



News Release

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## **Truist Reports Third Quarter 2020 Results**

*Earnings of \$1.1 billion, or \$0.79 per diluted share*

**CHARLOTTE, N.C., (October 15, 2020)** — Truist Financial Corporation (NYSE: TFC) today reported earnings for the third quarter of 2020.

Net income available to common shareholders was \$1.1 billion, up 45.3 percent, compared to the third quarter last year. Earnings per diluted common share were \$0.79, a decrease of 16.8 percent compared with the same period last year. Results for the third quarter produced an annualized return on average assets (ROA) of 0.91 percent, an annualized return on average common shareholders' equity (ROCE) of 6.87 percent, and an annualized return on tangible common shareholders' equity (ROTCE) of 13.31 percent.

Adjusted net income available to common shareholders was \$1.3 billion, or \$0.97 per diluted share, excluding merger-related and restructuring charges of \$236 million (\$181 million after-tax), incremental operating expenses related to the merger of \$152 million (\$115 million after-tax), securities gains of \$104 million (\$80 million after-tax) and a charitable contribution of \$50 million (\$38 million after-tax). Adjusted diluted earnings per common share increased \$0.15 compared to the second quarter of 2020. Adjusted results produced an annualized ROA of 1.11 percent, an annualized ROCE of 8.50 percent and an annualized ROTCE of 16.08 percent.

"We are pleased to report strong performance for the quarter, particularly given the challenging environment," said Chairman and Chief Executive Officer Kelly S. King. "Our earnings reflect a modest build in our allowance for loan and lease losses, benefiting from our relatively stable asset quality. We also benefited from our diverse noninterest-income generating businesses and disciplined core expense control.

"Adjusted net income was \$1.3 billion, or \$0.97 per share, due to strong performances from wealth management, investment banking, retail banking and insurance. We experienced growth in service charges on deposit accounts and card and payment related fees due to some waiver abatement and increased activity from clients. In addition, we are selectively investing in our insurance, investment banking, residential mortgage and wealth teams to drive more client business.

"We also made progress in terms of our systems integration as we work to build out all the capabilities of Truist. In August, we completed the conversion of Truist Securities, integrating the corporate and investment banking businesses of BB&T and SunTrust. We were pleased with this very successful major client-facing systems conversion.

"We continue to actively support our communities during this time of need and were excited that our various foundations provided a donation of \$40 million<sup>1</sup> to help establish CornerSquare Community Capital, formed to support community development financial institutions focused on providing funding to racially and ethnically diverse small business owners, women and individuals in low- and moderate-income communities, with a particular focus on African American-owned small businesses. We also contributed \$50 million to the Truist Charitable Fund to support future community giving.

"I continue to be very proud of and inspired by our teammates, who continue to live the Truist purpose and make a positive difference in the lives of their clients and in their communities."

### Third Quarter 2020 Performance Highlights

- Earnings per diluted common share were \$0.79
  - Adjusted diluted earnings per share were \$0.97
  - ROA was 0.91 percent; adjusted ROA was 1.11 percent
  - ROCE was 6.87 percent; adjusted ROCE was 8.50 percent
  - ROTCE was 13.31 percent; adjusted ROTCE was 16.08 percent
- Taxable-equivalent revenue was \$5.6 billion; includes \$104 million of securities gains
  - Fee income ratio was 39.7 percent, compared to 41.3 percent for second quarter 2020; excluding securities gains, fee income ratio was 38.5 percent for the current quarter
  - Net interest margin was 3.10 percent, down three basis points from second quarter 2020
  - Core net interest margin was 2.72 percent, up 5 basis points from second quarter 2020
- Noninterest expense was \$3.8 billion
  - Noninterest expense includes \$236 million of merger-related and restructuring charges, \$152 million of incremental operating expenses related to the merger, and \$50 million for a charitable contribution
  - GAAP efficiency ratio was 67.4 percent, compared to 66.1 percent for second quarter 2020
  - Adjusted efficiency ratio was 57.3 percent, compared to 55.8 percent for second quarter 2020
- Asset quality ratios remain relatively stable
  - Nonperforming assets were 0.26 percent of total assets, up 1 basis point from the prior quarter
  - Loans 90 days or more past due and still accruing were 0.39 percent of loans held for investment, up from 0.34 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 0.42 percent of average loans and leases, up three basis points compared to the prior quarter
  - The allowance for loan and lease losses was 1.91 percent of loans and leases held for investment compared to 1.81 percent for second quarter 2020
  - Provision for credit losses was \$421 million for the third quarter of 2020, which includes a modest build in the allowance for credit losses
  - The allowance for loan and lease loss coverage ratio was 5.22 times nonperforming loans and leases held for investment, versus 5.24 times in the prior quarter
  - Active client accommodations related to the CARES Act declined significantly; 98.0 percent and 94.5 percent of commercial and consumer clients, respectively, that have exited accommodation programs are current on their loans

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<sup>1</sup> The \$40 million contribution to CornerSquare Community Capital consisted of two \$20 million contributions made through the Truist Foundation, Inc. and the Truist Charitable Fund. These amounts did not impact Truist Financial Corporation's earnings.

- Capital and liquidity levels improved
  - Common equity tier 1 to risk-weighted assets was 10.0 percent
  - Tier 1 risk-based capital was 12.2 percent
  - Total risk-based capital was 14.6 percent
  - \$925 million of preferred stock was issued to further strengthen capital
  - Consolidated average LCR ratio was 117 percent

## EARNINGS HIGHLIGHTS

(dollars in millions, except per share data)	3Q20	2Q20	3Q19	Change 3Q20 vs.	
				2Q20	3Q19
Net income available to common shareholders	\$ 1,068	\$ 902	\$ 735	\$ 166	\$ 333
Diluted earnings per common share	0.79	0.67	0.95	0.12	(0.16)
Net interest income - taxable equivalent	\$ 3,391	\$ 3,479	\$ 1,723	\$ (88)	\$ 1,668
Noninterest income	2,210	2,423	1,303	(213)	907
Total taxable-equivalent revenue	\$ 5,601	\$ 5,902	\$ 3,026	\$ (301)	\$ 2,575
Less taxable-equivalent adjustment	29	31	23		
Total revenue	\$ 5,572	\$ 5,871	\$ 3,003		
Return on average assets	0.91 %	0.75 %	1.41 %	0.16 %	(0.50)%
Return on average risk-weighted assets (current quarter is preliminary)	1.19	1.00	1.75	0.19	(0.56)
Return on average common shareholders' equity	6.87	5.90	10.04	0.97	(3.17)
Return on average tangible common shareholders' equity (1)	13.31	11.83	16.03	1.48	(2.72)
Net interest margin - taxable equivalent	3.10	3.13	3.37	(0.03)	(0.27)

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

### **Third Quarter 2020 compared to Second Quarter 2020**

Total taxable-equivalent revenue was \$5.6 billion for the third quarter of 2020, a decrease of \$301 million compared to the prior quarter. This includes a decrease of \$213 million in noninterest income and a decrease of \$88 million in net interest income.

The net interest margin was 3.10 percent for the third quarter, down three basis points compared to the prior quarter. The decline in the net interest margin reflects lower purchase accounting accretion, lower yields on loans due to LIBOR changes and lower yield on securities due to the impact of new investments at lower rates. These decreases were partially offset by lower interest expense on deposits and borrowings primarily due to the impact of lower rates on deposits and a lower level of deferred interest on loans granted an accommodation in connection with COVID-19. Average earning assets decreased \$11.4 billion, which primarily reflects a \$10.7 billion decrease in average total loans and leases primarily due to paydowns on commercial and industrial revolvers. Average securities available for sale increased \$4.7 billion, while average other earning assets decreased \$5.7 billion as a portion of interest-earning balances were invested in higher-yield agency mortgage-backed securities. Average interest-bearing liabilities decreased \$26.1 billion compared to the second quarter of 2020. Average interest-bearing deposits decreased \$8.7 billion, average short-term borrowings decreased \$2.8 billion and average long-term debt decreased \$14.6 billion. The decline in average interest-bearing deposits was primarily in higher-cost time deposits that matured, as well as lower interest checking and money market and savings balances. The decline in long-term debt was due to the early extinguishment of certain FHLB advances in the prior quarter. These decreases were partially offset by the \$10.1 billion growth in average noninterest-bearing deposits compared to the second quarter of 2020.

The yield on the total loan portfolio for the third quarter was 4.04 percent, down 15 basis points compared to the prior quarter primarily due to lower accretion of the fair value mark on the merged loans and the impact of lower benchmark interest rates. The yield on the average securities portfolio for the third quarter was 1.97 percent, down 40 basis points compared to the prior quarter primarily due to lower yields on new purchases and premium amortization due to higher prepayments.

The average cost of total deposits was 0.10 percent, down 12 basis points compared to the prior quarter, and the average cost of interest-bearing deposits was 0.15 percent, down 17 basis points compared to the prior quarter. The average rate on long-term debt was 1.48 percent, down four basis points compared to the prior quarter. The average rate on short-term borrowings was 0.85 percent, down 39 basis points compared to the prior quarter. The decrease in rates on deposits was attributable to deposit rate cuts and maturities of higher cost time-deposits. The decrease in the cost of short-term borrowings was a result of the maturities of higher-cost funding primarily in the second quarter of 2020.

The provision for credit losses was \$421 million and net charge-offs were \$326 million for the third quarter, compared to \$844 million and \$316 million, respectively, for the prior quarter. The provision for credit losses in the third quarter reflects a modest build to the allowance for loan and lease losses primarily due to continued monitoring of clients' financial position and associated re-grading actions as well as uncertainty related to performance after the expiration of relief packages and COVID-19.

Noninterest income was \$2.2 billion, a decrease of \$213 million compared to the prior quarter. The current quarter includes \$104 million of securities gains, whereas the prior quarter included \$300 million. Excluding securities gains, noninterest income was relatively flat compared to the prior quarter. Insurance income was down \$63 million primarily due to seasonality. Service charges on deposits, and card and payment related fees increased \$45 million and \$29 million, respectively, as volumes increased and waivers related to COVID-19 were reduced. Wealth management income increased \$35 million primarily due to the market rebound that positively impacted wealth fees. Other income increased \$80 million compared to the prior period primarily as a result of a \$52 million increase in income from assets held for certain post-retirement benefits, which was largely offset by higher personnel expense and a \$38 million increase in the value of other investments. Residential mortgage income decreased \$120 million primarily due to decreases in the valuation of mortgage servicing rights. The net valuation for mortgage servicing rights was a loss of \$58 million for the third quarter of 2020, compared to a gain of \$14 million in the second quarter of 2020, primarily due to a third quarter change in the prepayment speed assumption resulting from the low rate environment. In addition, the realization of expected mortgage servicing rights was \$36 million higher due to higher loan prepayments and the repurchase of GNMA loans. Investment banking and trading income decreased \$30 million primarily due to lower trading revenues, partially offset by higher investment banking revenues.

Noninterest expense was \$3.8 billion for the third quarter, down \$123 million compared to the prior quarter. The current quarter includes a \$50 million charitable contribution to the Truist Charitable Fund. The prior quarter included \$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 \$27 million primarily due to higher facilities impairments and professional services expenses, partially offset by lower severance and other personnel-related expenses. Incremental operating expenses related to the merger increased \$23 million primarily due to higher professional services expenses for process and system design in connection with merger integration. Excluding the items mentioned above and changes in amortization of intangibles, adjusted noninterest expense was up \$20 million primarily due to higher personnel expense. Personnel expense was higher by \$50 million compared to the second quarter of 2020 primarily due to \$51 million in higher costs associated with certain post-retirement benefit plans that are offset in other income. In addition, there were several items within personnel expense that were essentially offsetting in nature. Salaries and wages and related payroll taxes were lower \$66 million primarily due to the elimination of on-site pay premiums, and incentive expense was lower \$15 million primarily due to a higher accrual in the second quarter of 2020 related to certain incentive programs. These decreases were offset by \$34 million in higher medical claims as teammates returned to more normal levels of usage, \$22 million in higher defined benefit plans expense due to a change in the annual expense estimate and \$30 million in reduced capitalized employee costs as the second quarter included higher deferred costs in connection with PPP loans and residential mortgage loans.

The provision for income taxes was \$255 million for the third quarter, compared to \$191 million for the prior quarter. The effective tax rate for the third quarter was 18.3 percent, compared to 16.6 percent for the prior quarter. The higher effective tax rate was primarily due to higher pre-tax income and a relatively stable level of permanent tax items and income tax credits.

### ***Third Quarter 2020 compared to Third Quarter 2019***

Total taxable-equivalent revenues were \$5.6 billion for the third quarter of 2020, an increase of \$2.6 billion compared to the earlier quarter, reflecting an increase of \$1.7 billion in taxable-equivalent net interest income and an increase of \$907 million in noninterest income.

Net interest margin was 3.10 percent, down 27 basis points compared to the earlier quarter. Average earning assets increased \$232.0 billion. The increase in average earning assets reflects a \$163.6 billion increase in average total loans and leases and a \$30.9 billion increase in average securities. Average other earning assets increased \$34.0 billion primarily due to higher interest-earning balances at the Federal Reserve. Average interest-bearing liabilities increased \$155.0 billion compared to the earlier quarter. Average interest-bearing deposits increased \$138.8 billion, average long-term debt increased \$18.3 billion and average short-term borrowings decreased \$2.1 billion. The significant increases in earning 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 third quarter of 2020 was 4.04 percent, down 94 basis points compared to the earlier quarter, reflecting the impact of rate decreases and deferred 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 1.97 percent, down 63 basis points compared to the earlier quarter primarily due to lower yields on new purchases and higher premium amortization.

The average cost of total deposits was 0.10 percent, down 57 basis points compared to the earlier quarter, and the average cost of interest-bearing deposits was 0.15 percent, down 84 basis points compared to the earlier quarter. The average rate on short-term borrowings was 0.85 percent, down 170 basis points compared to the earlier quarter. The average rate on long-term debt was 1.48 percent, down 194 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 \$421 million, compared to \$117 million for the earlier quarter. The increase in the provision for credit losses reflects a modest build to the allowance for credit losses primarily due to monitoring of clients' financial position and associated re-grading actions, as well as uncertainty related to performance after the expiration of relief packages and COVID-19, 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 third quarter of 2020 totaled \$326 million compared to \$153 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 0.42 percent was up one basis point compared to the third quarter of 2019.

Noninterest income for the third quarter of 2020 increased \$907 million compared to the earlier quarter. The current quarter includes \$104 million of securities gains. Excluding the securities gains, noninterest income increased \$803 million, with nearly all categories of noninterest income being impacted by the merger. In addition to the impacts from the merger, insurance income increased \$31 million due to strong production and premium growth and residential mortgage banking income was up due to strong production and refinance activity driven by the declining rate environment, partially offset by lower valuations of the mortgage servicing rights. Service charges on deposits partially rebounded during the third quarter due to increased overdraft incident rates and reduced refunds and waivers to accommodate clients impacted by the COVID-19 pandemic.

Noninterest expense for the third quarter of 2020 was up \$1.9 billion compared to the earlier quarter. Merger-related and restructuring charges and other incremental operating expenses related to the merger increased \$202 million and \$100 million, respectively. In addition, the current quarter was impacted by a \$50 million charitable contribution to the Truist Charitable Fund. Excluding the items mentioned above and the impact of an increase of \$141 million of amortization expense for intangibles, adjusted noninterest expense was up \$1.4 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 \$26 million of expenses compared to the third quarter of 2019. This was primarily related to net occupancy costs for enhanced cleaning.

The provision for income taxes was \$255 million for the third quarter of 2020, compared to \$218 million for the earlier quarter. This produced an effective tax rate for the third quarter of 2020 of 18.3 percent, compared to 20.8 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	3Q20	2Q20	Change	% Change (annualized)
Commercial:				
Commercial and industrial	\$ 143,452	\$ 152,991	\$ (9,539)	(24.8)%
CRE	27,761	27,804	(43)	(0.6)
Commercial construction	6,861	6,748	113	6.7
Lease financing	5,626	5,922	(296)	(19.9)
Total commercial	183,700	193,465	(9,765)	(20.1)
Consumer:				
Residential mortgage	51,500	52,380	(880)	(6.7)
Residential home equity and direct	26,726	27,199	(473)	(6.9)
Indirect auto	24,732	24,721	11	0.2
Indirect other	11,530	11,282	248	8.7
Student	7,446	7,633	(187)	(9.7)
Total consumer	121,934	123,215	(1,281)	(4.1)
Credit card	4,810	4,949	(139)	(11.2)
Total loans and leases held for investment	\$ 310,444	\$ 321,629	\$ (11,185)	(13.8)

Average loans and leases held for investment for the third quarter of 2020 were \$310.4 billion, down \$11.2 billion compared to the second quarter of 2020 primarily due to a decline in the commercial portfolio.

The decline in the commercial portfolio was primarily in commercial and industrial loans and reflects the repayment of revolver usage. Within the commercial and industrial portfolio, Truist experienced growth in loans from mortgage warehouse lending due to the decline in rates and increased refinance activity, as well as growth in premium finance lending and equipment finance lending. Growth in these portfolios was partially offset by a decline in dealer floor plan lending.

Average consumer loans decreased \$1.3 billion primarily due to refinance activity resulting in a decline in residential mortgages and residential home equity and direct loans. This was partially offset by an increase in indirect other loans due to demand for loans for recreational and power sports equipment.

## DEPOSITS

(dollars in millions)

Average balances	3Q20	2Q20	Change	% Change (annualized)
Noninterest-bearing deposits	\$ 123,966	\$ 113,875	\$ 10,091	35.3 %
Interest checking	96,707	97,863	(1,156)	(4.7)
Money market and savings	123,598	126,071	(2,473)	(7.8)
Time deposits	27,940	33,009	(5,069)	(61.1)
Total deposits	\$ 372,211	\$ 370,818	\$ 1,393	1.5

Average deposits for the third quarter of 2020 were \$372.2 billion, an increase of \$1.4 billion compared to the prior quarter. Average noninterest-bearing deposit growth was strong for the third quarter of 2020 due to a continuation of the flight to quality and the government stimulus programs. Average time deposits decreased primarily due to maturity of wholesale negotiable certificates of deposit and higher-cost personal and business accounts.

Average noninterest-bearing deposits represented 33.3 percent of total deposits for the third quarter of 2020, compared to 30.7 percent for the prior quarter. The cost of average total deposits was 0.10 percent for the third quarter, down 12 basis points compared to the prior quarter. The cost of average interest-bearing deposits was 0.15 percent for the third quarter, down 17 basis points compared to the prior quarter.

In September 2020, the FDIC published data from the Annual Summary of Deposits as of June 30, 2020. Truist is the 6th largest commercial bank in the United States based on deposits and maintained a first or second market position in thirteen of the company's Top 20 MSAs.

## SEGMENT RESULTS

(dollars in millions)

Segment Net Income	3Q20	2Q20	3Q19	Change 3Q20 vs.	
				2Q20	3Q19
Consumer Banking and Wealth	\$ 817	\$ 706	\$ 465	\$ 111	\$ 352
Corporate and Commercial Banking	583	405	441	178	142
Insurance Holdings	77	126	61	(49)	16
Other, Treasury & Corporate	(336)	(279)	(139)	(57)	(197)
Total net income	\$ 1,141	\$ 958	\$ 828	\$ 183	\$ 313

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.

### ***Third Quarter 2020 compared to Second 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 Retail Community Bank, which serves retail, premier and small business clients, delivering on the banking needs of all clients through a network of branches, ATMs and contact centers. 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 \$817 million for the third quarter of 2020, an increase of \$111 million compared to the prior quarter. Segment net interest income increased \$34 million primarily driven by day count and portfolio mix-shift. Noninterest income decreased \$16 million primarily driven by an MSR fair value adjustment due to elevated prepayment speeds, partially offset by higher client activity and market valuations increasing wealth fees. The allocated provision for credit losses decreased \$89 million primarily due to decreased charge-offs. Noninterest expense decreased \$38 million primarily due to lower personnel expenses, merger related expenses and amortization of intangibles related to the merger, partially offset by higher professional service fees and loan-related expenses due to increased client activity.

Average loans held for investment were down \$547 million compared to the prior quarter primarily due to lower residential mortgage, home equity and direct consumer, student lending and credit card, partially offset by increased mortgage warehouse lending. Average total deposits were up \$5.0 billion compared to the prior quarter primarily due to economic stimulus payments related to COVID-19 and flight to quality.

### 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 \$583 million for the third quarter of 2020, an increase of \$178 million compared to the prior quarter. Segment net interest income decreased \$14 million primarily due to the adverse interest rate environment resulting from COVID-19 impacts. Noninterest income decreased \$12 million driven by lower trading income, partially offset by higher deposit service charges, investment banking income, lending related fees and commercial real estate related income. The allocated provision for credit losses decreased \$223 million due to a build to the allowance in the prior quarter primarily due to risk grade updates in the commercial portfolio and qualitative considerations related to selected industries impacted by COVID-19, partially offset by increased charge-offs in the current quarter related to the implementation of CECL, which required a gross-up of loan carrying values in connection with the establishment of an allowance on PCD loans. Noninterest expense decreased \$37 million primarily due to lower expenses related to the merger and operating lease depreciation, partially offset by higher personnel expense due to the impact of capitalized salaries related to PPP loans in the prior quarter.

Average loans held for investment were down \$11.1 billion compared to the prior quarter due primarily to paydowns on drawn revolvers throughout the quarter. Average total deposits were flat compared to the prior quarter.

### 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 \$77 million for the third quarter of 2020, a decrease of \$49 million compared to the prior quarter. Noninterest income decreased \$74 million primarily due to seasonality in property and casualty and other insurance commissions. Noninterest expense decreased \$2 million primarily due to seasonally lower performance-based incentives partially offset by higher operating charge-offs and restructuring charges.

### 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 \$336 million for the third quarter of 2020, compared to a net loss of \$279 million for the prior quarter. Segment net interest income decreased \$107 million primarily due to a decline in funding charges on assets to other segments relative to the funding credit provided on liabilities. Noninterest income decreased \$111 million primarily due to a decline in security gains from the prior quarter. The allocated provision for credit losses decreased \$105 million due to a reduction in the reserve for unfunded commitments. Noninterest expense decreased \$46 million primarily due to the loss on early extinguishment of long-term debt in the prior quarter, partially offset by higher real estate merger-related charges, higher expense related to certain post-retirement benefit plans, medical benefits and pension expenses in the current quarter. The benefit for income taxes increased \$10 million primarily due to higher pre-tax losses in the current quarter.

### **Third Quarter 2020 compared to Third Quarter 2019**

#### Consumer Banking and Wealth

CB&W net income was \$817 million for the third quarter of 2020, an increase of \$352 million compared to the earlier quarter. Segment net interest income increased \$1.1 billion primarily due to the merger. Noninterest income increased \$414 million due to the merger and higher residential mortgage production income as a result of the lower rate environment driving mortgage production through refinance activity, partially offset by lower residential mortgage servicing income driven by higher prepayment as a result of the lower rate environment and an MSR fair value adjustment in the current quarter. The allocated provision for credit losses increased \$66 million primarily due to the merger as well as increased economic stress associated with the pandemic. Noninterest expense increased \$1.0 billion primarily due to operating expenses and amortization of intangibles related to the merger.

#### Corporate and Commercial Banking

C&CB net income was \$583 million for the third quarter of 2020, an increase of \$142 million compared to the earlier quarter. Segment net interest income increased \$636 million primarily due to the merger. Noninterest income increased \$338 million also primarily due to the merger. The allocated provision for credit losses increased \$297 million primarily due to the merger as well as increased economic stress associated with the pandemic. Noninterest expense increased \$505 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

## Insurance Holdings

IH net income was \$77 million for the third quarter of 2020, an increase of \$16 million compared to the earlier quarter. Noninterest income increased \$33 million primarily due to higher production. Noninterest expense increased \$11 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 \$336 million in the third quarter of 2020, compared to a net loss of \$139 million in the earlier quarter. Segment net interest income decreased \$80 million. Noninterest income increased \$122 million primarily due to the gain on sale of securities in the current quarter. The allocated provision for credit losses decreased \$57 million primarily due to a reduction in the provision for unfunded commitments. Noninterest expense increased \$396 million primarily due to operating expenses related to the merger and higher merger-related charges in the current quarter. The benefit for income taxes increased \$100 million primarily due to a higher pre-tax loss.

<b>CAPITAL RATIOS</b>	3Q20	2Q20	1Q20	4Q19	3Q19
Risk-based:	(preliminary)				
Common equity Tier 1	10.0 %	9.7 %	9.3 %	9.5 %	10.6 %
Tier 1	12.2	11.6	10.5	10.8	12.2
Total	14.6	14.0	12.7	12.6	14.8
Leverage (1)	9.6	9.0	9.0	14.7	10.3
Supplementary leverage (2)	8.9	8.5	7.8	7.9	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 third quarter and remained strong compared to the regulatory levels for well capitalized banks. During the third quarter of 2020, Truist issued \$925 million of preferred stock to further strengthen its capital position. Truist declared common dividends of \$0.450 per share during the third quarter of 2020. The dividend and total payout ratios for the third quarter of 2020 were 56.8 percent.

In August 2020, the Federal Reserve informed Truist of its final Stress Capital Buffer ("SCB") of 270 basis points for risk-based capital ratios. This buffer, which was determined based on stress testing results developed by the Federal Reserve, is 20 basis points above the Capital Conservation Buffer. 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 update and resubmit its capital plan in early November 2020 to reflect changes in financial markets and the macroeconomic outlook.

As of January 1, 2020, Truist is subject to Category III reduced LCR. Truist's average LCR was approximately 117 percent for the three months ended September 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 18.6 percent at September 30, 2020.

## ASSET QUALITY

(dollars in millions)	3Q20	2Q20	1Q20	4Q19	3Q19
Total nonperforming assets	\$ 1,314	\$ 1,252	\$ 1,177	\$ 684	\$ 509
Total performing TDRs	1,217	1,107	1,079	980	1,057
Total loans 90 days past due and still accruing	1,197	1,072	1,748	1,994	403
Total loans 30-89 days past due	2,148	1,901	2,374	2,213	992
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.37 %	0.35 %	0.32 %	0.15 %	0.30 %
Nonperforming assets as a percentage of total assets	0.26	0.25	0.23	0.14	0.22
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.70	0.60	0.74	0.74	0.66
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.39	0.34	0.55	0.66	0.27
Loans 90 days or more past due and still accruing as a percentage of loans and leases, excluding PPP, other government guaranteed and PCI	0.03	0.04	0.04	0.03	0.04
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.91	1.81	1.63	0.52	1.05
Net charge-offs as a percentage of average loans and leases, annualized	0.42	0.39	0.36	0.40	0.41
Ratio of allowance for loan and lease losses to net charge-offs, annualized	4.52x	4.49x	4.76x	2.03x	2.59x
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	5.22x	5.24x	5.04x	3.41x	3.52x

Overall asset quality ratios were relatively stable at September 30, 2020 compared to June 30, 2020.

Nonperforming assets totaled \$1.3 billion at September 30, 2020, up \$62 million compared to June 30, 2020. Nonperforming loans and leases held for investment represented 0.37 percent of loans and leases held for investment, up 2 basis points compared to June 30, 2020. The increase in nonperforming loans held for investment is primarily in commercial and industrial loans, which was partially offset by a decline in commercial leases due to a charge-off on a PCD loan related to the implementation of CECL. Within the consumer portfolio, indirect automobile nonaccrual loans declined as some states lifted the moratorium on repossessions. Performing TDRs were up \$110 million during the third quarter primarily in residential mortgage loans.

Loans 90 days or more past due and still accruing totaled \$1.2 billion at September 30, 2020, up \$125 million compared to the prior quarter. The increase was primarily in government guaranteed student loans as forbearance programs in connection with the CARES Act have ended. In addition, residential mortgage loans 90 days or more past due increased primarily due to the repurchase of delinquent government guaranteed loans. The ratio of loans 90 days or more past due and still accruing as a percentage of loans and leases was 0.39 percent at September 30, 2020, up five 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 September 30, 2020, down one basis point from June 30, 2020.

Loans 30-89 days past due and still accruing totaled \$2.1 billion at September 30, 2020, up \$247 million compared to the prior quarter. Student loans 30-89 days past due increased \$224 million, which almost entirely relates to government guaranteed loans as forbearance programs in connection with the CARES Act have ended. In addition, residential mortgage loans and indirect automobile loans increased, while commercial and industrial loans declined. The ratio of loans 30-89 days past due and still accruing as a percentage of loans and leases was 0.70 percent at September 30, 2020, up 10 basis points from the prior quarter.

Net charge-offs during the third quarter totaled \$326 million, up \$10 million compared to the prior quarter. As a percentage of average loans and leases, annualized net charge-offs were 0.42 percent, up three basis points compared to the prior quarter. Current quarter net charge-offs includes \$97 million of charge-offs related to the implementation of CECL, which required a gross-up of loan carrying values in connection with the establishment of an allowance on PCD loans. Management performed a comprehensive review of PCD assets during the third quarter and concluded in certain situations that a charge-off was required. Excluding these additional charge-offs, net charge-offs would have been an annualized 0.29 percent of average loans and leases for the third quarter of 2020, down 10 basis points compared to the prior quarter.

The allowance for credit losses was \$6.2 billion, up \$96 million compared to the prior quarter. The allowance for credit losses includes \$5.9 billion for loans and leases and \$366 million for the reserve for unfunded commitments. As of September 30, 2020, the allowance for loan and lease losses was 1.91 percent of loans and leases held for investment.

The allowance for loan and lease losses was 5.22 times nonperforming loans and leases held for investment, compared to 5.24 times at June 30, 2020. At September 30, 2020, the allowance for loan and lease losses was 4.52 times annualized net charge-offs, compared to 4.49 times at June 30, 2020.

## **Earnings Presentation and Quarterly Performance Summary**

To listen to Truist's live third 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 Third 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 has 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 \$499 billion as of September 30, 2020. Truist Bank, Member FDIC. Learn more at [Truist.com](http://Truist.com).

# # #

*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 performance ratios, including adjusted return on average assets, adjusted return on average common shareholders' equity and adjusted return on average tangible common shareholders' equity, 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 Third 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 June 30, 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;

- *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 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, adversely impacted Truist's financial condition and results of operations, including through increased expenses, reduced fee income and net interest margin and increases in the allowance for credit losses, and continuation of current conditions could worsen these impacts and also adversely affect Truist's capital and liquidity position or cost of capital, impair the ability of borrowers to repay outstanding loans, cause an outflow of deposits, and impair goodwill or other assets;*
- *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.*



**Quarterly Performance Summary**

Truist Financial Corporation

Third Quarter 2020



## Table of Contents

### Quarterly Performance Summary Truist Financial Corporation

	Page
Financial Highlights	<a href="#">1</a>
Financial Highlights - Five Quarter Trend	<a href="#">2</a>
Consolidated Statements of Income	<a href="#">3</a>
Consolidated Statements of Income - Five Quarter Trend	<a href="#">4</a>
Segment Financial Performance - Five Quarter Trend	<a href="#">5</a>
Consolidated Ending Balance Sheets - Five Quarter Trend	<a href="#">6</a>
Average Balance Sheets	<a href="#">7</a>
Average Balance Sheets - Five Quarter Trend	<a href="#">8</a>
Average Balances and Rates - Quarters	<a href="#">9</a>
Average Balances and Rates - Year-To-Date	<a href="#">11</a>
Credit Quality	<a href="#">12</a>
Capital Information - Five Quarter Trend	<a href="#">17</a>
Selected Mortgage Banking Information & Additional Information	<a href="#">18</a>
Selected Items	<a href="#">19</a>
Non-GAAP Reconciliations	<a href="#">19</a>

## Financial Highlights

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended		%	Year-to-Date		%
	September 30	September 30		September 30	September 30	
	2020	2019	Change	2020	2019	Change
<b>Summary Income Statement</b>						
Interest income - taxable equivalent (1)	\$ 3,652	\$ 2,241	63.0 %	\$ 12,034	\$ 6,668	80.5 %
Interest expense	261	518	(49.6)	1,477	1,511	(2.3)
Net interest income - taxable equivalent	3,391	1,723	96.8	10,557	5,157	104.7
Less: Taxable-equivalent adjustment	29	23	26.1	97	71	36.6
Net interest income	3,362	1,700	97.8	10,460	5,086	105.7
Provision for credit losses	421	117	NM	2,158	444	NM
Net interest income after provision for credit losses	2,941	1,583	85.8	8,302	4,642	78.8
Noninterest income	2,210	1,303	69.6	6,594	3,857	71.0
Noninterest expense	3,755	1,840	104.1	11,064	5,359	106.5
Income before income taxes	1,396	1,046	33.5	3,832	3,140	22.0
Provision for income taxes	255	218	17.0	670	629	6.5
Net income	1,141	828	37.8	3,162	2,511	25.9
Noncontrolling interests	3	3	—	9	8	12.5
Net income available to the bank holding company	1,138	825	37.9	3,153	2,503	12.5
Preferred stock dividends	70	90	(22.2)	197	177	11.3
Net income available to common shareholders	1,068	735	45.3	2,956	2,326	27.1
<b>Per Common Share Data</b>						
Earnings per share-basic	\$ 0.79	\$ 0.96	(17.7)%	\$ 2.20	\$ 3.04	(27.6)%
Earnings per share-diluted	0.79	0.95	(16.8)	2.18	3.00	(27.3)
Earnings per share-adjusted diluted (2)	0.97	1.07	(9.3)	2.62	3.25	(19.4)
Cash dividends declared	0.450	0.450	—	1.350	1.260	7.1
Common shareholders' equity	45.86	38.07	20.5	45.86	38.07	20.5
Tangible common shareholders' equity (2)	26.63	24.66	8.0	26.63	24.66	8.0
End of period shares outstanding	1,348,118	766,303	75.9	1,348,118	766,303	75.9
Weighted average shares outstanding-basic	1,347,916	766,167	75.9	1,346,605	765,428	75.9
Weighted average shares outstanding-diluted	1,358,122	775,791	75.1	1,357,174	774,907	75.1
<b>Performance Ratios</b>						
Return on average assets	0.91 %	1.41 %		0.85 %	1.47 %	
Return on average risk-weighted assets (current period is preliminary)	1.19	1.75		1.10	1.81	
Return on average common shareholders' equity	6.87	10.04		6.46	11.02	
Return on average tangible common shareholders' equity (2)	13.31	16.03		12.79	17.90	
Net interest margin - taxable equivalent	3.10	3.37		3.26	3.43	
Fee income ratio	39.7	43.4		38.7	43.1	
Efficiency ratio-GAAP	67.4	61.3		64.9	59.9	
Efficiency ratio-adjusted (2)	57.3	57.1		55.9	56.2	
<b>Credit Quality</b>						
Nonperforming assets as a percentage of:						
Assets	0.26 %	0.22 %		0.26 %	0.22 %	
Loans and leases plus foreclosed property	0.39	0.34		0.39	0.34	
Net charge-offs as a percentage of average loans and leases	0.42	0.41		0.39	0.40	
Allowance for loan and lease losses as a percentage of LHF1	1.91	1.05		1.91	1.05	
Ratio of allowance for loan and lease losses to nonperforming LHF1	5.22x	3.52x		5.22x	3.52x	
<b>Average Balances</b>						
Assets	\$500,826	\$232,420	115.5 %	\$497,710	\$229,106	117.2 %
Securities (3)	79,828	48,900	63.2	76,906	47,257	62.7
Loans and leases	315,691	152,042	107.6	316,621	150,808	109.9
Deposits	372,211	161,992	129.8	359,273	160,650	123.6
Common shareholders' equity	61,804	29,040	112.8	61,173	28,226	116.7
Total shareholders' equity	69,634	32,744	112.7	67,311	31,537	113.4
<b>Period-End Balances</b>						
Assets	\$499,183	\$236,750	110.8 %	\$499,183	\$236,750	110.8 %
Securities (3)	86,132	54,765	57.3	86,132	54,765	57.3
Loans and leases	312,149	150,855	106.9	312,149	150,855	106.9
Deposits	370,747	162,280	128.5	370,747	162,280	128.5
Common shareholders' equity	61,819	29,177	111.9	61,819	29,177	111.9
Total shareholders' equity	69,973	32,303	116.6	69,973	32,303	116.6
<b>Capital Ratios (current quarter is preliminary)</b>						
Common equity Tier 1	10.0 %	10.6 %		10.0 %	10.6 %	
Tier 1	12.2	12.2		12.2	12.2	
Total	14.6	14.8		14.6	14.8	
Leverage	9.6	10.3		9.6	10.3	
Supplementary leverage	8.9	NA		8.9	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

Quarter Ended

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Summary Income Statement</b>					
Interest income - taxable equivalent (1)	\$ 3,652	\$ 3,919	\$ 4,463	\$ 2,837	\$ 2,241
Interest expense	261	440	776	585	518
Net interest income - taxable equivalent	3,391	3,479	3,687	2,252	1,723
Less: Taxable-equivalent adjustment	29	31	37	25	23
Net interest income	3,362	3,448	3,650	2,227	1,700
Provision for credit losses	421	844	893	171	117
Net interest income after provision for credit losses	2,941	2,604	2,757	2,056	1,583
Noninterest income	2,210	2,423	1,961	1,398	1,303
Noninterest expense	3,755	3,878	3,431	2,575	1,840
Income before income taxes	1,396	1,149	1,287	879	1,046
Provision for income taxes	255	191	224	153	218
Net income	1,141	958	1,063	726	828
Noncontrolling interests	3	3	3	5	3
Net income available to the bank holding company	1,138	955	1,060	721	825
Preferred stock dividends	70	53	74	19	90
Net income available to common shareholders	1,068	902	986	702	735
<b>Per Common Share Data</b>					
Earnings per share-basic	\$ 0.79	\$ 0.67	\$ 0.73	\$ 0.76	\$ 0.96
Earnings per share-diluted	0.79	0.67	0.73	0.75	0.95
Earnings per share-adjusted diluted (2)	0.97	0.82	0.83	1.12	1.07
Cash dividends declared	0.450	0.450	0.450	0.450	0.450
Common shareholders' equity	45.86	45.74	45.49	45.66	38.07
Tangible common shareholders' equity (2)	26.63	26.38	26.00	25.93	24.66
End of period shares outstanding	1,348,118	1,347,609	1,347,461	1,342,166	766,303
Weighted average shares outstanding-basic	1,347,916	1,347,512	1,344,372	922,840	766,167
Weighted average shares outstanding-diluted	1,358,122	1,355,834	1,357,545	934,718	775,791
<b>Performance Ratios</b>					
Return on average assets	0.91 %	0.75 %	0.90 %	0.95 %	1.41 %
Return on average risk-weighted assets (current quarter is preliminary)	1.19	1.00	1.12	1.02	1.75
Return on average common shareholders' equity	6.87	5.90	6.58	7.33	10.04
Return on average tangible common shareholders' equity (2)	13.31	11.83	13.23	12.91	16.03
Net interest margin - taxable equivalent	3.10	3.13	3.58	3.41	3.37
Fee income ratio	39.7	41.3	34.9	38.6	43.4
Efficiency ratio-GAAP	67.4	66.1	61.1	71.0	61.3
Efficiency ratio-adjusted (2)	57.3	55.8	54.6	57.5	57.1
<b>Credit Quality</b>					
Nonperforming assets as a percentage of:					
Assets	0.26 %	0.25 %	0.23 %	0.14 %	0.22 %
Loans and leases plus foreclosed property	0.39	0.37	0.36	0.19	0.34
Net charge-offs as a percentage of average loans and leases	0.42	0.39	0.36	0.40	0.41
Allowance for loan and lease losses as a percentage of LHFI	1.91	1.81	1.63	0.52	1.05
Ratio of allowance for loan and lease losses to nonperforming LHFI	5.22x	5.24x	5.04x	3.41x	3.52x
<b>Average Balances</b>					
Assets	\$ 500,826	\$ 514,720	\$ 477,550	\$ 302,059	\$ 232,420
Securities (3)	79,828	75,159	75,701	60,699	48,900
Loans and leases	315,691	326,435	307,748	193,641	152,042
Deposits	372,211	370,818	334,649	210,716	161,992
Common shareholders' equity	61,804	61,484	60,224	38,031	29,040
Total shareholders' equity	69,634	66,863	65,412	41,740	32,744
<b>Period-End Balances</b>					
Assets	\$ 499,183	\$ 504,336	\$ 506,229	\$ 473,078	\$ 236,750
Securities (3)	86,132	77,805	78,398	74,727	54,765
Loans and leases	312,149	321,148	324,039	308,215	150,855
Deposits	370,747	376,235	350,179	334,727	162,280
Common shareholders' equity	61,819	61,634	61,295	61,282	29,177
Total shareholders' equity	69,973	68,883	66,061	66,558	32,303
<b>Capital Ratios (current quarter is preliminary)</b>					
Common equity Tier 1	10.0 %	9.7 %	9.3 %	9.5 %	10.6 %
Tier 1	12.2	11.6	10.5	10.8	12.2
Total	14.6	14.0	12.7	12.6	14.8
Leverage (4)	9.6	9.0	9.0	14.7	10.3
Supplementary leverage (5)	8.9	8.5	7.8	7.9	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				Year-to-Date			
	Sept. 30		Change		Sept. 30		Change	
	2020	2019	\$	%	2020	2019	\$	%
<b>Interest Income</b>								
Interest and fees on loans and leases	\$ 3,174	\$ 1,886	\$ 1,288	68.3 %	\$ 10,327	\$ 5,611	\$ 4,716	84.0 %
Interest on securities	393	315	78	24.8	1,331	917	414	45.1
Interest on other earning assets	56	17	39	NM	279	69	210	NM
Total interest income	3,623	2,218	1,405	63.3	11,937	6,597	5,340	80.9
<b>Interest Expense</b>								
Interest on deposits	96	271	(175)	(64.6)	718	797	(79)	(9.9)
Interest on long-term debt	152	193	(41)	(21.2)	635	578	57	9.9
Interest on other borrowings	13	54	(41)	(75.9)	124	136	(12)	(8.8)
Total interest expense	261	518	(257)	(49.6)	1,477	1,511	(34)	(2.3)
<b>Net Interest Income</b>	3,362	1,700	1,662	97.8	10,460	5,086	5,374	105.7
Provision for credit losses	421	117	304	NM	2,158	444	1,714	NM
<b>Net Interest Income After Provision for Credit Losses</b>	2,941	1,583	1,358	85.8	8,302	4,642	3,660	78.8
<b>Noninterest Income</b>								
Insurance income	518	487	31	6.4	1,648	1,563	85	5.4
Service charges on deposits	247	188	59	31.4	754	540	214	39.6
Wealth management income	324	175	149	85.1	945	509	436	85.7
Card and payment related fees	200	132	68	51.5	558	399	159	39.8
Residential mortgage income	221	80	141	176.3	807	220	587	NM
Investment banking and trading income	244	60	184	NM	636	135	501	NM
Operating lease income	72	36	36	100.0	232	106	126	118.9
Income from bank-owned life insurance	46	29	17	58.6	135	91	44	48.4
Lending related fees	77	24	53	NM	210	77	133	172.7
Commercial real estate related income	55	32	23	71.9	148	68	80	117.6
Securities gains (losses)	104	—	104	NM	402	—	402	NM
Other income (loss)	102	60	42	70.0	119	149	(30)	(20.1)
Total noninterest income	2,210	1,303	907	69.6	6,594	3,857	2,737	71.0
<b>Noninterest Expense</b>								
Personnel expense	2,058	1,161	897	77.3	6,038	3,368	2,670	79.3
Net occupancy expense	233	122	111	91.0	697	360	337	93.6
Professional fees and outside processing	323	102	221	NM	859	272	587	NM
Software expense	221	77	144	187.0	647	220	427	194.1
Equipment expense	127	64	63	98.4	363	197	166	84.3
Marketing and customer development	75	36	39	108.3	215	92	123	133.7
Operating lease depreciation	56	35	21	60.0	204	93	111	119.4
Loan-related expense	59	26	33	126.9	177	81	96	118.5
Amortization of intangibles	170	29	141	NM	513	93	420	NM
Regulatory costs	34	20	14	70.0	93	57	36	63.2
Merger-related and restructuring charges	236	34	202	NM	552	137	415	NM
Loss (gain) on early extinguishment of debt	—	—	—	—	235	—	235	NM
Other expense	163	134	29	21.6	471	389	82	21.1
Total noninterest expense	3,755	1,840	1,915	104.1	11,064	5,359	5,705	106.5
<b>Earnings</b>								
Income before income taxes	1,396	1,046	350	33.5	3,832	3,140	692	22.0
Provision for income taxes	255	218	37	17.0	670	629	41	6.5
<b>Net income</b>	1,141	828	313	37.8	3,162	2,511	651	25.9
Noncontrolling interests	3	3	—	—	9	8	1	12.5
<b>Net income available to the bank holding company</b>	1,138	825	313	37.9	3,153	2,503	650	26.0
Preferred stock dividends	70	90	(20)	(22.2)	197	177	20	11.3
<b>Net income available to common shareholders</b>	\$ 1,068	\$ 735	\$ 333	45.3 %	\$ 2,956	\$ 2,326	\$ 630	27.1 %
<b>Earnings Per Common Share</b>								
Basic	\$ 0.79	\$ 0.96	\$ (0.17)	(17.7)%	\$ 2.20	\$ 3.04	\$ (0.84)	(27.6)%
Diluted	0.79	0.95	(0.16)	(16.8)	2.18	3.00	(0.82)	(27.3)
<b>Weighted Average Shares Outstanding</b>								
Basic	1,347,916	766,167	581,749	75.9	1,346,605	765,428	581,177	75.9
Diluted	1,358,122	775,791	582,331	75.1	1,357,174	774,907	582,267	75.1

NM - not meaningful

## Consolidated Statements of Income - Five Quarter Trend

	Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>(Dollars in millions, except per share data, shares in thousands)</b>					
<b>Interest Income</b>					
Interest and fees on loans and leases	\$ 3,174	\$ 3,377	\$ 3,776	\$ 2,371	\$ 1,886
Interest on securities	393	444	494	402	315
Interest on other earning assets	56	67	156	39	17
Total interest income	3,623	3,888	4,426	2,812	2,218
<b>Interest Expense</b>					
Interest on deposits	96	201	421	304	271
Interest on long-term debt	152	211	272	219	193
Interest on other borrowings	13	28	83	62	54
Total interest expense	261	440	776	585	518
<b>Net Interest Income</b>	3,362	3,448	3,650	2,227	1,700
Provision for credit losses	421	844	893	171	117
<b>Net Interest Income After Provision for Credit Losses</b>	2,941	2,604	2,757	2,056	1,583
<b>Noninterest Income</b>					
Insurance income	518	581	549	509	487
Service charges on deposits	247	202	305	222	188
Wealth management income	324	289	332	206	175
Card and payment related fees	200	171	187	156	132
Residential mortgage income	221	341	245	65	80
Investment banking and trading income	244	274	118	109	60
Operating lease income	72	83	77	47	36
Income from bank-owned life insurance	46	45	44	38	29
Lending related fees	77	66	67	47	24
Commercial real estate related income	55	49	44	48	32
Securities gains (losses)	104	300	(2)	(116)	—
Other income (loss)	102	22	(5)	67	60
Total noninterest income	2,210	2,423	1,961	1,398	1,303
<b>Noninterest Expense</b>					
Personnel expense	2,058	2,008	1,972	1,465	1,161
Net occupancy expense	233	243	221	147	122
Professional fees and outside processing	323	289	247	161	102
Software expense	221	216	210	118	77
Equipment expense	127	120	116	83	64
Marketing and customer development	75	56	84	45	36
Operating lease depreciation	56	77	71	43	35
Loan-related expense	59	56	62	42	26
Amortization of intangibles	170	178	165	71	29
Regulatory costs	34	30	29	24	20
Merger-related and restructuring charges	236	209	107	223	34
Loss (gain) on early extinguishment of debt	—	235	—	—	—
Other expense	163	161	147	153	134
Total noninterest expense	3,755	3,878	3,431	2,575	1,840
<b>Earnings</b>					
Income before income taxes	1,396	1,149	1,287	879	1,046
Provision for income taxes	255	191	224	153	218
<b>Net income</b>	1,141	958	1,063	726	828
Noncontrolling interests	3	3	3	5	3
<b>Net income available to the bank holding company</b>	1,138	955	1,060	721	825
Preferred stock dividends	70	53	74	19	90
<b>Net income available to common shareholders</b>	\$ 1,068	\$ 902	\$ 986	\$ 702	\$ 735
<b>Earnings Per Common Share</b>					
Basic	\$ 0.79	\$ 0.67	\$ 0.73	\$ 0.76	\$ 0.96
Diluted	0.79	0.67	0.73	0.75	0.95
<b>Weighted Average Shares Outstanding</b>					
Basic	1,347,916	1,347,512	1,344,372	922,840	766,167
Diluted	1,358,122	1,355,834	1,357,545	934,718	775,791

## Segment Financial Performance - Preliminary

(Dollars in millions)	Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Consumer Banking and Wealth</b>					
Net interest income (expense)	\$ 1,856	\$ 1,843	\$ 1,860	\$ 1,114	\$ 855
Net intersegment interest income (expense)	338	317	394	282	229
Segment net interest income	2,194	2,160	2,254	1,396	1,084
Allocated provision for credit losses	181	270	437	145	115
Noninterest income	990	1,006	1,066	652	576
Noninterest expense	1,934	1,972	1,989	1,318	931
Income (loss) before income taxes	1,069	924	894	585	614
Provision (benefit) for income taxes	252	218	210	142	149
Segment net income (loss)	\$ 817	\$ 706	\$ 684	\$ 443	\$ 465
<b>Corporate and Commercial Banking</b>					
Net interest income (expense)	\$ 1,235	\$ 1,351	\$ 1,534	\$ 934	\$ 729
Net intersegment interest income (expense)	41	(61)	(208)	(99)	(89)
Segment net interest income	1,276	1,290	1,326	835	640
Allocated provision for credit losses	311	534	399	17	14
Noninterest income	609	621	457	412	271
Noninterest expense	843	880	883	570	338
Income (loss) before income taxes	731	497	501	660	559
Provision (benefit) for income taxes	148	92	89	142	118
Segment net income (loss)	\$ 583	\$ 405	\$ 412	\$ 518	\$ 441
<b>Insurance Holdings</b>					
Net interest income (expense)	\$ 31	\$ 33	\$ 36	\$ 38	\$ 39
Net intersegment interest income (expense)	(7)	(10)	(11)	(11)	(11)
Segment net interest income	24	23	25	27	28
Allocated provision for credit losses	—	6	1	2	2
Noninterest income	524	598	557	536	491
Noninterest expense	446	448	440	481	435
Income (loss) before income taxes	102	167	141	80	82
Provision (benefit) for income taxes	25	41	36	21	21
Segment net income (loss)	\$ 77	\$ 126	\$ 105	\$ 59	\$ 61
<b>Other, Treasury &amp; Corporate (1)</b>					
Net interest income (expense)	\$ 240	\$ 221	\$ 220	\$ 141	\$ 77
Net intersegment interest income (expense)	(372)	(246)	(175)	(172)	(129)
Segment net interest income	(132)	(25)	45	(31)	(52)
Allocated provision for credit losses	(71)	34	56	7	(14)
Noninterest income	87	198	(119)	(202)	(35)
Noninterest expense	532	578	119	206	136
Income (loss) before income taxes	(506)	(439)	(249)	(446)	(209)
Provision (benefit) for income taxes	(170)	(160)	(111)	(152)	(70)
Segment net income (loss)	\$ (336)	\$ (279)	\$ (138)	\$ (294)	\$ (139)
<b>Total Truist Financial Corporation</b>					
Net interest income (expense)	\$ 3,362	\$ 3,448	\$ 3,650	\$ 2,227	\$ 1,700
Net intersegment interest income (expense)	—	—	—	—	—
Segment net interest income	3,362	3,448	3,650	2,227	1,700
Allocated provision for credit losses	421	844	893	171	117
Noninterest income	2,210	2,423	1,961	1,398	1,303
Noninterest expense	3,755	3,878	3,431	2,575	1,840
Income (loss) before income taxes	1,396	1,149	1,287	879	1,046
Provision (benefit) for income taxes	255	191	224	153	218
Net income	\$ 1,141	\$ 958	\$ 1,063	\$ 726	\$ 828

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)	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Assets</b>					
Cash and due from banks	\$ 4,194	\$ 5,116	\$ 5,312	\$ 4,084	\$ 2,027
Interest-bearing deposits with banks	32,914	36,081	31,036	14,981	877
Securities borrowed or purchased under resale agreements	1,300	1,345	1,796	1,417	114
Trading assets at fair value	4,670	3,824	3,863	5,733	400
Securities available for sale at fair value	86,132	77,805	78,398	74,727	35,997
Securities held to maturity at amortized cost	—	—	—	—	18,768
<b>Loans and leases:</b>					
Commercial:					
Commercial and industrial	140,874	147,141	149,161	130,180	64,324
CRE	27,474	27,963	27,532	26,832	17,080
Commercial construction	6,772	6,891	6,630	6,205	3,804
Lease financing	5,493	5,783	5,984	6,122	2,356
Consumer:					
Residential mortgage	50,379	51,671	53,096	52,071	28,297
Residential home equity and direct	26,558	26,935	27,629	27,044	11,646
Indirect auto	25,269	24,509	25,146	24,442	11,871
Indirect other	11,527	11,592	10,980	11,100	6,590
Student	7,480	7,484	7,771	6,743	—
Credit card	4,801	4,856	5,300	5,619	3,058
PCI	—	—	—	3,484	387
Total loans and leases held for investment	306,627	314,825	319,229	299,842	149,413
Loans held for sale	5,522	6,323	4,810	8,373	1,442
Total loans and leases	312,149	321,148	324,039	308,215	150,855
Allowance for loan and lease losses	(5,863)	(5,702)	(5,211)	(1,549)	(1,573)
Premises and equipment	3,968	4,002	3,999	3,712	2,022
Goodwill	23,869	23,882	23,927	24,154	9,832
Core deposit and other intangible assets	2,840	3,016	3,168	3,142	678
Mortgage servicing rights	1,991	2,077	2,150	2,630	929
Other assets	31,019	31,742	33,752	31,832	15,824
Total assets	\$ 499,183	\$ 504,336	\$ 506,229	\$ 473,078	\$ 236,750
<b>Liabilities</b>					
Deposits:					
Noninterest-bearing deposits	\$ 124,297	\$ 122,694	\$ 97,618	\$ 92,405	\$ 52,667
Interest checking	98,694	99,005	92,950	85,492	27,723
Money market and savings	121,856	123,974	124,072	120,934	64,454
Time deposits	25,900	30,562	35,539	35,896	16,526
Foreign office deposits - interest-bearing	—	—	—	—	910
Total deposits	370,747	376,235	350,179	334,727	162,280
Short-term borrowings	6,244	5,700	12,696	18,218	10,405
Long-term debt	41,008	42,133	65,662	41,339	25,520
Other liabilities	11,211	11,385	11,631	12,236	6,242
Total liabilities	429,210	435,453	440,168	406,520	204,447
<b>Shareholders' Equity:</b>					
Preferred stock	8,048	7,143	4,599	5,102	3,057
Common stock	6,741	6,738	6,737	6,711	3,832
Additional paid-in capital	35,774	35,676	35,584	35,609	6,931
Retained earnings	18,834	18,373	18,076	19,806	19,440
Accumulated other comprehensive loss	470	847	898	(844)	(1,026)
Noncontrolling interests	106	106	167	174	69
Total shareholders' equity	69,973	68,883	66,061	66,558	32,303
Total liabilities and shareholders' equity	\$ 499,183	\$ 504,336	\$ 506,229	\$ 473,078	\$ 236,750

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 September 30		Change		Year-to-Date September 30		Change	
	2020	2019	\$	%	2020	2019	\$	%
<b>Assets</b>								
Securities at amortized cost (1):								
U.S. Treasury	\$ 2,218	\$ 2,240	\$ (22)	(1.0)%	\$ 2,243	\$ 2,731	\$ (488)	(17.9)%
U.S. government-sponsored entities (GSE)	1,842	2,449	(607)	(24.8)	1,847	2,436	(589)	(24.2)
Mortgage-backed securities issued by GSE	75,232	43,415	31,817	73.3	72,152	41,202	30,950	75.1
States and political subdivisions	499	566	(67)	(11.8)	512	583	(71)	(12.2)
Non-agency mortgage-backed	—	198	(198)	(100.0)	115	271	(156)	(57.6)
Other	37	32	5	15.6	37	34	3	8.8
<b>Total securities</b>	<b>79,828</b>	<b>48,900</b>	<b>30,928</b>	<b>63.2</b>	<b>76,906</b>	<b>47,257</b>	<b>29,649</b>	<b>62.7</b>
Loans and leases:								
Commercial:								
Commercial and industrial	143,452	63,768	79,684	125.0	142,731	62,576	80,155	128.1
CRE	27,761	17,042	10,719	62.9	27,538	16,894	10,644	63.0
Commercial construction	6,861	3,725	3,136	84.2	6,673	3,912	2,761	70.6
Lease financing	5,626	2,260	3,366	148.9	5,872	2,135	3,737	175.0
Consumer:								
Residential mortgage	51,500	28,410	23,090	81.3	52,288	30,604	21,684	70.9
Residential home equity and direct	26,726	11,650	15,076	129.4	27,161	11,673	15,488	132.7
Indirect auto	24,732	11,810	12,922	109.4	24,809	11,586	13,223	114.1
Indirect other	11,530	6,552	4,978	76.0	11,255	6,277	4,978	79.3
Student	7,446	—	7,446	NM	7,622	—	7,622	NM
Credit card	4,810	3,036	1,774	58.4	5,097	2,976	2,121	71.3
PCI	—	411	(411)	(100.0)	—	433	(433)	(100.0)
<b>Total loans and leases held for investment</b>	<b>310,444</b>	<b>148,664</b>	<b>161,780</b>	<b>108.8</b>	<b>311,046</b>	<b>149,066</b>	<b>161,980</b>	<b>108.7</b>
Loans held for sale	5,247	3,378	1,869	55.3	5,575	1,742	3,833	NM
<b>Total loans and leases</b>	<b>315,691</b>	<b>152,042</b>	<b>163,649</b>	<b>107.6</b>	<b>316,621</b>	<b>150,808</b>	<b>165,813</b>	<b>109.9</b>
Interest earning trading assets	4,056	668	3,388	NM	4,695	910	3,785	NM
Other earning assets	35,819	1,798	34,021	NM	33,708	1,702	32,006	NM
<b>Total earning assets</b>	<b>435,394</b>	<b>203,408</b>	<b>231,986</b>	<b>114.0</b>	<b>431,930</b>	<b>200,677</b>	<b>231,253</b>	<b>115.2</b>
Nonearning assets	65,432	29,012	36,420	125.5	65,780	28,429	37,351	131.4
<b>Total assets</b>	<b>\$ 500,826</b>	<b>\$ 232,420</b>	<b>\$ 268,406</b>	<b>115.5 %</b>	<b>\$ 497,710</b>	<b>\$ 229,106</b>	<b>\$ 268,604</b>	<b>117.2 %</b>
<b>Liabilities and Shareholders' Equity</b>								
Deposits:								
Noninterest-bearing deposits	\$ 123,966	\$ 52,500	\$ 71,466	136.1 %	\$ 110,375	\$ 52,489	\$ 57,886	110.3 %
Interest checking	96,707	27,664	69,043	NM	93,205	27,665	65,540	NM
Money market and savings	123,598	64,920	58,678	90.4	123,536	63,885	59,651	93.4
Time deposits	27,940	16,643	11,297	67.9	32,157	16,256	15,901	97.8
Foreign office deposits - interest-bearing	—	265	(265)	(100.0)	—	355	(355)	(100.0)
<b>Total deposits</b>	<b>372,211</b>	<b>161,992</b>	<b>210,219</b>	<b>129.8</b>	<b>359,273</b>	<b>160,650</b>	<b>198,623</b>	<b>123.6</b>
Short-term borrowings	6,209	8,307	(2,098)	(25.3)	11,350	7,443	3,907	52.5
Long-term debt	40,919	22,608	18,311	81.0	47,643	23,027	24,616	106.9
Other liabilities	11,853	6,769	5,084	75.1	12,133	6,449	5,684	88.1
<b>Total liabilities</b>	<b>431,192</b>	<b>199,676</b>	<b>231,516</b>	<b>115.9</b>	<b>430,399</b>	<b>197,569</b>	<b>232,830</b>	<b>117.8</b>
Shareholders' equity	69,634	32,744	36,890	112.7	67,311	31,537	35,774	113.4
<b>Total liabilities and shareholders' equity</b>	<b>\$ 500,826</b>	<b>\$ 232,420</b>	<b>\$ 268,406</b>	<b>115.5 %</b>	<b>\$ 497,710</b>	<b>\$ 229,106</b>	<b>\$ 268,604</b>	<b>117.2 %</b>

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				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Assets</b>					
Securities at amortized cost (1):					
U.S. Treasury	\$ 2,218	\$ 2,237	\$ 2,274	\$ 2,384	\$ 2,240
U.S. government-sponsored entities (GSE)	1,842	1,844	1,856	2,301	2,449
Mortgage-backed securities issued by GSE	75,232	70,374	70,816	55,119	43,415
States and political subdivisions	499	505	530	598	566
Non-agency mortgage-backed	—	162	185	263	198
Other	37	37	40	34	32
Total securities	79,828	75,159	75,701	60,699	48,900
Loans and leases:					
Commercial:					
Commercial and industrial	143,452	152,991	131,743	81,853	63,768
CRE	27,761	27,804	27,046	19,896	17,042
Commercial construction	6,861	6,748	6,409	4,506	3,725
Lease financing	5,626	5,922	6,070	3,357	2,260
Consumer:					
Residential mortgage	51,500	52,380	52,993	34,824	28,410
Residential home equity and direct	26,726	27,199	27,564	15,810	11,650
Indirect auto	24,732	24,721	24,975	15,390	11,810
Indirect other	11,530	11,282	10,950	7,772	6,552
Student	7,446	7,633	7,787	1,825	—
Credit card	4,810	4,949	5,534	3,788	3,036
PCI	—	—	—	1,220	411
Total loans and leases held for investment	310,444	321,629	301,071	190,241	148,664
Loans held for sale	5,247	4,806	6,677	3,400	3,378
Total loans and leases	315,691	326,435	307,748	193,641	152,042
Interest earning trading assets	4,056	3,700	6,334	2,370	668
Other earning assets	35,819	41,531	23,750	6,405	1,798
Total earning assets	435,394	446,825	413,533	263,115	203,408
Nonearning assets	65,432	67,895	64,017	38,944	29,012
Total assets	\$ 500,826	\$ 514,720	\$ 477,550	\$ 302,059	\$ 232,420
<b>Liabilities and Shareholders' Equity</b>					
Deposits:					
Noninterest-bearing deposits	\$ 123,966	\$ 113,875	\$ 93,135	\$ 64,485	\$ 52,500
Interest checking	96,707	97,863	85,008	43,246	27,664
Money market and savings	123,598	126,071	120,936	79,903	64,920
Time deposits	27,940	33,009	35,570	23,058	16,643
Foreign office deposits - interest-bearing	—	—	—	24	265
Total deposits	372,211	370,818	334,649	210,716	161,992
Short-term borrowings	6,209	8,998	18,900	11,489	8,307
Long-term debt	40,919	55,537	46,547	29,888	22,608
Other liabilities	11,853	12,504	12,042	8,226	6,769
Total liabilities	431,192	447,857	412,138	260,319	199,676
Shareholders' equity	69,634	66,863	65,412	41,740	32,744
Total liabilities and shareholders' equity	\$ 500,826	\$ 514,720	\$ 477,550	\$ 302,059	\$ 232,420

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

## Average Balances and Rates - Quarters

(Dollars in millions)	Quarter Ended					
	September 30, 2020			June 30, 2020		
	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
<b>Assets</b>						
Securities at amortized cost (3):						
U.S. Treasury	\$ 2,218	\$ 10	1.78 %	\$ 2,237	\$ 10	1.88 %
U.S. government-sponsored entities (GSE)	1,842	10	2.33	1,844	12	2.33
Mortgage-backed securities issued by GSE	75,232	366	1.95	70,374	413	2.35
States and political subdivisions	499	7	5.03	505	4	3.57
Non-agency mortgage-backed	—	—	—	162	7	16.71
Other	37	1	1.99	37	—	2.27
Total securities	79,828	394	1.97	75,159	446	2.37
Loans and leases:						
Commercial:						
Commercial and industrial	143,452	1,087	3.02	152,991	1,204	3.16
CRE	27,761	203	2.88	27,804	227	3.26
Commercial construction	6,861	55	3.26	6,748	61	3.70
Lease financing	5,626	52	3.71	5,922	70	4.71
Consumer:						
Residential mortgage	51,500	576	4.47	52,380	608	4.65
Residential home equity and direct	26,726	394	5.86	27,199	391	5.78
Indirect auto	24,732	405	6.51	24,721	407	6.63
Indirect other	11,530	204	7.05	11,282	201	7.18
Student	7,446	80	4.30	7,633	87	4.55
Credit card	4,810	109	9.03	4,949	114	9.27
Total loans and leases held for investment	310,444	3,165	4.06	321,629	3,370	4.21
Loans held for sale	5,247	37	2.78	4,806	36	3.04
Total loans and leases	315,691	3,202	4.04	326,435	3,406	4.19
Interest earning trading assets	4,056	32	3.23	3,700	39	4.19
Other earning assets	35,819	24	0.26	41,531	28	0.28
Total earning assets	435,394	3,652	3.34	446,825	3,919	3.52
Nonearning assets	65,432			67,895		
Total assets	\$ 500,826			\$ 514,720		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits:						
Interest checking	\$ 96,707	15	0.06	\$ 97,863	55	0.23
Money market and savings	123,598	19	0.06	126,071	57	0.18
Time deposits	27,940	62	0.89	33,009	89	1.09
Total interest-bearing deposits (4)	248,245	96	0.15	256,943	201	0.32
Short-term borrowings	6,209	13	0.85	8,998	28	1.24
Long-term debt	40,919	152	1.48	55,537	211	1.52
Total interest-bearing liabilities	295,373	261	0.35	321,478	440	0.55
Noninterest-bearing deposits (4)	123,966			113,875		
Other liabilities	11,853			12,504		
Shareholders' equity	69,634			66,863		
Total liabilities and shareholders' equity	\$ 500,826			\$ 514,720		
Average interest-rate spread			2.99			2.97
Net interest income/ net interest margin		\$ 3,391	3.10 %		\$ 3,479	3.13 %
Taxable-equivalent adjustment		\$ 29			\$ 31	

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 0.10% and 0.22% for the three months ended September 30, 2020 and June 30, 2020, respectively.

## Average Balances and Rates - Quarters

(Dollars in millions)	Quarter Ended								
	March 31, 2020			December 31, 2019			September 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
<b>Assets</b>									
Securities at amortized cost (3):									
U.S. Treasury	\$ 2,274	\$ 11	1.93 %	\$ 2,384	\$ 12	1.97 %	\$ 2,240	\$ 11	2.04 %
U.S. government-sponsored entities (GSE)	1,856	10	2.33	2,301	12	2.28	2,449	14	2.25
Mortgage-backed securities issued by GSE	70,816	461	2.60	55,119	366	2.64	43,415	279	2.57
States and political subdivisions	530	5	3.56	598	4	3.38	566	5	3.44
Non-agency mortgage-backed	185	8	16.72	263	9	13.15	198	9	18.77
Other	40	—	3.01	34	—	3.53	32	—	3.67
Total securities	75,701	495	2.62	60,699	403	2.65	48,900	318	2.60
Loans and leases:									
Commercial:									
Commercial and industrial	131,743	1,419	4.33	81,853	862	4.18	63,768	671	4.18
CRE	27,046	287	4.25	19,896	223	4.43	17,042	209	4.83
Commercial construction	6,409	76	4.87	4,506	57	5.17	3,725	47	5.11
Lease financing	6,070	65	4.27	3,357	32	3.79	2,260	18	3.17
Consumer:									
Residential mortgage	52,993	594	4.48	34,824	361	4.15	28,410	285	4.02
Residential home equity and direct	27,564	452	6.60	15,810	242	6.04	11,650	173	5.92
Indirect auto	24,975	428	6.89	15,390	312	8.04	11,810	262	8.84
Indirect other	10,950	201	7.37	7,772	133	6.77	6,552	110	6.61
Student	7,787	104	5.38	1,825	24	5.20	—	—	—
Credit card	5,534	133	9.68	3,788	85	9.06	3,036	71	9.18
PCI	—	—	—	1,220	33	10.63	411	25	24.23
Total loans and leases held for investment	301,071	3,759	5.02	190,241	2,364	4.94	148,664	1,871	5.00
Loans held for sale	6,677	53	3.14	3,400	31	3.52	3,378	35	4.16
Total loans and leases	307,748	3,812	4.98	193,641	2,395	4.91	152,042	1,906	4.98
Interest earning trading assets	6,334	64	4.04	2,370	11	1.84	668	3	2.02
Other earning assets	23,750	92	1.55	6,405	28	1.78	1,798	14	2.92
Total earning assets	413,533	4,463	4.33	263,115	2,837	4.29	203,408	2,241	4.38
Nonearning assets	64,017	—	—	38,944	—	—	29,012	—	—
Total assets	\$ 477,550	—	—	\$ 302,059	—	—	\$ 232,420	—	—
<b>Liabilities and Shareholders' Equity</b>									
Interest-bearing deposits:									
Interest checking	\$ 85,008	129	0.61	\$ 43,246	65	0.60	\$ 27,664	47	0.67
Money market and savings	120,936	178	0.59	79,903	152	0.76	64,920	156	0.95
Time deposits	35,570	114	1.29	23,058	87	1.48	16,643	67	1.62
Foreign office deposits - interest-bearing	—	—	—	24	—	2.19	265	1	2.13
Total interest-bearing deposits (4)	241,514	421	0.70	146,231	304	0.82	109,492	271	0.99
Short-term borrowings	18,900	83	1.76	11,489	62	2.15	8,307	54	2.55
Long-term debt	46,547	272	2.34	29,888	219	2.92	22,608	193	3.42
Total interest-bearing liabilities	306,961	776	1.02	187,608	585	1.24	140,407	518	1.47
Noninterest-bearing deposits (4)	93,135	—	—	64,485	—	—	52,500	—	—
Other liabilities	12,042	—	—	8,226	—	—	6,769	—	—
Shareholders' equity	65,412	—	—	41,740	—	—	32,744	—	—
Total liabilities and shareholders' equity	\$ 477,550	—	—	\$ 302,059	—	—	\$ 232,420	—	—
Average interest-rate spread	—	—	3.31	—	—	3.05	—	—	2.91
Net interest income/ net interest margin	—	\$ 3,687	3.58 %	—	\$ 2,252	3.41 %	—	\$ 1,723	3.37 %
Taxable-equivalent adjustment	—	\$ 37	—	—	\$ 25	—	—	\$ 23	—

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

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

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.51%, 0.57% and 0.67% for the three months ended March 31, 2020, December 31, 2019 and September 30, 2019, respectively.

## Average Balances and Rates - Year-To-Date

(Dollars in millions)	Year-to-Date					
	September 30, 2020			September 30, 2019		
	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
<b>Assets</b>						
Securities at amortized cost (3):						
U.S. Treasury	\$ 2,243	\$ 31	1.86 %	\$ 2,731	\$ 41	2.03 %
U.S. government-sponsored entities (GSE)	1,847	32	2.33	2,436	41	2.25
Mortgage-backed securities issued by GSE	72,152	1,240	2.29	41,202	795	2.57
States and political subdivisions	512	16	4.04	583	17	3.85
Non-agency mortgage-backed	115	15	16.78	271	29	14.34
Other	37	1	2.44	34	1	3.83
Total securities	76,906	1,335	2.31	47,257	924	2.61
Loans and leases:						
Commercial:						
Commercial and industrial	142,731	3,710	3.47	62,576	2,006	4.28
CRE	27,538	717	3.46	16,894	626	4.93
Commercial construction	6,673	192	3.92	3,912	151	5.26
Lease financing	5,872	187	4.24	2,135	52	3.26
Consumer:						
Residential mortgage	52,288	1,778	4.53	30,604	930	4.05
Residential home equity and direct	27,161	1,237	6.08	11,673	517	5.94
Indirect auto	24,809	1,240	6.68	11,586	756	8.73
Indirect other	11,255	606	7.19	6,277	310	6.60
Student	7,622	271	4.75	—	—	—
Credit card	5,097	356	9.34	2,976	203	9.05
PCI	—	—	—	433	69	21.20
Total loans and leases held for investment	311,046	10,294	4.42	149,066	5,620	5.04
Loans held for sale	5,575	126	3.00	1,742	54	4.17
Total loans and leases	316,621	10,420	4.39	150,808	5,674	5.03
Interest earning trading assets	4,695	135	3.85	910	15	2.20
Other earning assets	33,708	144	0.57	1,702	55	4.30
Total earning assets	431,930	12,034	3.72	200,677	6,668	4.44
Nonearning assets	65,780			28,429		
Total assets	\$ 497,710			\$ 229,106		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing deposits:						
Interest checking	\$ 93,205	199	0.28	\$ 27,665	132	0.64
Money market and savings	123,536	254	0.27	63,885	469	0.98
Time deposits	32,157	265	1.10	16,256	190	1.57
Foreign office deposits - interest-bearing	—	—	—	355	6	2.36
Total interest-bearing deposits (4)	248,898	718	0.39	108,161	797	0.99
Short-term borrowings	11,350	124	1.46	7,443	136	2.44
Long-term debt	47,643	635	1.78	23,027	578	3.35
Total interest-bearing liabilities	307,891	1,477	0.64	138,631	1,511	1.46
Noninterest-bearing deposits (4)	110,375			52,489		
Other liabilities	12,133			6,449		
Shareholders' equity	67,311			31,537		
Total liabilities and shareholders' equity	\$ 497,710			\$ 229,106		
Average interest-rate spread			3.08			2.98
Net interest income/ net interest margin		\$ 10,557	3.26 %		\$ 5,157	3.43 %
Taxable-equivalent adjustment		\$ 97			\$ 71	

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 0.27% and 0.66% for the year ended September 30, 2020 and 2019, respectively.

## Credit Quality

	Sept. 30	June 30	March 31	Dec. 31	Sept. 30
(Dollars in millions)	2020	2020	2020	2019	2019
<b>Nonperforming Assets</b>					
Nonaccrual loans and leases:					
Commercial:					
Commercial and industrial	\$ 507	\$ 428	\$ 443	\$ 212	\$ 172
CRE	52	42	18	10	27
Commercial construction	7	13	2	—	2
Lease financing	32	56	27	8	2
Consumer:					
Residential mortgage	205	198	248	55	106
Residential home equity and direct	180	192	170	67	56
Indirect auto	137	155	125	100	81
Indirect other	4	3	1	2	1
Total nonaccrual loans and leases held for investment	1,124	1,087	1,034	454	447
Loans held for sale	130	102	41	107	—
Total nonaccrual loans and leases	1,254	1,189	1,075	561	447
Foreclosed real estate	30	43	63	82	33
Other foreclosed property	30	20	39	41	29
Total nonperforming assets	\$ 1,314	\$ 1,252	\$ 1,177	\$ 684	\$ 509
<b>Troubled Debt Restructurings (TDRs)</b>					
Performing TDRs:					
Commercial:					
Commercial and industrial	\$ 84	\$ 57	\$ 65	\$ 47	\$ 69
CRE	36	22	7	6	6
Commercial construction	1	36	36	37	1
Lease financing	1	1	1	—	—
Consumer:					
Residential mortgage	640	533	513	470	570
Residential home equity and direct	71	71	66	51	54
Indirect auto	336	342	350	333	324
Indirect other	5	4	5	5	4
Student	5	4	1	—	—
Credit card	38	37	35	31	29
Total performing TDRs	1,217	1,107	1,079	980	1,057
Nonperforming TDRs	140	111	121	82	115
Total TDRs	\$ 1,357	\$ 1,218	\$ 1,200	\$ 1,062	\$ 1,172
<b>Loans 90 Days or More Past Due and Still Accruing</b>					
Commercial:					
Commercial and industrial	\$ 6	\$ 9	\$ 5	\$ 1	\$ —
CRE	8	3	1	—	—
Lease financing	—	1	—	—	—
Consumer:					
Residential mortgage	573	521	610	543	347
Residential home equity and direct	5	9	10	9	8
Indirect auto	8	10	11	11	9
Indirect other	3	3	2	2	—
Student	570	478	1,068	188	—
Credit card	24	38	41	22	15
PCI	—	—	—	1,218	24
Total loans 90 days past due and still accruing	\$ 1,197	\$ 1,072	\$ 1,748	\$ 1,994	\$ 403
<b>Loans 30-89 Days Past Due</b>					
Commercial:					
Commercial and industrial	\$ 155	\$ 282	\$ 262	\$ 94	\$ 34
CRE	7	6	8	5	1
Commercial construction	—	1	16	1	—
Lease financing	9	10	8	2	1
Consumer:					
Residential mortgage	796	703	679	498	432
Residential home equity and direct	103	108	156	122	56
Indirect auto	321	265	521	560	380
Indirect other	52	50	74	85	43
Student	666	442	593	650	—
Credit card	39	34	57	56	29
PCI	—	—	—	140	16
Total loans 30-89 days past due	\$ 2,148	\$ 1,901	\$ 2,374	\$ 2,213	\$ 992

## As of/For the Quarter Ended

(Dollars in millions)	As of/For the Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Allowance for Credit Losses</b>					
Beginning balance	\$ 6,133	\$ 5,611	\$ 1,889	\$ 1,653	\$ 1,689
CECL adoption - impact to retained earnings before tax	—	—	2,762	—	—
CECL adoption - reserves on PCD assets	—	—	378	—	—
Provision for credit losses	421	844	893	171	117
<b>Charge-offs:</b>					
<b>Commercial:</b>					
Commercial and industrial	(112)	(123)	(39)	(23)	(28)
CRE	(44)	(14)	(1)	(5)	(2)
Commercial construction	(19)	—	(3)	—	—
Lease financing	(44)	(4)	(2)	(9)	(1)
<b>Consumer:</b>					
Residential mortgage	(4)	(35)	(11)	(8)	(3)
Residential home equity and direct	(52)	(65)	(68)	(25)	(24)
Indirect auto	(72)	(80)	(142)	(107)	(92)
Indirect other	(8)	(20)	(18)	(19)	(14)
Student	(6)	(6)	(8)	—	—
Credit card	(44)	(50)	(53)	(37)	(25)
Total charge-offs	(405)	(397)	(345)	(233)	(189)
<b>Recoveries:</b>					
<b>Commercial:</b>					
Commercial and industrial	20	21	17	6	5
CRE	—	4	—	—	3
Commercial construction	2	7	1	1	—
Lease financing	4	—	—	—	1
<b>Consumer:</b>					
Residential mortgage	3	2	2	1	—
Residential home equity and direct	16	15	15	10	6
Indirect auto	22	18	23	13	12
Indirect other	4	7	7	5	3
Student	—	1	—	—	—
Credit card	8	6	8	5	6
Total recoveries	79	81	73	41	36
Net charge-offs	(326)	(316)	(272)	(192)	(153)
Merger related items and other	1	(6)	(39)	257	—
Ending balance	\$ 6,229	\$ 6,133	\$ 5,611	\$ 1,889	\$ 1,653
<b>Allowance for Credit Losses:</b>					
Allowance for loan and lease losses (excluding PCD / PCI loans)	\$ 5,675	\$ 5,408	\$ 4,880	\$ 1,541	\$ 1,565
Allowance for PCD / PCI loans	188	294	331	8	8
Reserve for unfunded lending commitments (RUFC)	366	431	400	340	80
Total	\$ 6,229	\$ 6,133	\$ 5,611	\$ 1,889	\$ 1,653

As of/For the Year-to-Date  
Period Ended Sept. 30

(Dollars in millions)	2020	2019
<b>Allowance for Credit Losses</b>		
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	2,158	444
Charge-offs:		
Commercial:		
Commercial and industrial	(274)	(67)
CRE	(59)	(28)
Commercial construction	(22)	—
Lease financing	(50)	(2)
Consumer:		
Residential mortgage	(50)	(13)
Residential home equity and direct	(185)	(68)
Indirect auto	(294)	(263)
Indirect other	(46)	(43)
Student	(20)	—
Credit card	(147)	(72)
Total charge-offs	(1,147)	(556)
Recoveries:		
Commercial:		
Commercial and industrial	58	19
CRE	4	5
Commercial construction	10	2
Lease financing	4	1
Consumer:		
Residential mortgage	7	1
Residential home equity and direct	46	20
Indirect auto	63	39
Indirect other	18	12
Student	1	—
Credit card	22	15
Total recoveries	233	114
Net charge-offs	(914)	(442)
Merger related items and other	(44)	—
Ending balance	\$ 6,229	\$ 1,653

As of/For the Quarter Ended

	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Asset Quality Ratios</b>					
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.70 %	0.60 %	0.74 %	0.74 %	0.66 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.39	0.34	0.55	0.66	0.27
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.37	0.35	0.32	0.15	0.30
Nonperforming loans and leases as a percentage of loans and leases (1)	0.40	0.37	0.33	0.18	0.30
Nonperforming assets as a percentage of:					
Total assets (1)	0.26	0.25	0.23	0.14	0.22
Loans and leases plus foreclosed property	0.39	0.37	0.36	0.19	0.34
Net charge-offs as a percentage of average loans and leases (2)	0.42	0.39	0.36	0.40	0.41
Allowance for loan and lease losses as a percentage of loans and leases	1.91	1.81	1.63	0.52	1.05
Ratio of allowance for loan and lease losses to:					
Net charge-offs	4.52X	4.49X	4.76X	2.03X	2.59X
Nonperforming loans and leases	5.22X	5.24X	5.04X	3.41X	3.52X
<b>Asset Quality Ratios (Excluding PPP, other Government Guaranteed and PCI)</b>					
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.03 %	0.04 %	0.04 %	0.03 %	0.04 %

Applicable ratios are annualized.

(1) Includes loans held for sale.

(2) The third quarter of 2020 includes \$97 million of charge-offs on PCD assets directly related to the implementation of CECL.

As of/For the Year-to-Date  
Period Ended Sept. 30

	2020	2019
<b>Asset Quality Ratios</b>		
Net charge-offs as a percentage of average loans and leases	0.39 %	0.40 %
Ratio of allowance for loan and lease losses to net charge-offs	4.80X	2.66X

Applicable ratios are annualized.

September 30, 2020

(Dollars in millions)	Current Status		Past Due 30-89		Past Due 90+		Total
			Days		Days		
<b>Troubled Debt Restructurings</b>							
Performing TDRs: (1)							
Commercial:							
Commercial and industrial	\$ 84	100.0 %	\$ —	— %	\$ —	— %	\$ 84
CRE	36	100.0	—	—	—	—	36
Commercial construction	1	100.0	—	—	—	—	1
Lease financing	1	100.0	—	—	—	—	1
Consumer:							
Residential mortgage	376	58.8	114	17.8	150	23.4	640
Residential home equity and direct	68	95.8	3	4.2	—	—	71
Indirect auto	306	91.1	30	8.9	—	—	336
Indirect other	5	100.0	—	—	—	—	5
Student	5	100.0	—	—	—	—	5
Credit card	34	89.5	3	7.9	1	2.6	38
Total performing TDRs (1)	916	75.3	150	12.3	151	12.4	1,217
Nonperforming TDRs (2)	72	51.5	23	16.4	45	32.1	140
Total TDRs (1)(2)	\$ 988	72.9 %	\$ 173	12.7 %	\$ 196	14.4 %	\$ 1,357

(1) Past due performing TDRs are included in past due disclosures.

(2) Nonperforming TDRs are included in nonaccrual loan disclosures.

	Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>Net Charge-offs as a Percentage of Average Loans and Leases:</b>					
Commercial:					
Commercial and industrial	0.25 %	0.27 %	0.07 %	0.09 %	0.14 %
CRE	0.63	0.15	0.01	0.09	—
Commercial construction	1.02	(0.43)	0.13	(0.09)	(0.11)
Lease financing	2.92	0.33	0.08	1.03	0.11
Consumer:					
Residential mortgage	0.01	0.25	0.07	0.09	0.04
Residential home equity and direct	0.53	0.73	0.78	0.39	0.60
Indirect auto	0.76	1.03	1.89	2.41	2.70
Indirect other	0.21	0.41	0.47	0.72	0.60
Student	0.28	0.31	0.38	(0.01)	—
Credit card	3.00	3.50	3.30	3.32	2.59
Total loans and leases	0.42	0.39	0.36	0.40	0.41

Applicable ratios are annualized.

## Credit Quality - Allowance with Fair Value Marks

(Dollars in millions)	As of/For the Quarter Ended			
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
ALLL	\$ 5,863	\$ 5,702	\$ 5,211	\$ 1,549
Unamortized fair value mark (1)	2,676	3,077	3,539	4,564
Allowance plus unamortized fair value mark	\$ 8,539	\$ 8,779	\$ 8,750	\$ 6,113
Loans and leases held for investment	\$ 306,627	\$ 314,825	\$ 319,229	\$ 299,842
Unamortized fair value mark (1)	2,676	3,077	3,539	4,564
Gross loans and leases	\$ 309,303	\$ 317,902	\$ 322,768	\$ 304,406
Allowance for loan and lease losses as a percentage of loans and leases - GAAP	1.91 %	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	2.76	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			
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
<b>Loans and Leases (2)</b>				
Beginning balance unamortized fair value mark	\$ (3,077)	\$ (3,539)	\$ (4,564)	\$ (221)
Additions - Merger with SunTrust	—	—	—	(4,513)
Accretion	367	440	454	170
CECL adoption - reserves on PCD assets	—	—	378	—
Purchase accounting adjustments and other activity	34	22	193	—
Ending balance	\$ (2,676)	\$ (3,077)	\$ (3,539)	\$ (4,564)
<b>Core deposit and other intangible assets</b>				
Beginning balance	\$ 3,016	\$ 3,168	\$ 3,142	\$ 678
Additions - Merger with SunTrust	—	—	—	2,535
Amortization of intangibles	(170)	(178)	(165)	(71)
Amortization in net occupancy expense	(6)	(6)	(5)	—
Purchase accounting adjustments and other activity	—	32	196	—
Ending balance	\$ 2,840	\$ 3,016	\$ 3,168	\$ 3,142
<b>Deposits (3)</b>				
Beginning balance unamortized fair value mark	\$ (37)	\$ (54)	\$ (76)	\$ —
Additions - Merger with SunTrust	—	—	—	(83)
Amortization	11	17	22	7
Ending balance	\$ (26)	\$ (37)	\$ (54)	\$ (76)
<b>Long-Term Debt (3)</b>				
Beginning balance unamortized fair value mark	\$ (262)	\$ (285)	\$ (312)	\$ (10)
Additions - Merger with SunTrust	—	—	—	(309)
Amortization	24	23	27	7
Ending balance	\$ (238)	\$ (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

As of/For the Quarter Ended

(Dollars in millions, except per share data, shares in thousands)	As of/For the Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
Selected Capital Information					
(preliminary)					
Risk-based capital:					
Common equity tier 1	\$ 37,881	\$ 37,107	\$ 36,396	\$ 35,643	\$ 19,905
Tier 1	45,927	44,248	40,993	40,743	22,960
Total	55,031	53,436	49,395	47,511	27,666
Risk-weighted assets	377,045	382,826	390,348	376,056	187,503
Average quarterly tangible assets	476,869	490,203	454,381	276,591	223,298
Risk-based capital ratios:					
Common equity tier 1	10.0 %	9.7 %	9.3 %	9.5 %	10.6 %
Tier 1	12.2	11.6	10.5	10.8	12.2
Total	14.6	14.0	12.7	12.6	14.8
Leverage capital ratio (1)	9.6	9.0	9.0	14.7	10.3
Supplementary leverage (2)	8.9	8.5	7.8	7.9	NA
Equity as a percentage of total assets	14.0	13.7	13.0	14.1	13.6
Common equity per common share	\$ 45.86	\$ 45.74	\$ 45.49	\$ 45.66	\$ 38.07

(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)	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
Calculations of Tangible Common Equity and Related Measures: (1)					
Total shareholders' equity	\$ 69,973	\$ 68,883	\$ 66,061	\$ 66,558	\$ 32,303
Less:					
Preferred stock	8,048	7,143	4,599	5,102	3,057
Noncontrolling interests	106	106	167	174	69
Intangible assets, net of deferred taxes	25,923	26,083	26,263	26,482	10,281
Tangible common equity	\$ 35,896	\$ 35,551	\$ 35,032	\$ 34,800	\$ 18,896
Outstanding shares at end of period (in thousands)	1,348,118	1,347,609	1,347,461	1,342,166	766,303
Tangible Common Equity Per Common Share	\$ 26.63	\$ 26.38	\$ 26.00	\$ 25.93	\$ 24.66

(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

	As of/For the Quarter Ended				
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019
<b>(Dollars in millions, except per share data)</b>					
<b>Residential Mortgage Income</b>					
Residential mortgage production revenue	\$ 339	\$ 344	\$ 206	\$ 40	\$ 50
Residential mortgage servicing revenue	152	159	169	78	64
Realization of expected residential MSR cash flows	(212)	(176)	(122)	(59)	(36)
Residential mortgage income before MSR valuation	279	327	253	59	78
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	(54)	(28)	(503)	80	(79)
MSRs hedge gains (losses)	(4)	42	495	(74)	81
Net MSRs valuation	(58)	14	(8)	6	2
Total residential mortgage income	\$ 221	\$ 341	\$ 245	\$ 65	\$ 80
<b>Commercial Real Estate Related Income</b>					
Commercial mortgage production revenue	\$ 49	\$ 42	\$ 36	\$ 44	\$ 26
Commercial mortgage servicing revenue	16	18	19	13	10
Realization of expected commercial MSR cash flows	(10)	(8)	(11)	(7)	(7)
Commercial real estate related income before MSR valuation	55	52	44	50	29
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	1	(6)	(20)	2	—
MSRs hedge gains (losses)	(1)	3	20	(4)	3
Net MSRs valuation	—	(3)	—	(2)	3
Commercial real estate related income	\$ 55	\$ 49	\$ 44	\$ 48	\$ 32
<b>Other Mortgage Banking Information</b>					
Residential mortgage loan originations	\$ 15,346	\$ 14,631	\$ 11,708	\$ 7,523	\$ 5,274
Residential mortgage servicing portfolio (1):					
Loans serviced for others	198,881	209,070	219,979	219,347	87,147
Bank-owned loans serviced	54,587	56,365	56,325	60,211	29,122
Total servicing portfolio	253,468	265,435	276,304	279,558	116,269
Weighted-average coupon rate on mortgage loans serviced for others	3.92 %	3.98 %	4.02 %	4.04 %	4.09 %
Weighted-average servicing fee on mortgage loans serviced for others	0.317	0.315	0.313	0.310	0.280
<b>Additional Information</b>					
Fair value of derivatives, net	3,646	3,766	3,276	1,687	641
Common stock prices:					
High	42.04	46.53	56.68	56.92	53.85
Low	33.47	26.41	24.01	50.02	44.98
End of period	38.05	37.55	30.84	56.32	53.37
Banking offices	2,884	2,916	2,957	2,958	1,789
ATMs	4,237	4,354	4,408	4,426	2,376
FTEs (2)	55,000	55,769	56,504	40,691	34,723

(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
<b>Selected Items</b>		
<b>Third Quarter 2020</b>		
Incremental operating expenses related to the merger (\$99 million in professional fees and outside processing, \$48 million in personnel expense, and \$5 million in other expense)	\$ (152)	\$ (115)
Charitable contribution	(50)	(38)
<b>Second Quarter 2020</b>		
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)
<b>First Quarter 2020</b>		
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)
<b>Fourth Quarter 2019</b>		
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
<b>Third Quarter 2019</b>		
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
<b>Second Quarter 2019</b>		
Incremental operating expenses related to the merger (\$4 million in personnel expense, and \$5 million in professional fees and outside processing)	\$ (9)	\$ (7)
<b>First Quarter 2019</b>		
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

(Dollars in millions)	Quarter Ended				Year-to-Date		
	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Sept. 30 2019	Sept. 30 2020	Sept. 30 2019
<b>Efficiency Ratio (1)</b>							
<b>Efficiency Ratio Numerator - Noninterest Expense - GAAP</b>	\$ 3,755	\$ 3,878	\$ 3,431	\$ 2,575	\$ 1,840	\$ 11,064	\$ 5,359
Merger-related and restructuring charges, net	(236)	(209)	(107)	(223)	(34)	(552)	(137)
Gain (loss) on early extinguishment of debt	—	(235)	—	—	—	(235)	—
Incremental operating expense related to the merger	(152)	(129)	(74)	(101)	(52)	(355)	(63)
Amortization of intangibles	(170)	(178)	(165)	(71)	(29)	(513)	(93)
Charitable contribution	(50)	—	—	—	—	(50)	—
Corporate advance write off	—	—	—	(2)	—	—	—
<b>Efficiency Ratio Numerator - Adjusted</b>	<b>\$ 3,147</b>	<b>\$ 3,127</b>	<b>\$ 3,085</b>	<b>\$ 2,178</b>	<b>\$ 1,725</b>	<b>\$ 9,359</b>	<b>\$ 5,066</b>
<b>Efficiency Ratio Denominator - Revenue (2) - GAAP</b>	\$ 5,572	\$ 5,871	\$ 5,611	\$ 3,625	\$ 3,003	\$ 17,054	\$ 8,943
Taxable equivalent adjustment	29	31	37	25	23	97	71
Securities (gains) losses	(104)	(300)	2	116	—	(402)	—
(Gain) loss on loan portfolio sale	—	—	—	22	(4)	—	(4)
<b>Efficiency Ratio Denominator - Adjusted</b>	<b>\$ 5,497</b>	<b>\$ 5,602</b>	<b>\$ 5,650</b>	<b>\$ 3,788</b>	<b>\$ 3,022</b>	<b>\$ 16,749</b>	<b>\$ 9,010</b>
<b>Efficiency Ratio - GAAP</b>	67.4 %	66.1 %	61.1 %	71.0 %	61.3 %	64.9 %	59.9 %
<b>Efficiency Ratio - Adjusted</b>	57.3	55.8	54.6	57.5	57.1	55.9	56.2

(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				Year-to-Date		
	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	Sept. 30	
	2020	2020	2020	2019	2019	2020	
<b>Return on Average Tangible Common Shareholders' Equity (1)</b>							
Net income available to common shareholders	\$ 1,068	\$ 902	\$ 986	\$ 702	\$ 735	\$ 2,956	\$ 2,326
Plus: Amortization of intangibles, net of tax	130	137	126	57	22	393	71
Tangible net income available to common shareholders	\$ 1,198	\$ 1,039	\$ 1,112	\$ 759	\$ 757	\$ 3,349	\$ 2,397
Average common shareholders' equity	\$61,804	\$61,484	\$60,224	\$38,031	\$29,040	\$61,173	\$28,226
Less: Average intangible assets, net of deferred taxes	25,971	26,161	26,429	14,760	10,298	26,186	10,322
Average tangible common shareholders' equity	\$35,833	\$35,323	\$33,795	\$23,271	\$18,742	\$34,987	\$17,904
Return on average common shareholders' equity	6.87 %	5.90 %	6.58 %	7.33 %	10.04 %	6.46 %	11.02 %
Return on average tangible common shareholders' equity	13.31	11.83	13.23	12.91	16.03	12.79	17.90

(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				Year-to-Date		
	Sept. 30	June 30	March 31	Dec. 31	Sept. 30	Sept. 30	
	2020	2020	2020	2019	2019	2020	
<b>Diluted EPS (1)</b>							
Net income available to common shareholders - GAAP	\$ 1,068	\$ 902	\$ 986	\$ 702	\$ 735	\$ 2,956	\$ 2,326
Merger-related and restructuring charges	181	160	82	176	26	423	109
Securities (gains) losses	(80)	(230)	2	90	—	(308)	—
Loss on extinguishment of debt	—	180	—	—	—	180	—
Incremental operating expenses related to the merger	115	99	57	79	40	271	48
Charitable contribution	38	—	—	—	—	38	—
Corporate advance write off	—	—	—	1	—	—	—
(Gain) loss on loan portfolio sale	—	—	—	17	(3)	—	(3)
Redemption of preferred shares	—	—	—	—	46	—	46
Allowance release related to loan portfolio sale	—	—	—	(19)	(12)	—	(12)
Net income available to common shareholders - adjusted	\$ 1,322	\$ 1,111	\$ 1,127	\$ 1,046	\$ 832	\$ 3,560	\$ 2,514
Weighted average shares outstanding - diluted	1,358,122	1,355,834	1,357,545	934,718	775,791	1,357,174	774,907
Diluted EPS - GAAP	\$ 0.79	\$ 0.67	\$ 0.73	\$ 0.75	\$ 0.95	\$ 2.18	\$ 3.00
Diluted EPS - adjusted	0.97	0.82	0.83	1.12	1.07	2.62	3.25

(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.