TRUIST

News Release

Contact:

Investors: Richard Baytosh
336.733.0732 | investors@truist.com

Aaron Reeves
336.733.2874 | investors@truist.com

Media: Thomas Crosson
470.218.9178 | media@truist.com

Truist Reports Fourth Quarter 2019 Results

Earnings of $702 million, or $0.75 per diluted share

CHARLOTTE, N.C., (JANUARY 30, 2020) — Truist Financial Corporation (NYSE: TFC) today reported earnings for the fourth quarter of 2019. Reported results for Truist reflect heritage BB&T prior to the completion of the merger and results from both BB&T and SunTrust from the merger closing date forward. The merger of equals resulting in the formation of Truist was completed on December 6, 2019.

Net income available to common shareholders was $702 million, down 6.9 percent, compared with the fourth quarter last year due to costs associated with the merger. Earnings per diluted common share were $0.75 for the fourth quarter of 2019, a decrease of 22.7 percent compared with the same period last year. Results for the fourth quarter produced an annualized return on average assets (ROA) of 0.95 percent, an annualized return on average common shareholders' equity (ROCE) of 7.33 percent, and an annualized return on tangible common shareholders' equity (ROTCE) of 12.91 percent.

Adjusted net income available to common shareholders was $1.0 billion, or $1.12 per diluted share, excluding merger-related and restructuring charges of $223 million ($176 million after-tax), incremental operating expenses related to the merger of $101 million ($79 million after-tax), securities losses of $116 million ($90 million after-tax), partially offset by the after-tax impact from the sale of residential mortgage loans of $1 million. Adjusted diluted earnings per common share increased $0.05 compared to the third quarter of 2019. Adjusted results produced an annualized ROA of 1.40 percent, an annualized ROCE of 10.84 percent and an annualized ROTCE of 18.60 percent.

"The successful completion of our merger was due to the hard work of thousands of Truist teammates and I am truly grateful for their efforts. Our integration and execution efforts are underway and going smoothly. While the fourth quarter of 2019 includes a number of costs necessary to complete the merger, our underlying performance is strong. Taxable-equivalent revenue for the fourth quarter of 2019 totaled $3.7 billion and adjusted net income was $1.0 billion," said Truist Chairman and Chief Executive Officer Kelly S. King.

"This month, we continued to hit key milestones that will bring Truist to life for our clients and teammates. We shared Truist's purpose, mission, and values, which was positively embraced by our teammates. Our purpose to inspire and build better lives and communities is the reason Truist exists and the starting point for every decision we will make," said King. "Our purpose is embedded in our visual brand identity, which was rolled out this month as well. Within our new monogram logo and colors, you can see elements that acknowledge our heritage companies and signal how we'll deliver a distinctive blend of touch and technology to build deeper trust with our clients."

Fourth Quarter 2019 Performance Highlights

- Earnings per diluted common share were $0.75
  - Adjusted diluted earnings per share were $1.12
  - ROA was 0.95 percent; adjusted ROA was 1.40 percent
  - ROCE was 7.33 percent; adjusted ROCE was 10.84 percent
  - ROTCE was 12.91 percent; adjusted ROTCE was 18.60 percent

- Completed merger of equals on December 6, 2019
  - Merged loans of $154.0 billion, net of $4.5 billion mark
  - Merged deposits of $170.7 billion, including an $83 million mark for time deposits
  - Assumed long-term debt of $19.5 billion, including a $309 million mark
  - Recorded core deposit and other intangibles of $2.5 billion

- Restructured balance sheet to enhance credit quality and improve liquidity, interest-sensitivity and return on capital
  - Sold $33.2 billion of lower yielding securities to improve yield and lower premium amortization risk
  - Transferred $17.9 billion of securities from HTM to AFS in response to changes in regulatory capital rules
  - Maintained more than $10 billion in excess reserve balances for stronger liquidity and to meet LCR requirements under the new tailoring rule as a Category III Bank
  - Identified $4.2 billion of lending exposures to sell to reduce credit and interest-rate risk

- Taxable-equivalent revenue was $3.7 billion for the fourth quarter of 2019
  - Fee income ratio was 38.6 percent, compared to 42.0 percent for fourth quarter 2018
  - Net interest margin was 3.41 percent, up four basis points from the third quarter of 2019
  - Core net interest margin was 3.14 percent, down 15 basis points from the third quarter of 2019

- Noninterest expense was $2.6 billion for the fourth quarter of 2019
  - Noninterest expense includes $223 million of merger-related and restructuring charges and $101 million of incremental operating expenses related to the merger
  - GAAP efficiency ratio was 71.0 percent, compared to 60.7 percent for fourth quarter 2018
  - Adjusted efficiency ratio was 57.5 percent, compared to 56.5 percent for fourth quarter 2018

- Asset quality remains strong; economic and political uncertainty presents risk
  - Nonperforming assets were 0.14 percent of total assets; ratio benefited from pooled basis of accounting for PCI loans
  - Loans 90 days or more past due and still accruing were 0.66 percent of loans held for investment, up from 0.27 percent for the prior quarter
  - Excluding government guaranteed loans and PCI loans, loans 90 days or more past due and still accruing were 0.03 percent of loans held for investment
  - Net charge-offs were 0.40 percent of average loans and leases, down one basis point compared to the prior quarter
  - The allowance for loan and lease losses was 0.52 percent of loans and leases held for investment; merged loans were recorded at fair value with no initial allowance
  - The allowance for loan loss coverage ratio was 3.41 times nonperforming loans and leases held for investment, versus 3.52 times in the prior quarter

- Capital levels remained strong compared to regulatory levels for well capitalized banks
  - Common equity tier 1 to risk-weighted assets was 9.4 percent
  - Tier 1 risk-based capital was 10.8 percent
  - Total capital was 12.6 percent

EARNINGS HIGHLIGHTS

(dollars in millions, except per share data)	4Q19	3Q19	4Q18	Change 4Q19 vs. 3Q19	Change 4Q19 vs. 4Q18
Net income available to common shareholders	$ 702	$ 735	$ 754	$ (33)	$ (52)
Diluted earnings per common share	0.75	0.95	0.97	(0.20)	(0.22)
Net interest income - taxable equivalent	$ 2,252	$ 1,723	$ 1,729	$ 529	$ 523
Noninterest income	1,398	1,303	1,235	95	163
Total taxable-equivalent revenue	$ 3,650	$ 3,026	$ 2,964	$ 624	$ 686
Less taxable-equivalent adjustment	25	23	24		
Total revenue	$ 3,625	$ 3,003	$ 2,940		
Return on average assets	0.95 %	1.41 %	1.43 %	(0.46)%	(0.48)%
Return on average risk-weighted assets (current quarter is preliminary)	1.02	1.75	1.77	(0.73)	(0.75)
Return on average common shareholders' equity	7.33	10.04	11.14	(2.71)	(3.81)
Return on average tangible common shareholders' equity (1)	12.91	16.03	18.77	(3.12)	(5.86)
Net interest margin - taxable equivalent	3.41	3.37	3.49	0.04	(0.08)

(1) Excludes certain items as detailed in the non-GAAP reconciliations in the Quarterly Performance Summary.

Fourth Quarter 2019 compared to Third Quarter 2019

Total taxable-equivalent revenue was $3.7 billion for the fourth quarter of 2019, an increase of $624 million compared to the prior quarter, driven by an increase of $529 million in net interest income and an increase of $95 million in noninterest income.

The net interest margin was 3.41 percent for the fourth quarter, up four basis points compared to the prior quarter. Average earning assets increased $59.7 billion, which primarily reflects a $41.6 billion increase in average total loans and leases and an $11.8 billion increase in average securities. Average interest earning trading assets and other earning assets increased $6.3 billion due to higher trading securities and interest-bearing balances at the Federal Reserve. Average interest-bearing liabilities increased $47.2 billion, driven by an increase of $36.7 billion in average interest-bearing deposits, an increase of $7.3 billion in average long-term debt and an increase of $3.2 billion in short-term borrowings. The increases in the balances were primarily due to the merger.

The yield on the total loan portfolio for the fourth quarter was 4.91 percent, down seven basis points compared to the prior quarter, primarily due to the impact on variable rate loans from the decrease in short-term rates, partially offset by the accretion of the fair value mark on the merged loans. The yield on the average securities portfolio for the fourth quarter was 2.65 percent, up five basis points compared to the prior quarter, primarily due to the October portfolio restructuring.

The average cost of total deposits was 0.57 percent, down ten basis points compared to the prior quarter. The average cost of interest-bearing deposits was 0.82 percent, down 17 basis points compared to the prior quarter. The average rate on long-term debt was 2.92 percent, down 50 basis points compared to the prior quarter. The average rate on short-term borrowings was 2.15 percent, down 40 basis points compared to the prior quarter. The decreases in rates on deposits and other funding was largely attributable to the declines in the fed funds and LIBOR rates. The decrease in the rates on long-term debt also reflect the amortization of the fair value mark on the assumed debt.

The provision for credit losses was $171 million, and net charge-offs were $192 million for the fourth quarter, compared to $117 million and $153 million, respectively, for the prior quarter. The increase in the provision for credit losses was primarily due to higher net charge-offs in the current quarter and an increase in the provision for unfunded commitments.

Noninterest income was $1.4 billion, an increase of $95 million compared to the prior quarter. Excluding the securities losses of $116 million and $22 million of losses recognized from the transfer of mortgage loans to held for sale, noninterest income increased $233 million. Approximately $217 million of the variance is due to the contribution from the merger, with the remaining variance due to a seasonal increase in insurance income of $22 million.

Noninterest expense was $2.6 billion for the fourth quarter, up $735 million compared to the prior quarter. Noninterest expense increased $189 million for merger-related and restructuring charges, including $169 million primarily related to the merger and $20 million related to the decision to exit a business, and an increase of $49 million for incremental operating expenses related to the merger. Excluding these items, noninterest expense was up $497 million, of which approximately $400 million of the variance was due to noninterest expenses from the merged operations.

Personnel expense increased $304 million compared to the prior quarter. The increase primarily includes a $227 million impact for personnel expenses of the merged operations, a $41 million increase in incremental operating expenses related to the merger, and a $42 million increase in production-based and other incentives. Amortization of intangibles increased $42 million due to the new intangibles created in the merger.

The provision for income taxes was $153 million for the fourth quarter, compared to $218 million for the prior quarter. The effective tax rate for the fourth quarter was 17.4 percent, compared to 20.8 percent for the prior quarter. The decrease in the effective tax rate was primarily due to an increase in the realization of income tax credits and a decrease in earnings during the current quarter.

Fourth Quarter 2019 compared to Fourth Quarter 2018

Total taxable-equivalent revenues were $3.7 billion for the fourth quarter of 2019, an increase of $686 million compared to the earlier quarter, which reflects an increase of $523 million in taxable-equivalent net interest income and an increase of $163 million in noninterest income.

Net interest margin was 3.41 percent, down eight basis points compared to the earlier quarter. Average earning assets increased $65.9 billion. The increase in average earning assets reflects a $45.2 billion increase in average total loans and leases and a $14.1 billion increase in average securities. Average interest earning trading assets and other earning assets increased $6.6 billion due to higher trading securities and interest-bearing balances at the Federal Reserve. Average interest-bearing liabilities increased $53.0 billion compared to the earlier quarter. Average interest-bearing deposits increased $42.1 billion, average long-term debt increased $6.4 billion and average short-term borrowings increased $4.5 billion. The yield on the total loan portfolio for the fourth quarter of 2019 was 4.91 percent, down five basis points compared to the earlier quarter, reflecting the impact of rate decreases, partially offset by the accretion from the merged loans. The yield on the average securities portfolio was 2.65 percent, up 12 basis points compared to the earlier period.

The average cost of total deposits was 0.57 percent, up five basis points compared to the earlier quarter. The average cost of interest-bearing deposits was 0.82 percent, up four basis points compared to the earlier quarter. The average rate on short-term borrowings was 2.15 percent, down three basis points compared to the earlier quarter. The average rate on long-term debt was 2.92 percent, down 27 basis points compared to the earlier quarter. The lower rates on long-term debt also reflect the amortization of the fair value mark on the assumed debt.

The provision for credit losses was $171 million, compared to $146 million for the earlier quarter. The increase in the provision for credit losses was primarily due to higher net-charge offs, partially offset by the residential mortgage loan sale in the current quarter. Net charge-offs for the fourth quarter of 2019 totaled $192 million compared to $143 million in the earlier quarter.

Noninterest income for the fourth quarter of 2019 increased $163 million compared to the earlier quarter. Excluding the net change in securities losses of $118 million and $22 million of losses recognized from the transfer of mortgage loans to held for sale, noninterest income increased $303 million. Approximately $217 million of the variance is due to the contribution from the merger. Insurance income increased $22 million due to higher production. The remaining increase is due to $42 million in income related to assets for certain post-employment benefits, which is offset by higher personnel expense, and other sundry items.

Noninterest expense for the fourth quarter of 2019 was up $791 million compared to the earlier quarter. Merger-related and restructuring charges and other incremental operating expenses related to the merger increased $147 million and $101 million, respectively. Excluding these charges, noninterest expense was up $543 million. Approximately $400 million of the remaining variance was the result of noninterest expenses associated with the merged operations.

Personnel expense increased $369 million compared to the earlier quarter. The increase is largely attributable to a $227 million impact from the merged operations, an $80 million increase in incremental operating expenses related to the merger, a $40 million increase for certain post-employment benefits that are offset by higher noninterest income, and a $29 million increase in production-based and other incentives. Amortization of intangibles increased $37 million, primarily due to the new intangibles created in the merger.

The provision for income taxes was $153 million for the fourth quarter of 2019, compared to $205 million for the earlier quarter. This produced an effective tax rate for the fourth quarter of 2019 of 17.4 percent, compared to 20.3 percent for the earlier quarter. The decrease in the effective tax rate was primarily due to an increase in the realization of income tax credits and a decrease in earnings during the current quarter.

LOANS AND LEASES - End of Period

(dollars in millions)	Dec. 31 2019	Sept. 30 2019	Change
Commercial:			
Commercial and industrial	$ 130,180	$ 64,324	$ 65,856
CRE	26,832	17,080	9,752
Commercial construction	6,205	3,804	2,401
Lease financing	6,122	2,356	3,766
Total commercial	169,339	87,564	81,775
Consumer:			
Residential mortgage	52,071	28,297	23,774
Residential home equity and direct	27,044	11,646	15,398
Indirect auto	24,442	11,871	12,571
Indirect other	11,100	6,590	4,510
Student	6,743	—	6,743
Total retail	121,400	58,404	62,996
Credit card	5,619	3,058	2,561
PCI	3,484	387	3,097
Total loans and leases held for investment	$ 299,842	$ 149,413	$ 150,429

Total loans held for investment were $299.8 billion as of December 31, 2019, compared to $149.4 billion as of September 30, 2019. The merger contributed $154.0 billion of loans held for investment.

Management undertook a number of strategic actions to enhance credit quality and interest-rate sensitivity. This includes transferring $1.4 billion of commercial exposures, of which $516 million were funded, to held for sale in order to enhance credit quality. There were also approximately $2.5 billion of residential mortgage loans transferred to held for sale, of which $1.1 billion remains in held for sale as of December 31, 2019. In addition, $356 million of commercial loans were transferred to held for sale as a result of a decision to exit a business and $381 million of loans were transferred to held for sale for the branch divestiture.

Average loans held for investment for the fourth quarter of 2019 were $190.2 billion, up $41.6 billion compared to the third quarter of 2019, primarily due to the merged loans. The discussion below only highlights those portfolios where underlying performance was a meaningful driver of the variance.

Average commercial and industrial loans increased $18.1 billion, with the merged portfolio contributing $18.3 billion of the growth. Excluding the impact of the merged portfolio, commercial and industrial loans declined slightly compared to the prior quarter, as strong growth in mortgage warehouse lending, premium finance and equipment finance were more than offset by paydowns in the corporate banking portfolio.

Average residential mortgage loans held for investment increased $6.4 billion, primarily due to $7.3 billion of the growth from the merged portfolio, partially offset by a decline due to the transfer of loans to held for sale and a higher proportion of loan originations being sold rather than retained in the portfolio.

Average indirect auto loans increased $3.6 billion over the prior quarter, driven by $3.3 billion of the growth from the merged portfolio and $257 million of core portfolio growth.

DEPOSITS - End of Period

(dollars in millions)	Dec. 31 2019	Sept. 30 2019	Change
Noninterest-bearing deposits	$ 92,405	$ 52,667	$ 39,738
Interest checking	85,492	27,723	57,769
Money market and savings	120,934	64,454	56,480
Time deposits	35,896	16,526	19,370
Foreign office deposits - interest-bearing	—	910	(910)
Total deposits	$ 334,727	$ 162,280	$ 172,447

Total deposits were $334.7 billion as of December 31, 2019, compared to $162.3 billion as of September 30, 2019. The merger contributed $170.7 billion of deposits. Average deposits for the fourth quarter were $210.7 billion, up $48.7 billion compared to the prior quarter, primarily due to the merged deposits. Noninterest-bearing deposits represented 27.6 percent of total deposits as of December 31, 2019, compared to 30.6 percent of total average deposits for the fourth quarter. The cost of average total deposits was 0.57 percent for the fourth quarter, down ten basis points compared to the prior quarter. The cost of average interest-bearing deposits was 0.82 percent for the fourth quarter, down 17 basis points compared to the prior quarter.

SEGMENT RESULTS

(dollars in millions)				Change 4Q19 vs.	
Segment Net Income	4Q19	3Q19	4Q18	3Q19	4Q18
Consumer Banking and Wealth	$ 425	$ 454	$ 384	$ (29)	$ 41
Corporate and Commercial Banking	557	450	421	107	136
Insurance Holdings	59	61	77	(2)	(18)
Other, Treasury & Corporate	(315)	(137)	(77)	(178)	(238)
Total net income	$ 726	$ 828	$ 805	$ (102)	$ (79)

Effective December 2019, segments were realigned in connection with the SunTrust merger. Results for prior periods have been revised to reflect the new structure.

Fourth Quarter 2019 compared to Third Quarter 2019

Consumer Banking and Wealth ("CB&W")

CB&W serves individuals and small business clients by offering a variety of loan and deposit products, payment services, bankcard products and other financial services by connecting clients to a wide range of financial products and services. CB&W includes Dealer Retail Services, which originates loans on an indirect basis to individuals for the purchase of automobiles, boats and recreational vehicles. Additionally, CB&W includes National Consumer Finance & Payments, which provides a comprehensive set of technology-enabled lending solutions to individuals and small businesses through several national channels, as well as merchant services and payment processing solutions to business clients. CB&W also includes Mortgage Banking, which offers residential mortgage products nationally through its retail and correspondent channels, the internet and by telephone. These products are either sold in the secondary market, primarily with servicing rights retained, or held in the Company's loan portfolio. Mortgage Banking also services loans for other investors, in addition to loans held in the Company's loan portfolio. Mortgage Banking also includes Mortgage Warehouse Lending, which provides short-term lending solutions to finance first-lien residential mortgage LHFS by independent mortgage companies. Wealth delivers investment management, financial planning, banking, fiduciary services and related solutions to institutions, affluent and high net worth individuals and families, with financial expertise and industry-specific insights in the medical, legal, sports and entertainment industries.

CB&W net income was $425 million for the fourth quarter of 2019, a decrease of $29 million compared to the prior quarter. Segment net interest income increased $319 million. Noninterest income increased $72 million. The allocated provision for credit losses increased $30 million primarily due to seasonally higher net charge-offs. Noninterest expense increased $399 million primarily due to operating expenses and amortization of intangibles related to the merger, and higher merger-related charges in the current quarter.

Loans and leases were up $74.6 billion at December 31, 2019, compared to the prior quarter, primarily due to the merger, partially offset by the transfer of residential mortgage loans to held for sale. Total deposits were up $111.3 billion at December 31, 2019, compared to the prior quarter, primarily due to the merger.

Corporate and Commercial Banking ("C&CB")

C&CB serves large, medium and small business clients by offering a variety of loan and deposit products and connecting clients to the combined organization's broad array of financial services. C&CB includes Corporate and Investment Banking, which delivers a comprehensive range of strategic advisory, capital raising, risk management, financing, liquidity and investment solutions to both public and private companies in the C&CB segment and Wealth. Additionally, C&CB includes Commercial Community Banking, which offers an array of traditional banking products, including lending, cash management and investment banking to commercial clients via CIB. C&CB also includes Commercial Real Estate, which provides a range of credit and deposit services as well as fee-based product offerings to privately held developers, operators, and investors in commercial real estate properties. C&CB also includes Grandbridge Real Estate Capital, which is a fully integrated commercial mortgage banking company that originates commercial and multi-family real estate loans, services loan portfolios and provides asset and portfolio management as well as real estate brokerage services. Treasury Solutions, within C&CB, provides business clients across the organization with services required to manage their payments and receipts, combined with the ability to manage and optimize their deposits across all aspects of their business.

C&CB net income was $557 million for the fourth quarter of 2019, an increase of $107 million compared to the prior quarter. Segment net interest income increased $196 million. Noninterest income increased $140 million. Noninterest expense increased $222 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Loans and leases were up $76.3 billion at December 31, 2019, compared to the prior quarter, primarily due to the merger. Total deposits were up $57.7 billion at December 31, 2019, compared to the prior quarter, primarily due to the merger.

Insurance Holdings ("IH")

Truist’s IH segment is one of the largest insurance agency / brokerage networks in the world, providing property and casualty, employee benefits and life insurance to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance. In addition, IH includes commercial and retail insurance premium finance.

IH net income was $59 million for the fourth quarter of 2019, a decrease of $2 million compared to the prior quarter. Noninterest income increased $45 million primarily due to seasonality. Noninterest expense increased $46 million primarily due to seasonally higher performance-based incentives and restructuring expense in the current quarter.

Other, Treasury & Corporate ("OT&C")

Net income in OT&C can vary due to the changing needs of the Corporation, including the size of the investment portfolio, the need for wholesale funding and variability associated with derivatives used to hedge the balance sheet.

OT&C generated a net loss of $315 million for the fourth quarter of 2019, compared to a net loss of $137 million for the prior quarter. Segment net interest income increased $13 million. Noninterest income decreased $162 million primarily due to losses on the sale of securities during the current quarter. The allocated provision for credit losses increased $21 million primarily due to the provision for unfunded commitments. Noninterest expense increased $68 million primarily due to operating expenses related to the merger, and higher merger-related charges. The benefit for income taxes increased primarily due to higher pre-tax losses in the current quarter.

Fourth Quarter 2019 compared to Fourth Quarter 2018

Consumer Banking and Wealth

CB&W net income was $425 million for the fourth quarter of 2019, an increase of $41 million compared to the earlier quarter. Segment net interest income increased $369 million. Noninterest income increased

$102 million, primarily driven by the merger. Noninterest expense increased $427 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Corporate and Commercial Banking

C&CB net income was $557 million for the fourth quarter of 2019, an increase of $136 million compared to the earlier quarter. Segment net interest income increased $186 million. Noninterest income increased $145 million compared to the earlier quarter. Noninterest expense increased $204 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Insurance Holdings

IH net income was $59 million for the fourth quarter of 2019, a decrease of $18 million compared to the earlier quarter. Noninterest income increased $40 million primarily due to higher production. Noninterest expense increased $66 million primarily due to commissions on higher production and restructuring expense in the current quarter.

Other, Treasury & Corporate

OT&C generated a net loss of $315 million in the fourth quarter of 2019, compared to a net loss of $77 million in the earlier quarter. Segment net interest income decreased $38 million primarily due to increases in the net credit for funds provided to other operating segments and rates on long-term debt. Noninterest income decreased $124 million primarily due to losses on the sale of securities during the current quarter. The allocated provision for credit losses increased $31 million primarily due to the provision for unfunded commitments. Noninterest expense increased $94 million primarily due to operating expenses related to the merger and higher merger-related charges. The benefit for income taxes increased $49 million primarily due to a higher pre-tax loss.

CAPITAL RATIOS	4Q19	3Q19	2Q19	1Q19	4Q18
Risk-based:	(preliminary)				
Common equity Tier 1	9.4 %	10.6 %	10.4 %	10.3 %	10.2 %
Tier 1	10.8	12.2	12.0	12.0	11.8
Total	12.6	14.8	14.2	14.2	13.8
Leverage (1)	14.7	10.3	10.2	10.1	9.9
Supplementary leverage (2)	7.9	NA	NA	NA	NA

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the result for the fourth quarter of 2019. The estimated leverage ratio using a full quarterly average tangible assets was 9.3 percent.

(2) Truist became subject to the supplementary leverage ratio as of January 1, 2020. The above measure is the current estimate based on a full quarter of average tangible assets in the denominator.

Capital ratios declined due to the merger, but remain strong compared to the regulatory levels for well capitalized banks at December 31, 2019. Truist declared common dividends of $0.450 per share during the fourth quarter of 2019. The dividend and total payout ratios for the fourth quarter of 2019 were 49.1 percent. As previously communicated, Truist suspended its share repurchase program until capital ratios return to higher levels.

Truist's average modified liquidity coverage ratio was approximately 165 percent for the three months ended December 31, 2019, compared to the regulatory minimum of 100 percent. The higher liquidity coverage ratio was due to adding additional liquidity to prepare for the merger. In addition, the liquid asset buffer, which is defined as high quality unencumbered liquid assets as a percentage of total assets, was 16.5 percent at December 31, 2019.

ASSET QUALITY

(dollars in millions)	4Q19	3Q19	2Q19	1Q19	4Q18
Total nonperforming assets	$ 684	$ 509	$ 523	$ 584	$ 585
Total performing TDRs	980	1,057	1,070	1,130	1,119
Total loans 90 days past due and still accruing	1,994	403	407	431	462
Total loans 30-89 days past due	2,213	992	1,016	948	1,044
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.15 %	0.30 %	0.30 %	0.35 %	0.35 %
Nonperforming assets as a percentage of total assets	0.14	0.22	0.23	0.26	0.26
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.74	0.66	0.67	0.64	0.70
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.66	0.27	0.27	0.29	0.31
Loans 90 days or more past due and still accruing as a percentage of loans and leases, excluding government guaranteed and PCI	0.03	0.04	0.04	0.04	0.04
Allowance for loan and lease losses as a percentage of loans and leases held for investment	0.52	1.05	1.05	1.05	1.05
Net charge-offs as a percentage of average loans and leases, annualized	0.40	0.41	0.38	0.40	0.38
Ratio of allowance for loan and lease losses to net charge-offs, annualized	2.03x	2.59x	2.80x	2.62x	2.76x
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	3.41x	3.52x	3.46x	2.97x	2.99x

Nonperforming assets totaled $684 million at December 31, 2019, up $175 million compared to September 30, 2019. This includes nonperforming assets from the merger of $107 million of loans held for sale, $63 million of loans and leases held for investment and $63 million in other nonperforming assets. Nonperforming loans and leases held for investment represented 0.15 percent of loans and leases held for investment, down 15 basis points compared to September 30, 2019. The decline is primarily due to the impact of the merged nonperforming loans being accounted for on a pooled basis in PCI and the sale of $69 million of nonperforming mortgage loans. Upon adoption of CECL and the transition from pooled level accounting for PCI, nonperforming loans will be determined based on the individual loan level and aggregated for reporting. There are approximately $500 million of PCI loans that would be classified as nonperforming as of December 31, 2019.

Performing TDRs were down $77 million during the fourth quarter primarily in residential mortgage loans due to the previously discussed sale, which was partially offset by an increase in commercial construction loans.

Loans 90 days or more past due and still accruing totaled $2.0 billion at December 31, 2019, up $1.6 billion compared to the prior quarter. This increase is a result of merged loans, including $1.2 billion of PCI loans, $193 million of government guaranteed residential mortgages and $187 million of government guaranteed student loans. The ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.66 percent at December 31, 2019, an increase of 39 basis points from the prior quarter. Excluding government guaranteed and PCI loans, the ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.03 percent at December 31, 2019, down from 0.04 percent at September 30, 2019.

Loans 30-89 days past due and still accruing totaled $2.2 billion at December 31, 2019, up $1.2 billion compared to the prior quarter, primarily due to the merged portfolio, which added $1.2 billion. The ratio of loans 30-89 days or more past due and still accruing as a percentage of loans and leases was 0.74 percent at December 31, 2019, an increase of eight basis points from the prior quarter. The primary driver of the increase is the addition of the merged guaranteed student loan portfolio.

Net charge-offs during the fourth quarter totaled $192 million, up $39 million compared to the prior quarter. As a percentage of average loans and leases, annualized net charge-offs were 0.40 percent, down one basis point compared to the prior quarter.

The allowance for loan and lease losses, excluding the allowance for PCI loans, was $1.5 billion, down $24 million compared to the prior quarter. The decrease in the allowance for loan and lease losses was primarily due to the sale of residential mortgage loans during the fourth quarter. As of December 31, 2019, the total allowance for loan and lease losses was 0.52 percent of loans and leases held for investment. All of the merged loans were marked to fair value as of December 6, 2019 and therefore, there is no allowance related to these loans. Upon the adoption of CECL, an allowance will be established for all loans held for investment, with the portion related to non-PCI loans and leases charged to retained earnings.

The allowance for loan and lease losses was 3.41 times nonperforming loans and leases held for investment, compared to 3.52 times at September 30, 2019. At December 31, 2019, the allowance for loan and lease losses was 2.03 times annualized net charge-offs, compared to 2.59 times at September 30, 2019.

Earnings Presentation and Quarterly Performance Summary

To listen to Truist's live fourth quarter 2019 earnings conference call at 8 a.m. ET today, please call 866-519-2796 and enter the participant code 892418. A presentation will be used during the earnings conference call and is available on our website at https://ir.truist.com/events-and-presentation. Replays of the conference call will be available for 30 days by dialing 888-203-1112 (access code 6759252).

The presentation, including an appendix reconciling non-GAAP disclosures, and Truist's Fourth Quarter 2019 Quarterly Performance Summary, which contains detailed financial schedules, is available at https://ir.truist.com/earnings.

About Truist
Truist Financial Corporation is a purpose-driven financial services company committed to inspire and build better lives and communities. With 275 years of combined BB&T and SunTrust history, Truist serves approximately 10 million households with leading market share in many high-growth markets in the country. The company offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending and wealth management. Headquartered in Charlotte, North Carolina, Truist is the sixth-largest commercial bank in the U.S. with total assets of $473 billion as of December 31, 2019. Truist Bank, Member FDIC. Learn more at Truist.com.

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Capital ratios and return on risk-weighted assets are preliminary.

This news release contains financial information and performance measures determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Truist's management uses these "non-GAAP" measures in their analysis of the Corporation's performance and the efficiency of its operations. Management believes these non-GAAP measures provide a greater understanding of ongoing operations, enhance comparability of results with prior periods and demonstrate the effects of significant items in the current period. The Corporation believes a meaningful analysis of its financial performance requires an understanding of the factors underlying that performance. Truist's management believes investors may find these non-GAAP financial measures useful. These disclosures should not be viewed as a substitute for financial measures determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies. Below is a listing of the types of non-GAAP measures used in this news release:

- *The adjusted efficiency ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk and believes investors may find them useful in their analysis of the Corporation.*
- *Core net interest margin is a non-GAAP measure that adjusts net interest margin to exclude the impact of purchase accounting. The purchase accounting marks and related amortization for a) securities acquired from the FDIC in the Colonial Bank acquisition and b) loans, deposits and long-term debt from SunTrust, Susquehanna and National Penn are excluded to approximate their yields at the pre-merger and acquisition rates. Interest income for PCI loans adjusts the accretion, net of interest reversals, which approximates the interest received from the client. Truist's management believes the adjustments to the calculation of net interest margin for certain assets and liabilities acquired provide investors with useful information related to the performance of Truist's earning assets.*
- *The adjusted diluted earnings per share is non-GAAP in that it excludes merger-related and restructuring charges and other selected items, net of tax. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *The adjusted operating leverage ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *The adjusted performance ratios are non-GAAP in that they exclude merger-related and restructuring charges, selected items and, in the case of return on average tangible common shareholders' equity, amortization of intangible assets. Truist's management uses these measures in their analysis of the Corporation's performance. Truist's management believes these measures provide a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*

A reconciliation of these non-GAAP measures to the most directly comparable GAAP measure is included in the appendix to Truist's Fourth Quarter 2019 Earnings Presentation, which is available at https://ir.truist.com/earnings.

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, regarding the financial condition, results of operations, business plans and the future performance of Truist. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should," “would," "could" and other similar expressions are intended to identify these forward-looking statements.

Forward-looking statements are not based on historical facts but instead represent management's expectations and assumptions regarding Truist's business, the economy and other future conditions. Such statements involve inherent uncertainties, risks and changes in circumstances that are difficult to predict. As such, Truist’s actual results may differ materially from those contemplated by forward-looking statements. While there can be no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those contemplated by forward-looking statements include the following, without limitation, as well as the risks and uncertainties more fully discussed under Item 1A-Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2018 and in Truist's subsequent filings with the Securities and Exchange Commission:

- *risks and uncertainties relating to the merger of BB&T and SunTrust, including the ability to successfully integrate the companies or to realize the anticipated benefits of the merger;*
- *expenses relating to the merger and integration of BB&T and SunTrust;*
- *deposit attrition, customer loss or revenue loss following completed mergers or acquisitions may be greater than anticipated;*
- *changes in the interest rate environment, including the replacement of LIBOR as an interest rate benchmark, that could adversely affect Truist’s revenue and expenses, the value of assets and obligations, and the availability and cost of capital, cash flows, and liquidity;*
- *volatility in mortgage production and servicing revenues, and changes in carrying values of Truist’s servicing assets and mortgages held for sale due to changes in interest rates;*
- *management’s ability to effectively manage credit risk;*
- *inability to access short-term funding or liquidity;*
- *loss of customer deposits, which could increase Truist’s funding costs;*
- *changes in Truist’s credit ratings, which could increase the cost of funding or limit access to capital markets;*
- *additional capital and liquidity requirements that will result from the merger of BB&T and SunTrust;*

- *regulatory matters, litigation or other legal actions, which may result in, among other things, costs, fines, penalties, restrictions on Truist's business activities, reputational harm, or other adverse consequences;*
- *risks related to originating and selling mortgages, including repurchase and indemnity demands from purchasers related to representations and warranties on loans sold, which could result in an increase in the amount of losses for loan repurchases;*
- *failure to execute on strategic or operational plans, including the ability to successfully complete and/or integrate mergers and acquisitions;*
- *risks relating to Truist's role as a servicer of loans, including an increase in the scope or costs of the services Truist is required to perform without any corresponding increase in Truist's servicing fee, or a breach of Truist's obligations as servicer;*
- *negative public opinion, which could damage Truist's reputation;*
- *increased scrutiny regarding Truist's consumer sales practices, training practices, incentive compensation design and governance;*
- *competition from new or existing competitors, including increased competition from products and services offered by non-bank financial technology companies, may reduce Truist's customer base, cause Truist to lower prices for its products and services in order to maintain market share or otherwise adversely impact Truist's businesses or results of operations;*
- *Truist's ability to introduce new products and services in response to industry trends or developments in technology that achieve market acceptance and regulatory approval;*
- *Truist's success depends on the expertise of key personnel, and if these individuals leave or change their roles without effective replacements, which could be exacerbated as Truist continues to integrate the executive management teams of BB&T and SunTrust, or if we are unable to hire and retain qualified personnel, Truist's operations and integration activities could be adversely impacted;*
- *legislative, regulatory or accounting changes may adversely affect the businesses in which Truist is engaged;*
- *evolving regulatory standards, including with respect to capital and liquidity, and results of regulatory examinations, may adversely affect Truist's financial condition and results of operations;*
- *accounting policies and processes require management to make estimates about matters that are uncertain;*
- *general economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, slower deposit or asset growth, a deterioration in credit quality or a reduced demand for credit, insurance or other services;*
- *risk management measures and management oversight functions may not identify or address risks adequately;*
- *unfavorable resolution of legal proceedings or other claims or regulatory or other governmental investigations or inquiries could result in negative publicity, protests, fines, penalties, restrictions on Truist's operations or ability to expand its business or other negative consequences, all of which could cause reputational damage and adversely impact Truist's financial condition and results of operations;*
- *competitors of Truist may have greater financial resources or develop products that enable them to compete more successfully than Truist and may be subject to different regulatory standards than Truist;*
- *failure to maintain or enhance Truist's competitive position with respect to technology, whether because it fails to anticipate customer expectations or because its technological developments fail to perform as desired or are not rolled out in a timely manner or for other reasons, may cause Truist to lose market share or incur additional expense;*
- *fraud or misconduct by internal or external parties, which Truist may not be able to prevent, detect or mitigate;*
- *operational or communications systems, including systems used by vendors or other external parties, may fail or may be the subject of a breach or cyber-attack that, if successful, could adversely impact Truist's financial condition and results of operations;*
- *security risks, including denial of service attacks, hacking, social engineering attacks targeting Truist's employees and customers, malware intrusion or data corruption attempts, and identity theft could result in the disclosure of confidential information, adversely affect Truist's business or reputation or create significant legal or financial exposure;*
- *natural or other disasters, including acts of terrorism, could have an adverse effect on Truist, including by materially disrupting Truist's operations or the ability or willingness of customers to access Truist's products and services;*
- *widespread system outages, caused by the failure of critical internal systems or critical services provided by third parties, could adversely impact Truist's financial condition and results of operations;*
- *accounting policies and processes requiring management to make estimates about matters that are uncertain;*
- *depressed market values for Truist's stock and adverse economic conditions sustained over a period of time may require us to write down all or some portion of Truist's goodwill; and*
- *new tax guidance or differences in interpretation of tax laws and regulations.*

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Except to the extent required by applicable law or regulation, Truist undertakes no obligation to revise or update any forward-looking statements.

TRUIST

Quarterly Performance Summary

Truist Financial Corporation

Fourth Quarter 2019

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Quarterly Performance Summary

Truist Financial Corporation

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Financial Highlights

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended December 31 2019	Quarter Ended December 31 2018	% Change	Year-to-Date December 31 2019	Year-to-Date December 31 2018	% Change
Summary Income Statement						
Interest income - taxable equivalent	$ 2,837	$ 2,160	31.3 %	$ 9,505	$ 8,216	15.7 %
Interest expense	585	431	35.7	2,096	1,438	45.8
Net interest income - taxable equivalent	2,252	1,729	30.2	7,409	6,778	9.3
Less: Taxable-equivalent adjustment	25	24	4.2	96	96	—
Net interest income	2,227	1,705	30.6	7,313	6,682	9.4
Provision for credit losses	171	146	17.1	615	566	8.7
Net interest income after provision for credit losses	2,056	1,559	31.9	6,698	6,116	9.5
Noninterest income	1,398	1,235	13.2	5,255	4,876	7.8
Noninterest expense	2,575	1,784	44.3	7,934	6,932	14.5
Income before income taxes	879	1,010	(13.0)	4,019	4,060	(1.0)
Provision for income taxes	153	205	(25.4)	782	803	(2.6)
Net income	726	805	(9.8)	3,237	3,257	(0.6)
Noncontrolling interests	5	7	(28.6)	13	20	(35.0)
Preferred stock dividends	19	44	(56.8)	196	174	12.6
Net income available to common shareholders	702	754	(6.9)	3,028	3,063	(1.1)
Per Common Share Data						
Earnings per share-basic	$ 0.76	$ 0.99	(23.2)%	$ 3.76	$ 3.96	(5.1)%
Earnings per share-diluted	0.75	0.97	(22.7)	3.71	3.91	(5.1)
Earnings per share-adjusted diluted (1)	1.12	1.07	4.2	4.37	4.05	7.9
Cash dividends declared	0.450	0.405	11.1	1.710	1.560	9.6
Common shareholders' equity	45.66	35.46	28.8	45.66	35.46	28.8
Tangible common shareholders' equity (1)	25.93	21.89	18.5	25.93	21.89	18.5
End of period shares outstanding	1,342,166	763,326	75.8	1,342,166	763,326	75.8
Weighted average shares outstanding-basic	922,840	765,013	20.6	805,104	772,963	4.2
Weighted average shares outstanding-diluted	934,718	775,402	20.5	815,204	783,484	4.0
Performance Ratios						
Return on average assets	0.95 %	1.43 %		1.31 %	1.47 %	
Return on average risk-weighted assets (current period is preliminary)	1.02	1.77		1.54	1.82	
Return on average common shareholders' equity	7.33	11.14		9.87	11.50	
Return on average tangible common shareholders' equity (1)	12.91	18.77		16.40	19.48	
Net interest margin - taxable equivalent	3.41	3.49		3.42	3.46	
Fee income ratio	38.6	42.0		41.8	42.2	
Efficiency ratio-GAAP	71.0	60.7		63.1	60.0	
Efficiency ratio-adjusted (1)	57.5	56.5		56.6	57.1	
Credit Quality						
Nonperforming assets as a percentage of:						
Assets	0.14 %	0.26 %		0.14 %	0.26 %	
Loans and leases plus foreclosed property	0.19	0.39		0.19	0.39	
Net charge-offs as a percentage of average loans and leases	0.40	0.38		0.40	0.36	
Allowance for loan and lease losses as a percentage of loans and leases held for investment	0.52	1.05		0.52	1.05	
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	3.41x	2.99x		3.41x	2.99x	
Average Balances						
Assets	$ 302,059	$ 223,625	35.1 %	$ 247,494	$ 222,273	11.3 %
Securities (2)	60,699	46,610	30.2	50,645	47,100	7.5
Loans and leases	193,641	148,457	30.4	161,604	146,417	10.4
Deposits	210,716	157,842	33.5	173,269	157,483	10.0
Common shareholders' equity	38,031	26,860	41.6	30,697	26,640	15.2
Total shareholders' equity	41,740	29,965	39.3	34,108	29,743	14.7
Period-End Balances						
Assets	$ 473,078	$ 225,697	109.6 %	$ 473,078	$ 225,697	109.6 %
Securities (2)	74,727	45,590	63.9	74,727	45,590	63.9
Loans and leases	308,215	150,001	105.5	308,215	150,001	105.5
Deposits	334,727	161,199	107.6	334,727	161,199	107.6
Common shareholders' equity	61,282	27,069	126.4	61,282	27,069	126.4
Total shareholders' equity	66,558	30,178	120.6	66,558	30,178	120.6
Capital Ratios (current quarter is preliminary)						
Risk-based:						
Common equity Tier 1	9.4 %	10.2 %		9.4 %	10.2 %	
Tier 1	10.8	11.8		10.8	11.8	
Total	12.6	13.8		12.6	13.8	
Leverage (3)	14.7	9.9		14.7	9.9	

Applicable ratios are annualized.

(1) Represents a non-GAAP measure. See the calculations and management's reasons for using these measures in the Non-GAAP Reconciliations and Preliminary Capital Information - Five Quarter Trend sections of this supplement.

(2) Includes AFS and HTM securities. Average balances reflect both AFS and HTM securities at amortized cost. Period-end balances reflect AFS securities at fair value and HTM securities at amortized cost. In 4Q19, Truist transferred all HTM securities into AFS securities in response to changes in regulatory capital rules.

(3) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the 4Q19 result.

Financial Highlights - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Summary Income Statement					
Interest income - taxable equivalent	$ 2,837	$ 2,241	$ 2,230	$ 2,197	$ 2,160
Interest expense	585	518	516	477	431
Net interest income - taxable equivalent	2,252	1,723	1,714	1,720	1,729
Less: Taxable-equivalent adjustment	25	23	24	24	24
Net interest income	2,227	1,700	1,690	1,696	1,705
Provision for credit losses	171	117	172	155	146
Net interest income after provision for credit losses	2,056	1,583	1,518	1,541	1,559
Noninterest income	1,398	1,303	1,352	1,202	1,235
Noninterest expense	2,575	1,840	1,751	1,768	1,784
Income before income taxes	879	1,046	1,119	975	1,010
Provision for income taxes	153	218	234	177	205
Net income	726	828	885	798	805
Noncontrolling interests	5	3	(1)	6	7
Preferred stock dividends	19	90	44	43	44
Net income available to common shareholders	702	735	842	749	754
Per Common Share Data					
Earnings per share-basic	$ 0.76	$ 0.96	$ 1.10	$ 0.98	$ 0.99
Earnings per share-diluted	0.75	0.95	1.09	0.97	0.97
Earnings per share-adjusted diluted (1)	1.12	1.07	1.12	1.05	1.05
Cash dividends declared	0.450	0.450	0.405	0.405	0.405
Common shareholders' equity	45.66	38.07	37.40	36.26	35.46
Tangible common shareholders' equity (1)	25.93	24.66	23.93	22.78	21.89
End of period shares outstanding	1,342,166	766,303	766,010	765,920	763,326
Weighted average shares outstanding-basic	922,840	766,167	765,958	764,135	765,013
Weighted average shares outstanding-diluted	934,718	775,791	774,603	774,071	775,402
Performance Ratios					
Return on average assets	0.95 %	1.41 %	1.55 %	1.43 %	1.43 %
Return on average risk-weighted assets (current quarter is preliminary)	1.02	1.75	1.92	1.78	1.77
Return on average common shareholders' equity	7.33	10.04	11.98	11.08	11.14
Return on average tangible common shareholders' equity (1)	12.91	16.03	19.45	18.36	18.77
Net interest margin - taxable equivalent	3.41	3.37	3.42	3.51	3.49
Fee income ratio	38.6	43.4	44.4	41.5	42.0
Efficiency ratio-GAAP	71.0	61.3	57.6	61.0	60.7
Efficiency ratio-adjusted (1)	57.5	57.1	55.1	56.6	56.5
Credit Quality					
Nonperforming assets as a percentage of:					
Assets	0.14 %	0.22 %	0.23 %	0.26 %	0.26 %
Loans and leases plus foreclosed property	0.19	0.34	0.34	0.39	0.39
Net charge-offs as a percentage of average loans and leases	0.40	0.41	0.38	0.40	0.38
Allowance for loan and lease losses as a percentage of loans and leases held for investment	0.52	1.05	1.05	1.05	1.05
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	3.41x	3.52x	3.46x	2.97x	2.99x
Average Balances					
Assets	$ 302,059	$ 232,420	$ 229,249	$ 225,573	$ 223,625
Securities (2)	60,699	48,900	46,115	46,734	46,610
Loans and leases	193,641	152,042	151,557	148,790	148,457
Deposits	210,716	161,992	159,891	160,045	157,842
Common shareholders' equity	38,031	29,040	28,188	27,432	26,860
Total shareholders' equity	41,740	32,744	31,301	30,541	29,965
Period-End Balances					
Assets	$ 473,078	$ 236,750	$ 230,872	$ 227,683	$ 225,697
Securities (2)	74,727	54,765	45,289	46,410	45,590
Loans and leases	308,215	150,855	153,823	149,891	150,001
Deposits	334,727	162,280	159,521	159,766	161,199
Common shareholders' equity	61,282	29,177	28,650	27,770	27,069
Total shareholders' equity	66,558	32,303	31,764	30,883	30,178
Capital Ratios (current quarter is preliminary)					
Risk-based:					
Common equity Tier 1	9.4 %	10.6 %	10.4 %	10.3 %	10.2 %
Tier 1	10.8	12.2	12.0	12.0	11.8
Total	12.6	14.8	14.2	14.2	13.8
Leverage (3)	14.7	10.3	10.2	10.1	9.9

Applicable ratios are annualized.

(1) Represents a non-GAAP measure. See the calculations and management's reasons for using these measures in the Non-GAAP Reconciliations and Preliminary Capital Information - Five Quarter Trend sections of this supplement.

(2) Includes AFS and HTM securities. Average balances reflect both AFS and HTM securities at amortized cost. Period-end balances reflect AFS securities at fair value and HTM securities at amortized cost. In 4Q19, Truist transferred all HTM securities into AFS securities in response to changes in regulatory capital rules.

(3) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the 4Q19 result.

Consolidated Statements of Income

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2019	Quarter Ended Dec. 31 2018	Change $	Change %	Year-to-Date Dec. 31 2019	Year-to-Date Dec. 31 2018	Change $	Change %
Interest Income								
Interest and fees on loans and leases	$ 2,371	$ 1,830	$ 541	29.6 %	$ 7,982	$ 6,894	$ 1,088	15.8 %
Interest and dividends on securities	402	292	110	37.7	1,319	1,160	159	13.7
Interest on other earning assets	39	14	25	178.6	108	66	42	63.6
Total interest income	2,812	2,136	676	31.6	9,409	8,120	1,289	15.9
Interest Expense								
Interest on deposits	304	206	98	47.6	1,101	644	457	71.0
Interest on long-term debt	219	186	33	17.7	797	683	114	16.7
Interest on other borrowings	62	39	23	59.0	198	111	87	78.4
Total interest expense	585	431	154	35.7	2,096	1,438	658	45.8
Net Interest Income	2,227	1,705	522	30.6	7,313	6,682	631	9.4
Provision for credit losses	171	146	25	17.1	615	566	49	8.7
Net Interest Income After Provision for Credit Losses	2,056	1,559	497	31.9	6,698	6,116	582	9.5
Noninterest Income								
Insurance income	509	487	22	4.5	2,072	1,852	220	11.9
Service charges on deposits	222	185	37	20.0	762	712	50	7.0
Wealth management income	206	169	37	21.9	715	660	55	8.3
Card and payment related fees	156	135	21	15.6	555	522	33	6.3
Residential mortgage income	65	58	7	12.1	285	258	27	10.5
Investment banking and trading income	109	53	56	105.7	244	154	90	58.4
Operating lease income	47	35	12	34.3	153	145	8	5.5
Income from bank-owned life insurance	38	28	10	35.7	129	116	13	11.2
Lending related fees	47	19	28	147.4	124	99	25	25.3
Commercial real estate related income	48	28	20	71.4	116	100	16	16.0
Securities gains (losses), net	(116)	2	(118)	NM	(116)	3	(119)	NM
Other income	67	36	31	86.1	216	255	(39)	(15.3)
Total noninterest income	1,398	1,235	163	13.2	5,255	4,876	379	7.8
Noninterest Expense								
Personnel expense	1,465	1,096	369	33.7	4,833	4,313	520	12.1
Net occupancy expense	147	120	27	22.5	507	491	16	3.3
Professional fees and outside processing	161	103	58	56.3	433	365	68	18.6
Software expense	118	70	48	68.6	338	272	66	24.3
Equipment expense	83	68	15	22.1	280	267	13	4.9
Marketing and customer development	45	22	23	104.5	137	102	35	34.3
Depreciation - property under operating leases	43	30	13	43.3	136	120	16	13.3
Loan-related expense	42	25	17	68.0	123	108	15	13.9
Amortization	71	34	37	108.8	164	131	33	25.2
Regulatory costs	24	18	6	33.3	81	134	(53)	(39.6)
Merger-related and restructuring charges, net	223	76	147	193.4	360	146	214	146.6
Other expense	153	122	31	25.4	542	483	59	12.2
Total noninterest expense	2,575	1,784	791	44.3	7,934	6,932	1,002	14.5
Earnings								
Income before income taxes	879	1,010	(131)	(13.0)	4,019	4,060	(41)	(1.0)
Provision for income taxes	153	205	(52)	(25.4)	782	803	(21)	(2.6)
Net income	726	805	(79)	(9.8)	3,237	3,257	(20)	(0.6)
Noncontrolling interests	5	7	(2)	(28.6)	13	20	(7)	(35.0)
Preferred stock dividends	19	44	(25)	(56.8)	196	174	22	12.6
Net income available to common shareholders	$ 702	$ 754	$ (52)	(6.9)%	$ 3,028	$ 3,063	$ (35)	(1.1)%
Earnings Per Common Share								
Basic	$ 0.76	$ 0.99	$ (0.23)	(23.2)%	$ 3.76	$ 3.96	$ (0.20)	(5.1)%
Diluted	0.75	0.97	(0.22)	(22.7)	3.71	3.91	(0.20)	(5.1)
Weighted Average Shares Outstanding								
Basic	922,840	765,013	157,827	20.6	805,104	772,963	32,141	4.2
Diluted	934,718	775,402	159,316	20.5	815,204	783,484	31,720	4.0

NM - not meaningful

Consolidated Statements of Income - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Interest Income					
Interest and fees on loans and leases	$ 2,371	$ 1,886	$ 1,886	$ 1,839	$ 1,830
Interest and dividends on securities	402	315	300	302	292
Interest on other earning assets	39	17	20	32	14
Total interest income	2,812	2,218	2,206	2,173	2,136
Interest Expense					
Interest on deposits	304	271	273	253	206
Interest on long-term debt	219	193	193	192	186
Interest on other borrowings	62	54	50	32	39
Total interest expense	585	518	516	477	431
Net Interest Income	2,227	1,700	1,690	1,696	1,705
Provision for credit losses	171	117	172	155	146
Net Interest Income After Provision for Credit Losses	2,056	1,583	1,518	1,541	1,559
Noninterest Income					
Insurance income	509	487	566	510	487
Service charges on deposits	222	188	181	171	185
Wealth management income	206	175	172	162	169
Card and payment related fees	156	132	139	128	135
Residential mortgage income	65	80	91	49	58
Investment banking and trading income	109	60	48	27	53
Operating lease income	47	36	35	35	35
Income from bank-owned life insurance	38	29	34	28	28
Lending related fees	47	24	28	25	19
Commercial real estate related income	48	32	22	14	28
Securities gains (losses), net	(116)	—	—	—	2
Other income	67	60	36	53	36
Total noninterest income	1,398	1,303	1,352	1,202	1,235
Noninterest Expense					
Personnel expense	1,465	1,161	1,120	1,087	1,096
Net occupancy expense	147	122	116	122	120
Professional fees and outside processing	161	102	84	86	103
Software expense	118	77	71	72	70
Equipment expense	83	64	68	65	68
Marketing and customer development	45	36	29	27	22
Depreciation - property under operating leases	43	35	29	29	30
Loan-related expense	42	26	30	25	25
Amortization	71	29	32	32	34
Regulatory costs	24	20	19	18	18
Merger-related and restructuring charges, net	223	34	23	80	76
Other expense	153	134	130	125	122
Total noninterest expense	2,575	1,840	1,751	1,768	1,784
Earnings					
Income before income taxes	879	1,046	1,119	975	1,010
Provision for income taxes	153	218	234	177	205
Net income	726	828	885	798	805
Noncontrolling interests	5	3	(1)	6	7
Preferred stock dividends	19	90	44	43	44
Net income available to common shareholders	$ 702	$ 735	$ 842	$ 749	$ 754
Earnings Per Common Share					
Basic	$ 0.76	$ 0.96	$ 1.10	$ 0.98	$ 0.99
Diluted	0.75	0.95	1.09	0.97	0.97
Weighted Average Shares Outstanding					
Basic	922,840	766,167	765,958	764,135	765,013
Diluted	934,718	775,791	774,603	774,071	775,402

Segment Financial Performance - Preliminary

(Dollars in millions)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Consumer Banking and Wealth					
Net interest income (expense)	$ 1,114	$ 855	$ 836	$ 828	$ 866
Net intersegment interest income (expense)	285	225	210	193	164
Segment net interest income	1,399	1,080	1,046	1,021	1,030
Allocated provision for credit losses	145	115	123	130	152
Noninterest income	648	576	581	508	546
Noninterest expense	1,341	942	910	893	914
Income (loss) before income taxes	561	599	594	506	510
Provision (benefit) for income taxes	136	145	144	123	126
Segment net income (loss)	$ 425	$ 454	$ 450	$ 383	$ 384
Corporate and Commercial Banking					
Net interest income (expense)	$ 934	$ 729	$ 751	$ 739	$ 735
Net intersegment interest income (expense)	(94)	(85)	(109)	(105)	(81)
Segment net interest income	840	644	642	634	654
Allocated provision for credit losses	17	14	51	20	18
Noninterest income	390	250	232	214	245
Noninterest expense	553	331	312	303	349
Income (loss) before income taxes	660	549	511	525	532
Provision (benefit) for income taxes	103	99	94	89	111
Segment net income (loss)	$ 557	$ 450	$ 417	$ 436	$ 421
Insurance Holdings					
Net interest income (expense)	$ 38	$ 39	$ 35	$ 34	$ 32
Net intersegment interest income (expense)	(11)	(11)	(10)	(11)	(10)
Segment net interest income	27	28	25	23	22
Allocated provision for credit losses	2	2	2	3	—
Noninterest income	536	491	570	515	496
Noninterest expense	481	435	444	417	415
Income (loss) before income taxes	80	82	149	118	103
Provision (benefit) for income taxes	21	21	38	30	26
Segment net income (loss)	$ 59	$ 61	$ 111	$ 88	$ 77
Other, Treasury & Corporate (1)					
Net interest income (expense)	$ 141	$ 77	$ 68	$ 95	$ 72
Net intersegment interest income (expense)	(180)	(129)	(91)	(77)	(73)
Segment net interest income	(39)	(52)	(23)	18	(1)
Allocated provision for credit losses	7	(14)	(4)	2	(24)
Noninterest income	(176)	(14)	(31)	(35)	(52)
Noninterest expense	200	132	85	155	106
Income (loss) before income taxes	(422)	(184)	(135)	(174)	(135)
Provision (benefit) for income taxes	(107)	(47)	(42)	(65)	(58)
Segment net income (loss)	$ (315)	$ (137)	$ (93)	$ (109)	$ (77)
Total Truist Financial Corporation					
Net interest income (expense)	$ 2,227	$ 1,700	$ 1,690	$ 1,696	$ 1,705
Net intersegment interest income (expense)	—	—	—	—	—
Segment net interest income	2,227	1,700	1,690	1,696	1,705
Allocated provision for credit losses	171	117	172	155	146
Noninterest income	1,398	1,303	1,352	1,202	1,235
Noninterest expense	2,575	1,840	1,751	1,768	1,784
Income (loss) before income taxes	879	1,046	1,119	975	1,010
Provision (benefit) for income taxes	153	218	234	177	205
Net income	$ 726	$ 828	$ 885	$ 798	$ 805

Effective December 2019, segments were realigned in connection with the SunTrust merger. Results for prior periods have been revised to reflect the new structure.

(1) Includes financial data from subsidiaries below the quantitative and qualitative thresholds requiring disclosure.

Consolidated Ending Balance Sheets - Five Quarter Trend

(Dollars in millions)	Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Assets					
Cash and due from banks	$ 4,084	$ 2,027	$ 1,831	$ 1,873	$ 2,753
Interest-bearing deposits with banks	14,981	877	722	847	1,091
Federal funds sold and securities purchased under resale agreements or similar arrangements	1,417	114	148	252	143
Trading assets	5,733	400	1,429	1,524	391
Securities available for sale at fair value	74,727	35,997	25,802	26,315	25,038
Securities held to maturity at amortized cost	—	18,768	19,487	20,095	20,552
Loans and leases:					
Commercial:					
Commercial and industrial	130,180	64,324	63,693	61,978	61,935
CRE	26,832	17,080	16,976	16,718	16,808
Commercial construction	6,205	3,804	3,746	4,111	4,252
Lease financing	6,122	2,356	2,203	2,098	2,018
Consumer:					
Residential mortgage	52,071	28,297	32,607	31,572	31,393
Residential home equity and direct	27,044	11,646	11,675	11,646	11,775
Indirect auto	24,442	11,871	11,756	11,506	11,282
Indirect other	11,100	6,590	6,453	6,017	6,143
Student	6,743	—	—	—	—
Credit card	5,619	3,058	3,056	2,970	2,941
PCI	3,484	387	421	441	466
Total loans and leases held for investment	299,842	149,413	152,586	149,057	149,013
Loans held for sale	8,373	1,442	1,237	834	988
Total loans and leases	308,215	150,855	153,823	149,891	150,001
Allowance for loan and lease losses	(1,549)	(1,573)	(1,595)	(1,561)	(1,558)
Premises and equipment	3,712	2,022	2,029	2,078	2,118
Goodwill	24,154	9,832	9,830	9,818	9,818
Core deposit and other intangible assets	3,142	678	712	726	758
Mortgage servicing rights	2,630	929	982	1,049	1,122
Other assets	31,832	15,824	15,672	14,776	13,470
Total assets	$ 473,078	$ 236,750	$ 230,872	$ 227,683	$ 225,697
Liabilities					
Deposits:					
Noninterest-bearing deposits	$ 92,405	$ 52,667	$ 52,458	$ 53,021	$ 53,025
Interest checking	85,492	27,723	28,021	28,028	28,130
Money market and savings	120,934	64,454	63,972	63,739	63,467
Time deposits	35,896	16,526	15,070	14,978	16,577
Foreign office deposits - interest-bearing	—	910	—	—	—
Total deposits	334,727	162,280	159,521	159,766	161,199
Short-term borrowings	18,218	10,405	10,344	6,305	5,178
Long-term debt	41,339	25,520	22,640	24,729	23,709
Other liabilities	12,236	6,242	6,603	6,000	5,433
Total liabilities	406,520	204,447	199,108	196,800	195,519
Shareholders' Equity:					
Preferred stock	5,102	3,057	3,053	3,053	3,053
Common stock	6,711	3,832	3,830	3,830	3,817
Additional paid-in capital	35,609	6,931	6,889	6,843	6,849
Retained earnings	19,806	19,440	19,050	18,518	18,118
Accumulated other comprehensive loss	(844)	(1,026)	(1,119)	(1,421)	(1,715)
Noncontrolling interests	174	69	61	60	56
Total shareholders' equity	66,558	32,303	31,764	30,883	30,178
Total liabilities and shareholders' equity	$ 473,078	$ 236,750	$ 230,872	$ 227,683	$ 225,697

New lease accounting guidance was adopted prospectively in 1Q19 that requires lessees to recognize assets and liabilities related to certain operating leases on the balance sheet.

In 4Q19, Truist transferred all HTM securities into AFS securities in response to changes in regulatory capital rules.

Average Balance Sheets

(Dollars in millions)	Quarter Ended December 31 2019	Quarter Ended December 31 2018	Change $	Change %	Year-to-Date December 31 2019	Year-to-Date December 31 2018	Change $	Change %
Assets								
Securities at amortized cost (1):								
U.S. Treasury	$ 2,384	$ 4,555	$ (2,171)	(47.7)%	$ 2,644	$ 3,800	$ (1,156)	(30.4)%
U.S. government-sponsored entities (GSE)	2,301	2,408	(107)	(4.4)	2,402	2,394	8	0.3
Mortgage-backed securities issued by GSE	55,119	38,566	16,553	42.9	44,710	39,559	5,151	13.0
States and political subdivisions	598	725	(127)	(17.5)	587	958	(371)	(38.7)
Non-agency mortgage-backed	263	326	(63)	(19.3)	269	349	(80)	(22.9)
Other	34	30	4	13.3	33	40	(7)	(17.5)
Total securities	60,699	46,610	14,089	30.2	50,645	47,100	3,545	7.5
Loans and leases:								
Commercial:								
Commercial and industrial	81,853	60,553	21,300	35.2	67,435	59,663	7,772	13.0
CRE	19,896	16,914	2,982	17.6	17,651	16,994	657	3.9
Commercial construction	4,506	4,387	119	2.7	4,061	4,441	(380)	(8.6)
Lease financing	3,357	1,990	1,367	68.7	2,443	1,917	526	27.4
Consumer:								
Residential mortgage	34,824	31,103	3,721	12.0	31,668	29,932	1,736	5.8
Residential home equity and direct	15,810	11,790	4,020	34.1	12,716	11,860	856	7.2
Indirect auto	15,390	11,255	4,135	36.7	12,545	11,215	1,330	11.9
Indirect other	7,772	6,181	1,591	25.7	6,654	5,896	758	12.9
Student	1,825	—	1,825	NM	460	—	460	NM
Credit card	3,788	2,880	908	31.5	3,181	2,723	458	16.8
PCI	1,220	486	734	151.0	631	548	83	15.1
Total loans and leases held for investment	190,241	147,539	42,702	28.9	159,445	145,189	14,256	9.8
Loans held for sale	3,400	918	2,482	NM	2,159	1,228	931	75.8
Total loans and leases	193,641	148,457	45,184	30.4	161,604	146,417	15,187	10.4
Interest earning trading assets	2,370	428	1,942	NM	1,277	633	644	101.7
Other earning assets	6,405	1,718	4,687	NM	2,888	1,618	1,270	78.5
Total earning assets	263,115	197,213	65,902	33.4	216,414	195,768	20,646	10.5
Nonearning assets	38,944	26,412	12,532	47.4	31,080	26,505	4,575	17.3
Total assets	$ 302,059	$ 223,625	$ 78,434	35.1 %	$ 247,494	$ 222,273	$ 25,221	11.3 %
Liabilities and Shareholders' Equity								
Deposits:								
Noninterest-bearing deposits	$ 64,485	$ 53,732	$ 10,753	20.0 %	$ 55,513	$ 53,818	$ 1,695	3.1 %
Interest checking	43,246	26,921	16,325	60.6	31,592	26,951	4,641	17.2
Money market and savings	79,903	62,261	17,642	28.3	67,922	62,257	5,665	9.1
Time deposits	23,058	14,682	8,376	57.0	17,970	13,963	4,007	28.7
Foreign office deposits - interest-bearing	24	246	(222)	(90.2)	272	494	(222)	(44.9)
Total deposits	210,716	157,842	52,874	33.5	173,269	157,483	15,786	10.0
Short-term borrowings	11,489	6,979	4,510	64.6	8,462	5,955	2,507	42.1
Long-term debt	29,888	23,488	6,400	27.2	24,756	23,755	1,001	4.2
Other liabilities	8,226	5,351	2,875	53.7	6,899	5,337	1,562	29.3
Total liabilities	260,319	193,660	66,659	34.4	213,386	192,530	20,856	10.8
Shareholders' equity	41,740	29,965	11,775	39.3	34,108	29,743	4,365	14.7
Total liabilities and shareholders' equity	$ 302,059	$ 223,625	$ 78,434	35.1 %	$ 247,494	$ 222,273	$ 25,221	11.3 %

New lease accounting guidance was adopted prospectively in 1Q19 that requires lessees to recognize assets and liabilities related to certain operating leases on the balance sheet.

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

NM - not meaningful

Average Balance Sheets - Five Quarter Trend

(Dollars in millions)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Assets					
Securities at amortized cost (1):					
U.S. Treasury	$ 2,384	$ 2,240	$ 2,662	$ 3,302	$ 4,555
U.S. government-sponsored entities (GSE)	2,301	2,449	2,440	2,418	2,408
Mortgage-backed securities issued by GSE	55,119	43,415	40,112	40,044	38,566
States and political subdivisions	598	566	566	620	725
Non-agency mortgage-backed	263	198	302	315	326
Other	34	32	33	35	30
Total securities	60,699	48,900	46,115	46,734	46,610
Loans and leases:					
Commercial:					
Commercial and industrial	81,853	63,768	62,563	61,370	60,553
CRE	19,896	17,042	16,854	16,786	16,914
Commercial construction	4,506	3,725	3,894	4,119	4,387
Lease financing	3,357	2,260	2,122	2,021	1,990
Consumer:					
Residential mortgage	34,824	28,410	32,066	31,370	31,103
Residential home equity and direct	15,810	11,650	11,687	11,681	11,790
Indirect auto	15,390	11,810	11,633	11,308	11,255
Indirect other	7,772	6,552	6,246	6,029	6,181
Student	1,825	—	—	—	—
Credit card	3,788	3,036	2,970	2,922	2,880
PCI	1,220	411	432	455	486
Total loans and leases held for investment	190,241	148,664	150,467	148,061	147,539
Loans held for sale	3,400	3,378	1,090	729	918
Total loans and leases	193,641	152,042	151,557	148,790	148,457
Interest earning trading assets	2,370	668	1,456	602	428
Other earning assets	6,405	1,798	1,711	1,595	1,718
Total earning assets	263,115	203,408	200,839	197,721	197,213
Nonearning assets	38,944	29,012	28,410	27,852	26,412
Total assets	$ 302,059	$ 232,420	$ 229,249	$ 225,573	$ 223,625
Liabilities and Shareholders' Equity					
Deposits:					
Noninterest-bearing deposits	$ 64,485	$ 52,500	$ 52,680	$ 52,283	$ 53,732
Interest checking	43,246	27,664	27,708	27,622	26,921
Money market and savings	79,903	64,920	63,394	63,325	62,261
Time deposits	23,058	16,643	15,730	16,393	14,682
Foreign office deposits - interest-bearing	24	265	379	422	246
Total deposits	210,716	161,992	159,891	160,045	157,842
Short-term borrowings	11,489	8,307	8,367	5,624	6,979
Long-term debt	29,888	22,608	23,233	23,247	23,488
Other liabilities	8,226	6,769	6,457	6,116	5,351
Total liabilities	260,319	199,676	197,948	195,032	193,660
Shareholders' equity	41,740	32,744	31,301	30,541	29,965
Total liabilities and shareholders' equity	$ 302,059	$ 232,420	$ 229,249	$ 225,573	$ 223,625

New lease accounting guidance was adopted prospectively in 1Q19 that requires lessees to recognize assets and liabilities related to certain operating leases on the balance sheet.

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

Average Balances and Rates - Quarters

(Dollars in millions)	December 31, 2019 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	September 30, 2019 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,384	$ 12	1.97 %	$ 2,240	$ 11	2.04 %
U.S. government-sponsored entities (GSE)	2,301	12	2.28	2,449	14	2.25
Mortgage-backed securities issued by GSE	55,119	366	2.64	43,415	279	2.57
States and political subdivisions	598	4	3.38	566	5	3.44
Non-agency mortgage-backed	263	9	13.15	198	9	18.77
Other	34	—	3.53	32	—	3.67
Total securities	60,699	403	2.65	48,900	318	2.60
Loans and leases:						
Commercial:						
Commercial and industrial	81,853	862	4.18	63,768	671	4.18
CRE	19,896	223	4.43	17,042	209	4.83
Commercial construction	4,506	57	5.17	3,725	47	5.11
Lease financing	3,357	32	3.79	2,260	18	3.17
Consumer:						
Residential mortgage	34,824	361	4.15	28,410	285	4.02
Residential home equity and direct	15,810	242	6.04	11,650	173	5.92
Indirect auto	15,390	312	8.04	11,810	262	8.84
Indirect other	7,772	133	6.77	6,552	110	6.61
Student	1,825	24	5.20	—	—	—
Credit card	3,788	85	9.06	3,036	71	9.18
PCI	1,220	33	10.63	411	25	24.23
Total loans and leases held for investment	190,241	2,364	4.94	148,664	1,871	5.00
Loans held for sale	3,400	31	3.52	3,378	35	4.16
Total loans and leases	193,641	2,395	4.91	152,042	1,906	4.98
Interest earning trading assets	2,370	11	1.84	668	3	2.02
Other earning assets	6,405	28	1.78	1,798	14	2.92
Total earning assets	263,115	2,837	4.29	203,408	2,241	4.38
Nonearning assets	38,944			29,012		
Total assets	$ 302,059			$ 232,420		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 43,246	65	0.60	$ 27,664	47	0.67
Money market and savings	79,903	152	0.76	64,920	156	0.95
Time deposits	23,058	87	1.48	16,643	67	1.62
Foreign office deposits - interest-bearing	24	—	2.19	265	1	2.13
Total interest-bearing deposits	146,231	304	0.82	109,492	271	0.99
Short-term borrowings	11,489	62	2.15	8,307	54	2.55
Long-term debt	29,888	219	2.92	22,608	193	3.42
Total interest-bearing liabilities	187,608	585	1.24	140,407	518	1.47
Noninterest-bearing deposits (4)	64,485			52,500		
Other liabilities	8,226			6,769		
Shareholders' equity	41,740			32,744		
Total liabilities and shareholders' equity	$ 302,059			$ 232,420		
Average interest-rate spread			3.05			2.91
Net interest income/ net interest margin		$ 2,252	3.41 %		$ 1,723	3.37 %
Taxable-equivalent adjustment		$ 25			$ 23	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.57% and 0.67% for the three months ended December 31, 2019 and September 30, 2019, respectively.

Average Balances and Rates - Quarters

(Dollars in millions)	June 30, 2019 (1) Average Balances	June 30, 2019 (2) Interest Income/ Expense	June 30, 2019 (2) Yields/ Rates	March 31, 2019 (1) Average Balances	March 31, 2019 (2) Interest Income/ Expense	March 31, 2019 (2) Yields/ Rates	December 31, 2018 (1) Average Balances	December 31, 2018 (2) Interest Income/ Expense	December 31, 2018 (2) Yields/ Rates
Assets									
Securities at amortized cost (3):									
U.S. Treasury	$ 2,662	$ 14	2.04 %	$ 3,302	$ 16	2.01 %	$ 4,555	$ 25	2.11 %
U.S. government-sponsored entities (GSE)	2,440	13	2.25	2,418	14	2.24	2,408	14	2.24
Mortgage-backed securities issued by GSE	40,112	258	2.57	40,044	258	2.58	38,566	241	2.50
States and political subdivisions	566	6	4.37	620	6	3.73	725	6	3.53
Non-agency mortgage-backed	302	10	13.28	315	10	12.51	326	10	11.50
Other	33	1	3.85	35	—	3.96	30	—	4.51
Total securities	46,115	302	2.62	46,734	304	2.60	46,610	296	2.53
Loans and leases:									
Commercial:									
Commercial and industrial	62,563	679	4.35	61,370	656	4.33	60,553	645	4.23
CRE	16,854	210	4.97	16,786	207	4.99	16,914	206	4.82
Commercial construction	3,894	50	5.32	4,119	54	5.33	4,387	55	5.08
Lease financing	2,122	17	3.29	2,021	17	3.33	1,990	18	3.64
Consumer:									
Residential mortgage	32,066	321	4.00	31,370	324	4.13	31,103	319	4.10
Residential home equity and direct	11,687	173	5.97	11,681	171	5.92	11,790	172	5.73
Indirect auto	11,633	254	8.71	11,308	240	8.62	11,255	237	8.43
Indirect other	6,246	102	6.63	6,029	98	6.57	6,181	98	6.35
Student	—	—	—	—	—	—	—	—	—
Credit card	2,970	67	8.94	2,922	65	9.03	2,880	64	8.91
PCI	432	24	21.63	455	20	17.99	486	26	20.49
Total loans and leases held for investment	150,467	1,897	5.05	148,061	1,852	5.06	147,539	1,840	4.96
Loans held for sale	1,090	11	4.17	729	8	4.38	918	10	4.66
Total loans and leases	151,557	1,908	5.05	148,790	1,860	5.06	148,457	1,850	4.96
Interest earning trading assets	1,456	8	2.25	602	4	2.27	428	2	2.03
Other earning assets	1,711	12	2.88	1,595	29	7.43	1,718	12	2.67
Total earning assets	200,839	2,230	4.45	197,721	2,197	4.49	197,213	2,160	4.36
Nonearning assets	28,410			27,852			26,412		
Total assets	$ 229,249			$ 225,573			$ 223,625		
Liabilities and Shareholders' Equity									
Interest-bearing deposits:									
Interest checking	$ 27,708	45	0.65	$ 27,622	40	0.59	$ 26,921	34	0.49
Money market and savings	63,394	163	1.03	63,325	150	0.96	62,261	125	0.80
Time deposits	15,730	63	1.58	16,393	60	1.50	14,682	45	1.22
Foreign office deposits - interest-bearing	379	2	2.43	422	3	2.43	246	2	2.22
Total interest-bearing deposits (4)	107,211	273	1.02	107,762	253	0.95	104,110	206	0.78
Short-term borrowings	8,367	50	2.40	5,624	32	2.32	6,979	39	2.18
Long-term debt	23,233	193	3.33	23,247	192	3.30	23,488	186	3.19
Total interest-bearing liabilities	138,811	516	1.49	136,633	477	1.41	134,577	431	1.28
Noninterest-bearing deposits (4)	52,680			52,283			53,732		
Other liabilities	6,457			6,116			5,351		
Shareholders' equity	31,301			30,541			29,965		
Total liabilities and shareholders' equity	$ 229,249			$ 225,573			$ 223,625		
Average interest-rate spread			2.96			3.08			3.08
Net interest income/ net interest margin		$ 1,714	3.42 %		$ 1,720	3.51 %		$ 1,729	3.49 %
Taxable-equivalent adjustment		$ 24			$ 24			$ 24	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.68%, 0.64 and 0.52% for the three months ended June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

Average Balances and Rates - Year-To-Date

	Year-to-Date					
	December 31, 2019			December 31, 2018		
(Dollars in millions)	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,644	$ 53	2.01 %	$ 3,800	$ 72	1.89 %
U.S. government-sponsored entities (GSE)	2,402	53	2.26	2,394	54	2.23
Mortgage-backed securities issued by GSE	44,710	1,161	2.59	39,559	969	2.45
States and political subdivisions	587	21	3.73	958	35	3.68
Non-agency mortgage-backed	269	38	14.05	349	42	11.93
Other	33	1	3.75	40	1	3.34
Total securities	50,645	1,327	2.62	47,100	1,173	2.49
Loans and leases:						
Commercial:						
Commercial and industrial	67,435	2,868	4.25	59,663	2,374	3.98
CRE	17,651	849	4.79	16,994	798	4.67
Commercial construction	4,061	208	5.23	4,441	209	4.79
Lease financing	2,443	84	3.44	1,917	61	3.19
Consumer:						
Residential mortgage	31,668	1,291	4.08	29,932	1,212	4.05
Residential home equity and direct	12,716	759	5.97	11,860	641	5.41
Indirect auto	12,545	1,068	8.51	11,215	917	8.18
Indirect other	6,654	443	6.65	5,896	368	6.25
Student	460	24	5.20	—	—	—
Credit card	3,181	288	9.05	2,723	238	8.73
PCI	631	102	16.05	548	108	19.64
Total loans and leases held for investment	159,445	7,984	5.01	145,189	6,926	4.77
Loans held for sale	2,159	85	3.91	1,228	50	4.13
Total loans and leases	161,604	8,069	4.99	146,417	6,976	4.77
Interest earning trading assets	1,277	26	2.02	633	24	3.82
Other earning assets	2,888	83	2.89	1,618	43	2.63
Total earning assets	216,414	9,505	4.39	195,768	8,216	4.20
Nonearning assets	31,080			26,505		
Total assets	$ 247,494			$ 222,273		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 31,592	197	0.62	$ 26,951	116	0.43
Money market and savings	67,922	621	0.91	62,257	387	0.62
Time deposits	17,970	277	1.54	13,963	132	0.94
Foreign office deposits - interest-bearing	272	6	2.35	494	9	1.67
Total interest-bearing deposits (4)	117,756	1,101	0.93	103,665	644	0.62
Short-term borrowings	8,462	198	2.34	5,955	111	1.86
Long-term debt	24,756	797	3.22	23,755	683	2.88
Total interest-bearing liabilities	150,974	2,096	1.39	133,375	1,438	1.08
Noninterest-bearing deposits (4)	55,513			53,818		
Other liabilities	6,899			5,337		
Shareholders' equity	34,108			29,743		
Total liabilities and shareholders' equity	$ 247,494			$ 222,273		
Average interest-rate spread			3.00			3.12
Net interest income/ net interest margin		$ 7,409	3.42 %		$ 6,778	3.46 %
Taxable-equivalent adjustment		$ 96			$ 96	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.57% and 0.41% for the year ended December 31, 2019 and 2018, respectively.

Credit Quality

(Dollars in millions)	Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Nonperforming Assets					
Nonaccrual loans and leases:					
Commercial:					
Commercial and industrial	$ 212	$ 172	$ 193	$ 196	$ 200
CRE	10	27	31	73	63
Commercial construction	—	2	2	2	2
Lease financing	8	2	2	1	3
Consumer:					
Residential mortgage	55	106	104	121	119
Residential home equity and direct	67	56	54	53	53
Indirect auto	100	81	74	79	82
Indirect other	2	1	1	1	—
Total nonaccrual loans and leases held for investment	454	447	461	526	522
Loans held for sale	107	—	—	—	—
Total nonaccrual loans and leases (1)	561	447	461	526	522
Foreclosed real estate	82	33	36	33	35
Other foreclosed property	41	29	26	25	28
Total nonperforming assets(1)	$ 684	$ 509	$ 523	$ 584	$ 585
Troubled Debt Restructurings (TDRs) (2)					
Performing TDRs:					
Commercial:					
Commercial and industrial	$ 47	$ 69	$ 84	$ 63	$ 65
CRE	6	6	7	8	8
Commercial construction	37	1	1	1	2
Consumer:					
Residential mortgage	470	570	581	669	656
Residential home equity and direct	51	54	53	54	56
Indirect auto	333	324	311	302	299
Indirect other	5	4	4	4	6
Credit card	31	29	29	29	27
Total performing TDRs (2)	980	1,057	1,070	1,130	1,119
Nonperforming TDRs	82	115	135	178	176
Total TDRs (2)	$ 1,062	$ 1,172	$ 1,205	$ 1,308	$ 1,295
Loans 90 Days or More Past Due and Still Accruing					
Commercial:					
Commercial and industrial	$ 1	$ —	$ —	$ —	$ —
Consumer:					
Residential mortgage	$ 543	$ 347	$ 350	$ 377	$ 405
Residential home equity and direct	9	8	11	8	8
Indirect auto	11	9	7	5	6
Indirect other	2	—	—	—	—
Student	188	—	—	—	—
Credit card	22	15	13	13	13
PCI	1,218	24	26	28	30
Total loans 90 days past due and still accruing	$ 1,994	$ 403	$ 407	$ 431	$ 462
Loans 30-89 Days Past Due					
Commercial:					
Commercial and industrial	$ 94	$ 34	$ 32	$ 36	$ 34
CRE	5	1	3	3	4
Commercial construction	1	—	—	—	1
Lease financing	2	1	5	3	1
Consumer:					
Residential mortgage	498	432	480	478	456
Residential home equity and direct	122	56	60	69	63
Indirect auto	560	380	354	281	390
Indirect other	85	43	39	35	46
Student	650	—	—	—	—
Credit card	56	29	26	25	26
PCI	140	16	17	18	23
Total loans 30-89 days past due	$ 2,213	$ 992	$ 1,016	$ 948	$ 1,044

(1) Sales of nonperforming loans totaled $119 million, $42 million, $48 million, $30 million and $30 million for the quarter ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

(2) Sales and transfers to HFS of performing TDRs, which were primarily residential mortgage loans, totaled $146 million, $39 million, $120 million, $33 million and $15 million for the quarter ended December 31, 2019, September 30, 2019, June 30, 2019, March 31, 2019 and December 31, 2018, respectively.

(Dollars in millions)	As of/For the Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Allowance for Credit Losses					
Beginning balance	$ 1,653	$ 1,689	$ 1,659	$ 1,651	$ 1,648
Provision for credit losses (excluding PCI loans)	171	117	172	156	147
Provision (benefit) for PCI loans	—	—	—	(1)	(1)
Charge-offs:					
Commercial:					
Commercial and industrial	(23)	(28)	(22)	(17)	(18)
CRE	(5)	(2)	(18)	(8)	(3)
Commercial construction	—	—	—	—	(2)
Lease financing	(9)	(1)	—	(1)	(1)
Consumer:					
Residential mortgage	(8)	(3)	(5)	(5)	(8)
Residential home equity and direct	(25)	(24)	(24)	(20)	(20)
Indirect auto	(107)	(92)	(79)	(92)	(93)
Indirect other	(19)	(14)	(12)	(17)	(15)
Student	—	—	—	—	—
Credit card	(37)	(25)	(23)	(24)	(20)
PCI	—	—	—	—	—
Total charge-offs	(233)	(189)	(183)	(184)	(180)
Recoveries:					
Commercial:					
Commercial and industrial	6	5	8	6	7
CRE	—	3	2	—	2
Commercial construction	1	—	1	1	2
Lease financing	—	1	—	—	—
Consumer:					
Residential mortgage	1	—	—	1	1
Residential home equity and direct	10	6	8	6	6
Indirect auto	13	12	14	13	12
Indirect other	5	3	5	4	3
Student	—	—	—	—	—
Credit card	5	6	3	6	4
Total recoveries	41	36	41	37	37
Net charge-offs	(192)	(153)	(142)	(147)	(143)
RUFC assumed with SunTrust Merger	257	—	—	—	—
Ending balance	$ 1,889	$ 1,653	$ 1,689	$ 1,659	$ 1,651
Allowance for Credit Losses:					
Allowance for loan and lease losses (excluding PCI loans)	$ 1,541	$ 1,565	$ 1,587	$ 1,553	$ 1,549
Allowance for PCI loans	8	8	8	8	9
Reserve for unfunded lending commitments (RUFC)	340	80	94	98	93
Total	$ 1,889	$ 1,653	$ 1,689	$ 1,659	$ 1,651

(Dollars in millions)	As of/For the Year-to-Date Period Ended Dec. 31 2019	2018
Allowance for Credit Losses		
Beginning balance	$ 1,651	$ 1,609
Provision for credit losses (excluding PCI loans)	616	583
Provision (benefit) for PCI loans	(1)	(17)
Charge-offs:		
Commercial:		
Commercial and industrial	(90)	(92)
CRE	(33)	(10)
Commercial construction	—	(3)
Lease financing	(11)	(4)
Consumer:		
Residential mortgage	(21)	(21)
Residential home equity and direct	(93)	(79)
Indirect auto	(370)	(342)
Indirect other	(62)	(49)
Student	—	—
Credit card	(109)	(76)
PCI	—	(2)
Total charge-offs	(789)	(678)
Recoveries:		
Commercial:		
Commercial and industrial	25	39
CRE	5	3
Commercial construction	3	5
Lease financing	1	1
Consumer:		
Residential mortgage	2	2
Residential home equity and direct	30	25
Indirect auto	52	49
Indirect other	17	13
Student	—	—
Credit card	20	17
Total recoveries	155	154
Net charge-offs	(634)	(524)
RUFC assumed with SunTrust Merger	257	—
Ending balance	$ 1,889	$ 1,651

	As of/For the Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Asset Quality Ratios					
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.74 %	0.66 %	0.67 %	0.64 %	0.70 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.66	0.27	0.27	0.29	0.31
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.15	0.30	0.30	0.35	0.35
Nonperforming loans and leases as a percentage of loans and leases (1)	0.18	0.30	0.30	0.35	0.35
Nonperforming assets as a percentage of:					
Total assets (1)	0.14	0.22	0.23	0.26	0.26
Loans and leases plus foreclosed property	0.19	0.34	0.34	0.39	0.39
Net charge-offs as a percentage of average loans and leases	0.40	0.41	0.38	0.40	0.38
Allowance for loan and lease losses as a percentage of loans and leases	0.52	1.05	1.05	1.05	1.05
Ratio of allowance for loan and lease losses to:					
Net charge-offs	2.03X	2.59X	2.80X	2.62X	2.76X
Nonperforming loans and leases	3.41X	3.52X	3.46X	2.97X	2.99X
Asset Quality Ratios (Excluding Government Guaranteed and PCI)					
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.03 %	0.04 %	0.04 %	0.04 %	0.04 %

Applicable ratios are annualized.

(1) Includes loans held for sale.

	As of/For the Year-to-Date Period Ended Dec. 31 2019	2018
Asset Quality Ratios		
Net charge-offs as a percentage of average loans and leases	0.40 %	0.36 %
Ratio of allowance for loan and lease losses to net charge-offs	2.44X	2.98X

Applicable ratios are annualized.

(Dollars in millions)	December 31, 2019 Current Status		Past Due 30-89 Days		Past Due 90+ Days		Total
Troubled Debt Restructurings							
Performing TDRs: (1)							
Commercial:							
Commercial and industrial	$ 46	97.9 %	$ 1	2.1 %	$ —	— %	$ 47
CRE	6	100.0	—	—	—	—	6
Commercial construction	37	100.0	—	—	—	—	37
Lease financing	—	—	—	—	—	—	—
Consumer:							
Residential mortgage	233	49.5	83	17.7	154	32.8	470
Residential home equity and direct	49	96.1	2	3.9	—	—	51
Indirect auto	266	79.9	67	20.1	—	—	333
Indirect other	5	100.0	—	—	—	—	5
Student	—	—	—	—	—	—	—
Credit card	25	80.7	5	16.1	1	3.2	31
Total performing TDRs (1)	667	68.1	158	16.1	155	15.8	980
Nonperforming TDRs (2)	36	43.9	6	7.3	40	48.8	82
Total TDRs (1)(2)	$ 703	66.2 %	$ 164	15.4 %	$ 195	18.4 %	$ 1,062

(1) Past due performing TDRs are included in past due disclosures.
(2) Nonperforming TDRs are included in nonaccrual loan disclosures.

	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Net Charge-offs as a Percentage of Average Loans and Leases:					
Commercial:					
Commercial and industrial	0.09 %	0.14 %	0.09 %	0.07 %	0.06 %
CRE	0.09	—	0.41	0.18	0.03
Commercial construction	(0.09)	(0.11)	(0.19)	(0.08)	(0.03)
Lease financing	1.03	0.11	0.03	0.10	0.17
Consumer:					
Residential mortgage	0.09	0.04	0.06	0.05	0.10
Residential home equity and direct	0.39	0.60	0.57	0.47	0.48
Indirect auto	2.41	2.70	2.23	2.88	2.86
Indirect other	0.72	0.60	0.49	0.79	0.81
Student	(0.01)	—	—	—	—
Credit card	3.32	2.59	2.50	2.58	2.16
PCI	—	—	—	—	—
Total loans and leases	0.40	0.41	0.38	0.40	0.38

Applicable ratios are annualized.

Credit Quality - Allowance Rollforward with Fair Value Marks

(Dollars in millions) As of/For the Quarter Ended December 31, 2019	PCI	Non-PCI	Total ALLL	RUFC	Total ACL
Beginning balance	$ 8	$ 1,565	$ 1,573	$ 80	$ 1,653
Provision (benefit) for credit losses	—	168	168	3	171
Net charge offs	—	(192)	(192)	—	(192)
RUFC assumed with the SunTrust merger	—	—	—	257	257
Ending balance	8	1,541	1,549	340	1,889
Unamortized fair value mark (1)	537	4,027	4,564	—	4,564
Allowance plus unamortized fair value mark	$ 545	$ 5,568	$ 6,113	$ 340	$ 6,453
Allowance for loan and lease losses as a percentage of loans and leases	0.23 %	0.52 %	0.52 %		
Allowance for loan and lease losses and unamortized fair value mark as a percentage of gross loans and leases (1)	13.55	1.85	2.01		

(1) Unamortized fair value mark includes credit, interest rate and liquidity components.

Selected Purchase Accounting Information - Fair Value of Assets Merged and Liabilities Assumed

(Dollars in millions)	Balance At Merger (1)
Assets:	
Cash and due from banks	$ 1,621
Interest-bearing deposits with banks	4,668
Federal funds sold and securities purchased under resale agreements or similar arrangements	1,191
Trading assets	5,710
Securities available for sale	30,986
Loans and leases:	
PCI gross value	3,652
PCI purchase accounting mark	(425)
Total PCI	3,227
Non-PCI gross value	154,832
Non-PCI purchase accounting mark	(4,088)
Total non-PCI	150,744
Total loans and leases	153,971
Loans held for sale	3,741
Premises and equipment	1,587
Goodwill	14,321
Core deposit and other intangible assets	2,535
Mortgage servicing rights	1,605
Other assets	14,087
Total assets	$ 236,023
Liabilities:	
Deposits	$ 170,721
Short-term borrowings	6,837
Long-term debt	19,473
Other liabilities	5,337
Total liabilities	202,368
Net Assets	$ 33,655

(1) Represents the provisional fair value of SunTrust's assets and liabilities as of the merger date, except for gross loan and leases balances.

Selected Loan and Lease Balances and Related Fair Value Marks as of Period End

(Dollars in millions)	Dec. 31 2019
PCI Loans and Leases:	
Gross value	$ 4,021
Fair value mark	(537)
Carrying value of PCI loans and leases	3,484
Non-PCI Loans and Leases:	
Gross value	155,423
Fair value mark	(4,027)
Carrying value of non-PCI loans and leases	151,396
Carrying value of originated loan and leases	144,962
Total Loans and Leases Held for Investment	$ 299,842

Rollforward of Intangible Assets and Selected Fair Value Marks (1)

(Dollars in millions)	As of/For the Quarter Ended Dec. 31 2019
PCI Loans and Leases (2)	
Beginning balance unamortized fair value mark	$ (152)
Additions - Merger with SunTrust	(425)
Accretion	33
Interest reversal	(19)
Net charge offs	26
Ending balance	$ (537)
Non-PCI Loans and Leases (2)	
Beginning balance unamortized fair value mark	$ (69)
Additions - Merger with SunTrust	(4,088)
Accretion	130
Ending balance	$ (4,027)
Core deposit and other intangible assets	
Beginning balance	$ 678
Additions - Merger with SunTrust	2,535
Amortization	(71)
Ending balance	$ 3,142
Deposits (3)	
Beginning balance unamortized fair value mark	$ —
Additions - Merger with SunTrust	(83)
Amortization	7
Ending balance	$ (76)
Long-Term Debt (3)	
Beginning balance unamortized fair value mark	$ (10)
Additions - Merger with SunTrust	(309)
Amortization	7
Ending balance	$ (312)

(1) Includes the merger with SunTrust, as well as other acquisitions. This summary includes only selected information and does not represent all purchase accounting adjustments.
(2) Purchase accounting loan marks on loans and leases represents the total mark, including credit, interest and liquidity, and are recognized using level-yield method over the remaining life of the individual loans or recognized in full in the event of prepayment.
(3) Purchase accounting marks on liabilities represents interest rate marks on time deposits and long-term debt and are recognized using level-yield method over the term of the liability.

Capital Information - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	As of/For the Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Selected Capital Information	(preliminary)				
Risk-based capital:					
Common equity tier 1	$ 35,643	$ 19,905	$ 19,435	$ 18,848	$ 18,405
Tier 1	40,744	22,960	22,486	21,899	21,456
Total	47,523	27,666	26,693	26,078	24,963
Risk-weighted assets	377,518	187,503	187,523	183,060	181,260
Average quarterly tangible assets	276,590	223,298	220,514	217,247	215,872
Risk-based capital ratios:					
Common equity tier 1	9.4 %	10.6 %	10.4 %	10.3 %	10.2 %
Tier 1	10.8	12.2	12.0	12.0	11.8
Total	12.6	14.8	14.2	14.2	13.8
Leverage capital ratio (1)	14.7	10.3	10.2	10.1	9.9
Supplementary leverage (2)	7.9	NA	NA	NA	NA
Equity as a percentage of total assets	14.1	13.6	13.8	13.6	13.4
Common equity per common share	$ 45.66	$ 38.07	$ 37.40	$ 36.26	$ 35.46

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the 4Q19 result.

(2) Truist became subject to the supplementary leverage ratio as of January 1, 2020. The above measure is the current estimate based on a full quarter of average tangible assets in the denominator.

(Dollars in millions, except per share data, shares in thousands)	Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Calculations of Tangible Common Equity and Related Measures: (1)					
Total shareholders' equity	$ 66,558	$ 32,303	$ 31,764	$ 30,883	$ 30,178
Less:					
Preferred stock	5,102	3,057	3,053	3,053	3,053
Noncontrolling interests	174	69	61	60	56
Intangible assets, net of deferred taxes	26,482	10,281	10,317	10,326	10,360
Tangible common equity	$ 34,800	$ 18,896	$ 18,333	$ 17,444	$ 16,709
Outstanding shares at end of period (in thousands)	1,342,166	766,303	766,010	765,920	763,326
Tangible Common Equity Per Common Share	$ 25.93	$ 24.66	$ 23.93	$ 22.78	$ 21.89

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk and believes investors may find them useful in their analysis of the Corporation. These measures are not necessarily comparable to similar measures that may be presented by other companies.

Selected Items (1)

(Dollars in millions) Description	Financial Statement Caption	Favorable (Unfavorable) Pre-Tax	Favorable (Unfavorable) After-Tax at Marginal Rate
Selected Items			
Fourth Quarter 2019			
Incremental operating expenses related to the merger:			
Personnel expense	Personnel expense	$ (80)	
Professional fees and outside processing	Professional fees and outside processing	(12)	
Other expense	Other expense	(9)	
Total		$ (101)	$ (79)
Allowance release related to residential mortgage portfolio sale	Provision for credit losses	$ 25	$ 19
Gain (loss) on residential mortgage portfolio sale	Residential mortgage income	(22)	(17)
Corporate advance write off	Loan-related expense	(2)	(1)
Impact of mortgage portfolio sale		$ 1	$ 1
Third Quarter 2019			
Incremental operating expenses related to the merger:			
Personnel expense	Personnel expense	$ (39)	
Professional fees and outside processing	Professional fees and outside processing	(12)	
Other expense	Other expense	(1)	
Total		$ (52)	$ (40)
Redemption of preferred shares	Preferred stock dividends	$ (46)	$ (46)
Allowance release related to residential mortgage portfolio sale	Provision for credit losses	$ 16	$ 12
Gain (loss) on residential mortgage portfolio sale	Residential mortgage income	4	3
Impact of mortgage portfolio sale		$ 20	$ 15
Second Quarter 2019			
Incremental operating expenses related to the merger:			
Personnel expense	Personnel expense	$ (4)	
Professional fees and outside processing	Professional fees and outside processing	(5)	
Total		$ (9)	$ (7)
First Quarter 2019			
Incremental operating expenses related to the merger:			
Professional fees and outside processing	Professional fees and outside processing	$ (1)	
Other expense	Other expense	(1)	
Total		$ (2)	$ (1)
Fourth Quarter 2018			
None		N/A	N/A
Third Quarter 2018			
None		N/A	N/A
Second Quarter 2018			
None		N/A	N/A
First Quarter 2018			
None		N/A	N/A

(1) Includes costs not classified as merger-related and restructuring charges that are excluded from adjusted disclosures.

Selected Mortgage Banking Information & Additional Information

(Dollars in millions, except per share data)	As of/For the Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018
Residential Mortgage Income					
Residential mortgage production revenue	$ 40	$ 50	$ 37	$ 20	$ 22
Residential mortgage servicing revenue	78	64	62	61	65
Realization of expected residential MSR cash flows	(59)	(36)	(38)	(33)	(37)
Residential mortgage income before MSR valuation	59	78	61	48	50
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	80	(79)	(47)	(51)	(49)
MSRs hedge gains (losses)	(74)	81	77	52	57
Net MSRs valuation	6	2	30	1	8
Total residential mortgage income	$ 65	$ 80	$ 91	$ 49	$ 58
Commercial Real Estate Related Income					
Commercial mortgage production revenue	$ 44	$ 26	$ 20	$ 11	$ 28
Commercial mortgage servicing revenue	13	10	9	10	9
Realization of expected commercial MSR cash flows	(7)	(7)	(7)	(7)	(7)
Commercial real estate related income before MSR valuation	50	29	22	14	30
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	2	—	(5)	(3)	(6)
MSRs hedge gains (losses)	(4)	3	5	3	4
Net MSRs valuation	(2)	3	—	—	(2)
Commercial real estate related income	$ 48	$ 32	$ 22	$ 14	$ 28
Other Mortgage Banking Information					
Residential mortgage loan originations	$ 7,523	$ 5,274	$ 4,735	$ 2,383	$ 2,735
Residential mortgage servicing portfolio (1):					
Loans serviced for others	219,347	87,147	85,060	86,119	87,270
Bank-owned loans serviced	60,211	29,122	32,852	31,861	31,335
Total servicing portfolio	279,558	116,269	117,912	117,980	118,605
Weighted-average coupon rate on mortgage loans serviced for others	4.04 %	4.09 %	4.07 %	4.06 %	4.04 %
Weighted-average servicing fee on mortgage loans serviced for others	0.310	0.280	0.279	0.278	0.277
Additional Information					
Fair value of derivatives, net	1,687	641	489	158	(1)
Common stock prices:					
High	56.92	53.85	51.76	52.45	52.11
Low	50.02	44.98	46.53	42.79	40.68
End of period	56.32	53.37	49.13	46.53	43.32
Banking offices	2,958	1,789	1,787	1,871	1,879
ATMs	4,426	2,376	2,376	2,503	2,573
FTEs (2)	40,691	34,723	34,771	35,334	35,852

(1) Amounts reported are unpaid principal balance.
(2) FTEs represents an average for the quarter. The timing of the merger impacted the 4Q19 result.

Non-GAAP Reconciliations

(Dollars in millions)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018	Year-to-Date Dec. 31 2019	Dec. 31 2018
Efficiency Ratio (1)							
Efficiency Ratio Numerator - Noninterest Expense - GAAP	$ 2,575	$ 1,840	$ 1,751	$ 1,768	$ 1,784	$ 7,934	$ 6,932
Merger-related and restructuring charges, net	(223)	(34)	(23)	(80)	(76)	(360)	(146)
Incremental operating expense related to the merger	(101)	(52)	(9)	(2)	—	(164)	—
Amortization	(71)	(29)	(32)	(32)	(34)	(164)	(131)
Corporate advance write off	(2)	—	—	—	—	(2)	—
Efficiency Ratio Numerator - Adjusted	$ 2,178	$ 1,725	$ 1,687	$ 1,654	$ 1,674	$ 7,244	$ 6,655
Efficiency Ratio Denominator - Revenue (2) - GAAP	$ 3,625	$ 3,003	$ 3,042	$ 2,898	$ 2,940	$ 12,568	$ 11,558
Taxable equivalent adjustment	25	23	24	24	24	96	96
Securities (gains) losses, net	116	—	—	—	(2)	116	(3)
Gain (loss) on loan portfolio sale	22	(4)	—	—	—	18	—
Efficiency Ratio Denominator - Adjusted	$ 3,788	$ 3,022	$ 3,066	$ 2,922	$ 2,962	$ 12,798	$ 11,651
Efficiency Ratio - GAAP	71.0 %	61.3 %	57.6 %	61.0 %	60.7 %	63.1 %	60.0 %
Efficiency Ratio - Adjusted	57.5	57.1	55.1	56.6	56.5	56.6	57.1

(1) The adjusted efficiency ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges. These measures are not necessarily comparable to similar measures that may be presented by other companies.
(2) Revenue is defined as net interest income plus noninterest income.

(Dollars in millions)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018	Year-to-Date Dec. 31 2019	Dec. 31 2018
Return on Average Tangible Common Shareholders' Equity (1)							
Net income available to common shareholders	$ 702	$ 735	$ 842	$ 749	$ 754	$ 3,028	$ 3,063
Plus: Amortization of intangibles, net of tax	57	22	24	25	25	128	100
Tangible net income available to common shareholders	$ 759	$ 757	$ 866	$ 774	$ 779	$ 3,156	$ 3,163
Average common shareholders' equity	$ 38,031	$ 29,040	$ 28,188	$ 27,432	$ 26,860	$ 30,697	$ 26,640
Less: Average intangible assets, net of deferred taxes	14,760	10,298	10,326	10,343	10,391	11,460	10,243
Average tangible common shareholders' equity	$ 23,271	$ 18,742	$ 17,862	$ 17,089	$ 16,469	$ 19,237	$ 16,397
Return on average common shareholders' equity	7.33 %	10.04 %	11.98 %	11.08 %	11.14 %	9.87 %	11.50 %
Return on average tangible common shareholders' equity	12.91	16.03	19.45	18.36	18.77	16.40	19.48

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk and believes investors may find them useful in their analysis of the Corporation. These measures are not necessarily comparable to similar measures that may be presented by other companies.

(Dollars in millions, except per share data)	Quarter Ended Dec. 31 2019	Sept. 30 2019	June 30 2019	March 31 2019	Dec. 31 2018	Year-to-Date Dec. 31 2019	Dec. 31 2018
Diluted EPS (1)							
Net income available to common shareholders - GAAP	$ 702	$ 735	$ 842	$ 749	$ 754	$ 3,028	$ 3,063
Merger-related and restructuring charges, net	176	26	19	64	59	285	111
Securities gains (losses), net	90	—	—	—	(1)	90	(2)
Incremental operating expenses related to the merger	79	40	7	1	—	127	—
Corporate advance write off	1	—	—	—	—	1	—
Gain (loss) on loan portfolio sale	17	(3)	—	—	—	14	—
Redemption of preferred shares	—	46	—	—	—	46	—
Allowance release related to loan portfolio sale	(19)	(12)	—	—	—	(31)	—
Net income available to common shareholders - adjusted	$ 1,046	$ 832	$ 868	$ 814	$ 812	$ 3,560	$ 3,172
Weighted average shares outstanding - diluted	934,718	775,791	774,603	774,071	775,402	815,204	783,484
Diluted EPS - GAAP	$ 0.75	$ 0.95	$ 1.09	$ 0.97	$ 0.97	$ 3.71	$ 3.91
Diluted EPS - adjusted	1.12	1.07	1.12	1.05	1.05	4.37	4.05

(1) The adjusted diluted earnings per share is non-GAAP in that it excludes merger-related and restructuring charges and other selected items, net of tax. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.