BB&T

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News Release

January 17, 2019

FOR IMMEDIATE RELEASE

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BB&T reports record annual earnings of $3.1 billion; $3.91 per diluted share

Quarterly earnings totaled $0.97 per diluted share, up 26.0 percent compared to 2017

WINSTON-SALEM, N.C. —BB&T Corporation (NYSE: BBT) today reported earnings for the fourth quarter of 2018. Net income available to common shareholders was $754 million. Earnings per diluted common share were $0.97 for the fourth quarter of 2018, down from $1.01 last quarter. Results for the fourth quarter produced an annualized return on average assets of 1.43 percent and an annualized return on average common shareholders' equity of 11.14 percent.

Excluding merger-related and restructuring charges of $76 million ($59 million after-tax), net income available to common shareholders was $813 million, or $1.05 per diluted share, up from $1.03 last quarter.

Net income available to common shareholders was $789 million ($1.01 per diluted share) for the third quarter of 2018 and $614 million ($0.77 per diluted share) for the fourth quarter of 2017.

For the full year, net income available to common shareholders was a record $3.1 billion, or $3.91 per diluted share. For 2017, net income available to common shareholders was $2.2 billion, or $2.74 per diluted share. Excluding merger-related and restructuring charges and selected items, adjusted diluted earnings per share was $4.05 for 2018, up 29.0 percent compared to $3.14 for 2017.

"We are pleased to report record taxable-equivalent revenues of $3.0 billion and strong fourth-quarter and record full-year earnings, while we continue to make significant investments in our digital platform to enhance our clients' experiences," said Chairman and Chief Executive Officer Kelly S. King.

"Our diversified businesses continue to perform well, as evidenced by quarterly record revenues of $487 million from insurance income and $139 million from investment banking income. Our GAAP efficiency ratio increased to 60.7 percent due to higher merger-related and restructuring charges. Our adjusted efficiency ratio was 56.5 percent, which is at the lowest level since 2014. We also delivered solid loan growth for the quarter," King said.

"Asset quality remains excellent and nonperforming assets improved further during the fourth quarter," King said.

Fourth Quarter 2018 Performance Highlights

- Earnings per diluted common share were $0.97, down $0.04 compared to third quarter of 2018
  - Diluted earnings per share was $1.05, excluding merger-related and restructuring charges
  - Return on average assets was 1.43 percent
  - Return on average common shareholders' equity was 11.14 percent
  - Return on average tangible common shareholders' equity was 19.02 percent

- Taxable-equivalent revenues were a record $3.0 billion, up $11 million from the third quarter of 2018
  - Net interest margin was 3.49 percent, up two basis points from the prior quarter
  - Noninterest income was essentially flat; excluding income from post-employment assets that are offset by personnel expense, noninterest income was up $32 million from the prior quarter
  - Insurance income was a record $487 million, up $39 million from the prior quarter
  - Investment banking and brokerage fees and commissions was a record $139 million, up $23 million from the prior quarter
  - Fee income ratio was 42.0 percent, compared to 42.3 percent for the prior quarter

- Noninterest expense was $1.8 billion, up $42 million compared to the third quarter of 2018
  - Noninterest expense was down $71 million compared to the fourth quarter of 2017
  - GAAP efficiency ratio was 60.7 percent, compared to 59.5 percent for the prior quarter
  - Adjusted efficiency ratio was 56.5 percent, compared to 57.3 percent for the prior quarter

- Average loans and leases held for investment were $147.5 billion, up $1.3 billion, or 3.6 percent annualized compared to the third quarter of 2018
  - Average commercial and industrial loans increased $653 million, or 4.3 percent annualized
  - Average CRE loans decreased $195 million, or 3.6 percent annualized
  - Average residential mortgage loans increased $603 million, or 7.8 percent annualized
  - Average indirect loans increased $154 million, or 3.5 percent annualized
  - Average revolving credit increased $123 million, or 16.6 percent annualized

- Average deposits were $157.8 billion compared to $157.3 billion for the third quarter of 2018
  - Average noninterest-bearing deposits decreased $442 million, or 3.2 percent annualized
  - Average noninterest-bearing deposits represent 34.0 percent of total deposits, compared to 34.4 percent in the prior quarter
  - Cost of average interest-bearing deposits was 0.78 percent annualized, up 12 basis points
  - Cost of average total deposits was 0.52 percent annualized, up nine basis points

- Asset quality remains excellent
  - Nonperforming assets were 0.26 percent of total assets; lower than levels in 2006
  - Loans 90 days or more past due and still accruing were 0.31 percent of loans held for investment, compared to 0.29 percent in the prior quarter
  - Net charge-offs were 0.38 percent of average loans and leases, up three basis points
  - The allowance for loan loss coverage ratio was 2.99 times nonperforming loans held for investment, versus 2.86 times in the prior quarter
  - The allowance for loan and lease losses was 1.05 percent of loans held for investment, unchanged compared to the prior quarter

- Capital levels remained strong across the board
  - Common equity tier 1 to risk-weighted assets was 10.2 percent
  - Tier 1 risk-based capital was 11.8 percent
  - Total capital was 13.8 percent
  - Leverage capital was 9.9 percent

EARNINGS HIGHLIGHTS

(dollars in millions, except per share data)

	4Q18	3Q18	4Q17	Change 4Q18 vs. 3Q18	Change 4Q18 vs. 4Q17
Net income available to common shareholders	$ 754	$ 789	$ 614	$ (35)	$ 140
Diluted earnings per common share	0.97	1.01	0.77	(0.04)	0.20
Net interest income - taxable equivalent	$ 1,729	$ 1,714	$ 1,682	$ 15	$ 47
Noninterest income	1,235	1,239	1,225	(4)	10
Total taxable-equivalent revenue	$ 2,964	$ 2,953	$ 2,907	$ 11	$ 57
Less taxable-equivalent adjustment	24	27	38		
Total revenue	$ 2,940	$ 2,926	$ 2,869		
Return on average assets	1.43%	1.49%	1.19%	(0.06)%	0.24%
Return on average risk-weighted assets	1.77	1.85	1.50	(0.08)	0.27
Return on average common shareholders' equity	11.14	11.69	9.10	(0.55)	2.04
Return on average tangible common shareholders' equity (1)	19.02	20.00	15.35	(0.98)	3.67
Net interest margin - taxable equivalent	3.49	3.47	3.43	0.02	0.06

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

Fourth Quarter 2018 compared to Third Quarter 2018

Total taxable-equivalent revenues were $3.0 billion for the fourth quarter of 2018, an increase of $11 million compared to the prior quarter, primarily driven by an increase of $15 million in taxable-equivalent net interest income.

The net interest margin was 3.49 percent for the fourth quarter, up two basis points compared to the prior quarter. Average earning assets increased $1.0 billion, which reflects a $968 million increase in average total loans and leases. Average interest-bearing liabilities increased $1.2 billion, driven by a $1.0 billion increase in average interest-bearing deposits and an increase of $956 million in average short-term borrowings, partially offset by a decrease of $723 million in average long-term debt.

The annualized yield on the total loan portfolio for the fourth quarter was 4.96 percent, up 13 basis points, reflecting the impact of rate increases. The annualized yield on the average securities portfolio for the fourth quarter was 2.53 percent, up six basis points compared to the prior quarter.

The average annualized cost of total deposits was 0.52 percent, up nine basis points compared to the prior quarter. The average annualized cost of interest-bearing deposits was 0.78 percent, up 12 basis points compared to the prior quarter. The average annualized rate on long-term debt was 3.19 percent, up 20 basis points compared to the prior quarter. The average annualized rate on short-term borrowings was 2.18 percent, up 24 basis points compared to the prior quarter. The higher rates on interest-bearing liabilities reflect the impact of rate increases.

The provision for credit losses was $146 million, and net charge-offs were $143 million for the fourth quarter, compared to $135 million and $127 million, respectively, for the prior quarter.

Noninterest income was $1.2 billion, flat compared to the prior quarter. Excluding a $36 million decrease in income related to assets for certain post-employment benefits, which is primarily offset by lower personnel expense, noninterest income increased $32 million, or 10.4 percent annualized.

Insurance income increased $39 million to a record $487 million primarily due to seasonality, as well as higher production. Investment banking and brokerage fees and commissions increased $23 million to a record $139 million due to strong activity in debt and equity deals and higher managed account fees. Other income decreased $77 million primarily due to a $18 million decrease in income from SBIC private equity investments and a $36 million decrease in income related to assets for certain post-employment benefits, which is primarily offset by lower personnel expense.

Noninterest expense was $1.8 billion for the fourth quarter, up $42 million compared to the prior quarter. This increase is primarily due to higher charges as a result of restructuring initiatives, including $50 million of personnel costs for severance and other benefits and $26 million primarily related to costs to exit facilities. These restructuring activities will allow continued investment in the company's digital strategy, while maintaining disciplined cost control. Noninterest expenses were lower $36 million related to assets for certain post-employment benefits, which is primarily offset by lower noninterest income. Excluding these items, noninterest expenses were up $20 million compared to the prior quarter.

Personnel expense was essentially flat compared to the prior quarter and FTEs were down 381. Incentives expense increased $36 million due to improved performance relative to targets. Capitalized employee costs were lower resulting from efficiencies in the loan closing process. These increases were offset by a $36 million decrease in certain post-employment benefits expense and a decrease in equity-based compensation. The lower post-employment benefits expense is offset in other income. Regulatory charges decreased $19 million as a result of the deposit insurance fund reaching the targeted level, which eliminated the special assessment for larger institutions.

The provision for income taxes was $205 million for the fourth quarter, compared to $210 million for the prior quarter. The effective tax rate for the fourth quarter was 20.3 percent, compared to 20.0 percent for the prior quarter.

Fourth Quarter 2018 compared to Fourth Quarter 2017

Total taxable-equivalent revenues were $3.0 billion for the fourth quarter of 2018, an increase of $57 million compared to the earlier quarter, which reflects an increase of $47 million in taxable-equivalent net interest income and an increase of $10 million in noninterest income.

Net interest margin was 3.49 percent, up six basis points compared to the earlier quarter. Average earning assets increased $1.9 billion. The increase in average earnings assets reflects a $4.4 billion increase in average total loans and leases, partially offset by decreases of $1.5 billion and $977 million in average securities and average other earning assets, respectively. Average interest-bearing liabilities increased $1.9 billion compared to the earlier quarter. Average long-term debt increased $849 million, while average short-term borrowings increased $637 million and average interest-bearing deposits increased $439 million. The annualized yield on the total loan portfolio for the fourth quarter of 2018 was 4.96 percent, up 46 basis points compared to the earlier quarter, reflecting the impact of rate increases. The annualized yield on the average securities portfolio was 2.53 percent, up 11 basis points compared to the earlier period.

The average annualized cost of total deposits was 0.52 percent, up 26 basis points compared to the earlier quarter. The average annualized cost of interest-bearing deposits was 0.78 percent, up 38 basis points compared to the earlier quarter. The average annualized rate on long-term debt was 3.19 percent, up 83 basis points compared to the earlier quarter. The average annualized rate on short-term borrowings was 2.18 percent, up 105 basis points compared to the earlier quarter. The higher rates on interest-bearing liabilities reflect the impact of rate increases.

The provision for credit losses was $146 million, compared to $138 million for the earlier quarter. Net charge-offs for the fourth quarter of 2018 totaled $143 million compared to $130 million in the earlier period.

Noninterest income for the fourth quarter of 2018 was up $10 million compared to the earlier quarter. Excluding a $37 million decrease in income related to assets for certain post-employment benefits, which is primarily offset by lower personnel expense, noninterest income increased $47 million.

Insurance income increased $69 million to a record due to higher production and the acquisition of Regions Insurance, which contributed $34 million. Mortgage banking income decreased $18 million primarily due to lower gain-on-sale margins and retaining more production on the balance sheet. Investment banking and brokerage fees and commissions increased $28 million to a record, primarily as a result of strong activity in debt and equity deals and higher managed account fees. Other income decreased $73 million primarily due to a $15 million decrease in income from SBIC private equity investments, and a $37 million decrease due to lower income related to assets for certain post-employment benefits. The decrease in post-employment benefit income is primarily offset by lower personnel expense.

Noninterest expense for the fourth quarter of 2018 was down $71 million compared to the earlier quarter. The current quarter includes $28 million of additional operating expenses associated with the Regions Insurance acquisition and an increase of $54 million in merger-related and restructuring charges. The earlier quarter included $136 million of expenses due to actions taken in connection with the passage of tax reform legislation. Noninterest expenses were lower $37 million related to assets for certain post-employment benefits, which is primarily offset by lower noninterest income. Excluding these items, noninterest expense was up $20 million compared to the earlier quarter.

Personnel expense increased $24 million compared to the earlier quarter. This increase included $20 million of personnel expense resulting from the Regions Insurance acquisition. In addition, capitalized employee costs were $29 million lower due to efficiencies in the loan closing process and defined benefit plan expenses were higher. These increases were partially offset by a $37 million decrease for certain post-employment benefits. Incentive expenses were slightly lower compared to the earlier quarter. The earlier quarter included $36 million for a one-time bonus paid to associates who do not generally receive incentives or commissions, which was partially offset by higher performance-based incentive expense in the current quarter. Regulatory charges decreased $20 million as a result of the deposit insurance fund reaching the targeted level. Other expense decreased $124 million compared to the earlier quarter primarily due to a $100 million contribution to BB&T's philanthropic fund made in the earlier quarter and an increase in income on pension plan assets.

The provision for income taxes was $205 million for the fourth quarter of 2018, compared to $209 million for the earlier quarter. This produced an effective tax rate for the fourth quarter of 2018 of 20.3 percent, compared to 23.9 percent for the earlier quarter. The provision for income taxes for the current quarter reflects the new lower federal tax rate, while the earlier quarter included a net benefit of $43 million related to the impact of tax reform.

LOANS AND LEASES

(dollars in millions)

Average balances	4Q18	3Q18	Change	% Change (annualized)
Commercial:				
Commercial and industrial	$ 60,553	$ 59,900	$ 653	4.3%
CRE	21,301	21,496	(195)	(3.6)
Lease financing	1,990	1,941	49	10.0
Total commercial	83,844	83,337	507	2.4
Retail:				
Residential mortgage	31,103	30,500	603	7.8
Direct	11,600	11,613	(13)	(0.4)
Indirect	17,436	17,282	154	3.5
Total retail	60,139	59,395	744	5.0
Revolving credit	3,070	2,947	123	16.6
PCI	486	518	(32)	(24.5)
Total loans and leases held for investment	$147,539	$146,197	$ 1,342	3.6

Average loans held for investment for the fourth quarter of 2018 were $147.5 billion, up $1.3 billion, or 3.6 percent annualized compared to the third quarter of 2018.

Average commercial and industrial loans increased $653 million driven by strong growth in corporate banking and dealer floor plan, partially offset by a decline in mortgage warehouse lending. Average residential mortgage loans increased $603 million primarily due to the retention of a portion of the conforming mortgage production.

Average indirect retail loans increased $154 million. This increase was primarily due to strong growth in automobile lending.

Average revolving credit increased $123 million due to a new product launched early in the third quarter and higher seasonal spending.

DEPOSITS

(dollars in millions)

Average balances	4Q18	3Q18	Change	% Change (annualized)
Noninterest-bearing deposits	$ 53,732	$ 54,174	$ (442)	(3.2)%
Interest checking	26,921	26,655	266	4.0
Money market and savings	62,261	62,957	(696)	(4.4)
Time deposits	14,682	13,353	1,329	39.5
Foreign office deposits - interest-bearing	246	132	114	NM
Total deposits	$157,842	$157,271	$ 571	1.4

NM - not meaningful.

Average deposits for the fourth quarter were $157.8 billion, up $571 million compared to the prior quarter. Average noninterest-bearing deposits decreased $442 million, driven by decreases in commercial balances.

Average interest checking increased $266 million primarily due to increases in commercial and public fund balances, partially offset by a decrease in personal balances. Average money market and savings deposits decreased $696 million primarily due to a decrease in commercial balances. Average time deposits increased $1.3 billion primarily due to increases in commercial balances. Average foreign office deposits increased $114 million due to changes in the overall funding mix.

Noninterest-bearing deposits represented 34.0 percent of total average deposits for the fourth quarter, compared to 34.4 percent for the prior quarter and 34.4 percent a year ago. The cost of total deposits was 0.52 percent for the fourth quarter, up nine basis points compared to the prior quarter. The cost of interest-bearing deposits was 0.78 percent for the fourth quarter, up 12 basis points compared to the prior quarter.

SEGMENT RESULTS

(dollars in millions)				Change 4Q18 vs.	
Segment Net Income	4Q18	3Q18	4Q17	3Q18	4Q17
Community Banking Retail and Consumer Finance	$ 384	$ 393	$ 264	$ (9)	$ 120
Community Banking Commercial	329	310	234	19	95
Financial Services and Commercial Finance	155	149	136	6	19
Insurance Holdings	77	43	33	34	44
Other, Treasury & Corporate	(140)	(56)	—	(84)	(140)
Total net income	$ 805	$ 839	$ 667	$ (34)	$ 138

Fourth Quarter 2018 compared to Third Quarter 2018

Community Banking Retail and Consumer Finance ("CB-Retail")

CB-Retail serves retail 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-Retail includes Dealer Retail Services, which originates loans on an indirect basis to consumers for the purchase of automobiles, boats and recreational vehicles. Additionally, CB-Retail includes specialty finance lending, small equipment leasing and other products for consumers. CB-Retail also includes Residential Mortgage Banking, which originates and purchases mortgage loans to either hold for investment or sell to third parties. BB&T generally retains the servicing rights to loans sold. Mortgage products include fixed and adjustable-rate government guaranteed and conventional loans used for the purpose of constructing, purchasing or refinancing residential properties. Substantially all of the properties are owner-occupied. Residential Mortgage Banking also includes Mortgage Warehouse Lending, which provides short-term lending solutions to finance first-lien residential mortgages held-for-sale by independent mortgage companies.

CB-Retail net income was $384 million for the fourth quarter of 2018, a decrease of $9 million compared to the prior quarter. Segment net interest income increased primarily due to higher funding spreads on deposits and average loan growth, partially offset by lower credit spreads on loans and a decline in average deposits. The allocated provision for credit losses increased $30 million due to seasonally higher net charge-offs and higher incurred loss estimates.

CB-Retail average loans and leases held for investment increased $624 million, or 3.8 percent on an annualized basis, compared to the prior quarter. The increase was primarily driven by growth in average residential mortgage loans of $607 million, or 7.9 percent annualized, indirect loans of $154 million, or 3.5 percent annualized, and revolving credit of $123 million, or 16.6 percent annualized. These increases were partially offset by a decline in average mortgage warehouse lending of $224 million, or 58.1 percent annualized.

CB-Retail average total deposits decreased $787 million, or 4.0 percent on an annualized basis, compared to the prior quarter. The decrease was primarily driven by a decline in average noninterest-bearing deposits of $360 million, or 8.4 percent annualized, interest checking of $325 million, or 8.3 percent annualized, and time deposits of $259 million, or 9.2 percent annualized. These decreases were partially offset by an increase in money market and savings of $156 million, or 1.8 percent annualized.

Community Banking Commercial ("CB-Commercial")

CB-Commercial serves large, medium and small business clients by offering a variety of loan and deposit products and by connecting clients to the combined organization's broad array of financial services. CB-Commercial includes CRE lending, commercial and industrial lending, corporate banking, asset-based lending, dealer inventory financing, tax-exempt financing, cash management and treasury services, and commercial deposit products.

CB-Commercial net income was $329 million for the fourth quarter of 2018, an increase of $19 million compared to the prior quarter. Segment net interest income increased $20 million primarily due to higher funding spreads on deposits. The allocated provision for credit losses declined slightly due to a decrease in incurred loss estimates, substantially offset by loan growth. Noninterest expense increased primarily due to higher restructuring charges as a result of restructuring initiatives.

CB-Commercial average loans and leases held for investment increased $54 million, or 0.4 percent on an annualized basis compared to the prior quarter. Average commercial and industrial loans increased $279 million, or 3.4 percent annualized, while average commercial real estate loans declined $213 million, or 4.3 annualized. Average total deposits decreased slightly compared to the prior quarter. Average money market and savings decreased $442 million, or 11.0 percent annualized, time deposits decreased $32 million, or 12.8 percent annualized, and noninterest-bearing deposits declined $24 million, or 0.3 percent annualized. These decreases were largely offset by an increase in average interest checking of $473 million, or 22.9 percent annualized.

Financial Services and Commercial Finance ("FS&CF")

FS&CF provides personal trust administration, estate planning, investment counseling, wealth management, asset management, corporate retirement services, capital markets and corporate banking services, specialty finance and corporate trust services to individuals, corporations, institutions, foundations and government entities. In addition, the segment includes BB&T Securities, a full-service brokerage and investment banking firm, which offers clients a variety of investment services, including discount brokerage services, equities, annuities, mutual funds and government bonds. The Corporate Banking Division originates and services large corporate relationships, syndicated lending relationships and client derivatives while the specialty finance products offered by FS&CF include equipment finance, tax-exempt financing for local governments and special-purpose entities, and full-service commercial mortgage banking lending.

FS&CF net income was $155 million for the fourth quarter of 2018, an increase of $6 million compared to the prior quarter. Segment net interest income increased primarily due to higher funding spreads and average loan growth, partially offset by a decline in average deposits. Noninterest income increased primarily due to record investment banking and brokerage fees and commissions as a result of strong activity in debt and equity deals and higher managed account fees, partially offset by a decline in noninterest fees on loans. Noninterest expense increased $22 million primarily due to higher personnel expense driven by performance-based incentives as well as higher restructuring charges as a result of restructuring initiatives.

FS&CF average loans and leases held for investment increased $806 million, or 11.7 percent on an annualized basis, compared to the prior quarter. The increase was primarily driven by higher loans held for investment for Corporate Banking of $692 million, or 17.6 percent annualized; Equipment Finance of $95 million, or 13.0 percent annualized; and BB&T Wealth of $60 million, or 12.2 percent annualized.

FS&CF average total deposits decreased $601 million, or 8.4 percent on an annualized basis, compared to the prior quarter driven by decline in average total deposits for Corporate Banking of $703 million, or 32.3 percent annualized, partially offset by an increase for BB&T Wealth of $58 million, or 1.6 percent annualized.

Insurance Holdings ("IH")

BB&T's insurance agency / brokerage network is the fifth largest in the world. IH provides 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 $77 million for the fourth quarter of 2018, an increase of $34 million compared to the prior quarter. Noninterest income increased $44 million to a record, primarily driven by higher property and casualty insurance commissions due to seasonality and increased life insurance commissions driven by improved production and seasonality. Noninterest expense was essentially flat compared to the prior 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 income received from derivatives used to hedge the balance sheet.

OT&C generated a net loss of $140 million for the fourth quarter of 2018, compared to a net loss of $56 million for the prior quarter. Segment net interest income decreased $27 million primarily due to an increase in the rate and average balance for short-term debt, an increase in the rate for long-term debt and an increase in the net credit for funds provided to other operating segments, partially offset by the increase in the yield for average securities. Noninterest income decreased $71 million primarily due to lower income related to assets for certain post-employment benefits and a decline in income from SBIC private equity investments. The allocated provision for credit losses decreased primarily due to a decline in the provision for unfunded commitments. Noninterest expense increased primarily due to higher restructuring charges as a result of restructuring initiatives, partially offset by a decline in personnel expense due to lower expense related to assets for certain post-employment benefits. The benefit for income taxes increased primarily due to a higher pre-tax loss compared to the prior quarter.

Fourth Quarter 2018 compared to Fourth Quarter 2017

Community Banking Retail and Consumer Finance

CB-Retail net income was $384 million for the fourth quarter of 2018, an increase of $120 million compared to the earlier quarter. Segment net interest income increased $74 million due to higher funding spreads on deposits, average loan growth and average deposit growth, partially offset by lower credit spreads on loans. The allocated provision for credit losses increased due to higher net charge-offs and an increase in incurred loss estimates. Noninterest expense decreased $33 million primarily due to a decline in personnel expense as a result of a one-time bonus in the earlier quarter to associates who do not generally receive incentives or commission, as well as decreases in loan-related expense and professional services. These decreases were partially offset by an increase in restructuring charges as a result of restructuring initiatives. The provision for income taxes decreased $33 million due to the lower federal tax rate compared to the earlier quarter.

Community Banking Commercial

CB-Commercial net income was $329 million for the fourth quarter of 2018, an increase of $95 million compared to the earlier quarter. Segment net interest income increased $45 million primarily driven by higher funding spreads and average loan growth, partially offset by lower credit spreads on loans. Noninterest expense decreased primarily due to a decline in allocated corporate expenses and smaller decreases in other expenses, partially offset by an increase in personnel expense driven by lower capitalized employee costs resulting from efficiencies in the loan closing process and an increase in restructuring charges. The provision for income taxes decreased $32 million compared to the earlier quarter due to the lower federal tax rate.

Financial Services and Commercial Finance

FS&CF net income was $155 million for the fourth quarter of 2018, an increase of $19 million compared to the earlier quarter. Segment net interest income increased $32 million primarily driven by higher funding spreads and average loan growth, partially offset by lower credit spreads on loans and a decline in average deposits. Noninterest income increased primarily due to record investment banking and brokerage fees and commissions as a result of strong activity in debt and equity deals and higher managed account fees, partially offset by a decline in noninterest fees on loans and commercial mortgage banking income. The allocated provision for credit losses increased primarily due to loan growth and moderating improvement in incurred loss estimates. Noninterest expense increased $27 million primarily due to higher personnel expense, restructuring charges and professional services. The provision for income taxes decreased $24 million due to the lower federal tax rate.

Insurance Holdings

IH net income was $77 million for the fourth quarter of 2018, an increase of $44 million compared to the earlier quarter. Noninterest income increased $68 million to a record, primarily due to higher production and the acquisition of Regions Insurance, which contributed $34 million. Noninterest expense increased $22 million primarily due to the acquisition of Regions Insurance.

Other, Treasury & Corporate

OT&C generated a net loss of $140 million in the fourth quarter of 2018, a decrease of $140 million compared to the break-even results from the earlier quarter. Segment net interest income decreased $93 million primarily due to an increase in the rates and average balances for long-term debt and short-term borrowings, and an increase in the net credit for funds provided to other operating segments. Noninterest income decreased $64 million primarily due to lower income related to assets for certain post-employment benefits and a decline in income from SBIC private equity investments. The allocated provision for credit losses decreased primarily due to a decline in the provision for unfunded commitments and a decline in the provision for PCI loans. Noninterest expense decreased $78 million primarily due to a $100 million charitable contribution in the earlier quarter to BB&T's philanthropic fund and lower expense related to assets for certain post-employment benefits. These decreases were partially offset by a decline in corporate expenses allocated to other operating segments and an increase in restructuring charges as a result of restructuring initiatives. The benefit for income taxes decreased $80 million primarily due to the lower federal tax rate in the current quarter and a net tax benefit of $43 million in the earlier quarter related to the impact of tax reform.

CAPITAL RATIOS	4Q18	3Q18	2Q18	1Q18	4Q17
Risk-based:	(preliminary)				
Common equity Tier 1	10.2%	10.2%	10.2%	10.2%	10.2%
Tier 1	11.8	11.9	11.9	12.0	11.9
Total	13.8	13.9	13.9	14.0	13.9
Leverage	9.9	10.0	10.0	9.9	9.9

Capital levels remained strong at December 31, 2018. BB&T declared common dividends of $0.405 per share during the fourth quarter of 2018, which resulted in a dividend payout ratio of 41.1 percent. BB&T completed $375 million of share repurchases during the quarter. The total payout ratio for the fourth quarter of 2018 was 90.8 percent.

BB&T's modified liquidity coverage ratio was approximately 126 percent at December 31, 2018, compared to the regulatory minimum of 100 percent. In addition, the liquid asset buffer, which is defined as high quality unencumbered liquid assets as a percentage of total assets, was 14.7 percent at December 31, 2018.

ASSET QUALITY

(dollars in millions)	4Q18	3Q18	2Q18	1Q18	4Q17
Total nonperforming assets	$ 585	$ 601	$ 624	$ 669	$ 627
Total performing TDRs	1,119	1,090	1,073	1,042	1,043
Total loans 90 days past due and still accruing	462	431	435	490	548
Total loans 30-89 days past due	1,044	1,075	905	814	1,052
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.35%	0.37%	0.38%	0.42%	0.40%
Nonperforming assets as a percentage of total assets	0.26	0.27	0.28	0.30	0.28
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.05	1.05	1.05	1.05	1.04
Net charge-offs as a percentage of average loans and leases, annualized	0.38	0.35	0.30	0.41	0.36
Ratio of allowance for loan and lease losses to net charge-offs, annualized	2.76x	3.05x	3.49x	2.55x	2.89x
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	2.99x	2.86x	2.74x	2.49x	2.62x

Nonperforming assets totaled $585 million at December 31, 2018, down $16 million compared to September 30, 2018. Nonperforming loans and leases represented 0.35 percent of loans and leases held for investment, a two basis point decrease compared to September 30, 2018. The decrease in nonperforming assets was primarily due to a decline in nonperforming commercial and industrial loans, partially offset by increases in smaller portfolios.

Performing TDRs were up $29 million during the fourth quarter primarily in commercial and industrial, indirect lending and residential mortgage.

Loans 90 days or more past due and still accruing totaled $462 million at December 31, 2018, up $31 million compared to the prior quarter. The ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.31 percent at December 31, 2018, compared to 0.29 percent for 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 0.04 percent at December 31, 2018, unchanged from the prior quarter.

Loans 30-89 days past due and still accruing totaled $1.0 billion at December 31, 2018, down $31 million compared to the prior quarter.

Net charge-offs during the fourth quarter totaled $143 million, up $16 million compared to the prior quarter driven by indirect loans. As a percentage of average loans and leases, annualized net charge-offs were 0.38 percent, up three basis points compared to the prior quarter.

The allowance for loan and lease losses, excluding the allowance for PCI loans, was $1.5 billion, up $21 million compared to the prior quarter. As of December 31, 2018, the total allowance for loan and lease losses was 1.05 percent of loans and leases held for investment, unchanged compared to September 30, 2018.

The allowance for loan and lease losses was 2.99 times nonperforming loans and leases held for investment, compared to 2.86 times at September 30, 2018. At December 31, 2018, the allowance for loan and lease losses was 2.76 times annualized net charge-offs, compared to 3.05 times at September 30, 2018.

Earnings Presentation and Quarterly Performance Summary

To listen to BB&T's live fourth quarter 2018 earnings conference call at 8 a.m. ET today, please call 866-519-2796 and enter the participant code 876127. A presentation will be used during the earnings conference call and is available on our website at https://bbt.investorroom.com/webcasts-and-presentations. Replays of the conference call will be available for 30 days by dialing 888-203-1112 (access code 6326592).

The presentation, including an appendix reconciling non-GAAP disclosures, is available at https://bbt.investorroom.com/webcasts-and-presentations. BB&T's Fourth Quarter 2018 Quarterly Performance Summary, which contains detailed financial schedules, is available on BB&T's website at https://bbt.investorroom.com/quarterly-earnings.

About BB&T

BB&T is one of the largest financial services holding companies in the U.S. with $225.7 billion in assets and market capitalization of approximately $33.1 billion as of December 31, 2018. Building on a long tradition of excellence in community banking, BB&T offers a wide range of financial services including retail and commercial banking, investments, insurance, wealth management, asset management, mortgage, corporate banking, capital markets and specialized lending. Based in Winston-Salem, N.C., BB&T operates more than 1,800 financial centers in 15 states and Washington, D.C. and is consistently recognized for outstanding client service by Greenwich Associates for small business and middle market banking. More information about BB&T and its full line of products and services is available at BBT.com.

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Capital ratios 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"). BB&T'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. BB&T'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. BB&T's management uses this measure in their analysis of the Corporation's performance. BB&T'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 and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. BB&T'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 interest income and average balances for PCI loans are excluded in their entirety as the accounting for these loans can result in significant and unusual trends in yields. The purchase accounting marks and related amortization for a) securities acquired from the FDIC in the Colonial Bank acquisition and b) non-PCI loans, deposits and long-term debt acquired from Susquehanna and National Penn are excluded to approximate their yields at the pre-acquisition rates. BB&T'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 BB&T'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. BB&T's management uses this measure in their analysis of the Corporation's performance. BB&T'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. BB&T's management uses this measure in their analysis of the Corporation's performance. BB&T'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 and, in the case of return on average tangible common shareholders' equity, amortization of intangible assets. BB&T's management uses these measures in their analysis of the Corporation's performance. BB&T'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 BB&T's Fourth Quarter 2018 Quarterly Performance Summary, which is available at https://bbt.investorroom.com/quarterly-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 BB&T. Forward-looking statements are not based on historical facts but instead represent management's expectations and assumptions regarding BB&T's business, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances difficult to predict. BB&T's actual results may differ materially from those contemplated by the forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should," "could" and other similar expressions are intended to identify these forward-looking statements. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. While there is no assurance any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those in the 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, 2017 and in any of BB&T's subsequent filings with the Securities and Exchange Commission:

- *general economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, slower deposit and/or asset growth, and a deterioration in credit quality and/or a reduced demand for credit, insurance or other services;*
- *disruptions to the national or global financial markets, including the impact of a downgrade of U.S. government obligations by one of the credit ratings agencies, the economic instability and recessionary conditions in Europe, the eventual exit of the United Kingdom from the European Union;*
- *changes in the interest rate environment, including interest rate changes made by the Federal Reserve, as well as cash flow reassessments may reduce net interest margin and/or the volumes and values of loans and deposits as well as the value of other financial assets and liabilities;*
- *competitive pressures among depository and other financial institutions may increase significantly;*
- *legislative, regulatory or accounting changes, including changes resulting from the adoption and implementation of the Dodd-Frank Act may adversely affect the businesses in which BB&T is engaged;*
- *local, state or federal taxing authorities may take tax positions that are adverse to BB&T;*
- *a reduction may occur in BB&T's credit ratings;*
- *adverse changes may occur in the securities markets;*
- *competitors of BB&T may have greater financial resources or develop products that enable them to compete more successfully than BB&T and may be subject to different regulatory standards than BB&T;*
- *cybersecurity risks could adversely affect BB&T's business and financial performance or reputation, and BB&T could be liable for financial losses incurred by third parties due to breaches of data shared between financial institutions;*
- *higher-than-expected costs related to information technology infrastructure or a failure to successfully implement future system enhancements could adversely impact BB&T's financial condition and results of operations and could result in significant additional costs to BB&T;*
- *natural or other disasters, including acts of terrorism, could have an adverse effect on BB&T, materially disrupting BB&T's operations or the ability or willingness of customers to access BB&T's products and services;*
- *costs related to the integration of the businesses of BB&T and its merger partners may be greater than expected;*

- *failure to execute on strategic or operational plans, including the ability to successfully complete and/or integrate mergers and acquisitions or fully achieve expected cost savings or revenue growth associated with mergers and acquisitions within the expected time frames could adversely impact financial condition and results of operations;*
- *significant litigation and regulatory proceedings could have a material adverse effect on BB&T;*
- *unfavorable resolution of legal proceedings or other claims and regulatory and other governmental investigations or other inquiries could result in negative publicity, protests, fines, penalties, restrictions on BB&T's operations or ability to expand its business and other negative consequences, all of which could cause reputational damage and adversely impact BB&T's financial conditions and results of operations;*
- *risks resulting from the extensive use of models;*
- *risk management measures may not be fully effective;*
- *deposit attrition, customer loss and/or revenue loss following completed mergers/acquisitions may exceed expectations; and*
- *widespread system outages, caused by the failure of critical internal systems or critical services provided by third parties, could adversely impact BB&T's financial condition and results of operations.*

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this news release. Actual results may differ materially from those expressed in or implied by any forward-looking statement. Except to the extent required by applicable law or regulation, BB&T undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

BB&T

All we see is you.™

Quarterly Performance Summary

BB&T Corporation

Fourth Quarter 2018

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Quarterly Performance Summary

BB&T Corporation

Financial Highlights

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended December 31 2018	Quarter Ended December 31 2017	% Change	Year-to-Date December 31 2018	Year-to-Date December 31 2017	% Change
Summary Income Statement						
Interest income	$ 2,160	$ 1,936	11.6%	$ 8,216	$ 7,533	9.1%
Interest expense	431	254	69.7	1,438	839	71.4
Net interest income - taxable equivalent	1,729	1,682	2.8	6,778	6,694	1.3
Less: Taxable-equivalent adjustment	24	38	(36.8)	96	159	(39.6)
Net interest income	1,705	1,644	3.7	6,682	6,535	2.2
Provision for credit losses	146	138	5.8	566	547	3.5
Net interest income after provision for credit losses	1,559	1,506	3.5	6,116	5,988	2.1
Noninterest income	1,235	1,225	0.8	4,876	4,782	2.0
Noninterest expense	1,784	1,855	(3.8)	6,932	7,444	(6.9)
Income before income taxes	1,010	876	15.3	4,060	3,326	22.1
Provision for income taxes	205	209	(1.9)	803	911	(11.9)
Net income	805	667	20.7	3,257	2,415	34.9
Noncontrolling interests	7	9	(22.2)	20	21	(4.8)
Preferred stock dividends	44	44	—	174	174	—
Net income available to common shareholders	754	614	22.8	3,063	2,220	38.0
Per Common Share Data						
Earnings per share-basic	$ 0.99	$ 0.78	26.9%	$ 3.96	$ 2.78	42.4%
Earnings per share-diluted	0.97	0.77	26.0	3.91	2.74	42.7
Cash dividends declared	0.405	0.330	22.7	1.560	1.260	23.8
Common equity	35.46	34.01	4.3	35.46	34.01	4.3
Tangible common equity (1)	21.61	20.80	3.9	21.61	20.80	3.9
End of period shares outstanding	763,326	782,006	(2.4)	763,326	782,006	(2.4)
Weighted average shares outstanding-basic	765,013	783,764	(2.4)	772,963	799,217	(3.3)
Weighted average shares outstanding-diluted	775,402	795,867	(2.6)	783,484	810,977	(3.4)
Performance Ratios						
Return on average assets	1.43%	1.19%		1.47%	1.09%	
Return on average risk-weighted assets	1.77	1.50		1.82	1.37	
Return on average common shareholders' equity	11.14	9.10		11.50	8.25	
Return on average tangible common shareholders' equity (2)	19.02	15.35		19.54	13.99	
Net interest margin - taxable equivalent	3.49	3.43		3.46	3.46	
Fee income ratio	42.0	42.7		42.2	42.3	
Efficiency ratio-GAAP	60.7	64.7		60.0	65.8	
Efficiency ratio-adjusted (2)	56.5	57.2		57.1	58.0	
Credit Quality						
Nonperforming assets as a percentage of:						
Assets	0.26%	0.28%		0.26%	0.28%	
Loans and leases plus foreclosed property	0.39	0.44		0.39	0.44	
Net charge-offs as a percentage of average loans and leases	0.38	0.36		0.36	0.38	
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.05	1.04		1.05	1.04	
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	2.99x	2.62x		2.99x	2.62x	
Average Balances						
Assets	$ 223,625	$ 222,525	0.5%	$ 222,273	$ 221,065	0.5%
Securities (3)	46,610	48,093	(3.1)	47,100	46,029	2.3
Loans and leases	148,457	144,089	3.0	146,417	144,075	1.6
Deposits	157,842	157,959	(0.1)	157,483	159,241	(1.1)
Common shareholders' equity	26,860	26,759	0.4	26,640	26,907	(1.0)
Shareholders' equity	29,965	29,853	0.4	29,743	30,001	(0.9)
Period-End Balances						
Assets	$ 225,697	$ 221,642	1.8%	$ 225,697	$ 221,642	1.8%
Securities (3)	45,590	47,574	(4.2)	45,590	47,574	(4.2)
Loans and leases	150,001	144,800	3.6	150,001	144,800	3.6
Deposits	161,199	157,371	2.4	161,199	157,371	2.4
Common shareholders' equity	27,069	26,595	1.8	27,069	26,595	1.8
Shareholders' equity	30,178	29,695	1.6	30,178	29,695	1.6
Capital Ratios (current quarter is preliminary)						
Risk-based:						
Common equity Tier 1	10.2%	10.2%		10.2%	10.2%	
Tier 1	11.8	11.9		11.8	11.9	
Total	13.8	13.9		13.8	13.9	
Leverage	9.9	9.9		9.9	9.9	

Applicable ratios are annualized.

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

(2) Represents a non-GAAP measure. See the calculation and management's reasons for using this measure in the Non-GAAP Reconciliations section of this supplement.

(3) 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.

Financial Highlights - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Summary Income Statement					
Interest income	$ 2,160	$ 2,096	$ 2,016	$ 1,944	$ 1,936
Interest expense	431	382	337	288	254
Net interest income - taxable equivalent	1,729	1,714	1,679	1,656	1,682
Less: Taxable-equivalent adjustment	24	27	22	23	38
Net interest income	1,705	1,687	1,657	1,633	1,644
Provision for credit losses	146	135	135	150	138
Net interest income after provision for credit losses	1,559	1,552	1,522	1,483	1,506
Noninterest income	1,235	1,239	1,222	1,180	1,225
Noninterest expense	1,784	1,742	1,720	1,686	1,855
Income before income taxes	1,010	1,049	1,024	977	876
Provision for income taxes	205	210	202	186	209
Net income	805	839	822	791	667
Noncontrolling interests	7	7	3	3	9
Preferred stock dividends	44	43	44	43	44
Net income available to common shareholders	754	789	775	745	614
Per Common Share Data					
Earnings per share-basic	$ 0.99	$ 1.02	$ 1.00	$ 0.96	$ 0.78
Earnings per share-diluted	0.97	1.01	0.99	0.94	0.77
Cash dividends declared	0.405	0.405	0.375	0.375	0.330
Common equity	35.46	34.90	34.51	34.06	34.01
Tangible common equity (1)	21.61	21.12	21.26	20.86	20.80
End of period shares outstanding	763,326	770,620	774,447	779,752	782,006
Weighted average shares outstanding-basic	765,013	771,562	775,836	779,617	783,764
Weighted average shares outstanding-diluted	775,402	781,867	785,750	791,005	795,867
Performance Ratios					
Return on average assets	1.43%	1.49%	1.49%	1.45%	1.19%
Return on average risk-weighted assets	1.77	1.85	1.85	1.81	1.50
Return on average common shareholders' equity	11.14	11.69	11.74	11.43	9.10
Return on average tangible common shareholders' equity (2)	19.02	20.00	19.78	19.36	15.35
Net interest margin - taxable equivalent	3.49	3.47	3.45	3.44	3.43
Fee income ratio	42.0	42.3	42.5	41.9	42.7
Efficiency ratio-GAAP	60.7	59.5	59.7	60.0	64.7
Efficiency ratio-adjusted (2)	56.5	57.3	57.4	57.3	57.2
Credit Quality					
Nonperforming assets as a percentage of:					
Assets	0.26%	0.27%	0.28%	0.30%	0.28%
Loans and leases plus foreclosed property	0.39	0.41	0.43	0.47	0.44
Net charge-offs as a percentage of average loans and leases	0.38	0.35	0.30	0.41	0.36
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.05	1.05	1.05	1.05	1.04
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	2.99x	2.86x	2.74x	2.49x	2.62x
Average Balances					
Assets	$ 223,625	$ 222,674	$ 221,344	$ 221,419	$ 222,525
Securities (3)	46,610	46,299	47,145	48,374	48,093
Loans and leases	148,457	147,489	145,752	143,906	144,089
Deposits	157,842	157,271	157,676	157,138	157,959
Common shareholders' equity	26,860	26,782	26,483	26,428	26,759
Shareholders' equity	29,965	29,887	29,585	29,528	29,853
Period-End Balances					
Assets	$ 225,697	$ 222,885	$ 222,681	$ 220,729	$ 221,642
Securities (3)	45,590	45,368	45,668	47,407	47,574
Loans and leases	150,001	147,712	147,798	144,206	144,800
Deposits	161,199	154,556	159,475	158,196	157,371
Common shareholders' equity	27,069	26,895	26,727	26,559	26,595
Shareholders' equity	30,178	30,007	29,832	29,662	29,695
Capital Ratios (current quarter is preliminary)					
Risk-based:					
Common equity Tier 1	10.2%	10.2%	10.2%	10.2%	10.2%
Tier 1	11.8	11.9	11.9	12.0	11.9
Total	13.8	13.9	13.9	14.0	13.9
Leverage	9.9	10.0	10.0	9.9	9.9

Applicable ratios are annualized.

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

(2) Represents a non-GAAP measure. See the calculation and management's reasons for using this measure in the Non-GAAP Reconciliations section of this supplement.

(3) 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.

Consolidated Statements of Income

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2018	Quarter Ended Dec. 31 2017	Change $	Change %	Year-to-Date Dec. 31 2018	Year-to-Date Dec. 31 2017	Change $	Change %
Interest Income								
Interest and fees on loans and leases	$ 1,830	$ 1,598	$ 232	14.5%	$ 6,894	$ 6,230	$ 664	10.7%
Interest and dividends on securities	292	286	6	2.1	1,160	1,092	68	6.2
Interest on other earning assets	14	14	—	—	66	52	14	26.9
Total interest income	2,136	1,898	238	12.5	8,120	7,374	746	10.1
Interest Expense								
Interest on deposits	206	104	102	98.1	644	344	300	87.2
Interest on short-term borrowings	39	19	20	105.3	111	41	70	170.7
Interest on long-term debt	186	131	55	42.0	683	454	229	50.4
Total interest expense	431	254	177	69.7	1,438	839	599	71.4
Net Interest Income	1,705	1,644	61	3.7	6,682	6,535	147	2.2
Provision for credit losses	146	138	8	5.8	566	547	19	3.5
Net Interest Income After Provision for Credit Losses	1,559	1,506	53	3.5	6,116	5,988	128	2.1
Noninterest Income								
Insurance income	487	418	69	16.5	1,852	1,754	98	5.6
Service charges on deposits	185	183	2	1.1	712	706	6	0.8
Mortgage banking income	86	104	(18)	(17.3)	358	415	(57)	(13.7)
Investment banking and brokerage fees and commissions	139	111	28	25.2	477	410	67	16.3
Trust and investment advisory revenues	70	72	(2)	(2.8)	285	278	7	2.5
Bankcard fees and merchant discounts	74	67	7	10.4	287	271	16	5.9
Checkcard fees	56	55	1	1.8	221	214	7	3.3
Operating lease income	35	37	(2)	(5.4)	145	146	(1)	(0.7)
Income from bank-owned life insurance	28	33	(5)	(15.2)	116	122	(6)	(4.9)
Securities gains (losses), net	2	(1)	3	NM	3	(1)	4	NM
Other income	73	146	(73)	(50.0)	420	467	(47)	(10.1)
Total noninterest income	1,235	1,225	10	0.8	4,876	4,782	94	2.0
Noninterest Expense								
Personnel expense	1,096	1,072	24	2.2	4,313	4,226	87	2.1
Occupancy and equipment expense	188	195	(7)	(3.6)	758	784	(26)	(3.3)
Software expense	70	65	5	7.7	272	242	30	12.4
Outside IT services	35	38	(3)	(7.9)	132	160	(28)	(17.5)
Regulatory charges	18	38	(20)	(52.6)	134	153	(19)	(12.4)
Amortization of intangibles	34	34	—	—	131	142	(11)	(7.7)
Loan-related expense	25	32	(7)	(21.9)	108	130	(22)	(16.9)
Professional services	43	36	7	19.4	138	123	15	12.2
Merger-related and restructuring charges, net	76	22	54	NM	146	115	31	27.0
Loss (gain) on early extinguishment of debt	—	—	—	—	—	392	(392)	(100.0)
Other expense	199	323	(124)	(38.4)	800	977	(177)	(18.1)
Total noninterest expense	1,784	1,855	(71)	(3.8)	6,932	7,444	(512)	(6.9)
Earnings								
Income before income taxes	1,010	876	134	15.3	4,060	3,326	734	22.1
Provision for income taxes	205	209	(4)	(1.9)	803	911	(108)	(11.9)
Net income	805	667	138	20.7	3,257	2,415	842	34.9
Noncontrolling interests	7	9	(2)	(22.2)	20	21	(1)	(4.8)
Preferred stock dividends	44	44	—	—	174	174	—	—
Net income available to common shareholders	$ 754	$ 614	$ 140	22.8%	$ 3,063	$ 2,220	$ 843	38.0%
Earnings Per Common Share								
Basic	$ 0.99	$ 0.78	$ 0.21	26.9%	$ 3.96	$ 2.78	$ 1.18	42.4%
Diluted	0.97	0.77	0.20	26.0	3.91	2.74	1.17	42.7
Weighted Average Shares Outstanding								
Basic	765,013	783,764	(18,751)	(2.4)	772,963	799,217	(26,254)	(3.3)
Diluted	775,402	795,867	(20,465)	(2.6)	783,484	810,977	(27,493)	(3.4)

New pension accounting guidance was adopted in 1Q18 such that only service cost is included in personnel expense with the other pension expense elements included in other expense. Prior periods have been retrospectively adjusted to conform to the new presentation and total noninterest expense was not affected.

NM - not meaningful

Consolidated Statements of Income - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Interest Income					
Interest and fees on loans and leases	$ 1,830	$ 1,772	$ 1,687	$ 1,605	$ 1,598
Interest and dividends on securities	292	283	294	291	286
Interest on other earning assets	14	14	13	25	14
Total interest income	2,136	2,069	1,994	1,921	1,898
Interest Expense					
Interest on deposits	206	172	148	118	104
Interest on short-term borrowings	39	29	23	20	19
Interest on long-term debt	186	181	166	150	131
Total interest expense	431	382	337	288	254
Net Interest Income	1,705	1,687	1,657	1,633	1,644
Provision for credit losses	146	135	135	150	138
Net Interest Income After Provision for Credit Losses	1,559	1,552	1,522	1,483	1,506
Noninterest Income					
Insurance income	487	448	481	436	418
Service charges on deposits	185	183	179	165	183
Mortgage banking income	86	79	94	99	104
Investment banking and brokerage fees and commissions	139	116	109	113	111
Trust and investment advisory revenues	70	71	72	72	72
Bankcard fees and merchant discounts	74	72	72	69	67
Checkcard fees	56	56	57	52	55
Operating lease income	35	37	36	37	37
Income from bank-owned life insurance	28	27	30	31	33
Securities gains (losses), net	2	—	1	—	(1)
Other income	73	150	91	106	146
Total noninterest income	1,235	1,239	1,222	1,180	1,225
Noninterest Expense					
Personnel expense	1,096	1,104	1,074	1,039	1,072
Occupancy and equipment expense	188	189	187	194	195
Software expense	70	70	67	65	65
Outside IT services	35	33	32	32	38
Regulatory charges	18	37	39	40	38
Amortization of intangibles	34	33	31	33	34
Loan-related expense	25	28	26	29	32
Professional services	43	33	32	30	36
Merger-related and restructuring charges, net	76	18	24	28	22
Other expense	199	197	208	196	323
Total noninterest expense	1,784	1,742	1,720	1,686	1,855
Earnings					
Income before income taxes	1,010	1,049	1,024	977	876
Provision for income taxes	205	210	202	186	209
Net income	805	839	822	791	667
Noncontrolling interests	7	7	3	3	9
Preferred stock dividends	44	43	44	43	44
Net income available to common shareholders	$ 754	$ 789	$ 775	$ 745	$ 614
Earnings Per Common Share					
Basic	$ 0.99	$ 1.02	$ 1.00	$ 0.96	$ 0.78
Diluted	0.97	1.01	0.99	0.94	0.77
Weighted Average Shares Outstanding					
Basic	765,013	771,562	775,836	779,617	783,764
Diluted	775,402	781,867	785,750	791,005	795,867

New pension accounting guidance was adopted in 1Q18 such that only service cost is included in personnel expense with the other pension expense elements included in other expense. Prior periods have been retrospectively adjusted to conform to the new presentation and total noninterest expense was not affected.

Segment Financial Performance - Preliminary

(Dollars in millions)	Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Community Banking Retail and Consumer Finance					
Net interest income (expense)	$ 881	$ 880	$ 853	$ 837	$ 857
Net intersegment interest income (expense)	87	76	69	48	37
Segment net interest income	968	956	922	885	894
Allocated provision for credit losses	151	121	110	122	138
Noninterest income	352	347	355	340	359
Noninterest expense	661	661	663	669	694
Income (loss) before income taxes	508	521	504	434	421
Provision (benefit) for income taxes	124	128	124	107	157
Segment net income (loss)	$ 384	$ 393	$ 380	$ 327	$ 264
Community Banking Commercial					
Net interest income (expense)	$ 532	$ 513	$ 491	$ 464	$ 453
Net intersegment interest income (expense)	59	58	54	70	93
Segment net interest income	591	571	545	534	546
Allocated provision for credit losses	14	18	43	37	18
Noninterest income	112	109	110	106	107
Noninterest expense	267	262	254	253	276
Income (loss) before income taxes	422	400	358	350	359
Provision (benefit) for income taxes	93	90	80	79	125
Segment net income (loss)	$ 329	$ 310	$ 278	$ 271	$ 234
Financial Services and Commercial Finance					
Net interest income (expense)	$ 190	$ 171	$ 169	$ 159	$ 154
Net intersegment interest income (expense)	21	26	19	18	25
Segment net interest income	211	197	188	177	179
Allocated provision for credit losses	5	5	(4)	(5)	(13)
Noninterest income	323	308	303	301	315
Noninterest expense	334	312	312	301	307
Income (loss) before income taxes	195	188	183	182	200
Provision (benefit) for income taxes	40	39	38	38	64
Segment net income (loss)	$ 155	$ 149	$ 145	$ 144	$ 136
Insurance Holdings					
Net interest income (expense)	$ 32	$ 32	$ 29	$ 26	$ 25
Net intersegment interest income (expense)	(10)	(9)	(7)	(6)	(6)
Segment net interest income	22	23	22	20	19
Allocated provision for credit losses	—	1	—	1	—
Noninterest income	496	452	484	439	428
Noninterest expense	415	416	408	375	393
Income (loss) before income taxes	103	58	98	83	54
Provision (benefit) for income taxes	26	15	25	21	21
Segment net income (loss)	$ 77	$ 43	$ 73	$ 62	$ 33
Other, Treasury & Corporate (1)					
Net interest income (expense)	$ 70	$ 91	$ 115	$ 147	$ 155
Net intersegment interest income (expense)	(157)	(151)	(135)	(130)	(149)
Segment net interest income	(87)	(60)	(20)	17	6
Allocated provision for credit losses	(24)	(10)	(14)	(5)	(5)
Noninterest income	(48)	23	(30)	(6)	16
Noninterest expense	107	91	83	88	185
Income (loss) before income taxes	(218)	(118)	(119)	(72)	(158)
Provision (benefit) for income taxes	(78)	(62)	(65)	(59)	(158)
Segment net income (loss)	$ (140)	$ (56)	$ (54)	$ (13)	$ —
Total BB&T Corporation					
Net interest income (expense)	$ 1,705	$ 1,687	$ 1,657	$ 1,633	$ 1,644
Net intersegment interest income (expense)	—	—	—	—	—
Segment net interest income	1,705	1,687	1,657	1,633	1,644
Allocated provision for credit losses	146	135	135	150	138
Noninterest income	1,235	1,239	1,222	1,180	1,225
Noninterest expense	1,784	1,742	1,720	1,686	1,855
Income (loss) before income taxes	1,010	1,049	1,024	977	876
Provision (benefit) for income taxes	205	210	202	186	209
Net income	$ 805	$ 839	$ 822	$ 791	$ 667

(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 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Assets					
Cash and due from banks	$ 2,753	$ 2,123	$ 2,046	$ 1,869	$ 2,243
Interest-bearing deposits with banks	984	748	662	912	343
Cash equivalents	143	135	213	132	127
Restricted cash	107	147	132	198	370
Securities available for sale at fair value	25,038	24,286	23,919	25,017	24,547
Securities held to maturity at amortized cost	20,552	21,082	21,749	22,390	23,027
Loans and leases:					
Commercial:					
Commercial and industrial	61,935	59,722	60,474	59,132	59,153
CRE	21,060	21,466	21,610	21,497	21,263
Lease financing	2,018	2,028	1,924	1,886	1,911
Retail:					
Residential mortgage	31,393	30,821	29,965	28,792	28,725
Direct	11,584	11,618	11,661	11,675	11,891
Indirect	17,425	17,468	17,140	16,680	17,235
Revolving credit	3,132	3,070	2,876	2,766	2,872
PCI	466	497	533	589	651
Total loans and leases held for investment	149,013	146,690	146,183	143,017	143,701
Loans held for sale	988	1,022	1,615	1,189	1,099
Total loans and leases	150,001	147,712	147,798	144,206	144,800
Allowance for loan and lease losses	(1,558)	(1,538)	(1,530)	(1,498)	(1,490)
Premises and equipment	2,118	2,154	2,154	2,078	2,055
Goodwill	9,818	9,832	9,617	9,617	9,618
Core deposit and other intangible assets	758	789	647	679	711
Mortgage servicing rights at fair value	1,108	1,179	1,143	1,119	1,056
Other assets	13,875	14,236	14,131	14,010	14,235
Total assets	$ 225,697	$ 222,885	$ 222,681	$ 220,729	$ 221,642
Liabilities					
Deposits:					
Noninterest-bearing deposits	$ 53,025	$ 53,646	$ 54,270	$ 55,085	$ 53,767
Interest checking	28,130	26,590	27,257	27,217	27,677
Money market and savings	63,467	61,597	63,167	62,169	62,757
Time deposits	16,577	12,723	14,781	13,725	13,170
Total deposits	161,199	154,556	159,475	158,196	157,371
Short-term borrowings	5,178	9,652	3,576	4,321	4,938
Long-term debt	23,709	23,236	24,081	23,410	23,648
Accounts payable and other liabilities	5,433	5,434	5,717	5,140	5,990
Total liabilities	195,519	192,878	192,849	191,067	191,947
Shareholders' Equity:					
Preferred stock	3,053	3,053	3,053	3,053	3,053
Common stock	3,817	3,853	3,872	3,899	3,910
Additional paid-in capital	6,849	7,221	7,364	7,593	7,893
Retained earnings	18,118	17,673	17,197	16,712	16,259
Accumulated other comprehensive loss	(1,715)	(1,852)	(1,706)	(1,645)	(1,467)
Noncontrolling interests	56	59	52	50	47
Total shareholders' equity	30,178	30,007	29,832	29,662	29,695
Total liabilities and shareholders' equity	$ 225,697	$ 222,885	$ 222,681	$ 220,729	$ 221,642

Average Balance Sheets

(Dollars in millions)	Quarter Ended December 31 2018	Quarter Ended December 31 2017	Change $	Change %	Year-to-Date December 31 2018	Year-to-Date December 31 2017	Change $	Change %
Assets								
Securities at amortized cost (1):								
U.S. Treasury	$ 4,555	$ 3,447	$ 1,108	32.1 %	$ 3,800	$ 4,179	$ (379)	(9.1)%
U.S. government-sponsored entities (GSE)	2,408	2,385	23	1.0	2,394	2,385	9	0.4
Mortgage-backed securities issued by GSE	38,566	40,381	(1,815)	(4.5)	39,559	37,250	2,309	6.2
States and political subdivisions	725	1,435	(710)	(49.5)	958	1,748	(790)	(45.2)
Non-agency mortgage-backed	326	391	(65)	(16.6)	349	411	(62)	(15.1)
Other	30	54	(24)	(44.4)	40	56	(16)	(28.6)
Total securities	46,610	48,093	(1,483)	(3.1)	47,100	46,029	1,071	2.3
Other earning assets	2,146	3,123	(977)	(31.3)	2,251	3,484	(1,233)	(35.4)
Loans and leases:								
Commercial:								
Commercial and industrial	60,553	58,478	2,075	3.5	59,663	57,994	1,669	2.9
CRE	21,301	20,998	303	1.4	21,435	20,497	938	4.6
Lease financing	1,990	1,851	139	7.5	1,917	1,726	191	11.1
Retail:								
Residential mortgage	31,103	28,559	2,544	8.9	29,932	29,140	792	2.7
Direct	11,600	11,901	(301)	(2.5)	11,670	11,968	(298)	(2.5)
Indirect	17,436	17,426	10	0.1	17,111	17,840	(729)	(4.1)
Revolving credit	3,070	2,759	311	11.3	2,913	2,662	251	9.4
PCI	486	689	(203)	(29.5)	548	784	(236)	(30.1)
Total loans and leases held for investment	147,539	142,661	4,878	3.4	145,189	142,611	2,578	1.8
Loans held for sale	918	1,428	(510)	(35.7)	1,228	1,464	(236)	(16.1)
Total loans and leases	148,457	144,089	4,368	3.0	146,417	144,075	2,342	1.6
Total earning assets	197,213	195,305	1,908	1.0	195,768	193,588	2,180	1.1
Nonearning assets	26,412	27,220	(808)	(3.0)	26,505	27,477	(972)	(3.5)
Total assets	$ 223,625	$ 222,525	$ 1,100	0.5 %	$ 222,273	$ 221,065	$ 1,208	0.5 %
Liabilities and Shareholders' Equity								
Deposits:								
Noninterest-bearing deposits	$ 53,732	$ 54,288	$ (556)	(1.0)%	$ 53,818	$ 52,872	$ 946	1.8 %
Interest checking	26,921	26,746	175	0.7	26,951	28,033	(1,082)	(3.9)
Money market and savings	62,261	61,693	568	0.9	62,257	63,061	(804)	(1.3)
Time deposits	14,682	13,744	938	6.8	13,963	14,133	(170)	(1.2)
Foreign office deposits - interest-bearing	246	1,488	(1,242)	(83.5)	494	1,142	(648)	(56.7)
Total deposits	157,842	157,959	(117)	(0.1)	157,483	159,241	(1,758)	(1.1)
Short-term borrowings	6,979	6,342	637	10.0	5,955	4,311	1,644	38.1
Long-term debt	23,488	22,639	849	3.8	23,755	21,660	2,095	9.7
Accounts payable and other liabilities	5,351	5,732	(381)	(6.6)	5,337	5,852	(515)	(8.8)
Total liabilities	193,660	192,672	988	0.5	192,530	191,064	1,466	0.8
Shareholders' equity	29,965	29,853	112	0.4	29,743	30,001	(258)	(0.9)
Total liabilities and shareholders' equity	$ 223,625	$ 222,525	$ 1,100	0.5 %	$ 222,273	$ 221,065	$ 1,208	0.5 %

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

Average Balance Sheets - Five Quarter Trend

(Dollars in millions)	Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Assets					
Securities at amortized cost (1):					
U.S. Treasury	$ 4,555	$ 3,561	$ 3,537	$ 3,538	$ 3,447
U.S. government-sponsored entities (GSE)	2,408	2,399	2,384	2,385	2,385
Mortgage-backed securities issued by GSE	38,566	39,111	39,777	40,813	40,381
States and political subdivisions	725	849	1,051	1,215	1,435
Non-agency mortgage-backed	326	340	354	375	391
Other	30	39	42	48	54
Total securities	46,610	46,299	47,145	48,374	48,093
Other earning assets	2,146	2,412	2,197	2,250	3,123
Loans and leases:					
Commercial:					
Commercial and industrial	60,553	59,900	59,548	58,627	58,478
CRE	21,301	21,496	21,546	21,398	20,998
Lease financing	1,990	1,941	1,862	1,872	1,851
Retail:					
Residential mortgage	31,103	30,500	29,272	28,824	28,559
Direct	11,600	11,613	11,680	11,791	11,901
Indirect	17,436	17,282	16,804	16,914	17,426
Revolving credit	3,070	2,947	2,831	2,798	2,759
PCI	486	518	559	631	689
Total loans and leases held for investment	147,539	146,197	144,102	142,855	142,661
Loans held for sale	918	1,292	1,650	1,051	1,428
Total loans and leases	148,457	147,489	145,752	143,906	144,089
Total earning assets	197,213	196,200	195,094	194,530	195,305
Nonearning assets	26,412	26,474	26,250	26,889	27,220
Total assets	$ 223,625	$ 222,674	$ 221,344	$ 221,419	$ 222,525
Liabilities and Shareholders' Equity					
Deposits:					
Noninterest-bearing deposits	$ 53,732	$ 54,174	$ 53,963	$ 53,396	$ 54,288
Interest checking	26,921	26,655	26,969	27,270	26,746
Money market and savings	62,261	62,957	62,105	61,690	61,693
Time deposits	14,682	13,353	13,966	13,847	13,744
Foreign office deposits - interest-bearing	246	132	673	935	1,488
Total deposits	157,842	157,271	157,676	157,138	157,959
Short-term borrowings	6,979	6,023	5,323	5,477	6,342
Long-term debt	23,488	24,211	23,639	23,677	22,639
Accounts payable and other liabilities	5,351	5,282	5,121	5,599	5,732
Total liabilities	193,660	192,787	191,759	191,891	192,672
Shareholders' equity	29,965	29,887	29,585	29,528	29,853
Total liabilities and shareholders' equity	$ 223,625	$ 222,674	$ 221,344	$ 221,419	$ 222,525

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

Average Balances and Rates - Quarters

(Dollars in millions)	Quarter Ended December 31, 2018 (1) Average Balances	Interest Income/ Expense	(2) Yields/ Rates	September 30, 2018 (1) Average Balances	Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 4,555	$ 25	2.11%	$ 3,561	$ 15	1.80%
U.S. government-sponsored entities (GSE)	2,408	14	2.24	2,399	13	2.23
Mortgage-backed securities issued by GSE	38,566	241	2.50	39,111	239	2.45
States and political subdivisions	725	6	3.53	849	10	3.50
Non-agency mortgage-backed	326	10	11.50	340	8	11.32
Other	30	—	4.51	39	1	3.79
Total securities	46,610	296	2.53	46,299	286	2.47
Other earning assets	2,146	14	2.54	2,412	15	2.52
Loans and leases:						
Commercial:						
Commercial and industrial	60,553	645	4.23	59,900	612	4.04
CRE	21,301	261	4.88	21,496	260	4.80
Lease financing	1,990	18	3.64	1,941	17	3.04
Retail:						
Residential mortgage	31,103	319	4.10	30,500	313	4.08
Direct	11,600	164	5.56	11,613	155	5.34
Indirect	17,436	335	7.69	17,282	335	7.56
Revolving credit	3,070	72	9.39	2,947	63	9.47
PCI	486	26	20.49	518	26	20.14
Total loans and leases held for investment	147,539	1,840	4.96	146,197	1,781	4.83
Loans held for sale	918	10	4.66	1,292	14	4.28
Total loans and leases	148,457	1,850	4.96	147,489	1,795	4.83
Total earning assets	197,213	2,160	4.36	196,200	2,096	4.24
Nonearning assets	26,412			26,474		
Total assets	$ 223,625			$ 222,674		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 26,921	34	0.49	$ 26,655	28	0.45
Money market and savings	62,261	125	0.80	62,957	109	0.68
Time deposits	14,682	45	1.22	13,353	34	0.98
Foreign office deposits - interest-bearing	246	2	2.22	132	1	1.93
Total interest-bearing deposits	104,110	206	0.78	103,097	172	0.66
Short-term borrowings	6,979	39	2.18	6,023	29	1.94
Long-term debt	23,488	186	3.19	24,211	181	2.99
Total interest-bearing liabilities	134,577	431	1.28	133,331	382	1.14
Noninterest-bearing deposits	53,732			54,174		
Accounts payable and other liabilities	5,351			5,282		
Shareholders' equity	29,965			29,887		
Total liabilities and shareholders' equity	$ 223,625			$ 222,674		
Average interest-rate spread			3.08			3.10
Net interest income/ net interest margin		$ 1,729	3.49%		$ 1,714	3.47%
Taxable-equivalent adjustment		$ 24			$ 27	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Yields are on a taxable-equivalent basis utilizing the marginal income tax rates for the periods presented.

(3) Includes AFS and HTM securities.

Average Balances and Rates - Quarters

(Dollars in millions)	June 30, 2018 (1) Average Balances	June 30, 2018 Interest Income/ Expense	June 30, 2018 (2) Yields/ Rates	March 31, 2018 (1) Average Balances	March 31, 2018 Interest Income/ Expense	March 31, 2018 (2) Yields/ Rates	December 31, 2017 (1) Average Balances	December 31, 2017 Interest Income/ Expense	December 31, 2017 (2) Yields/ Rates
Assets									
Securities at amortized cost (3):									
U.S. Treasury	$ 3,537	$ 17	1.80%	$ 3,538	$ 15	1.77%	$ 3,447	$ 15	1.71%
U.S. government-sponsored entities (GSE)	2,384	14	2.23	2,385	13	2.23	2,385	13	2.22
Mortgage-backed securities issued by GSE	39,777	241	2.44	40,813	248	2.42	40,381	238	2.36
States and political subdivisions	1,051	8	3.79	1,215	11	3.78	1,435	11	3.23
Non-agency mortgage-backed	354	17	17.35	375	7	7.73	391	13	13.27
Other	42	—	3.26	48	—	2.28	54	—	2.34
Total securities	47,145	297	2.53	48,374	294	2.44	48,093	290	2.42
Other earning assets	2,197	13	2.24	2,250	25	4.54	3,123	15	1.91
Loans and leases:									
Commercial:									
Commercial and industrial	59,548	580	3.92	58,627	537	3.72	58,478	539	3.65
CRE	21,546	252	4.64	21,398	234	4.47	20,998	229	4.33
Lease financing	1,862	12	3.05	1,872	14	3.00	1,851	13	2.82
Retail:									
Residential mortgage	29,272	291	4.01	28,824	289	4.00	28,559	286	4.00
Direct	11,680	150	5.10	11,791	141	4.90	11,901	143	4.78
Indirect	16,804	311	7.46	16,914	304	7.31	17,426	309	7.05
Revolving credit	2,831	67	9.16	2,798	67	8.94	2,759	62	9.01
PCI	559	26	18.92	631	30	19.21	689	36	20.69
Total loans and leases held for investment	144,102	1,689	4.70	142,855	1,616	4.57	142,661	1,617	4.51
Loans held for sale	1,650	17	4.02	1,051	9	3.66	1,428	14	3.67
Total loans and leases	145,752	1,706	4.70	143,906	1,625	4.57	144,089	1,631	4.50
Total earning assets	195,094	2,016	4.14	194,530	1,944	4.04	195,305	1,936	3.95
Nonearning assets	26,250			26,889			27,220		
Total assets	$ 221,344			$ 221,419			$ 222,525		
Liabilities and Shareholders' Equity									
Interest-bearing deposits:									
Interest checking	$ 26,969	29	0.42	$ 27,270	25	0.37	$ 26,746	22	0.32
Money market and savings	62,105	86	0.56	61,690	67	0.44	61,693	57	0.37
Time deposits	13,966	30	0.86	13,847	23	0.68	13,744	21	0.57
Foreign office deposits - interest-bearing	673	3	1.77	935	3	1.42	1,488	4	1.18
Total interest-bearing deposits	103,713	148	0.57	103,742	118	0.46	103,671	104	0.40
Short-term borrowings	5,323	23	1.77	5,477	20	1.43	6,342	19	1.13
Long-term debt	23,639	166	2.81	23,677	150	2.54	22,639	131	2.36
Total interest-bearing liabilities	132,675	337	1.02	132,896	288	0.87	132,652	254	0.77
Noninterest-bearing deposits	53,963			53,396			54,288		
Accounts payable and other liabilities	5,121			5,599			5,732		
Shareholders' equity	29,585			29,528			29,853		
Total liabilities and shareholders' equity	$ 221,344			$ 221,419			$ 222,525		
Average interest-rate spread			3.12			3.17			3.18
Net interest income/ net interest margin		$ 1,679	3.45%		$ 1,656	3.44%		$ 1,682	3.43%
Taxable-equivalent adjustment		$ 22			$ 23			$ 38	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Yields are on a taxable-equivalent basis utilizing the marginal income tax rates for the periods presented.

(3) Includes AFS and HTM securities.

Average Balances and Rates - Year-To-Date

(Dollars in millions)	December 31, 2018 (1) Average Balances	December 31, 2018 Interest Income/ Expense	December 31, 2018 (2) Yields/ Rates	December 31, 2017 (1) Average Balances	December 31, 2017 Interest Income/ Expense	December 31, 2017 (2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 3,800	$ 72	1.89%	$ 4,179	$ 72	1.71%
U.S. government-sponsored entities (GSE)	2,394	54	2.23	2,385	53	2.22
Mortgage-backed securities issued by GSE	39,559	969	2.45	37,250	841	2.26
States and political subdivisions	958	35	3.68	1,748	83	4.77
Non-agency mortgage-backed	349	42	11.93	411	77	18.80
Other	40	1	3.34	56	1	2.17
Total securities	47,100	1,173	2.49	46,029	1,127	2.45
Other earning assets	2,251	67	2.96	3,484	53	1.53
Loans and leases:						
Commercial:						
Commercial and industrial	59,663	2,374	3.98	57,994	2,080	3.59
CRE	21,435	1,007	4.70	20,497	837	4.08
Lease financing	1,917	61	3.19	1,726	49	2.82
Retail:						
Residential mortgage	29,932	1,212	4.05	29,140	1,170	4.02
Direct	11,670	610	5.22	11,968	550	4.60
Indirect	17,111	1,285	7.51	17,840	1,230	6.89
Revolving credit	2,913	269	9.25	2,662	236	8.88
PCI	548	108	19.64	784	148	18.86
Total loans and leases held for investment	145,189	6,926	4.77	142,611	6,300	4.42
Loans held for sale	1,228	50	4.13	1,464	53	3.62
Total loans and leases	146,417	6,976	4.77	144,075	6,353	4.41
Total earning assets	195,768	8,216	4.20	193,588	7,533	3.89
Nonearning assets	26,505			27,477		
Total assets	$ 222,273			$ 221,065		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 26,951	116	0.43	$ 28,033	70	0.25
Money market and savings	62,257	387	0.62	63,061	190	0.30
Time deposits	13,963	132	0.94	14,133	72	0.51
Foreign office deposits - interest-bearing	494	9	1.67	1,142	12	1.05
Total interest-bearing deposits	103,665	644	0.62	106,369	344	0.32
Short-term borrowings	5,955	111	1.86	4,311	41	0.94
Long-term debt	23,755	683	2.88	21,660	454	2.10
Total interest-bearing liabilities	133,375	1,438	1.08	132,340	839	0.63
Noninterest-bearing deposits	53,818			52,872		
Accounts payable and other liabilities	5,337			5,852		
Shareholders' equity	29,743			30,001		
Total liabilities and shareholders' equity	$ 222,273			$ 221,065		
Average interest-rate spread			3.12			3.26
Net interest income/ net interest margin		$ 6,778	3.46%		$ 6,694	3.46%
Taxable-equivalent adjustment		$ 96			$ 159	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Yields are on a taxable-equivalent basis utilizing the marginal income tax rates for the periods presented.

(3) Includes AFS and HTM securities.

Credit Quality

(Dollars in millions)	Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Nonperforming Assets					
Nonaccrual loans and leases:					
Commercial:					
Commercial and industrial	$ 200	$ 238	$ 243	$ 257	$ 259
CRE	65	46	61	67	45
Lease financing	3	6	9	13	1
Retail:					
Residential mortgage	119	120	119	127	129
Direct	53	55	58	64	64
Indirect	82	72	68	74	72
Total nonaccrual loans and leases held for investment (1)	522	537	558	602	570
Foreclosed real estate	35	39	43	40	32
Other foreclosed property	28	25	23	27	25
Total nonperforming assets(1)	$ 585	$ 601	$ 624	$ 669	$ 627
Performing Troubled Debt Restructurings (TDRs) (2)					
Commercial:					
Commercial and industrial	$ 65	$ 56	$ 44	$ 38	$ 50
CRE	10	12	11	12	16
Retail:					
Residential mortgage	656	643	647	627	605
Direct	55	56	58	59	62
Indirect	305	295	284	277	281
Revolving credit	28	28	29	29	29
Total performing TDRs (2)(3)	$ 1,119	$ 1,090	$ 1,073	$ 1,042	$ 1,043
Loans 90 Days or More Past Due and Still Accruing					
Commercial:					
Commercial and industrial	$ —	$ —	$ —	$ —	$ 1
CRE	—	—	—	—	1
Retail:					
Residential mortgage	405	367	374	420	465
Direct	7	6	4	6	6
Indirect	6	6	4	5	6
Revolving credit	14	12	10	11	12
PCI	30	40	43	48	57
Total loans 90 days past due and still accruing	$ 462	$ 431	$ 435	$ 490	$ 548
Loans 30-89 Days Past Due					
Commercial:					
Commercial and industrial	$ 34	$ 35	$ 26	$ 31	$ 41
CRE	5	4	4	10	8
Lease financing	1	1	2	1	4
Retail:					
Residential mortgage	456	510	441	400	472
Direct	61	59	52	55	65
Indirect	436	418	337	272	412
Revolving credit	28	27	21	21	23
PCI	23	21	22	24	27
Total loans 30-89 days past due	$ 1,044	$ 1,075	$ 905	$ 814	$ 1,052

Excludes loans held for sale.

(1) Sales of nonperforming loans totaled $30 million, $20 million, $12 million, $33 million and $44 million for the quarter ended December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018 and December 31, 2017, respectively.

(2) Excludes TDRs that are nonperforming totaling $176 million, $176 million, $191 million, $196 million and $189 million at December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018 and December 31, 2017, respectively. These amounts are included in total nonperforming assets.

(3) Sales of performing TDRs, which were primarily residential mortgage loans, totaled $15 million, $34 million, $17 million, $29 million and $44 million for the quarter ended December 31, 2018, September 30, 2018, June 30, 2018, March 31, 2018 and December 31, 2017, respectively.

Credit Quality

(Dollars in millions)	As of/For the Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Allowance for Credit Losses					
Beginning balance	$ 1,648	$ 1,640	$ 1,614	$ 1,609	$ 1,601
Provision for credit losses (excluding PCI loans)	147	141	142	153	137
Provision (benefit) for PCI loans	(1)	(6)	(7)	(3)	1
Charge-offs:					
Commercial:					
Commercial and industrial	(18)	(28)	(23)	(23)	(23)
CRE	(5)	—	(2)	(6)	(2)
Lease financing	(1)	(1)	(1)	(1)	(1)
Retail:					
Residential mortgage	(8)	(4)	(5)	(4)	(8)
Direct	(18)	(17)	(17)	(19)	(15)
Indirect	(108)	(94)	(82)	(107)	(104)
Revolving credit	(22)	(20)	(21)	(21)	(19)
PCI	—	(2)	—	—	—
Total charge-offs	(180)	(166)	(151)	(181)	(172)
Recoveries:					
Commercial:					
Commercial and industrial	7	13	11	8	12
CRE	4	1	1	2	4
Lease financing	—	—	1	—	1
Retail:					
Residential mortgage	1	—	1	—	1
Direct	5	6	6	6	6
Indirect	15	15	17	15	13
Revolving credit	5	4	5	5	5
Total recoveries	37	39	42	36	42
Net charge-offs	(143)	(127)	(109)	(145)	(130)
Ending balance	$ 1,651	$ 1,648	$ 1,640	$ 1,614	$ 1,609
Allowance for Credit Losses:					
Allowance for loan and lease losses (excluding PCI loans)	$ 1,549	$ 1,528	$ 1,512	$ 1,473	$ 1,462
Allowance for PCI loans	9	10	18	25	28
Reserve for unfunded lending commitments	93	110	110	116	119
Total	$ 1,651	$ 1,648	$ 1,640	$ 1,614	$ 1,609

(Dollars in millions)	As of/For the Year-to-Date Period Ended Dec. 31 2018	2017
Allowance for Credit Losses		
Beginning balance	$ 1,609	$ 1,599
Provision for credit losses (excluding PCI loans)	583	562
Provision (benefit) for PCI loans	(17)	(15)
Charge-offs:		
Commercial:		
Commercial and industrial	(92)	(95)
CRE	(13)	(10)
Lease financing	(4)	(5)
Retail:		
Residential mortgage	(21)	(47)
Direct	(71)	(61)
Indirect	(391)	(402)
Revolving credit	(84)	(76)
PCI	(2)	(1)
Total charge-offs	(678)	(697)
Recoveries:		
Commercial:		
Commercial and industrial	39	36
CRE	8	16
Lease financing	1	2
Retail:		
Residential mortgage	2	2
Direct	23	25
Indirect	62	60
Revolving credit	19	19
Total recoveries	154	160
Net charge-offs	(524)	(537)
Ending balance	$ 1,651	$ 1,609

Credit Quality

	As of/For the Quarter Ended				
	Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Asset Quality Ratios					
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.70%	0.73%	0.62%	0.57%	0.73%
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.31	0.29	0.30	0.34	0.38
Nonperforming loans and leases as a percentage of loans and leases	0.35	0.37	0.38	0.42	0.40
Nonperforming assets as a percentage of:					
Total assets	0.26	0.27	0.28	0.30	0.28
Loans and leases plus foreclosed property	0.39	0.41	0.43	0.47	0.44
Net charge-offs as a percentage of average loans and leases	0.38	0.35	0.30	0.41	0.36
Allowance for loan and lease losses as a percentage of loans and leases	1.05	1.05	1.05	1.05	1.04
Ratio of allowance for loan and lease losses to:					
Net charge-offs	2.76X	3.05X	3.49X	2.55X	2.89X
Nonperforming loans and leases	2.99X	2.86X	2.74X	2.49X	2.62X
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	0.04%	0.04%	0.04%	0.04%	0.05%

	As of/For the Year-to-Date Period Ended Dec. 31	
	2018	2017
Asset Quality Ratios		
Net charge-offs as a percentage of average loans and leases	0.36%	0.38%
Ratio of allowance for loan and lease losses to net charge-offs	2.98X	2.78X

Applicable ratios are annualized. Loans and leases exclude loans held for sale.

	December 31, 2018						
(Dollars in millions)	Current Status		Past Due 30-89 Days		Past Due 90+ Days		Total
Troubled Debt Restructurings							
Performing TDRs: (1)							
Commercial:							
Commercial and industrial	$ 64	98.5%	$ 1	1.5%	$ —	—%	$ 65
CRE	10	100.0	—	—	—	—	10
Retail:							
Residential mortgage	379	57.8	116	17.7	161	24.5	656
Direct	53	96.4	2	3.6	—	—	55
Indirect	245	80.3	60	19.7	—	—	305
Revolving credit	24	85.7	3	10.7	1	3.6	28
Total performing TDRs (1)	775	69.2	182	16.3	162	14.5	1,119
Nonperforming TDRs (2)	81	46.1	8	4.5	87	49.4	176
Total TDRs (1)(2)	$ 856	66.1%	$ 190	14.7%	$ 249	19.2%	$ 1,295

	Quarter Ended				
	Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Net Charge-offs as a Percentage of Average Loans and Leases:					
Commercial:					
Commercial and industrial	0.06%	0.11%	0.08%	0.11%	0.07%
CRE	0.02	(0.02)	0.01	0.08	(0.06)
Lease financing	0.17	0.16	0.12	0.09	0.14
Retail:					
Residential mortgage	0.10	0.05	0.05	0.05	0.10
Direct	0.43	0.38	0.40	0.43	0.30
Indirect	2.14	1.79	1.56	2.21	2.09
Revolving credit	2.25	2.11	2.21	2.37	2.13
PCI	—	1.53	—	—	—
Total loans and leases	0.38	0.35	0.30	0.41	0.36

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

Capital Information - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	As of/For the Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Selected Capital Information	(preliminary)				
Risk-based capital:					
Common equity tier 1	$ 18,404	$ 18,325	$ 18,364	$ 18,104	$ 18,051
Tier 1	21,456	21,376	21,415	21,155	21,102
Total	24,964	24,979	25,011	24,719	24,653
Risk-weighted assets	181,166	179,195	179,892	176,818	177,217
Average quarterly tangible assets	215,872	214,498	213,523	213,404	214,163
Risk-based capital ratios:					
Common equity tier 1	10.2%	10.2%	10.2%	10.2%	10.2%
Tier 1	11.8	11.9	11.9	12.0	11.9
Total	13.8	13.9	13.9	14.0	13.9
Leverage capital ratio	9.9	10.0	10.0	9.9	9.9
Equity as a percentage of total assets	13.4	13.5	13.4	13.4	13.4
Common equity per common share	$ 35.46	$ 34.90	$ 34.51	$ 34.06	$ 34.01
Calculations of Tangible Common Equity and Related Measures: (1)					
Total shareholders' equity	$ 30,178	$ 30,007	$ 29,832	$ 29,662	$ 29,695
Less:					
Preferred stock	3,053	3,053	3,053	3,053	3,053
Noncontrolling interests	56	59	52	50	47
Intangible assets	10,576	10,621	10,264	10,296	10,329
Tangible common equity	$ 16,493	$ 16,274	$ 16,463	$ 16,263	$ 16,266
Outstanding shares at end of period (in thousands)	763,326	770,620	774,447	779,752	782,006
Tangible Common Equity Per Common Share	$ 21.61	$ 21.12	$ 21.26	$ 20.86	$ 20.80

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. BB&T'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, Selected Mortgage Banking Information & Additional Information

(Dollars in millions)		Favorable (Unfavorable) Pre-Tax	Favorable (Unfavorable) After-Tax at Marginal Rate
Selected Items			
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
Fourth Quarter 2017			
Charitable contribution	Other expense	$ (100)	$ (63)
One-time bonus	Personnel expense	(36)	(23)
Impact of tax reform	Provision for income taxes	N/A	43
Third Quarter 2017			
None		N/A	N/A
Second Quarter 2017			
None		N/A	N/A
First Quarter 2017			
Income tax benefit on equity-based awards	Provision for income taxes	N/A	35

(Dollars in millions, except per share data)	As of/For the Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017
Mortgage Banking Income					
Residential mortgage production revenue	$ 22	$ 29	$ 42	$ 44	$ 45
Residential mortgage servicing revenue	65	63	63	65	65
Realization of expected residential MSR cash flows	(37)	(35)	(38)	(33)	(35)
Commercial mortgage production revenue	28	20	23	22	27
Commercial mortgage servicing revenue	9	10	10	9	9
Realization of expected commercial MSR cash flows	(7)	(7)	(8)	(9)	(9)
Mortgage banking income before MSR valuation	80	80	92	98	102
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	(55)	35	25	68	15
MSRs hedge gains (losses)	61	(36)	(23)	(67)	(13)
Net MSRs valuation	6	(1)	2	1	2
Total mortgage banking income	$ 86	$ 79	$ 94	$ 99	$ 104
Other Mortgage Banking Information					
Residential mortgage loan originations	$ 2,735	$ 4,265	$ 4,411	$ 3,328	$ 3,970
Residential mortgage servicing portfolio (1):					
Loans serviced for others	87,270	88,323	88,492	88,746	89,124
Bank-owned loans serviced	31,335	31,137	30,261	29,081	29,300
Total servicing portfolio	118,605	119,460	118,753	117,827	118,424
Weighted-average coupon rate on mortgage loans serviced for others	4.04%	4.03%	4.01%	4.00%	4.00%
Weighted-average servicing fee on mortgage loans serviced for others	0.277	0.277	0.277	0.277	0.278
Additional Information					
Derivatives notional amount	$ 67,738	$ 68,400	$ 71,427	$ 78,649	$ 75,172
Fair value of derivatives, net	(1)	(253)	(203)	(213)	(271)
Common stock prices:					
High	52.11	53.08	56.03	56.31	51.11
Low	40.68	48.41	50.13	49.65	44.62
End of period	43.32	48.54	50.44	52.04	49.72
Banking offices	1,879	1,958	1,967	2,047	2,049
ATMs	2,573	2,764	2,768	2,836	2,824
FTEs	35,852	36,233	35,782	35,908	36,484

(1) Amounts reported are unpaid principal balance.

Non-GAAP Reconciliations

(Dollars in millions)	Quarter Ended Dec. 31 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017	Year-to-Date Dec. 31 2018	Dec. 31 2017
Efficiency Ratio (1)							
Efficiency Ratio Numerator - Noninterest Expense - GAAP	$ 1,784	$ 1,742	$ 1,720	$ 1,686	$ 1,855	$ 6,932	$ 7,444
Amortization of intangibles	(34)	(33)	(31)	(33)	(34)	(131)	(142)
Merger-related and restructuring charges, net	(76)	(18)	(24)	(28)	(22)	(146)	(115)
Gain (loss) on early extinguishment of debt	—	—	—	—	—	—	(392)
Charitable contribution	—	—	—	—	(100)	—	(100)
One-time bonus	—	—	—	—	(36)	—	(36)
Efficiency Ratio Numerator - Adjusted	$ 1,674	$ 1,691	$ 1,665	$ 1,625	$ 1,663	$ 6,655	$ 6,659
Efficiency Ratio Denominator - Revenue (2) - GAAP	$ 2,940	$ 2,926	$ 2,879	$ 2,813	$ 2,869	$ 11,558	$ 11,317
Taxable equivalent adjustment	24	27	22	23	38	96	159
Securities (gains) losses, net	(2)	—	(1)	—	1	(3)	1
Efficiency Ratio Denominator - Adjusted	$ 2,962	$ 2,953	$ 2,900	$ 2,836	$ 2,908	$ 11,651	$ 11,477
Efficiency Ratio - GAAP	60.7%	59.5%	59.7%	60.0%	64.7%	60.0%	65.8%
Efficiency Ratio - Adjusted	56.5	57.3	57.4	57.3	57.2	57.1	58.0

(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. BB&T's management uses this measure in their analysis of the Corporation's performance. BB&T'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 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017	Year-to-Date Dec. 31 2018	Dec. 31 2017
Return on Average Tangible Common Shareholders' Equity (1)							
Net income available to common shareholders	$ 754	$ 789	$ 775	$ 745	$ 614	$ 3,063	$ 2,220
Plus: Amortization of intangibles, net of tax	25	26	24	24	21	99	89
Tangible net income available to common shareholders	$ 779	$ 815	$ 799	$ 769	$ 635	$ 3,162	$ 2,309
Average common shareholders' equity	$ 26,860	$ 26,782	$ 26,483	$ 26,428	$ 26,759	$ 26,640	$ 26,907
Less: Average intangible assets	10,607	10,622	10,281	10,312	10,346	10,456	10,402
Average tangible common shareholders' equity	$ 16,253	$ 16,160	$ 16,202	$ 16,116	$ 16,413	$ 16,184	$ 16,505
Return on average common shareholders' equity	11.14%	11.69%	11.74%	11.43%	9.10%	11.50%	8.25%
Return on average tangible common shareholders' equity	19.02	20.00	19.78	19.36	15.35	19.54	13.99

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. BB&T'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 2018	Sept. 30 2018	June 30 2018	March 31 2018	Dec. 31 2017	Year-to-Date Dec. 31 2018	Dec. 31 2017
Diluted EPS (1)							
Net income available to common shareholders - GAAP	$ 754	$ 789	$ 775	$ 745	$ 614	$ 3,063	$ 2,220
Merger-related and restructuring charges	59	13	17	22	14	111	71
Loss on early extinguishment of debt	—	—	—	—	—	—	246
Securities gains (losses), net	(1)	—	(1)	—	—	(2)	—
Charitable contribution	—	—	—	—	63	—	63
One time bonus	—	—	—	—	23	—	23
Excess tax benefit on equity-based awards	—	—	—	—	—	—	(35)
Impact of tax reform	—	—	—	—	(43)	—	(43)
Net income available to common shareholders - adjusted	$ 812	$ 802	$ 791	$ 767	$ 671	$ 3,172	$ 2,545
Weighted average shares outstanding - diluted	775,402	781,867	785,750	791,005	795,867	783,484	810,977
Diluted EPS - GAAP	$ 0.97	$ 1.01	$ 0.99	$ 0.94	$ 0.77	$ 3.91	$ 2.74
Diluted EPS - adjusted	1.05	1.03	1.01	0.97	0.84	4.05	3.14

(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. BB&T's management uses this measure in their analysis of the Corporation's performance. BB&T'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.