TRUIST

News Release

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Truist Reports Fourth Quarter 2020 Results

Earnings of $1.2 billion, or $0.90 per diluted share

CHARLOTTE, N.C., (January 21, 2021) — Truist Financial Corporation (NYSE: TFC) today reported earnings for the fourth quarter of 2020.

Net income available to common shareholders was $1.2 billion, up 74.9 percent, compared to the fourth quarter last year. Earnings per diluted common share were $0.90, an increase of 20.0 percent compared with the same period last year. Results for the fourth quarter produced an annualized return on average assets (ROA) of 1.05 percent, an annualized return on average common shareholders' equity (ROCE) of 7.88 percent, and an annualized return on tangible common shareholders' equity (ROTCE) of 14.99 percent.

Adjusted net income available to common shareholders was $1.6 billion, or $1.18 per diluted share, excluding merger-related and restructuring charges of $308 million ($237 million after-tax) and incremental operating expenses related to the merger of $179 million ($138 million after-tax). Adjusted results produced an annualized ROA of 1.35 percent, an annualized ROCE of 10.25 percent and an annualized ROTCE of 19.03 percent.

"In a year of unprecedented challenges for our nation and the financial services industry, I'm extremely proud of our teammates and their rapid and sustained response to meet the needs of our clients and communities," said Chairman and Chief Executive Officer Kelly S. King. "Despite this difficult environment, our performance was very strong in 2020 and we closed the year on a high point with our best quarter yet in terms of financial performance.

"Our fourth quarter results reflect a significant decline in the provision for credit losses and strong results from many of our noninterest-income generating businesses. Our adjusted efficiency ratio improved to 55.9 percent and our adjusted return on tangible common equity was very strong at 19.03 percent.

"Adjusted net income was a record $1.6 billion, or $1.18 per share, due to a strong performance from our insurance business, and record results from investment banking and commercial real estate income, as well as a solid performance in net interest income in this challenging interest rate environment.

"We continue to invest in the future with our client-first strategy and the overall growth and diversification of our company. This includes the acquisition of five insurance brokerages in the fourth quarter, which are expected to boost insurance revenues by $110 million annually. We're also investing selectively in digital and agile capabilities, as well as investment banking, residential mortgage and wealth management talent to meet the evolving needs of our clients.

"In the midst of a global health pandemic, our purpose to inspire and build better lives and communities guided us to take extraordinary measures in 2020 to support our teammates, clients, and communities. This included over $100 million in special COVID-19 support for teammates; payment relief assistance through more than 750,000 client loan accommodations; $50 million through Truist Cares to support front-line community needs and $78 million to support historically underrepresented communities; and helping approximately 80,000 companies secure nearly $13 billion in Paycheck Protection Program funding to save nearly three million jobs. We strengthened our commitment to social justice, moving past words to meaningful and measurable actions. We also made great progress on our integration efforts with a focus on a smooth transition for our clients. We look forward to continued progress on these fronts, while serving our clients and communities and continuing to stand for better in 2021 and beyond."

Fourth Quarter 2020 Performance Highlights

- Earnings per diluted common share were $0.90
  - Adjusted diluted earnings per share were $1.18, up $0.21 per share compared to third quarter 2020
  - ROA was 1.05 percent; adjusted ROA was 1.35 percent
  - ROCE was 7.88 percent; adjusted ROCE was 10.25 percent
  - ROTCE was 14.99 percent; adjusted ROTCE was 19.03 percent

- Taxable-equivalent revenue was $5.7 billion, up 5.5 percent annualized compared to third quarter 2020
  - Fee income ratio was 40.4 percent, compared to 39.7 percent for third quarter 2020
  - Net interest margin was 3.08 percent, down two basis points from third quarter 2020
  - Core net interest margin was 2.72 percent, unchanged from third quarter 2020

- Noninterest expense was $3.8 billion
  - Noninterest expense includes $308 million of merger-related and restructuring charges and $179 million of incremental operating expenses related to the merger
  - GAAP efficiency ratio was 67.8 percent, compared to 67.4 percent for third quarter 2020
  - Adjusted efficiency ratio was 55.9 percent, compared to 57.3 percent for third quarter 2020
  - Current quarter includes approximately $60 million of one-time expenses related to a job regrading initiative

- Asset quality ratios remain relatively stable reflecting diversification benefits of the merger and effective problem asset resolution
  - Nonperforming assets were 0.27 percent of total assets, up 1 basis point from the prior quarter
  - Loans 90 days or more past due and still accruing were 0.67 percent of loans held for investment, up from 0.39 percent for the prior quarter; increase was almost entirely in government guaranteed loans
  - Excluding government guaranteed loans, loans 90 days or more past due and still accruing were 0.04 percent of loans held for investment
  - Net charge-offs were 0.27 percent of average loans and leases, down 15 basis points compared to the prior quarter
  - The allowance for loan and lease losses was 1.95 percent of loans and leases held for investment compared to 1.91 percent for third quarter 2020
  - Provision for credit losses was $177 million for the fourth quarter of 2020, which includes a modest decrease in the allowance for credit losses due to the decision to exit a small ticket loan and lease portfolio
  - The allowance for loan and lease loss coverage ratio was 4.39 times nonperforming loans and leases held for investment, versus 5.22 times in the prior quarter

    - Active client accommodations related to the CARES Act continued to decline; 97.2 percent and 90.6 percent of commercial and consumer clients that have exited accommodation programs, respectively, have either paid off their loans or are current on their loans

- Capital and liquidity levels remained strong
    - Common equity tier 1 to risk-weighted assets was 10.0 percent
    - Tier 1 risk-based capital was 12.1 percent
    - Total risk-based capital was 14.5 percent
    - Board of Directors authorized up to $2 billion share repurchase program
    - Consolidated average LCR ratio was 113 percent

EARNINGS HIGHLIGHTS

(dollars in millions, except per share data)	4Q20	3Q20	4Q19	Change 4Q20 vs. 3Q20	Change 4Q20 vs. 4Q19
Net income available to common shareholders	$ 1,228	$ 1,068	$ 702	$ 160	$ 526
Diluted earnings per common share	0.90	0.79	0.75	0.11	0.15
Net interest income - taxable equivalent	$ 3,394	$ 3,391	$ 2,252	$ 3	$ 1,142
Noninterest income	2,285	2,210	1,398	75	887
Total taxable-equivalent revenue	$ 5,679	$ 5,601	$ 3,650	$ 78	$ 2,029
Less taxable-equivalent adjustment	28	29	25		
Total revenue	$ 5,651	$ 5,572	$ 3,625		
Return on average assets	1.05 %	0.91 %	0.95 %	0.14 %	0.10 %
Return on average risk-weighted assets (current quarter is preliminary)	1.40	1.19	1.02	0.21	0.38
Return on average common shareholders' equity	7.88	6.87	7.33	1.01	0.55
Return on average tangible common shareholders' equity (1)	14.99	13.31	12.91	1.68	2.08
Net interest margin - taxable equivalent	3.08	3.10	3.41	(0.02)	(0.33)

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

Fourth Quarter 2020 compared to Third Quarter 2020

Total taxable-equivalent revenue was $5.7 billion for the fourth quarter of 2020, an increase of $78 million compared to the prior quarter. This was primarily driven by an increase of $75 million in noninterest income resulting from record performances in investment banking and trading income and commercial real-estate related income.

The net interest margin was 3.08 percent for the fourth quarter, down two basis points compared to the prior quarter. The decline in the net interest margin reflects lower purchase accounting accretion 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 primarily due to the impact of lower rates on deposits, higher loan yields resulting from accelerated fee income recognition on PPP loan payoffs and the recognition of interest previously deferred on loans granted an accommodation in connection with COVID-19 relief programs and lower balances at the Federal Reserve. Average earning assets increased $3.3 billion compared to the prior quarter. Average securities available for sale increased $22.2 billion, while average other earning assets decreased $11.9 billion and average total loans decreased $7.5 billion. The growth in the average earnings assets reflects the purchase of additional securities using excess liquidity. The investment in average securities improved the net interest margin compared to the yields available on excess reserves at the Federal Reserve. Average interest-bearing liabilities decreased $433 million compared to the third quarter of 2020. Average long-term debt decreased $635 million, while average short-term borrowings increased $284 million. The decrease in average interest-bearing liabilities was more than offset by an increase of $3.1 billion in average noninterest-bearing deposits compared to the third quarter of 2020.

The yield on the total loan portfolio for the fourth quarter was 4.12 percent, up eight basis points compared to the prior quarter primarily due to accelerated fee recognition for PPP loan payoffs and the recognition of interest previously deferred on loans granted an accommodation in connection with COVID-19 relief programs, partially offset by lower accretion of the fair value mark on the merged loans. The yield on the average securities portfolio for the fourth quarter was 1.60 percent, down 37 basis points compared to the prior quarter primarily due to lower yields on new purchases.

The average cost of total deposits was 0.07 percent, down three basis points compared to the prior quarter, and the average cost of interest-bearing deposits was 0.11 percent, down four 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 average rate on long-term debt was 1.64 percent, up 16 basis points compared to the prior quarter. The increase in the rate on long-term debt was primarily due to interest expense associated with structured real estate transactions that were completed. The average rate on short-term borrowings was 0.77 percent, down eight basis points compared to the prior quarter.

The provision for credit losses was $177 million and net charge-offs were $205 million for the fourth quarter, compared to $421 million and $326 million, respectively, for the prior quarter. The decrease in the provision for credit losses was primarily due to lower net charge-offs and a decrease in loans and leases held for investment, including the transfer of $1.0 billion to held for sale due to the decision to exit a small ticket loan and lease portfolio.

Noninterest income was $2.3 billion, an increase of $75 million compared to the prior quarter. The prior quarter included $104 million of securities gains. Excluding securities gains, noninterest income increased $179 million compared to the prior quarter. Commercial real-estate related income increased $68 million primarily due to an increase of $37 million in fees from the completion of structured real estate transactions coupled with $24 million from strong commercial mortgage production and sales activity. Investment banking and trading revenues increased $64 million due to an increase in trading income of $41 million partially due to a recovery of CVA losses, as well as improved trading profits, and $23 million from higher investment banking revenues primarily due to strong M&A and loan syndication fees. Insurance income increased $27 million primarily due to higher new business and acquisitions. Lending related fees increased $28 million primarily due to gains from early payoffs of certain finance-related lease transactions. Residential mortgage income decreased $28 million primarily due to a decrease of $109 million in production-related revenues largely a result of reduced margins and seasonally lower volumes partially offset by an increase of $81 million in the valuation of mortgage servicing rights.

Noninterest expense was $3.8 billion for the fourth quarter, up $78 million compared to the prior quarter. Merger-related and restructuring charges increased $72 million primarily due to higher facilities impairments and severance charges, partially offset by lower professional services expenses. Incremental operating expenses related to the merger increased $27 million primarily due to higher professional services expenses for process and system design in connection with merger integration. The prior quarter also included a $50 million charitable contribution to the Truist Charitable Fund. Excluding the items mentioned above and changes in amortization of intangibles, adjusted noninterest expense was up $27 million. Personnel expense increased $50 million compared to the third quarter of 2020 primarily due to higher incentives resulting from strong production and job regrading, partially offset by lower equity-based compensation due to expense for retirement eligible teammates being fully expensed by the end of the third quarter. During the fourth quarter the company completed a post-merger reevaluation of job grades and recorded additional salaries, incentives and equity-based compensation expenses. Approximately $60 million of the job regrading personnel expenses were one-time in nature. Professional fees and outside processing expenses increased $70 million, which includes an increase of $25 million related to merger activities. Excluding the merger-related increase, the remaining increase is primarily related to professional services for strategic technology projects. Net occupancy expense decreased $26 million primarily due to lower rent expense resulting from the final valuation of certain acquired leases and decreases from vacated properties, as well as lower costs for related janitorial cleaning and supplies. Marketing and customer development expenses decreased $17 million primarily due to lower advertising and public relations expense. Other expense decreased $63 million primarily due to the $50 million charitable contribution made in the prior quarter.

The provision for income taxes was $311 million for the fourth quarter, compared to $255 million for the prior quarter. The effective tax rate for the fourth quarter was 19.0 percent, compared to 18.3 percent for the prior quarter. The higher effective tax rate was primarily due to higher pre-tax income.

Fourth Quarter 2020 compared to Fourth Quarter 2019

Total taxable-equivalent revenues were $5.7 billion for the fourth quarter of 2020, an increase of $2.0 billion compared to the earlier quarter, reflecting an increase of $1.1 billion in taxable-equivalent net interest income and an increase of $887 million in noninterest income.

Net interest margin was 3.08 percent, down 33 basis points compared to the earlier quarter. Average earning assets increased $175.6 billion. The increase in average earning assets reflects a $114.5 billion increase in average total loans and leases and a $41.4 billion increase in average securities. Average other earning assets increased $17.5 billion primarily due to higher interest-earning balances at the Federal Reserve. Average interest-bearing liabilities increased $107.3 billion compared to the earlier quarter. Average interest-bearing deposits increased $101.9 billion, average long-term debt increased $10.4 billion and average short-term borrowings decreased $5.0 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 fourth quarter of 2020 was 4.12 percent, down 79 basis points compared to the earlier quarter, reflecting the impact of rate decreases, partially offset by purchase accounting accretion from merged loans. The yield on the average securities portfolio was 1.60 percent, down 105 basis points compared to the earlier quarter primarily due to lower yields on new purchases.

The average cost of total deposits was 0.07 percent, down 50 basis points compared to the earlier quarter, and the average cost of interest-bearing deposits was 0.11 percent, down 71 basis points compared to the earlier quarter. The average rate on short-term borrowings was 0.77 percent, down 138 basis points compared to the earlier quarter. The average rate on long-term debt was 1.64 percent, down 128 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 $177 million, compared to $171 million for the earlier quarter. Net charge-offs for the fourth quarter of 2020 totaled $205 million compared to $192 million in the earlier quarter. The net charge-off rate for the current quarter of 0.27 percent was down 13 basis points compared to the fourth quarter of 2019.

Noninterest income for the fourth quarter of 2020 increased $887 million compared to the earlier quarter. The earlier quarter included a loss of $116 million from the sale of securities. Excluding the securities losses, noninterest income increased $771 million, with nearly all categories of noninterest income being impacted by the merger. Insurance income increased $36 million due to strong production and premium growth, as well as acquisitions. Investment banking and trading income, commercial real estate related income, wealth management income and residential mortgage banking income all had improved performance compared to the combined levels from the earlier quarter. Service charges on deposits has continued to rebound, but remained below 2019 combined levels due to reduced overdraft incident rates.

Noninterest expense for the fourth quarter of 2020 was up $1.3 billion compared to the earlier quarter. Merger-related and restructuring charges and other incremental operating expenses related to the merger increased $85 million and $78 million, respectively. Excluding the merger-related items mentioned above and the impact of an increase of $101 million of amortization expense for intangibles, adjusted noninterest expense was up $994 million primarily reflecting the impact of the merger.

The provision for income taxes was $311 million for the fourth quarter of 2020, compared to $153 million for the earlier quarter. This produced an effective tax rate for the fourth quarter of 2020 of 19.0 percent, compared to 17.4 percent for the earlier quarter. The higher effective tax rate is primarily due to higher pre-tax income.

LOANS AND LEASES

(dollars in millions)

Average balances	4Q20	3Q20	Change	% Change (annualized)
Commercial:				
Commercial and industrial	$ 139,223	$ 143,452	$ (4,229)	(11.7)%
CRE	27,030	27,761	(731)	(10.5)
Commercial construction	6,616	6,861	(245)	(14.2)
Lease financing	5,401	5,626	(225)	(15.9)
Total commercial	178,270	183,700	(5,430)	(11.8)
Consumer:				
Residential mortgage	48,847	51,500	(2,653)	(20.5)
Residential home equity and direct	26,327	26,726	(399)	(5.9)
Indirect auto	25,788	24,732	1,056	17.0
Indirect other	11,291	11,530	(239)	(8.2)
Student	7,519	7,446	73	3.9
Total consumer	119,772	121,934	(2,162)	(7.1)
Credit card	4,818	4,810	8	0.7
Total loans and leases held for investment	$ 302,860	$ 310,444	$ (7,584)	(9.7)

Average loans and leases held for investment for the fourth quarter of 2020 were $302.9 billion, down $7.6 billion compared to the third quarter of 2020.

Average commercial loans decreased $5.4 billion, primarily in commercial and industrial loans due to paydowns on commercial lines. This was partially offset by growth in mortgage warehouse lending, dealer floor plan lending and governmental finance loans. The carrying value of PPP loans was down $1.4 billion compared to September 30, 2020, which resulted in a decline of $304 million in average PPP loans compared to the average for the third quarter of 2020. In addition, average commercial loans were impacted by the transfer of $1.0 billion of certain loans and leases to held for sale, which resulted in a decline in the average balance of $323 million compared to the third quarter of 2020.

Average consumer loans decreased $2.2 billion primarily due to seasonally lower loan production and 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 auto loans.

DEPOSITS

(dollars in millions)

Average balances	4Q20	3Q20	Change	% Change (annualized)
Noninterest-bearing deposits	$ 127,103	$ 123,966	$ 3,137	10.1 %
Interest checking	99,866	96,707	3,159	13.0
Money market and savings	124,692	123,598	1,094	3.5
Time deposits	23,605	27,940	(4,335)	(61.7)
Total deposits	$ 375,266	$ 372,211	$ 3,055	3.3

Average deposits for the fourth quarter of 2020 were $375.3 billion, an increase of $3.1 billion compared to the prior quarter. Average noninterest-bearing and interest checking deposit growth was strong for the fourth quarter of 2020 driven by anticipated seasonal inflows in addition to continued growth resulting from pandemic-related client behavior.

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 33.9 percent of total deposits for the fourth quarter of 2020, compared to 33.3 percent for the prior quarter. The cost of average total deposits was 0.07 percent for the fourth quarter, down three basis points compared to the prior quarter. The cost of average interest-bearing deposits was 0.11 percent for the fourth quarter, down four basis points compared to the prior quarter.

SEGMENT RESULTS

(dollars in millions)

				Change 4Q20 vs.	
Segment Net Income	4Q20	3Q20	4Q19	3Q20	4Q19
Consumer Banking and Wealth	$ 854	$ 816	$ 443	$ 38	$ 411
Corporate and Commercial Banking	918	584	518	334	400
Insurance Holdings	99	77	59	22	40
Other, Treasury & Corporate	(541)	(336)	(294)	(205)	(247)
Total net income	$ 1,330	$ 1,141	$ 726	$ 189	$ 604

Fourth Quarter 2020 compared to Third 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 credit card, debit card, deposit and lending products to 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 also 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 $854 million for the fourth quarter of 2020, an increase of $38 million compared to the prior quarter. Segment net interest income was relatively flat. Noninterest income was relatively flat due to higher service charges on deposits, proceeds from the sale of institutional 401(k) investment advisory services business, higher client activity and market valuation increasing wealth fees, offset by seasonally lower residential mortgage income. The allocated provision for credit losses decreased $65 million primarily due to a reduction in expected losses in the residential mortgage portfolio. Noninterest expense increased $21 million primarily due to higher operating charge-offs, merger-related expenses, equipment expenses, professional service fees and loan related expenses due to increased client activity, partially offset by lower software and marketing expenses.

Average loans held for investment decreased $1.5 billion compared to the prior quarter primarily due to lower residential mortgage and home equity lending, partially offset by increased mortgage warehouse and indirect auto lending. Average total deposits increased $4.0 billion compared to the prior quarter, primarily due to reduced consumer spending, various stimulus programs, and pandemic-related client behavior.

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 $918 million for the fourth quarter of 2020, an increase of $334 million compared to the prior quarter. Segment net interest income was relatively flat. Noninterest income increased $180 million driven by higher commercial real estate related income, investment banking and trading income partially due to a recovery of CVA losses, lending related fees and mark to market gains on SBIC funds. The allocated provision for credit losses decreased $251 million as a result of a larger provision build in the third quarter. Noninterest expense was relatively flat due to lower operating charge-offs and operating lease depreciation, offset by higher merger-related expenses, professional service fees and occupancy expenses.

Average loans held for investment decreased $6.0 billion compared to the prior quarter due primarily to paydowns on drawn revolvers throughout the quarter. Average total deposits decreased $359 million compared to the prior quarter primarily due to corporate clients utilizing cash for revolver repayments and optimizing deposit return, partially offset by seasonally higher balances from commercial clients.

Insurance Holdings ("IH")

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

IH net income was $99 million for the fourth quarter of 2020, an increase of $22 million compared to the prior quarter. Noninterest income increased $38 million primarily due to seasonality in property and casualty and other insurance commissions, as well as acquisitions. Noninterest expense increased $5 million primarily due to seasonally higher performance-based incentives and increased merger-related charges, partially offset by lower operating charge-offs.

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 $541 million for the fourth quarter of 2020, compared to a net loss of $336 million for the prior quarter. Segment net interest income was relatively flat. Noninterest income decreased $147 million primarily due to a decline in securities gains and other investment income from the prior quarter. The allocated provision for credit losses increased $70 million due to a reduction in the reserve for unfunded commitments in the prior quarter. Noninterest expense increased $54 million primarily due to higher IT professional service fees, merger-related charges and incentive one-time expenses related to the job regrading, partially offset by lower donations expense related to a contribution made in the prior quarter. The benefit for income taxes increased $68 million primarily due to a higher pre-tax loss in the current quarter.

Fourth Quarter 2020 compared to Fourth Quarter 2019

Consumer Banking and Wealth

CB&W net income was $854 million for the fourth quarter of 2020, an increase of $411 million compared to the earlier quarter. Segment net interest income increased $799 million primarily due to the merger. Noninterest income increased $342 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. The allocated provision for credit losses decreased $29 million primarily due a decrease in expected losses in the residential mortgage portfolio, as well as a decline in chargeoffs in certain other consumer portfolios. Noninterest expense increased $637 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Corporate and Commercial Banking

C&CB net income was $918 million for the fourth quarter of 2020, an increase of $400 million compared to the earlier quarter. Segment net interest income increased $448 million primarily due to the merger. Noninterest income increased $377 million also primarily due to the merger. The allocated provision for credit losses increased $43 million primarily due to the merger as well as increased economic stress associated with the pandemic. Noninterest expense increased $271 million primarily due to operating expenses and amortization of intangibles related to the merger in the current quarter.

Insurance Holdings

IH net income was $99 million for the fourth quarter of 2020, an increase of $40 million compared to the earlier quarter. Noninterest income increased $26 million primarily due to higher property and casualty insurance production, as well as acquisitions. Noninterest expense decreased $30 million primarily due to lower restructuring charges, travel and marketing expenses, partially offset by higher performance-based incentives and other personnel expenses.

Other, Treasury & Corporate

OT&C generated a net loss of $541 million in the fourth quarter of 2020, compared to a net loss of $294 million in the earlier quarter. Segment net interest income decreased $103 million primarily due to a decline in funding charges on assets to other segments relative to the funding credit provided on liabilities. Noninterest income increased $142 million primarily due to the loss on sale of securities in the earlier quarter. The allocated provision for credit losses was relatively flat compared to the earlier quarter. Noninterest expense increased $380 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 $86 million primarily due to a higher pre-tax loss in the current quarter.

CAPITAL RATIOS	4Q20	3Q20	2Q20	1Q20	4Q19
Risk-based:	(preliminary)				
Common equity Tier 1	10.0 %	10.0 %	9.7 %	9.3 %	9.5 %
Tier 1	12.1	12.2	11.6	10.5	10.8
Total	14.5	14.6	14.0	12.7	12.6
Leverage (1)	9.6	9.6	9.0	9.0	14.7
Supplementary leverage (2)	8.7	8.9	8.5	7.8	7.9

(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 remained strong compared to the regulatory levels for well capitalized banks. Truist declared common dividends of $0.450 per share during the fourth quarter of 2020. The dividend and total payout ratios for the fourth quarter of 2020 were 49.4 percent.

In December 2020, Truist Board of Directors authorized the repurchase of up to $2 billion of the company’s common stock beginning in the first quarter of 2021, as well as certain other actions to optimize Truist’s capital position. Management’s intention is to maintain an approximate 10 percent Common Equity Tier 1 ratio after considering strategic actions such as non-bank acquisitions or stock repurchases, as well as changes in risk-weighted assets. Any stock repurchase activity will be informed by economic and regulatory considerations as well as Truist’s capital position, earnings outlook, and capital deployment priorities.

As of January 1, 2020, Truist became subject to Category III reduced LCR. Truist's average LCR was approximately 113 percent for the three months ended December 31, 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 20.2 percent at December 31, 2020.

ASSET QUALITY

(dollars in millions)	4Q20	3Q20	2Q20	1Q20	4Q19
Total nonperforming assets	$ 1,387	$ 1,314	$ 1,252	$ 1,177	$ 684
Total performing TDRs	1,361	1,217	1,107	1,079	980
Total loans 90 days past due and still accruing	2,008	1,197	1,072	1,748	1,994
Total loans 30-89 days past due	2,220	2,148	1,901	2,374	2,213
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.44 %	0.37 %	0.35 %	0.32 %	0.15 %
Nonperforming loans and leases as a percentage of loans and leases, including loans held for sale	0.44	0.40	0.37	0.33	0.18
Nonperforming assets as a percentage of total assets	0.27	0.26	0.25	0.23	0.14
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.74	0.70	0.60	0.74	0.74
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.67	0.39	0.34	0.55	0.66
Loans 90 days or more past due and still accruing as a percentage of loans and leases, excluding PPP, other government guaranteed and PCI	0.04	0.03	0.04	0.04	0.03
Allowance for loan and lease losses as a percentage of loans and leases held for investment	1.95	1.91	1.81	1.63	0.52
Net charge-offs as a percentage of average loans and leases, annualized	0.27	0.42	0.39	0.36	0.40
Ratio of allowance for loan and lease losses to net charge-offs, annualized	7.15x	4.52x	4.49x	4.76x	2.03x
Ratio of allowance for loan and lease losses to nonperforming loans and leases held for investment	4.39x	5.22x	5.24x	5.04x	3.41x

Nonperforming assets totaled $1.4 billion at December 31, 2020, up $73 million compared to September 30, 2020. Nonperforming loans and leases represented 0.44 percent of total loans and leases, up four basis points compared to September 30, 2020. Nonperforming loans and leases held for investment increased $206 million, primarily in mortgage loans due to loans exiting certain accommodation programs related to the CARES Act and seasonality, while nonperforming loans held for sale declined $125 million as the majority of the these loans were sold during the quarter. Performing TDRs were up $144 million during the fourth quarter primarily in lease financing and indirect auto loans.

Loans 90 days or more past due and still accruing totaled $2.0 billion at December 31, 2020, up $811 million compared to the prior quarter. The increase was primarily in government guaranteed student loans as borrowers emerge from forbearance periods that were provided in connection with COVID-19 relief programs. In addition, residential mortgage loans 90 days or more past due and still accruing 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 0.67 percent at December 31, 2020, up 28 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 0.04 percent at December 31, 2020, up one basis point from September 30, 2020.

Loans 30-89 days past due and still accruing totaled $2.2 billion at December 31, 2020, up $72 million compared to the prior quarter. Indirect automobile loans increased $174 million due to seasonality and the expiration of certain forbearance periods that were provided in connection with COVID-19 relief programs. This was partially offset by a decline of $72 million for commercial and industrial loans. The ratio of loans 30-89 days past due and still accruing as a percentage of loans and leases was 0.74 percent at December 31, 2020, up four basis points from the prior quarter.

Net charge-offs during the fourth quarter totaled $205 million, down $121 million compared to the prior quarter. As a percentage of average loans and leases, annualized net charge-offs were 0.27 percent, down 15 basis points compared to the prior quarter. Current quarter net charge-offs included $27 million of write-downs on the transfer of loans to held-for sale. Prior quarter net charge-offs included $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.

The allowance for credit losses was $6.2 billion, down $30 million compared to the prior quarter. The allowance for credit losses includes $5.8 billion for loans and leases and $364 million for the reserve for unfunded commitments. As of December 31, 2020, the allowance for loan and lease losses was 1.95 percent of loans and leases held for investment.

The allowance for loan and lease losses was 4.39 times nonperforming loans and leases held for investment, compared to 5.22 times at September 30, 2020. At December 31, 2020, the allowance for loan and lease losses was 7.15 times annualized net charge-offs, compared to 4.52 times at September 30, 2020.

Earnings Presentation and Quarterly Performance Summary

To listen to Truist's live fourth quarter 2020 earnings conference call at 8 a.m. ET today, please call 866-519-2796 and enter the participant code 391805. 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 391805).

The presentation, including an appendix reconciling non-GAAP disclosures, and Truist's Fourth 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 the combined history of BB&T and SunTrust, 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 $509 billion as of December 31, 2020. Truist Bank, Member FDIC. Learn more at Truist.com.

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

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

- *The adjusted efficiency ratio is non-GAAP in that it excludes securities gains (losses), amortization of intangible assets, merger-related and restructuring charges and other selected items. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *Tangible common equity and related measures are non-GAAP measures that exclude the impact of intangible assets, net of deferred taxes, and their related amortization. These measures are useful for evaluating the performance of a business consistently, whether acquired or developed internally. Truist's management uses these measures to assess the quality of capital and returns relative to balance sheet risk.*
- *Core net interest margin is a non-GAAP measure that adjusts net interest margin to exclude the impact of purchase accounting. The purchase accounting marks and related amortization for a) securities acquired from the FDIC in the Colonial Bank acquisition and b) loans, deposits and long-term debt from SunTrust, Susquehanna, National Penn and Colonial Bank are excluded to approximate the yields paid by clients. Interest income for PCI loans adjusts the accretion, net of interest reversals, which approximates the interest received from the client. Truist's management believes the adjustments to the calculation of net interest margin for certain assets and liabilities acquired provide investors with useful information related to the performance of Truist's earning assets.*
- *The adjusted diluted earnings per share is non-GAAP in that it excludes merger-related and restructuring charges and other selected items, net of tax. Truist's management uses this measure in their analysis of the Corporation's performance. Truist's management believes this measure provides a greater understanding of ongoing operations and enhances comparability of results with prior periods, as well as demonstrates the effects of significant gains and charges.*
- *The adjusted 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 as a percentage of gross loans and leases is a non-GAAP measurement of credit reserves that is calculated by adjusting the ALLL 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 Fourth 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 September 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
Fourth Quarter 2020

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Quarterly Performance Summary

Truist Financial Corporation

Financial Highlights

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended December 31 2020	Quarter Ended December 31 2019	% Change	Year-to-Date December 31 2020	Year-to-Date December 31 2019	% Change
Summary Income Statement						
Interest income - taxable equivalent (1)	$ 3,639	$ 2,837	28.3 %	$ 15,673	$ 9,505	64.9 %
Interest expense	245	585	(58.1)	1,722	2,096	(17.8)
Net interest income - taxable equivalent	3,394	2,252	50.7	13,951	7,409	88.3
Less: Taxable-equivalent adjustment	28	25	12.0	125	96	30.2
Net interest income	3,366	2,227	51.1	13,826	7,313	89.1
Provision for credit losses	177	171	3.5	2,335	615	NM
Net interest income after provision for credit losses	3,189	2,056	55.1	11,491	6,698	71.6
Noninterest income	2,285	1,398	63.4	8,879	5,255	69.0
Noninterest expense	3,833	2,575	48.9	14,897	7,934	87.8
Income before income taxes	1,641	879	86.7	5,473	4,019	36.2
Provision for income taxes	311	153	103.3	981	782	25.4
Net income	1,330	726	83.2	4,492	3,237	38.8
Noncontrolling interests	1	5	(80.0)	10	13	(23.1)
Net income available to the bank holding company	1,329	721	84.3	4,482	3,224	39.0
Preferred stock dividends	101	19	NM	298	196	52.0
Net income available to common shareholders	1,228	702	74.9	4,184	3,028	38.2
Per Common Share Data						
Earnings per share-basic	$ 0.91	$ 0.76	19.7 %	$ 3.11	$ 3.76	(17.3)%
Earnings per share-diluted	0.90	0.75	20.0	3.08	3.71	(17.0)
Earnings per share-adjusted diluted (2)	1.18	1.12	5.4	3.80	4.37	(13.0)
Cash dividends declared	0.450	0.450	—	1.800	1.710	5.3
Common shareholders' equity	46.52	45.66	1.9	46.52	45.66	1.9
Tangible common shareholders' equity (2)	26.78	25.93	3.3	26.78	25.93	3.3
End of period shares outstanding	1,348,961	1,342,166	0.5	1,348,961	1,342,166	0.5
Weighted average shares outstanding-basic	1,348,493	922,840	46.1	1,347,080	805,104	67.3
Weighted average shares outstanding-diluted	1,361,763	934,718	45.7	1,358,289	815,204	66.6
Performance Ratios						
Return on average assets	1.05 %	0.95 %		0.90 %	1.31 %	
Return on average risk-weighted assets (current period is preliminary)	1.40	1.02		1.18	1.55	
Return on average common shareholders' equity	7.88	7.33		6.82	9.87	
Return on average tangible common shareholders' equity (2)	14.99	12.91		13.35	16.40	
Net interest margin - taxable equivalent	3.08	3.41		3.22	3.42	
Fee income ratio	40.4	38.6		39.1	41.8	
Efficiency ratio-GAAP	67.8	71.0		65.6	63.1	
Efficiency ratio-adjusted (2)	55.9	57.5		55.9	56.6	
Credit Quality						
Nonperforming assets as a percentage of:						
Assets	0.27 %	0.14 %		0.27 %	0.14 %	
Loans and leases plus foreclosed property	0.46	0.19		0.46	0.19	
Net charge-offs as a percentage of average loans and leases	0.27	0.40		0.36	0.40	
Allowance for loan and lease losses as a percentage of LHFI	1.95	0.52		1.95	0.52	
Ratio of allowance for loan and lease losses to nonperforming LHFI	4.39x	3.41x		4.39x	3.41x	
Average Balances						
Assets	$503,181	$302,059	66.6 %	$499,085	$247,494	101.7 %
Securities (3)	102,053	60,699	68.1	83,227	50,645	64.3
Loans and leases	308,188	193,641	59.2	314,501	161,604	94.6
Deposits	375,266	210,716	78.1	363,293	173,269	109.7
Common shareholders' equity	61,991	38,031	63.0	61,379	30,697	100.0
Total shareholders' equity	70,145	41,740	68.1	68,024	34,108	99.4
Period-End Balances						
Assets	$509,228	$473,078	7.6 %	$509,228	$473,078	7.6 %
Securities (3)	120,788	74,727	61.6	120,788	74,727	61.6
Loans and leases	305,793	308,215	(0.8)	305,793	308,215	(0.8)
Deposits	381,077	334,727	13.8	381,077	334,727	13.8
Common shareholders' equity	62,759	61,282	2.4	62,759	61,282	2.4
Total shareholders' equity	70,912	66,558	6.5	70,912	66,558	6.5
Capital Ratios (current quarter is preliminary)						
Common equity Tier 1	10.0 %	9.5 %		10.0 %	9.5 %	
Tier 1	12.1	10.8		12.1	10.8	
Total	14.5	12.6		14.5	12.6	
Leverage (4)	9.6	14.7		9.6	14.7	
Supplementary leverage (5)	8.7	7.9		8.7	7.9	

Applicable ratios are annualized.

NM - not meaningful

(1) Interest income includes certain fees, deferred costs, fair value mark accretion, 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.

Financial Highlights - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Summary Income Statement					
Interest income - taxable equivalent (1)	$ 3,639	$ 3,652	$ 3,919	$ 4,463	$ 2,837
Interest expense	245	261	440	776	585
Net interest income - taxable equivalent	3,394	3,391	3,479	3,687	2,252
Less: Taxable-equivalent adjustment	28	29	31	37	25
Net interest income	3,366	3,362	3,448	3,650	2,227
Provision for credit losses	177	421	844	893	171
Net interest income after provision for credit losses	3,189	2,941	2,604	2,757	2,056
Noninterest income	2,285	2,210	2,423	1,961	1,398
Noninterest expense	3,833	3,755	3,878	3,431	2,575
Income before income taxes	1,641	1,396	1,149	1,287	879
Provision for income taxes	311	255	191	224	153
Net income	1,330	1,141	958	1,063	726
Noncontrolling interests	1	3	3	3	5
Net income available to the bank holding company	1,329	1,138	955	1,060	721
Preferred stock dividends	101	70	53	74	19
Net income available to common shareholders	1,228	1,068	902	986	702
Per Common Share Data					
Earnings per share-basic	$ 0.91	$ 0.79	$ 0.67	$ 0.73	$ 0.76
Earnings per share-diluted	0.90	0.79	0.67	0.73	0.75
Earnings per share-adjusted diluted (2)	1.18	0.97	0.82	0.83	1.12
Cash dividends declared	0.450	0.450	0.450	0.450	0.450
Common shareholders' equity	46.52	45.86	45.74	45.49	45.66
Tangible common shareholders' equity (2)	26.78	26.63	26.38	26.00	25.93
End of period shares outstanding	1,348,961	1,348,118	1,347,609	1,347,461	1,342,166
Weighted average shares outstanding-basic	1,348,493	1,347,916	1,347,512	1,344,372	922,840
Weighted average shares outstanding-diluted	1,361,763	1,358,122	1,355,834	1,357,545	934,718
Performance Ratios					
Return on average assets	1.05 %	0.91 %	0.75 %	0.90 %	0.95 %
Return on average risk-weighted assets (current quarter is preliminary)	1.40	1.19	1.00	1.12	1.02
Return on average common shareholders' equity	7.88	6.87	5.90	6.58	7.33
Return on average tangible common shareholders' equity (2)	14.99	13.31	11.83	13.23	12.91
Net interest margin - taxable equivalent	3.08	3.10	3.13	3.58	3.41
Fee income ratio	40.4	39.7	41.3	34.9	38.6
Efficiency ratio-GAAP	67.8	67.4	66.1	61.1	71.0
Efficiency ratio-adjusted (2)	55.9	57.3	55.8	54.6	57.5
Credit Quality					
Nonperforming assets as a percentage of:					
Assets	0.27 %	0.26 %	0.25 %	0.23 %	0.14 %
Loans and leases plus foreclosed property	0.46	0.39	0.37	0.36	0.19
Net charge-offs as a percentage of average loans and leases	0.27	0.42	0.39	0.36	0.40
Allowance for loan and lease losses as a percentage of LHFI	1.95	1.91	1.81	1.63	0.52
Ratio of allowance for loan and lease losses to nonperforming LHFI	4.39x	5.22x	5.24x	5.04x	3.41x
Average Balances					
Assets	$ 503,181	$ 500,826	$ 514,720	$ 477,550	$ 302,059
Securities (3)	102,053	79,828	75,159	75,701	60,699
Loans and leases	308,188	315,691	326,435	307,748	193,641
Deposits	375,266	372,211	370,818	334,649	210,716
Common shareholders' equity	61,991	61,804	61,484	60,224	38,031
Total shareholders' equity	70,145	69,634	66,863	65,412	41,740
Period-End Balances					
Assets	$ 509,228	$ 499,183	$ 504,336	$ 506,229	$ 473,078
Securities (3)	120,788	86,132	77,805	78,398	74,727
Loans and leases	305,793	312,149	321,148	324,039	308,215
Deposits	381,077	370,747	376,235	350,179	334,727
Common shareholders' equity	62,759	61,819	61,634	61,295	61,282
Total shareholders' equity	70,912	69,973	68,883	66,061	66,558
Capital Ratios (current quarter is preliminary)					
Common equity Tier 1	10.0 %	10.0 %	9.7 %	9.3 %	9.5 %
Tier 1	12.1	12.2	11.6	10.5	10.8
Total	14.5	14.6	14.0	12.7	12.6
Leverage (4)	9.6	9.6	9.0	9.0	14.7
Supplementary leverage (5)	8.7	8.9	8.5	7.8	7.9

Applicable ratios are annualized.

(1) Interest income includes certain fees, deferred costs, fair value mark accretion, 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 Dec. 31		Change		Year-to-Date Dec. 31		Change	
	2020	2019	$	%	2020	2019	$	%
Interest Income								
Interest and fees on loans and leases	$ 3,158	$ 2,371	$ 787	33.2 %	$ 13,485	$ 7,982	$ 5,503	68.9 %
Interest on securities	408	402	6	1.5	1,739	1,319	420	31.8
Interest on other earning assets	45	39	6	15.4	324	108	216	200.0
Total interest income	3,611	2,812	799	28.4	15,548	9,409	6,139	65.2
Interest Expense								
Interest on deposits	67	304	(237)	(78.0)	785	1,101	(316)	(28.7)
Interest on long-term debt	165	219	(54)	(24.7)	800	797	3	0.4
Interest on other borrowings	13	62	(49)	(79.0)	137	198	(61)	(30.8)
Total interest expense	245	585	(340)	(58.1)	1,722	2,096	(374)	(17.8)
Net Interest Income	3,366	2,227	1,139	51.1	13,826	7,313	6,513	89.1
Provision for credit losses	177	171	6	3.5	2,335	615	1,720	NM
Net Interest Income After Provision for Credit Losses	3,189	2,056	1,133	55.1	11,491	6,698	4,793	71.6
Noninterest Income								
Insurance income	545	509	36	7.1	2,193	2,072	121	5.8
Service charges on deposits	266	222	44	19.8	1,020	762	258	33.9
Wealth management income	332	206	126	61.2	1,277	715	562	78.6
Card and payment related fees	203	156	47	30.1	761	555	206	37.1
Residential mortgage income	193	65	128	196.9	1,000	285	715	NM
Investment banking and trading income	308	109	199	182.6	944	244	700	NM
Operating lease income	77	47	30	63.8	309	153	156	102.0
Income from bank-owned life insurance	44	38	6	15.8	179	129	50	38.8
Lending related fees	105	47	58	123.4	315	124	191	154.0
Commercial real estate related income	123	48	75	156.3	271	116	155	133.6
Securities gains (losses)	—	(116)	116	NM	402	(116)	518	NM
Other income (loss)	89	67	22	32.8	208	216	(8)	(3.7)
Total noninterest income	2,285	1,398	887	63.4	8,879	5,255	3,624	69.0
Noninterest Expense								
Personnel expense	2,108	1,465	643	43.9	8,146	4,833	3,313	68.5
Net occupancy expense	207	147	60	40.8	904	507	397	78.3
Professional fees and outside processing	393	161	232	144.1	1,252	433	819	189.1
Software expense	215	118	97	82.2	862	338	524	155.0
Equipment expense	121	83	38	45.8	484	280	204	72.9
Marketing and customer development	58	45	13	28.9	273	137	136	99.3
Operating lease depreciation	54	43	11	25.6	258	136	122	89.7
Loan-related expense	65	42	23	54.8	242	123	119	96.7
Amortization of intangibles	172	71	101	142.3	685	164	521	NM
Regulatory costs	32	24	8	33.3	125	81	44	54.3
Merger-related and restructuring charges	308	223	85	38.1	860	360	500	138.9
Loss (gain) on early extinguishment of debt	—	—	—	—	235	—	235	NM
Other expense	100	153	(53)	(34.6)	571	542	29	5.4
Total noninterest expense	3,833	2,575	1,258	48.9	14,897	7,934	6,963	87.8
Earnings								
Income before income taxes	1,641	879	762	86.7	5,473	4,019	1,454	36.2
Provision for income taxes	311	153	158	103.3	981	782	199	25.4
Net income	1,330	726	604	83.2	4,492	3,237	1,255	38.8
Noncontrolling interests	1	5	(4)	(80.0)	10	13	(3)	(23.1)
Net income available to the bank holding company	1,329	721	608	84.3	4,482	3,224	1,258	39.0
Preferred stock dividends	101	19	82	NM	298	196	102	52.0
Net income available to common shareholders	$ 1,228	$ 702	$ 526	74.9 %	$ 4,184	$ 3,028	$ 1,156	38.2 %
Earnings Per Common Share								
Basic	$ 0.91	$ 0.76	$ 0.15	19.7 %	$ 3.11	$ 3.76	$ (0.65)	(17.3)%
Diluted	0.90	0.75	0.15	20.0	3.08	3.71	(0.63)	(17.0)
Weighted Average Shares Outstanding								
Basic	1,348,493	922,840	425,653	46.1	1,347,080	805,104	541,976	67.3
Diluted	1,361,763	934,718	427,045	45.7	1,358,289	815,204	543,085	66.6

NM - not meaningful

Consolidated Statements of Income - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Interest Income					
Interest and fees on loans and leases	$ 3,158	$ 3,174	$ 3,377	$ 3,776	$ 2,371
Interest on securities	408	393	444	494	402
Interest on other earning assets	45	56	67	156	39
Total interest income	3,611	3,623	3,888	4,426	2,812
Interest Expense					
Interest on deposits	67	96	201	421	304
Interest on long-term debt	165	152	211	272	219
Interest on other borrowings	13	13	28	83	62
Total interest expense	245	261	440	776	585
Net Interest Income	3,366	3,362	3,448	3,650	2,227
Provision for credit losses	177	421	844	893	171
Net Interest Income After Provision for Credit Losses	3,189	2,941	2,604	2,757	2,056
Noninterest Income					
Insurance income	545	518	581	549	509
Service charges on deposits	266	247	202	305	222
Wealth management income	332	324	289	332	206
Card and payment related fees	203	200	171	187	156
Residential mortgage income	193	221	341	245	65
Investment banking and trading income	308	244	274	118	109
Operating lease income	77	72	83	77	47
Income from bank-owned life insurance	44	46	45	44	38
Lending related fees	105	77	66	67	47
Commercial real estate related income	123	55	49	44	48
Securities gains (losses)	—	104	300	(2)	(116)
Other income (loss)	89	102	22	(5)	67
Total noninterest income	2,285	2,210	2,423	1,961	1,398
Noninterest Expense					
Personnel expense	2,108	2,058	2,008	1,972	1,465
Net occupancy expense	207	233	243	221	147
Professional fees and outside processing	393	323	289	247	161
Software expense	215	221	216	210	118
Equipment expense	121	127	120	116	83
Marketing and customer development	58	75	56	84	45
Operating lease depreciation	54	56	77	71	43
Loan-related expense	65	59	56	62	42
Amortization of intangibles	172	170	178	165	71
Regulatory costs	32	34	30	29	24
Merger-related and restructuring charges	308	236	209	107	223
Loss (gain) on early extinguishment of debt	—	—	235	—	—
Other expense	100	163	161	147	153
Total noninterest expense	3,833	3,755	3,878	3,431	2,575
Earnings					
Income before income taxes	1,641	1,396	1,149	1,287	879
Provision for income taxes	311	255	191	224	153
Net income	1,330	1,141	958	1,063	726
Noncontrolling interests	1	3	3	3	5
Net income available to the bank holding company	1,329	1,138	955	1,060	721
Preferred stock dividends	101	70	53	74	19
Net income available to common shareholders	$ 1,228	$ 1,068	$ 902	$ 986	$ 702
Earnings Per Common Share					
Basic	$ 0.91	$ 0.79	$ 0.67	$ 0.73	$ 0.76
Diluted	0.90	0.79	0.67	0.73	0.75
Weighted Average Shares Outstanding					
Basic	1,348,493	1,347,916	1,347,512	1,344,372	922,840
Diluted	1,361,763	1,358,122	1,355,834	1,357,545	934,718

Segment Financial Performance - Preliminary

(Dollars in millions)	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Consumer Banking and Wealth					
Net interest income (expense)	$ 1,818	$ 1,856	$ 1,843	$ 1,860	$ 1,114
Net intersegment interest income (expense)	377	337	316	394	282
Segment net interest income	2,195	2,193	2,159	2,254	1,396
Allocated provision for credit losses	116	181	270	437	145
Noninterest income	994	990	1,006	1,066	652
Noninterest expense	1,955	1,934	1,972	1,989	1,318
Income (loss) before income taxes	1,118	1,068	923	894	585
Provision (benefit) for income taxes	264	252	218	210	142
Segment net income (loss)	$ 854	$ 816	$ 705	$ 684	$ 443
Corporate and Commercial Banking					
Net interest income (expense)	$ 1,271	$ 1,235	$ 1,351	$ 1,534	$ 934
Net intersegment interest income (expense)	12	42	(60)	(207)	(99)
Segment net interest income	1,283	1,277	1,291	1,327	835
Allocated provision for credit losses	60	311	534	399	17
Noninterest income	789	609	621	457	412
Noninterest expense	841	843	880	883	570
Income (loss) before income taxes	1,171	732	498	502	660
Provision (benefit) for income taxes	253	148	92	89	142
Segment net income (loss)	$ 918	$ 584	$ 406	$ 413	$ 518
Insurance Holdings					
Net interest income (expense)	$ 26	$ 31	$ 33	$ 36	$ 38
Net intersegment interest income (expense)	(4)	(7)	(10)	(11)	(11)
Segment net interest income	22	24	23	25	27
Allocated provision for credit losses	2	—	6	1	2
Noninterest income	562	524	598	557	536
Noninterest expense	451	446	448	440	481
Income (loss) before income taxes	131	102	167	141	80
Provision (benefit) for income taxes	32	25	41	36	21
Segment net income (loss)	$ 99	$ 77	$ 126	$ 105	$ 59
Other, Treasury & Corporate (1)					
Net interest income (expense)	$ 251	$ 240	$ 221	$ 220	$ 141
Net intersegment interest income (expense)	(385)	(372)	(246)	(176)	(172)
Segment net interest income	(134)	(132)	(25)	44	(31)
Allocated provision for credit losses	(1)	(71)	34	56	7
Noninterest income	(60)	87	198	(119)	(202)
Noninterest expense	586	532	578	119	206
Income (loss) before income taxes	(779)	(506)	(439)	(250)	(446)
Provision (benefit) for income taxes	(238)	(170)	(160)	(111)	(152)
Segment net income (loss)	$ (541)	$ (336)	$ (279)	$ (139)	$ (294)
Total Truist Financial Corporation					
Net interest income (expense)	$ 3,366	$ 3,362	$ 3,448	$ 3,650	$ 2,227
Net intersegment interest income (expense)	—	—	—	—	—
Segment net interest income	3,366	3,362	3,448	3,650	2,227
Allocated provision for credit losses	177	421	844	893	171
Noninterest income	2,285	2,210	2,423	1,961	1,398
Noninterest expense	3,833	3,755	3,878	3,431	2,575
Income (loss) before income taxes	1,641	1,396	1,149	1,287	879
Provision (benefit) for income taxes	311	255	191	224	153
Net income	$ 1,330	$ 1,141	$ 958	$ 1,063	$ 726

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

Consolidated Ending Balance Sheets - Five Quarter Trend

(Dollars in millions)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Assets					
Cash and due from banks	$ 5,029	$ 4,194	$ 5,116	$ 5,312	$ 4,084
Interest-bearing deposits with banks	13,839	32,914	36,081	31,036	14,981
Securities borrowed or purchased under resale agreements	1,745	1,300	1,345	1,796	1,417
Trading assets at fair value	3,872	4,670	3,824	3,863	5,733
Securities available for sale at fair value	120,788	86,132	77,805	78,398	74,727
Loans and leases:					
Commercial:					
Commercial and industrial	138,354	140,874	147,141	149,161	130,180
CRE	26,595	27,474	27,963	27,532	26,832
Commercial construction	6,491	6,772	6,891	6,630	6,205
Lease financing	5,240	5,493	5,783	5,984	6,122
Consumer:					
Residential mortgage	47,272	50,379	51,671	53,096	52,071
Residential home equity and direct	26,064	26,558	26,935	27,629	27,044
Indirect auto	26,150	25,269	24,509	25,146	24,442
Indirect other	11,177	11,527	11,592	10,980	11,100
Student	7,552	7,480	7,484	7,771	6,743
Credit card	4,839	4,801	4,856	5,300	5,619
PCI	—	—	—	—	3,484
Total loans and leases held for investment	299,734	306,627	314,825	319,229	299,842
Loans held for sale	6,059	5,522	6,323	4,810	8,373
Total loans and leases	305,793	312,149	321,148	324,039	308,215
Allowance for loan and lease losses	(5,835)	(5,863)	(5,702)	(5,211)	(1,549)
Premises and equipment	3,870	3,968	4,002	3,999	3,712
Goodwill	24,447	23,869	23,882	23,927	24,154
Core deposit and other intangible assets	2,984	2,840	3,016	3,168	3,142
Mortgage servicing rights	2,023	1,991	2,077	2,150	2,630
Other assets	30,673	31,019	31,742	33,752	31,832
Total assets	$ 509,228	$ 499,183	$ 504,336	$ 506,229	$ 473,078
Liabilities					
Deposits:					
Noninterest-bearing deposits	$ 127,629	$ 124,297	$ 122,694	$ 97,618	$ 92,405
Interest checking	105,269	98,694	99,005	92,950	85,492
Money market and savings	126,238	121,856	123,974	124,072	120,934
Time deposits	21,941	25,900	30,562	35,539	35,896
Foreign office deposits - interest-bearing	—	—	—	—	—
Total deposits	381,077	370,747	376,235	350,179	334,727
Short-term borrowings	6,092	6,244	5,700	12,696	18,218
Long-term debt	39,597	41,008	42,133	65,662	41,339
Other liabilities	11,550	11,211	11,385	11,631	12,236
Total liabilities	438,316	429,210	435,453	440,168	406,520
Shareholders' Equity:					
Preferred stock	8,048	8,048	7,143	4,599	5,102
Common stock	6,745	6,741	6,738	6,737	6,711
Additional paid-in capital	35,843	35,774	35,676	35,584	35,609
Retained earnings	19,455	18,834	18,373	18,076	19,806
Accumulated other comprehensive loss	716	470	847	898	(844)
Noncontrolling interests	105	106	106	167	174
Total shareholders' equity	70,912	69,973	68,883	66,061	66,558
Total liabilities and shareholders' equity	$ 509,228	$ 499,183	$ 504,336	$ 506,229	$ 473,078

Average Balance Sheets

(Dollars in millions)	Quarter Ended December 31 2020	2019	Change $	%	Year-to-Date December 31 2020	2019	Change $	%
Assets								
Securities at amortized cost (1):								
U.S. Treasury	$ 2,049	$ 2,384	$ (335)	(14.1)%	$ 2,194	$ 2,644	$ (450)	(17.0)%
U.S. government-sponsored entities (GSE)	1,841	2,301	(460)	(20.0)	1,846	2,402	(556)	(23.1)
Mortgage-backed securities issued by GSE	97,660	55,119	42,541	77.2	78,564	44,710	33,854	75.7
States and political subdivisions	469	598	(129)	(21.6)	501	587	(86)	(14.7)
Non-agency mortgage-backed	—	263	(263)	(100.0)	86	269	(183)	(68.0)
Other	34	34	—	—	36	33	3	9.1
Total securities	102,053	60,699	41,354	68.1	83,227	50,645	32,582	64.3
Loans and leases:								
Commercial:								
Commercial and industrial	139,223	81,853	57,370	70.1	141,850	67,435	74,415	110.4
CRE	27,030	19,896	7,134	35.9	27,410	17,651	9,759	55.3
Commercial construction	6,616	4,506	2,110	46.8	6,659	4,061	2,598	64.0
Lease financing	5,401	3,357	2,044	60.9	5,753	2,443	3,310	135.5
Consumer:								
Residential mortgage	48,847	34,824	14,023	40.3	51,423	31,668	19,755	62.4
Residential home equity and direct	26,327	15,810	10,517	66.5	26,951	12,716	14,235	111.9
Indirect auto	25,788	15,390	10,398	67.6	25,055	12,545	12,510	99.7
Indirect other	11,291	7,772	3,519	45.3	11,264	6,654	4,610	69.3
Student	7,519	1,825	5,694	NM	7,596	460	7,136	NM
Credit card	4,818	3,788	1,030	27.2	5,027	3,181	1,846	58.0
PCI	—	1,220	(1,220)	(100.0)	—	631	(631)	(100.0)
Total loans and leases held for investment	302,860	190,241	112,619	59.2	308,988	159,445	149,543	93.8
Loans held for sale	5,328	3,400	1,928	56.7	5,513	2,159	3,354	155.3
Total loans and leases	308,188	193,641	114,547	59.2	314,501	161,604	152,897	94.6
Interest earning trading assets	4,538	2,370	2,168	91.5	4,655	1,277	3,378	NM
Other earning assets	23,887	6,405	17,482	NM	31,240	2,888	28,352	NM
Total earning assets	438,666	263,115	175,551	66.7	433,623	216,414	217,209	100.4
Nonearning assets	64,515	38,944	25,571	65.7	65,462	31,080	34,382	110.6
Total assets	$ 503,181	$ 302,059	$ 201,122	66.6 %	$ 499,085	$ 247,494	$ 251,591	101.7 %
Liabilities and Shareholders' Equity								
Deposits:								
Noninterest-bearing deposits	$ 127,103	$ 64,485	$ 62,618	97.1 %	$ 114,580	$ 55,513	$ 59,067	106.4 %
Interest checking	99,866	43,246	56,620	130.9	94,879	31,592	63,287	NM
Money market and savings	124,692	79,903	44,789	56.1	123,826	67,922	55,904	82.3
Time deposits	23,605	23,058	547	2.4	30,008	17,970	12,038	67.0
Foreign office deposits - interest-bearing	—	24	(24)	(100.0)	—	272	(272)	(100.0)
Total deposits	375,266	210,716	164,550	78.1	363,293	173,269	190,024	109.7
Short-term borrowings	6,493	11,489	(4,996)	(43.5)	10,129	8,462	1,667	19.7
Long-term debt	40,284	29,888	10,396	34.8	45,793	24,756	21,037	85.0
Other liabilities	10,993	8,226	2,767	33.6	11,846	6,899	4,947	71.7
Total liabilities	433,036	260,319	172,717	66.3	431,061	213,386	217,675	102.0
Shareholders' equity	70,145	41,740	28,405	68.1	68,024	34,108	33,916	99.4
Total liabilities and shareholders' equity	$ 503,181	$ 302,059	$ 201,122	66.6 %	$ 499,085	$ 247,494	$ 251,591	101.7 %

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

NM - not meaningful

Average Balance Sheets - Five Quarter Trend

(Dollars in millions)	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Assets					
Securities at amortized cost (1):					
U.S. Treasury	$ 2,049	$ 2,218	$ 2,237	$ 2,274	$ 2,384
U.S. government-sponsored entities (GSE)	1,841	1,842	1,844	1,856	2,301
Mortgage-backed securities issued by GSE	97,660	75,232	70,374	70,816	55,119
States and political subdivisions	469	499	505	530	598
Non-agency mortgage-backed	—	—	162	185	263
Other	34	37	37	40	34
Total securities	102,053	79,828	75,159	75,701	60,699
Loans and leases:					
Commercial:					
Commercial and industrial	139,223	143,452	152,991	131,743	81,853
CRE	27,030	27,761	27,804	27,046	19,896
Commercial construction	6,616	6,861	6,748	6,409	4,506
Lease financing	5,401	5,626	5,922	6,070	3,357
Consumer:					
Residential mortgage	48,847	51,500	52,380	52,993	34,824
Residential home equity and direct	26,327	26,726	27,199	27,564	15,810
Indirect auto	25,788	24,732	24,721	24,975	15,390
Indirect other	11,291	11,530	11,282	10,950	7,772
Student	7,519	7,446	7,633	7,787	1,825
Credit card	4,818	4,810	4,949	5,534	3,788
PCI	—	—	—	—	1,220
Total loans and leases held for investment	302,860	310,444	321,629	301,071	190,241
Loans held for sale	5,328	5,247	4,806	6,677	3,400
Total loans and leases	308,188	315,691	326,435	307,748	193,641
Interest earning trading assets	4,538	4,056	3,700	6,334	2,370
Other earning assets	23,887	35,819	41,531	23,750	6,405
Total earning assets	438,666	435,394	446,825	413,533	263,115
Nonearning assets	64,515	65,432	67,895	64,017	38,944
Total assets	$ 503,181	$ 500,826	$ 514,720	$ 477,550	$ 302,059
Liabilities and Shareholders' Equity					
Deposits:					
Noninterest-bearing deposits	$ 127,103	$ 123,966	$ 113,875	$ 93,135	$ 64,485
Interest checking	99,866	96,707	97,863	85,008	43,246
Money market and savings	124,692	123,598	126,071	120,936	79,903
Time deposits	23,605	27,940	33,009	35,570	23,058
Foreign office deposits - interest-bearing	—	—	—	—	24
Total deposits	375,266	372,211	370,818	334,649	210,716
Short-term borrowings	6,493	6,209	8,998	18,900	11,489
Long-term debt	40,284	40,919	55,537	46,547	29,888
Other liabilities	10,993	11,853	12,504	12,042	8,226
Total liabilities	433,036	431,192	447,857	412,138	260,319
Shareholders' equity	70,145	69,634	66,863	65,412	41,740
Total liabilities and shareholders' equity	$ 503,181	$ 500,826	$ 514,720	$ 477,550	$ 302,059

Average balances exclude basis adjustments for fair value hedges.

(1) Includes AFS and HTM securities.

Average Balances and Rates - Quarters

(Dollars in millions)	Quarter Ended December 31, 2020 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	September 30, 2020 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,049	$ 9	1.62 %	$ 2,218	$ 10	1.78 %
U.S. government-sponsored entities (GSE)	1,841	11	2.33	1,842	10	2.33
Mortgage-backed securities issued by GSE	97,660	385	1.58	75,232	366	1.95
States and political subdivisions	469	3	3.52	499	7	5.03
Non-agency mortgage-backed	—	—	—	—	—	—
Other	34	—	1.98	37	1	1.99
Total securities	102,053	408	1.60	79,828	394	1.97
Loans and leases:						
Commercial:						
Commercial and industrial	139,223	1,091	3.12	143,452	1,087	3.02
CRE	27,030	197	2.88	27,761	203	2.88
Commercial construction	6,616	51	3.13	6,861	55	3.26
Lease financing	5,401	65	4.82	5,626	52	3.71
Consumer:						
Residential mortgage	48,847	542	4.44	51,500	576	4.47
Residential home equity and direct	26,327	388	5.86	26,726	394	5.86
Indirect auto	25,788	416	6.41	24,732	405	6.51
Indirect other	11,291	195	6.87	11,530	204	7.05
Student	7,519	80	4.23	7,446	80	4.30
Credit card	4,818	114	9.35	4,810	109	9.03
Total loans and leases held for investment	302,860	3,139	4.13	310,444	3,165	4.06
Loans held for sale	5,328	47	3.54	5,247	37	2.78
Total loans and leases	308,188	3,186	4.12	315,691	3,202	4.04
Interest earning trading assets	4,538	33	2.89	4,056	32	3.23
Other earning assets	23,887	12	0.20	35,819	24	0.26
Total earning assets	438,666	3,639	3.31	435,394	3,652	3.34
Nonearning assets	64,515			65,432		
Total assets	$ 503,181			$ 500,826		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 99,866	17	0.07	$ 96,707	15	0.06
Money market and savings	124,692	10	0.03	123,598	19	0.06
Time deposits	23,605	40	0.66	27,940	62	0.89
Total interest-bearing deposits (4)	248,163	67	0.11	248,245	96	0.15
Short-term borrowings	6,493	13	0.77	6,209	13	0.85
Long-term debt	40,284	165	1.64	40,919	152	1.48
Total interest-bearing liabilities	294,940	245	0.33	295,373	261	0.35
Noninterest-bearing deposits (4)	127,103			123,966		
Other liabilities	10,993			11,853		
Shareholders' equity	70,145			69,634		
Total liabilities and shareholders' equity	$ 503,181			$ 500,826		
Average interest-rate spread			2.98			2.99
Net interest income/ net interest margin		$ 3,394	3.08 %		$ 3,391	3.10 %
Taxable-equivalent adjustment		$ 28			$ 29	

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 0.07% and 0.10% for the three months ended December 31, 2020 and September 30, 2020, respectively.

Average Balances and Rates - Quarters

	Quarter Ended								
	June 30, 2020			March 31, 2020			December 31, 2019		
(Dollars in millions)	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	(1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets									
Securities at amortized cost (3):									
U.S. Treasury	$ 2,237	$ 10	1.88 %	$ 2,274	$ 11	1.93 %	$ 2,384	$ 12	1.97 %
U.S. government-sponsored entities (GSE)	1,844	12	2.33	1,856	10	2.33	2,301	12	2.28
Mortgage-backed securities issued by GSE	70,374	413	2.35	70,816	461	2.60	55,119	366	2.64
States and political subdivisions	505	4	3.57	530	5	3.56	598	4	3.38
Non-agency mortgage-backed	162	7	16.71	185	8	16.72	263	9	13.15
Other	37	—	2.27	40	—	3.01	34	—	3.53
Total securities	75,159	446	2.37	75,701	495	2.62	60,699	403	2.65
Loans and leases:									
Commercial:									
Commercial and industrial	152,991	1,204	3.16	131,743	1,419	4.33	81,853	862	4.18
CRE	27,804	227	3.26	27,046	287	4.25	19,896	223	4.43
Commercial construction	6,748	61	3.70	6,409	76	4.87	4,506	57	5.17
Lease financing	5,922	70	4.71	6,070	65	4.27	3,357	32	3.79
Consumer:									
Residential mortgage	52,380	608	4.65	52,993	594	4.48	34,824	361	4.15
Residential home equity and direct	27,199	391	5.78	27,564	452	6.60	15,810	242	6.04
Indirect auto	24,721	407	6.63	24,975	428	6.89	15,390	312	8.04
Indirect other	11,282	201	7.18	10,950	201	7.37	7,772	133	6.77
Student	7,633	87	4.55	7,787	104	5.38	1,825	24	5.20
Credit card	4,949	114	9.27	5,534	133	9.68	3,788	85	9.06
PCI	—	—	—	—	—	—	1,220	33	10.63
Total loans and leases held for investment	321,629	3,370	4.21	301,071	3,759	5.02	190,241	2,364	4.94
Loans held for sale	4,806	36	3.04	6,677	53	3.14	3,400	31	3.52
Total loans and leases	326,435	3,406	4.19	307,748	3,812	4.98	193,641	2,395	4.91
Interest earning trading assets	3,700	39	4.19	6,334	64	4.04	2,370	11	1.84
Other earning assets	41,531	28	0.28	23,750	92	1.55	6,405	28	1.78
Total earning assets	446,825	3,919	3.52	413,533	4,463	4.33	263,115	2,837	4.29
Nonearning assets	67,895			64,017			38,944		
Total assets	$ 514,720			$ 477,550			$ 302,059		
Liabilities and Shareholders' Equity									
Interest-bearing deposits:									
Interest checking	$ 97,863	55	0.23	$ 85,008	129	0.61	$ 43,246	65	0.60
Money market and savings	126,071	57	0.18	120,936	178	0.59	79,903	152	0.76
Time deposits	33,009	89	1.09	35,570	114	1.29	23,058	87	1.48
Foreign office deposits - interest-bearing	—	—	—	—	—	—	24	—	2.19
Total interest-bearing deposits (4)	256,943	201	0.32	241,514	421	0.70	146,231	304	0.82
Short-term borrowings	8,998	28	1.24	18,900	83	1.76	11,489	62	2.15
Long-term debt	55,537	211	1.52	46,547	272	2.34	29,888	219	2.92
Total interest-bearing liabilities	321,478	440	0.55	306,961	776	1.02	187,608	585	1.24
Noninterest-bearing deposits (4)	113,875			93,135			64,485		
Other liabilities	12,504			12,042			8,226		
Shareholders' equity	66,863			65,412			41,740		
Total liabilities and shareholders' equity	$ 514,720			$ 477,550			$ 302,059		
Average interest-rate spread			2.97			3.31			3.05
Net interest income/ net interest margin		$ 3,479	3.13 %		$ 3,687	3.58 %		$ 2,252	3.41 %
Taxable-equivalent adjustment		$ 31			$ 37			$ 25	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

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

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.22%, 0.51% and 0.57% for the three months ended June 30, 2020, March 31, 2020 and December 31, 2019, respectively.

Average Balances and Rates - Year-To-Date

(Dollars in millions)	Year-to-Date December 31, 2020 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates	December 31, 2019 (1) Average Balances	(2) Interest Income/ Expense	(2) Yields/ Rates
Assets						
Securities at amortized cost (3):						
U.S. Treasury	$ 2,194	$ 40	1.81 %	$ 2,644	$ 53	2.01 %
U.S. government-sponsored entities (GSE)	1,846	43	2.33	2,402	53	2.26
Mortgage-backed securities issued by GSE	78,564	1,625	2.07	44,710	1,161	2.59
States and political subdivisions	501	19	3.92	587	21	3.73
Non-agency mortgage-backed	86	15	16.81	269	38	14.05
Other	36	1	2.33	33	1	3.75
Total securities	83,227	1,743	2.09	50,645	1,327	2.62
Loans and leases:						
Commercial:						
Commercial and industrial	141,850	4,801	3.39	67,435	2,868	4.25
CRE	27,410	914	3.32	17,651	849	4.79
Commercial construction	6,659	243	3.72	4,061	208	5.23
Lease financing	5,753	252	4.38	2,443	84	3.44
Consumer:						
Residential mortgage	51,423	2,320	4.51	31,668	1,291	4.08
Residential home equity and direct	26,951	1,625	6.03	12,716	759	5.97
Indirect auto	25,055	1,656	6.61	12,545	1,068	8.51
Indirect other	11,264	801	7.11	6,654	443	6.65
Student	7,596	351	4.62	460	24	5.20
Credit card	5,027	470	9.34	3,181	288	9.05
PCI	—	—	—	631	102	16.05
Total loans and leases held for investment	308,988	13,433	4.35	159,445	7,984	5.01
Loans held for sale	5,513	173	3.13	2,159	85	3.91
Total loans and leases	314,501	13,606	4.33	161,604	8,069	4.99
Interest earning trading assets	4,655	168	3.62	1,277	26	2.02
Other earning assets	31,240	156	0.50	2,888	83	2.89
Total earning assets	433,623	15,673	3.61	216,414	9,505	4.39
Nonearning assets	65,462			31,080		
Total assets	$ 499,085			$ 247,494		
Liabilities and Shareholders' Equity						
Interest-bearing deposits:						
Interest checking	$ 94,879	216	0.23	$ 31,592	197	0.62
Money market and savings	123,826	264	0.21	67,922	621	0.91
Time deposits	30,008	305	1.02	17,970	277	1.54
Foreign office deposits - interest-bearing	—	—	—	272	6	2.35
Total interest-bearing deposits (4)	248,713	785	0.32	117,756	1,101	0.93
Short-term borrowings	10,129	137	1.35	8,462	198	2.34
Long-term debt	45,793	800	1.75	24,756	797	3.22
Total interest-bearing liabilities	304,635	1,722	0.57	150,974	2,096	1.39
Noninterest-bearing deposits (4)	114,580			55,513		
Other liabilities	11,846			6,899		
Shareholders' equity	68,024			34,108		
Total liabilities and shareholders' equity	$ 499,085			$ 247,494		
Average interest-rate spread			3.04			3.00
Net interest income/ net interest margin		$ 13,951	3.22 %		$ 7,409	3.42 %
Taxable-equivalent adjustment		$ 125			$ 96	

Applicable ratios are annualized.

(1) Excludes basis adjustments for fair value hedges.

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

(3) Includes AFS and HTM securities.

(4) Total deposit costs were 0.22% and 0.64% for the year ended December 31, 2020 and 2019, respectively.

Credit Quality

(Dollars in millions)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Nonperforming Assets					
Nonaccrual loans and leases:					
Commercial:					
Commercial and industrial	$ 532	$ 507	$ 428	$ 443	$ 212
CRE	75	52	42	18	10
Commercial construction	14	7	13	2	—
Lease financing	28	32	56	27	8
Consumer:					
Residential mortgage	316	205	198	248	55
Residential home equity and direct	205	180	192	170	67
Indirect auto	155	137	155	125	100
Indirect other	5	4	3	1	2
Total nonaccrual loans and leases held for investment	1,330	1,124	1,087	1,034	454
Loans held for sale	5	130	102	41	107
Total nonaccrual loans and leases	1,335	1,254	1,189	1,075	561
Foreclosed real estate	20	30	43	63	82
Other foreclosed property	32	30	20	39	41
Total nonperforming assets	$ 1,387	$ 1,314	$ 1,252	$ 1,177	$ 684
Troubled Debt Restructurings (TDRs)					
Performing TDRs:					
Commercial:					
Commercial and industrial	$ 78	$ 84	$ 57	$ 65	$ 47
CRE	47	36	22	7	6
Commercial construction	—	1	36	36	37
Lease financing	60	1	1	1	—
Consumer:					
Residential mortgage	648	640	533	513	470
Residential home equity and direct	88	71	71	66	51
Indirect auto	392	336	342	350	333
Indirect other	6	5	4	5	5
Student	5	5	4	1	—
Credit card	37	38	37	35	31
Total performing TDRs	1,361	1,217	1,107	1,079	980
Nonperforming TDRs	164	140	111	121	82
Total TDRs	$ 1,525	$ 1,357	$ 1,218	$ 1,200	$ 1,062
Loans 90 Days or More Past Due and Still Accruing					
Commercial:					
Commercial and industrial	$ 13	$ 6	$ 9	$ 5	$ 1
CRE	—	8	3	1	—
Lease financing	—	—	1	—	—
Consumer:					
Residential mortgage	841	573	521	610	543
Residential home equity and direct	10	5	9	10	9
Indirect auto	2	8	10	11	11
Indirect other	2	3	3	2	2
Student	1,111	570	478	1,068	188
Credit card	29	24	38	41	22
PCI	—	—	—	—	1,218
Total loans 90 days past due and still accruing	$ 2,008	$ 1,197	$ 1,072	$ 1,748	$ 1,994
Loans 30-89 Days Past Due					
Commercial:					
Commercial and industrial	$ 83	$ 155	$ 282	$ 262	$ 94
CRE	14	7	6	8	5
Commercial construction	5	—	1	16	1
Lease financing	6	9	10	8	2
Consumer:					
Residential mortgage	782	796	703	679	498
Residential home equity and direct	98	103	108	156	122
Indirect auto	495	321	265	521	560
Indirect other	68	52	50	74	85
Student	618	666	442	593	650
Credit card	51	39	34	57	56
PCI	—	—	—	—	140
Total loans 30-89 days past due	$ 2,220	$ 2,148	$ 1,901	$ 2,374	$ 2,213

(Dollars in millions)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
	As of/For the Quarter Ended				
Allowance for Credit Losses					
Beginning balance	$ 6,229	$ 6,133	$ 5,611	$ 1,889	$ 1,653
CECL adoption - impact to retained earnings before tax	—	—	—	2,762	—
CECL adoption - reserves on PCD assets	—	—	—	378	—
Provision for credit losses	177	421	844	893	171
Charge-offs:					
Commercial:					
Commercial and industrial	(84)	(112)	(123)	(39)	(23)
CRE	(19)	(44)	(14)	(1)	(5)
Commercial construction	(8)	(19)	—	(3)	—
Lease financing	(4)	(44)	(4)	(2)	(9)
Consumer:					
Residential mortgage	(6)	(4)	(35)	(11)	(8)
Residential home equity and direct	(46)	(52)	(65)	(68)	(25)
Indirect auto	(84)	(72)	(80)	(142)	(107)
Indirect other	(14)	(8)	(20)	(18)	(19)
Student	(3)	(6)	(6)	(8)	—
Credit card	(35)	(44)	(50)	(53)	(37)
Total charge-offs	(303)	(405)	(397)	(345)	(233)
Recoveries:					
Commercial:					
Commercial and industrial	34	20	21	17	6
CRE	1	—	4	—	—
Commercial construction	1	2	7	1	1
Lease financing	—	4	—	—	—
Consumer:					
Residential mortgage	3	3	2	2	1
Residential home equity and direct	20	16	15	15	10
Indirect auto	24	22	18	23	13
Indirect other	5	4	7	7	5
Student	—	—	1	—	—
Credit card	10	8	6	8	5
Total recoveries	98	79	81	73	41
Net charge-offs	(205)	(326)	(316)	(272)	(192)
Merger related items and other	(2)	1	(6)	(39)	257
Ending balance	$ 6,199	$ 6,229	$ 6,133	$ 5,611	$ 1,889
Allowance for Credit Losses:					
Allowance for loan and lease losses (excluding PCD / PCI loans)	$ 5,668	$ 5,675	$ 5,408	$ 4,880	$ 1,541
Allowance for PCD / PCI loans	167	188	294	331	8
Reserve for unfunded lending commitments (RUFC)	364	366	431	400	340
Total	$ 6,199	$ 6,229	$ 6,133	$ 5,611	$ 1,889

(Dollars in millions)	As of/For the Year-to-Date Period Ended Dec. 31 2020	2019
Allowance for Credit Losses		
Beginning balance	$ 1,889	$ 1,651
CECL adoption - impact to retained earnings before tax	2,762	—
CECL adoption - reserves on PCD assets	378	—
Provision for credit losses	2,335	615
Charge-offs:		
Commercial:		
Commercial and industrial	(358)	(90)
CRE	(78)	(33)
Commercial construction	(30)	—
Lease financing	(54)	(11)
Consumer:		
Residential mortgage	(56)	(21)
Residential home equity and direct	(231)	(93)
Indirect auto	(378)	(370)
Indirect other	(60)	(62)
Student	(23)	—
Credit card	(182)	(109)
Total charge-offs	(1,450)	(789)
Recoveries:		
Commercial:		
Commercial and industrial	92	25
CRE	5	5
Commercial construction	11	3
Lease financing	4	1
Consumer:		
Residential mortgage	10	2
Residential home equity and direct	66	30
Indirect auto	87	52
Indirect other	23	17
Student	1	—
Credit card	32	20
Total recoveries	331	155
Net charge-offs	(1,119)	(634)
Merger related items and other	(46)	257
Ending balance	$ 6,199	$ 1,889

	As of/For the Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Asset Quality Ratios					
Loans 30-89 days past due and still accruing as a percentage of loans and leases	0.74 %	0.70 %	0.60 %	0.74 %	0.74 %
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.67	0.39	0.34	0.55	0.66
Nonperforming loans and leases as a percentage of loans and leases held for investment	0.44	0.37	0.35	0.32	0.15
Nonperforming loans and leases as a percentage of loans and leases (1)	0.44	0.40	0.37	0.33	0.18
Nonperforming assets as a percentage of:					
Total assets (1)	0.27	0.26	0.25	0.23	0.14
Loans and leases plus foreclosed property	0.46	0.39	0.37	0.36	0.19
Net charge-offs as a percentage of average loans and leases (2)	0.27	0.42	0.39	0.36	0.40
Allowance for loan and lease losses as a percentage of loans and leases	1.95	1.91	1.81	1.63	0.52
Ratio of allowance for loan and lease losses to:					
Net charge-offs	7.15X	4.52X	4.49X	4.76X	2.03X
Nonperforming loans and leases	4.39X	5.22X	5.24X	5.04X	3.41X
Asset Quality Ratios (Excluding PPP, other Government Guaranteed and PCI)					
Loans 90 days or more past due and still accruing as a percentage of loans and leases	0.04 %	0.03 %	0.04 %	0.04 %	0.03 %

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 Dec. 31 2020	2019
Asset Quality Ratios		
Net charge-offs as a percentage of average loans and leases	0.36 %	0.40 %
Ratio of allowance for loan and lease losses to net charge-offs	5.21X	2.44X

Applicable ratios are annualized.

(Dollars in millions)	December 31, 2020 Current Status		Past Due 30-89 Days		Past Due 90+ Days		Total
Troubled Debt Restructurings							
Performing TDRs: (1)							
Commercial:							
Commercial and industrial	$ 77	98.7 %	$ —	— %	$ 1	1.3 %	$ 78
CRE	47	100.0	—	—	—	—	47
Commercial construction	—	—	—	—	—	—	—
Lease financing	60	100.0	—	—	—	—	60
Consumer:							
Residential mortgage	383	59.1	107	16.5	158	24.4	648
Residential home equity and direct	82	93.2	5	5.7	1	1.1	88
Indirect auto	333	84.9	59	15.1	—	—	392
Indirect other	5	83.3	1	16.7	—	—	6
Student	5	100.0	—	—	—	—	5
Credit card	32	86.5	3	8.1	2	5.4	37
Total performing TDRs (1)	1,024	75.2	175	12.9	162	11.9	1,361
Nonperforming TDRs (2)	76	46.3	20	12.2	68	41.5	164
Total TDRs (1)(2)	$ 1,100	72.1 %	$ 195	12.8 %	$ 230	15.1 %	$ 1,525

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

	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Net Charge-offs as a Percentage of Average Loans and Leases:					
Commercial:					
Commercial and industrial	0.15 %	0.25 %	0.27 %	0.07 %	0.09 %
CRE	0.27	0.63	0.15	0.01	0.09
Commercial construction	0.39	1.02	(0.43)	0.13	(0.09)
Lease financing	0.20	2.92	0.33	0.08	1.03
Consumer:					
Residential mortgage	0.03	0.01	0.25	0.07	0.09
Residential home equity and direct	0.39	0.53	0.73	0.78	0.39
Indirect auto	0.92	0.76	1.03	1.89	2.41
Indirect other	0.31	0.21	0.41	0.47	0.72
Student	0.17	0.28	0.31	0.38	(0.01)
Credit card	2.11	3.00	3.50	3.30	3.32
Total loans and leases	0.27	0.42	0.39	0.36	0.40

Applicable ratios are annualized.

Credit Quality - Allowance with Fair Value Marks

(Dollars in millions)	As of/For the Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
ALLL	$ 5,835	$ 5,863	$ 5,702	$ 5,211	$ 1,549
Unamortized fair value mark (1)	2,395	2,676	3,077	3,539	4,564
Allowance plus unamortized fair value mark	$ 8,230	$ 8,539	$ 8,779	$ 8,750	$ 6,113
Loans and leases held for investment	$ 299,734	$ 306,627	$ 314,825	$ 319,229	$ 299,842
Unamortized fair value mark (1)	2,395	2,676	3,077	3,539	4,564
Gross loans and leases	$ 302,129	$ 309,303	$ 317,902	$ 322,768	$ 304,406
Allowance for loan and lease losses as a percentage of loans and leases - GAAP	1.95 %	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)	2.72	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 as a percentage of gross loans and leases is a non-GAAP measurement of credit reserves that is calculated by adjusting the ALLL 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)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
	As of/For the Quarter Ended				
Loans and Leases (2)					
Beginning balance unamortized fair value mark	$ (2,676)	$ (3,077)	$ (3,539)	$ (4,564)	$ (221)
Additions - merger with SunTrust	—	—	—	—	(4,513)
Accretion	356	367	440	454	170
CECL adoption - reserves on PCD assets	—	—	—	378	—
Purchase accounting adjustments and other activity	(75)	34	22	193	—
Ending balance	$ (2,395)	$ (2,676)	$ (3,077)	$ (3,539)	$ (4,564)
Core deposit and other intangible assets					
Beginning balance	$ 2,840	$ 3,016	$ 3,168	$ 3,142	$ 678
Additions - merger with SunTrust	—	—	—	—	2,535
Additions - acquisitions	320	—	—	31	—
Amortization of intangibles	(172)	(170)	(178)	(165)	(71)
Amortization in net occupancy expense	(4)	(6)	(6)	(5)	—
Purchase accounting adjustments and other activity	—	—	32	165	—
Ending balance	$ 2,984	$ 2,840	$ 3,016	$ 3,168	$ 3,142
Deposits (3)					
Beginning balance unamortized fair value mark	$ (26)	$ (37)	$ (54)	$ (76)	$ —
Additions - Merger with SunTrust	—	—	—	—	(83)
Amortization	7	11	17	22	7
Ending balance	$ (19)	$ (26)	$ (37)	$ (54)	$ (76)
Long-Term Debt (3)					
Beginning balance unamortized fair value mark	$ (238)	$ (262)	$ (285)	$ (312)	$ (10)
Additions - Merger with SunTrust	—	—	—	—	(309)
Amortization	22	24	23	27	7
Ending balance	$ (216)	$ (238)	$ (262)	$ (285)	$ (312)

(1) Includes the merger with SunTrust. 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 or straight-line method over the remaining life of the individual loans or recognized in full in the event of prepayment.
(3) Purchase accounting marks on liabilities represents interest rate marks on time deposits and long-term debt and are recognized using the level-yield method over the term of the liability.

Capital Information - Five Quarter Trend

(Dollars in millions, except per share data, shares in thousands)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
	As of/For the Quarter Ended				
Selected Capital Information	(preliminary)				
Risk-based capital:					
Common equity tier 1	$ 37,870	$ 37,879	$ 37,107	$ 36,396	$ 35,643
Tier 1	45,915	45,925	44,248	40,993	40,743
Total	55,011	55,030	53,436	49,395	47,511
Risk-weighted assets	379,538	377,420	382,826	390,348	376,056
Average quarterly tangible assets	478,608	476,868	490,203	454,381	276,591
Risk-based capital ratios:					
Common equity tier 1	10.0 %	10.0 %	9.7 %	9.3 %	9.5 %
Tier 1	12.1	12.2	11.6	10.5	10.8
Total	14.5	14.6	14.0	12.7	12.6
Leverage capital ratio (1)	9.6	9.6	9.0	9.0	14.7
Supplementary leverage (2)	8.7	8.9	8.5	7.8	7.9
Equity as a percentage of total assets	13.9	14.0	13.7	13.0	14.1
Common equity per common share	$ 46.52	$ 45.86	$ 45.74	$ 45.49	$ 45.66

(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)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Calculations of Tangible Common Equity and Related Measures: (1)					
Total shareholders' equity	$ 70,912	$ 69,973	$ 68,883	$ 66,061	$ 66,558
Less:					
Preferred stock	8,048	8,048	7,143	4,599	5,102
Noncontrolling interests	105	106	106	167	174
Intangible assets, net of deferred taxes	26,629	25,923	26,083	26,263	26,482
Tangible common equity	$ 36,130	$ 35,896	$ 35,551	$ 35,032	$ 34,800
Outstanding shares at end of period (in thousands)	1,348,961	1,348,118	1,347,609	1,347,461	1,342,166
Tangible Common Equity Per Common Share	$ 26.78	$ 26.63	$ 26.38	$ 26.00	$ 25.93

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

Selected Mortgage Banking Information & Additional Information

(Dollars in millions, except per share data)	As of/For the Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019
Residential Mortgage Income					
Residential mortgage production revenue	$ 229	$ 339	$ 344	$ 206	$ 40
Residential mortgage servicing revenue	150	152	159	169	78
Realization of expected residential MSR cash flows	(209)	(212)	(176)	(122)	(59)
Residential mortgage income before MSR valuation	170	279	327	253	59
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	62	(54)	(28)	(503)	80
MSRs hedge gains (losses)	(39)	(4)	42	495	(74)
Net MSRs valuation	23	(58)	14	(8)	6
Total residential mortgage income	$ 193	$ 221	$ 341	$ 245	$ 65
Commercial Real Estate Related Income					
Commercial mortgage production revenue	$ 117	$ 49	$ 42	$ 36	$ 44
Commercial mortgage servicing revenue	16	16	18	19	13
Realization of expected commercial MSR cash flows	(11)	(10)	(8)	(11)	(7)
Commercial real estate related income before MSR valuation	122	55	52	44	50
Income statement impact of mortgage servicing rights valuation:					
MSRs fair value increase (decrease)	3	1	(6)	(20)	2
MSRs hedge gains (losses)	(2)	(1)	3	20	(4)
Net MSRs valuation	1	—	(3)	—	(2)
Commercial real estate related income	$ 123	$ 55	$ 49	$ 44	$ 48
Other Mortgage Banking Information					
Residential mortgage loan originations	$ 13,235	$ 15,346	$ 14,631	$ 11,708	$ 7,523
Residential mortgage servicing portfolio (1):					
Loans serviced for others	188,341	198,881	209,070	219,979	219,347
Bank-owned loans serviced	50,693	54,587	56,365	56,325	60,211
Total servicing portfolio	239,034	253,468	265,435	276,304	279,558
Weighted-average coupon rate on mortgage loans serviced for others	3.84 %	3.92 %	3.98 %	4.02 %	4.04 %
Weighted-average servicing fee on mortgage loans serviced for others	0.317	0.317	0.315	0.313	0.310
Additional Information					
Fair value of derivatives, net	3,282	3,646	3,766	3,276	1,687
Common stock prices:					
High	49.72	42.04	46.53	56.68	56.92
Low	37.86	33.47	26.41	24.01	50.02
End of period	47.93	38.05	37.55	30.84	56.32
Banking offices	2,781	2,884	2,916	2,957	2,958
ATMs	4,082	4,237	4,354	4,408	4,426
FTEs (2)	53,693	55,000	55,769	56,504	40,691

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

Selected Items (1)

(Dollars in millions) Description	Favorable (Unfavorable) Pre-Tax	After-Tax at Marginal Rate
Selected Items		
Fourth Quarter 2020		
Incremental operating expenses related to the merger ($124 million in professional fees and outside processing, $47 million in personnel expense, and $8 million in other expense)	$ (179)	$ (138)
Third Quarter 2020		
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)
Second Quarter 2020		
Incremental operating expenses related to the merger ($64 million in professional fees and outside processing, $49 million in personnel expense, and $16 million in other expense)	$ (129)	$ (99)
First Quarter 2020		
Incremental operating expenses related to the merger ($44 million in personnel expense, $20 million in professional fees and outside processing, and $10 million in other expense)	$ (74)	$ (57)
Fourth Quarter 2019		
Incremental operating expenses related to the merger ($80 million in personnel expense, $12 million in professional fees and outside processing, and $9 million in other expense)	$ (101)	$ (79)
Impact of mortgage portfolio sale ($25 million in provision for credit losses, offset by $22 in residential mortgage income, and a $2 million corporate advance write off included in loan-related expense)	1	1
Third Quarter 2019		
Incremental operating expenses related to the merger ($39 million in personnel expense, $12 million in professional fees and outside processing, and $1 million in other expense)	$ (52)	$ (40)
Redemption of preferred shares	(46)	(46)
Impact of mortgage portfolio sale ($16 million in provision for credit losses and $4 million in residential mortgage income)	20	15
Second Quarter 2019		
Incremental operating expenses related to the merger ($4 million in personnel expense, and $5 million in professional fees and outside processing)	$ (9)	$ (7)
First Quarter 2019		
Incremental operating expenses related to the merger ($1 million in personnel expense, and $1 million in other expense)	$ (2)	$ (1)

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

Non-GAAP Reconciliations

	Quarter Ended					Year-to-Date	
(Dollars in millions)	Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Dec. 31 2020	Dec. 31 2019
Efficiency Ratio (1)							
Efficiency Ratio Numerator - Noninterest Expense - GAAP	$ 3,833	$ 3,755	$ 3,878	$ 3,431	$ 2,575	$ 14,897	$ 7,934
Merger-related and restructuring charges, net	(308)	(236)	(209)	(107)	(223)	(860)	(360)
Gain (loss) on early extinguishment of debt	—	—	(235)	—	—	(235)	—
Incremental operating expense related to the merger	(179)	(152)	(129)	(74)	(101)	(534)	(164)
Amortization of intangibles	(172)	(170)	(178)	(165)	(71)	(685)	(164)
Charitable contribution	—	(50)	—	—	—	(50)	—
Corporate advance write off	—	—	—	—	(2)	—	(2)
Efficiency Ratio Numerator - Adjusted	$ 3,174	$ 3,147	$ 3,127	$ 3,085	$ 2,178	$ 12,533	$ 7,244
Efficiency Ratio Denominator - Revenue (2) - GAAP	$ 5,651	$ 5,572	$ 5,871	$ 5,611	$ 3,625	$ 22,705	$ 12,568
Taxable equivalent adjustment	28	29	31	37	25	125	96
Securities (gains) losses	—	(104)	(300)	2	116	(402)	116
(Gain) loss on loan portfolio sale	—	—	—	—	22	—	18
Efficiency Ratio Denominator - Adjusted	$ 5,679	$ 5,497	$ 5,602	$ 5,650	$ 3,788	$ 22,428	$ 12,798
Efficiency Ratio - GAAP	67.8 %	67.4 %	66.1 %	61.1 %	71.0 %	65.6 %	63.1 %
Efficiency Ratio - Adjusted	55.9	57.3	55.8	54.6	57.5	55.9	56.6

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

(2) Revenue is defined as net interest income plus noninterest income.

(Dollars in millions)	Quarter Ended Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Year-to-Date Dec. 31 2020	Dec. 31 2019
Return on Average Tangible Common Shareholders' Equity (1)							
Net income available to common shareholders	$ 1,228	$ 1,068	$ 902	$ 986	$ 702	$ 4,184	$ 3,028
Plus: Amortization of intangibles, net of tax	131	130	137	126	57	524	128
Tangible net income available to common shareholders	$ 1,359	$ 1,198	$ 1,039	$ 1,112	$ 759	$ 4,708	$ 3,156
Average common shareholders' equity	$ 61,991	$ 61,804	$ 61,484	$ 60,224	$ 38,031	$ 61,379	$ 30,697
Less: Average intangible assets, net of deferred taxes	25,930	25,971	26,161	26,429	14,760	26,122	11,460
Average tangible common shareholders' equity	$ 36,061	$ 35,833	$ 35,323	$ 33,795	$ 23,271	$ 35,257	$ 19,237
Return on average common shareholders' equity	7.88 %	6.87 %	5.90 %	6.58 %	7.33 %	6.82 %	9.87 %
Return on average tangible common shareholders' equity	14.99	13.31	11.83	13.23	12.91	13.35	16.40

(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 Dec. 31 2020	Sept. 30 2020	June 30 2020	March 31 2020	Dec. 31 2019	Year-to-Date Dec. 31 2020	Dec. 31 2019
Diluted EPS (1)							
Net income available to common shareholders - GAAP	$ 1,228	$ 1,068	$ 902	$ 986	$ 702	$ 4,184	$ 3,028
Merger-related and restructuring charges	237	181	160	82	176	660	285
Securities (gains) losses	—	(80)	(230)	2	90	(308)	90
Loss on extinguishment of debt	—	—	180	—	—	180	—
Incremental operating expenses related to the merger	138	115	99	57	79	409	127
Charitable contribution	—	38	—	—	—	38	—
Corporate advance write off	—	—	—	—	1	—	1
(Gain) loss on loan portfolio sale	—	—	—	—	17	—	14
Redemption of preferred shares	—	—	—	—	—	—	46
Allowance release related to loan portfolio sale	—	—	—	—	(19)	—	(31)
Net income available to common shareholders - adjusted	$ 1,603	$ 1,322	$ 1,111	$ 1,127	$ 1,046	$ 5,163	$ 3,560
Weighted average shares outstanding - diluted	1,361,763	1,358,122	1,355,834	1,357,545	934,718	1,358,289	815,204
Diluted EPS - GAAP	$ 0.90	$ 0.79	$ 0.67	$ 0.73	$ 0.75	$ 3.08	$ 3.71
Diluted EPS - adjusted	1.18	0.97	0.82	0.83	1.12	3.80	4.37

(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.