News Release

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Truist Reports Second Quarter 2020 Results

Earnings of $902 million, or $0.67 per diluted share

CHARLOTTE, N.C., (July 16, 2020) — Truist Financial Corporation (NYSE: TFC) today reported earnings for the second quarter of 2020.

Net income available to common shareholders was $902 million, up 7.1 percent, compared with the second quarter last year. Earnings per diluted common share were $0.67 for the second quarter of 2020, a decrease of 38.5 percent compared with the same period last year. Results for the second quarter produced an annualized return on average assets (ROA) of 0.75 percent, an annualized return on average common shareholders' equity (ROCE) of 5.90 percent, and an annualized return on tangible common shareholders' equity (ROTCE) of 11.83 percent.

Adjusted net income available to common shareholders was $1.1 billion, or $0.82 per diluted share, excluding merger-related and restructuring charges of $209 million ($160 million after-tax), incremental operating expenses related to the merger of $129 million ($99 million after-tax), securities gains of $300 million ($230 million after-tax), and losses from the early extinguishment of long-term debt of $235 million ($180 million after-tax). Adjusted diluted earnings per common share decreased $0.01 compared to the first quarter of 2020. Adjusted results produced an annualized ROA of 0.91 percent, an annualized ROCE of 7.26 percent and an annualized ROTCE of 14.17 percent.

"I am pleased with our overall performance and Truist's actions to support all our stakeholders in this challenging and ever-changing operating environment," said Chairman and Chief Executive Officer Kelly S. King. "This quarter we continued to focus on supporting our clients, teammates and communities affected by the pandemic, doubling our Truist Cares relief efforts to $50 million to reach underserved communities in our footprint. We are also focused on addressing the critical issue of racial and social inequity in America, and are having authentic dialogue on how we at Truist can create meaningful, long-lasting and measurable changes for the Black community. There is much more work to be done, but we are committed to building a stronger, more equitable company and society.

"Our core financial performance during the quarter was strong, particularly in light of the challenging interest rate and credit environment," said King. "Adjusted net income was $1.1 billion, driven by growth in earning assets, a strong performance from our investment banking group, a record quarter from our insurance brokerage group, and great results from our residential mortgage banking team. We also demonstrated solid expense discipline on a core basis and experienced substantial growth in deposits.

"While asset quality ratios remained relatively stable, we provided $844 million for credit losses given economic uncertainty and the stressed environment. This affords strong coverage for expected credit losses in the future. We are also pleased by the performance of our loan portfolios under stress in the Federal Reserve's CCAR process. Following the results of this process, we will recommend a $0.45 third quarter dividend to our board of directors.

"I remain proud of our teammates, who continue to work hard to meet the immediate and long-term needs of our clients, demonstrating our purpose to inspire and build better lives and communities every single day."

Second Quarter 2020 Performance Highlights

- Earnings per diluted common share were $0.67
  - Adjusted diluted earnings per share were $0.82
  - ROA was 0.75 percent; adjusted ROA was 0.91 percent
  - ROCE was 5.90 percent; adjusted ROCE was 7.26 percent
  - ROTCE was 11.83 percent; adjusted ROTCE was 14.17 percent

- Balance sheet actions
  - Sold non-agency mortgage backed securities generating a gain of $300 million
  - Redeemed $20.0 billion of FHLB advances resulting in loss on early extinguishment of long-term debt of $235 million
  - Actions improve net interest income, net interest margin and leverage ratios

- CARES Act Impacts
  - Third largest PPP lender based on gross fundings
  - Provided accommodations to clients on $21.2 billion of commercial loans, $13.8 billion of consumer loans, and $211 million of credit card loans as of June 30, 2020, representing 11.2 percent of loans and leases held for investment

- Taxable-equivalent revenue was $5.9 billion for the second quarter of 2020; includes $300 million of securities gains
  - Fee income ratio was 41.3 percent, compared to 34.9 percent for first quarter 2020; excluding securities gains, fee income ratio was 38.1 percent for the current quarter
  - Net interest margin was 3.13 percent, down 45 basis points from the first quarter 2020
  - Insurance income was a record $581 million
  - Core net interest margin was 2.67 percent, down 39 basis points from the first quarter 2020

- Noninterest expense was $3.9 billion for the second quarter of 2020
  - Noninterest expense includes $209 million of merger-related and restructuring charges, $129 million of incremental operating expenses related to the merger, and $235 million of losses from the early extinguishment of long-term debt
  - GAAP efficiency ratio was 66.1 percent, compared to 61.1 percent for first quarter 2020
  - Adjusted efficiency ratio was 55.8 percent, compared to 54.6 percent for first quarter 2020

- Asset quality ratios remain relatively stable; ratios tempered by CARES Act relief
  - Nonperforming assets were 0.25 percent of total assets, up 2 basis points from the prior quarter
  - Loans 90 days or more past due and still accruing were 0.34 percent of loans held for investment, down from 0.55 percent for the prior quarter
  - Excluding government guaranteed loans, loans 90 days or more past due and still accruing were 0.03 percent of loans held for investment
  - Net charge-offs were 0.39 percent of average loans and leases, up three basis points compared to the prior quarter
  - The allowance for loan and lease losses was 1.81 percent of loans and leases held for investment compared to 1.63 percent for the first quarter 2020
  - Provision for credit losses was $844 million for the second quarter of 2020, which includes a $522 million build to the allowance for credit losses
  - The allowance for loan and lease loss coverage ratio was 5.24 times nonperforming loans and leases held for investment, versus 5.04 times in the prior quarter
  - Commercial credit quality indicators reflect proactive grading changes for the current environment

- Capital and liquidity levels remained strong
  - Capital ratios improved; issued $2.6 billion of preferred stock to strengthen capital
  - Common equity tier 1 to risk-weighted assets was 9.7 percent
  - Tier 1 risk-based capital was 11.5 percent
  - Total risk-based capital was 13.9 percent
  - LCR ratio was 116 percent for second quarter 2020

EARNINGS HIGHLIGHTS

				Change 2Q20 vs.	
(dollars in millions, except per share data)	2Q20	1Q20	2Q19	1Q20	2Q19
Net income available to common shareholders	$ 902	$ 986	$ 842	$ (84)	$ 60
Diluted earnings per common share	0.67	0.73	1.09	(0.06)	(0.42)
Net interest income - taxable equivalent	$ 3,479	$ 3,687	$ 1,714	$ (208)	$ 1,765
Noninterest income	2,423	1,961	1,352	462	1,071
Total taxable-equivalent revenue	$ 5,902	$ 5,648	$ 3,066	$ 254	$ 2,836
Less taxable-equivalent adjustment	31	37	24		
Total revenue	$ 5,871	$ 5,611	$ 3,042		
Return on average assets	0.75 %	0.90 %	1.55 %	(0.15)%	(0.80)%
Return on average risk-weighted assets (current quarter is preliminary)	1.00	1.12	1.92	(0.12)	(0.92)
Return on average common shareholders' equity	5.90	6.58	11.98	(0.68)	(6.08)
Return on average tangible common shareholders' equity (1)	11.83	13.23	19.45	(1.40)	(7.62)
Net interest margin - taxable equivalent	3.13	3.58	3.42	(0.45)	(0.29)

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

Second Quarter 2020 compared to First Quarter 2020

Total taxable-equivalent revenue was $5.9 billion for the second quarter of 2020, an increase of $254 million compared to the prior quarter. This includes an increase of $462 million in noninterest income, partially offset by a decrease of $208 million in net interest income.

The net interest margin was 3.13 percent for the second quarter, down 45 basis points compared to the prior quarter. The decline in the net interest margin and net interest income reflects the decline in the Fed Funds and LIBOR rates, higher low-yielding balances at the Federal Reserve and a deferral related to accrued interest for loans that have been granted an accommodation in connection with COVID-19. Average earning assets increased $33.3 billion, which primarily reflects a $18.7 billion increase in average total loans and leases and a $17.8 billion increase in average other earning assets. The increase in average other earning assets primarily reflects higher interest-bearing balances at the Federal Reserve. Average interest-bearing liabilities increased $14.5 billion, driven by an increase of $15.4 billion in average interest-bearing deposits, an increase of $9.0 billion in average long-term debt, which was partially offset by a decrease of $9.9 billion in average short-term borrowings.

The yield on the total loan portfolio for the second quarter was 4.19 percent, down 79 basis points compared to the prior quarter, primarily due to lower Fed Funds and LIBOR rates, lower accretion of the fair value mark on the merged loans and the deferral of interest for loans granted an accommodation in connection with COVID-19. The yield on the average securities portfolio for the second quarter was 2.37 percent, down 25 basis points compared to the prior quarter primarily due to higher premium amortization.

The average cost of total deposits was 0.22 percent, down 29 basis points compared to the prior quarter. The average cost of interest-bearing deposits was 0.32 percent, down 38 basis points compared to the prior quarter. The average rate on long-term debt was 1.52 percent, down 82 basis points compared to the prior quarter. The average rate on short-term borrowings was 1.24 percent, down 52 basis points compared to the prior quarter. The decrease in rates on deposits and other funding was largely attributable to deposit rate cuts consistent with a lower rate environment.

The provision for credit losses was $844 million, and net charge-offs were $316 million for the second quarter, compared to $893 million and $272 million, respectively, for the prior quarter. The provision for credit losses in the second quarter includes a $522 million build to the allowance for credit losses, which reflects increased economic stress associated with the pandemic and specific consideration of its impact on certain industries.

Noninterest income was $2.4 billion, an increase of $462 million compared to the prior quarter. The current quarter includes $300 million of securities gains from the sale of non-agency mortgage-backed securities compared to a small loss in the prior quarter. Excluding securities gains and losses, noninterest income increased $160 million compared to the prior quarter. Insurance income was up $32 million primarily due to seasonality. Residential mortgage income increased $96 million due to strong production income as a result of higher volumes and improved margins, partially offset by lower servicing revenues due to higher prepayments. Investment banking and trading income increased $156 million due to an increase of $71 million in core trading revenues across most products and $90 million as a result of credit valuation adjustments recorded in the prior period. Other income increased $27 million compared to the prior period, primarily as a result of a $34 million increase in income from assets held for certain post-retirement benefits, which is primarily offset by higher personnel expense. These increases were partially offset by lower revenues from service charges on deposits of $103 million due to reduced overdraft incident rates and refunds and waivers related to COVID-19. Wealth management income decreased $43 million primarily due to market devaluation impacting wealth fees.

Noninterest expense was $3.9 billion for the second quarter, up $447 million compared to the prior quarter. The current quarter includes $235 million of losses on the early extinguishment of long-term debt, which were part of balance sheet actions to improve net interest income, net interest margin and leverage ratios. Merger-related and restructuring charges increased $102 million primarily due to higher professional services expenses related to merger integration and personnel-related expenses incurred in the current quarter. Incremental operating expenses related to the merger increased $55 million primarily due to higher professional services expenses for process and system design in connection with merger integration. On an adjusted basis, noninterest expense was up $55 million, primarily due to higher operating costs incurred in connection with COVID-19, performance-based incentives, partially offset by lower marketing and customer development expense.

The provision for income taxes was $191 million for the second quarter, compared to $224 million for the prior quarter. The effective tax rate for the second quarter was 16.6 percent compared to 17.4 percent for the prior quarter.

Second Quarter 2020 compared to Second Quarter 2019

Total taxable-equivalent revenues were $5.9 billion for the second quarter of 2020, an increase of $2.8 billion compared to the earlier quarter, which reflects an increase of $1.8 billion in taxable-equivalent net interest income and an increase of $1.1 billion in noninterest income.

Net interest margin was 3.13 percent, down 29 basis points compared to the earlier quarter. Average earning assets increased $246.0 billion. The increase in average earning assets reflects a $174.9 billion increase in average total loans and leases and a $29.0 billion increase in average securities. Average other earning assets increased $39.8 billion primarily due to higher interest-bearing balances at the Federal Reserve. Average interest-bearing liabilities increased $182.7 billion compared to the earlier quarter. Average interest-bearing deposits increased $149.7 billion, average long-term debt increased $32.3 billion and average short-term borrowings increased $631 million. The significant increases in earnings assets and liabilities are primarily due to the merger, as well as impacts from the COVID-19 pandemic and the resulting government stimulus programs.

The yield on the total loan portfolio for the second quarter of 2020 was 4.19 percent, down 86 basis points compared to the earlier quarter, reflecting the impact of rate decreases and the deferral of interest for loans granted an accommodation in connection with COVID-19, partially offset by purchase accounting accretion from merged loans. The yield on the average securities portfolio was 2.37 percent, down 25 basis points compared to the earlier period primarily due to higher premium amortization

The average cost of total deposits was 0.22 percent, down 46 basis points compared to the earlier quarter. The average cost of interest-bearing deposits was 0.32 percent, down 70 basis points compared to the earlier quarter. The average rate on short-term borrowings was 1.24 percent, down 116 basis points compared to the earlier quarter. The average rate on long-term debt was 1.52 percent, down 181 basis points compared to the earlier quarter. The lower rates on interest-bearing liabilities reflect the lower rate environment. The lower rates on long-term debt also reflect the amortization of the fair value mark on the assumed debt and the issuance of new long-term debt.

The provision for credit losses was $844 million, compared to $172 million for the earlier quarter. The increase in the provision for credit losses reflects a build to the allowance for credit losses due to increased economic stress associated with the pandemic and specific consideration of its impact on certain industries, the impact of the merger, and the effect of applying the CECL methodology in the current quarter compared to the incurred methodology in the earlier quarter. Net charge-offs for the second quarter of 2020 totaled $316 million compared to $142 million in the earlier quarter. Higher net charge-offs also contributed to the increase in the provision for credit losses and primarily reflect increases as a result of the merger. The net charge-off rate for the current quarter of 0.39 percent was up one basis point compared to the second quarter of 2019.

Noninterest income for the second quarter of 2020 increased $1.1 billion compared to the earlier quarter. The current quarter includes $300 million of securities gains from the sale of non-agency mortgage-backed securities. Excluding the securities gains, noninterest income increased $771 million, with nearly all categories of noninterest income being impacted by the merger. In addition to the impacts from the merger, residential mortgage banking income was up due to strong production and refinance activity driven by the declining rate environment, while service charges on deposits were lower due to reduced overdraft incident rates and refunds and waivers to accommodate clients impacted by the COVID-19 pandemic.

Noninterest expense for the second quarter of 2020 was up $2.1 billion compared to the earlier quarter. Merger-related and restructuring charges and other incremental operating expenses related to the merger increased $186 million and $120 million, respectively. In addition, the current quarter was impacted by $235 million of losses on the early extinguishment of long-term debt. On an adjusted basis, noninterest expense was up $1.6 billion, primarily reflecting the impact of the merger. In addition to the impacts of the merger, operating costs were elevated due to COVID-19, which resulted in an additional $115 million of expenses compared to the second quarter of 2019. This was primarily related to additional on-site pay for teammates, net occupancy costs for enhanced cleaning and teammate support expenses. Amortization of intangibles increased $146 million due to the intangibles recognized in the merger.

The provision for income taxes was $191 million for the second quarter of 2020, compared to $234 million for the earlier quarter. This produced an effective tax rate for the second quarter of 2020 of 16.6 percent, compared to 20.9 percent for the earlier quarter. The lower effective tax rate is primarily due to higher favorable permanent tax items and income tax credits in the current year.

LOANS AND LEASES

(dollars in millions)

Average balances	2Q20	1Q20	Change	% Change (annualized)
Commercial:				
Commercial and industrial	$ 152,991	$ 131,743	$ 21,248	64.9 %
CRE	27,804	27,046	758	11.3
Commercial construction	6,748	6,409	339	21.3
Lease financing	5,922	6,070	(148)	(9.8)
Total commercial	193,465	171,268	22,197	52.1
Consumer:				
Residential mortgage	52,380	52,993	(613)	(4.7)
Residential home equity and direct	27,199	27,564	(365)	(5.3)
Indirect auto	24,721	24,975	(254)	(4.1)
Indirect other	11,282	10,950	332	12.2
Student	7,633	7,787	(154)	(8.0)
Total consumer	123,215	124,269	(1,054)	(3.4)
Credit card	4,949	5,534	(585)	(42.5)
Total loans and leases held for investment	$ 321,629	$ 301,071	$ 20,558	27.5

Average loans and leases held for investment for the second quarter of 2020 were $321.6 billion, up $20.6 billion compared to the first quarter of 2020, primarily due to growth in the commercial portfolio.

The growth in the commercial portfolio was primarily in commercial and industrial loans and reflects an increase in revolver usage late in the prior quarter coupled with PPP loan originations in the current quarter. Truist is the third largest lender of PPP loans based on gross fundings and the carrying value of PPP loans was $12.0 billion as of June 30, 2020. Within the commercial and industrial portfolio, Truist also experienced growth in loans from mortgage warehouse lending due to the decline in rates and increased refinance activity, which was partially offset by a decline in dealer floor plan lending.

Average consumer loans decreased $1.1 billion, primarily due to a decrease in residential mortgages due to refinance activity, underwriting changes and overall decreased demand for consumer lending products. This was partially offset by an increase in indirect other loans due to demand for loans to finance recreational and power sports equipment.

Average credit card loans decreased due to lower business and consumer spending as a result of COVID-19.

DEPOSITS

(dollars in millions)

Average balances	2Q20	1Q20	Change	% Change (annualized)
Noninterest-bearing deposits	$ 113,875	$ 93,135	$ 20,740	89.6 %
Interest checking	97,863	85,008	12,855	60.8
Money market and savings	126,071	120,936	5,135	17.1
Time deposits	33,009	35,570	(2,561)	(29.0)
Total deposits	$ 370,818	$ 334,649	$ 36,169	43.5

Average deposits for the second quarter of 2020 were $370.8 billion, an increase of $36.2 billion compared to the prior quarter. Average deposit growth was strong for the second quarter of 2020 due to a continuation of the flight to quality and government stimulus programs. Average time deposits decreased primarily due to maturity of wholesale negotiable certificates of deposit and higher-cost personal accounts that were replaced by strong growth in non-time deposit products.

Average noninterest-bearing deposits represented 30.7 percent of total deposits for the second quarter of 2020. The cost of average total deposits was 0.22 percent for the second quarter, down 29 basis points compared to the prior quarter. The cost of average interest-bearing deposits was 0.32 percent for the second quarter, down 38 basis points compared to the prior quarter.

SEGMENT RESULTS

(dollars in millions)				Change 2Q20 vs.	
Segment Net Income	2Q20	1Q20	2Q19	1Q20	2Q19
Consumer Banking and Wealth	$ 705	$ 682	$ 458	$ 23	$ 247
Corporate and Commercial Banking	409	418	409	(9)	—
Insurance Holdings	125	105	111	20	14
Other, Treasury & Corporate	(281)	(142)	(93)	(139)	(188)
Total net income	$ 958	$ 1,063	$ 885	$ (105)	$ 73

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

Second Quarter 2020 compared to First Quarter 2020

Consumer Banking and Wealth ("CB&W")

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

CB&W net income was $705 million for the second quarter of 2020, an increase of $23 million compared to the prior quarter. Segment net interest income decreased $94 million primarily due to the adverse interest rate environment resulting from COVID-19 impacts and the deferral of interest for loans granted an accommodation in connection with COVID-19. Noninterest income decreased $61 million due to lower incident rates in overdraft fees, lower transaction volumes, and market devaluation impacting Wealth fees, partially offset by higher residential mortgage income as a result of the lower rate environment driving mortgage production through refinance activity. The allocated provision for credit losses decreased $167 million due to lower reserve builds in the second quarter and lower net charge-offs due to loan modifications, as well as seasonal trends. Noninterest expense decreased $19 million primarily due to lower personnel, marketing, and travel expenses, partially offset by amortization of intangibles related to the merger.

Average loans and leases were up $115 million at June 30, 2020, compared to the prior quarter, primarily due to increased mortgage warehouse lending, partially offset by declines in residential mortgage, residential home equity and direct consumer, and credit card. Average total deposits were up $14.7 billion at June 30, 2020, compared to the prior quarter, primarily due to reduced consumer spending and inflows from stimulus payments in the Retail Community Bank related to COVID-19.

Corporate and Commercial Banking ("C&CB")

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

C&CB net income was $409 million for the second quarter of 2020, a decrease of $9 million compared to the prior quarter. Segment net interest income decreased $39 million primarily due to the adverse interest rate environment resulting from COVID-19 impacts and the deferral of interest for loans granted an accommodation in connection with COVID-19. Noninterest income increased $164 million due to a rebound in market stability and trading activity, and strong Investment Banking fees. The allocated provision for credit losses increased $134 million primarily due to increased economic stress associated with the pandemic, as well as increased losses. Noninterest expense decreased $3 million primarily due to lower personnel and marketing expenses, partially offset by increased operating lease depreciation and expenses related to the merger.

Average loans and leases were up $20.3 billion at June 30, 2020, compared to the prior quarter due primarily to an increase in revolver usage late in the prior quarter coupled with PPP loan originations in the current quarter. Average total deposits were up $20.9 billion at June 30, 2020, compared to the prior quarter, primarily due to deposit inflows related to PPP loans, line draws and reduced spending from commercial clients.

Insurance Holdings ("IH")

Truist's IH segment is one of the largest insurance brokers in the world, providing property and casualty, employee benefits and life insurance to businesses and individuals. It also provides small business and corporate services, such as workers compensation and professional liability, as well as surety coverage and title insurance. In addition, IH provides premium financing for property and casualty insurance.

IH net income was $125 million for the second quarter of 2020, an increase of $20 million compared to the prior quarter. Noninterest income increased $41 million primarily due to seasonality in property and casualty insurance commissions, partially offset by seasonally high employment benefits renewal commissions in the prior quarter. Noninterest expense increased $9 million primarily due to seasonally higher performance-based incentives partially offset by lower travel expenses.

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

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

OT&C generated a net loss of $281 million for the second quarter of 2020, compared to a net loss of $142 million for the prior quarter. Segment net interest income decreased $67 million primarily due to an increase in the net credit for funds provided to other operating segments. Noninterest income increased $318 million primarily due to the gain on sale of non-agency mortgage-backed securities in the current quarter. The allocated provision for credit losses decreased $21 million. Noninterest expense increased $460 million primarily due to the loss on early extinguishment of long-term debt, operating expenses related to the merger, and higher merger-related charges in the current quarter. The benefit for income taxes increased $49 million primarily due to higher pre-tax losses in the current quarter.

Second Quarter 2020 compared to Second Quarter 2019

Consumer Banking and Wealth

CB&W net income was $705 million for the second quarter of 2020, an increase of $247 million compared to the earlier quarter. Segment net interest income increased $1.1 billion primarily due to the merger. Noninterest income increased $426 million, due to the merger and higher residential mortgage income as a result of the lower rate environment driving mortgage production through refinance activity. The allocated provision for credit losses increased $147 million primarily due to the merger as well as increased economic stress associated with the pandemic. Noninterest expense increased $1.1 billion primarily due to operating expenses and amortization of intangibles related to the merger and additional on-site pay for teammates and net occupancy costs in the current quarter, primarily related to COVID-19.

Corporate and Commercial Banking

C&CB net income was $409 million for the second quarter of 2020, flat compared to the earlier quarter. Segment net interest income increased $654 million primarily due to the merger. Noninterest income increased $373 million also primarily due to the merger. The allocated provision for credit losses increased $482 million primarily due to the merger, as well as increased economic stress associated with the pandemic and increased losses. Noninterest expense increased $558 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Insurance Holdings

IH net income was $125 million for the second quarter of 2020, an increase of $14 million compared to the earlier quarter. Noninterest income increased $28 million primarily due to higher production. Noninterest expense increased $5 million primarily due to increased personnel expense, partially offset by lower travel and marketing expenses.

Other, Treasury & Corporate

OT&C generated a net loss of $281 million in the second quarter of 2020, compared to a net loss of $93 million in the earlier quarter. Segment net interest income decreased $5 million. Noninterest income increased $244 million primarily due to the gain on sale of non-agency mortgage-backed securities in the current quarter. The allocated provision for credit losses increased $39 million primarily due to the provision for unfunded commitments. Noninterest expense increased $493 million primarily due to the loss on early extinguishment of long-term debt, operating expenses related to the merger, and higher merger-related charges in the current quarter. The benefit for income taxes increased $105 million primarily due to a higher pre-tax loss.

CAPITAL RATIOS	2Q20	1Q20	4Q19	3Q19	2Q19
Risk-based:	(preliminary)				
Common equity Tier 1	9.7 %	9.3 %	9.5 %	10.6 %	10.4 %
Tier 1	11.5	10.5	10.8	12.2	12.0
Total	13.9	12.7	12.6	14.8	14.2
Leverage (1)	9.0	9.0	14.7	10.3	10.2
Supplementary leverage (2)	8.5	7.8	7.9	NA	NA

(1) The leverage ratio is calculated using end of period Tier 1 capital and quarterly average tangible assets. The timing of the merger impacted the result for the fourth quarter of 2019. The estimated leverage ratio for the fourth quarter of 2019 using a full quarterly average tangible assets was 9.3 percent.
(2) Truist became subject to the supplementary leverage ratio as of January 1, 2020. The December 31, 2019 measure was an estimate based on a full quarter of average tangible assets in the denominator.

Capital ratios improved during the second quarter and remain strong compared to the regulatory levels for well capitalized banks at June 30, 2020. During the second quarter of 2020, Truist issued $2.6 billion of preferred stock to further strengthen its capital position. Truist declared common dividends of $0.450 per share during the second quarter of 2020. The dividend and total payout ratios for the second quarter of 2020 were 67.2 percent. As previously communicated at the time of the merger announcement, Truist suspended its share repurchase program until capital ratios return to higher levels.

In June 2020, the Federal Reserve informed Truist of its preliminary Stress Capital Buffer ("SCB") of 270 basis points for risk-based capital ratios. This buffer, which is determined based on stress testing results developed by the Federal Reserve, is 20 basis points above the existing Capital Conservation Buffer. The Federal Reserve will provide Truist its final SCB by August 31, 2020. The SCB will be effective from October 1, 2020 through September 30, 2021, at which point a revised SCB will be calculated and provided to Truist. Consistent with the Federal Reserve's mandate across the industry, Truist will be required to update and resubmit its capital plan later this year to reflect changes in financial markets and the macroeconomic outlook.

As of January 1, 2020, Truist is subject to Category III reduced LCR requirements (85 percent). Truist's average LCR was approximately 116 percent for the three months ended June 30, 2020, compared to the regulatory minimum of 100 percent. Truist continues to maintain a strong liquidity position and is prepared to meet the funding needs of clients. In addition, the liquid asset buffer, which is defined as high quality unencumbered liquid assets as a percentage of total assets, was 17.8 percent at June 30, 2020.

ASSET QUALITY

(dollars in millions)	2Q20	1Q20	4Q19	3Q19	2Q19
Total nonperforming assets	$ 1,252	$ 1,177	$ 684	$ 509	$ 523
Total performing TDRs	1,107	1,079	980	1,057	1,070
Total loans 90 days past due and still accruing	1,072	1,748	1,994	403	407
Total loans 30-89 days past due	1,901	2,374	2,213	992	1,016
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.35 %	0.32 %	0.15 %	0.30 %	0.30 %
Nonperforming assets as a percentage of total assets	0.25	0.23	0.14	0.22	0.23
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.60	0.74	0.74	0.66	0.67
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.34	0.55	0.66	0.27	0.27
Loans 90 days or more past due and still accruing as a percentage of loans and leases, excluding government guaranteed and PCI	0.03	0.04	0.03	0.04	0.04
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.81	1.63	0.52	1.05	1.05
Net charge-offs as a percentage of average loans and leases, annualized	0.39	0.36	0.40	0.41	0.38
Ratio of allowance for loan and lease losses to net charge-offs, annualized	4.49x	4.76x	2.03x	2.59x	2.80x
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	5.24x	5.04x	3.41x	3.52x	3.46x

Overall asset quality ratios were relatively stable at June 30, 2020 compared to March 31, 2020, which was tempered by CARES Act relief.

Nonperforming assets totaled $1.3 billion at June 30, 2020, up $75 million compared to March 31, 2020. Nonperforming loans and leases held for investment represented 0.35 percent of loans and leases held for investment, up 3 basis points compared to March 31, 2020. The increase in nonperforming loans was primarily in the commercial real estate, commercial construction and leasing portfolios. Within the consumer portfolio, residential mortgage nonaccruals were down due to certain loans being identified and moved to the held for sale portfolio, while indirect automobile nonaccruals increased as a result of the moratorium on repossessions under the CARES Act. Performing TDRs were up $28 million during the second quarter, primarily in residential mortgage loans and commercial real estate.

Loans 90 days or more past due and still accruing totaled $1.1 billion at June 30, 2020, down $676 million compared to the prior quarter. The decline was primarily due to a decrease in government guaranteed student loans due to forbearance programs that were put in place by the servicer of the loans implemented in connection with the CARES Act. The ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.34 percent at June 30, 2020, down 21 basis points from the prior quarter. Excluding government guaranteed loans, the ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.03 percent at June 30, 2020, down one basis point from 0.04 percent at March 31, 2020.

Loans 30-89 days past due and still accruing totaled $1.9 billion at June 30, 2020, down $473 million compared to the prior quarter. The decline is primarily due to a decrease in indirect automobile and government guaranteed student loans due to deferral and forbearance programs implemented in connection with CARES Act. The ratio of loans 30-89 days or more past due and still accruing as a percentage of loans and leases was 0.60 percent at June 30, 2020, down 14 basis point from the prior quarter.

Net charge-offs during the second quarter totaled $316 million, up $44 million compared to the prior quarter. As a percentage of average loans and leases, annualized net charge-offs were 0.39 percent, up three basis points compared to the prior quarter.

The allowance for credit losses was $6.1 billion, up $522 million compared to the prior quarter. The allowance for credit losses includes $5.7 billion for loans and leases and $431 million for the reserve for unfunded commitments. As of June 30, 2020, the allowance for loan and lease losses was 1.81 percent of loans and leases held for investment.

The allowance for loan and lease losses was 5.24 times nonperforming loans and leases held for investment, compared to 5.04 times at March 31, 2020. At June 30, 2020, the allowance for loan and lease losses was 4.49 times annualized net charge-offs, compared to 4.76 times at March 31, 2020.

Earnings Presentation and Quarterly Performance Summary

To listen to Truist's live second quarter 2020 earnings conference call at 8 a.m. ET today, please call 866-519-2796 and enter the participant code 892418. A presentation will be used during the earnings conference call and is available on our website at https://ir.truist.com/events-and-presentation. Replays of the conference call will be available for 30 days by dialing 888-203-1112 (access code 892418).

The presentation, including an appendix reconciling non-GAAP disclosures, and Truist's Second Quarter 2020 Quarterly Performance Summary, which contains detailed financial schedules, is available at https://ir.truist.com/earnings.

About Truist

Truist Financial Corporation is a purpose-driven financial services company committed to inspire and build better lives and communities. With 275 years of combined BB&T and SunTrust history, Truist serves approximately 12 million households with leading market share in many high-growth markets in the country. The company offers a wide range of services including retail, small business and commercial banking; asset management; capital markets; commercial real estate; corporate and institutional banking; insurance; mortgage; payments; specialized lending; and wealth management. Headquartered in Charlotte, North Carolina, Truist is the sixth-largest commercial bank in the U.S. with total assets of $504 billion as of June 30, 2020. Truist Bank, Member FDIC. Learn more at Truist.com.

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

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

- *The adjusted efficiency ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk.*

- *Core net interest margin is a non-GAAP measure that adjusts net interest margin to exclude the impact of purchase accounting. The purchase accounting marks and related amortization for a) securities acquired from the FDIC in the Colonial Bank acquisition and b) loans, deposits and long-term debt from SunTrust, Susquehanna, National Penn and Colonial Bank are excluded to approximate the yields paid by clients. Truist's management believes the adjustments to the calculation of net interest margin for certain assets and liabilities acquired provide investors with useful information related to the performance of Truist's earning assets.*
- *The adjusted diluted earnings per share is non-GAAP in that it excludes merger-related and restructuring charges and other selected items, net of tax. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *The adjusted operating leverage ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *The adjusted performance ratios are non-GAAP in that they exclude merger-related and restructuring charges, selected items and, in the case of return on average tangible common shareholders' equity, amortization of intangible assets. Truist's management uses these measures in their analysis of the Corporation's performance. Truist's management believes these measures provide a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *EBITDA is a non-GAAP measurement of operating profitability that is calculated by adding back interest, taxes, depreciation and amortization to net income. Truist's management also adds back merger-related and restructuring charges, incremental operating expenses related to the merger and other selected items. Truist's management uses this measure in its analysis of the Corporation's Insurance Holdings segment. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *Allowance for loan and lease losses and unamortized fair value mark, and allowance for credit losses and unamortized fair value mark, as a percentage of gross loans and leases are non-GAAP measurements of credit reserves that are calculated by adjusting the ALLL or ACL, and loans and leases held for investment by the unamortized fair value mark. Truist's management uses these measures to assess loss absorption capacity.*

A reconciliation of these non-GAAP measures to the most directly comparable GAAP measure is included in the appendix to Truist's Second Quarter 2020 Earnings Presentation, which is available at https://ir.truist.com/earnings.

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

Forward-looking statements are not based on historical facts but instead represent management's expectations and assumptions regarding Truist's business, the economy and other future conditions. Such statements involve inherent uncertainties, risks and changes in circumstances that are difficult to predict. As such, Truist’s actual results may differ materially from those contemplated by forward-looking statements. While there can be no assurance that any list of risks and uncertainties or risk factors is complete, important factors that could cause actual results to differ materially from those contemplated by forward-looking statements include the following, without limitation, as well as the risks and uncertainties more fully discussed under Item 1A-Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2019, Item 1A-Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 and in Truist's subsequent filings with the Securities and Exchange Commission:

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

- *risks related to originating and selling mortgages, including repurchase and indemnity demands from purchasers related to representations and warranties on loans sold, which could result in an increase in the amount of losses for loan repurchases;*
- *failure to execute on strategic or operational plans, including the ability to successfully complete and/or integrate mergers and acquisitions;*
- *risks relating to Truist's role as a servicer of loans, including an increase in the scope or costs of the services Truist is required to perform without any corresponding increase in Truist's servicing fee, or a breach of Truist's obligations as servicer;*
- *negative public opinion, which could damage Truist's reputation;*
- *increased scrutiny regarding Truist's consumer sales practices, training practices, incentive compensation design and governance;*
- *competition from new or existing competitors, including increased competition from products and services offered by non-bank financial technology companies, may reduce Truist's client base, cause Truist to lower prices for its products and services in order to maintain market share or otherwise adversely impact Truist's businesses or results of operations;*
- *Truist's ability to introduce new products and services in response to industry trends or developments in technology that achieve market acceptance and regulatory approval;*
- *Truist's success depends on the expertise of key personnel, and if these individuals leave or change their roles without effective replacements Truist's operations and integration activities could be adversely impacted. This could be exacerbated as Truist continues to integrate the management teams of heritage BB&T and heritage SunTrust, or if the organization is unable to hire and retain qualified personnel;*
- *legislative, regulatory or accounting changes may adversely affect the businesses in which Truist is engaged;*
- *evolving regulatory standards, including with respect to capital and liquidity requirements, and results of regulatory examinations, may adversely affect Truist's financial condition and results of operations;*
- *accounting policies and processes require management to make estimates about matters that are uncertain;*
- *general economic or business conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, slower deposit or asset growth, a deterioration in credit quality or a reduced demand for credit, insurance or other services;*
- *risk management measures and management oversight functions may not identify or address risks adequately;*
- *unfavorable resolution of legal proceedings or other claims or regulatory or other governmental investigations or inquiries could result in negative publicity, protests, fines, penalties, restrictions on Truist's operations or ability to expand its business or other negative consequences, all of which could cause reputational damage and adversely impact Truist's financial condition and results of operations;*
- *competitors of Truist may have greater financial resources or develop products that enable them to compete more successfully than Truist and may be subject to different regulatory standards than Truist;*
- *failure to maintain or enhance Truist's competitive position with respect to technology, whether it fails to anticipate client expectations or because its technological developments fail to perform as desired or are not rolled out in a timely manner or for other reasons, may cause Truist to lose market share or incur additional expense;*
- *fraud or misconduct by internal or external parties, which Truist may not be able to prevent, detect or mitigate;*
- *operational or communications systems, including systems used by vendors or other external parties, may fail or may be the subject of a breach or cyber-attack that, if successful, could adversely impact Truist's financial condition and results of operations;*
- *security risks, including denial of service attacks, hacking, social engineering attacks targeting Truist's employees and clients, malware intrusion or data corruption attempts, and identity theft could result in the disclosure of confidential information, adversely affect Truist's business or reputation or create significant legal or financial exposure;*
- *the COVID-19 pandemic has disrupted the global economy, and continuation of current conditions could adversely affect Truist's capital and liquidity position, impair the ability of borrowers to repay outstanding loans and increase Truist's allowance for credit losses, impair collateral values, cause an outflow of deposits, result in lost revenue or additional expenses, result in goodwill impairment charges, the impairment of other financial and nonfinancial assets, and increase Truist's cost of capital;*
- *natural or other disasters, including acts of terrorism and pandemics, could have an adverse effect on Truist, including a material disruption of Truist's operations or the ability or willingness of clients to access Truist's products and services;*
- *widespread system outages, caused by the failure of critical internal systems or critical services provided by third parties could adversely impact Truist's financial condition and results of operations; and*
- *depressed market values for Truist's stock and adverse economic conditions sustained over a period of time may require a write down to goodwill.*

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

TRUIST

Quarterly Performance Summary

Truist Financial Corporation

Second Quarter 2020

Table of Contents

Quarterly Performance Summary

Truist Financial Corporation

Financial Highlights

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended June 30 2020	Quarter Ended June 30 2019	% Change	Year-to-Date June 30 2020	Year-to-Date June 30 2019	% Change
Summary Income Statement						
Interest income - taxable equivalent (1)	$ 3,919	$ 2,230	75.7 %	$ 8,382	$ 4,427	89.3 %
Interest expense	440	516	(14.7)	1,216	993	22.5
Net interest income - taxable equivalent	3,479	1,714	103.0	7,166	3,434	108.7
Less: Taxable-equivalent adjustment	31	24	29.2	68	48	41.7
Net interest income	3,448	1,690	104.0	7,098	3,386	109.6
Provision for credit losses	844	172	NM	1,737	327	NM
Net interest income after provision for credit losses	2,604	1,518	71.5	5,361	3,059	75.3
Noninterest income	2,423	1,352	79.2	4,384	2,554	71.7
Noninterest expense	3,878	1,751	121.5	7,309	3,519	107.7
Income before income taxes	1,149	1,119	2.7	2,436	2,094	16.3
Provision for income taxes	191	234	(18.4)	415	411	1.0
Net income	958	885	8.2	2,021	1,683	20.1
Noncontrolling interests	3	(1)	NM	6	5	20.0
Preferred stock dividends	53	44	20.5	127	87	46.0
Net income available to common shareholders	902	842	7.1	1,888	1,591	18.7
Per Common Share Data						
Earnings per share-basic	$ 0.67	$ 1.10	(39.1)%	$ 1.40	$ 2.08	(32.7)%
Earnings per share-diluted	0.67	1.09	(38.5)	1.39	2.06	(32.5)
Earnings per share-adjusted diluted (2)	0.82	1.12	(26.8)	1.65	2.17	(24.0)
Cash dividends declared	0.450	0.405	11.1	0.900	0.810	11.1
Common shareholders' equity	45.74	37.40	22.3	45.74	37.40	22.3
Tangible common shareholders' equity (2)	26.38	23.93	10.2	26.38	23.93	10.2
End of period shares outstanding	1,347,609	766,010	75.9	1,347,609	766,010	75.9
Weighted average shares outstanding-basic	1,347,512	765,958	75.9	1,345,942	765,052	75.9
Weighted average shares outstanding-diluted	1,355,834	774,603	75.0	1,356,809	774,329	75.2
Performance Ratios						
Return on average assets	0.75 %	1.55 %		0.82 %	1.49 %	
Return on average risk-weighted assets (current period is preliminary)	1.00	1.92		1.06	1.85	
Return on average common shareholders' equity	5.90	11.98		6.24	11.54	
Return on average tangible common shareholders' equity (2)	11.83	19.45		12.52	18.92	
Net interest margin - taxable equivalent	3.13	3.42		3.34	3.47	
Fee income ratio	41.3	44.4		38.2	43.0	
Efficiency ratio-GAAP	66.1	57.6		63.7	59.3	
Efficiency ratio-adjusted (2)	55.8	55.1		55.2	55.8	
Credit Quality						
Nonperforming assets as a percentage of:						
Assets	0.25 %	0.23 %		0.25 %	0.23 %	
Loans and leases plus foreclosed property	0.37	0.34		0.37	0.34	
Net charge-offs as a percentage of average loans and leases	0.39	0.38		0.38	0.39	
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.81	1.05		1.81	1.05	
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	5.24x	3.46x		5.24x	3.46x	
Average Balances						
Assets	$514,720	$229,249	124.5 %	$496,135	$227,421	118.2 %
Securities (3)	75,159	46,115	63.0	75,430	46,423	62.5
Loans and leases	326,435	151,557	115.4	317,091	150,181	111.1
Deposits	370,818	159,891	131.9	352,733	159,968	120.5
Common shareholders' equity	61,484	28,188	118.1	60,854	27,812	118.8
Total shareholders' equity	66,863	31,301	113.6	66,137	30,923	113.9
Period-End Balances						
Assets	$504,336	$230,872	118.4 %	$504,336	$230,872	118.4 %
Securities (3)	77,805	45,289	71.8	77,805	45,289	71.8
Loans and leases	321,148	153,823	108.8	321,148	153,823	108.8
Deposits	376,235	159,521	135.9	376,235	159,521	135.9
Common shareholders' equity	61,634	28,650	115.1	61,634	28,650	115.1
Total shareholders' equity	68,883	31,764	116.9	68,883	31,764	116.9
Capital Ratios (current quarter is preliminary)						
Common equity Tier 1	9.7 %	10.4 %		9.7 %	10.4 %	
Tier 1	11.5	12.0		11.5	12.0	
Total	13.9	14.2		13.9	14.2	
Leverage	9.0	10.2		9.0	10.2	
Supplementary leverage	8.5	NA		8.5	NA	

Applicable ratios are annualized.

NM - not meaningful

(1) Interest income includes certain fees, deferred costs and dividends.

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

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

Financial Highlights - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Summary Income Statement					
Interest income - taxable equivalent (1)	$ 3,919	$ 4,463	$ 2,837	$ 2,241	$ 2,230
Interest expense	440	776	585	518	516
Net interest income - taxable equivalent	3,479	3,687	2,252	1,723	1,714
Less: Taxable-equivalent adjustment	31	37	25	23	24
Net interest income	3,448	3,650	2,227	1,700	1,690
Provision for credit losses	844	893	171	117	172
Net interest income after provision for credit losses	2,604	2,757	2,056	1,583	1,518
Noninterest income	2,423	1,961	1,398	1,303	1,352
Noninterest expense	3,878	3,431	2,575	1,840	1,751
Income before income taxes	1,149	1,287	879	1,046	1,119
Provision for income taxes	191	224	153	218	234
Net income	958	1,063	726	828	885
Noncontrolling interests	3	3	5	3	(1)
Preferred stock dividends	53	74	19	90	44
Net income available to common shareholders	902	986	702	735	842
Per Common Share Data					
Earnings per share-basic	$ 0.67	$ 0.73	$ 0.76	$ 0.96	$ 1.10
Earnings per share-diluted	0.67	0.73	0.75	0.95	1.09
Earnings per share-adjusted diluted (2)	0.82	0.83	1.12	1.07	1.12
Cash dividends declared	0.450	0.450	0.450	0.450	0.405
Common shareholders' equity	45.74	45.49	45.66	38.07	37.40
Tangible common shareholders' equity (2)	26.38	26.00	25.93	24.66	23.93
End of period shares outstanding	1,347,609	1,347,461	1,342,166	766,303	766,010
Weighted average shares outstanding-basic	1,347,512	1,344,372	922,840	766,167	765,958
Weighted average shares outstanding-diluted	1,355,834	1,357,545	934,718	775,791	774,603
Performance Ratios					
Return on average assets	0.75 %	0.90 %	0.95 %	1.41 %	1.55 %
Return on average risk-weighted assets (current quarter is preliminary)	1.00	1.12	1.02	1.75	1.92
Return on average common shareholders' equity	5.90	6.58	7.33	10.04	11.98
Return on average tangible common shareholders' equity (2)	11.83	13.23	12.91	16.03	19.45
Net interest margin - taxable equivalent	3.13	3.58	3.41	3.37	3.42
Fee income ratio	41.3	34.9	38.6	43.4	44.4
Efficiency ratio-GAAP	66.1	61.1	71.0	61.3	57.6
Efficiency ratio-adjusted (2)	55.8	54.6	57.5	57.1	55.1
Credit Quality					
Nonperforming assets as a percentage of:					
Assets	0.25 %	0.23 %	0.14 %	0.22 %	0.23 %
Loans and leases plus foreclosed property	0.37	0.36	0.19	0.34	0.34
Net charge-offs as a percentage of average loans and leases	0.39	0.36	0.40	0.41	0.38
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.81	1.63	0.52	1.05	1.05
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	5.24x	5.04x	3.41x	3.52x	3.46x
Average Balances					
Assets	$ 514,720	$ 477,550	$ 302,059	$ 232,420	$ 229,249
Securities (3)	75,159	75,701	60,699	48,900	46,115
Loans and leases	326,435	307,748	193,641	152,042	151,557
Deposits	370,818	334,649	210,716	161,992	159,891
Common shareholders' equity	61,484	60,224	38,031	29,040	28,188
Total shareholders' equity	66,863	65,412	41,740	32,744	31,301
Period-End Balances					
Assets	$ 504,336	$ 506,229	$ 473,078	$ 236,750	$ 230,872
Securities (3)	77,805	78,398	74,727	54,765	45,289
Loans and leases	321,148	324,039	308,215	150,855	153,823
Deposits	376,235	350,179	334,727	162,280	159,521
Common shareholders' equity	61,634	61,295	61,282	29,177	28,650
Total shareholders' equity	68,883	66,061	66,558	32,303	31,764
Capital Ratios (current quarter is preliminary)					
Common equity Tier 1	9.7 %	9.3 %	9.5 %	10.6 %	10.4 %
Tier 1	11.5	10.5	10.8	12.2	12.0
Total	13.9	12.7	12.6	14.8	14.2
Leverage (4)	9.0	9.0	14.7	10.3	10.2
Supplementary leverage (5)	8.5	7.8	7.9	NA	NA

Applicable ratios are annualized.

(1) Interest income includes certain fees, deferred costs and dividends.

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

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

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

(5) Truist became subject to the supplementary leverage ratio in 2020. The 4Q19 measure was an estimate based on a full quarter of average tangible assets.

Consolidated Statements of Income

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended June 30 2020	Quarter Ended June 30 2019	Change $	Change %	Year-to-Date June 30 2020	Year-to-Date June 30 2019	Change $	Change %
Interest Income								
Interest and fees on loans and leases	$ 3,377	$ 1,886	$ 1,491	79.1 %	$ 7,153	$ 3,725	$ 3,428	92.0 %
Interest on securities	444	300	144	48.0	938	602	336	55.8
Interest on other earning assets	67	20	47	NM	223	52	171	NM
Total interest income	3,888	2,206	1,682	76.2	8,314	4,379	3,935	89.9
Interest Expense								
Interest on deposits	201	273	(72)	(26.4)	622	526	96	18.3
Interest on long-term debt	211	193	18	9.3	483	385	98	25.5
Interest on other borrowings	28	50	(22)	(44.0)	111	82	29	35.4
Total interest expense	440	516	(76)	(14.7)	1,216	993	223	22.5
Net Interest Income	3,448	1,690	1,758	104.0	7,098	3,386	3,712	109.6
Provision for credit losses	844	172	672	NM	1,737	327	1,410	NM
Net Interest Income After Provision for Credit Losses	2,604	1,518	1,086	71.5	5,361	3,059	2,302	75.3
Noninterest Income								
Insurance income	581	566	15	2.7	1,130	1,076	54	5.0
Service charges on deposits	202	181	21	11.6	507	352	155	44.0
Wealth management income	289	172	117	68.0	621	335	286	85.4
Card and payment related fees	171	139	32	23.0	358	267	91	34.1
Residential mortgage income	341	91	250	NM	586	140	446	NM
Investment banking and trading income	274	48	226	NM	392	74	318	NM
Operating lease income	83	35	48	137.1	160	70	90	128.6
Income from bank-owned life insurance	45	34	11	32.4	89	62	27	43.5
Lending related fees	66	28	38	135.7	133	53	80	150.9
Commercial real estate related income	49	22	27	122.7	93	36	57	158.3
Securities gains (losses)	300	—	300	NM	298	—	298	NM
Other income (loss)	22	36	(14)	(38.9)	17	89	(72)	(80.9)
Total noninterest income	2,423	1,352	1,071	79.2	4,384	2,554	1,830	71.7
Noninterest Expense								
Personnel expense	2,008	1,120	888	79.3	3,980	2,207	1,773	80.3
Net occupancy expense	243	116	127	109.5	464	238	226	95.0
Professional fees and outside processing	289	84	205	NM	536	170	366	NM
Software expense	216	71	145	NM	426	143	283	197.9
Equipment expense	120	68	52	76.5	236	133	103	77.4
Marketing and customer development	56	29	27	93.1	140	56	84	150.0
Operating lease depreciation	77	29	48	165.5	148	58	90	155.2
Loan-related expense	56	30	26	86.7	118	55	63	114.5
Amortization of intangibles	178	32	146	NM	343	64	279	NM
Regulatory costs	30	19	11	57.9	59	37	22	59.5
Merger-related and restructuring charges	209	23	186	NM	316	103	213	NM
Loss (gain) on early extinguishment of debt	235	—	235	NM	235	—	235	NM
Other expense	161	130	31	23.8	308	255	53	20.8
Total noninterest expense	3,878	1,751	2,127	121.5	7,309	3,519	3,790	107.7
Earnings								
Income before income taxes	1,149	1,119	30	2.7	2,436	2,094	342	16.3
Provision for income taxes	191	234	(43)	(18.4)	415	411	4	1.0
Net income	958	885	73	8.2	2,021	1,683	338	20.1
Noncontrolling interests	3	(1)	4	NM	6	5	1	20.0
Preferred stock dividends	53	44	9	20.5	127	87	40	46.0
Net income available to common shareholders	$ 902	$ 842	$ 60	7.1 %	$ 1,888	$ 1,591	$ 297	18.7 %
Earnings Per Common Share								
Basic	$ 0.67	$ 1.10	$ (0.43)	(39.1)%	$ 1.40	$ 2.08	$ (0.68)	(32.7)%
Diluted	0.67	1.09	(0.42)	(38.5)	1.39	2.06	(0.67)	(32.5)
Weighted Average Shares Outstanding								
Basic	1,347,512	765,958	581,554	75.9	1,345,942	765,052	580,890	75.9
Diluted	1,355,834	774,603	581,231	75.0	1,356,809	774,329	582,480	75.2

NM - not meaningful

Consolidated Statements of Income - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Interest Income					
Interest and fees on loans and leases	$ 3,377	$ 3,776	$ 2,371	$ 1,886	$ 1,886
Interest on securities	444	494	402	315	300
Interest on other earning assets	67	156	39	17	20
Total interest income	3,888	4,426	2,812	2,218	2,206
Interest Expense					
Interest on deposits	201	421	304	271	273
Interest on long-term debt	211	272	219	193	193
Interest on other borrowings	28	83	62	54	50
Total interest expense	440	776	585	518	516
Net Interest Income	3,448	3,650	2,227	1,700	1,690
Provision for credit losses	844	893	171	117	172
Net Interest Income After Provision for Credit Losses	2,604	2,757	2,056	1,583	1,518
Noninterest Income					
Insurance income	581	549	509	487	566
Service charges on deposits	202	305	222	188	181
Wealth management income	289	332	206	175	172
Card and payment related fees	171	187	156	132	139
Residential mortgage income	341	245	65	80	91
Investment banking and trading income	274	118	109	60	48
Operating lease income	83	77	47	36	35
Income from bank-owned life insurance	45	44	38	29	34
Lending related fees	66	67	47	24	28
Commercial real estate related income	49	44	48	32	22
Securities gains (losses)	300	(2)	(116)	—	—
Other income (loss)	22	(5)	67	60	36
Total noninterest income	2,423	1,961	1,398	1,303	1,352
Noninterest Expense					
Personnel expense	2,008	1,972	1,465	1,161	1,120
Net occupancy expense	243	221	147	122	116
Professional fees and outside processing	289	247	161	102	84
Software expense	216	210	118	77	71
Equipment expense	120	116	83	64	68
Marketing and customer development	56	84	45	36	29
Operating lease depreciation	77	71	43	35	29
Loan-related expense	56	62	42	26	30
Amortization of intangibles	178	165	71	29	32
Regulatory costs	30	29	24	20	19
Merger-related and restructuring charges	209	107	223	34	23
Loss (gain) on early extinguishment of debt	235	—	—	—	—
Other expense	161	147	153	134	130
Total noninterest expense	3,878	3,431	2,575	1,840	1,751
Earnings					
Income before income taxes	1,149	1,287	879	1,046	1,119
Provision for income taxes	191	224	153	218	234
Net income	958	1,063	726	828	885
Noncontrolling interests	3	3	5	3	(1)
Preferred stock dividends	53	74	19	90	44
Net income available to common shareholders	$ 902	$ 986	$ 702	$ 735	$ 842
Earnings Per Common Share					
Basic	$ 0.67	$ 0.73	$ 0.76	$ 0.96	$ 1.10
Diluted	0.67	0.73	0.75	0.95	1.09
Weighted Average Shares Outstanding					
Basic	1,347,512	1,344,372	922,840	766,167	765,958
Diluted	1,355,834	1,357,545	934,718	775,791	774,603

Segment Financial Performance - Preliminary

(Dollars in millions)	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
	Quarter Ended				
Consumer Banking and Wealth					
Net interest income (expense)	$ 1,843	$ 1,860	$ 1,114	$ 855	$ 835
Net intersegment interest income (expense)	313	390	278	225	210
Segment net interest income	2,156	2,250	1,392	1,080	1,045
Allocated provision for credit losses	270	437	145	115	123
Noninterest income	1,006	1,067	652	574	580
Noninterest expense	1,969	1,988	1,317	929	898
Income (loss) before income taxes	923	892	582	610	604
Provision (benefit) for income taxes	218	210	141	148	146
Segment net income (loss)	$ 705	$ 682	$ 441	$ 462	$ 458
Corporate and Commercial Banking					
Net interest income (expense)	$ 1,351	$ 1,534	$ 934	$ 729	$ 751
Net intersegment interest income (expense)	(55)	(199)	(95)	(85)	(109)
Segment net interest income	1,296	1,335	839	644	642
Allocated provision for credit losses	533	399	17	14	51
Noninterest income	624	460	419	277	251
Noninterest expense	884	887	576	342	326
Income (loss) before income taxes	503	509	665	565	516
Provision (benefit) for income taxes	94	91	144	119	107
Segment net income (loss)	$ 409	$ 418	$ 521	$ 446	$ 409
Insurance Holdings					
Net interest income (expense)	$ 33	$ 36	$ 38	$ 39	$ 35
Net intersegment interest income (expense)	(10)	(11)	(11)	(11)	(10)
Segment net interest income	23	25	27	28	25
Allocated provision for credit losses	6	1	2	2	2
Noninterest income	598	557	536	491	570
Noninterest expense	449	440	481	435	444
Income (loss) before income taxes	166	141	80	82	149
Provision (benefit) for income taxes	41	36	21	21	38
Segment net income (loss)	$ 125	$ 105	$ 59	$ 61	$ 111
Other, Treasury & Corporate (1)					
Net interest income (expense)	$ 221	$ 220	$ 141	$ 77	$ 69
Net intersegment interest income (expense)	(248)	(180)	(172)	(129)	(91)
Segment net interest income	(27)	40	(31)	(52)	(22)
Allocated provision for credit losses	35	56	7	(14)	(4)
Noninterest income	195	(123)	(209)	(39)	(49)
Noninterest expense	576	116	201	134	83
Income (loss) before income taxes	(443)	(255)	(448)	(211)	(150)
Provision (benefit) for income taxes	(162)	(113)	(153)	(70)	(57)
Segment net income (loss)	$ (281)	$ (142)	$ (295)	$ (141)	$ (93)
Total Truist Financial Corporation					
Net interest income (expense)	$ 3,448	$ 3,650	$ 2,227	$ 1,700	$ 1,690
Net intersegment interest income (expense)	—	—	—	—	—
Segment net interest income	3,448	3,650	2,227	1,700	1,690
Allocated provision for credit losses	844	893	171	117	172
Noninterest income	2,423	1,961	1,398	1,303	1,352
Noninterest expense	3,878	3,431	2,575	1,840	1,751
Income (loss) before income taxes	1,149	1,287	879	1,046	1,119
Provision (benefit) for income taxes	191	224	153	218	234
Net income	$ 958	$ 1,063	$ 726	$ 828	$ 885

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

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

Consolidated Ending Balance Sheets - Five Quarter Trend

(Dollars in millions)	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Assets					
Cash and due from banks	$ 5,116	$ 5,312	$ 4,084	$ 2,027	$ 1,831
Interest-bearing deposits with banks	36,081	31,036	14,981	877	722
Securities borrowed or purchased under resale agreements	1,345	1,796	1,417	114	148
Trading assets at fair value	3,824	3,863	5,733	400	1,429
Securities available for sale at fair value	77,805	78,398	74,727	35,997	25,802
Securities held to maturity at amortized cost	—	—	—	18,768	19,487
Loans and leases:					
Commercial:					
Commercial and industrial	147,141	149,161	130,180	64,324	63,693
CRE	27,963	27,532	26,832	17,080	16,976
Commercial construction	6,891	6,630	6,205	3,804	3,746
Lease financing	5,783	5,984	6,122	2,356	2,203
Consumer:					
Residential mortgage	51,671	53,096	52,071	28,297	32,607
Residential home equity and direct	26,935	27,629	27,044	11,646	11,675
Indirect auto	24,509	25,146	24,442	11,871	11,756
Indirect other	11,592	10,980	11,100	6,590	6,453
Student	7,484	7,771	6,743	—	—
Credit card	4,856	5,300	5,619	3,058	3,056
PCI	—	—	3,484	387	421
Total loans and leases held for investment	314,825	319,229	299,842	149,413	152,586
Loans held for sale	6,323	4,810	8,373	1,442	1,237
Total loans and leases	321,148	324,039	308,215	150,855	153,823
Allowance for loan and lease losses	(5,702)	(5,211)	(1,549)	(1,573)	(1,595)
Premises and equipment	4,002	3,999	3,712	2,022	2,029
Goodwill	23,882	23,927	24,154	9,832	9,830
Core deposit and other intangible assets	3,016	3,168	3,142	678	712
Mortgage servicing rights	2,077	2,150	2,630	929	982
Other assets	31,742	33,752	31,832	15,824	15,672
Total assets	$ 504,336	$ 506,229	$ 473,078	$ 236,750	$ 230,872
Liabilities					
Deposits:					
Noninterest-bearing deposits	$ 122,694	$ 97,618	$ 92,405	$ 52,667	$ 52,458
Interest checking	99,005	92,950	85,492	27,723	28,021
Money market and savings	123,974	124,072	120,934	64,454	63,972
Time deposits	30,562	35,539	35,896	16,526	15,070
Foreign office deposits - interest-bearing	—	—	—	910	—
Total deposits	376,235	350,179	334,727	162,280	159,521
Short-term borrowings	5,700	12,696	18,218	10,405	10,344
Long-term debt	42,133	65,662	41,339	25,520	22,640
Other liabilities	11,385	11,631	12,236	6,242	6,603
Total liabilities	435,453	440,168	406,520	204,447	199,108
Shareholders' Equity:					
Preferred stock	7,143	4,599	5,102	3,057	3,053
Common stock	6,738	6,737	6,711	3,832	3,830
Additional paid-in capital	35,676	35,584	35,609	6,931	6,889
Retained earnings	18,373	18,076	19,806	19,440	19,050
Accumulated other comprehensive loss	847	898	(844)	(1,026)	(1,119)
Noncontrolling interests	106	167	174	69	61
Total shareholders' equity	68,883	66,061	66,558	32,303	31,764
Total liabilities and shareholders' equity	$ 504,336	$ 506,229	$ 473,078	$ 236,750	$ 230,872

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

Average Balance Sheets

(Dollars in millions)	Quarter Ended June 30 2020	Quarter Ended June 30 2019	Change $	Change %	Year-to-Date June 30 2020	Year-to-Date June 30 2019	Change $	Change %
Assets								
Securities at amortized cost (1):								
U.S. Treasury	$ 2,237	$ 2,662	$ (425)	(16.0)%	$ 2,255	$ 2,980	$ (725)	(24.3)%
U.S. government-sponsored entities (GSE)	1,844	2,440	(596)	(24.4)	1,850	2,429	(579)	(23.8)
Mortgage-backed securities issued by GSE	70,374	40,112	30,262	75.4	70,595	40,078	30,517	76.1
States and political subdivisions	505	566	(61)	(10.8)	518	593	(75)	(12.6)
Non-agency mortgage-backed	162	302	(140)	(46.4)	174	308	(134)	(43.5)
Other	37	33	4	12.1	38	35	3	8.6
Total securities	75,159	46,115	29,044	63.0	75,430	46,423	29,007	62.5
Loans and leases:								
Commercial:								
Commercial and industrial	152,991	62,563	90,428	144.5	142,367	61,970	80,397	129.7
CRE	27,804	16,854	10,950	65.0	27,425	16,820	10,605	63.0
Commercial construction	6,748	3,894	2,854	73.3	6,578	4,006	2,572	64.2
Lease financing	5,922	2,122	3,800	179.1	5,996	2,071	3,925	189.5
Consumer:								
Residential mortgage	52,380	32,066	20,314	63.4	52,687	31,720	20,967	66.1
Residential home equity and direct	27,199	11,687	15,512	132.7	27,381	11,685	15,696	134.3
Indirect auto	24,721	11,633	13,088	112.5	24,848	11,471	13,377	116.6
Indirect other	11,282	6,246	5,036	80.6	11,116	6,138	4,978	81.1
Student	7,633	—	7,633	NM	7,710	—	7,710	NM
Credit card	4,949	2,970	1,979	66.6	5,242	2,946	2,296	77.9
PCI	—	432	(432)	(100.0)	—	444	(444)	(100.0)
Total loans and leases held for investment	321,629	150,467	171,162	113.8	311,350	149,271	162,079	108.6
Loans held for sale	4,806	1,090	3,716	NM	5,741	910	4,831	NM
Total loans and leases	326,435	151,557	174,878	115.4	317,091	150,181	166,910	111.1
Interest earning trading assets	3,700	1,456	2,244	154.1	5,017	1,031	3,986	NM
Other earning assets	41,531	1,711	39,820	NM	32,641	1,653	30,988	NM
Total earning assets	446,825	200,839	245,986	122.5	430,179	199,288	230,891	115.9
Nonearning assets	67,895	28,410	39,485	139.0	65,956	28,133	37,823	134.4
Total assets	$ 514,720	$ 229,249	$ 285,471	124.5 %	$ 496,135	$ 227,421	$ 268,714	118.2 %
Liabilities and Shareholders' Equity								
Deposits:								
Noninterest-bearing deposits	$ 113,875	$ 52,680	$ 61,195	116.2 %	$ 103,505	$ 52,484	$ 51,021	97.2 %
Interest checking	97,863	27,708	70,155	NM	91,435	27,665	63,770	NM
Money market and savings	126,071	63,394	62,677	98.9	123,504	63,360	60,144	94.9
Time deposits	33,009	15,730	17,279	109.8	34,289	16,059	18,230	113.5
Foreign office deposits - interest-bearing	—	379	(379)	(100.0)	—	400	(400)	(100.0)
Total deposits	370,818	159,891	210,927	131.9	352,733	159,968	192,765	120.5
Short-term borrowings	8,998	8,367	631	7.5	13,949	7,003	6,946	99.2
Long-term debt	55,537	23,233	32,304	139.0	51,042	23,240	27,802	119.6
Other liabilities	12,504	6,457	6,047	93.7	12,274	6,287	5,987	95.2
Total liabilities	447,857	197,948	249,909	126.2	429,998	196,498	233,500	118.8
Shareholders' equity	66,863	31,301	35,562	113.6	66,137	30,923	35,214	113.9
Total liabilities and shareholders' equity	$ 514,720	$ 229,249	$ 285,471	124.5 %	$ 496,135	$ 227,421	$ 268,714	118.2 %

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

NM - not meaningful

Average Balance Sheets - Five Quarter Trend

(Dollars in millions)	Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Assets					
Securities at amortized cost (1):					
U.S. Treasury	$ 2,237	$ 2,274	$ 2,384	$ 2,240	$ 2,662
U.S. government-sponsored entities (GSE)	1,844	1,856	2,301	2,449	2,440
Mortgage-backed securities issued by GSE	70,374	70,816	55,119	43,415	40,112
States and political subdivisions	505	530	598	566	566
Non-agency mortgage-backed	162	185	263	198	302
Other	37	40	34	32	33
Total securities	75,159	75,701	60,699	48,900	46,115
Loans and leases:					
Commercial:					
Commercial and industrial	152,991	131,743	81,853	63,768	62,563
CRE	27,804	27,046	19,896	17,042	16,854
Commercial construction	6,748	6,409	4,506	3,725	3,894
Lease financing	5,922	6,070	3,357	2,260	2,122
Consumer:					
Residential mortgage	52,380	52,993	34,824	28,410	32,066
Residential home equity and direct	27,199	27,564	15,810	11,650	11,687
Indirect auto	24,721	24,975	15,390	11,810	11,633
Indirect other	11,282	10,950	7,772	6,552	6,246
Student	7,633	7,787	1,825	—	—
Credit card	4,949	5,534	3,788	3,036	2,970
PCI	—	—	1,220	411	432
Total loans and leases held for investment	321,629	301,071	190,241	148,664	150,467
Loans held for sale	4,806	6,677	3,400	3,378	1,090
Total loans and leases	326,435	307,748	193,641	152,042	151,557
Interest earning trading assets	3,700	6,334	2,370	668	1,456
Other earning assets	41,531	23,750	6,405	1,798	1,711
Total earning assets	446,825	413,533	263,115	203,408	200,839
Nonearning assets	67,895	64,017	38,944	29,012	28,410
Total assets	$ 514,720	$ 477,550	$ 302,059	$ 232,420	$ 229,249
Liabilities and Shareholders' Equity					
Deposits:					
Noninterest-bearing deposits	$ 113,875	$ 93,135	$ 64,485	$ 52,500	$ 52,680
Interest checking	97,863	85,008	43,246	27,664	27,708
Money market and savings	126,071	120,936	79,903	64,920	63,394
Time deposits	33,009	35,570	23,058	16,643	15,730
Foreign office deposits - interest-bearing	—	—	24	265	379
Total deposits	370,818	334,649	210,716	161,992	159,891
Short-term borrowings	8,998	18,900	11,489	8,307	8,367
Long-term debt	55,537	46,547	29,888	22,608	23,233
Other liabilities	12,504	12,042	8,226	6,769	6,457
Total liabilities	447,857	412,138	260,319	199,676	197,948
Shareholders' equity	66,863	65,412	41,740	32,744	31,301
Total liabilities and shareholders' equity	$ 514,720	$ 477,550	$ 302,059	$ 232,420	$ 229,249

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

Average Balances and Rates - Quarters

(Dollars in millions)	June 30, 2020 (1) Average Balances	June 30, 2020 (2) Interest Income/ Expense	June 30, 2020 (2) Yields/ Rates	March 31, 2020 (1) Average Balances	March 31, 2020 (2) Interest Income/ Expense	March 31, 2020 (2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,237	$ 10	1.88 %	$ 2,274	$ 11	1.93 %
U.S. government-sponsored entities (GSE)	1,844	12	2.33	1,856	10	2.33
Mortgage-backed securities issued by GSE	70,374	413	2.35	70,816	461	2.60
States and political subdivisions	505	4	3.57	530	5	3.56
Non-agency mortgage-backed	162	7	16.71	185	8	16.72
Other	37	—	2.27	40	—	3.01
Total securities	75,159	446	2.37	75,701	495	2.62
Loans and leases:						
Commercial:						
Commercial and industrial	152,991	1,204	3.16	131,743	1,419	4.33
CRE	27,804	227	3.26	27,046	287	4.25
Commercial construction	6,748	61	3.70	6,409	76	4.87
Lease financing	5,922	70	4.71	6,070	65	4.27
Consumer:						
Residential mortgage	52,380	608	4.65	52,993	594	4.48
Residential home equity and direct	27,199	391	5.78	27,564	452	6.60
Indirect auto	24,721	407	6.63	24,975	428	6.89
Indirect other	11,282	201	7.18	10,950	201	7.37
Student	7,633	87	4.55	7,787	104	5.38
Credit card	4,949	114	9.27	5,534	133	9.68
PCI	—	—	—	—	—	—
Total loans and leases held for investment	321,629	3,370	4.21	301,071	3,759	5.02
Loans held for sale	4,806	36	3.04	6,677	53	3.14
Total loans and leases	326,435	3,406	4.19	307,748	3,812	4.98
Interest earning trading assets	3,700	39	4.19	6,334	64	4.04
Other earning assets	41,531	28	0.28	23,750	92	1.55
Total earning assets	446,825	3,919	3.52	413,533	4,463	4.33
Nonearning assets	67,895			64,017		
Total assets	$ 514,720			$ 477,550		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 97,863	55	0.23	$ 85,008	129	0.61
Money market and savings	126,071	57	0.18	120,936	178	0.59
Time deposits	33,009	89	1.09	35,570	114	1.29
Foreign office deposits - interest-bearing	—	—	—	—	—	—
Total interest-bearing deposits (4)	256,943	201	0.32	241,514	421	0.70
Short-term borrowings	8,998	28	1.24	18,900	83	1.76
Long-term debt	55,537	211	1.52	46,547	272	2.34
Total interest-bearing liabilities	321,478	440	0.55	306,961	776	1.02
Noninterest-bearing deposits (4)	113,875			93,135		
Other liabilities	12,504			12,042		
Shareholders' equity	66,863			65,412		
Total liabilities and shareholders' equity	$ 514,720			$ 477,550		
Average interest-rate spread			2.97			3.31
Net interest income/ net interest margin		$ 3,479	3.13 %		$ 3,687	3.58 %
Taxable-equivalent adjustment		$ 31			$ 37	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented. Interest income includes certain fees, deferred costs and dividends.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.22% and 0.51% for the three months ended June 30, 2020 and March 31, 2020, respectively.

Average Balances and Rates - Quarters

(Dollars in millions)	Quarter Ended								
	December 31, 2019			September 30, 2019			June 30, 2019		
	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets									
Securities at amortized cost (3):									
U.S. Treasury	$ 2,384	$ 12	1.97 %	$ 2,240	$ 11	2.04 %	$ 2,662	$ 14	2.04 %
U.S. government-sponsored entities (GSE)	2,301	12	2.28	2,449	14	2.25	2,440	13	2.25
Mortgage-backed securities issued by GSE	55,119	366	2.64	43,415	279	2.57	40,112	258	2.57
States and political subdivisions	598	4	3.38	566	5	3.44	566	6	4.37
Non-agency mortgage-backed	263	9	13.15	198	9	18.77	302	10	13.28
Other	34	—	3.53	32	—	3.67	33	1	3.85
Total securities	60,699	403	2.65	48,900	318	2.60	46,115	302	2.62
Loans and leases:									
Commercial:									
Commercial and industrial	81,853	862	4.18	63,768	671	4.18	62,563	679	4.35
CRE	19,896	223	4.43	17,042	209	4.83	16,854	210	4.97
Commercial construction	4,506	57	5.17	3,725	47	5.11	3,894	50	5.32
Lease financing	3,357	32	3.79	2,260	18	3.17	2,122	17	3.29
Consumer:									
Residential mortgage	34,824	361	4.15	28,410	285	4.02	32,066	321	4.00
Residential home equity and direct	15,810	242	6.04	11,650	173	5.92	11,687	173	5.97
Indirect auto	15,390	312	8.04	11,810	262	8.84	11,633	254	8.71
Indirect other	7,772	133	6.77	6,552	110	6.61	6,246	102	6.63
Student	1,825	24	5.20	—	—	—	—	—	—
Credit card	3,788	85	9.06	3,036	71	9.18	2,970	67	8.94
PCI	1,220	33	10.63	411	25	24.23	432	24	21.63
Total loans and leases held for investment	190,241	2,364	4.94	148,664	1,871	5.00	150,467	1,897	5.05
Loans held for sale	3,400	31	3.52	3,378	35	4.16	1,090	11	4.17
Total loans and leases	193,641	2,395	4.91	152,042	1,906	4.98	151,557	1,908	5.05
Interest earning trading assets	2,370	11	1.84	668	3	2.02	1,456	8	2.25
Other earning assets	6,405	28	1.78	1,798	14	2.92	1,711	12	2.88
Total earning assets	263,115	2,837	4.29	203,408	2,241	4.38	200,839	2,230	4.45
Nonearning assets	38,944			29,012			28,410		
Total assets	$ 302,059			$ 232,420			$ 229,249		
Liabilities and Shareholders' Equity									
Interest-bearing deposits:									
Interest checking	$ 43,246	65	0.60	$ 27,664	47	0.67	$ 27,708	45	0.65
Money market and savings	79,903	152	0.76	64,920	156	0.95	63,394	163	1.03
Time deposits	23,058	87	1.48	16,643	67	1.62	15,730	63	1.58
Foreign office deposits - interest-bearing	24	—	2.19	265	1	2.13	379	2	2.43
Total interest-bearing deposits (4)	146,231	304	0.82	109,492	271	0.99	107,211	273	1.02
Short-term borrowings	11,489	62	2.15	8,307	54	2.55	8,367	50	2.40
Long-term debt	29,888	219	2.92	22,608	193	3.42	23,233	193	3.33
Total interest-bearing liabilities	187,608	585	1.24	140,407	518	1.47	138,811	516	1.49
Noninterest-bearing deposits (4)	64,485			52,500			52,680		
Other liabilities	8,226			6,769			6,457		
Shareholders' equity	41,740			32,744			31,301		
Total liabilities and shareholders' equity	$ 302,059			$ 232,420			$ 229,249		
Average interest-rate spread			3.05			2.91			2.96
Net interest income/ net interest margin		$ 2,252	3.41 %		$ 1,723	3.37 %		$ 1,714	3.42 %
Taxable-equivalent adjustment		$ 25			$ 23			$ 24	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented. Interest income includes certain fees, deferred costs and dividends.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.57%, 0.67% and 0.68% for the three months ended December 31, 2019, September 30, 2019 and June 30, 2019, respectively.

Average Balances and Rates - Year-To-Date

(Dollars in millions)	Year-to-Date June 30, 2020 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	June 30, 2019 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,255	$ 21	1.91 %	$ 2,980	$ 30	2.02 %
U.S. government-sponsored entities (GSE)	1,850	22	2.33	2,429	27	2.24
Mortgage-backed securities issued by GSE	70,595	874	2.48	40,078	516	2.58
States and political subdivisions	518	9	3.57	593	12	4.04
Non-agency mortgage-backed	174	15	16.71	308	20	12.89
Other	38	—	2.65	35	1	3.90
Total securities	75,430	941	2.49	46,423	606	2.61
Loans and leases:						
Commercial:						
Commercial and industrial	142,367	2,623	3.70	61,970	1,335	4.34
CRE	27,425	514	3.75	16,820	417	4.98
Commercial construction	6,578	137	4.27	4,006	104	5.33
Lease financing	5,996	135	4.49	2,071	34	3.31
Consumer:						
Residential mortgage	52,687	1,202	4.56	31,720	645	4.07
Residential home equity and direct	27,381	843	6.19	11,685	344	5.95
Indirect auto	24,848	835	6.76	11,471	494	8.67
Indirect other	11,116	402	7.27	6,138	200	6.60
Student	7,710	191	4.97	—	—	—
Credit card	5,242	247	9.49	2,946	132	8.98
PCI	—	—	—	444	44	19.77
Total loans and leases held for investment	311,350	7,129	4.60	149,271	3,749	5.06
Loans held for sale	5,741	89	3.10	910	19	4.25
Total loans and leases	317,091	7,218	4.57	150,181	3,768	5.05
Interest earning trading assets	5,017	103	4.09	1,031	12	2.25
Other earning assets	32,641	120	0.74	1,653	41	5.06
Total earning assets	430,179	8,382	3.91	199,288	4,427	4.47
Nonearning assets	65,956			28,133		
Total assets	$ 496,135			$ 227,421		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 91,435	184	0.41	$ 27,665	85	0.62
Money market and savings	123,504	235	0.38	63,360	313	0.99
Time deposits	34,289	203	1.19	16,059	123	1.54
Foreign office deposits - interest-bearing	—	—	—	400	5	2.43
Total interest-bearing deposits (4)	249,228	622	0.50	107,484	526	0.99
Short-term borrowings	13,949	111	1.60	7,003	82	2.37
Long-term debt	51,042	483	1.90	23,240	385	3.31
Total interest-bearing liabilities	314,219	1,216	0.78	137,727	993	1.45
Noninterest-bearing deposits (4)	103,505			52,484		
Other liabilities	12,274			6,287		
Shareholders' equity	66,137			30,923		
Total liabilities and shareholders' equity	$ 496,135			$ 227,421		
Average interest-rate spread			3.13			3.02
Net interest income/ net interest margin		$ 7,166	3.34 %		$ 3,434	3.47 %
Taxable-equivalent adjustment		$ 68			$ 48	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

(2) Amounts are on a taxable-equivalent basis utilizing the federal income tax rate of 21% for the periods presented. Interest income includes certain fees, deferred costs and dividends.

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.35% and 0.66% for the year ended June 30, 2020 and 2019, respectively.

Credit Quality

(Dollars in millions)	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Nonperforming Assets					
Nonaccrual loans and leases:					
Commercial:					
Commercial and industrial	$ 428	$ 443	$ 212	$ 172	$ 193
CRE	42	18	10	27	31
Commercial construction	13	2	—	2	2
Lease financing	56	27	8	2	2
Consumer:					
Residential mortgage	198	248	55	106	104
Residential home equity and direct	192	170	67	56	54
Indirect auto	155	125	100	81	74
Indirect other	3	1	2	1	1
Total nonaccrual loans and leases held for investment	1,087	1,034	454	447	461
Loans held for sale	102	41	107	—	—
Total nonaccrual loans and leases	1,189	1,075	561	447	461
Foreclosed real estate	43	63	82	33	36
Other foreclosed property	20	39	41	29	26
Total nonperforming assets	$ 1,252	$ 1,177	$ 684	$ 509	$ 523
Troubled Debt Restructurings (TDRs)					
Performing TDRs:					
Commercial:					
Commercial and industrial	$ 57	$ 65	$ 47	$ 69	$ 84
CRE	22	7	6	6	7
Commercial construction	36	36	37	1	1
Lease financing	1	1	—	—	—
Consumer:					
Residential mortgage	533	513	470	570	581
Residential home equity and direct	71	66	51	54	53
Indirect auto	342	350	333	324	311
Indirect other	4	5	5	4	4
Student	4	1	—	—	—
Credit card	37	35	31	29	29
Total performing TDRs	1,107	1,079	980	1,057	1,070
Nonperforming TDRs	111	121	82	115	135
Total TDRs	$ 1,218	$ 1,200	$ 1,062	$ 1,172	$ 1,205
Loans 90 Days or More Past Due and Still Accruing					
Commercial:					
Commercial and industrial	$ 9	$ 5	$ 1	$ —	$ —
CRE	3	1	—	—	—
Lease financing	1	—	—	—	—
Consumer:					
Residential mortgage	$ 521	$ 610	$ 543	$ 347	$ 350
Residential home equity and direct	9	10	9	8	11
Indirect auto	10	11	11	9	7
Indirect other	3	2	2	—	—
Student	478	1,068	188	—	—
Credit card	38	41	22	15	13
PCI	—	—	1,218	24	26
Total loans 90 days past due and still accruing	$ 1,072	$ 1,748	$ 1,994	$ 403	$ 407
Loans 30-89 Days Past Due					
Commercial:					
Commercial and industrial	$ 282	$ 262	$ 94	$ 34	$ 32
CRE	6	8	5	1	3
Commercial construction	1	16	1	—	—
Lease financing	10	8	2	1	5
Consumer:					
Residential mortgage	703	679	498	432	480
Residential home equity and direct	108	156	122	56	60
Indirect auto	265	521	560	380	354
Indirect other	50	74	85	43	39
Student	442	593	650	—	—
Credit card	34	57	56	29	26
PCI	—	—	140	16	17
Total loans 30-89 days past due	$ 1,901	$ 2,374	$ 2,213	$ 992	$ 1,016

(Dollars in millions)	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Allowance for Credit Losses					
Beginning balance	$ 5,611	$ 1,889	$ 1,653	$ 1,689	$ 1,659
CECL adoption - impact to retained earnings before tax	—	2,762	—	—	—
CECL adoption - reserves on PCD assets	—	378	—	—	—
Provision for credit losses	844	893	171	117	172
Charge-offs:					
Commercial:					
Commercial and industrial	(123)	(39)	(23)	(28)	(22)
CRE	(14)	(1)	(5)	(2)	(18)
Commercial construction	—	(3)	—	—	—
Lease financing	(4)	(2)	(9)	(1)	—
Consumer:					
Residential mortgage	(35)	(11)	(8)	(3)	(5)
Residential home equity and direct	(65)	(68)	(25)	(24)	(24)
Indirect auto	(80)	(142)	(107)	(92)	(79)
Indirect other	(20)	(18)	(19)	(14)	(12)
Student	(6)	(8)	—	—	—
Credit card	(50)	(53)	(37)	(25)	(23)
Total charge-offs	(397)	(345)	(233)	(189)	(183)
Recoveries:					
Commercial:					
Commercial and industrial	21	17	6	5	8
CRE	4	—	—	3	2
Commercial construction	7	1	1	—	1
Lease financing	—	—	—	1	—
Consumer:					
Residential mortgage	2	2	1	—	—
Residential home equity and direct	15	15	10	6	8
Indirect auto	18	23	13	12	14
Indirect other	7	7	5	3	5
Student	1	—	—	—	—
Credit card	6	8	5	6	3
Total recoveries	81	73	41	36	41
Net charge-offs	(316)	(272)	(192)	(153)	(142)
Merger related items and other	(6)	(39)	257	—	—
Ending balance	$ 6,133	$ 5,611	$ 1,889	$ 1,653	$ 1,689
Allowance for Credit Losses:					
Allowance for loan and lease losses (excluding PCD / PCI loans)	$ 5,408	$ 4,880	$ 1,541	$ 1,565	$ 1,587
Allowance for PCD / PCI loans	294	331	8	8	8
Reserve for unfunded lending commitments (RUFC)	431	400	340	80	94
Total	$ 6,133	$ 5,611	$ 1,889	$ 1,653	$ 1,689

(Dollars in millions)	As of/For the Year-to-Date Period Ended June 30 2020	2019
Allowance for Credit Losses		
Beginning balance	$ 1,889	$ 1,651
CECL adoption - impact to retained earnings before tax	2,762	—
CECL adoption - reserves on PCD assets	378	—
Provision for credit losses	1,737	327
Charge-offs:		
Commercial:		
Commercial and industrial	(162)	(39)
CRE	(15)	(26)
Commercial construction	(3)	—
Lease financing	(6)	(1)
Consumer:		
Residential mortgage	(46)	(10)
Residential home equity and direct	(133)	(44)
Indirect auto	(222)	(171)
Indirect other	(38)	(29)
Student	(14)	—
Credit card	(103)	(47)
Total charge-offs	(742)	(367)
Recoveries:		
Commercial:		
Commercial and industrial	38	14
CRE	4	2
Commercial construction	8	2
Consumer:		
Residential mortgage	4	1
Residential home equity and direct	30	14
Indirect auto	41	27
Indirect other	14	9
Student	1	—
Credit card	14	9
Total recoveries	154	78
Net charge-offs	(588)	(289)
Merger related items and other	(45)	—
Ending balance	$ 6,133	$ 1,689

	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Asset Quality Ratios					
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.60 %	0.74 %	0.74 %	0.66 %	0.67 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.34	0.55	0.66	0.27	0.27
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.35	0.32	0.15	0.30	0.30
Nonperforming loans and leases as a percentage of loans and leases (1)	0.37	0.33	0.18	0.30	0.30
Nonperforming assets as a percentage of:					
Total assets (1)	0.25	0.23	0.14	0.22	0.23
Loans and leases plus foreclosed property	0.37	0.36	0.19	0.34	0.34
Net charge-offs as a percentage of average loans and leases	0.39	0.36	0.40	0.41	0.38
Allowance for loan and lease losses as a percentage of loans and leases	1.81	1.63	0.52	1.05	1.05
Ratio of allowance for loan and lease losses to:					
Net charge-offs	4.49X	4.76X	2.03X	2.59X	2.80X
Nonperforming loans and leases	5.24X	5.04X	3.41X	3.52X	3.46X
Asset Quality Ratios (Excluding Government Guaranteed and PCI)					
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.03 %	0.04 %	0.03 %	0.04 %	0.04 %

Applicable ratios are annualized.

(1) Includes loans held for sale.

(Dollars in millions)	June 30, 2020 Current Status		Past Due 30-89 Days		Past Due 90+ Days		Total
Troubled Debt Restructurings							
Performing TDRs: (1)							
Commercial:							
Commercial and industrial	$ 50	87.7 %	$ 7	12.3 %	$ —	— %	$ 57
CRE	22	100.0	—	—	—	—	22
Commercial construction	36	100.0	—	—	—	—	36
Lease financing	1	100.0	—	—	—	—	1
Consumer:							
Residential mortgage	268	50.2	84	15.8	181	34.0	533
Residential home equity and direct	70	98.6	1	1.4	—	—	71
Indirect auto	320	93.6	22	6.4	—	—	342
Indirect other	4	100.0	—	—	—	—	4
Student	4	100.0	—	—	—	—	4
Credit card	32	86.5	3	8.1	2	5.4	37
Total performing TDRs (1)	807	72.9	117	10.6	183	16.5	1,107
Nonperforming TDRs (2)	59	53.2	8	7.2	44	39.6	111
Total TDRs (1)(2)	$ 866	71.1 %	$ 125	10.3 %	$ 227	18.6 %	$ 1,218

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

	Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Net Charge-offs as a Percentage of Average Loans and Leases:					
Commercial:					
Commercial and industrial	0.27 %	0.07 %	0.09 %	0.14 %	0.09 %
CRE	0.15	0.01	0.09	—	0.41
Commercial construction	(0.43)	0.13	(0.09)	(0.11)	(0.19)
Lease financing	0.33	0.08	1.03	0.11	0.03
Consumer:					
Residential mortgage	0.25	0.07	0.09	0.04	0.06
Residential home equity and direct	0.73	0.78	0.39	0.60	0.57
Indirect auto	1.03	1.89	2.41	2.70	2.23
Indirect other	0.41	0.47	0.72	0.60	0.49
Student	0.31	0.38	(0.01)	—	—
Credit card	3.50	3.30	3.32	2.59	2.50
Total loans and leases	0.39	0.36	0.40	0.41	0.38

Applicable ratios are annualized.

Credit Quality - Allowance with Fair Value Marks

(Dollars in millions)	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019
ALLL	$ 5,702	$ 5,211	$ 1,549
Unamortized fair value mark (1)	3,077	3,539	4,564
Allowance plus unamortized fair value mark	$ 8,779	$ 8,750	$ 6,113
Loans and leases held for investment	$ 314,825	$ 319,229	$ 299,842
Unamortized fair value mark (1)	3,077	3,539	4,564
Gross loans and leases	$ 317,902	$ 322,768	$ 304,406
Allowance for loan and lease losses as a percentage of loans and leases - GAAP	1.81 %	1.63 %	0.52 %
Allowance for loan and lease losses and unamortized fair value mark as a percentage of gross loans and leases - Adjusted (1) (2)	2.76	2.71	2.01

(1) Unamortized fair value mark includes credit, interest rate and liquidity components.
(2) Allowance for loan and lease losses and unamortized fair value mark, and allowance for credit losses and unamortized fair value mark, as a percentage of gross loans and leases are non-GAAP measurements of credit reserves that are calculated by adjusting the ALLL or ACL, and loans and leases held for investment by the unamortized fair value mark. Truist's management uses these measures to assess loss absorption capacity.

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

(Dollars in millions)	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019
Loans and Leases (2)			
Beginning balance unamortized fair value mark	$ (3,539)	$ (4,564)	$ (221)
Additions - Merger with SunTrust	—	—	(4,513)
Accretion	440	454	170
CECL adoption - reserves on PCD assets	—	378	—
Purchase accounting adjustments and other activity	22	193	—
Ending balance	$ (3,077)	$ (3,539)	$ (4,564)
Core deposit and other intangible assets			
Beginning balance	$ 3,168	$ 3,142	$ 678
Additions - Merger with SunTrust	—	—	2,535
Amortization of intangibles	(178)	(165)	(71)
Amortization in net occupancy expense	(6)	(5)	—
Purchase accounting adjustments and other activity	32	196	—
Ending balance	$ 3,016	$ 3,168	$ 3,142
Deposits (3)			
Beginning balance unamortized fair value mark	$ (54)	$ (76)	$ —
Additions - Merger with SunTrust	—	—	(83)
Amortization	17	22	7
Ending balance	$ (37)	$ (54)	$ (76)
Long-Term Debt (3)			
Beginning balance unamortized fair value mark	$ (285)	$ (312)	$ (10)
Additions - Merger with SunTrust	—	—	(309)
Amortization	23	27	7
Ending balance	$ (262)	$ (285)	$ (312)

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

Capital Information - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Selected Capital Information	(preliminary)				
Risk-based capital:					
Common equity tier 1	$ 37,108	$ 36,396	$ 35,643	$ 19,905	$ 19,435
Tier 1	44,249	40,993	40,743	22,960	22,486
Total	53,437	49,395	47,511	27,666	26,693
Risk-weighted assets	383,430	390,348	376,056	187,503	187,523
Average quarterly tangible assets	490,203	454,381	276,591	223,298	220,514
Risk-based capital ratios:					
Common equity tier 1	9.7 %	9.3 %	9.5 %	10.6 %	10.4 %
Tier 1	11.5	10.5	10.8	12.2	12.0
Total	13.9	12.7	12.6	14.8	14.2
Leverage capital ratio (1)	9.0	9.0	14.7	10.3	10.2
Supplementary leverage (2)	8.5	7.8	7.9	NA	NA
Equity as a percentage of total assets	13.7	13.0	14.1	13.6	13.8
Common equity per common share	$ 45.74	$ 45.49	$ 45.66	$ 38.07	$ 37.40

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

(2) Truist became subject to the supplementary leverage ratio in 2020. The 4Q19 measure was an estimate based on a full quarter of average tangible assets.

(Dollars in millions, except per share data, shares in thousands)	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Calculations of Tangible Common Equity and Related Measures: (1)					
Total shareholders' equity	$ 68,883	$ 66,061	$ 66,558	$ 32,303	$ 31,764
Less:					
Preferred stock	7,143	4,599	5,102	3,057	3,053
Noncontrolling interests	106	167	174	69	61
Intangible assets, net of deferred taxes	26,083	26,263	26,482	10,281	10,317
Tangible common equity	$ 35,551	$ 35,032	$ 34,800	$ 18,896	$ 18,333
Outstanding shares at end of period (in thousands)	1,347,609	1,347,461	1,342,166	766,303	766,010
Tangible Common Equity Per Common Share	$ 26.38	$ 26.00	$ 25.93	$ 24.66	$ 23.93

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

Selected Mortgage Banking Information & Additional Information

(Dollars in millions, except per share data)	As of/For the Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019
Residential Mortgage Income					
Residential mortgage production revenue	$ 344	$ 206	$ 40	$ 50	$ 37
Residential mortgage servicing revenue	159	169	78	64	62
Realization of expected residential MSR cash flows	(176)	(122)	(59)	(36)	(38)
Residential mortgage income before MSR valuation	327	253	59	78	61
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	(28)	(503)	80	(79)	(47)
MSRs hedge gains (losses)	42	495	(74)	81	77
Net MSRs valuation	14	(8)	6	2	30
Total residential mortgage income	$ 341	$ 245	$ 65	$ 80	$ 91
Commercial Real Estate Related Income					
Commercial mortgage production revenue	$ 42	$ 36	$ 44	$ 26	$ 20
Commercial mortgage servicing revenue	18	19	13	10	9
Realization of expected commercial MSR cash flows	(8)	(11)	(7)	(7)	(7)
Commercial real estate related income before MSR valuation	52	44	50	29	22
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	(6)	(20)	2	—	(5)
MSRs hedge gains (losses)	3	20	(4)	3	5
Net MSRs valuation	(3)	—	(2)	3	—
Commercial real estate related income	$ 49	$ 44	$ 48	$ 32	$ 22
Other Mortgage Banking Information					
Residential mortgage loan originations	$ 14,631	$ 11,708	$ 7,523	$ 5,274	$ 4,735
Residential mortgage servicing portfolio (1):					
Loans serviced for others	209,070	219,979	219,347	87,147	85,060
Bank-owned loans serviced	56,365	56,325	60,211	29,122	32,852
Total servicing portfolio	265,435	276,304	279,558	116,269	117,912
Weighted-average coupon rate on mortgage loans serviced for others	3.98 %	4.02 %	4.04 %	4.09 %	4.07 %
Weighted-average servicing fee on mortgage loans serviced for others	0.315	0.313	0.310	0.280	0.279
Additional Information					
Fair value of derivatives, net	3,766	3,276	1,687	641	489
Common stock prices:					
High	46.53	56.68	56.92	53.85	51.76
Low	26.41	24.01	50.02	44.98	46.53
End of period	37.55	30.84	56.32	53.37	49.13
Banking offices	2,916	2,957	2,958	1,789	1,787
ATMs	4,354	4,408	4,426	2,376	2,376
FTEs (2)	55,769	56,504	40,691	34,723	34,771

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

Selected Items (1)

(Dollars in millions) Description	Favorable (Unfavorable) Pre-Tax	After-Tax at Marginal Rate
Selected Items		
Second Quarter 2020		
Incremental operating expenses related to the merger ($64 million in professional fees and outside processing, $49 million in personnel expense, and $16 million in other expense)	$ (129)	$ (99)
First Quarter 2020		
Incremental operating expenses related to the merger ($44 million in personnel expense, $20 million in professional fees and outside processing, and $10 million in other expense)	$ (74)	$ (57)
Fourth Quarter 2019		
Incremental operating expenses related to the merger ($80 million in personnel expense, $12 million in professional fees and outside processing, and $9 million in other expense)	$ (101)	$ (79)
Impact of mortgage portfolio sale ($25 million in provision for credit losses, offset by $22 in residential mortgage income, and a $2 million corporate advance write off included in loan-related expense)	1	1
Third Quarter 2019		
Incremental operating expenses related to the merger ($39 million in personnel expense, $12 million in professional fees and outside processing, and $1 million in other expense)	$ (52)	$ (40)
Redemption of preferred shares	(46)	(46)
Impact of mortgage portfolio sale ($16 million in provision for credit losses and $4 million in residential mortgage income)	20	15
Second Quarter 2019		
Incremental operating expenses related to the merger ($4 million in personnel expense, and $5 million in professional fees and outside processing)	$ (9)	$ (7)
First Quarter 2019		
Incremental operating expenses related to the merger ($1 million in personnel expense, and $1 million in other expense)	$ (2)	$ (1)

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

Non-GAAP Reconciliations

	Quarter Ended					Year-to-Date	
(Dollars in millions)	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019	June 30 2020	June 30 2019
Efficiency Ratio (1)							
Efficiency Ratio Numerator - Noninterest Expense - GAAP	$ 3,878	$ 3,431	$ 2,575	$ 1,840	$ 1,751	$ 7,309	$ 3,519
Merger-related and restructuring charges, net	(209)	(107)	(223)	(34)	(23)	(316)	(103)
Gain (loss) on early extinguishment of debt	(235)	—	—	—	—	(235)	—
Incremental operating expense related to the merger	(129)	(74)	(101)	(52)	(9)	(203)	(11)
Amortization	(178)	(165)	(71)	(29)	(32)	(343)	(64)
Corporate advance write off	—	—	(2)	—	—	—	—
Efficiency Ratio Numerator - Adjusted	$ 3,127	$ 3,085	$ 2,178	$ 1,725	$ 1,687	$ 6,212	$ 3,341
Efficiency Ratio Denominator - Revenue (2) - GAAP	$ 5,871	$ 5,611	$ 3,625	$ 3,003	$ 3,042	$ 11,482	$ 5,940
Taxable equivalent adjustment	31	37	25	23	24	68	48
Securities (gains) losses, net	(300)	2	116	—	—	(298)	—
Gain (loss) on loan portfolio sale	—	—	22	(4)	—	—	—
Efficiency Ratio Denominator - Adjusted	$ 5,602	$ 5,650	$ 3,788	$ 3,022	$ 3,066	$ 11,252	$ 5,988
Efficiency Ratio - GAAP	66.1 %	61.1 %	71.0 %	61.3 %	57.6 %	63.7 %	59.3 %
Efficiency Ratio - Adjusted	55.8	54.6	57.5	57.1	55.1	55.2	55.8

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

(Dollars in millions)	Quarter Ended June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019	Year-to-Date June 30 2020	June 30 2019
Return on Average Tangible Common Shareholders' Equity (1)							
Net income available to common shareholders	$ 902	$ 986	$ 702	$ 735	$ 842	$ 1,888	$ 1,591
Plus: Amortization of intangibles, net of tax	137	126	57	22	24	263	49
Tangible net income available to common shareholders	$ 1,039	$ 1,112	$ 759	$ 757	$ 866	$ 2,151	$ 1,640
Average common shareholders' equity	$ 61,484	$ 60,224	$ 38,031	$ 29,040	$ 28,188	$ 60,854	$ 27,812
Less: Average intangible assets, net of deferred taxes	26,161	26,429	14,760	10,298	10,326	26,295	10,334
Average tangible common shareholders' equity	$ 35,323	$ 33,795	$ 23,271	$ 18,742	$ 17,862	$ 34,559	$ 17,478
Return on average common shareholders' equity	5.90 %	6.58 %	7.33 %	10.04 %	11.98 %	6.24 %	11.54 %
Return on average tangible common shareholders' equity	11.83	13.23	12.91	16.03	19.45	12.52	18.92

(1) Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk. 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 June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	June 30 2019	Year-to-Date June 30 2020	June 30 2019
Diluted EPS (1)							
Net income available to common shareholders - GAAP	$ 902	$ 986	$ 702	$ 735	$ 842	$ 1,888	$ 1,591
Merger-related and restructuring charges	160	82	176	26	19	242	83
Securities gains (losses)	(230)	2	90	—	—	(228)	—
Loss on extinguishment of debt	180	—	—	—	—	180	—
Incremental operating expenses related to the merger	99	57	79	40	7	156	8
Corporate advance write off	—	—	1	—	—	—	—
Gain (loss) on loan portfolio sale	—	—	17	(3)	—	—	—
Redemption of preferred shares	—	—	—	46	—	—	—
Allowance release related to loan portfolio sale	—	—	(19)	(12)	—	—	—
Net income available to common shareholders - adjusted	$ 1,111	$ 1,127	$ 1,046	$ 832	$ 868	$ 2,238	$ 1,682
Weighted average shares outstanding - diluted	1,355,834	1,357,545	934,718	775,791	774,603	1,356,809	774,329
Diluted EPS - GAAP	$ 0.67	$ 0.73	$ 0.75	$ 0.95	$ 1.09	$ 1.39	$ 2.06
Diluted EPS - adjusted	0.82	0.83	1.12	1.07	1.12	1.65	2.17

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