



TRUIST FINANCIAL FY 2025

Earnings Report Update

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Truist Financial Corporation is a U.S. banking and financial services group focused on consumer, small business, and corporate banking. It generates revenue from deposits, loans, payments, asset management, and wealth advisory services, supported by digital and branch-based banking platforms. Truist Financial also offers investment banking, capital markets, and treasury solutions, positioning it as a diversified regional financial institution with broad retail and commercial banking capabilities nationwide.

GUIDANCE

Q1 2026 revenue is expected to decline by 2-3%, while full-year 2026 revenue is expected to grow 4-5%, driven by strong core banking performance.

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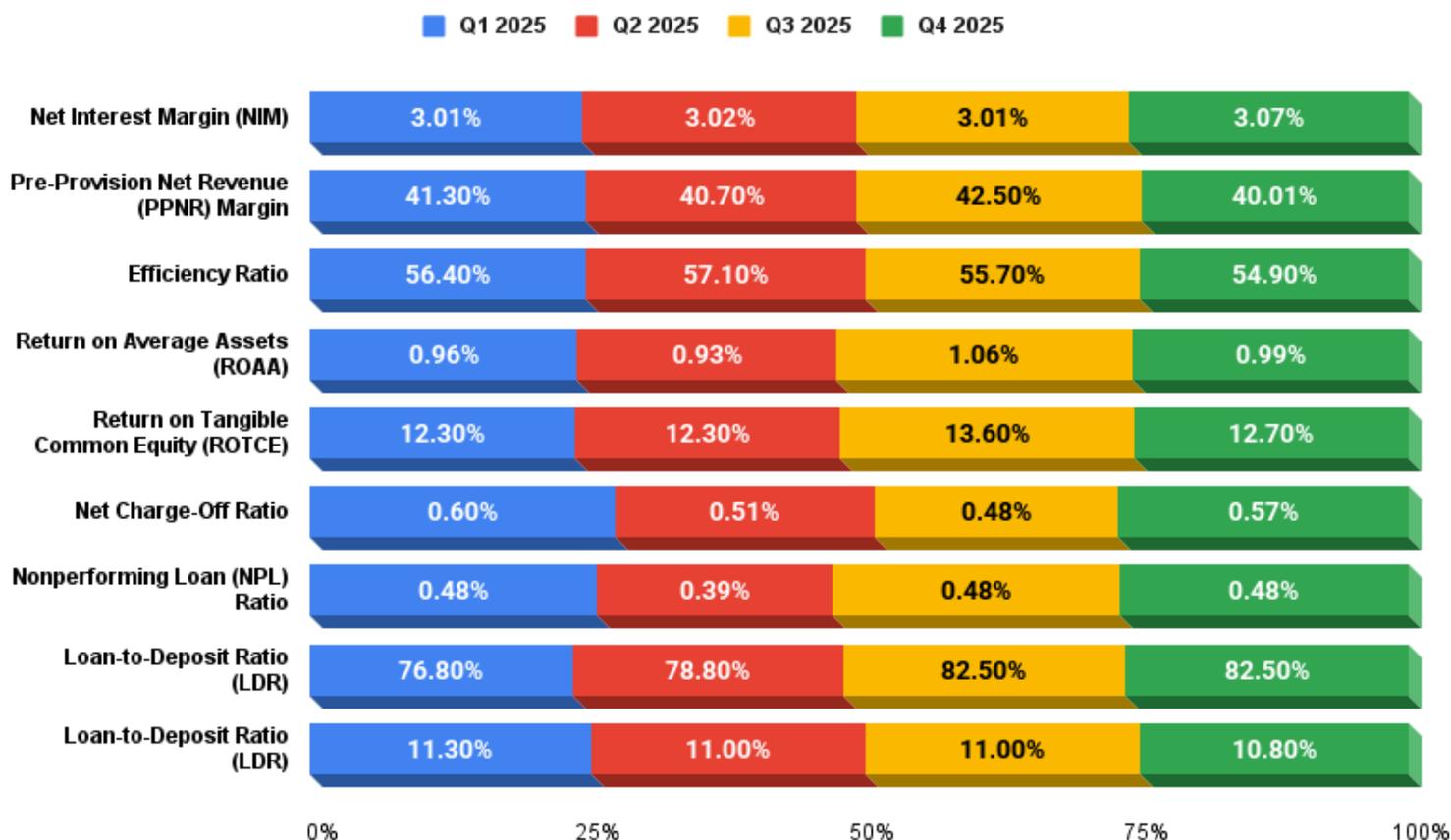
We delivered strong, purpose-driven performance in 2025 by deepening client relationships, improving efficiency, investing in our teammates and technology, and increasing capital returns,” said CEO Bill Rogers. “With disciplined risk management and sound governance, we strengthened our foundation and are focused on executing growth initiatives to achieve our 2027 15% ROTCE target.

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Expectation Analysis

USD (\$)	Q4 2025	ESTIMATE	BEAT/MISS
REVENUE	5.29B	5.32B	-0.40%
EBIT	2.08B	2.27B	-8.60%
EPS (adjusted)	1.12	1.09	2.50%

Margin and Efficiency Analysis



Revenue/Profitability Summary

Million USD(\$), except NI per share	FY 2025	Q4 2025	YOY
Interest Income	24,542	6,114	-1.05%
Net Interest Income	14,423	3,700	3.06%
Non-Interest Income	5,896	1,546	5.17%
Income Before Tax	6,349	1,564	0.64%
Net Income	5,307	1,354	6.11%
Earnings Per Share	3.82	1.00	9.89%

Cost/Expenses Summary

Million USD(\$)	FY 2025	Q4 2025	YOY
Interest Expense	10,119	2,414	-6.76%
Provision for credit losses	1,894	512	8.70%
Non-Interest Expense	12,076	3,170	4.45%
Provision (benefit) for income taxes	1,042	210	-20.75%

Segment Performance

Million USD(\$)	Q4 2025	%Net Income	QOQ	YOY
Consumer and Small Business Banking	678	50.07%	3.20%	-4.37%
Wholesale Banking	1,118	82.57%	-3.37%	14.08%
Other, Treasury & Corporate	-442	-32.64%	-22.10%	-10.50%

Key Items of Financial Position Summary

Million USD(\$)	Q4 2025	QOQ	YOY
Interest-bearing deposits with banks	31,410	-3.42%	-7.55%
Total Loan and Lease	330,478	1.48%	7.38%
Total assets	547,538	0.68%	3.08%
Deposits	400,398	1.39%	2.53%
Other liabilities	12,149	-0.36%	-5.17%
Total liabilities	482,349	0.87%	3.18%
Total equities	65,189	-0.70%	2.37%

Performance Highlights

- Truist Financial delivered solid earnings performance through 2025, supported by stable net interest income and disciplined expense control. Return on average assets hovered around 1.0%, while return on average common equity improved about 8%, reflecting better balance sheet efficiency and capital deployment.
- Net interest margin remained broadly stable around 3.0%, underscoring effective asset repricing and funding mix management. Sequential softness in interest income was largely offset by moderation in deposit costs, with interest expense easing quarter-on-quarter by approximately 9% in Q4.
- Total loans expanded steadily through 2025, driven by growth in commercial & industrial lending and consumer categories, including indirect auto and residential mortgages. Average loans rose by roughly 4% year-on-year, reflecting sustained client demand and improved origination activity.
- Fee income remained resilient, supported by wealth management, card fees, treasury services, and investment banking activity. On a full-year basis, non-interest income rebounded sharply from prior-year weakness, aided by the absence of large securities losses that distorted 2024 comparatives.
- Expense discipline continued to pay off, with adjusted efficiency ratio improving into the mid-50% range, compared with previous high-50s. This was driven by controlled personnel costs and lower regulatory and professional fee expenses, despite ongoing investments in technology.
- Provision for credit losses remained stable year-on-year, while net charge-offs declined modestly to about 0.54% of average loans, down from 0.59% in the prior year. This reflects prudent underwriting and active portfolio management.
- Non-performing loans held steady at approximately 0.48% of loans, indicating limited deterioration despite macro uncertainty. Coverage ratios remained strong, with allowance for loan losses covering non-performing loans by over 3x, providing a solid buffer.
- Deposits remained broadly stable year-on-year, with a gradual mix shift toward interest-bearing accounts. While non-interest bearing deposits edged lower, overall deposit balances demonstrated customer stickiness amid a competitive funding environment.
- CET1 capital ratio stood around 10.8%, comfortably above regulatory requirements. Although slightly lower sequentially, capital levels continue to support balance sheet growth, shareholder returns, and risk absorption capacity.
- The liquidity coverage ratio stayed above 110%, reflecting conservative liquidity management. Combined with a leverage ratio near 10%, this positions Truist well against funding volatility and regulatory stress scenarios.

Concerns Raised

- Management guidance points to a low single-digit sequential revenue decline in Q1 2026, reflecting softer net interest income dynamics and seasonality. This may weigh on near-term earnings growth and sentiment.
- While interest expense moderated in Q4, deposit betas remain elevated. Any renewed rate competition or delayed rate cuts could reintroduce margin pressure, particularly given the high proportion of interest-bearing deposits.
- Although credit metrics are stable, rising delinquency trends in select consumer portfolios, such as residential mortgages and credit cards, warrant monitoring. A sustained economic slowdown could push charge-offs modestly higher, pressuring provisions and returns.

OUR INSIGHT

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Truist demonstrated resilient performance through disciplined balance sheet management, improved efficiency, and stable profitability metrics, underscoring the strength of its diversified banking franchise. Margin stability, improving returns, and contained credit risk support earnings durability, reinforcing its appeal as a long-term investment. However, investors should monitor interest rate volatility, competitive deposit pricing, execution of growth initiatives, and potential credit normalization in consumer portfolios, as these factors could influence returns and valuation over time.

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