Bank on your success™
Banking & budgeting basics
Participant workbook

TRUIST

Bank on your success:
Banking & budgeting basics

Welcome

We're happy you've made the decision to join *Banking & budgeting basics,* part of the *Bank on your success*™ program at Truist.

In this course, you'll learn key elements of banking and budgeting to help you manage your money more effectively, establish and maintain credit, and help prepare for long-term financial freedom.

In this participant workbook, you'll receive the tips and tools you need to help master this topic.

We look forward to spending this time with you, and hope you'll ask your coach any questions you have. We hope when you complete this course, you'll feel confident about making financial decisions that improve your overall well-being.

Truist Purpose

Inspire and build better lives and communities

Mission

Client
Provide distinctive, secure, and successful client experiences through touch and technology.

Teammates
Create an inclusive and energizing environment that empowers teammates to learn, grow, and have meaningful careers.

Stakeholders
Optimize long-term value for stakeholders through safe, sound, and ethical practices.

Values

Trustworthy
We serve with integrity.

Caring
Everyone and every moment matters.

One Team
Together, we can accomplish anything.

Success
When our clients win, we all win.

Happiness
Positive energy changes lives.

Agenda

In this *Banking & budgeting basics* course, you'll:

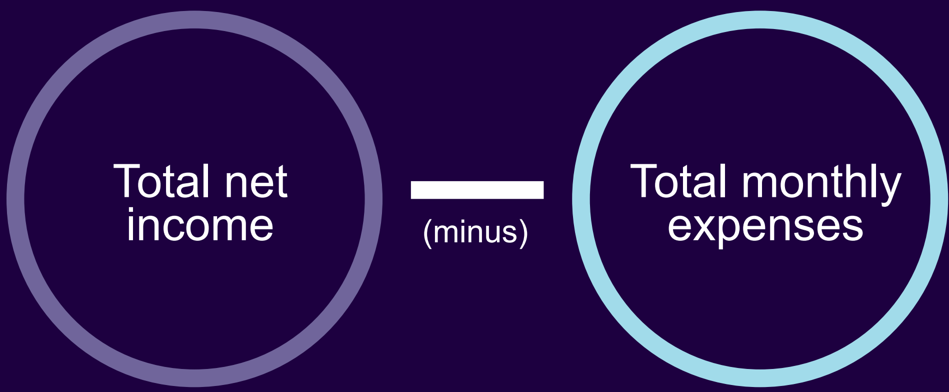
Learn the basics of banking.
Assess your budget and savings plan.
Learn how to build and repair your credit.

This course is designed to give you a basic overview of these elements and tools you can use in the future.

Tracking your expenses

	Expense type	Weekly	Monthly	Yearly
Personal + family	Day care/babysitting			
	Children's allowance			
	Child support			
	Clothing and shoes			
	Laundry/dry cleaning			
	Donations			
	Entertainment			
	Other			
	Personal + family total			
Food	Groceries & household supplies			
	Meals out			
	Other			
	Food total			
Debt payments	Auto loan			
	Credit card			
	Department store credit card			
	Student loan			
	Personal loan			
	Other			
	Debt payments total			
Household	Rent or mortgage			
	Second mortgage/home equity loan			
	Property taxes			
	Insurance			
	Homeowners association dues			
	Gas			
	Electric			
	Water			
	Trash			
	Telephone/cell phone			
	Home maintenance			
	Cable			
	Internet			
	Other			
	Household total			

Determining your disposable income



Compare your income with your expenses to determine if you're living within your means. In the spaces below, fill in your total net income and your estimated total monthly expenses.

You'll determine your "disposable income" (which is any excess or deficit) by subtracting your expenses from your income.

Total monthly net income	
Total monthly expenses	
Disposable income	

If your income is more than your expenses, how are you using the excess? Have you been saving? Or have you been making purchases that aren't in your budget?

If your expenses are more than your income, think about how you can cut your expenses to lower the deficit.

What are your financial priorities?

Section A:

There are many ways to spend your money. The following questions will help you realize what your financial priorities are.

You just won $100,000 in the lottery. How are you spending the money?

$	for
$	for
$	for
$	for
$	for

You just lost your job and need to make spending cuts in your day-to-day budget. What can go?

$	for
$	for
$	for

What are your financial priorities? (continued)

Section B:

Are you clear about the lifestyle you want? Do you have a clear vision of your future? Your money should align with your vision. Using the chart below, determine your vision for the future.

List your financial priorities. Then rank them on a scale from 1 to 5 (1 being the lowest and 5 being the highest) to determine what's most important to you. After you've ranked them, list the reason(s) for your ranking.

Financial priority

Priority ranking

Reason(s)

Setting SMART goals

It's important to create financial goals that are SMART—
Specific, Measurable, Attainable, Relevant, and Time-bound.

Let's take a look at how to define a SMART goal:

Specific — Be as specific as possible. Setting vague goals won't give you the results you want. For example, if you want to go on a vacation with your family, your goal might be "I want to go on a vacation to Orlando with my family in December." Notice how the details "to Orlando" and "in December" make the goal more specific than saying, "I want to go on a vacation."

Measurable — If you don't measure your goal, you won't know whether you've achieved it. In the example we just used, saying you want to go on vacation to Orlando in December gives you a way to measure your goal. If you go on a vacation to Orlando in December, you'll know you achieved your goal.

Attainable — It's good to work to accomplish your goals, but be careful to avoid setting goals that are too hard or impossible to achieve. In our example, you might have another goal to pay off your debt, which could mean you might not be able to go to Orlando in December. That doesn't mean your goal isn't valid. It just means you might need to adjust your timeline to another date.

Relevant — Is the goal worthwhile? Will it help you meet your financial goals or get ahead? If taking a vacation isn't a financial priority, you might want to skip it and find another goal to work toward.

Time-bound — Every goal you set should have an ending. Otherwise, you won't know when you've accomplished your goal. In our example, December is the time frame for completion.

Creating short-term and long-term financial goals

To get started on your journey toward a better financial life, set reasonable short-term and long-term goals to set yourself up for success.

Short-term goals: Goals you want to accomplish in the next six to 12 months.

Long-term goals: Goals you want to accomplish more than a year from now, but in less than 10 years. To find these goals, think about where you see yourself financially in one year. How about five years? In 10 years?

Using the spaces below, write down two long-term financial goals you want to accomplish, based on the priorities you previously outlined. Then break them down into two or three short-term goals so you have the steps to reach your long-term goals.

Long-term goal #1:
Short-term goals:
Long-term goal #2:
Short-term goals:
Long-term goal #3:
Short-term goals:

Remember—set SMART financial goals.

Long-term Goal 1

1 year

Long-term Goal 2

5 years

Long-term Goal 3

10 years

Banking basics

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How to choose a checking account that fits your needs.

At many financial institutions, you can choose from several checking account options—from everyday checking to more exclusive checking accounts with premium benefits.

To help you find a checking account, use the chart on the next page for guidance on how to compare accounts.

Note: If you already have a checking account, it's a good idea to review your options regularly to make sure your account continues to meet your changing financial needs.

If you want to learn more about Truist accounts, visit https://www.truist.com/

Which checking account is right for you? (continued)

The basics	Name of financial institution	Name of financial institution
Interest on balances		
Monthly service fee		
Branch locations		
Overdraft options (include fees)		
Other		

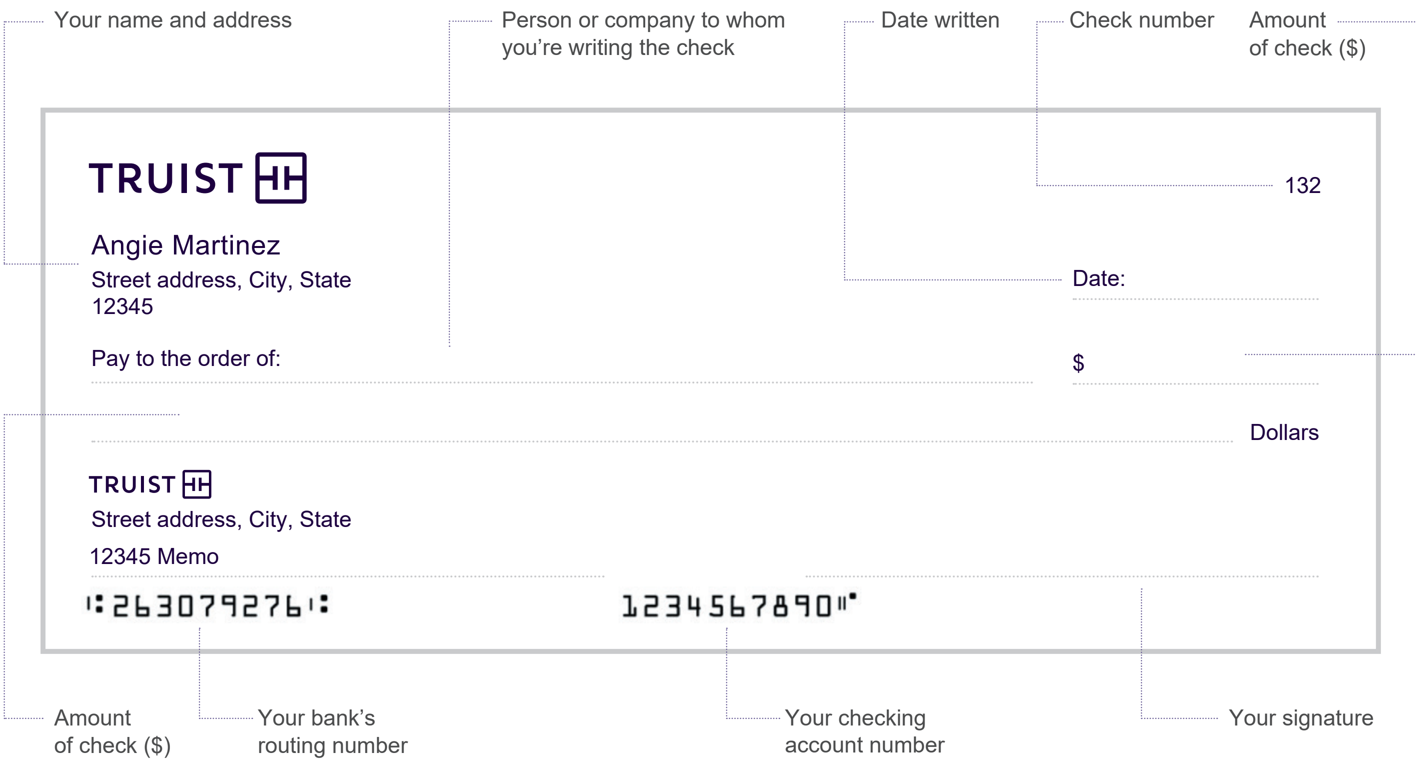
Electronic banking services		
Free online banking with bill pay service		
Email alerts (balances, transfers, payments, or deposits)		
Free mobile banking		
Mobile deposits		

Person-to-person (P2P) payments (e.g., Zelle®)		
ATM surcharge fees		

Discounts/rewards		
Debit card		
Reward program		

Unlimited free check writing		
Check costs		
Other		

Parts of a check



Important: If there is a difference between the amount spelled out on the check and the numbers written, the amount spelled out in words is used.

Overdraft Protection and Overdraft Coverage

Overdraft is a term for when withdrawals made from a checking account are more than the available funds, which then results in a negative balance. Transactions that could cause an overdraft include written checks, automatic payments or transfers, debit card purchases, or ATM withdrawals.

What's the difference between Overdraft Protection and Overdraft Coverage?

Overdraft Protection: Usually involves linking another account, like a savings account or line of credit, to your checking account. When there are insufficient funds in your checking account to pay for a transaction, funds are transferred from the linked account to cover the amount of the overdraft. Truist does not charge an Overdraft Protection fee but interest may accrue on a linked line of credit.

Overdraft Coverage: This is when the bank will consider paying for items charged to an account with insufficient funds. Covered transactions can include checks, ATM withdrawals, debit card purchases, and electronic transfers. Many financial institutions will charge a fee for each item presented for payment against an overdrawn account, with a maximum total charge per day. Overdraft fees vary by financial institution.
It's important to understand that banks don't guarantee they will pay for all items presented.

Overdraft Protection and Overdraft Coverage (continued)

What does the law say?

Unless a client opts in, financial institutions are prohibited from charging overdraft fees on electronic funds transfers that cause a consumer's account to overdraw.

Best practices to help avoid overdraft fees are:

Find a checking account that doesn't charge overdraft fees.

Keep your checking account current and your account balanced.

Track automatic deductions made from your account.

Keep extra money in your account as a cushion to cover unexpected or emergency expenses.

Use online or mobile banking, or call to check your balance, to verify the deposits made to your account are available.

Set up account alerts for when your balance drops below a certain amount.

Minimize ATM fees by using your financial institution’s ATMs whenever possible.

Banking Definitions

Banking Definitions	Explanation and example
Overdraft fee	Fee typically charged for every item paid by the bank when there are insufficient funds in the account and you've opted in to Overdraft Coverage.
Returned item fee	Is a charge that a bank imposes when it returns a check or electronic payment (such as a bill payment or ACH transfer) because there are insufficient funds in the account to cover the transaction.
Maximum number of overdraft & returned item fees	Banks typically limit the maximum number of overdraft or returned item fees each day
Negative account balance fee	Is a charge that some banks impose when your account remains overdrawn for a certain period.
Overdraft transfer fee	Typically with Overdraft Protection, funds are automatically transferred from your linked account when you have insufficient funds in your checking account to cover a purchase.
Overdraft fee threshold	Your bank may waive your overdraft fees if your account is overdrawn by less than a specific dollar amount.
Overdraft Coverage	Typically used to determine whether your transactions are paid or declined when you have insufficient funds in your account. You must opt in to this service for your bank to review your account and potentially cover your transaction when your account is overdrawn. A fee maybe charged for each transaction the bank covers on your behalf.
Funds availability	Every bank must post a *Funds Availability Policy* at each branch, and it must be available for review. This varies by financial institution. Funds from an electronic direct deposit will be available on the day the bank receives the settlement for the deposit. To review the *Funds Availability Policy* at Truist, visit Truist.com.

Source site: www.FDIC.gov

What you need to know about the FDIC

Funds deposited at an FDIC insured bank, such as Truist, are insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC was formed in 1933 and provides protection for depositors if their insured bank fails. A depositor is insured to at least $250,000 per insured bank.

Accounts generally covered at FDIC insured institutions
Checking accounts
Savings accounts
Money market deposit accounts
Certificates of deposit (CDs)

Accounts generally not covered*
Mutual funds
Money market funds
Annuities
Treasury securities
Stocks and bonds

*non-deposit investment products are not insured by the FDIC, are not obligations of, or guaranteed by, the financial institution and will subject the purchaser to investment risk, including possible loss of the principal amount invested – speak to a licensed investment specialist for more detail.

What you need to know about the FDIC (continued)

Questions:

1. Mary has a checking account at Truist with a balance of $1,000. She also has a savings account at Truist with a balance of $20,000. Are her funds insured by the FDIC?

2. John has a savings account with a balance of $12,000 and a CD worth $15,000. Are his funds insured by the FDIC?

For specific information about FDIC coverage, visit: fdic.gov/deposit/deposits.

Budgeting and savings strategies

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Three main budgeting strategies

Your budget is a map, and your buying and savings habits are directions. If you pay attention to your directions, you'll get where you're going.

1

Control your spending

2

Manage your debt

3

Save for your future

Choose a budgeting strategy

To get caught up and ahead financially, it's important to have a budgeting strategy that works for you. Your budget is like a map—and your buying and savings habits are directions. When you pay attention to those directions, you'll get where you want to go.

How much can you save?

Use the chart below to see how much you can save each month and accumulate in five years.

Savings each month for a year	Yearly savings	Total savings after five years
$10	$120	$600
$15	$180	$900
$20	$240	$1,200
$25	$300	$1,500
$30	$360	$1,800
$35	$420	$2,100
$40	$480	$2,400
$45	$540	$2,700
$50	$600	$3,000

Interest is not included in these calculations.

If you save $20 every month, how much money will you have after one year? $_______________.

After five years? $_______________.

If you save $50 every month, how much money will you have after one year? $_______________.

After five years? $_______________.

Understanding interest

When you save money, interest helps your money grow faster over time. There are two types of interest:

Simple interest: Money earned on your original deposit amount.

Compound interest: When the interest you earn is added to the original deposit amount.

Simple interest earning 1% annually:

Year	Savings at start of year	Annual interest earned	Total interest earned	Total value
1	$100	$1.00	$1.00	$101
2	$100	$1.00	$2.00	$102
3	$100	$1.00	$3.00	$103
4	$100	$1.00	$4.00	$104
5	$100	$1.00	$5.00	$105

Compound interest earning 1% annually:

Year	Savings at start of year	Annual interest earned	Total interest earned	Total value
1	$100	$1.00	$1.00	$101.00
2	$101.00	$1.00	$1.01	$102.01
3	$102.01	$1.00	$1.02	$103.03
4	$103.03	$1.00	$1.03	$104.06
5	$104.06	$1.00	$1.04	$105.10

Some savings options at most financial institutions

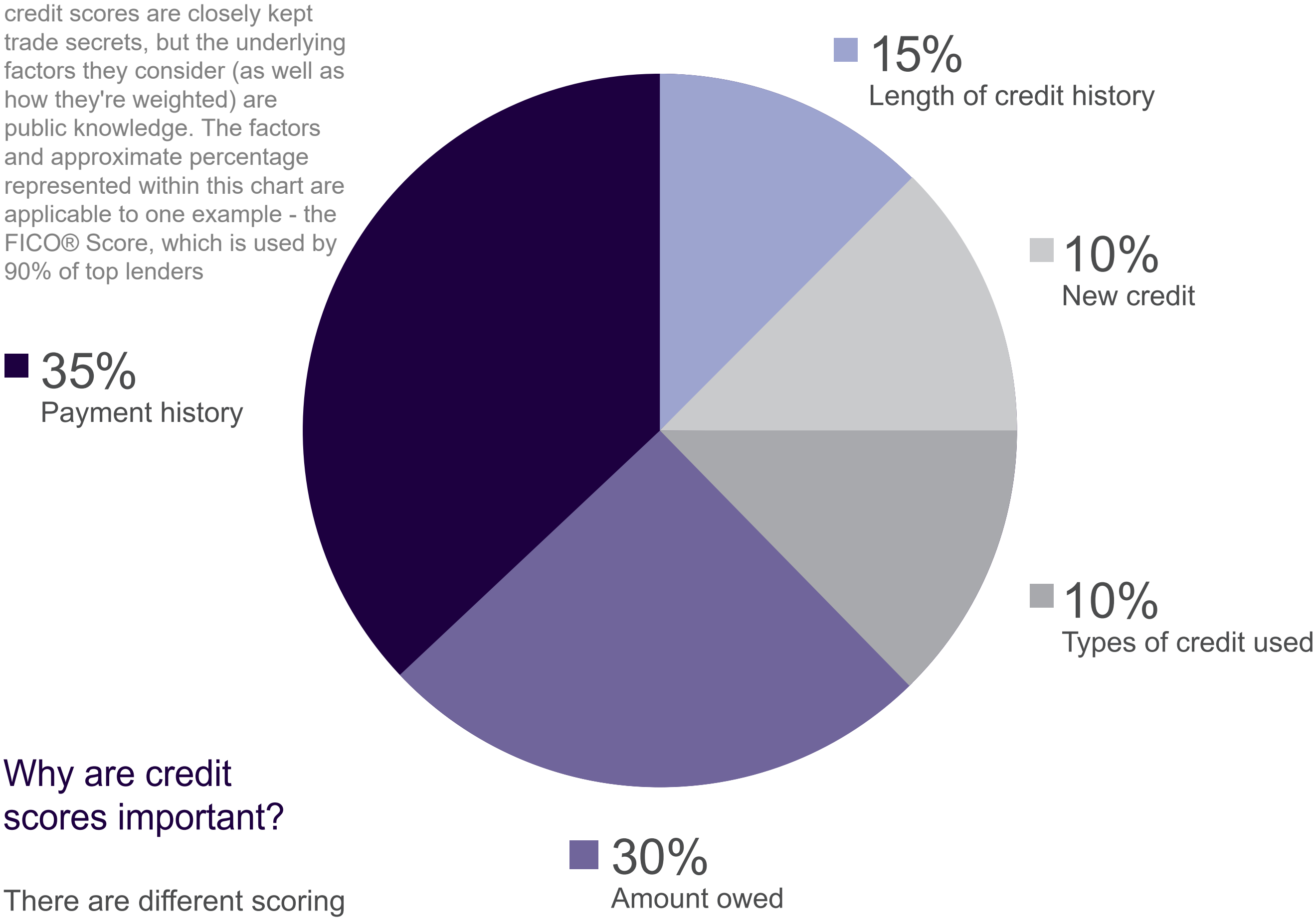
Where can your money go?

Help build and repair your credit

What's a credit score?

A credit score is a three-digit number used to represent the likelihood an individual will repay a debt over time.

The calculations that produce credit scores are closely kept trade secrets, but the underlying factors they consider (as well as how they're weighted) are public knowledge. The factors and approximate percentage represented within this chart are applicable to one example - the FICO® Score, which is used by 90% of top lenders



Why are credit scores important?

There are different scoring models, as well as other data (such as income), that are used when calculating your credit score. Typically, if you have a higher credit score, you'll receive better credit terms from a lender. That may translate into lower payments or less interest paid over the life of your loan. Here are the standard credit score ranges most lenders use:

Credit score range	Credit consideration
800 to 850	Excellent
740 to 799	Very good
670 to 739	Good
580 to 669	Fair
300 to 579	Poor

Data Source: https://www.experian.com/blogs/ask-experian/credit-education/score-basics/what-affects-your-credit-scores/#:~:text=Credit%20scoring%20systems%20comb%20and,credit%20mix%20and%20new%20credit

Your Equifax credit report is made up of:

Personal Information

Includes items such as

- your full name
- address
- Social Security number.

Credit account information

Includes information as reported to Equifax by your lenders and creditors. This information includes

- the types of accounts
- the date those accounts were opened
- your credit limit or loan amount
- current balances on the accounts
- payment history.

Inquiry information

There are two types of inquiries: “hard” and “soft.”

A hard inquiry is typically when a lender or creditor is looking to make a credit decision based on the information in your credit report.

- Multiple hard inquiries could impact your credit scores for up to two years. Hard inquiries can remain on your Equifax credit report for up to two years.

A soft inquiry may appear on your credit reports for a variety of reasons.

- A soft inquiry may appear if you're reviewing your own credit report, or a creditor reviews your credit report in connection with an existing account, or lenders/insurers obtain a credit report to provide you with pre-approved offers of credit or insurance. Employment and landlord credit checks are soft inquiries. Soft inquiries do not affect your credit scores.

Source: https://www.equifax.com/personal/education/credit/report/articles/-/learn/understanding-credit-report-history/

Bankruptcies

Includes if you’ve had one and related details about them, such as the filing date and type of bankrupcies.

Collections Accounts

This includes past-due accounts that have been turned over to a collection agency.

These can include

- your credit accounts
- accounts with doctors or hospitals
- bank accounts
- accounts at retail stores
- cable company accounts
- accounts with mobile phone providers
- any other past-due accounts turned over to a collection agency.

Collections stay on your credit report for up to 7 years from the date the account first became past due. They generally have a negative impact on your credit scores.

c

Ways to help establish and reestablish credit

Whether you're new to having credit or you've had credit issues in the past, you can establish or reestablish credit.

If you're trying to establish credit for the first time:

Consider applying for a loan or credit card.

Even if you don't qualify for a traditional unsecured credit card, you may qualify for a secured credit card, which is secured by money (collateral) in an associated checking or savings account. The reason is that often a secured card requires a specific type of savings account (i.e., one you can't touch) and that's different from your normal checking or savings account.

Consider applying with a co-signer.

Getting a co-signer is another way you could try getting your first loan or card. Your co-signer would work alongside you to take out the loan or open the credit card and sign the paperwork with you. By doing this, your co-signer agrees to be legally responsible for paying the debt if you don't pay it as agreed.

Using a co-signer with good credit might get you access to better terms than you would otherwise be offered. But heads-up: If you don't make timely payments, both your and your co-signer's credit will be negatively affected. Make sure you and your co-signer understand that you're in it together and are responsible with your use of the loan.

The key to establishing credit is patience. You must show consistency in money and credit management over a period of time. Start slowly, stay cautious, keep track of your debt—and most importantly, repay your debt on time. Over time, you can establish credit and develop a good credit record for your future.

Ways to help establish and reestablish credit (continued)

If you've experienced credit issues in the past and want to reestablish credit:

Request a copy of your credit report and fix any issues.
You're entitled to one free credit report each year through annualcreditreport.com. Review your credit report carefully and work with the credit bureaus and your lender(s) to fix any issue you find in the report.

Consider applying with a co-signer. Getting a co-signer is another way you could try getting your first loan or card. Your co-signer would work alongside you to take out the loan or open the credit card and sign the paperwork with you. By doing this, your co-signer agrees to be legally responsible for paying the debt if you don't pay it as agreed.

Using a co-signer with good credit might get you access to better terms than you would otherwise be offered. But heads-up: If you don't make timely payments, both your and your co-signer's credit will be negatively affected. Make sure you and your co-signer understand that you're in it together and are responsible with your use of the loan.

Open checking and savings accounts. These accounts are not reported on your credit file; however, most lenders will ask whether you have them (and your account balances), when you apply for a loan."

Managing Credit Utilization Credit utilization refers to the percentage of your total available credit you are using. It is typically a significant factor in determining your credit score. Consumers are generally recommended to keep their credit utilization under 30% of your total available credit.

Consider working with a reputable credit counseling agency.
A credit counseling agency can provide customized guidance to help you take the steps that will help based on your personal circumstances.

Equifax – https://www.equifax.com
Experian – https://www.experian.com
TransUnion – https://www.transunion.com

Tips for using credit responsibly

Building and maintaining credit can be challenging but rewarding. Here are some tips:

- **Paying the balance** on your account in full each month.
- Using credit cards for **convenience**, not to make ends meet.
- **Making payments** on time.
- **Review your loan** agreements so you know your terms
- **Paying more** than the minimum.
- **Staying below** your credit limit.
- **Checking your monthly statements** carefully for accuracy.
- **Reporting** a lost or stolen card immediately.

Controlling your debt

It's time to take control of your debt. In the following spaces, list all the debt you have—be as specific as possible.

Creditor	Type of loan	Current balance	Minimum monthly payment

Rank your debt below—
from the smallest balance to the largest balance.

1.
2.
3.
4.
5.
6.
7.

Can you make more than the minimum monthly payment each month on your smallest debt?

☐ Yes ☐ No

If yes, how much more will you commit to paying toward the principal on that loan? $________________.

If no, once you pay off the smallest amount of debt, move down the list to the next largest until you've paid them all off.

Benefits of paying down your debt

Why is paying down your debt so important?

1. Increased financial security. Debt keeps you from making the most of your money. What you spend on debt payments could go toward other things, such as retirement, funding a college education, or savings.

2. Life enjoyment. Many times, people can't afford the things they really want because of debt. And unfortunately, they accrue more debt to make purchases to get what they want. This creates a cycle of more debt and less disposable income. By paying down your debt, you'll have more money to do and have the things you enjoy.

3. Reduced stress. How are you going to pay your bills each month? If you have this stress, you know how overwhelming debt can be.

4. Improved credit score. As you pay down your debt, you should see your credit score improve. That could make a major purchase, like a home or car, even easier.

5. Owned assets. Until you make the last payment on your car or home, the creditor (usually a bank) owns that asset—not you. Being debt-free means you'll own the car you drive or the house you live in.

Monthly budget checkup

Each month, compare the budget you created with what you actually earned and spent during the month. After reviewing your budget, ask the following questions:

Did I meet my established goals for the month?

Is my strategy the correct one to meet these goals?

In which categories did I meet my monthly budget goals?

Where do I need to work harder in the coming month?

Commitment to save for my future

I, ____, commit to save at least $__________________________________ each month to build an emergency fund and a better financial future.

I will do this by:

- ✓ ....
- ✓ ....
- ✓ ....
- ✓ ....

Signature: ________________________________ Date: ____/____/______

Money and mindset

A resource for growing your financial
confidence and improving your well-being.

Get inspirational advice from our financial industry leaders

Check out articles, videos and tools to help you make everyday money decisions.

| **Action**: Scan the QR code to get started

Money Personality Quiz

Just answer some simple questions that will make you really think about how you handle money—and score some helpful tips.

| **Action**: Take the money personality quiz on Truist.com/moneyandmindset

Podcast: Money and Mindset with Bright and Brian

Bright Dickson, our happiness expert, and Brian Ford, our financial guru will inspire and help grow your financial confidence.

| **Action**: Listen on Truist.com/moneyandmindset or your preferred podcast player.

Money and Mindset financial newsletter

Get monthly tips and inspiration directly to your inbox.

| **Action**: Sign up to get Money and Mindset in your email inbox.

Scan code

Conclusion

We hope you've enjoyed your experience today. If you have further questions, please talk to your coach or visit your local Truist banking center.

Interested in attending or hosting other Bank on your success classes?

Here are more courses available within the Bank on your success program:

Becoming a homeowner

In this course, we'll walk through each stage of the homebuying process—from the home search to signing closing documents and managing mortgage payments.

Growing your business

This course is designed for business owners and covers critical aspects of growing a business, including how to establish credit and ways to effectively manage cash flow.

For more information about hosting a Bank on your success class or how you can participate in a class, contact your local banking center.