

Truist launched pilot of its final digital platform in Q1

Article

The US bank, created by the combination of SunTrust and BB&T, has reported its Q1 2021 [earnings](#), revealing that it enjoyed a net income of \$1.6 billion, the same as in Q4 2020. Similar to other big banks, Truist dialed back on reserves for credit losses, reserving \$48 million in Q1 compared with \$177 million in Q4. In the digital sphere, the bank's active mobile app users grew 11% year over year (YoY)—a gentle deceleration from the 12% YoY increase it experienced in Q4—while its mobile check deposit transactions grew 27% YoY.

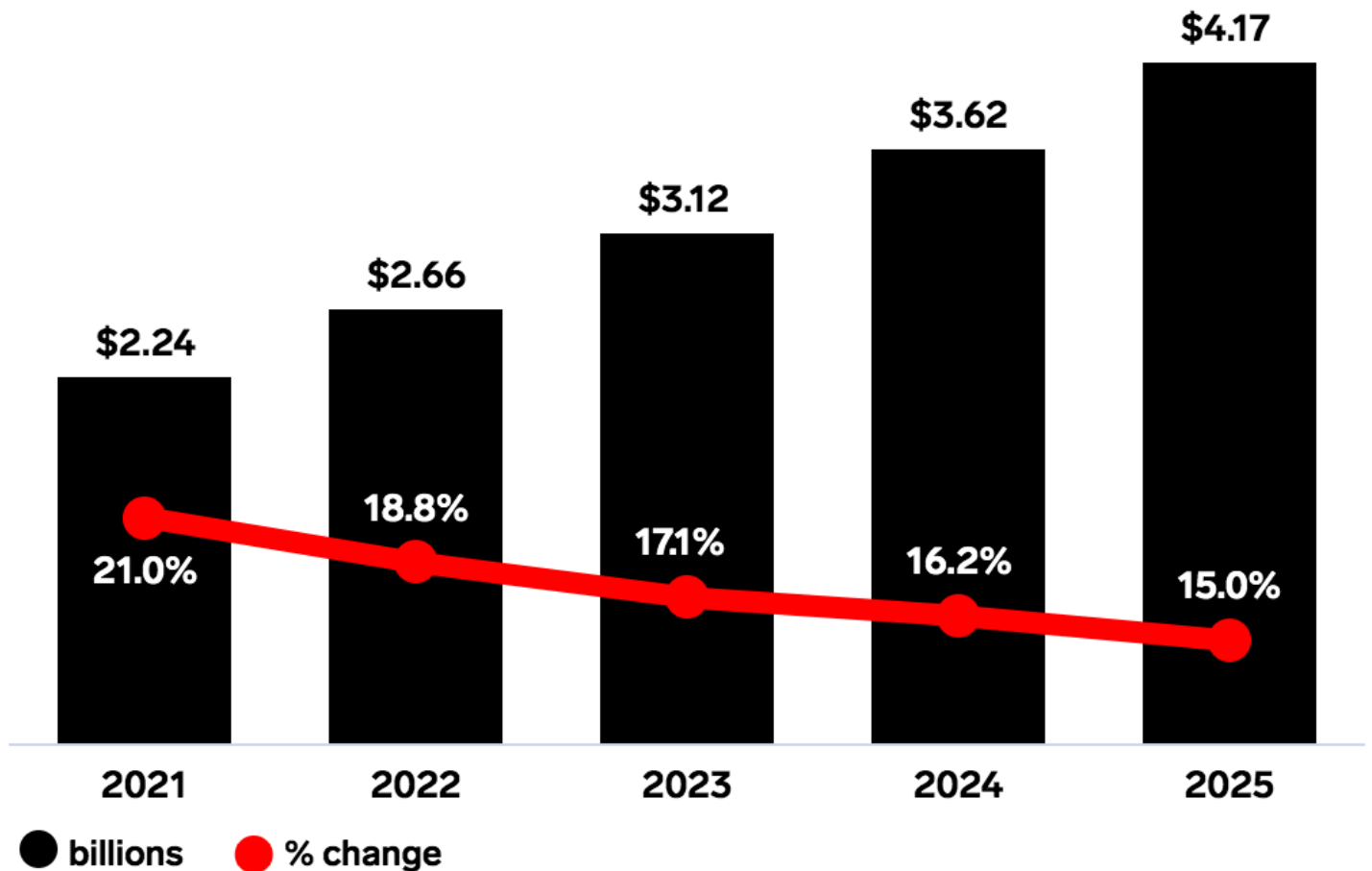
Limiting its presence in the physical channel while spending hard on digital is an ongoing theme in Truist's strategy as it works to complete the SunTrust and BB&T combination. The

bank estimates that it'll spend a total of \$2.1 billion on merger-related and restructuring charges through 2022, and it has incurred \$1.3 billion of that total since February 2019. One place where those efforts could eventually yield savings for the organization is its branch footprint: Truist is working on a consolidation that will see a cumulative total of 800 branch closures by Q1 2022. So far, 374 of those closures have been completed, bringing Truist's overall footprint to 2,556 branches as of the end of Q1. But as it draws down on its physical side, it's bolstering its investments in tech: eMarketer [projects](#) that Truist will be the sixth-largest US spender on technology this year, with \$2.24 billion in IT expenses, up 14% from last year.

And with the launch of an internal pilot, Truist has reached a milestone in the creation of the unified digital experience it'll eventually offer clients. While Truist will maintain SunTrust and BB&T's legacy back ends as record systems, the bank plans to move all customers to a common Truist digital experience next year, and it launched the pilot of the unified platform for employees in March 2021. The next step will be to commence its "Digital Straddle" strategy later this year, in which it "migrates clients over to the new digital experience in waves, reducing migration risk...and avoiding a one-time migration early next year." This tactic could help Truist's finalized digital platform avoid stumbling out of the gate by preempting the possibility of volume-based outages at launch.

Truist Bank (Sun Trust & BB&T) IT/Technology Expenses

US, 2021-2025



Source: eMarketer, March 2021

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