full-time SunTrust resources that are dedicated to and focused on resolution planning activities. CAR continues to coordinate the development, review, and approvals related to the Resolution Plan and conduct ongoing monitoring and related maintenance in conjunction with the administration of other SunTrust stress analyses. Organizationally, CAR resides within Corporate Treasury which reports into the Chief Financial Officer.

CAR works with the Core Leadership Team ("CLT"), comprised of Work Stream Owners ("WSOs") and representatives from Corporate Strategy, Corporate Treasury, Controllers, Enterprise Risk, Corporate Finance, Regulatory Services, Data Office ("DO"), Enterprise Information Services ("EIS"), and other stakeholders from key support functions to gather and synthesize information for inclusion in the Plan. CAR and the CLT conduct regular monthly meetings during the Resolution Plan's critical formative and approval stages, where methodologies, key analyses and impactful conclusions are discussed.

Further, CAR leaders frequently meet with the executive-level Capital Committee ("CC") during the course of the Resolution Plan's development to conduct reviews and obtain executive approval. The CC provides oversight and sets direction for resolution planning in addition to other stress-testing programs such as CCAR and DFAST. The CC includes the Chief Executive Officer, Chief Financial Officer, and Chief Risk Officer as well as executive team members who participate in other key executive committees and Board-level committees, including the Board Risk Committee ("BRC") which provides board oversight to the resolution planning progress throughout the year. The STB Board of Directors ("BOD") serves as the ultimate governance authority in overseeing the approval and submission of the IDI Resolution Plan. In that capacity, the BOD reviews and approves the Plan, including any related management action commitments and remediation plans. Review and approval by the BOD is captured in meeting minutes and stored for recordkeeping.

In addition to the oversight and approval processes noted above, the resolution planning process is governed by an internal policy and also incorporates layers of internal controls to ensure the accuracy and relevance of information included in the Resolution Plan. Further, SunTrust Audit Services ("SAS") conducts recurring independent meetings with CAR to monitor progress during the course of Resolution Plan development and periodically conducts audits of the process executed to develop the plans.

### **x. Description of Material Management Information Systems**

SunTrust EIS provides technology and operations services in support of SunTrust's clients and teammates. EIS is responsible for developing and operating technology services, and managing technology outsourcing to third-party vendors. EIS reports to the Chief Information Officer of SunTrust. EIS, in conjunction with the segments, maintains management information systems that support business activities, branch banking, lending operations, accounting, finance, risk, and compliance management. Two primary deposit application systems house savings and checking accounts, as well as certificates of deposit and individual retirement accounts. SunTrust also utilizes management information systems to produce management and regulatory reports, as well as some information underlying the Resolution Plan.

EIS employs an operating model where major technology services are paired with business units to deliver and support critical applications and systems. The primary IT data center for SunTrust supports back-end operations, hosts the majority of in-house and vendor-licensed applications, and serves as a gateway to vendor-hosted applications. SunTrust maintains a related separate backup data center for disaster recovery.

A Business Continuity/Disaster Recovery ("BC/DR") program was created to enable SunTrust to resume normal business operations, minimize financial losses, continue financial and risk reporting within established parameters,

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and serve clients in the event of disaster. This program includes a process to identify critical services, applications and systems, and third parties that are critical in resolution.

### **xi. High-level Description of Resolution Strategy**

SunTrust has constructed a hypothetical insolvency scenario for the purpose of developing the Resolution Plans required by the FDIC's regulations and related supervisory guidance. The Resolution Plans provide for the resolution of STI and STB following a hypothetical, idiosyncratic shock that must result in the failure of STB. This CIDI Resolution Plan specifically addresses the strategic resolution of STB and its material subsidiary, STM, while the 165(d) Resolution Plan addresses the strategic resolution of STI and its non-bank material entity, STRH.

In the event of failure, STB would be subject to FDIC receivership under the Federal Deposit Insurance Act. The Plan generally contemplates a number of sale and disposition options, comparing alternatives in an effort to maximize value for the receivership, minimize any cost to the Deposit Insurance Fund, and provide access to deposits within one business day as required by the CIDI rulemaking. These options include, but are not limited to, the sale of STB in its entirety together with STM to a third-party purchaser pursuant to a purchase and assumption agreement, the selling of material assets and key components of franchise value to multiple acquirers, and the liquidation of all STB assets. These strategies are covered in detail within the 2015 IDI Plan submission. Regulatory feedback received from the FDIC in 2017 shifted the focus from the three distinct resolution strategies (whole bank, multiple acquirer, and liquidation) to a more thorough analysis of the multiple acquirer strategy and the operational implications involved in trying to separate the components of franchise value that make up SunTrust Bank. As a result of this guidance, SunTrust evaluated its major asset categories, core business lines, and other components of franchise value to determine an effective strategy for breaking up SunTrust into multiple components of sale upon failure. Each identified component of franchise value was evaluated for operational challenges and obstacles that could impede or would require pre-requisite actions in order to facilitate an orderly transition to a potential acquirer.

Any actions or losses reflected in the Plan do not reflect a view of the actual risk characteristics of portfolios but rather represent a hypothetical scenario developed solely for purposes of creating a loss event large enough to render SunTrust Bank insolvent for purposes of the CIDI Resolution Plan.