SunTrust Banks, Inc.
Basel III Supplementary Disclosures

As of and for the three months ended September 30, 2015

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GLOSSARY OF DEFINED TERMS

AA - Advanced approach.
ABS - Asset-backed securities.
AFS - Available for sale.
ALLL - Allowance for loan and lease losses.
AOCI - Accumulated other comprehensive income.
Bank - SunTrust Bank.
Basel III - Final Capital Rules of the Federal Reserve implementing the Third Basel Accord, a comprehensive set of reform measures developed by the Basel Committee on Banking Supervision.
BOLI - Bank owned life insurance.
BRC - Board Risk Committee.
Call Report - Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (FFIEC 031).
CCB - Capital conservation buffer.
CCP - Central counterparty.
CDO - Collateralized debt obligation.
CDS - Credit default swaps.
CET1 - Common Equity Tier 1 Capital.
CLO - Collateralized loan obligation.
Company - SunTrust Banks, Inc.
CSA - Credit support annex.
CVA - Credit valuation adjustment.
Dodd-Frank Act - Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.
DTA - Deferred tax asset.
DVA - Debit valuation adjustment.
FDIC - Federal Deposit Insurance Corporation.
Final Rule - The Basel III Regulatory Capital Rules as published by the Federal Reserve in section 12 CFR 217 of the Federal Register.
FINRA - Financial Industry Regulatory Authority.
Form 10-K - Annual Report on Form 10-K for the year ended December 31, 2014.
Form 10-Q - Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015.
HVCRE - High volatility commercial real estate.
ISDA - International Swap Dealer Association.
LGD - Loss given default.
LHFI - Loans held for investment.
MDB - Multilateral Development Bank.
MSR - Mortgage servicing right.
OTC - Over-the-counter.
PD - Probability of default.
PFE - Potential future exposure.
PSE - Public sector entities.
RWA - Risk-weighted assets.
SA - Standardized approach.
SBA - Small Business Administration.
SCC - SunTrust Capital Committee.
SEC - U.S. Securities and Exchange Commission.
SPE - Special purpose entity.
SRWA - Simple risk-weight approach.
SSFA - Simplified supervisory formula approach.
SunTrust - SunTrust Banks, Inc.
TDR - Troubled debt restructuring.
TRS - Total return swaps.
U.S. - United States.
U.S. GAAP - Generally Accepted Accounting Principles in the United States.
VIE - Variable interest entity.
Y-9C - Reporting Form FR Y-9C - Consolidated Financial Statements for Holding Companies.

Disclosure matrix

Section	Disclosure	Location	Section Page(s) # or Schedule
Scope of Application			
(a)	The name of the top corporate entity in the group to which the SA for RWA applies.	Herein	p.9
(b)	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) That are fully consolidated; (2) That are deconsolidated and deducted from total capital; (3) For which the total capital requirement is deducted; and (4) That are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with the SA).	Herein	p.9
(c)	Any restrictions, or other major impediments, on transfer of funds or total capital within the group.	**Form 10-K:** Note 13 MD&A - Capital Resources **Form 10-Q:** MD&A - Capital Resources	 p.115-117 p.49-51 p.90-91
(d)	The aggregate amount of surplus capital of insurance subsidiaries included in the total capital of the consolidated group.	Herein	p.12
(e)	The aggregate amount by which actual total capital is less than the minimum total capital requirement in all subsidiaries, with total capital requirements and the name(s) of the subsidiaries with such deficiencies.	None	N/A
Capital Structure			
(a)	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	**Form 10-K:** Note 13 MD&A - Capital Resources	 p.115-117 p.49-51
(b)	The amount of CET1, with separate disclosure of: (1) Common stock and related surplus; (2) Retained earnings; (3) Common equity minority interest; (4) AOCI; and (5) Regulatory adjustments and deductions made to CET1.	Y-9C	Schedule HC-R
(c)	The amount of tier 1 capital, with separate disclosure of: (1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and (2) Regulatory adjustments and deductions made to tier 1 capital.	Y-9C	Schedule HC-R

		Location	Section Page(s) # or Schedule
(d)	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	Y-9C	Schedule HC-R
Capital Adequacy			
(a)	A summary discussion of the Company's approach to assessing the adequacy of its capital to support current and future activities.	Herein	p.11
(b)	RWA for: (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE loans; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures.	Herein	p.12
(c)	Standardized market risk-weighted assets as calculated under the Market Risk Rule.	Y-9C	Schedule HC-R
(d)	CET1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each depository institution subsidiary.	Y-9C Call Report	Schedule HC-R Schedule RC-R
(e)	Total standardized risk-weighted assets.	Y-9C	Schedule HC-R
Capital Conservation Buffer			
(a)	The CCB as described under the Final Rule.	Y-9C	Schedule HC-R
(b)	The eligible retained income, as described under the Final Rule.	Y-9C	Schedule HC-R
(c)	Any limitations on distributions and discretionary bonus payments resulting from the CCB framework as described under the Final Rule, including the maximum payout amount for the quarter.	Y-9C	Schedule HC-R

		Location	Section Page(s) # or Schedule
Credit Risk: General Disclosures			
(a)	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk that is disclosed in *General Disclosure For Counterparty Credit Risk-Related Exposures* located below), including the: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes); (5) Description of the methodology that is used to estimate the allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the credit risk management policy.	**Form 10-K:** Note 1 Note 6 MD&A - Critical Accounting Policies MD&A - Enterprise Risk Management	 p.86-88 p.98-105 p.51-52 p.58-59
(b)	Total credit risk exposures and average credit risk exposures, after applying accounting offsets in accordance with GAAP, over the period categorized by major types of credit exposure.	Herein	p.15
(c)	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	Herein	p.15-18
(d)	Industry or counterparty type distribution of exposures, categorized by major types of credit exposure.	Herein	p. 15, 19
(e)	By major industry or counterparty type: (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of impairment method; and (6) Charge-offs during the period.	Herein; **Form 10-Q:** Note 6	p.16-19 p.22-23
(f)	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic area including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	Herein	p.16-18
(g)	Reconciliation of changes in ALLL.	**Form 10-Q:** Note 6 MD&A - Table 7	 p.22-23 p.83

		Location	Section Page(s) # or Schedule
(h)	Remaining contractual maturity delineation of the whole portfolio, categorized by credit exposure.	Herein	p.15
General Disclosure For Counterparty Credit Risk-Related Exposures			
(a)	General qualitative disclosures with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including a discussion of: (1) The methodology used to assign credit limits for counterparty credit exposures; (2) Policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) The primary types of collateral taken; and (4) The impact of the amount of collateral the Company would have to provide given a deterioration in the Company's own creditworthiness.	Herein; **Form 10-Q:** Note 2 Note 13	p.20-22 p.7-8 p.32-40
(b)	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. Disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.	Herein	p.22-23
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the Company's own credit portfolio and in its intermediation activities, including the distribution of the credit derivative products used, categorized further by protection bought and sold within each product group.	Herein	p.23
Credit Risk Mitigation			
(a)	General qualitative disclosures with respect to credit risk mitigation, including: (1) Policies and processes for collateral valuation and management; (2) A description of the main types of collateral taken; (3) The main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) Information about (market or credit) risk concentrations with respect to credit risk mitigation.	Herein; **Form 10-K:** Note 1 Note 3 Note 6 Note 17	p.14, 24 p.85-91 p.93 p.98-105 p.129-138
(b)	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	Herein	p.24
(c)	For each separately disclosed portfolio, the total exposure that is covered by guarantees/ credit derivatives and the RWA amount associated with that exposure.	Herein	p.24

		Location	Section Page(s) # or Schedule
Securitization			
(a)	General qualitative disclosures with respect to a securitization (including synthetic securitizations), including a discussion of: (1) Objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures to other entities and including the type of risks assumed and retained by the Company related to resecuritization activity; (2) The nature of the risks (e.g., liquidity risk) inherent in the securitized assets; (3) The roles played by the Company in the securitization process and an indication of the extent of its involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures, including how those processes differ for resecuritization exposures; (5) The Company's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that are followed for securitization exposures, including the type of securitization exposure to which each approach applies.	Herein; **Form 10-K:** Note 1 Note 10 Note 18	p.24-27 p.85-91 p.110-112 p.144-147
(b)	A list of: (1) The type of securitization SPEs that the Company, as sponsor, uses to securitize third-party exposures and an indication of whether the exposure to these SPEs is on- or off-balance sheet; and (2) Affiliated entities: (i) That the Company manages or advises; and (ii) That invest either in the securitization exposures that the Company has securitized or in securitization SPEs that the Company sponsors.	Herein	p.24-27
(c)	Summary of accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain on sale; (3) Methods and key assumptions applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under the SA; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the Company to provide financial support for securitized assets.	Herein; **Form 10-K:** Note 1 Note 10 Note 18	p.24-27 p.85-91 p.110-112 p.144-147
(d)	An explanation of significant changes to any quantitative information since the last reporting period.	Herein	p.26-27

		Location	Section Page(s) # or Schedule
(e)	The total outstanding exposures securitized by the Company in securitizations that meet the operational criteria provided in the SA (categorized into traditional and synthetic securitizations), by exposure type, separately for securitizations of third-party exposures for which the bank acts only as sponsor.	Herein	p.26-28
(f)	For exposures securitized by the Company in securitizations that meet the operational criteria in the SA: (1) Amount of securitized assets that are impaired/past due, categorized by exposure type; and (2) Losses recognized during the current period, categorized by exposure type.	Herein	p.26-28
(g)	The total amount of outstanding exposures intended to be securitized, categorized by exposure type.	Herein	p.26
(h)	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased, categorized by exposure type; and (2) Off-balance sheet securitization exposures, categorized by exposure type.	Herein	p.26-28
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g., SSFA); and (2) Exposures that have been deducted entirely from tier 1 capital, credit-enhancing interest-only strips deducted from total capital, and other exposures deducted from total capital should be disclosed separately by exposure type.	Herein	p.28
(j)	Summary of securitization activity in the current year, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by exposure type.	Herein	p.26-27
(k)	Aggregate amount of resecuritization exposures retained or purchased, categorized according to: (1) Exposures to which credit risk mitigation is applied, and not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	None	N/A

		Location	Section Page(s) # or Schedule
Equities Not Subject To The Market Risk Rule			
(a)	General qualitative disclosures with respect to equity risk for equities not subject to the Market Risk Rule, including: (1) Differentiation between holdings on which capital gains are expected and capital gains taken under other objectives including for relationship and strategic reasons; and (2) Discussion of policies addressing the valuation of and accounting for equity holdings not subject to the Market Risk Rule. This includes a discussion of key assumptions and practices affecting valuation as well as significant changes in these practices.	Herein	p.28-29
(b)	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	Herein	p.29
(c)	The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non publicly traded.	Herein	p.28-29
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	Herein	p.28
(e)	(1) Total unrealized gains (losses). (2) Total latent revaluation gains (losses). (3) Any amounts of the above included in tier 1 or tier 2 capital.	Herein	p.28
(f)	Equity groupings categorized by capital requirements, consistent with the Company's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	Herein	p.29
Interest Rate Risk For Non-Trading Activities			
(a)	General qualitative disclosures, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	**Form 10-Q:** MD&A - Market Risk from Non-Trading Activities	p.92-93
(b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, categorized by currency (as appropriate).	**Form 10-Q:** MD&A - Market Risk from Non-Trading Activities	p.92-93

Overview

SunTrust, a financial holding company headquartered in Atlanta, Georgia, was incorporated in 1984 under the laws of the State of Georgia and is a leading provider of financial services, particularly in the Southeastern and Mid-Atlantic U.S. The Company operates three business segments: Consumer Banking and Private Wealth Management, Wholesale Banking, and Mortgage Banking, with functional activities reported in Corporate Other. The Company's banking subsidiary, SunTrust Bank, offers a full line of financial services for consumers, businesses, corporations, and institutions, both through its branches located primarily in Florida, Georgia, Maryland, North Carolina, South Carolina, Tennessee, Virginia, and the District of Columbia, and through other national delivery channels. In addition to deposit, credit, mortgage banking, and trust and investment services offered by the Bank, the Company's other subsidiaries provide asset and wealth management, securities brokerage, and capital markets services.

The Bank is a member of the Federal Reserve System and is regulated and supervised by the Board of Governors of the Federal Reserve System, the Georgia Department of Banking and Finance, and the FDIC. The Company's non-bank subsidiaries are regulated and supervised by various other regulatory bodies, including the SEC and FINRA.

The Company and its subsidiaries record transactions and report results in accordance with U.S. GAAP, including the consolidation of entities. There is no difference in the basis of consolidation for accounting and regulatory purposes.

Basel III overview

In 2013, U.S. banking regulators published the Final Rule implementing Basel III, which enhanced the regulatory capital requirements for U.S. banks. Basel III includes two comprehensive methodologies for calculating risk-weighted assets: a SA for banks with consolidated assets less than $250 billion or less than $10 billion in on-balance sheet foreign exposures and an AA for banks with $250 billion or more in consolidated assets or on-balance sheet foreign exposures of at least $10 billion. The Company had total consolidated assets of $187 billion and less than $10 billion in foreign exposures at September 30, 2015 and therefore, is subject to the SA. Basel III was effective for the Company beginning on January 1, 2015, including certain requirements under the SA subject to transition periods, with full implementation by January 1, 2019.

Definition of capital

Basel III narrows the definition of eligible capital and increases the capital requirements for specific exposures. Under Basel III, CET1 predominantly includes common stockholders' equity, less certain deductions for goodwill, other intangible assets, over-funded net pension fund assets, and DTAs that arise from net operating loss and tax credit carryforwards. The Company elected to exclude AOCI from CET1 as permitted in the Final Rule. Tier 1 capital is predominantly comprised of CET1 as well as perpetual preferred stock and qualifying minority interest. Total capital predominantly includes Tier 1 capital as well as certain long-term debt and allowance for credit losses qualifying for Tier 2 capital. The calculations of CET1, Tier 1 capital, and Tier 2 capital include phase-out periods for certain instruments from January 2015 through December 2017. The primary items subject to the phase-out from capital for the Company are other intangible assets, over-funded net pension fund assets, DTAs that arise from net operating loss and tax credit carryforwards, and certain minority interest and long-term debt.

Risk-weighted assets

RWA under the SA are generally based on supervisory risk weightings that vary only by counterparty type and asset class. The revisions to supervisory risk weightings for Basel III enhance risk sensitivity and include alternatives to the use of credit ratings when calculating the risk weight for certain assets. Specifically, Basel III:

- Includes a more risk-sensitive treatment for past due and nonaccrual loans, certain commercial loans, MSRs, and certain unfunded commitments,
- Prescribes a new formulaic approach for calculating the risk weight of securitization exposures that is also more risk sensitive, and
- Permits greater recognition of financial collateral and a wider range of eligible guarantors as credit risk mitigants.

Revised minimum capital ratios

Basel III introduced new minimum capital requirements, including a new capital ratio, CET1. The CET1 ratio was designed to ensure banking organizations hold sufficient high-quality regulatory capital that is available to absorb losses on a going-concern basis.

Additionally, a CCB was created to encourage capital conservation by banking organizations and to enhance the resilience of the banking system. The CCB requires a banking organization to hold a 2.5% capital buffer above the minimum requirement for CET1, Tier 1, and Total capital. Limitations on capital distributions and discretionary bonus payments to executive officers take effect when the prescribed buffer is not maintained. The CCB requirement will be phased-in between January 2016 and January 1, 2019.

The Company's minimum and well capitalized capital ratio requirements under Basel III, including the phase-in schedule for the CCB, which applies to the minimum capital ratios, is shown below.

	Minimum ratios					
		Phase-in period for CCB				
Capital Ratio	2015	2016	2017	2018	2019	Well capitalized ratios [1,2]
CET1	4.5%	4.5%	4.5%	4.5%	4.5%	N/A
CCB	—	0.625	1.25	1.875	2.5	
CET1 + CCB	4.5%	5.125%	5.75%	6.375%	7.0%	
Tier 1 capital + CCB	6.0%	6.625%	7.25%	7.875%	8.5%	6.0%
Total capital + CCB	8.0	8.625	9.25	9.875	10.5	10.0
Leverage [1]	4.0	4.0	4.0	4.0	4.0	N/A

[1] The CCB does not apply to the leverage ratio or the well capitalized ratio requirements.

[2] "N/A" - Not applicable.

Basel III supplementary disclosures

Basel III includes enhanced public disclosure requirements (commonly referred to as "Pillar 3") that were designed to improve market discipline and provide information on banking organizations' regulatory capital

and risk management practices. This report addresses these requirements by providing information on the Company's capital structure, capital adequacy, risk exposures, RWA, and methodologies used to calculate RWA. The Pillar 3 disclosures are only applicable to the Company, although the Company and its primary subsidiary, the Bank, are required to comply with the Final Rule for calculating and reporting capital and RWA.

This report should be read in conjunction with the Company's Form 10-K and Form 10-Q, which includes important information on the Company's accounting and risk management policies and practices. This report should also be read in conjunction with the quarterly Y-9C. A disclosure matrix is included in this report, with references to these documents where applicable.

The disclosures in this report were prepared in accordance with the Company's Pillar 3 reporting disclosure policy, which includes applicable internal controls and has been approved by the Company's Board of Directors.

Capital adequacy

The Company takes a structured approach to assess the appropriate capital levels to be maintained. This includes current and forward-looking assessments of the Company's risk profile and capital levels, inclusive of strategic planning initiatives and long-term financial objectives. The Company maintains sufficient capital to support its risk profile, future business growth, and other strategic initiatives. Specifically, the Company's capital goals are to:

- Ensure the safety and soundness of the Bank and the Company by remaining at least adequately capitalized under both baseline and severely stressed economic conditions;
- Hold sufficient capital of appropriate types to protect the Company's stakeholders, including but not limited to:
    - depositors,
    - shareholders,
    - bondholders,
    - other creditors,
    - and the FDIC; and
- Provide an adequate return to its shareholders.

The SCC, under the direction of the BRC, manages the Company's capital goals and strategy and measures and assesses capital adequacy. The SCC ensures that all related information is gathered in a timely fashion and communicated to capital planning teams. These capital planning teams oversee the capital forecasting process and assist in developing the Company's capital plan. Additionally, the teams monitor accounting and regulatory changes, assess the potential impact on the Company's capital adequacy, and if necessary, propose changes to ensure that the Company remains in compliance with capital requirements.

Current capital amounts and ratios

The following table includes the Company's capital ratios at September 30, 2015, as well as the regulatory minimum and well capitalized ratios required by Basel III:

($ in millions)	Amount	Ratio	Minimum required ratio	Well capitalized ratio [1]
CET1	$16,274	10.04%	4.5%	N/A
Tier 1 capital	17,657	10.90	6.0	6.0%
Total capital	20,608	12.72	8.0	10.0
Leverage	N/A	9.68	4.0	N/A

[1] "N/A" - Not applicable.

The Company's total shareholders' equity was $23.7 billion at September 30, 2015 compared to $23.0 billion at December 31, 2014. The increase in shareholders' equity during 2015 was the result of an increase in retained earnings. Included in total shareholders' equity at September 30, 2015 was an immaterial amount of surplus capital of insurance subsidiaries.

RWA exposure

The following table illustrates RWA by exposure type for on and off-balance sheet exposures at September 30, 2015:

($ in billions) Exposure type	Exposure RWA
On-balance sheet:	
(1) Exposures to sovereign entities [1]	$3.8
(2) Exposures to certain supranational entities and MDBs	—
(3) Exposures to depository institutions, foreign banks, and credit unions	—
(4) Exposures to PSEs	2.4
(5) Corporate exposures, including loans	63.6
(6) Residential mortgage exposures	26.4
(7) Statutory multifamily mortgages and pre-sold construction loans	—
(8) HVCRE loans	1.0
(9) Past due loans [2]	0.2
(10) Other assets (including consumer loan exposures)	24.5
(11) Cleared transactions	—
(12) Default fund contributions	—
(13) Unsettled transactions	—
(14) Securitization exposures	0.8
(15) Equity exposures	1.1
Derivatives, off-balance sheet, and market risk:	
Off-balance sheet commitments, maturity less than 1 year	2.3
Off-balance sheet commitments, maturity greater than 1 year	26.3
Derivatives	3.1
Securitizations	0.6
Letters of credit and other	2.7
Market risk	3.2
Total RWA	$162.0

[1] The Company's sovereign exposure is predominantly to the U.S. government and its agencies.

[2] Amount does not include past due amounts related to residential mortgages and other loans that are government guaranteed, which are included in other categories related to the type of loan or applicable counterparty herein.

See the Company's September 30, 2015 Y-9C, Schedule HC-R Part I and Part II, on the FFIEC website[1] for disclosures required by the Final Rule related to the following:

- Standardized market risk RWA as calculated under the Market Risk Rule. Additional details are also available in the FFIEC 102 report on the FFIEC's website;
- CET1, Tier 1 capital, and Total risk-based capital components and related calculations; and
- Total standardized RWA by exposure type, including the related on- and off-balance sheet exposure.

Additionally, see the September 30, 2015 Call Report on the FFIEC's website[2] for the CET1, Tier 1 capital, and Total risk-based capital ratios of the Company's only depository institution subsidiary, SunTrust Bank.

Capital conservation buffer

The CCB does not apply to the Company until January 1, 2016. Once applicable, the disclosures required by the Final Rule will be included in the Company's Y-9C, Schedule HC-R Part I. However, the Company's capital ratios at September 30, 2015, significantly exceed regulatory minimum requirements, inclusive of the CCB.

[1] The Y-9C can be accessed at https://www.ffiec.gov/nicpubweb/nicweb/SearchForm.aspx
[2] The Call Report can be accessed at https://cdr.ffiec.gov/public/ManageFacsimiles.aspx

Credit risk

Overview

Corporate Risk Management establishes and oversees the Company's credit risk management governance framework and policies, independently measures, analyzes, and reports on portfolio and risk trends, and actively participates in the formulation of credit strategies. Credit risk officers and supporting teammates within the lines of business are direct participants in the origination, underwriting, and ongoing management of credit and promote an appropriate balance between risk management and business objectives by adhering to established policies, procedures, and standards. Risk Review, one of the Company's independent assurance functions, regularly assesses and reports on business unit and enterprise asset quality, and the integrity of the Company's credit processes. Additionally, total borrower exposure limits and concentration risk are established and monitored. The Company grants credit on the basis of borrower/counterparty capacity to repay rather than placing primary reliance on credit risk mitigation.

Consistent with established risk management objectives, the Company utilizes various risk mitigation techniques, including collecting collateral, obtaining guarantees, and, to a limited extent, through the purchase of credit loss protection via third party insurance and/or use of credit derivatives such as CDS.

Borrower/counterparty (obligor) risk and facility risk is evaluated using the Company's own risk rating methodology, which is utilized across all lines of businesses. The Company uses various risk models to estimate both expected and unexpected loss, which incorporates both internal and external default and loss experience. To the extent possible, the Company collects and uses internal data to ensure the validity, reliability, and accuracy of risk models used in default, severity, and loss estimation. To the extent credit risk mitigation techniques and collateral are employed, this would be reflected in the obligor and facility risk ratings. Examples of collateral reflected in the Company's facility ratings include, but are not limited to, cash, working capital, depreciable assets, and real estate. However, in accordance with the SA, only certain collateral obtained by the Company as credit risk mitigants can be considered in calculating RWA. See additional discussion of eligible credit risk mitigants in the "Credit mitigation" section of this report.

Additional disclosures related to credit risk policies are included in the Company's Form 10-Q and Form 10-K, including policies for past due and delinquent exposures, nonaccrual loans, impaired loans, restructured loans, allowance for credit losses and related calculation methodologies, and overall credit risk management. Further, a discussion of credit risk policies specific to counterparty credit risk is located in the "Counterparty credit risk arising from OTC derivative contracts, repo-style transactions, and eligible margin loans" section of this report.

Credit exposure characteristics

Details of the Company's credit exposures, including LHFI, unfunded lending commitments, debt securities, OTC derivatives, and impaired loans, together with a discussion of the allowance for credit losses, are included in the Company's Form 10-Q and Form 10-K. The following tables provide additional details on the Company's credit risk exposures to supplement the disclosures included in the Form 10-Q.

General credit exposure characteristics

The following tables provide the Company's credit exposures including details related to contractual maturity, geography, and counterparty at and for the quarter ended September 30, 2015.

($ in millions)	Exposure amount		Contractual maturity at September 30, 2015		
	September 30, 2015	3Q15 Average	< 1 year	1-5 years	> 5 years
Due from banks and repo-style transactions [1]	$6,452	$8,617	$6,452	$—	$—
Securities AFS [2]	26,196	26,267	2,687	12,278	11,231
LHFI [3]	133,560	132,837	14,582	52,247	66,731
Unfunded commitments [4]	83,546	82,240	23,504	48,010	12,032
OTC derivatives [5]	3,626	3,355	520	1,916	1,190

[1] Excludes amounts due from other financial institutions that have been reclassified to borrowings for reporting purposes in the Y-9C.

[2] At amortized cost and excludes equity securities.

[3] Excludes deposit overdrafts that were reclassified to LHFI for balance sheet reporting purposes in the Y9-C.

[4] Excludes letters of credit that were $2.9 billion at September 30, 2015.

[5] Includes current exposure and PFE, as calculated in accordance with the Final Rule.

($ in millions)	Geography [1]		
	Banking region [2]	Non-banking region	Foreign
Due from banks and repo-style transactions	$3,823	$2,613	$16
LHFI	88,938	43,179	1,443
Unfunded commitments [3]	47,807	34,451	1,288

[1] Securities AFS are not included in the table as a result of limited geographical credit risk due to 99% of the portfolio, excluding equities, being U.S. Treasury or agency-related securities. The portfolio includes an immaterial amount of foreign sovereign securities. Additionally, the Company believes a geographical presentation of OTC derivatives in the categories above is not meaningful. The Company's OTC derivative contracts with foreign counterparties were immaterial at September 30, 2015.

[2] The banking region encompasses the Company's branch network and includes Florida, Georgia, Virginia, Tennessee, North Carolina, South Carolina, Maryland, and the District of Columbia.

[3] Excludes letters of credit that were $2.9 billion at September 30, 2015.

($ in millions)	Counterparty [1]				
	Sovereign [2]	GSE	PSE	Financial Institutions	Corporate and Other
Due from banks and repo-style transactions	$2,408	$—	$—	$3,823	$221
Securities AFS [3]	13,682	12,198	167	17	132
OTC Derivatives	—	—	5	1,948	1,673

[1] LHFI and unfunded commitments are presented by industry in the industry concentration section of this report.

[2] Primarily includes exposure to the U.S. government and its agencies.

[3] Excludes equity securities.

The Company reports its LHFI in three segments: commercial, residential, and consumer. LHFI are assigned to these segments based upon the type of borrower, purpose, collateral, and/or the Company's underlying credit risk management processes. Additionally, within each segment, the Company disaggregates loans based upon common risk characteristics.

Geographic concentrations

The following tables provide the geographic concentration for LHFI and unfunded lending commitments at September 30, 2015. Within each loan segment presented, the total amounts are disclosed along with the portion of those amounts that relate to certain credit quality metrics.

	Commercial					
	LHFI					
($ in millions)	Amount	Past Due 90+ and Accruing	Past Due 90+ and Nonaccrual [2]	Individually Evaluated for Impairment	Related ALLL [3]	Unfunded Commitments [4]
Florida	$12,455	$4	$16	$7	$4	$6,665
Georgia	9,572	1	4	8	—	7,053
Virginia	6,395	1	11	8	3	4,352
Tennessee	4,571	1	5	—	—	3,065
North Carolina	4,161	3	5	—	—	2,737
Maryland	3,973	—	5	18	—	2,330
South Carolina	1,523	—	1	—	—	515
District of Columbia	1,334	—	—	—	—	910
Total banking region	43,984	10	47	41	7	27,627
California, Illinois, Pennsylvania, Texas, New Jersey, New York	15,182	—	—	12	—	17,718
All other states and foreign loans [1]	14,136	3	2	17	—	15,631
Total outside of banking region	29,318	3	2	29	—	33,349
Total	$73,302	$13	$49	$70	$7	$60,976

[1] Amount includes $1.4 billion of foreign loans.

[2] Includes impaired loans that were not individually evaluated for impairment.

[3] ALLL related to loans that were individually evaluated for impairment.

[4] Excludes letters of credit. Includes $1.3 billion of foreign commercial unfunded commitments.

($ in millions)	Residential					
	LHFI					
	Amount	Past Due 90+ and Accruing	Past Due 90+ and Nonaccrual [1]	Individually Evaluated for Impairment [2]	Related ALLL [3]	Unfunded Commitments [4]
Florida	$9,766	$36	$92	$774	$79	$3,709
Georgia	5,923	65	20	416	43	2,121
Virginia	5,928	55	18	255	26	2,697
Tennessee	2,145	13	7	97	10	1,127
North Carolina	3,561	38	22	229	23	1,220
Maryland	4,227	25	19	191	20	1,328
South Carolina	1,807	10	11	134	14	421
District of Columbia	785	3	2	17	2	170
Total banking region	34,142	245	191	2,113	217	12,793
California, Illinois, Pennsylvania, Texas, New Jersey, New York	2,768	45	19	251	26	889
All other states	1,878	95	9	127	12	959
Total outside of banking region	4,646	140	28	378	38	1,848
Total	$38,788	$385	$219	$2,491	$255	$14,641
Guaranteed	$627	$376	$—	$—	$—	$—

[1] Includes impaired loans that were not individually evaluated for impairment.

[2] Primarily consists of loans modified as a TDR.

[3] ALLL related to loans that were individually evaluated for impairment.

[4] Excludes letters of credit.

	Consumer					
	LHFI					
($ in millions)	Amount	Past Due 90+ and Accruing	Past Due 90+ and Nonaccrual [1]	Individually Evaluated for Impairment [2]	Related ALLL [3]	Unfunded Commitments [4]
Florida	$3,681	$30	$2	$25	$2	$2,806
Georgia	1,694	23	1	11	1	1,101
Virginia	1,453	14	1	11	1	1,102
Tennessee	793	9	1	5	—	739
North Carolina	1,373	13	1	16	1	712
Maryland	1,265	14	1	15	1	633
South Carolina	468	6	—	5	—	215
District of Columbia	85	1	—	1	—	79
Total banking region	10,812	110	7	89	6	7,387
California, Illinois, Pennsylvania, Texas, New Jersey, New York	5,716	201	2	24	1	268
All other states	4,942	196	1	16	—	274
Total outside of banking region	10,658	397	3	40	1	542
Total	$21,470	$507	$10	$129	$7	$7,929
Guaranteed	$4,588	$497	$—	$—	$—	$—

[1] Includes impaired loans that were not individually evaluated for impairment.

[2] Primarily consists of loans modified as a TDR.

[3] ALLL related to loans that were individually evaluated for impairment.

[4] Excludes letters of credit.

The vast majority of the Company's securities AFS includes U.S. government and agency securities and agency mortgage-backed securities. The most important feature management relies on when assessing credit risk for U.S. Treasury and federal agency securities and agency mortgage-backed securities is the guarantee of the federal government or its agencies. Details regarding the securities AFS portfolio can be found in the Company's Form 10-Q in the "Securities Available for Sale" footnote.

Industry concentration

The following table provides industry concentration information for the Company's LHFI and related unfunded lending commitments at September 30, 2015:

($ in millions)	LHFI	Past Due 90+ and Accruing	Past Due 90+ and Nonaccrual	Unfunded Commitments
Real Estate	$12,094	$1	$4	$5,952
Consumer Products and Services	8,250	1	6	5,869
Diversified Financials and Insurance	8,086	—	2	6,262
Health Care & Pharmaceuticals	6,635	—	3	4,753
Government	4,594	—	—	162
Automotive	5,328	—	—	2,577
Retailing	4,284	2	10	4,760
Diversified Commercial Services and Supplies	3,769	1	7	3,776
Capital Goods	3,550	—	6	3,890
Energy	3,065	—	—	6,339
Media & Telecommunication Services	2,654	—	5	3,331
Religious Organizations/Non-Profits	1,910	1	3	628
Transportation	2,136	—	—	1,567
Materials	2,012	1	2	2,493
Technology (Hardware & Software)	2,142	—	—	2,922
Utilities	1,688	—	—	3,567
Other Industries	1,105	6	1	2,128
Total commercial	73,302	13	49	60,976
Residential	38,788	385	219	14,641
Consumer	21,470	507	10	7,929
Total	$133,560	$905	$278	$83,546

Maturity exposure

The following table provides the maturity exposure for LHFI and unfunded lending commitments at September 30, 2015, based on the contractual maturity of the related exposure. Details regarding the remaining maturity of the securities AFS portfolio are located in the Company's Form 10-Q and details regarding OTC credit derivatives are located in the Company's Y-9C in schedule HC-L.

	Remaining maturity			
($ in millions)	1 year or less	1-5 years	After 5 years	Total
Commercial	$12,648	$43,532	$17,122	$73,302
Consumer	1,788	8,426	11,256	21,470
Residential	146	289	38,353	38,788
Total LHFI	14,582	52,247	66,731	133,560
Commercial	13,293	47,067	616	60,976
Consumer	6,210	919	800	7,929
Residential	4,001	24	10,616	14,641
Total unfunded commitments	23,504	48,010	12,032	83,546
Total funded and unfunded [1]	$38,086	$100,257	$78,763	$217,106

[1] Excludes letters of credit that were $2.9 billion at September 30, 2015.

Counterparty credit risk arising from OTC derivative contracts, repo-style transactions, and eligible margin loans

Counterparty credit risk is the risk that a counterparty to a transaction with the Company fails to perform. This risk is a byproduct of transactions undertaken by the Company to facilitate a client's financing and hedging needs and can also result from the Company's normal balance sheet management, risk management, and funding activities. Counterparty risk is a category of credit risk often associated with capital markets activities, including OTC derivatives, securities financing, and margin lending.

As a dealer, the Company uses OTC derivatives primarily to support client hedging and risk management activities, as well as in an end user capacity to manage its own balance sheet risk exposures. As a financial entity, certain interest rate swaps and CDS transactions entered in to by the Company or its subsidiaries are now subject to mandatory clearing. Details of the Company's use of OTC derivatives are included in the Company's Form 10-Q and Form 10-K.

The securities financing market encompasses both repurchase and reverse repurchase agreements, as well as securities lending/borrowing transactions. These transactions are structured such that borrowers post collateral in exchange for the ability to borrow cash or securities. Securities financing transactions facilitate cost effective borrowing for clients and the Company and facilitate a variety of market making activities. All securities financing transactions are subject to the same risk management procedures and applicable RWA calculations consider eligible collateral and the counterparty to the underlying transaction.

The Bank offers margin loans to select wealth management clients. The Company has an immaterial amount of these loans and, as a result, these exposures are included with other consumer loans in the RWA calculation without considering the potential benefit of posted collateral.

Counterparty credit risk management is integrated into the Company's credit risk management function. For transactions that generate meaningful counterparty credit risk, credit officers first perform a credit underwriting of the counterparty and assign an internal risk rating, before finally determining an aggregate credit exposure limit. Furthermore, if multiple underlying products and risk exposures are involved, then separate limits are assigned for each product with the counterparty. The counterparty exposure arising from OTC derivatives, securities lending, or margin lending transactions is aggregated with all other borrower exposures for risk management purposes.

In addition to counterparty selection and monitoring, documentation and collateral management are central to the Company's counterparty risk management efforts. Transactions not subject to central clearing are typically executed under master netting agreements. These documents provide a variety of legal protections, most notably the ability to close out all trades under that agreement on a net basis in the event of a counterparty default. The Company's legal team reviews master netting agreements to confirm the enforceability of netting and collateral arrangements and generally obtains third party legal opinions regarding enforceability.

The regulatory requirement to centrally clear eligible derivative transactions with eligible CCPs effectively reduces the Company's counterparty credit exposure to dealers; it will however increase its exposure to CCPs. The Company manages its exposure to CCPs using the same risk management practices as used for other counterparties.

OTC derivatives

The values of OTC derivatives are based on the movement in one or more underlying variables (e.g., interest rates, credit spreads, foreign exchange rates, etc.). For internal risk management purposes, the Company establishes credit limits based on a measure of PFE, a statistical measure (at a high confidence interval) of the amount that a counterparty could owe the Company at some future point in time, taking into account collateral requirements and legally enforceable netting arrangements. The PFE, current credit exposure or mark-to-market, and collateral values, if applicable, are refreshed daily and used to calculate total counterparty credit exposure, which is compared against pre-established limits. The Company has an established limit exception management process in place which identifies, escalates, remediates, and documents any risk exposures that may exceed limits. As a bank subject to the SA, RWA for OTC derivatives is determined using the methodology prescribed in the Final Rule for calculating PFE, and as such, the Company does not use its internal model generated PFE for that purpose.

The Company typically establishes zero threshold margin arrangements with dealers, governed under ISDA/CSA documents, such that when the fair value of a derivative changes, the out-of-the-money counterparty posts collateral to the in-the-money counterparty, whereby collateral is generally exchanged on a daily basis. OTC derivative transactions with non-dealer clients are generally not subject to the same margin arrangements; however, they are still subject to master netting arrangements and the Company uses other available risk management techniques when necessary.

For OTC derivative transactions subject to a CSA, the Company typically only accepts high quality, liquid collateral instruments such as cash, U.S. Treasury, or agency-issued instruments, subject to applicable haircuts, as necessary. This collateral generally qualifies as financial collateral pursuant to the Final Rule. Cash represents the majority of the Company's collateral positions and is typically held in the Company's account or at another financial institution. Securities collateral is held at the Company's custodian bank in the Company's name and is generally controlled by the Company. In limited circumstances collateral may be posted to an independent custodian bank for the benefit of the Company; in these circumstances, the Company does not have direct control over the collateral.

All OTC derivative transactions subject to margining requirements are monitored daily by an independent control function to ensure that collateral calls are issued and met in a timely manner. This function also ensures that any excess collateral posted by the Company to a counterparty is actively managed and withdrawn when no longer required. All collateral is valued daily. The collateral control function follows established procedures to resolve any disputes on the amount of collateral required, and an escalation procedure is in place to ensure senior management is informed of any material disputes.

In a limited number of situations, the Company's CSAs contain ratings based thresholds, such that the Company would need to post additional collateral to the degree that it suffered a downgrade. Additional information related to the Company's CSAs and various threshold levels at which additional collateral would be required to be posted by the Company are discussed in the Company's Form 10-Q.

For purposes of determining fair value adjustments to its OTC derivative positions, the Company takes into consideration the credit profile and likelihood of default by counterparties and itself, as well as, its net exposures and remaining maturities. Generally, the expected loss of each counterparty is estimated using the Company's internal risk rating system. The risk rating system utilizes counterparty-specific PD and LGD estimates to derive the expected loss. Additionally, the Company enhanced its approach for determining fair value adjustments of derivatives by leveraging publicly available counterparty information. In particular, for purposes of determining the CVA, the Company incorporates market-based views of counterparty default

probabilities derived from observed credit spreads in the CDS market when data of acceptable quality is available. For purposes of estimating the Company's own credit risk on derivative liability positions, the DVA, the Company uses market-based probabilities of default from observed credit spreads. The Company's approach toward determining fair value adjustments of derivatives is subject to ongoing internal review and enhancement.

Securities financing

Securities financing transactions are typically secured by high-quality, liquid collateral. The Company establishes limits on counterparties based on a PFE methodology, measuring in this case the amount that the Company could lose if it were forced to close out the transaction ahead of scheduled maturity in a stressed situation. The Company may supplement PFE-based credit limits with notional limits based on the size of the financing arrangement.

Securities financing transactions provide for the regular movement of collateral so that the lender maintains an appropriate margin. The Company monitors its securities financing positions on a daily basis and calls for additional collateral as needed. The securities financing positions are typically held in an account with the Company's securities custodian.

The following tables provide additional information about the Company's OTC derivatives and securities financing exposures related to reverse repurchase agreements and securities borrowing at September 30, 2015. Additional quantitative information can be found in the Company's Form 10-Q related to OTC derivatives and securities financing exposures, including securities sold under agreements to repurchase, which are fully cash collateralized. Margin loans are not included in the tables below due to their immaterial balance compared to the Company's gross credit exposures.

OTC derivative and securities financing exposure [1]

($ in millions)	**Gross positive exposure**	**Netting**	**Collateral [2]**	**Net exposure [3]**
Total OTC derivatives	$3,891	$2,410	$256	$1,229
Total securities financing	1,000	84	911	5

[1] Exchange traded instruments and cleared transactions are excluded.

[2] Excludes excess collateral received from counterparties.

[3] Calculated at a netting set level. Includes excess collateral posted to counterparties.

Distribution of OTC derivative exposures

($ in millions)	Gross positive exposure [1]
Interest Rate Swaps	$2,132
Equities	1,475
Foreign Exchange	127
Credit Default Swaps (includes TRS)	16
Swap risk participations	45
Commodities & Other	96
Total OTC Derivatives	$3,891

[1] Gross positive exposure is one of several metrics the Company uses to measure counterparty exposure. This metric presents a conservative view of exposure as it ignores both the benefits of netting and collateral.

Collateral positions held by the Company [1]

($ in millions)	OTC Derivatives	Securities Financing	
		Reverse repurchase agreements	Securities borrowing
Cash	$747	$—	$—
Treasuries	26	457	—
Agencies [2]	25	257	—
Corporates	—	—	216

[1] Includes excess collateral posted to the Company (collateral in excess of the mark to market on the trade or the amount loaned under a securities financing transaction). For certain transactions, particularly related to securities financing, excess collateral is contractually required.

[2] Includes SBA and agency MBS.

The following table provides information about the Company's purchased and sold OTC credit derivatives at September 30, 2015.

Purchased and sold OTC credit derivatives

($ in millions)	Portfolio hedging - notional	Trading account - notional
Purchased		
CDS	$230	$—
Total Return Swaps	—	2,412
Other	—	6
Sold		
Total Return Swaps	—	2,412
Other	—	9

Credit mitigation

The Final Rule allows eligible financial collateral, eligible guarantees, and eligible credit derivatives to be recognized in the calculation of RWA. The Company's use of credit risk mitigants in the calculation of RWA is presented below. When financial collateral is obtained that qualifies as eligible collateral under the Final Rule, the eligible collateral can be substituted for the collateralized portion of the credit exposure in the RWA calculation. As illustrated below, the bulk of eligible financial collateral consists of U.S. treasury or agency securities as well as cash. Similarly, when an eligible guarantee is received, the risk weight applicable to the eligible guarantor would apply to the exposure amount covered by the guarantee.

Eligible financial collateral

($ in millions)

Exposure type	Collateral type	Exposure amount secured by eligible collateral	Secured exposure amount following any applicable collateral haircuts [1]
Repo-style transactions	Cash on deposit at the Bank, U.S. treasury or agency securities	$2,365	$2,365
LHFI	Cash on deposit at the Bank	209	209
OTC derivatives [2]	Cash on deposit at the Bank	218	218

[1] Generally, the risk weight assigned to the collateralized portion of an exposure cannot be less than 20%. Collateral haircuts are required on collateral securing eligible margin loans, repo-style transactions, and derivatives when using the collateral haircut approach, and is calculated in accordance with the Final Rule. Exposures collateralized by cash on hand can be assigned a 0% risk weight and sovereign exposure collateral can be assigned a risk weight less than 20% after applying an applicable haircut in accordance with the Final Rule.

[2] Excludes excess collateral that the Company holds.

Eligible guarantees

($ in millions)

Exposure type	Guarantor	Exposure amount	RWA amount
AFS	U.S. government and its agencies, sovereign governments	$26,023	$2,466
LHFS	U.S. government and its agencies	222	44
LHFI	U.S. government and its agencies, SBA	5,008	1,002
Other assets	U.S. government and its agencies	563	32
Unfunded commitments	U.S. government and its agencies	12	2

Securitizations

Overview

The Basel III framework for securitizations addresses the capital treatment for exposures that involve the tranching of credit risk and categorizes securitizations as either traditional or synthetic.

The Final Rule describes a traditional securitization as a transaction with the following attributes:

- All or a portion of the credit risk of one or more underlying exposures is transferred to one or more third party other than through the use of credit derivatives or guarantees;
- The credit risk associated with the underlying exposures has been separated into at least two tranches reflecting different levels of seniority;
- Performance of the securitization exposures is solely dependent on the performance of the underlying exposures; and
- All or substantially all of the underlying exposures are financial exposures (such as loans, commitments, credit derivatives, guarantees, receivables, asset-backed securities, mortgage-backed securities, other debt securities, or equity securities).

A synthetic securitization shares the same attributes as a traditional securitization, except that all or a portion of the credit risk of one or more underlying assets is retained or transferred to one or more third parties through the use of one or more credit derivatives or guarantees.

Any securitization where one or more of the underlying exposures are a securitization exposure is considered to be a resecuritization. Examples of resecuritizations include ABS, CDOs, and CLOs, if any of the underlying exposures in these structures are themselves securitization exposures.

The Company's securitization exposures include investments in agency guaranteed mortgage-backed securitizations and traditional non-government or non-agency guaranteed asset-backed securitizations, loans, lines of credit, and liquidity facilities. The Company's primary securitization-related activity is extending loans to third party sponsored securitizations. During 2015, the Company transferred certain indirect auto loans to a securitization SPE, retained servicing rights for the transferred loans, but did not retain any beneficial interest in the SPE. The Company does not have exposures to securitization guarantors or material exposures to synthetic securitizations. The following disclosures relate to the Company as an investor; except for the indirect auto loan securitization, where the Company acted as a sponsor to the securitization SPE.

Securitization process

The Company's current exposure to securitizations primarily includes loans to SPEs (not sponsored by the Company). The Company's loans to SPEs are securitization arrangements that meet client needs for long-term financing of assets or working capital. These securitization arrangements assist the Company's clients in monetizing their financial assets at more favorable rates than they could otherwise obtain. Exposure amounts at September 30, 2015 are provided below in the "risk-based capital approach" section.

The Company sells and at times may securitize loans and other financial assets. When the Company securitizes assets, it may hold a portion of the securities issued as either securities AFS or trading assets, including senior interests, subordinated and other residual interests, interest-only strips, and principal-only strips, all of which are considered retained interests in the transferred assets. When retained interests in securitized assets held by the Company are classified as either securities AFS or trading assets, the interests are initially recognized and measured at fair value based on third party market prices for identical or similar assets, or discounted cash flow analyses. If market prices are not available, fair value is calculated using management's best estimates of key assumptions, including credit losses, loan repayment speeds and discount rates commensurate with the risks involved. At September 30, 2015, the Company held $51 million of retained interests related to assets securitized in traditional securitizations.

The aforementioned transfer of certain indirect auto loans to a securitization SPE was completed to more efficiently utilize the balance sheet and diversify funding sources. In accordance with U.S. GAAP, this transfer to the SPE was treated as a sale, and while the SPE is considered a VIE, consolidation was not required. The transferred loans had an unpaid principal balance at the time of transfer of $1.0 billion and the Company recognized an immaterial loss on the transfer to the SPE. At September 30, 2015, the unpaid principal balance of the indirect auto loans in the securitization SPE was $889 million and an immaterial amount of the balance was past due greater than 30 days. The unpaid principal balance declined by $87 million since June 30, 2015 primarily due to paydowns. The Company retained the servicing rights on the transferred loans, resulting in a $13 million servicing asset recognized at the time of transfer, but did not retain any debt or equity interest in the SPE. The securitization SPE would have recourse to the Company to the extent that losses on the transferred loans are the result of a breach of representations and warranties related to either loan origination standards or the Company's ongoing servicing responsibilities. In the event a breach occurs, the Company may be obligated to either cure the breach or repurchase the affected loans. The Company's maximum exposure to loss is the potential losses resulting from a breach of representations and warranties.

At September 30, 2015, the Company did not have any exposures that it intended to securitize. The Company periodically evaluates securitizations as a source of alternate financing, however, it does not expect securitization to comprise a significant percentage of total funding.

Information on the Company's accounting policies related to securitizations can be found in the Company's Form 10-K in Note 1, "Significant Accounting Policies", and in Form 10-Q in Note 8, "Certain Transfers of Financial Assets and Variable Interest Entities" and Note 14, "Fair Value Election and Measurement".

Due diligence

The Company analyzes the credit profile of each securitization exposure prior to entering into that position, and documents such due diligence within the timeframe required under the Final Rule. The due diligence procedures are designed to provide the Company with a comprehensive understanding of the features that would materially affect the performance of its exposures.

The Company's due diligence procedures include analyzing and monitoring:

- Information regarding the performance of the underlying credit exposures and relevant market data;
- Structural and other enhancement features that may affect the credit quality of a securitization; and
- Credit profile of the seller of the assets securitized.

The level of detail included in the due diligence procedures is commensurate with the complexity of each securitization position held. In addition to pre-trade due diligence, the due diligence procedures are also performed on a quarterly basis for each securitization position.

Risks

Securitization transactions involve a number of risks including credit risk, seller's risk, and liquidity risk. Credit risk arises where the underlying assets fail to perform (i.e., payment rates, dilution, write-offs/losses), such that the credit enhancement is insufficient to protect the Company's investment. Seller's risk represents the portion of unsecured credit exposure in a transaction arising from the seller. This exposure principally arises from recourse for losses, receivable dilution, lack of cash control or a first priority perfected security interest, potential declines in amount of securitized asset collateral between settlement periods or other non-

standard features. Certain securitization structures give rise to contingent liquidity risk, that is, the likelihood that liquidity must be provided unexpectedly, potentially at a time when the structure is already under stress. For example, some securitizations are structured as lines of credit, secured by assets such as trade receivables, in which the sponsoring company can draw on the line in lieu of a working capital line of credit. The risks in the loan portfolio are monitored monthly by comparing performance of assets to the structured requirements. The Company manages these risks (both pre and post commencement of a position) as part of its Enterprise Risk Management function, which is described in the Company's Form 10-K.

Risk-based capital approach

The Basel III SA requires the application of the SSFA or, if not subject to the Market Risk Rule, the gross-up approach for calculating RWA for securitization exposures. The Company is subject to the Market Risk Rule and, therefore, applies the SSFA to its securitization exposures. A risk weight of 1,250% must be applied to a securitization exposure where the Company does not apply the SSFA. The Company applies 1,250% to a small portion of its exposures for which it chose not to apply the SSFA.

The SSFA requires the following inputs to calculate regulatory capital:

- *Attachment Point*: the point at which collateral losses from underlying assets backing a securitization tranche will first be applied to the tranche in the form of principal write-downs;
- *Detachment Point*: the point at which the tranche will be completely written-down as a result of losses from the collateral backing the tranche;
- *Weighted Average Capital*: the weighted average capital charge for the assets in the securitization;
- *Seriously Delinquent*: the percentage of underlying collateral that is seriously delinquent (e.g., 90+ days past due, in foreclosure, in bankruptcy); and
- *Calibration Parameter*: a parameter that increases the riskiness of a tranche for re-securitizations.

Exposure by type

The following table presents exposures receiving securitization capital treatment at September 30, 2015. The amounts below are considered traditional securitization exposures. The amount of exposures that were past due and impaired at September 30, 2015 were immaterial, and no losses were incurred on the exposures during the three months ended September 30, 2015. During the three months ended September 30, 2015, the exposure amount related to LHFI and unfunded commitments decreased $526 million and increased $673 million, respectively, while other securitization exposures did not change materially. The change during the quarter in LHFI and unfunded commitments was driven by three clients paying down on the revolving facilities as a result of executing other long-term financings.

Pursuant to the SSFA approach, the portfolio of LHFI and unfunded commitments related to LHFI shown in the table below receive a lower risk weighting, compared to loans and unfunded commitments that are not securitization exposures, as the risk is lowered as a result of low delinquency rates, overcollateralization (when compared to respective non-performing loans and net charge-offs), and subordination of cash flows in a bankruptcy remote structure. Further, most of the exposures are senior positions structured to single-A equivalent or better ratings.

($ in millions)				
Exposure Type	Exposure Amount	RWA	RWA %	RWA Method
LHFI	$2,866	$670	23	SSFA
Unfunded commitments related to LHFI	2,695	602	22	SSFA
Securities AFS	113	127	113	SSFA
Trading assets	2	30	1,250	1,250%
Total	$5,676	$1,429		

Exposure by collateral type

The following table presents LHFI and unfunded commitments exposures subject to securitization capital treatment by underlying exposure at September 30, 2015. The amounts below are considered traditional securitization exposures.

($ in millions)	Exposure Amount			
Underlying Exposure	LHFI	Unfunded Commitments	Total	RWA
Trade receivables	$1,129	$1,079	$2,208	$502
Commercial and industrial	460	943	1,403	285
Other	1,277	673	1,950	485
Total	$2,866	$2,695	$5,561	$1,272

Equities not subject to the Market Risk Rule

The Company has total equity exposures not subject to the Market Risk Rule of approximately $1.6 billion at September 30, 2015. These exposures are held primarily for strategic purposes. Equity investments include AFS equity securities (including Federal Reserve and FHLB stock), investment funds consisting of separate account BOLI and money market funds, and other equity investments classified within other assets, the majority of which are related to the Company's tax-advantaged affordable housing and other community development investments.

Non-marketable equity securities are recorded either at historical cost or using the equity method, except for investments in qualified affordable housing entities which are accounted for under the proportional amortization method when certain conditions are met. Marketable equity securities are recorded as securities AFS and measured at fair value with unrealized net gains or losses reported within AOCI in shareholders' equity. For regulatory capital purposes, net unrealized gains/losses are excluded from capital, with the exception of a portion of unrealized gains on AFS equity securities and AFS preferred stock that is classified as an equity security that may be included in Tier 2 capital. Details of the Company's accounting policy for equity investments and the valuation of financial instruments are provided in Note 1, "Significant Accounting Policies," in the Company's Form 10-K.

There was an immaterial amount of realized gains arising from the sale or liquidation of equity securities during the three months ended September 30, 2015. Total net unrealized gains on AFS equity investments recognized in accumulated other comprehensive income were immaterial at September 30, 2015.

For exposures to investment funds, the Company uses a combination of the Full Look-Through Approach and the Simple Modified Look-Through Approach to calculate RWA. Under these approaches, RWA is

calculated on the underlying exposures held by the fund as if they were held directly by the Company and, then, multiplied by the Company's proportional ownership share of the fund. For all other exposures, the Company uses the SRWA. Under the SRWA, the Company applies the regulatory prescribed risk weights to the carrying value of each equity exposure.

Equity RWA

The following table presents the exposure and RWA for equities not subject to the Market Risk Rule by risk weight at September 30, 2015.

($ in millions)		
Risk-weight category	**Exposure**	**RWA**
0% [1]	$451	$—
20% [2]	97	19
100% [3]	788	788
Look-through	264	147
Total	$1,600	$954

[1] Includes $402 million of Federal Reserve Bank of Atlanta stock.

[2] Includes $32 million of Federal Home Loan Bank of Atlanta stock.

[3] Primarily includes equity exposures to community development investments.

Amortized cost and fair value

The following table presents the amortized cost and fair value for equities not subject to the Market Risk Rule at September 30, 2015.

($ in millions)	**Amortized cost**	**Fair Value**
Publicly traded	$11	$10
Non-publicly traded	1,589	1,589
Total	$1,600	$1,599

Interest rate risk for non-trading activities

The Company provides information on its interest rate risk related to non-trading activities in its Form 10-Q in the "Market Risk from Non-Trading Activities" section.