

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from (not applicable)

Commission file number 1-6880

U.S. BANCORP

(Exact name of registrant as specified in its charter)

Delaware

41-0255900

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

800 Nicollet Mall  
Minneapolis, Minnesota 55402

(Address of principal executive offices, including zip code)

651-466-3000

(Registrant's telephone number, including area code)

(not applicable)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbols	Name of each exchange on which registered
Common Stock, \$.01 par value per share	USB	New York Stock Exchange
Depository Shares (each representing 1/100th interest in a share of Series A Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrA	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series B Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrH	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series K Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrP	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series L Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrQ	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series M Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrR	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series O Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	USB PrS	New York Stock Exchange
Floating Rate Notes, Series CC (Senior), due May 21, 2028	USB/28	New York Stock Exchange
4.009% Fixed-to-Floating Rate Notes, Series CC (Senior), due May 21, 2032	USB/32	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of October 31, 2025
Common Stock, \$.01 Par Value	1,554,434,067 shares

# Table of Contents and Form 10-Q Cross Reference Index

## Part I — Financial Information

1) Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2)	4
a) Overview	4
b) Statement of Income Analysis	4
c) Balance Sheet Analysis	7
d) Non-GAAP Financial Measures	29
e) Critical Accounting Policies	30
f) Controls and Procedures (Item 4)	30
2) Quantitative and Qualitative Disclosures About Market Risk/Corporate Risk Profile (Item 3)	9
a) Overview	9
b) Credit Risk Management	10
c) Residual Value Risk Management	20
d) Operational Risk Management	20
e) Compliance Risk Management	20
f) Interest Rate Risk Management	20
g) Market Risk Management	21
h) Liquidity Risk Management	22
i) Capital Management	24
3) Business Segment Financial Review	25
4) Financial Statements (Item 1)	31

## Part II — Other Information

1) Legal Proceedings (Item 1)	78
2) Risk Factors (Item 1A)	78
3) Unregistered Sales of Equity Securities and Use of Proceeds (Item 2)	78
4) Other Information (Item 5)	78
5) Exhibits (Item 6)	78
6) Signature	79

### **“Safe Harbor” Statement under the Private Securities Litigation Reform Act of 1995.**

This quarterly report on Form 10-Q contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, future economic conditions and the anticipated future revenue, expenses, financial condition, asset quality, capital and liquidity levels, plans, prospects, targets, initiatives and operations of U.S. Bancorp. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “projects,” “forecasts,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.”

Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those set forth in forward-looking statements, including the following risks and uncertainties:

- Deterioration in general business and economic conditions or turbulence in domestic or global financial markets, which could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility;
- Changes to statutes, regulations, or regulatory policies or practices, including capital and liquidity requirements, and the enforcement and interpretation of such laws and regulations, and U.S. Bancorp's ability to address or satisfy those requirements and other requirements or conditions imposed by regulatory entities;
- Changes in trade policy, including the imposition of tariffs or the impacts of retaliatory tariffs;
- Changes in interest rates;
- Increases in unemployment rates;
- Deterioration in the credit quality of U.S. Bancorp's loan portfolios or in the value of the collateral securing those loans;

- Changes in commercial real estate occupancy rates;
- Increases in Federal Deposit Insurance Corporation (“FDIC”) assessments, including due to bank failures;
- Actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions;
- Turmoil and volatility in the financial services industry, including failures or rumors of failures of other depository institutions, which could affect the ability of depository institutions, including U.S. Bank National Association (“USBNA”), to attract and retain depositors, and could affect the ability of financial services providers, including U.S. Bancorp, to borrow or raise capital;
- Risks related to originating and selling mortgages, including repurchase and indemnity demands, and related to U.S. Bancorp’s role as a loan servicer;
- Impacts of current, pending or future litigation and governmental proceedings;
- Increased competition from both banks and non-banks;
- Effects of climate change and related physical and transition risks;
- Changes in customer behavior and preferences and the ability to implement technological changes to respond to customer needs and meet competitive demands;
- Breaches in data security;
- Failures or disruptions in or breaches of U.S. Bancorp’s operational, technology or security systems or infrastructure, or those of third parties, including as a result of cybersecurity incidents;
- Failures to safeguard personal information;
- Impacts of pandemics, natural disasters, terrorist activities, civil unrest, international hostilities and geopolitical events;
- Impacts of political events, including government shutdowns;
- Impacts of supply chain disruptions, rising inflation, slower growth or a recession;
- Failure to execute on strategic or operational plans;
- Effects of mergers and acquisitions and related integration;
- Effects of critical accounting policies and judgments;
- Effects of changes in or interpretations of tax laws and regulations;
- Management’s ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputation risk; and
- The risks and uncertainties more fully discussed in the section entitled “Risk Factors” of U.S. Bancorp’s Form 10-K for the year ended December 31, 2024, and subsequent filings with the Securities and Exchange Commission (“SEC”).

Factors other than these risks also could adversely affect U.S. Bancorp’s results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

**TABLE 1** Selected Financial Data

(Dollars and Shares in Millions, Except Per Share Data)	Three Months Ended September 30			Nine Months Ended September 30		
	2025	2024	Percent Change	2025	2024	Percent Change
<b>Condensed Income Statement</b>						
Net interest income	\$ 4,222	\$ 4,135	2.1 %	\$ 12,365	\$ 12,143	1.8 %
Taxable-equivalent adjustment <sup>(a)</sup>	29	31	(6.5)	88	90	(2.2)
Net interest income (taxable-equivalent basis) <sup>(b)</sup>	4,251	4,166	2.0	12,453	12,233	1.8
Noninterest income	3,078	2,698	14.1	8,838	8,213	7.6
Total net revenue	7,329	6,864	6.8	21,291	20,446	4.1
Noninterest expense	4,197	4,204	(.2)	12,610	12,877	(2.1)
Provision for credit losses	571	557	2.5	1,609	1,678	(4.1)
Income before taxes	2,561	2,103	21.8	7,072	5,891	20.0
Income taxes and taxable-equivalent adjustment	553	381	45.1	1,527	1,232	23.9
Net income	2,008	1,722	16.6	5,545	4,659	19.0
Net (income) loss attributable to noncontrolling interests	(7)	(8)	12.5	(20)	(23)	13.0
Net income attributable to U.S. Bancorp	\$ 2,001	\$ 1,714	16.7	\$ 5,525	\$ 4,636	19.2
Net income applicable to U.S. Bancorp common shareholders	\$ 1,893	\$ 1,601	18.2	\$ 5,229	\$ 4,328	20.8
<b>Per Common Share</b>						
Earnings per share	\$ 1.22	\$ 1.03	18.4	\$ 3.36	\$ 2.77	21.3
Diluted earnings per share	1.22	1.03	18.4	3.35	2.77	20.9
Dividends declared per share	.52	.50	4.0	1.52	1.48	2.7
Book value per share <sup>(c)</sup>	36.33	33.34	9.0			
Market value per share	48.33	45.73	5.7			
Average common shares outstanding	1,557	1,561	(.3)	1,558	1,560	(.1)
Average diluted common shares outstanding	1,557	1,561	(.3)	1,559	1,561	(.1)
<b>Financial Ratios</b>						
Return on average assets	1.17 %	1.03 %		1.10 %	.94 %	
Return on average common equity	13.5	12.4		12.9	11.6	
Return on tangible common equity <sup>(b)</sup>	18.6	17.9		18.0	17.2	
Net interest margin (taxable-equivalent basis) <sup>(a)</sup>	2.75	2.74		2.71	2.70	
Efficiency ratio <sup>(b)</sup>	57.2	60.2		59.0	62.5	
Net charge-offs as a percent of average loans outstanding	.56	.60		.58	.57	
<b>Average Balances</b>						
Loans	\$ 379,152	\$ 374,070	1.4 %	\$ 378,903	\$ 373,278	1.5 %
Investment securities <sup>(d)</sup>	173,423	166,899	3.9	172,489	165,059	4.5
Earning assets	617,517	607,180	1.7	613,723	604,080	1.6
Assets	679,605	664,640	2.3	674,150	661,363	1.9
Noninterest-bearing deposits	79,890	80,939	(1.3)	79,568	83,040	(4.2)
Deposits	511,782	508,757	.6	507,087	508,576	(.3)
Short-term borrowings	15,698	17,723	(11.4)	19,099	17,064	11.9
Long-term debt	63,329	54,841	15.5	61,360	53,482	14.7
Total U.S. Bancorp shareholders' equity	62,643	58,283	7.5	61,062	56,666	7.8
	September 30, 2025	December 31, 2024				
<b>Period End Balances</b>						
Loans	\$ 382,517	\$ 379,832	.7 %			
Investment securities	165,996	164,626	.8			
Assets	695,357	678,318	2.5			
Deposits	526,149	518,309	1.5			
Long-term debt	62,535	58,002	7.8			
Total U.S. Bancorp shareholders' equity	63,340	58,578	8.1			
<b>Asset Quality</b>						
Nonperforming assets	\$ 1,654	\$ 1,832	(9.7)%			
Allowance for credit losses	7,897	7,925	(.4)			
Allowance for credit losses as a percentage of period-end loans	2.06 %	2.09 %				
<b>Capital Ratios</b>						
Common equity tier 1 capital	10.9 %	10.6 %				
Tier 1 capital	12.4	12.2				
Total risk-based capital	14.4	14.3				
Leverage	8.6	8.3				
Total leverage exposure	7.0	6.8				
Tangible common equity to tangible assets <sup>(b)</sup>	6.4	5.8				
Tangible common equity to risk-weighted assets <sup>(b)</sup>	9.3	8.5				

(a) Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.

(b) See Non-GAAP Financial Measures beginning on page 29.

(c) Calculated as U.S. Bancorp common shareholders' equity divided by common shares outstanding at end of the period.

(d) Excludes unrealized gains and losses on available-for-sale investment securities and any premiums or discounts recorded related to the transfer of investment securities at fair value from available-for-sale to held-to-maturity.

# Management's Discussion and Analysis

## Overview

**Earnings Summary** U.S. Bancorp and its subsidiaries (the "Company") reported net income attributable to U.S. Bancorp of \$2.0 billion for the third quarter of 2025, or \$1.22 per diluted common share, compared with \$1.7 billion, or \$1.03 per diluted common share, for the third quarter of 2024. Return on average assets and return on average common equity were 1.17 percent and 13.5 percent, respectively, for the third quarter of 2025, compared with 1.03 percent and 12.4 percent, respectively, for the third quarter of 2024.

Total net revenue for the third quarter of 2025 was \$465 million (6.8 percent) higher than the third quarter of 2024, reflecting a 2.1 percent increase in net interest income (2.0 percent on a taxable-equivalent basis) and a 14.1 percent increase in noninterest income. The increase in net interest income from the third quarter of 2024 was primarily due to the favorable impact of the change in asset mix, fixed asset repricing and lower rates paid on interest-bearing deposits. The increase in noninterest income was driven by higher revenue across most categories.

Noninterest expense in the third quarter of 2025 was \$7 million (0.2 percent) lower than the third quarter of 2024, primarily due to lower compensation and employee benefits expense, partially offset by higher technology and communications expense and other noninterest expense.

The provision for credit losses for the third quarter of 2025 was \$14 million (2.5 percent) higher than the third quarter of 2024, primarily due to loan portfolio growth. Refer to "Corporate Risk Profile" for further information on the provision for credit losses, net charge-offs, nonperforming assets and other factors considered by the Company in assessing the credit quality of the loan portfolio and establishing the allowance for credit losses.

Net income attributable to U.S. Bancorp for the first nine months of 2025 was \$5.5 billion, or \$3.35 per diluted common share, compared with \$4.6 billion, or \$2.77 per diluted common share, for the first nine months of 2024. Return on average assets and return on average common equity were 1.10 percent and 12.9 percent, respectively, for the first nine months of 2025, compared with 0.94 percent and 11.6 percent, respectively, for the first nine months of 2024. The results for the first nine months of 2024 included the impact of \$291 million (\$218 million net-of-tax) of notable items, including \$155 million of merger and integration charges associated with the acquisition of MUFG Union Bank, N.A. ("MUB") and \$136 million related to incremental FDIC special assessment charges. Combined, these items decreased diluted earnings per common share for the first nine months of 2024 by \$0.14.

Total net revenue for the first nine months of 2025 was \$845 million (4.1 percent) higher than the first nine months of 2024, reflecting a 1.8 percent increase in net interest income and a 7.6 percent increase in noninterest income. The increase in net interest income from the first nine months of 2024 was primarily due to the favorable impact of the change in asset mix, fixed asset repricing and lower rates paid on

interest-bearing deposits. The increase in noninterest income was driven by higher revenue across most categories.

Noninterest expense in the first nine months of 2025 was \$267 million (2.1 percent) lower than the first nine months of 2024, primarily due to the impact of merger and integration charges in the prior year and lower compensation and employee benefits expense, partially offset by higher technology and communications expense and marketing and business development expense.

The provision for credit losses for the first nine months of 2025 was \$69 million (4.1 percent) lower than the first nine months of 2024, primarily driven by the impact of loan portfolio sales during the second quarter of 2025 and improved credit quality. Refer to "Corporate Risk Profile" for further information on the provision for credit losses, net charge-offs, nonperforming assets and other factors considered by the Company in assessing the credit quality of the loan portfolio and establishing the allowance for credit losses.

## Statement of Income Analysis

**Net Interest Income** Net interest income, on a taxable-equivalent basis, was \$4.3 billion in the third quarter and \$12.5 billion in the first nine months of 2025, representing increases of \$85 million (2.0 percent) and \$220 million (1.8 percent), respectively, compared with the same periods of 2024. The increases were primarily due to the favorable impact of the change in asset mix, fixed asset repricing and lower rates paid on interest-bearing deposits. Average earning assets for the third quarter and first nine months of 2025 were \$10.3 billion (1.7 percent) and \$9.6 billion (1.6 percent) higher, respectively, than the same periods of 2024, reflecting increases in investment securities, loans and other earning assets, partially offset by a decrease in interest-bearing deposits with banks. The net interest margin, on a taxable-equivalent basis, in the third quarter of 2025 was 2.75 percent, compared with 2.74 percent in the third quarter of 2024. The increase was primarily due to favorable asset mix and fix asset repricing. The net interest margin, on a taxable-equivalent basis, in the first nine months of 2025 was 2.71 percent, compared with 2.70 percent in the first nine months of 2024. The increase from the prior year was primarily due to improved asset mix and fixed asset repricing, partially offset by deposit mix. Refer to the "Consolidated Daily Average Balance Sheet and Related Yields and Rates" table for further information on net interest income.

Average total loans in the third quarter and first nine months of 2025 were \$5.1 billion (1.4 percent) and \$5.6 billion (1.5 percent) higher, respectively, than the same periods of 2024. The increases were primarily due to higher commercial loans and credit card loans, partially offset by lower commercial real estate loans, other retail loans and residential mortgages. The increase in average commercial loans was primarily due to growth in loans to financial institutions. The increase in average credit card loans was primarily driven by higher spend volume. The decrease in average commercial real estate loans was primarily due to payoffs and loan

workout activities. The decrease in average other retail loans was driven by lower automobile loans, including the impact of a portfolio sale during the second quarter of 2025. Average residential mortgages decreased primarily due to a portfolio sale in the second quarter of 2025.

Average investment securities in the third quarter and first nine months of 2025 were \$6.5 billion (3.9 percent) and \$7.4 billion (4.5 percent) higher, respectively, than the same periods of 2024.

Average total deposits for the third quarter and first nine months of 2025 were \$3.0 billion (0.6 percent) higher and \$1.5 billion (0.3 percent) lower, respectively, than the same periods of 2024. Average total savings deposits for the third quarter and first nine months of 2025 were \$6.0 billion (1.6 percent) and \$2.7 billion (0.7 percent) higher, respectively, than the same periods of 2024, primarily due to increases in Wealth, Corporate, Commercial and Institutional Banking, and Consumer and Business Banking balances. Average noninterest-bearing deposits for the third quarter and first nine months of 2025 were \$1.0 billion (1.3 percent) and \$3.5 billion (4.2 percent) lower, respectively, than the same periods of 2024, driven by a decrease in Consumer and Business Banking balances. Average noninterest-bearing deposits further decreased in the first nine months of 2025, compared with the first nine months of 2024, due to a decrease in Wealth, Corporate, Commercial and Institutional Banking balances. Average time deposits for the third quarter and first nine months of 2025 were \$1.9 billion (3.2 percent) and \$716 million (1.3 percent) lower, respectively, than the same periods of 2024, mainly due to a decrease in Wealth, Corporate, Commercial and Institutional Banking balances. Changes in time deposits are primarily related to those deposits managed as an alternative to other funding sources, based largely on relative pricing and liquidity characteristics.

**Provision for Credit Losses** The provision for credit losses was \$571 million in the third quarter of 2025, representing an increase of \$14 million (2.5 percent) from the third quarter of 2024, primarily due to loan growth. Net charge-offs decreased \$28 million (5.0 percent) in the third quarter of 2025, compared with the third quarter of 2024, driven by lower commercial and credit card loan net charge-offs. The provision for credit losses was \$1.6 billion in the first nine

months of 2025, representing a decrease of \$69 million (4.1 percent) from the first nine months of 2024, primarily driven by the impact of loan sales during the second quarter of 2025 and improved credit quality. Net charge-offs increased \$47 million (3.0 percent) in the first nine months of 2025, compared with the first nine months of 2024, primarily due to higher commercial real estate and other retail loan net charge-offs, partially offset by lower commercial loan net charge-offs. Refer to "Corporate Risk Profile" for further information on the provision for credit losses, net charge-offs, nonperforming assets and other factors considered by the Company in assessing the credit quality of the loan portfolio and establishing the allowance for credit losses.

**Noninterest Income** Noninterest income was \$3.1 billion in the third quarter and \$8.8 billion in the first nine months of 2025, representing increases of \$380 million (14.1 percent) and \$625 million (7.6 percent), respectively, compared with the same periods of 2024. The increases from the prior year reflected higher trust and investment management fees, capital markets revenue, payment services revenue, service charges, mortgage banking revenue and other noninterest income. Trust and investment management fees increased primarily due to business growth and favorable market conditions. Capital markets revenue increased primarily due to higher syndication activity. Capital markets revenue also increased in the third quarter of 2025, compared with the third quarter of 2024, due to higher corporate bond underwriting fees. Payment services revenue increased primarily due to increases in merchant processing services and card revenue, both driven by higher sales volume. Service charges increased due to higher treasury management fees. Service charges also increased in the third quarter of 2025, compared with the third quarter of 2024, due to higher deposit service charges. Mortgage banking revenue increased in the third quarter of 2025, compared with the third quarter of 2024, primarily due to the change in fair value of mortgage servicing rights ("MSRs"), net of hedging activities. Other noninterest income increased primarily due to higher tax credit investment activity.

**TABLE 2** Noninterest Income

(Dollars in Millions)	Three Months Ended September 30			Nine Months Ended September 30		
	2025	2024	Percent Change	2025	2024	Percent Change
Card revenue	\$ 440	\$ 426	3.3 %	\$ 1,280	\$ 1,246	2.7 %
Corporate payment products revenue	195	203	(3.9)	576	582	(1.0)
Merchant processing services	463	440	5.2	1,352	1,295	4.4
Trust and investment management fees	730	667	9.4	2,113	1,957	8.0
Service charges	333	302	10.3	984	939	4.8
Capital markets revenue	434	397	9.3	1,206	1,159	4.1
Mortgage banking revenue	180	155	16.1	515	511	.8
Investment products fees	97	84	15.5	274	243	12.8
Other	213	143	49.0	602	434	38.7
Total fee revenue	3,085	2,817	9.5	8,902	8,366	6.4
Securities gains (losses), net	(7)	(119)	94.1	(64)	(153)	58.2
Total noninterest income	\$ 3,078	\$ 2,698	14.1 %	\$ 8,838	\$ 8,213	7.6 %

**TABLE 3** Noninterest Expense

(Dollars in Millions)	Three Months Ended September 30			Nine Months Ended September 30		
	2025	2024	Percent Change	2025	2024	Percent Change
Compensation and employee benefits	\$ 2,561	\$ 2,637	(2.9)%	\$ 7,798	\$ 7,947	(1.9)%
Net occupancy and equipment	300	317	(5.4)	907	929	(2.4)
Professional services	117	130	(10.0)	324	356	(9.0)
Marketing and business development	175	165	6.1	518	459	12.9
Technology and communications	560	524	6.9	1,627	1,540	5.6
Other intangibles	125	142	(12.0)	372	430	(13.5)
Other	359	289	24.2	1,064	1,061	.3
Total before merger and integration charges	4,197	4,204	(.2)	12,610	12,722	(.9)
Merger and integration charges	—	—	—	—	155	*
Total noninterest expense	\$ 4,197	\$ 4,204	(.2)%	\$12,610	\$12,877	(2.1)%
Efficiency ratio <sup>(a)</sup>	57.2 %	60.2 %		59.0 %	62.5 %	

\* Not meaningful

(a) See Non-GAAP Financial Measures beginning on page 29.

**Noninterest Expense** Noninterest expense was \$4.2 billion in the third quarter and \$12.6 billion in the first nine months of 2025, representing decreases of \$7 million (0.2 percent) and \$267 million (2.1 percent), respectively, from the same periods of 2024. The decreases from the prior year reflected lower compensation and employee benefits expense and lower net occupancy and equipment expense, partially offset by higher technology and communications expense. Noninterest expense further decreased in the first nine months of 2025, compared with the first nine months of 2024, due to the impacts in the prior year of merger and integration charges and the FDIC special assessment, partially offset by higher marketing and business development expense in the first nine months of 2025. Compensation and employee benefits expense decreased primarily due to cost savings from operational efficiencies, partially offset by merit increases. Net occupancy and equipment expense decreased due to cost savings from operational efficiencies. Technology and

communications expense increased primarily due to investments in infrastructure and technology development. Marketing and business development expense increased in the first nine months of 2025, compared with the first nine months of 2024, primarily due to a charitable foundation contribution in the first quarter of 2025.

**Income Tax Expense** The provision for income taxes was \$524 million (an effective rate of 20.7 percent) for the third quarter and \$1.4 billion (an effective rate of 20.6 percent) for the first nine months of 2025, compared with \$350 million (an effective rate of 16.9 percent) and \$1.1 billion (an effective rate of 19.7 percent) for the same periods of 2024, respectively. The tax rate in the third quarter and first nine months of 2024 reflected the impact of favorable settlements. For further information on income taxes, refer to Note 11 of the Notes to Consolidated Financial Statements.

## Balance Sheet Analysis

**Loans** The Company's loan portfolio was \$382.5 billion at September 30, 2025, compared with \$379.8 billion at December 31, 2024, an increase of \$2.7 billion (0.7 percent). The increase was driven by higher commercial loans, partially offset by lower residential mortgages and other retail loans.

Commercial loans increased \$8.9 billion (6.4 percent) at September 30, 2025, compared with December 31, 2024, primarily due to growth in loans to financial institutions.

Credit card loans increased \$244 million (0.8 percent) at September 30, 2025, compared with December 31, 2024, primarily due to higher spend volume.

Residential mortgages held in the loan portfolio decreased \$3.8 billion (3.2 percent) at September 30, 2025, compared with December 31, 2024, driven by a portfolio sale in the second quarter of 2025. Residential mortgages originated and placed in the Company's loan portfolio include jumbo mortgages and branch-originated first lien home equity loans to borrowers with high credit quality.

Other retail loans decreased \$2.1 billion (5.0 percent) at September 30, 2025, compared with December 31, 2024, primarily due to a decrease in automobile loans, including the impact of a portfolio sale during the second quarter of 2025.

Commercial real estate loans decreased \$615 million (1.3 percent) at September 30, 2025, compared with December 31, 2024, primarily due to payoffs and loan workout activities.

The Company generally retains portfolio loans through maturity; however, the Company's intent may change over time based upon various factors such as ongoing asset/liability management activities, assessment of product profitability, credit risk, liquidity needs, and capital implications. If the Company's intent or ability to hold an existing portfolio loan changes, it is transferred to loans held for sale.

**Loans Held for Sale** Loans held for sale, consisting primarily of residential mortgages to be sold in the secondary market, were \$2.5 billion at September 30, 2025, compared with \$2.6 billion at December 31, 2024. Almost all of the residential

mortgage loans the Company originates or purchases for sale follow guidelines that allow the loans to be sold into existing, highly liquid secondary markets, in particular in government agency transactions and to government sponsored enterprises ("GSEs").

**Investment Securities** Investment securities totaled \$166.0 billion at September 30, 2025, compared with \$164.6 billion at December 31, 2024. The \$1.4 billion (0.8 percent) increase was primarily due to a \$1.7 billion favorable change in net unrealized gains (losses) on available-for-sale investment securities.

The Company's available-for-sale investment securities are carried at fair value with changes in fair value reflected in other comprehensive income (loss) unless a portion of a security's unrealized loss is related to credit and an allowance for credit losses is necessary. At September 30, 2025, the Company's net unrealized losses on available-for-sale investment securities were \$5.1 billion (\$3.8 billion net-of-tax), compared with net unrealized losses of \$6.8 billion (\$5.1 billion net-of-tax) at December 31, 2024. The favorable change in net unrealized gains (losses) was primarily due to increases in the fair value of U.S. treasury and mortgage-backed securities as a result of changes in interest rates. Gross unrealized losses on available-for-sale investment securities totaled \$5.4 billion at September 30, 2025, compared with \$6.9 billion at December 31, 2024. When evaluating credit losses, the Company considers various factors such as the nature of the investment security, the credit ratings or financial condition of the issuer, the extent of the unrealized loss, expected cash flows of the underlying collateral, the existence of any government or agency guarantees, and market conditions. At September 30, 2025, the Company had no plans to sell securities with unrealized losses, and believed it was more likely than not that it would not be required to sell such securities before recovery of their amortized cost.

Refer to Notes 3 and 14 in the Notes to Consolidated Financial Statements for further information on investment securities.

**TABLE 4** Investment Securities

(Dollars in Millions)	September 30, 2025				December 31, 2024			
	Amortized Cost	Fair Value	Weighted-Average Maturity in Years	Weighted-Average Yield <sup>(e)</sup>	Amortized Cost	Fair Value	Weighted-Average Maturity in Years	Weighted-Average Yield <sup>(e)</sup>
<b>Held-to-Maturity</b>								
U.S. Treasury and agencies	\$ 647	\$ 641	1.6	3.00 %	\$ 1,296	\$ 1,275	1.3	2.85 %
Mortgage-backed securities <sup>(a)</sup>	76,022	66,440	8.2	2.31	77,094	64,753	8.8	2.19
Other	262	265	1.7	2.68	244	247	2.2	2.73
Total held-to-maturity	\$ 76,931	\$ 67,346	8.1	2.31 %	\$ 78,634	\$ 66,275	8.7	2.20 %
<b>Available-for-Sale</b>								
U.S. Treasury and agencies	\$ 28,556	\$ 27,068	4.3	2.54 %	\$ 30,467	\$ 28,387	5.1	2.98 %
Mortgage-backed securities <sup>(a)</sup>	47,583	45,378	6.2	3.94	44,238	40,638	7.4	3.82
Asset-backed securities <sup>(a)</sup>	6,842	6,865	4.2	5.36	7,136	7,165	3.8	5.56
Obligations of state and political subdivisions <sup>(b)(c)</sup>	10,571	9,486	11.1	3.69	10,690	9,552	11.7	3.72
Other	265	268	1.6	4.71	249	250	1.5	4.79
Total available-for-sale <sup>(d)</sup>	\$ 93,817	\$ 89,065	6.0	3.59 %	\$ 92,780	\$ 85,992	6.8	3.67 %

(a) Information related to asset and mortgage-backed securities included above is presented based upon weighted-average maturities that take into account anticipated future prepayments.

(b) Information related to obligations of state and political subdivisions is presented based upon yield to first optional call date if the security is purchased at a premium, and yield to maturity if the security is purchased at par or a discount.

(c) Maturity calculations for obligations of state and political subdivisions are based on the first optional call date for securities with a fair value above par and the contractual maturity date for securities with a fair value equal to or below par.

(d) Amortized cost excludes portfolio level basis adjustments of \$304 million at September 30, 2025 and \$13 million at December 31, 2024.

(e) Weighted-average yields for obligations of state and political subdivisions are presented on a fully-taxable equivalent basis based on a federal income tax rate of 21 percent. Yields on investment securities are computed based on amortized cost balances, excluding any premiums or discounts recorded related to the transfer of investment securities at fair value from available-for-sale to held-to-maturity.

**Deposits** Total deposits were \$526.1 billion at September 30, 2025, compared with \$518.3 billion at December 31, 2024. The \$7.8 billion (1.5 percent) increase in total deposits was primarily driven by an increase in noninterest-bearing deposits. Noninterest-bearing deposits increased \$7.4 billion (8.8 percent) at September 30, 2025, compared with December 31, 2024, primarily driven by an increase in Wealth, Corporate, Commercial and Institutional Banking balances. Time deposits increased \$257 million (0.5 percent) at September 30, 2025, compared with December 31, 2024, driven by higher Consumer and Business Banking balances, partially offset by lower Wealth, Corporate, Commercial and Institutional Banking balances. Changes in time deposits are primarily related to those deposits managed as an alternative to other funding sources, based largely on relative pricing and liquidity characteristics. Savings account balances increased \$17.8 billion (39.1 percent), driven by higher Consumer and Business Banking balances. Interest checking balances increased \$4.0 billion (3.1 percent), primarily due to higher Wealth, Corporate, Commercial and Institutional Banking balances. Money market deposit balances decreased \$21.6 billion (10.4 percent), primarily due to lower Consumer and Business Banking, and Wealth, Corporate, Commercial and Institutional Banking balances.

**Borrowings** The Company utilizes both short-term and long-term borrowings as part of its asset/liability management and funding strategies. Short-term borrowings, which include federal funds purchased, commercial paper, repurchase agreements, borrowings secured by high-grade assets and other short-term borrowings, were \$15.4 billion at September 30, 2025, compared with \$15.5 billion at December 31, 2024. The \$69 million (0.4 percent) decrease in short-term borrowings was primarily due to decreases in short-term Federal Home Loan Bank ("FHLB") advances and repurchase agreement balances, partially offset by higher other short-term borrowing balances. Long-term debt was \$62.5 billion at September 30, 2025, compared with \$58.0 billion at December 31, 2024. The \$4.5 billion (7.8 percent) increase was primarily due to \$5.0 billion of medium-term note issuances, \$1.9 billion of bank note issuances and \$1.3 billion of credit-linked bank note issuances, partially offset by \$2.2 billion of bank note and \$1.5 billion of medium-term note repayments and maturities and a \$500 million decrease in FHLB advances. Refer to the "Liquidity Risk Management" section for discussion of liquidity management of the Company.

## Corporate Risk Profile

**Overview** Managing risks is an essential part of successfully operating a financial services company. The Company's Board of Directors has approved a risk management framework which establishes governance and risk management requirements for all risk-taking activities. This framework includes Company and business line risk appetite statements which set boundaries for the types and amount of risk that may be undertaken in pursuing business objectives and initiatives. The Board of Directors, primarily through its Risk Management Committee, oversees performance relative to the risk management framework, risk appetite statements, and other policy requirements.

The Executive Risk Committee ("ERC"), which is chaired by the Chief Risk Officer and includes the Chief Executive Officer and other members of the executive management team, oversees execution against the risk management framework and risk appetite statements. The ERC focuses on current and emerging risks, including strategic and reputation risks, by directing timely and comprehensive actions. Senior operating committees have also been established, each responsible for overseeing a specified category of risk.

The Company's most prominent risk exposures are credit, interest rate, market, liquidity, operational, compliance, strategic, and reputation. Credit risk is the risk of loss associated with a change in the credit profile or the failure of a borrower or counterparty to meet its contractual obligations. Interest rate risk is the current or prospective risk to earnings and capital arising from the impact of changes in interest rates. Market risk is the risk associated with fluctuations in interest rates, foreign exchange rates, commodities and credit spreads that may result in changes in the values of financial instruments, such as trading securities, mortgage loans held for sale ("MLHFS") and MSRs. Liquidity risk is the risk that financial condition or overall safety and soundness is adversely affected by the Company's inability, or perceived inability, to meet its cash flow obligations in a timely and complete manner in either normal or stressed conditions. Operational risk is the risk to current or projected financial condition and resilience arising from inadequate or failed internal processes or systems, people (including human errors or misconduct), or adverse external events, including the risk of loss resulting from breaches in data security. Operational risk can also include the risk of loss due to failures by third parties with which the Company does business. Compliance risk is the risk that the Company may suffer legal or regulatory sanctions, financial losses, and reputational damage if it fails to adhere to compliance requirements and the Company's compliance policies. Strategic risk is the risk to current or projected financial condition and resilience arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and operating environment. Reputation risk is the risk to current or projected financial condition and resilience arising from negative public opinion. This risk may impair the Company's competitiveness by affecting its ability to establish new relationships or services, or continue servicing existing relationships. In addition to the risks identified above, other risk factors exist that may impact the Company. Refer to "Risk Factors" in the Company's Annual

Report on Form 10-K for the year ended December 31, 2024, for a detailed discussion of these factors.

The Company's Board and management-level governance committees are supported by a "three lines of defense" model for establishing effective checks and balances. The first line of defense, the business lines, manages risks in conformity with established limits and policy requirements. In turn, business line leaders and their risk officers establish programs to ensure conformity with these limits and policy requirements. The second line of defense, which includes the Chief Risk Officer's organization as well as policy and oversight activities of corporate support functions, translates risk appetite and strategy into actionable risk limits and policies. The second line of defense monitors first line of defense conformity with limits and policies and provides reporting and escalation of emerging risks and other concerns to senior management and the Risk Management Committee of the Board of Directors. The third line of defense, internal audit, is responsible for providing the Audit Committee of the Board of Directors and senior management with independent assessment and assurance regarding the effectiveness of the Company's governance, risk management and control processes.

Management regularly provides reports to the Risk Management Committee of the Board of Directors. The Risk Management Committee discusses with management the Company's risk management performance and provides a summary of key risks to the entire Board of Directors, covering the status of existing matters, areas of potential future concern and specific information on certain types of loss events. The Risk Management Committee considers quarterly reports by management assessing the Company's performance relative to the risk appetite statements and the associated risk limits, including:

- Macroeconomic environment and other qualitative considerations, such as regulatory and compliance changes, litigation developments, geopolitical events, and technology and cybersecurity;
- Credit measures, including adversely rated and nonperforming loans, leveraged transactions, credit concentrations and lending limits;
- Interest rate and market risk, including market value and net income simulation, and trading-related Value at Risk ("VaR");
- Liquidity risk, including funding projections under various stressed scenarios;
- Operational and compliance risk, including losses stemming from events such as fraud, processing errors, control breaches, breaches in data security or adverse business decisions, as well as reporting on technology performance, and various legal and regulatory compliance measures;
- Capital ratios and projections, including regulatory measures and stressed scenarios; and
- Strategic and reputation risk considerations, impacts and responses.

**Credit Risk Management** The Company's strategy for credit risk management includes well-defined, centralized credit policies, uniform underwriting criteria, and ongoing risk monitoring and review processes for all commercial and consumer credit exposures. The strategy also emphasizes diversification on a geographic, industry and customer level, regular credit examinations and management reviews of loans exhibiting deterioration of credit quality. In evaluating its credit risk, the Company considers changes, if any, in underwriting activities, the loan portfolio composition (including product mix and geographic, industry or customer-specific factors), collateral values, trends in loan performance and macroeconomic factors, such as changes in unemployment rates, gross domestic product levels, inflation, interest rates and consumer bankruptcy filings. The Risk Management Committee oversees the Company's credit risk management process.

In addition, credit quality ratings, as defined by the Company, are an important part of the Company's overall credit risk management and evaluation of its allowance for credit losses. Loans with a pass rating represent those loans not classified on the Company's rating scale for problem credits, as minimal credit risk has been identified. Loans with a special mention or classified rating encompass all loans held by the Company that it considers having a potential or well-defined weakness that may put full collection of contractual cash flows at risk. These are defined by individually graded credit quality ratings for larger corporate loans or scored based credit quality ratings in consumer lending and small business loans. Scored based credits classified as problem credits are typically 90 days or more past due and still accruing, nonaccrual loans or loans in a junior lien position that are current but are behind a first lien position on nonaccrual. Refer to Note 4 in the Notes to Consolidated Financial Statements for further discussion of the Company's loan portfolios including internal credit quality ratings. In addition, refer to "Management's Discussion and Analysis — Credit Risk Management" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for a more detailed discussion on credit risk management processes.

The Company manages its credit risk, in part, through diversification of its loan portfolio, which is achieved through limit setting by product type criteria, such as industry and geography, and identification of credit concentrations. The Company categorizes its loan portfolio into two segments, which is the level at which it develops and documents a systematic methodology to determine the allowance for credit losses. The Company's two loan portfolio segments are commercial lending and consumer lending.

The commercial lending segment includes loans and leases made to small business, middle market, large corporate, commercial real estate, financial institution, non-profit and public sector customers. Key risk characteristics relevant to commercial lending segment loans include the industry and geography of the borrower's business, purpose of the loan, repayment source, borrower's debt capacity and financial flexibility, loan covenants, and nature of pledged collateral, if any, as well as macroeconomic factors such as unemployment rates, gross domestic product levels, corporate bond spreads and long-term interest rates. These risk characteristics, among others, are considered in determining

estimates about the likelihood of default by the borrowers and the severity of loss in the event of default. The Company considers these risk characteristics in assigning internal risk ratings to, or forecasting losses on, these loans, which are the significant factors in determining the allowance for credit losses for loans in the commercial lending segment.

The consumer lending segment represents loans and leases made to consumer customers, including residential mortgages, credit card loans, and other retail loans such as revolving consumer lines, auto loans and leases and home equity loans and lines. Key risk characteristics relevant to consumer lending segment loans primarily relate to the borrowers' capacity and willingness to repay, customer payment history and credit scores and consider macroeconomic factors such as unemployment rates, consumer bankruptcy filings, household debt levels, real disposable income, effect of higher interest rates on variable rate or adjustable rate loans, and in some cases, updated loan-to-value ("LTV") information reflecting current market conditions on secured loans. These and other risk characteristics are reflected in forecasts of delinquency levels, bankruptcies and losses which are the primary factors in determining the allowance for credit losses for the consumer lending segment.

The Company further disaggregates its loan portfolio segments into various classes based on their underlying risk characteristics. The two classes within the commercial lending segment are commercial loans and commercial real estate loans. The three classes within the consumer lending segment are residential mortgages, credit card loans and other retail loans.

The Company's consumer lending segment originates consumer credit through several channels, including traditional branch lending, mobile and online banking, indirect lending, alliance partnerships and correspondent banks. Each distinct underwriting and origination process within consumer lending manages unique credit risk characteristics and prices its loan production commensurate with the differing risk profiles.

Residential mortgage originations are generally limited to prime borrowers and are performed through the Company's branches, loan production offices, mobile and online services, and a wholesale network of originators. The Company may retain residential mortgage loans it originates on its balance sheet or sell the loans into the secondary market while retaining the servicing rights and customer relationships. Utilizing the secondary markets enables the Company to effectively reduce its credit and other asset/liability risks. For residential mortgages that are retained in the Company's portfolio and for home equity and second mortgages, credit risk is managed by adherence to LTV and borrower credit criteria during the underwriting process.

The Company estimates updated LTV information on its outstanding residential mortgages quarterly, based on a method that combines automated valuation model updates and relevant home price indices. LTV is the ratio of the loan's outstanding principal balance to the current estimate of property value. For home equity and second mortgages, combined loan-to-value ("CLTV") is the combination of the first mortgage original principal balance and the second lien outstanding principal balance, relative to the current estimate

of property value. Certain loans do not have an LTV or CLTV, primarily due to lack of availability of relevant automated valuation model and/or home price indices values, or lack of necessary valuation data on acquired loans.

The following tables provide summary information of residential mortgages and home equity and second mortgages by LTV at September 30, 2025:

Residential Mortgages (Dollars in Millions)	Interest Only	Amortizing	Total	Percent of Total
<b>Loan-to-Value</b>				
Less than or equal to 80%	\$11,935	\$ 90,204	\$102,139	88.8 %
Over 80% through 90%	194	4,475	4,669	4.1
Over 90% through 100%	27	822	849	.7
Over 100%	4	341	345	.3
No LTV available	—	6	6	—
Loans purchased from GNMA mortgage pools <sup>(a)</sup>	—	7,038	7,038	6.1
<b>Total</b>	<b>\$12,160</b>	<b>\$102,886</b>	<b>\$115,046</b>	<b>100.0 %</b>

(a) Represents loans purchased and loans that could be purchased from Government National Mortgage Association ("GNMA") mortgage pools under delinquent loan repurchase options whose payments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

Home Equity and Second Mortgages (Dollars in Millions)	Lines	Loans	Total	Percent of Total
<b>Loan-to-Value / Combined Loan-to- Value</b>				
Less than or equal to 80%	\$10,481	\$ 2,767	\$13,248	95.6 %
Over 80% through 90%	406	99	505	3.6
Over 90% through 100%	52	15	67	.5
Over 100%	17	4	21	.2
No LTV/CLTV available	17	—	17	.1
<b>Total</b>	<b>\$10,973</b>	<b>\$ 2,885</b>	<b>\$13,858</b>	<b>100.0 %</b>

Credit card and other retail loans are diversified across customer segments and geographies. Diversification in the credit card portfolio is achieved with broad customer relationship distribution through the Company's and financial institution partners' branches, retail and affinity partners, and digital channels.

The following table provides a summary of the Company's credit card loan balances disaggregated based upon updated credit score at September 30, 2025:

	Percent of Total <sup>(a)</sup>
Credit score > 660	87 %
Credit score < 660	13
No credit score	—

(a) Credit score distribution excludes loans serviced by others.

**Loan Delinquencies** Trends in delinquency ratios are an indicator, among other considerations, of credit risk within the Company's loan portfolios. The entire balance of a loan account is considered delinquent if the minimum payment contractually required to be made is not received by the date specified on the billing statement. Delinquent loans purchased and loans that could be purchased from GNMA mortgage pools under delinquent loan repurchase options, whose repayments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs, are excluded from delinquency statistics.

Accruing loans 90 days or more past due totaled \$840 million at September 30, 2025, compared with \$810 million at December 31, 2024. Accruing loans 90 days or more past due are not included in nonperforming assets and continue to accrue interest because they are adequately secured by collateral, are in the process of collection and are reasonably expected to result in repayment or restoration to current status, or are managed in homogeneous portfolios with specified charge-off timeframes adhering to regulatory guidelines. The ratio of accruing loans 90 days or more past due to total loans was 0.22 percent at September 30, 2025, compared with 0.21 percent at December 31, 2024.

**TABLE 5** Delinquent Loan Ratios as a Percent of Ending Loan Balances

90 days or more past due	September 30, 2025	December 31, 2024
<b>Commercial</b>		
Commercial	.06 %	.07 %
Lease financing	—	—
Total commercial	.06	.07
<b>Commercial Real Estate</b>		
Commercial mortgages	—	—
Construction and development	.19	.09
Total commercial real estate	.04	.02
<b>Residential Mortgages<sup>(a)</sup></b>	.26	.17
<b>Credit Card</b>	1.26	1.43
<b>Other Retail</b>		
Retail leasing	.06	.05
Home equity and second mortgages	.18	.25
Other	.11	.11
Total other retail	.13	.15
Total loans	.22 %	.21 %

90 days or more past due and nonperforming loans	September 30, 2025	December 31, 2024
Commercial	.55 %	.55 %
Commercial real estate	1.24	1.70
Residential mortgages <sup>(a)</sup>	.38	.30
Credit card	1.26	1.43
Other retail	.51	.50
Total loans	.64 %	.69 %

(a) Delinquent loan ratios exclude \$2.4 billion at September 30, 2025, and \$2.3 billion at December 31, 2024, of loans purchased and loans that could be purchased from GNMA mortgage pools under delinquent loan repurchase options whose repayments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs. Including these loans, the ratio of residential mortgages 90 days or more past due and nonperforming to total residential mortgages was 2.47 percent at September 30, 2025, and 2.28 percent at December 31, 2024.

The following table provides summary delinquency information for residential mortgages, credit card and other retail loans included in the consumer lending segment:

(Dollars in Millions)	Amount		As a Percent of Ending Loan Balances	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
<b>Residential Mortgages<sup>(a)</sup></b>				
30-89 days	\$ 162	\$ 188	.14 %	.16 %
90 days or more	298	206	.26	.17
Nonperforming	143	152	.12	.13
Total	\$ 603	\$ 546	.52 %	.46 %
<b>Credit Card</b>				
30-89 days	\$ 409	\$ 428	1.34 %	1.41 %
90 days or more	384	435	1.26	1.43
Nonperforming	—	—	—	—
Total	\$ 793	\$ 863	2.59 %	2.84 %
<b>Other Retail</b>				
<b>Retail Leasing</b>				
30-89 days	\$ 19	\$ 25	.52 %	.62 %
90 days or more	2	2	.06	.05
Nonperforming	6	7	.17	.17
Total	\$ 27	\$ 34	.74 %	.84 %
<b>Home Equity and Second Mortgages</b>				
30-89 days	\$ 50	\$ 61	.36 %	.45 %
90 days or more	25	34	.18	.25
Nonperforming	130	121	.94	.89
Total	\$ 205	\$ 216	1.48 %	1.59 %
<b>Other<sup>(b)</sup></b>				
30-89 days	\$ 107	\$ 143	.47 %	.58 %
90 days or more	24	28	.11	.11
Nonperforming	19	19	.08	.08
Total	\$ 150	\$ 190	.66 %	.77 %

(a) Excludes \$626 million of loans 30-89 days past due and \$2.4 billion of loans 90 days or more past due at September 30, 2025, purchased and that could be purchased from GNMA mortgage pools under delinquent loan repurchase options that continue to accrue interest, compared with \$660 million and \$2.3 billion at December 31, 2024, respectively.

(b) Includes revolving credit, installment and automobile loans.

**Modified Loans** In certain circumstances, the Company may modify the terms of a loan to maximize the collection of amounts due when a borrower is experiencing financial difficulties or is expected to experience difficulties in the near-term. In most cases the modification is either a concessionary reduction in interest rate, extension of the maturity date or other concessionary modification of loan terms that would otherwise not be considered.

Modified loans accrue interest if the borrower complies with the revised terms and conditions and has demonstrated repayment performance at a level commensurate with the modified terms over several payment cycles, which is generally six months or greater.

The Company continues to work with borrowers who are experiencing financial difficulties to modify their loans. Many of the Company's loan modifications are determined on a case-by-case basis in connection with ongoing loan collection processes. The modifications vary within each of the Company's loan classes. Commercial lending segment modifications generally include extensions of the maturity date and may be accompanied by an increase or decrease to the interest rate. The Company may also work with the borrower to make other changes to the loan to mitigate losses, such as

obtaining additional collateral and/or guarantees to support the loan.

The Company has also implemented certain residential mortgage loan modification programs. The Company modifies residential mortgage loans under Federal Housing Administration, United States Department of Veterans Affairs, and its own internal programs. Under these programs, the Company offers qualifying homeowners the opportunity to permanently modify their loan and achieve more affordable monthly payments. These modifications may include adjustments to interest rates, conversion of adjustable rates to fixed rates, extensions of maturity dates or deferrals of payments, capitalization of accrued interest and/or outstanding advances, or in limited situations, partial forgiveness of loan principal. In some instances, participation in residential mortgage loan modification programs requires the customer to complete a short-term trial period. A permanent loan modification is contingent on the customer successfully completing the trial period arrangement, and the loan documents are not modified until that time.

Credit card and other retail loan modifications generally are part of distinct modification programs providing customers

modification solutions over a specified time period, generally up to 60 months.

The Company also makes short-term modifications, in limited circumstances, to assist borrowers experiencing temporary hardships. Short-term consumer lending modification programs include payment reductions, deferrals of up to three past due payments, and the ability to return to current status if the borrower makes required payments. The Company may also make short-term modifications to commercial lending loans, with the most common modification being an extension of the maturity date of three months or less. Such extensions generally are used when the maturity date is imminent and the borrower is experiencing some level of financial stress, but the Company believes the borrower will pay all contractual amounts owed.

**Nonperforming Assets** The level of nonperforming assets represents another indicator of the Company's risk within the loan portfolio. Nonperforming assets include nonaccrual loans, modified loans not performing in accordance with modified terms and not accruing interest, modified loans that have not met the performance period required to return to accrual status, other real estate owned ("OREO") and other

nonperforming assets owned by the Company. Interest payments collected from assets on nonaccrual status are generally applied against the principal balance and not recorded as income. However, interest income may be recognized for interest payments received if the remaining carrying amount of the loan is believed to be collectible.

At September 30, 2025, total nonperforming assets were \$1.7 billion, compared to \$1.8 billion at December 31, 2024. The \$178 million (9.7 percent) decrease in nonperforming assets was primarily due to lower nonperforming commercial real estate loans. The ratio of total nonperforming assets to total loans and other real estate was 0.43 percent at September 30, 2025, compared with 0.48 percent at December 31, 2024.

OREO was \$23 million at September 30, 2025, compared with \$21 million at December 31, 2024, and was related to foreclosed properties that previously secured loan balances. These balances exclude foreclosed GNMA loans whose repayments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

**TABLE 6** Nonperforming Assets<sup>(a)</sup>

(Dollars in Millions)	September 30, 2025	December 31, 2024
<b>Commercial</b>		
Commercial	\$ 708	\$ 644
Lease financing	25	26
Total commercial	733	670
<b>Commercial Real Estate</b>		
Commercial mortgages	558	789
Construction and development	21	35
Total commercial real estate	579	824
<b>Residential Mortgages<sup>(b)</sup></b>	143	152
<b>Credit Card</b>	—	—
<b>Other Retail</b>		
Retail leasing	6	7
Home equity and second mortgages	130	121
Other	19	19
Total other retail	155	147
Total nonperforming loans <sup>(1)</sup>	1,610	1,793
<b>Other Real Estate<sup>(c)</sup></b>	23	21
<b>Other Assets</b>	21	18
Total nonperforming assets	\$ 1,654	\$ 1,832
Accruing loans 90 days or more past due <sup>(b)</sup>	\$ 840	\$ 810
Period-end loans <sup>(2)</sup>	\$ 382,517	\$ 379,832
Nonperforming loans to total loans <sup>(1)/(2)</sup>	.42 %	.47 %
Nonperforming assets to total loans plus other real estate <sup>(c)</sup>	.43 %	.48 %

## Changes in Nonperforming Assets

(Dollars in Millions)	Commercial and Commercial Real Estate	Residential Mortgages, Credit Card and Other Retail	Total
<b>Balance December 31, 2024</b>	\$ 1,494	\$ 338	\$ 1,832
Additions to nonperforming assets			
New nonaccrual loans and foreclosed properties	1,055	130	1,185
Advances on loans	56	1	57
Total additions	1,111	131	1,242
Reductions in nonperforming assets			
Paydowns, payoffs	(790)	(36)	(826)
Net sales	(38)	(17)	(55)
Return to performing status	(83)	(55)	(138)
Charge-offs <sup>(d)</sup>	(382)	(19)	(401)
Total reductions	(1,293)	(127)	(1,420)
Net additions to (reductions in) nonperforming assets	(182)	4	(178)
<b>Balance September 30, 2025</b>	\$ 1,312	\$ 342	\$ 1,654

(a) Throughout this document, nonperforming assets and related ratios do not include accruing loans 90 days or more past due.

(b) Excludes \$2.4 billion at September 30, 2025, and \$2.3 billion at December 31, 2024, of loans purchased and loans that could be purchased from GNMA mortgage pools under delinquent loan repurchase options that are 90 days or more past due that continue to accrue interest, as their repayments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

(c) Foreclosed GNMA loans of \$63 million at September 30, 2025, and \$46 million at December 31, 2024, continue to accrue interest and are recorded as other assets and excluded from nonperforming assets because they are insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

(d) Charge-offs exclude actions for certain card products and loan sales that were not classified as nonperforming at the time the charge-off occurred.

**TABLE 7** Net Charge-offs as a Percent of Average Loans Outstanding

(Dollars in Millions)	Three Months Ended September 30					
	2025			2024		
	Average Loan Balance	Net Charge-offs	Percent	Average Loan Balance	Net Charge-offs	Percent
<b>Commercial</b>						
Commercial	\$ 141,542	\$ 85	.24 %	\$ 128,979	\$ 139	.43 %
Lease financing	4,250	7	.65	4,159	8	.77
Total commercial	145,792	92	.25	133,138	147	.44
<b>Commercial Real Estate</b>						
Commercial mortgages	38,384	103	1.06	40,343	69	.68
Construction and development	9,862	—	—	11,111	1	.04
Total commercial real estate	48,246	103	.85	51,454	70	.54
<b>Residential Mortgages</b>	114,780	(1)	—	117,559	(3)	(.01)
<b>Credit Card</b>	30,241	284	3.73	28,994	299	4.10
<b>Other Retail</b>						
Retail leasing	3,718	17	1.81	4,088	5	.49
Home equity and second mortgages	13,790	(2)	(.06)	13,239	(1)	(.03)
Other	22,585	43	.76	25,598	47	.73
Total other retail	40,093	58	.57	42,925	51	.47
Total loans	\$ 379,152	\$ 536	.56 %	\$ 374,070	\$ 564	.60 %

(Dollars in Millions)	Nine Months Ended September 30					
	2025			2024		
	Average Loan Balance	Net Charge-offs	Percent	Average Loan Balance	Net Charge-offs	Percent
<b>Commercial</b>						
Commercial	\$ 139,047	\$ 366	.35 %	\$ 128,582	\$ 383	.40 %
Lease financing	4,220	17	.54	4,167	23	.74
Total commercial	143,267	383	.36	132,749	406	.41
<b>Commercial Real Estate</b>						
Commercial mortgages	38,400	155	.54	40,918	119	.39
Construction and development	10,132	1	.01	11,339	8	.09
Total commercial real estate	48,532	156	.43	52,257	127	.32
<b>Residential Mortgages</b>	116,398	(2)	—	116,563	(7)	(.01)
<b>Credit Card</b>	29,747	926	4.16	28,430	910	4.28
<b>Other Retail</b>						
Retail leasing	3,858	40	1.39	4,118	13	.42
Home equity and second mortgages	13,671	(3)	(.03)	13,092	(2)	(.02)
Other	23,430	137	.78	26,069	143	.73
Total other retail	40,959	174	.57	43,279	154	.48
Total loans	\$ 378,903	\$ 1,637	.58 %	\$ 373,278	\$ 1,590	.57 %

**Analysis of Loan Net Charge-offs** Total loan net charge-offs were \$536 million for the third quarter and \$1.6 billion for the first nine months of 2025, compared with \$564 million and \$1.6 billion, respectively, for the same periods of 2024. The decrease in net charge-offs in the third quarter of 2025, compared with the third quarter of 2024, was driven by lower commercial and credit card loan net charge-offs. The increase

in net charge-offs in the first nine months of 2025, compared with the first nine months of 2024, was primarily due to higher commercial real estate and other retail loan net charge-offs, partially offset by lower commercial loan net charge-offs. The ratio of total loan net charge-offs to average loans outstanding on an annualized basis for the third quarter and first nine months of 2025 was 0.56 percent and 0.58 percent,

respectively, compared with 0.60 percent and 0.57 percent, respectively, for the same periods of 2024.

#### **Analysis and Determination of the Allowance for Credit**

**Losses** The allowance for credit losses is established for current expected credit losses on the Company's loan and lease portfolio, including unfunded credit commitments. The allowance considers expected losses for the remaining lives of the applicable assets, net of expected recoveries. The allowance for credit losses is increased through provisions charged to earnings and reduced by net charge-offs.

Management evaluates the appropriateness of the allowance for credit losses on a quarterly basis. Multiple economic scenarios are considered over a three-year reasonable and supportable forecast period, which includes increasing consideration of historical loss experience over years two and three. These economic scenarios are constructed with interrelated projections of multiple economic variables, and loss estimates are produced that consider the historical correlation of those economic variables with credit losses. After the forecast period, the Company fully reverts to long-term historical loss experience, adjusted for expected prepayments and characteristics of the current loan and lease portfolio, to estimate losses over the remaining life of the portfolio. The economic scenarios are updated at least quarterly and are designed to provide a range of reasonable estimates, both better and worse than current expectations. Scenarios are weighted based on the Company's expectation of economic conditions for the foreseeable future and reflect significant judgment and consideration of economic forecast uncertainty. Final loss estimates also consider factors affecting credit losses not reflected in the scenarios, due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to, changes in borrower behavior or conditions in specific lending segments, loan servicing practices, regulatory guidance, and/or fiscal and monetary policy actions.

Because business processes and credit risks associated with unfunded credit commitments are essentially the same as for loans, the Company utilizes similar processes to estimate its liability for unfunded credit commitments, which is included in other liabilities in the Consolidated Balance Sheet. Both the allowance for loan losses and the liability for unfunded credit commitments are included in the Company's analysis of credit losses and reported reserve ratios.

The allowance recorded for credit losses utilizes forward-looking expected loss models to consider a variety of factors affecting lifetime credit losses. These factors include, but are not limited to, macroeconomic variables such as unemployment rates, real estate prices, gross domestic product levels, interest rates, and corporate bond spreads, as well as loan and borrower characteristics, such as internal risk ratings on commercial loans and consumer credit scores, delinquency status, collateral type and available valuation information, consideration of end-of-term losses on lease residuals, and the remaining term of the loan, adjusted for expected prepayments. For each loan portfolio, including those loans modified under various loan modification programs, model estimates are adjusted as necessary to consider any relevant changes in portfolio composition, lending policies, underwriting standards, risk management practices, economic conditions or other factors that may affect

the accuracy of the model. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral-dependent loans where recovery is expected through sale of the collateral at fair value less selling costs.

For loans and leases that do not share similar risk characteristics with a pool of loans, the Company establishes individually assessed reserves. Reserves for larger individual nonperforming loans in the commercial lending segment are analyzed utilizing expected cash flows discounted using the original effective interest rate, the observable market price of the loan, or the fair value of the collateral, less selling costs, for collateral-dependent loans as appropriate.

When evaluating the appropriateness of the allowance for credit losses for any loans and lines in a junior lien position, the Company considers the delinquency and modification status of the first lien, based on either servicing data for the first lien accounts serviced by the Company or the status of first lien mortgage accounts reported on customer credit bureau files when the first lien is not serviced by the Company. This information is considered within the overall assessment of economic conditions, problem loans, recent loss experience and other factors in determining the allowance for credit losses.

When a loan portfolio is purchased, the acquired loans are divided into those considered purchased with more than insignificant credit deterioration ("PCD") and those not considered PCD. An allowance is established for each population and considers product mix, risk characteristics of the portfolio and delinquency status and refreshed LTV ratios when possible. Considerations for PCD loans include whether the loan has experienced a charge-off, bankruptcy or significant deterioration since origination. The allowance established for purchased loans not considered PCD is recognized through provision expense upon acquisition, whereas the allowance established for loans considered PCD at acquisition is offset by an increase in the basis of the acquired loans. Any subsequent increases and decreases in the allowance related to purchased loans, regardless of PCD status, are recognized through provision expense, with charge-offs charged to the allowance. The Company had a total net book balance of \$1.8 billion of PCD loans, primarily related to the MUB acquisition, included in its loan portfolio at September 30, 2025.

The Company's methodology for determining the appropriate allowance for credit losses also considers the imprecision inherent in the methodologies used and allocated to the various loan portfolios. As a result, amounts determined under the methodologies described above are adjusted by management to consider the potential impact of other qualitative factors not captured in quantitative model adjustments which include, but are not limited to, the following: model imprecision, imprecision in economic scenario assumptions, and emerging risks related to either changes in the economic environment that are affecting specific portfolios, or changes in portfolio concentrations over time that may affect model performance. The consideration of these items results in adjustments to allowance amounts included in the Company's allowance for credit losses for each loan portfolio.

Although the Company determined the amount of each element of the allowance separately and considers this process to be an important credit management tool, the entire allowance for credit losses is available for the entire loan portfolio. The actual amount of losses can vary significantly from the estimated amounts.

The allowance for credit losses was \$7.9 billion at both September 30, 2025 and December 31, 2024. The \$28 million (0.4 percent) decrease in the allowance for credit losses at September 30, 2025, compared with December 31, 2024, was primarily driven by the impact of loan sales during the second quarter of 2025, along with improved credit quality and portfolio mix. The Company continued to monitor economic uncertainty related to interest rates, inflationary pressures, including those related to changing tariff policies, the government shutdown and other economic factors that may affect the financial strength of corporate and consumer borrowers. The Company also continued to monitor the commercial real estate office portfolio and reflected an allowance to loan coverage ratio of approximately 10 percent at September 30, 2025. In addition to these broad economic factors, the Company considered various factors for determining its expected loss estimates, including customer specific information impacting changes in risk ratings, projected delinquencies and the impact of economic deterioration on selected borrowers' liquidity and ability to repay.

The ratio of the allowance for credit losses to period-end loans was 2.06 percent at September 30, 2025, compared

with 2.09 percent at December 31, 2024. The ratio of the allowance for credit losses to nonperforming loans was 490 percent at September 30, 2025, compared with 442 percent at December 31, 2024. The ratio of the allowance for credit losses to annualized loan net charge-offs was 371 percent at September 30, 2025, compared with 368 percent of full year 2024 net charge-offs at December 31, 2024.

The allowance for credit losses related to commercial lending segment loans decreased \$98 million during the first nine months of 2025, reflecting improved credit quality and portfolio mix, partially offset by commercial loan growth and increased economic uncertainty.

The allowance for credit losses related to consumer lending segment loans increased \$70 million during the first nine months of 2025, primarily driven by loan growth and the impacts of economic uncertainty, partially offset by the impact of loan sales during the second quarter of 2025.

Economic conditions considered in estimating the allowance for credit losses at September 30, 2025 included changes in projected gross domestic product and unemployment levels. These factors were evaluated through a combination of quantitative calculations using multiple economic scenarios and additional qualitative assessments that considered the degree of economic uncertainty in the current environment. The projected unemployment rates considered in the estimate ranged from 3.6 percent to 9.4 percent, with a peak weighted average unemployment rate of 5.9 percent.

The following table summarizes the baseline forecast for key economic variables the Company used in its estimate of the allowance for credit losses at September 30, 2025 and December 31, 2024:

	September 30, 2025	December 31, 2024
United States unemployment rate for the three months ending <sup>(a)</sup>		
September 30, 2025	4.3 %	4.4 %
December 31, 2025	4.5	4.3
September 30, 2026	4.4	4.4
United States real gross domestic product for the three months ending <sup>(b)</sup>		
September 30, 2025	1.3 %	1.7 %
December 31, 2025	.9	1.7
September 30, 2026	1.6	2.1

(a) Reflects quarterly average of forecasted reported United States unemployment rate.

(b) Reflects year-over-year growth rates.

**TABLE 8** Summary of Allowance for Credit Losses

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Balance at beginning of period	\$ 7,862	\$ 7,934	\$ 7,925	\$ 7,839
<b>Charge-Offs</b>				
Commercial				
Commercial	120	155	447	455
Lease financing	9	10	24	29
Total commercial	129	165	471	484
Commercial real estate				
Commercial mortgages	109	79	207	144
Construction and development	1	1	2	8
Total commercial real estate	110	80	209	152
Residential mortgages	3	3	11	10
Credit card	344	347	1,103	1,042
Other retail				
Retail leasing	21	8	51	23
Home equity and second mortgages	2	2	5	7
Other	60	64	192	198
Total other retail	83	74	248	228
Total charge-offs	669	669	2,042	1,916
<b>Recoveries</b>				
Commercial				
Commercial	35	16	81	72
Lease financing	2	2	7	6
Total commercial	37	18	88	78
Commercial real estate				
Commercial mortgages	6	10	52	25
Construction and development	1	—	1	—
Total commercial real estate	7	10	53	25
Residential mortgages	4	6	13	17
Credit card	60	48	177	132
Other retail				
Retail leasing	4	3	11	10
Home equity and second mortgages	4	3	8	9
Other	17	17	55	55
Total other retail	25	23	74	74
Total recoveries	133	105	405	326
<b>Net Charge-Offs</b>				
Commercial				
Commercial	85	139	366	383
Lease financing	7	8	17	23
Total commercial	92	147	383	406
Commercial real estate				
Commercial mortgages	103	69	155	119
Construction and development	—	1	1	8
Total commercial real estate	103	70	156	127
Residential mortgages	(1)	(3)	(2)	(7)
Credit card	284	299	926	910
Other retail				
Retail leasing	17	5	40	13
Home equity and second mortgages	(2)	(1)	(3)	(2)
Other	43	47	137	143
Total other retail	58	51	174	154
Total net charge-offs	536	564	1,637	1,590
Provision for credit losses	571	557	1,609	1,678
Balance at end of period	\$ 7,897	\$ 7,927	\$ 7,897	\$ 7,927
<b>Components</b>				
Allowance for loan losses	\$ 7,557	\$ 7,560		
Liability for unfunded credit commitments	340	367		
Total allowance for credit losses <sup>(1)</sup>	\$ 7,897	\$ 7,927		
Period-end loans <sup>(2)</sup>	\$ 382,517	\$ 374,164		
Nonperforming loans <sup>(3)</sup>	1,610	1,809		
<b>Allowance for Credit Losses as a Percentage of</b>				
Period-end loans <sup>(1)/(2)</sup>	2.06 %	2.12 %		
Nonperforming loans <sup>(1)/(3)</sup>	490	438		
Nonperforming and accruing loans 90 days or more past due	322	311		
Nonperforming assets	477	429		
Annualized net charge-offs	371	353		

**Residual Value Risk Management** The Company manages its risk to changes in the residual value of leased vehicles, office and business equipment, and other assets through disciplined residual valuation at the inception of a lease, diversification of its leased assets, regular residual asset valuation reviews and monitoring of residual value gains or losses upon the disposition of assets. As of September 30, 2025, no significant change in the amount of residual values or concentration of the portfolios had occurred since December 31, 2024. Refer to “Management’s Discussion and Analysis — Residual Value Risk Management” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion on residual value risk management.

**Operational Risk Management** The Company operates in many different businesses in diverse markets and relies on the ability of its employees and systems to process a high number of transactions. Operational risk is inherent in all business activities, and the management of this risk is important to the achievement of the Company’s objectives. Business lines have direct and primary responsibility and accountability for identifying, controlling, and monitoring operational risks embedded in their business activities, including those additional or increased risks created by economic and financial disruptions.

The Company maintains a system of controls with the objectives of providing proper transaction authorization and execution, proper system operations and proper oversight of third parties with whom it does business, safeguarding of assets from misuse or theft, and ensuring the reliability and security of financial and other data. The Company also maintains a cybersecurity risk program which provides centralized planning and management of related and interdependent work with a focus on risks from cybersecurity threats. The Company’s cybersecurity risk program is integrated into the Company’s overall business and operational strategies and requires that the Company allocate appropriate resources to maintain the program. Refer to “Management’s Discussion and Analysis — Operational Risk Management” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion on operational risk management.

**Compliance Risk Management** The Company may suffer legal or regulatory sanctions, material financial loss, or damage to its reputation if it fails to comply with laws, regulations, rules, standards of good practice, and codes of conduct, including those related to compliance with Bank Secrecy Act/anti-money laundering requirements, sanctions compliance requirements as administered by the Office of Foreign Assets Control, consumer protection and other requirements. The Company has controls and processes in

place for the assessment, identification, monitoring, management and reporting of compliance risks and issues, including those created or increased by economic and financial disruptions. Refer to “Management’s Discussion and Analysis — Compliance Risk Management” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion on compliance risk management.

**Interest Rate Risk Management** In the banking industry, changes in interest rates are a significant risk that can impact earnings as well as the safety and soundness of an entity. The Company manages its exposure to changes in interest rates through asset and liability management activities within guidelines established by its Asset Liability Management Committee (“ALCO”) and approved by the Board of Directors. The ALCO has the responsibility for approving and overseeing compliance with the ALCO management policies, including interest rate risk exposure. One way the Company measures and analyzes its interest rate risk is through analysis of net interest income sensitivities across a range of scenarios.

Net interest income sensitivity analysis includes evaluating all of the Company’s assets and liabilities and off-balance sheet instruments, inclusive of new business activity, under various interest rate scenarios that differ in the direction, amount and speed of change over time, as well as the overall shape of the yield curve. The balance sheet includes assumptions regarding loan and deposit volumes and pricing which are based on quantitative analysis, historical trends and management outlook and strategies. Deposit balances, mix and pricing are dynamic across interest rate scenarios and will change both with the absolute level of rates as well as the assumed interest rate shock. Deposit pricing changes, commonly referred to as the deposit beta, represents the amount by which the Company’s interest-bearing deposit rates have or will change given a change in short-term market rates. Base case and net interest income sensitivities are reviewed monthly by the ALCO and are used to guide asset/liability management strategies.

The Company also manages interest rate sensitivity by utilizing market value of equity modeling, which measures the degree to which the market values of the Company’s assets and liabilities and off-balance sheet instruments will change given a change in interest rates. Management measures the impact of changes in market values due to interest rates under a number of scenarios, including immediate and sustained parallel shifts, and flattening or steepening of the yield curve. The Company manages its interest rate risk position by holding assets with desired interest rate risk characteristics on its balance sheet, executing certain pricing strategies for loans and deposits and deploying investment portfolio, funding and derivative strategies.

**TABLE 9** Sensitivity of Net Interest Income

	September 30, 2025				December 31, 2024			
	Down 50 bps Immediate	Up 50 bps Immediate	Down 200 bps Immediate	Up 200 bps Immediate	Down 50 bps Immediate	Up 50 bps Immediate	Down 200 bps Immediate	Up 200 bps Immediate
Net interest income	.15 %	(.35)%	(.96)%	.06 %	.25 %	.17 %	.01 %	1.05 %

Table 9 summarizes the projected impact to net interest income over the next 12 months of various potential interest rate changes. The sensitivity of the projected impact to net interest income over the next 12 months is dependent on balance sheet growth, product mix, customer behavior, deposit pricing and funding decisions. From December 31, 2024 to September 30, 2025, changes in net interest income sensitivities reflect updates to both the actual and projected balance sheet, as well as enhancements to behavioral models made in the third quarter of 2025. The Company periodically assesses interest rate risk scenarios and behavioral assumptions, such as deposit rotation, pricing sensitivity and mortgage prepayment speeds, based on historical and projected through-the-cycle experience. As of September 30, 2025, the Company remains relatively neutral to a parallel 50 basis point shift in interest rates, as asset and liability repricing remains closely aligned. Under more significant rate shock scenarios, certain assets and liabilities, particularly mortgage assets and deposit products, are expected to exhibit non-linear behavior, resulting in varying impacts to net interest income. In higher rate scenarios, the analysis anticipates deposit disintermediation and a mix shift into higher yielding products, along with reduced mortgage prepayments. Conversely, in lower rate scenarios, the analysis assumes that deposits will shift into lower yielding products, while mortgage paydowns accelerate. While the Company's interest rate risk models incorporate historical data and expected customer behaviors, actual outcomes may differ significantly due to changes in macroeconomic conditions, competitive dynamics and customer preferences.

#### **Use of Derivatives to Manage Interest Rate and Other Risks**

To manage the sensitivity of earnings and capital to interest rate, prepayment, credit, price and foreign currency fluctuations (asset and liability management positions), the Company enters into derivative transactions. The Company uses derivatives for asset and liability management purposes primarily in the following ways:

- To convert fixed-rate debt and available-for-sale investment securities from fixed-rate payments to floating-rate payments;
- To convert floating-rate loans and debt from floating-rate payments to fixed-rate payments;
- To mitigate changes in value of the Company's unfunded mortgage loan commitments, funded MLHFS and MSR's;
- To mitigate remeasurement volatility of foreign currency denominated balances; and
- To mitigate the volatility of the Company's net investment in foreign operations driven by fluctuations in foreign currency exchange rates.

In addition, the Company enters into interest rate, foreign exchange and commodity derivative contracts to support the business requirements of its customers (customer-related positions). The Company minimizes the market, funding and liquidity risks of customer-related positions by either entering into similar offsetting positions with broker-dealers, or on a portfolio basis by entering into other derivative or non-derivative financial instruments that partially or fully offset the exposure from these customer-related positions. The Company may enter into derivative contracts that are either

exchange-traded, centrally cleared through clearinghouses or over-the-counter. The Company does not utilize derivatives for speculative purposes.

The Company does not designate all of the derivatives that it enters into for risk management purposes as accounting hedges because of the inefficiency of applying the associated accounting requirements and may instead elect fair value accounting for the related hedged items. In particular, the Company enters into interest rate swaps, swaptions, forward commitments to buy to-be-announced securities ("TBAs"), U.S. Treasury and Secured Overnight Financing Rate ("SOFR") futures and options on U.S. Treasury futures to mitigate fluctuations in the value of its MSR's, but does not designate those derivatives as accounting hedges. Refer to Note 6 of the Notes to Consolidated Financial Statements for additional information regarding MSR's, including management of the changes in fair value.

Additionally, the Company uses forward commitments to sell TBAs and other commitments to sell residential mortgage loans at specified prices to economically hedge the interest rate risk in its residential mortgage loan production activities. The forward commitments to sell and the unfunded mortgage loan commitments on loans intended to be sold are considered derivatives under the accounting guidance related to accounting for derivative instruments and hedging activities. The Company has elected the fair value option for the MLHFS.

Derivatives are subject to credit risk associated with counterparties to the contracts. Credit risk associated with derivatives is measured by the Company based on the probability of counterparty default. The Company manages the credit risk of its derivative positions by diversifying its positions among various counterparties, by entering into master netting arrangements, and, where possible, by requiring collateral arrangements. The Company may also transfer counterparty credit risk related to interest rate swaps to third parties through the use of risk participation agreements. In addition, certain interest rate swaps, interest rate forwards and credit contracts are required to be centrally cleared through clearinghouses to further mitigate counterparty credit risk. The Company also mitigates the credit risk of its derivative positions, as well as the credit risk on loans or lending portfolios, through the use of credit contracts.

For additional information on derivatives and hedging activities, refer to Notes 12 and 13 in the Notes to Consolidated Financial Statements.

**Market Risk Management** In addition to interest rate risk, the Company is exposed to other forms of market risk, principally related to trading activities which support customers' strategies to manage their own foreign currency, interest rate risk, commodities risk and funding activities. For purposes of its internal capital adequacy assessment process, the Company considers risk arising from its trading activities, as well as the remeasurement volatility of foreign currency denominated balances included on its Consolidated Balance Sheet (collectively, "Covered Positions"), employing methodologies consistent with the requirements of regulatory rules for market risk. The Company's Market Risk Committee ("MRC"), within the framework of the ALCO, oversees market risk management. The MRC monitors and reviews the Company's Covered Positions and establishes policies for market risk management, including exposure limits for each

portfolio. The Company uses a VaR approach to measure general market risk. Theoretically, VaR represents the statistical risk of loss the Company has to adverse market movements over a one-day time horizon. The Company uses the Historical Simulation method to calculate VaR for its Covered Positions measured at the ninety-ninth percentile using a one-year look-back period for distributions derived from past market data. The market factors used in the calculations include those pertinent to market risks inherent in the underlying trading portfolios, principally those that affect the Company's corporate bond trading business, foreign currency transaction business, client derivatives business, loan trading business and municipal securities business, as well as those inherent in the Company's foreign denominated balances and the derivatives used to mitigate the related measurement volatility. On average, the Company expects the one-day VaR to be exceeded by actual losses two to three times per year related to these positions. The Company monitors the accuracy of internal VaR models and modeling processes by back-testing model performance, regularly updating the historical data used by the VaR models and regular model validations to assess the accuracy of the models' input, processing, and reporting components. All models are required to be independently reviewed and approved prior to being placed in use. If the Company were to experience market losses in excess of the estimated VaR more often than expected, the VaR models and associated assumptions would be analyzed and adjusted.

The average, high, low and period-end one-day VaR amounts for the Company's Covered Positions were as follows:

Nine Months Ended September 30 (Dollars in Millions)	2025	2024
Average	\$ 3	\$ 3
High	5	4
Low	2	2
Period-end	4	3

The Company did not experience any actual losses for its combined Covered Positions that exceeded VaR during the nine months ended September 30, 2025 and 2024. The Company stress tests its market risk measurements to provide management with perspectives on market events that may not be captured by its VaR models, including worst case historical market movement combinations that have not necessarily occurred on the same date.

The Company calculates Stressed VaR using the same underlying methodology and model as VaR, except that a historical continuous one-year look-back period is utilized that reflects a period of significant financial stress appropriate to the Company's Covered Positions. The period selected by the Company includes the significant market volatility of the last four months of 2008.

The average, high, low and period-end one-day Stressed VaR amounts for the Company's Covered Positions were as follows:

Nine Months Ended September 30 (Dollars in Millions)	2025	2024
Average	\$ 12	\$ 10
High	16	16
Low	9	7
Period-end	15	11

Valuations of positions in client derivatives and foreign currency activities are based on discounted cash flow or other valuation techniques using market-based assumptions. These valuations are compared to third-party quotes or other market prices to determine if there are significant variances. Significant variances are approved by senior management in the Company's corporate functions. Valuation of positions in the corporate bond trading, loan trading, asset-backed securities and municipal securities businesses are based on trader marks. These trader marks are evaluated against third-party prices, with significant variances approved by senior management in the Company's corporate functions.

The Company also measures the market risk of its hedging activities related to residential MLHFS and MSRs using the Historical Simulation method. The VaRs are measured at the ninety-ninth percentile and employ factors pertinent to the market risks inherent in the valuation of the assets and hedges. A one-year look-back period is used to obtain past market data for the models.

The average, high and low VaR amounts for the residential MLHFS and related hedges and the MSRs and related hedges were as follows:

Nine Months Ended September 30 (Dollars in Millions)	2025	2024
<b>Residential Mortgage Loans Held For Sale and Related Hedges</b>		
Average	\$ 1	\$ 1
High	2	3
Low	—	1
<b>Mortgage Servicing Rights and Related Hedges</b>		
Average	\$ 2	\$ 2
High	5	3
Low	1	1

**Liquidity Risk Management** The Company's liquidity risk management process is designed to identify, measure, and manage the Company's funding and liquidity risk to meet its daily funding needs and to address expected and unexpected changes in its funding requirements. The Company engages in various activities to manage its liquidity risk. These activities include diversifying its funding sources, stress testing, and holding readily-marketable assets which can be used as a source of liquidity if needed. In addition, the Company's profitable operations, sound credit quality and strong credit ratings and capital position have enabled it to develop a large and reliable base of core deposit funding within its market areas and in domestic and global capital markets.

The Company's Board of Directors approves the Company's liquidity policy. The Risk Management Committee

of the Company's Board of Directors oversees the Company's liquidity risk management process and approves a contingency funding plan. The ALCO reviews the Company's liquidity policy and limits, and regularly assesses the Company's ability to meet funding requirements arising from adverse company-specific or market events.

The Company regularly projects its funding needs under various stress scenarios and generally has access to diversified sources of funding in both normal and potentially adverse environments. The Company also maintains a contingency funding plan and tests its capabilities to access contingency funding through different channels. The Company's primary liquidity sources include cash at the Federal Reserve Bank and certain European central banks, unencumbered liquid assets, and capacity to borrow from the FHLB and at the Federal Reserve Bank's Discount Window. Unencumbered liquid assets in the Company's investment securities portfolio provide asset liquidity through the Company's ability to sell the securities or pledge and borrow against them. Refer to Note 3 of the Notes to Consolidated Financial Statements and "Balance Sheet Analysis" for further information on investment securities maturities and trends. Asset liquidity is further enhanced by the Company's practice of pledging loans to access secured borrowing facilities through the FHLB and Federal Reserve Bank.

The following table summarizes the Company's total available liquidity from on-balance sheet and off-balance sheet funding sources:

(Dollars in Millions)	September 30, 2025	December 31, 2024
Cash held at the Federal Reserve Bank and other central banks	\$ 58,173	\$ 47,434
Available investment securities	49,267	67,910
Borrowing capacity from the Federal Reserve Bank and FHLB	204,915	171,226
<b>Total available liquidity</b>	<b>\$ 312,355</b>	<b>\$ 286,570</b>

The Company's diversified deposit base provides a sizeable source of relatively stable and low-cost funding, while reducing the Company's reliance on the wholesale markets. Total deposits were \$526.1 billion at September 30, 2025, compared with \$518.3 billion at December 31, 2024. Average total deposits for the third quarter of 2025 and third quarter of 2024 funded approximately 75 percent and 77 percent of the Company's total assets for these same periods, respectively. Refer to "Balance Sheet Analysis" for further information on the Company's deposits.

Additional funding is provided by long-term debt and short-term borrowings. Long-term debt was \$62.5 billion at September 30, 2025, and is an important funding source because of its multi-year borrowing structure. Short-term borrowings were \$15.4 billion at September 30, 2025, and supplement the Company's other funding sources. Refer to "Balance Sheet Analysis" for further information on the Company's long-term debt and short-term borrowings.

In addition to assessing liquidity risk on a consolidated basis, the Company monitors the parent company's liquidity. The parent company's routine funding requirements consist

primarily of operating expenses, dividends paid to shareholders, debt service, repurchases of common stock and funds used for acquisitions. The parent company obtains funding to meet its obligations from dividends collected from its subsidiaries and the issuance of debt and capital securities. The Company establishes limits for the minimal number of months into the future where the parent company can meet existing and forecasted obligations with cash and securities held that can be readily monetized. The Company measures and manages this limit in both normal and adverse conditions. The Company maintains sufficient funding to meet expected capital and debt service obligations for 24 months without the support of dividends from subsidiaries and assuming access to the wholesale markets is maintained. The Company maintains sufficient liquidity to meet its capital and debt service obligations for 12 months under adverse conditions without the support of dividends from subsidiaries or access to the wholesale markets. The parent company is currently in excess of required liquidity minimums.

At September 30, 2025, parent company long-term debt outstanding was \$39.3 billion, compared with \$35.3 billion at December 31, 2024. The increase was primarily due to \$5.0 billion of medium-term note issuances, partially offset by \$1.5 billion of medium-term note repayments. As of September 30, 2025, there was \$750 million of parent company debt scheduled to mature in the remainder of 2025. Future debt maturities may be met through medium-term note and capital security issuances and dividends from subsidiaries, as well as from parent company cash and cash equivalents.

The Company is subject to a regulatory Liquidity Coverage Ratio ("LCR") requirement which requires large banking organizations to maintain an adequate level of unencumbered high quality liquid assets to meet estimated liquidity needs over a 30-day stressed period. For the three months ended September 30, 2025 and December 31, 2024, the Company's average daily LCR was 107.3 percent and 106.6 percent, respectively. The Company was compliant with this requirement for both of these periods.

The Company is also subject to a regulatory Net Stable Funding Ratio requirement which requires large banking organizations to maintain a minimum level of stable funding based on the liquidity characteristics of their assets, commitments, and derivative exposures over a one-year time horizon. The Company was compliant with this requirement at September 30, 2025 and December 31, 2024.

Refer to "Management's Discussion and Analysis — Liquidity Risk Management" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion on liquidity risk management.

**European Exposures** The Company provides merchant processing and corporate trust services in Europe either directly or through banking affiliations in Europe. Revenue generated from sources in Europe represented approximately 2 percent of the Company's total net revenue for the three and nine months ended September 30, 2025. Operating cash for these businesses is deposited on a short-term basis typically with certain European central banks. For deposits placed at other European banks, exposure is mitigated by the Company placing deposits at multiple banks and managing the amounts on deposit at any bank based on institution-specific deposit limits. At September 30, 2025, the Company had an aggregate

amount on deposit with European banks of approximately \$7.4 billion, predominately with the Central Bank of Ireland and Bank of England.

In addition, the Company provides financing to domestic multinational corporations that generate revenue from customers in European countries, transacts with various European banks as counterparties to certain derivative-related activities, and through a subsidiary, manages money market funds that hold certain investments in European sovereign debt. Any deterioration in economic conditions in Europe, including the impacts resulting from the Russia-Ukraine conflict, is not expected to have a significant effect on the Company related to these activities.

**Commitments, Contingent Liabilities and Other Contractual Obligations**

The Company participates in many different contractual arrangements which may or may not be recorded on its balance sheet, with unrelated or consolidated entities, under which the Company has an obligation to pay certain amounts, provide credit or liquidity enhancements or provide market risk support. These arrangements include commitments to extend credit, letters of credit and various forms of guarantees. Refer to Note 15 of the Notes to Consolidated Financial Statements for further information on guarantees and contingent liabilities. These arrangements also include any obligation related to a variable interest held in an unconsolidated entity that provides financing, liquidity, credit enhancement or market risk support. Refer to Note 5 of the Notes to Consolidated Financial Statements for further information related to the Company's interests in variable interest entities ("VIEs").

**Capital Management** The Company is committed to managing capital to maintain strong protection for depositors and creditors and for maximum shareholder benefit. The Company also manages its capital to exceed regulatory capital requirements for banking organizations. To achieve its capital goals, the Company employs a variety of capital management tools, including dividends, common share repurchases, and the issuance of subordinated debt, non-cumulative perpetual preferred stock, common stock and

other capital instruments. The regulatory capital requirements effective for the Company follow Basel III, with the Company being subject to calculating its capital adequacy as a percentage of risk-weighted assets under the standardized approach. Beginning in 2022, the Company began to phase into its regulatory capital requirements the cumulative deferred impact of its 2020 adoption of the accounting guidance related to the impairment of financial instruments based on the current expected credit losses ("CECL") methodology plus 25 percent of its quarterly credit reserve increases during 2020 and 2021. This cumulative deferred impact was phased into the Company's regulatory capital during 2022 through 2024. Beginning January 1, 2025, the regulatory capital requirements reflect the full implementation of the CECL methodology. Table 10 provides a summary of statutory regulatory capital ratios in effect for the Company at September 30, 2025 and December 31, 2024. All regulatory ratios exceeded regulatory "well-capitalized" requirements.

In July 2023, the U.S. federal bank regulatory authorities proposed a rule to refine the Basel III capital framework for financial institutions. The proposal incorporates elements of the international Basel Committee's post-crisis reforms, including the Fundamental Review of the Trading Book to replace the existing market risk rule, and introduces new standardized approaches for credit risk, operational risk and credit valuation adjustment (CVA) risk. The proposal's finalization could revise the risk-based capital measures applicable to the Company; however, until the proposal is finalized the exact impacts are unknown.

The Company believes certain other capital ratios are useful in evaluating its capital adequacy. The Company's tangible common equity, as a percent of tangible assets and as a percent of risk-weighted assets determined in accordance with prescribed regulatory capital requirements under the standardized approach, was 6.4 percent and 9.3 percent, respectively, at September 30, 2025, compared with 5.8 percent and 8.5 percent, respectively, at December 31, 2024. Refer to "Non-GAAP Financial Measures" beginning on page 29 for further information on these other capital ratios.

**TABLE 10** Regulatory Capital Ratios

(Dollars in Millions)	September 30, 2025	December 31, 2024
Basel III standardized approach:		
Common equity tier 1 capital	\$ 50,587	\$ 47,877
Tier 1 capital	57,839	55,129
Total risk-based capital	66,820	64,375
Risk-weighted assets	465,092	450,498
Common equity tier 1 capital as a percent of risk-weighted assets <sup>(a)</sup>	10.9 %	10.6 %
Tier 1 capital as a percent of risk-weighted assets	12.4	12.2
Total risk-based capital as a percent of risk-weighted assets	14.4	14.3
Tier 1 capital as a percent of adjusted quarterly average assets (leverage ratio)	8.6	8.3
Tier 1 capital as a percent of total on- and off-balance sheet leverage exposure (total leverage exposure ratio)	7.0	6.8

(a) The Company's common equity tier 1 capital to risk-weighted assets ratio, reflecting the full implementation of the CECL methodology, was 10.5 percent at December 31, 2024. See Non-GAAP Financial Measures beginning on page 29.

Total U.S. Bancorp shareholders' equity was \$63.3 billion at September 30, 2025, compared with \$58.6 billion at December 31, 2024. The increase was primarily the result of corporate earnings and changes in unrealized gains and losses on available-for-sale investment securities included in accumulated other comprehensive income (loss), partially offset by dividends paid.

The Company announced on September 12, 2024 that its Board of Directors authorized a share repurchase program to repurchase up to \$5.0 billion of its common stock, effective September 13, 2024. Capital distributions, including dividends and stock repurchases, are subject to the approval of the Company's Board of Directors and compliance with regulatory requirements.

The following table provides a detailed analysis of all shares of common stock of the Company purchased by the Company during the third quarter of 2025:

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (In Millions)
July	2,177,997	\$ 46.17	2,177,997	\$ 4,512
August	1,065	45.94	1,065	4,512
September	10	49.20	10	4,512
Total	2,179,072	\$ 46.17	2,179,072	\$ 4,512

Refer to "Management's Discussion and Analysis — Capital Management" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, for further discussion on capital management.

## Business Segment Financial Review

The Company's major business segments are Wealth, Corporate, Commercial and Institutional Banking, Consumer and Business Banking, Payment Services, and Treasury and Corporate Support.

**Basis for Financial Presentation** Business segment results are derived from the Company's business unit profitability reporting systems by specifically attributing managed balance sheet assets, deposits and other liabilities and their related income or expense. Refer to Note 16 of the Notes to Consolidated Financial Statements for further information on the business segments' basis for financial presentation.

Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2025 and 2024, certain organization and methodology changes were made, including revising the Company's business segment funds transfer-pricing methodology related to deposits and loans during the second quarter of 2024. Prior period results were recast and presented on a comparable basis.

### Wealth, Corporate, Commercial and Institutional Banking

Wealth, Corporate, Commercial and Institutional Banking provides core banking, specialized lending, transaction and payment processing, capital markets, asset management, and brokerage and investment related services to wealth, middle

market, large corporate, commercial real estate, government and institutional clients. Wealth, Corporate, Commercial and Institutional Banking contributed \$1.2 billion of the Company's net income in the third quarter and \$3.4 billion in the first nine months of 2025, or decreases of \$32 million (2.7 percent) and \$43 million (1.2 percent), respectively, compared with the same periods of 2024.

Net revenue increased \$45 million (1.5 percent) in the third quarter and decreased \$83 million (0.9 percent) in the first nine months of 2025, compared with the same periods of 2024. Net interest income, on a taxable-equivalent basis, decreased \$66 million (3.5 percent) in the third quarter and \$316 million (5.6 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to higher funding costs. Noninterest income increased \$111 million (9.7 percent) in the third quarter and \$233 million (6.9 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to business growth and favorable market conditions impacting trust and investment management fees, and higher service charges due to an increase in treasury management fees. Noninterest income further increased in the third quarter of 2025, compared with the third quarter of 2024, due to higher corporate bond underwriting fees and syndication activity within capital markets revenue.

Noninterest expense decreased \$15 million (1.1 percent) in the third quarter and \$81 million (2.0 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to lower net shared services expense. Noninterest expense further decreased in the first nine months of 2025, compared with the first nine months of 2024, due to lower compensation and employee benefits expense. The provision for credit losses increased \$103 million in the third quarter and \$55 million (16.4 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to increased reserves on certain assets.

**Consumer and Business Banking** Consumer and Business Banking comprises consumer banking, small business banking and consumer lending. Products and services are delivered through banking offices, telephone servicing and sales, online services, direct mail, ATMs, mobile devices, distributed mortgage loan officers, and intermediary relationships including auto dealerships, mortgage banks, and strategic business partners. Consumer and Business Banking contributed \$465 million of the Company's net income in the third quarter and \$1.4 billion in the first nine months of 2025, or decreases of \$20 million (4.1 percent) and \$100 million (6.8 percent), respectively, compared with the same periods of 2024.

Net revenue decreased \$44 million (1.9 percent) in the third quarter and \$241 million (3.5 percent) in the first nine months of 2025, compared with the same periods of 2024. Net interest income, on a taxable-equivalent basis, decreased \$79 million (4.1 percent) in the third quarter and \$253 million (4.4 percent) in the first nine months of 2025, compared with the same periods of 2024, due to the impact of loan sales in the second quarter of 2025. Noninterest income increased \$35 million (8.7 percent) in the third quarter and \$12 million (1.0 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to higher mortgage banking revenue driven by the change in fair value of MSRs,

net of hedging activities. Noninterest income further increased in the third quarter of 2025, compared with the third quarter of 2024, due to higher deposit service charges.

Noninterest expense decreased \$60 million (3.6 percent) in the third quarter and \$168 million (3.4 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to lower compensation and employee benefits expense and net occupancy and equipment expense. The provision for credit losses increased \$43 million in the third quarter and \$60 million (58.8 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to less favorable trends in housing prices and higher net charge-offs.

**Payment Services** Payment Services includes consumer and business credit cards, stored-value cards, debit cards, corporate, government and purchasing card services and merchant processing. Payment Services contributed \$326 million of the Company's net income in the third quarter and \$1.0 billion in the first nine months of 2025, or increases of \$22 million (7.2 percent) and \$169 million (19.8 percent), respectively, compared with the same periods of 2024.

Net revenue increased \$87 million (4.8 percent) in the third quarter and \$264 million (5.0 percent) in the first nine months of 2025, compared with the same periods of 2024. Net interest income, on a taxable-equivalent basis, increased \$54 million (7.4 percent) in the third quarter and \$151 million (7.2 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to higher average loan balances and lower funding costs. Noninterest income increased \$33 million (3.1 percent) in the third quarter and \$113 million (3.6 percent) in the first nine months of 2025, compared with the same periods of 2024, driven by higher merchant processing services and card revenue mainly due to higher sales volume.

Noninterest expense increased \$54 million (5.5 percent) in the third quarter and \$80 million (2.7 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to higher marketing and business development expense and net shared services expense. The provision for credit losses increased \$4 million (1.0 percent) in the third quarter and decreased \$42 million (3.6 percent) in the first nine months of 2025, compared with the same periods of 2024. The decrease in the provision for credit losses in the first nine months of 2025, compared with the first nine months of 2024, was primarily due to improved portfolio mix and stabilizing credit quality.

**Treasury and Corporate Support** Treasury and Corporate Support includes the Company's investment portfolios, funding, capital management, interest rate risk management, income taxes not allocated to the business segments, including most investments in tax-advantaged projects, and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis. Treasury and Corporate Support recorded net income of \$48 million in the third quarter and a net loss of \$291 million in the first nine months of 2025, compared with net losses of \$269 million and \$1.2 billion, respectively, in the same periods of 2024.

Net revenue increased \$377 million in the third quarter and \$905 million in the first nine months of 2025, compared with

the same periods of 2024. Net interest income, on a taxable-equivalent basis, increased \$176 million (46.6 percent) in the third quarter and \$638 million (50.6 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to lower funding costs as well as the impact of fixed asset repricing. Noninterest income increased \$201 million in the third quarter and \$267 million (60.3 percent) in the first nine months of 2025, compared with the same periods of 2024, primarily due to higher capital markets revenue, higher tax credit investment activity and the impact of higher net securities losses in the prior year. The increase in noninterest income in the first nine months of 2025, compared with the first nine months of 2024, was partially offset by lower mortgage banking revenue due to a gain on the sale of MSRs in the prior year.

Noninterest expense increased \$14 million (6.9 percent) in the third quarter of 2025, compared with the third quarter of 2024, primarily due to higher other noninterest expense, partially offset by lower compensation and employee benefits expense and marketing and business development expense. Noninterest expense decreased \$98 million (10.6 percent) in the first nine months of 2025, compared with the first nine months of 2024, primarily due to the impacts in the prior year of merger and integration charges and the FDIC special assessment charges, along with lower compensation and employee benefits expense in the current year. The provision for credit losses decreased \$136 million in the third quarter and \$142 million in the first nine months of 2025, compared with the same periods of 2024, primarily due to a favorable loan portfolio mix.

Income taxes are assessed to each business segment at a managerial tax rate of 25.0 percent with the residual tax expense or benefit to arrive at the consolidated effective tax rate included in Treasury and Corporate Support.

**TABLE 11** Business Segment Financial Performance

Three Months Ended September 30 (Dollars in Millions)	Wealth, Corporate, Commercial and Institutional Banking			Consumer and Business Banking			Payment Services		
	2025	2024	Percent Change	2025	2024	Percent Change	2025	2024	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$ 1,823	\$ 1,889	(3.5)%	\$ 1,849	\$ 1,928	(4.1)%	\$ 781	\$ 727	7.4 %
Noninterest income	1,256	1,145	9.7	436	401	8.7	1,106	1,073	3.1
Total net revenue	3,079	3,034	1.5	2,285	2,329	(1.9)	1,887	1,800	4.8
Noninterest expense	1,333	1,348	(1.1)	1,604	1,664	(3.6)	1,044	990	5.5
Income (loss) before provision and income taxes	1,746	1,686	3.6	681	665	2.4	843	810	4.1
Provision for credit losses	197	94	*	61	18	*	408	404	1.0
Income (loss) before income taxes	1,549	1,592	(2.7)	620	647	(4.2)	435	406	7.1
Income taxes and taxable-equivalent adjustment	387	398	(2.8)	155	162	(4.3)	109	102	6.9
Net income (loss)	1,162	1,194	(2.7)	465	485	(4.1)	326	304	7.2
Net (income) loss attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—
Net income (loss) attributable to U.S. Bancorp	\$ 1,162	\$ 1,194	(2.7)	\$ 465	\$ 485	(4.1)	\$ 326	\$ 304	7.2
<b>Average Balance Sheet</b>									
Loans	\$184,442	\$171,898	7.3	\$145,900	\$155,240	(6.0)	\$ 42,957	\$ 41,652	3.1
Goodwill	4,826	4,825	—	4,326	4,326	—	3,482	3,370	3.3
Other intangible assets	772	955	(19.2)	4,223	4,405	(4.1)	260	266	(2.3)
Assets	212,924	200,267	6.3	158,749	168,871	(6.0)	48,424	47,195	2.6
Noninterest-bearing deposits	55,329	54,375	1.8	19,642	20,673	(5.0)	2,427	2,653	(8.5)
Interest-bearing deposits	217,748	217,180	.3	202,321	199,327	1.5	95	95	—
Total deposits	273,077	271,555	.6	221,963	220,000	.9	2,522	2,748	(8.2)
Total U.S. Bancorp shareholders' equity	22,130	21,280	4.0	13,363	14,244	(6.2)	10,318	9,958	3.6

Three Months Ended September 30 (Dollars in Millions)	Treasury and Corporate Support			Consolidated Company		
	2025	2024	Percent Change	2025	2024	Percent Change
<b>Condensed Income Statement</b>						
Net interest income (taxable-equivalent basis)	\$ (202)	\$ (378)	46.6 %	\$ 4,251	\$ 4,166	2.0 %
Noninterest income	280	79	*	3,078	2,698	14.1
Total net revenue	78	(299)	*	7,329	6,864	6.8
Noninterest expense	216	202	6.9	4,197	4,204	(.2)
Income (loss) before provision and income taxes	(138)	(501)	72.5	3,132	2,660	17.7
Provision for credit losses	(95)	41	*	571	557	2.5
Income (loss) before income taxes	(43)	(542)	92.1	2,561	2,103	21.8
Income taxes and taxable-equivalent adjustment	(98)	(281)	65.1	553	381	45.1
Net income (loss)	55	(261)	*	2,008	1,722	16.6
Net (income) loss attributable to noncontrolling interests	(7)	(8)	12.5	(7)	(8)	12.5
Net income (loss) attributable to U.S. Bancorp	\$ 48	\$ (269)	*	\$ 2,001	\$ 1,714	16.7
<b>Average Balance Sheet</b>						
Loans	\$ 5,853	\$ 5,280	10.9	\$379,152	\$374,070	1.4
Goodwill	—	—	—	12,634	12,521	.9
Other intangible assets	7	9	(22.2)	5,262	5,635	(6.6)
Assets	259,508	248,307	4.5	679,605	664,640	2.3
Noninterest-bearing deposits	2,492	3,238	(23.0)	79,890	80,939	(1.3)
Interest-bearing deposits	11,728	11,216	4.6	431,892	427,818	1.0
Total deposits	14,220	14,454	(1.6)	511,782	508,757	.6
Total U.S. Bancorp shareholders' equity	16,832	12,801	31.5	62,643	58,283	7.5

\* Not meaningful

Nine Months Ended September 30 (Dollars in Millions)	Wealth, Corporate, Commercial and Institutional Banking			Consumer and Business Banking			Payment Services		
	2025	2024	Percent Change	2025	2024	Percent Change	2025	2024	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$ 5,363	\$ 5,679	(5.6)%	\$ 5,459	\$ 5,712	(4.4)%	\$ 2,253	\$ 2,102	7.2 %
Noninterest income	3,620	3,387	6.9	1,251	1,239	1.0	3,257	3,144	3.6
Total net revenue	8,983	9,066	(.9)	6,710	6,951	(3.5)	5,510	5,246	5.0
Noninterest expense	4,015	4,096	(2.0)	4,734	4,902	(3.4)	3,036	2,956	2.7
Income (loss) before provision and income taxes	4,968	4,970	—	1,976	2,049	(3.6)	2,474	2,290	8.0
Provision for credit losses	390	335	16.4	162	102	58.8	1,109	1,151	(3.6)
Income (loss) before income taxes	4,578	4,635	(1.2)	1,814	1,947	(6.8)	1,365	1,139	19.8
Income taxes and taxable-equivalent adjustment	1,145	1,159	(1.2)	454	487	(6.8)	342	285	20.0
Net income (loss)	3,433	3,476	(1.2)	1,360	1,460	(6.8)	1,023	854	19.8
Net (income) loss attributable to noncontrolling interests	—	—	—	—	—	—	—	—	—
Net income (loss) attributable to U.S. Bancorp	\$ 3,433	\$ 3,476	(1.2)	\$ 1,360	\$ 1,460	(6.8)	\$ 1,023	\$ 854	19.8
<b>Average Balance Sheet</b>									
Loans	\$181,266	\$172,285	5.2	\$149,731	\$155,037	(3.4)	\$ 42,267	\$ 40,766	3.7
Goodwill	4,825	4,825	—	4,326	4,326	—	3,433	3,343	2.7
Other intangible assets	817	1,007	(18.9)	4,288	4,611	(7.0)	256	282	(9.2)
Assets	211,262	200,950	5.1	163,382	168,917	(3.3)	47,700	46,704	2.1
Noninterest-bearing deposits	54,966	56,769	(3.2)	19,465	20,955	(7.1)	2,539	2,716	(6.5)
Interest-bearing deposits	214,765	214,975	(.1)	200,658	199,319	.7	95	96	(1.0)
Total deposits	269,731	271,744	(.7)	220,123	220,274	(.1)	2,634	2,812	(6.3)
Total U.S. Bancorp shareholders' equity	21,837	21,508	1.5	13,540	14,550	(6.9)	10,261	9,955	3.1

Nine Months Ended September 30 (Dollars in Millions)	Treasury and Corporate Support			Consolidated Company		
	2025	2024	Percent Change	2025	2024	Percent Change
<b>Condensed Income Statement</b>						
Net interest income (taxable-equivalent basis)	\$ (622)	\$ (1,260)	50.6 %	\$ 12,453	\$ 12,233	1.8 %
Noninterest income	710	443	60.3	8,838	8,213	7.6
Total net revenue	88	(817)	*	21,291	20,446	4.1
Noninterest expense	825	923	(10.6)	12,610	12,877	(2.1)
Income (loss) before provision and income taxes	(737)	(1,740)	57.6	8,681	7,569	14.7
Provision for credit losses	(52)	90	*	1,609	1,678	(4.1)
Income (loss) before income taxes	(685)	(1,830)	62.6	7,072	5,891	20.0
Income taxes and taxable-equivalent adjustment	(414)	(699)	40.8	1,527	1,232	23.9
Net income (loss)	(271)	(1,131)	76.0	5,545	4,659	19.0
Net (income) loss attributable to noncontrolling interests	(20)	(23)	13.0	(20)	(23)	13.0
Net income (loss) attributable to U.S. Bancorp	\$ (291)	\$ (1,154)	74.8	\$ 5,525	\$ 4,636	19.2
<b>Average Balance Sheet</b>						
Loans	\$ 5,639	\$ 5,190	8.7	\$378,903	\$373,278	1.5
Goodwill	—	—	—	12,584	12,494	.7
Other intangible assets	8	9	(11.1)	5,369	5,909	(9.1)
Assets	251,806	244,792	2.9	674,150	661,363	1.9
Noninterest-bearing deposits	2,598	2,600	(.1)	79,568	83,040	(4.2)
Interest-bearing deposits	12,001	11,146	7.7	427,519	425,536	.5
Total deposits	14,599	13,746	6.2	507,087	508,576	(.3)
Total U.S. Bancorp shareholders' equity	15,424	10,653	44.8	61,062	56,666	7.8

\* Not meaningful

## Non-GAAP Financial Measures

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets,
- Tangible common equity to risk-weighted assets,
- Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the CECL methodology, and
- Return on tangible common equity.

These capital measures are viewed by management as useful additional methods of evaluating the Company's utilization of its capital held and the level of capital available to withstand unexpected negative market or economic conditions. Additionally, presentation of these measures allows investors, analysts and banking regulators to assess the Company's capital position and use of capital relative to other financial services companies. These capital measures are not defined in generally accepted accounting principles ("GAAP") or in banking regulations or were not effective for certain periods. In addition, certain capital measures related to prior periods are presented on the same basis as those in the current period. The effective capital ratios defined by banking

regulations for these periods were subject to certain transitional provisions for the implementation of accounting guidance related to impairment of financial instruments based on the CECL methodology. As a result, these capital measures disclosed by the Company may be considered non-GAAP financial measures. Management believes this information helps investors assess trends in the Company's capital utilization and adequacy.

The Company also discloses net interest income and related ratios and analysis on a taxable-equivalent basis, which may also be considered non-GAAP financial measures. The Company believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison of net interest income arising from taxable and tax-exempt sources. In addition, certain performance measures utilize net interest income on a taxable-equivalent basis, including the efficiency ratio and net interest margin.

There may be limits in the usefulness of these measures to investors. As a result, the Company encourages readers to consider the consolidated financial statements and other financial information contained in this report in their entirety, and not to rely on any single financial measure.

The following tables show the Company's calculation of these non-GAAP financial measures:

(Dollars in Millions)	September 30, 2025	December 31, 2024
Total equity	\$ 63,798	\$ 59,040
Preferred stock	(6,808)	(6,808)
Noncontrolling interests	(458)	(462)
Common equity <sup>(1)</sup>	56,532	51,770
Goodwill (net of deferred tax liability) <sup>(a)</sup>	(11,603)	(11,508)
Intangible assets (net of deferred tax liability), other than mortgage servicing rights	(1,605)	(1,846)
Tangible common equity <sup>(2)</sup>	43,324	38,416
Common equity tier 1 capital, determined in accordance with transitional regulatory capital requirements related to the CECL methodology implementation		47,877
Adjustments <sup>(b)</sup>		(433)
Common equity tier 1 capital, reflecting the full implementation of the CECL methodology <sup>(3)</sup>		47,444
Total assets <sup>(4)</sup>	695,357	678,318
Goodwill (net of deferred tax liability) <sup>(a)</sup>	(11,603)	(11,508)
Intangible assets (net of deferred tax liability), other than mortgage servicing rights	(1,605)	(1,846)
Tangible assets <sup>(5)</sup>	682,149	664,964
Risk-weighted assets, determined in accordance with prescribed regulatory capital requirements effective for the Company <sup>(6)</sup>	465,092	450,498
Adjustments <sup>(c)</sup>		(368)
Risk-weighted assets, reflecting the full implementation of the CECL methodology <sup>(7)</sup>		450,130
<b>Ratios</b>		
Common equity to assets <sup>(1)/(4)</sup>	8.1 %	7.6 %
Tangible common equity to tangible assets <sup>(2)/(5)</sup>	6.4	5.8
Tangible common equity to risk-weighted assets <sup>(2)/(6)</sup>	9.3	8.5
Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the CECL methodology <sup>(3)/(7)</sup>		10.5

(a) Includes goodwill related to certain investments in unconsolidated financial institutions per prescribed regulatory requirements.

(b) Includes the estimated increase in the allowance for credit losses related to the adoption of the CECL methodology net of deferred taxes.

(c) Includes the impact of the estimated increase in the allowance for credit losses related to the adoption of the CECL methodology.

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net interest income	\$ 4,222	\$ 4,135	\$ 12,365	\$ 12,143
Taxable-equivalent adjustment <sup>(a)</sup>	29	31	88	90
Net interest income, on a taxable-equivalent basis	4,251	4,166	12,453	12,233
Net interest income, on a taxable-equivalent basis (as calculated above)	4,251	4,166	12,453	12,233
Noninterest income	3,078	2,698	8,838	8,213
Less: Securities gains (losses), net	(7)	(119)	(64)	(153)
Total net revenue, excluding net securities gains (losses) <sup>(1)</sup>	7,336	6,983	21,355	20,599
Noninterest expense <sup>(2)</sup>	4,197	4,204	12,610	12,877
Efficiency ratio <sup>(2)/(1)</sup>	57.2 %	60.2 %	59.0 %	62.5%

(a) Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net income applicable to U.S. Bancorp common shareholders	\$ 1,893	\$ 1,601	\$ 5,229	\$ 4,328
Intangible amortization (net-of-tax)	99	112	294	340
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,992	1,713	5,523	4,668
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization <sup>(1)</sup>	7,903	6,815	7,384	6,235
Average total equity	63,101	58,744	61,521	57,129
Average preferred stock	(6,808)	(6,808)	(6,808)	(6,808)
Average noncontrolling interests	(458)	(461)	(459)	(463)
Average goodwill (net of deferred tax liability) <sup>(a)</sup>	(11,609)	(11,494)	(11,555)	(11,475)
Average intangible assets (net of deferred tax liability), other than mortgage servicing rights	(1,659)	(1,981)	(1,732)	(2,092)
Average tangible common equity <sup>(2)</sup>	42,567	38,000	40,967	36,291
Return on tangible common equity <sup>(1)/(2)</sup>	18.6 %	17.9 %	18.0 %	17.2 %

(a) Includes goodwill related to certain investments in unconsolidated financial institutions per prescribed regulatory requirements.

## Critical Accounting Policies

The accounting and reporting policies of the Company comply with accounting principles generally accepted in the United States and conform to general practices within the banking industry. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. The Company's financial position and results of operations can be affected by these estimates and assumptions, which are integral to understanding the Company's financial statements. Critical accounting policies are those policies management believes are the most important to the portrayal of the Company's financial condition and results, and require management to make estimates that are difficult, subjective or complex. Most accounting policies are not considered by management to be critical accounting policies. Management has discussed the development and the selection of critical accounting policies with the Company's Audit Committee. Those policies considered to be critical accounting policies relate to the allowance for credit losses, fair value estimates, MSRs, and income taxes. These accounting policies are discussed in detail in "Management's Discussion and Analysis — Critical Accounting Policies" and

the Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

## Controls and Procedures

Under the supervision and with the participation of the Company's management, including its principal executive officer and principal financial officer, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based upon this evaluation, the principal executive officer and principal financial officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective.

During the third quarter of 2025, there was no change made in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

# U.S. Bancorp

## Consolidated Balance Sheet

(Dollars in Millions)	September 30, 2025	December 31, 2024
	(Unaudited)	
<b>Assets</b>		
Cash and due from banks	\$ 66,637	\$ 56,502
Investment securities		
Held-to-maturity (fair value \$67,346 and \$66,275, respectively)	76,931	78,634
Available-for-sale (\$326 and \$320 pledged as collateral, respectively) <sup>(a)</sup>	89,065	85,992
Loans held for sale (including \$2,288 and \$2,251 of mortgage loans carried at fair value, respectively)	2,490	2,573
Loans		
Commercial	148,414	139,484
Commercial real estate	48,244	48,859
Residential mortgages	115,046	118,813
Credit card	30,594	30,350
Other retail	40,219	42,326
Total loans	382,517	379,832
Less allowance for loan losses	(7,557)	(7,583)
Net loans	374,960	372,249
Premises and equipment	3,695	3,565
Goodwill	12,634	12,536
Other intangible assets	5,152	5,547
Other assets (including \$2,713 and \$7,501 of trading securities at fair value pledged as collateral, respectively) <sup>(a)</sup>	63,793	60,720
Total assets	<u>\$ 695,357</u>	<u>\$ 678,318</u>
<b>Liabilities and Shareholders' Equity</b>		
Deposits		
Noninterest-bearing	\$ 91,550	\$ 84,158
Interest-bearing (including \$4,924 and \$5,754 of time deposits carried at fair value, respectively)	434,599	434,151
Total deposits	526,149	518,309
Short-term borrowings	15,449	15,518
Long-term debt (including \$1,408 and \$391 of long-term debt carried at fair value, respectively)	62,535	58,002
Other liabilities	27,426	27,449
Total liabilities	631,559	619,278
Shareholders' equity		
Preferred stock	6,808	6,808
Common stock, \$.01 par value per share, authorized: 4,000,000,000 shares; issued: 9/30/25 and 12/31/24—2,125,725,742 shares	21	21
Capital surplus	8,745	8,715
Retained earnings	79,742	76,863
Less cost of common stock in treasury: 9/30/25—569,369,470 shares; 12/31/24—565,929,654 shares	(24,228)	(24,065)
Accumulated other comprehensive income (loss)	(7,748)	(9,764)
Total U.S. Bancorp shareholders' equity	63,340	58,578
Noncontrolling interests	458	462
Total equity	63,798	59,040
Total liabilities and equity	<u>\$ 695,357</u>	<u>\$ 678,318</u>

(a) Includes only collateral pledged by the Company where counterparties have the right to sell or pledge the collateral.  
See Notes to Consolidated Financial Statements.

# U.S. Bancorp

## Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
<b>Interest Income</b>				
Loans	\$ 5,688	\$ 5,862	\$ 16,769	\$ 17,335
Loans held for sale	35	45	122	123
Investment securities	1,392	1,316	4,055	3,785
Other interest income	812	863	2,101	2,592
Total interest income	7,927	8,086	23,047	23,835
<b>Interest Expense</b>				
Deposits	2,648	3,004	7,700	8,916
Short-term borrowings	328	284	868	850
Long-term debt	729	663	2,114	1,926
Total interest expense	3,705	3,951	10,682	11,692
Net interest income	4,222	4,135	12,365	12,143
Provision for credit losses	571	557	1,609	1,678
Net interest income after provision for credit losses	3,651	3,578	10,756	10,465
<b>Noninterest Income</b>				
Card revenue	440	426	1,280	1,246
Corporate payment products revenue	195	203	576	582
Merchant processing services	463	440	1,352	1,295
Trust and investment management fees	730	667	2,113	1,957
Service charges	333	302	984	939
Capital markets revenue	434	397	1,206	1,159
Mortgage banking revenue	180	155	515	511
Investment products fees	97	84	274	243
Securities gains (losses), net	(7)	(119)	(64)	(153)
Other	213	143	602	434
Total noninterest income	3,078	2,698	8,838	8,213
<b>Noninterest Expense</b>				
Compensation and employee benefits	2,561	2,637	7,798	7,947
Net occupancy and equipment	300	317	907	929
Professional services	117	130	324	356
Marketing and business development	175	165	518	459
Technology and communications	560	524	1,627	1,540
Other intangibles	125	142	372	430
Merger and integration charges	—	—	—	155
Other	359	289	1,064	1,061
Total noninterest expense	4,197	4,204	12,610	12,877
Income before income taxes	2,532	2,072	6,984	5,801
Applicable income taxes	524	350	1,439	1,142
Net income	2,008	1,722	5,545	4,659
Net (income) loss attributable to noncontrolling interests	(7)	(8)	(20)	(23)
Net income attributable to U.S. Bancorp	\$ 2,001	\$ 1,714	\$ 5,525	\$ 4,636
Net income applicable to U.S. Bancorp common shareholders	\$ 1,893	\$ 1,601	\$ 5,229	\$ 4,328
Earnings per common share	\$ 1.22	\$ 1.03	\$ 3.36	\$ 2.77
Diluted earnings per common share	\$ 1.22	\$ 1.03	\$ 3.35	\$ 2.77
Average common shares outstanding	1,557	1,561	1,558	1,560
Average diluted common shares outstanding	1,557	1,561	1,559	1,561

See Notes to Consolidated Financial Statements.

# U.S. Bancorp

## Consolidated Statement of Comprehensive Income

(Dollars in Millions) (Unaudited)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net income	\$ 2,008	\$ 1,722	\$ 5,545	\$ 4,659
<b>Other Comprehensive Income (Loss)</b>				
Changes in unrealized gains (losses) on investment securities available-for-sale	975	1,297	1,681	1,048
Changes in unrealized gains (losses) on derivative hedges	(5)	460	436	8
Changes in debit valuation adjustments	(5)	—	(8)	—
Foreign currency translation	(1)	12	(5)	16
Reclassification to earnings of realized (gains) losses	195	328	609	736
Income taxes related to other comprehensive income (loss)	(298)	(535)	(697)	(458)
Total other comprehensive income (loss)	861	1,562	2,016	1,350
Comprehensive income (loss)	2,869	3,284	7,561	6,009
Comprehensive (income) loss attributable to noncontrolling interests	(7)	(8)	(20)	(23)
Comprehensive income (loss) attributable to U.S. Bancorp	\$ 2,862	\$ 3,276	\$ 7,541	\$ 5,986

See Notes to Consolidated Financial Statements.

# U.S. Bancorp

## Consolidated Statement of Shareholders' Equity

### U.S. Bancorp Shareholders

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Common Shares Outstanding	Preferred Stock	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total U.S. Bancorp Shareholders' Equity	Noncontrolling Interests	Total Equity
<b>Balance June 30, 2024</b>	1,560	\$ 6,808	\$ 21	\$ 8,688	\$ 75,231	\$(24,020)	\$ (10,308)	\$ 56,420	\$ 465	\$ 56,885
Net income (loss)					1,714			1,714	8	1,722
Other comprehensive income (loss)							1,562	1,562		1,562
Preferred stock dividends <sup>(a)</sup>					(103)			(103)		(103)
Common stock dividends (\$.50 per share)					(785)			(785)		(785)
Issuance of common and treasury stock	1			(1)		11		10		10
Purchase of treasury stock						(1)		(1)		(1)
Distributions to noncontrolling interests									(8)	(8)
Net other changes in noncontrolling interests									(3)	(3)
Stock option and restricted stock grants				42				42		42
<b>Balance September 30, 2024</b>	1,561	\$ 6,808	\$ 21	\$ 8,729	\$ 76,057	\$(24,010)	\$ (8,746)	\$ 58,859	\$ 462	\$ 59,321
<b>Balance June 30, 2025</b>	1,558	\$ 6,808	\$ 21	\$ 8,706	\$ 78,652	\$(24,140)	\$ (8,609)	\$ 61,438	\$ 458	\$ 61,896
Net income (loss)					2,001			2,001	7	2,008
Other comprehensive income (loss)							861	861		861
Preferred stock dividends <sup>(b)</sup>					(97)			(97)		(97)
Common stock dividends (\$.52 per share)					(814)			(814)		(814)
Issuance of common and treasury stock				(3)		13		10		10
Purchase of treasury stock	(2)					(101)		(101)		(101)
Distributions to noncontrolling interests									(7)	(7)
Stock option and restricted stock grants				42				42		42
<b>Balance September 30, 2025</b>	1,556	\$ 6,808	\$ 21	\$ 8,745	\$ 79,742	\$(24,228)	\$ (7,748)	\$ 63,340	\$ 458	\$ 63,798
<b>Balance December 31, 2023</b>	1,558	\$ 6,808	\$ 21	\$ 8,673	\$ 74,026	\$(24,126)	\$ (10,096)	\$ 55,306	\$ 465	\$ 55,771
Net income (loss)					4,636			4,636	23	4,659
Other comprehensive income (loss)							1,350	1,350		1,350
Preferred stock dividends <sup>(c)</sup>					(280)			(280)		(280)
Common stock dividends (\$1.48 per share)					(2,325)			(2,325)		(2,325)
Issuance of common and treasury stock	4			(143)		167		24		24
Purchase of treasury stock	(1)					(51)		(51)		(51)
Distributions to noncontrolling interests									(23)	(23)
Net other changes in noncontrolling interests									(3)	(3)
Stock option and restricted stock grants				199				199		199
<b>Balance September 30, 2024</b>	1,561	\$ 6,808	\$ 21	\$ 8,729	\$ 76,057	\$(24,010)	\$ (8,746)	\$ 58,859	\$ 462	\$ 59,321
<b>Balance December 31, 2024</b>	1,560	\$ 6,808	\$ 21	\$ 8,715	\$ 76,863	\$(24,065)	\$ (9,764)	\$ 58,578	\$ 462	\$ 59,040
Net income (loss)					5,525			5,525	20	5,545
Other comprehensive income (loss)							2,016	2,016		2,016
Preferred stock dividends <sup>(d)</sup>					(262)			(262)		(262)
Common stock dividends (\$1.52 per share)					(2,384)			(2,384)		(2,384)
Issuance of common and treasury stock	4			(171)		204		33		33
Purchase of treasury stock	(8)					(367)		(367)		(367)
Distributions to noncontrolling interests									(20)	(20)
Net other changes in noncontrolling interests									(4)	(4)
Stock option and restricted stock grants				201				201		201
<b>Balance September 30, 2025</b>	1,556	\$ 6,808	\$ 21	\$ 8,745	\$ 79,742	\$(24,228)	\$ (7,748)	\$ 63,340	\$ 458	\$ 63,798

(a) Reflects dividends declared per share on the Company's Series A, Series B, Series J, Series K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$1,682.317, \$393.746, \$662.50, \$343.75, \$234.375, \$250.00, \$231.25 and \$281.25, respectively.

(b) Reflects dividends declared per share on the Company's Series A, Series B, Series J, Series K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$1,430.896, \$330.891, \$662.50, \$343.75, \$234.375, \$250.00, \$231.25 and \$281.25, respectively.

(c) Reflects dividends declared per share on the Company's Series A, Series B, Series J, Series K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$5,020.442, \$1,175.194, \$1,325.00, \$1,031.25, \$703.125, \$750.00, \$693.75 and \$843.75, respectively.

(d) Reflects dividends declared per share on the Company's Series A, Series B, Series J, Series K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$4,226.604, \$977.026, \$1,325.00, \$1,031.25, \$703.125, \$750.00, \$693.75 and \$843.75, respectively.

See Notes to Consolidated Financial Statements.

# U.S. Bancorp

## Consolidated Statement of Cash Flows

(Dollars in Millions) (Unaudited)	Nine Months Ended September 30	
	2025	2024
<b>Operating Activities</b>		
Net income attributable to U.S. Bancorp	\$ 5,525	\$ 4,636
Adjustments to reconcile net income to net cash provided by operating activities		
Provision for credit losses	1,609	1,678
Depreciation and amortization of premises and equipment	276	271
Amortization of intangibles	372	430
(Gain) loss on sales of loans held for sale	(186)	(32)
(Gain) loss on sales of securities and other assets	14	138
Loans originated for sale, net of repayments	(15,532)	(17,898)
Proceeds from sales of loans held for sale	15,523	16,756
Other, net	(2,467)	528
Net cash provided by operating activities	5,134	6,507
<b>Investing Activities</b>		
Proceeds from sales of available-for-sale investment securities	5,608	9,867
Proceeds from maturities of held-to-maturity investment securities	5,323	4,651
Proceeds from maturities of available-for-sale investment securities	4,440	4,537
Purchases of held-to-maturity investment securities	(3,211)	(226)
Purchases of available-for-sale investment securities	(10,690)	(23,185)
Net increase in loans outstanding	(9,676)	(1,535)
Proceeds from sales of loans	6,641	338
Purchases of loans	(1,175)	(795)
Net decrease (increase) in securities purchased under agreements to resell	1,041	(3,914)
Net cash paid for acquisitions	(35)	(103)
Other, net	(1,954)	(1,294)
Net cash used in investing activities	(3,688)	(11,659)
<b>Financing Activities</b>		
Net increase in deposits	7,834	8,819
Net (decrease) increase in short-term borrowings	(69)	8,429
Proceeds from issuance of long-term debt	10,291	8,810
Principal payments or redemption of long-term debt	(6,372)	(5,916)
Proceeds from issuance of common stock	32	22
Repurchase of common stock	(367)	(51)
Cash dividends paid on preferred stock	(237)	(254)
Cash dividends paid on common stock	(2,355)	(2,307)
Other, net	(68)	(30)
Net cash provided by financing activities	8,689	17,522
Change in cash and due from banks	10,135	12,370
Cash and due from banks at beginning of period	56,502	61,192
Cash and due from banks at end of period	\$ 66,637	\$ 73,562

See Notes to Consolidated Financial Statements.

# Notes to Consolidated Financial Statements

(Unaudited)

## NOTE 1 Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all information and notes necessary for a complete presentation of financial position, results of operations and cash flow activity required in accordance with accounting principles generally accepted in the United States. In the opinion of management of U.S. Bancorp (the "Company"), all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of results for the interim periods have been made. These financial statements and notes should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

## NOTE 2 Accounting Changes

**Income Taxes - Improvements to Income Tax Disclosures** In December 2023, the Financial Accounting Standards Board issued guidance, effective for the Company for annual reporting periods beginning after December 15, 2024, related to income tax disclosures. This guidance requires additional information in income tax rate reconciliation disclosures and additional disclosures about income taxes paid. The guidance is required, at a minimum, to be adopted on a prospective basis, with an option to apply it retrospectively. The Company expects the adoption of this guidance will not be material to its financial statements.

## NOTE 3 Investment Securities

The Company's held-to-maturity investment securities are carried at historical cost, adjusted for amortization of premiums and accretion of discounts. The Company's available-for-sale investment securities are carried at fair value with unrealized net gains or losses reported within accumulated other comprehensive income (loss) in shareholders' equity.

The amortized cost, gross unrealized holding gains and losses, and fair value of held-to-maturity and available-for-sale investment securities were as follows:

(Dollars in Millions)	September 30, 2025				December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Held-to-Maturity</b>								
U.S. Treasury and agencies	\$ 647	\$ —	\$ (6)	\$ 641	\$ 1,296	\$ —	\$ (21)	\$ 1,275
Mortgage-backed securities								
Residential agency	74,326	61	(9,663)	64,724	75,392	3	(12,317)	63,078
Commercial agency	1,696	22	(2)	1,716	1,702	—	(27)	1,675
Other	262	3	—	265	244	3	—	247
Total held-to-maturity	\$76,931	\$ 86	\$ (9,671)	\$ 67,346	\$78,634	\$ 6	\$ (12,365)	\$ 66,275
<b>Available-for-Sale</b>								
U.S. Treasury and agencies	\$28,556	\$ 10	\$ (1,498)	\$ 27,068	\$30,467	\$ 1	\$ (2,081)	\$ 28,387
Mortgage-backed securities								
Residential agency	38,921	245	(1,489)	37,677	35,558	13	(2,290)	33,281
Commercial								
Agency	8,655	—	(961)	7,694	8,673	—	(1,322)	7,351
Non-agency	7	—	—	7	7	—	(1)	6
Asset-backed securities	6,842	23	—	6,865	7,136	30	(1)	7,165
Obligations of state and political subdivisions	10,571	14	(1,099)	9,486	10,690	13	(1,151)	9,552
Other	265	3	—	268	249	1	—	250
Total available-for-sale, excluding portfolio level basis adjustments	93,817	295	(5,047)	89,065	92,780	58	(6,846)	85,992
Portfolio level basis adjustments <sup>(a)</sup>	304	—	(304)	—	13	—	(13)	—
Total available-for-sale	\$94,121	\$ 295	\$ (5,351)	\$ 89,065	\$92,793	\$ 58	\$ (6,859)	\$ 85,992

(a) Represents fair value hedge basis adjustments related to active portfolio layer method hedges of available-for-sale investment securities, which are not allocated to individual securities in the portfolio. For additional information, refer to Note 12.

Investment securities with a fair value of \$17.2 billion at September 30, 2025, and \$18.8 billion at December 31, 2024, were pledged to secure public, private and trust deposits, repurchase agreements and for other purposes required by contractual obligation or law. Included in these amounts were securities where the Company and certain counterparties have agreements granting the counterparties the right to sell or pledge the securities. Investment securities securing these types of arrangements had a fair value of \$326 million at September 30, 2025, and \$320 million at December 31, 2024.

The following table provides information about the amount of interest income from taxable and non-taxable investment securities:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Taxable	\$ 1,318	\$ 1,241	\$ 3,833	\$ 3,558
Non-taxable	74	75	222	227
Total interest income from investment securities	\$ 1,392	\$ 1,316	\$ 4,055	\$ 3,785

The following table provides information about the amount of gross gains and losses realized through the sales of available-for-sale investment securities:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Realized gains	\$ 10	\$ 115	\$ 18	\$ 118
Realized losses	(17)	(234)	(82)	(271)
Net realized gains (losses)	\$ (7)	\$ (119)	\$ (64)	\$ (153)
Income tax (benefit) on net realized gains (losses)	\$ (2)	\$ (31)	\$ (16)	\$ (39)

The Company conducts a regular assessment of its available-for-sale investment securities with unrealized losses to determine whether all or some portion of a security's unrealized loss is related to credit and an allowance for credit losses is necessary. If the Company intends to sell or it is more likely than not the Company will be required to sell an investment security, the amortized cost of the security is written down to fair value. When evaluating credit losses, the Company considers various factors such as the nature of the investment security, the credit ratings or financial condition of the issuer, the extent of the unrealized loss, expected cash flows of underlying collateral, the existence of any government or agency guarantees, and market conditions. The Company measures the allowance for credit losses using market information where available and discounting the cash flows at the original effective rate of the investment security. The allowance for credit losses is adjusted each period through earnings and can be subsequently recovered. The allowance for credit losses on the Company's available-for-sale investment securities was immaterial at September 30, 2025 and December 31, 2024.

At September 30, 2025, certain investment securities had a fair value below amortized cost. The following table shows the gross unrealized losses excluding portfolio level basis adjustments and fair value of the Company's available-for-sale investment securities with unrealized losses, aggregated by investment category and length of time the individual investment securities have been in continuous unrealized loss positions, at September 30, 2025:

(Dollars in Millions)	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. Treasury and agencies	\$ 4,398	\$ (4)	\$ 20,288	\$ (1,494)	\$ 24,686	\$ (1,498)
Mortgage-backed securities						
Residential agency	4,825	(30)	13,924	(1,459)	18,749	(1,489)
Commercial						
Agency	—	—	7,694	(961)	7,694	(961)
Non-agency	—	—	7	—	7	—
Asset-backed securities	291	—	—	—	291	—
Obligations of state and political subdivisions	872	(15)	7,815	(1,084)	8,687	(1,099)
Total investment securities	\$ 10,386	\$ (49)	\$ 49,728	\$ (4,998)	\$ 60,114	\$ (5,047)

These unrealized losses primarily relate to changes in interest rates and market spreads subsequent to purchase of these available-for-sale investment securities. U.S. Treasury and agencies securities and agency mortgage-backed securities are issued, guaranteed or otherwise supported by the United States government. The Company's obligations of state and political subdivisions are generally high grade. Accordingly, the Company does not consider these unrealized losses to be credit-related and an allowance for credit losses is not necessary. In general, the issuers of the investment securities are contractually prohibited from prepayment at less than par, and the Company did not pay significant purchase premiums for these investment securities. At September 30, 2025, the Company had no plans to sell investment securities with unrealized losses, and believes it is more likely than not it would not be required to sell such investment securities before recovery of their amortized cost.

During the three and nine months ended September 30, 2025 and 2024, the Company did not purchase any investment securities that had more-than-insignificant credit deterioration.

Predominately all of the Company's held-to-maturity investment securities are U.S. Treasury and agencies securities and highly rated agency mortgage-backed securities that are guaranteed or otherwise supported by the United States government and have no history of credit losses. Accordingly the Company does not expect to incur any credit losses on held-to-maturity investment securities and has no allowance for credit losses recorded for these securities.

The following table provides information about the amortized cost, fair value and yield by maturity date of the investment securities outstanding at September 30, 2025:

(Dollars in Millions)	Amortized Cost	Fair Value	Weighted- Average Maturity in Years	Weighted- Average Yield <sup>(e)</sup>
<b>Held-to-Maturity</b>				
U.S. Treasury and agencies				
Maturing in one year or less	\$ —	\$ —	—	— %
Maturing after one year through five years	647	641	1.6	3.00
Maturing after five years through ten years	—	—	—	—
Maturing after ten years	—	—	—	—
Total	<u>\$ 647</u>	<u>\$ 641</u>	<u>1.6</u>	<u>3.00 %</u>
Mortgage-backed securities <sup>(a)</sup>				
Maturing in one year or less	\$ 244	\$ 246	0.6	4.81 %
Maturing after one year through five years	3,356	3,407	4.0	4.96
Maturing after five years through ten years	72,415	62,780	8.4	2.17
Maturing after ten years	7	7	18.6	1.81
Total	<u>\$ 76,022</u>	<u>\$ 66,440</u>	<u>8.2</u>	<u>2.31 %</u>
Other				
Maturing in one year or less	\$ 55	\$ 55	0.8	2.73 %
Maturing after one year through five years	207	210	1.9	2.67
Maturing after five years through ten years	—	—	—	—
Maturing after ten years	—	—	—	—
Total	<u>\$ 262</u>	<u>\$ 265</u>	<u>1.7</u>	<u>2.68 %</u>
Total held-to-maturity <sup>(b)</sup>	<u>\$ 76,931</u>	<u>\$ 67,346</u>	<u>8.1</u>	<u>2.31 %</u>
<b>Available-for-Sale</b>				
U.S. Treasury and agencies				
Maturing in one year or less	\$ 10	\$ 10	0.1	4.11 %
Maturing after one year through five years	15,513	14,986	2.8	2.38
Maturing after five years through ten years	12,843	11,924	6.1	2.75
Maturing after ten years	190	148	10.2	1.86
Total	<u>\$ 28,556</u>	<u>\$ 27,068</u>	<u>4.3</u>	<u>2.54 %</u>
Mortgage-backed securities <sup>(a)</sup>				
Maturing in one year or less	\$ 364	\$ 358	0.8	1.95 %
Maturing after one year through five years	12,162	11,673	4.5	3.44
Maturing after five years through ten years	34,818	33,119	6.8	4.13
Maturing after ten years	239	228	10.8	5.38
Total	<u>\$ 47,583</u>	<u>\$ 45,378</u>	<u>6.2</u>	<u>3.94 %</u>
Asset-backed securities <sup>(a)</sup>				
Maturing in one year or less	\$ 10	\$ 10	—	7.04 %
Maturing after one year through five years	2,629	2,641	2.0	4.85
Maturing after five years through ten years	4,203	4,214	5.5	5.67
Maturing after ten years	—	—	—	—
Total	<u>\$ 6,842</u>	<u>\$ 6,865</u>	<u>4.2</u>	<u>5.36 %</u>
Obligations of state and political subdivisions <sup>(c)(d)</sup>				
Maturing in one year or less	\$ 450	\$ 450	0.4	4.32 %
Maturing after one year through five years	1,805	1,797	2.3	4.47
Maturing after five years through ten years	1,174	1,105	7.6	3.46
Maturing after ten years	7,142	6,134	14.5	3.49
Total	<u>\$ 10,571</u>	<u>\$ 9,486</u>	<u>11.1</u>	<u>3.69 %</u>
Other				
Maturing in one year or less	\$ 109	\$ 109	0.6	4.96 %
Maturing after one year through five years	156	159	2.3	4.54
Maturing after five years through ten years	—	—	—	—
Maturing after ten years	—	—	—	—
Total	<u>\$ 265</u>	<u>\$ 268</u>	<u>1.6</u>	<u>4.71 %</u>
Total available-for-sale <sup>(b)(f)</sup>	<u>\$ 93,817</u>	<u>\$ 89,065</u>	<u>6.0</u>	<u>3.59 %</u>

- (a) Information related to asset and mortgage-backed securities included above is presented based upon weighted-average maturities that take into account anticipated future prepayments.
- (b) The weighted-average maturity of total held-to-maturity investment securities was 8.7 years at December 31, 2024, with a corresponding weighted-average yield of 2.20 percent. The weighted-average maturity of total available-for-sale investment securities was 6.8 years at December 31, 2024, with a corresponding weighted-average yield of 3.67 percent.
- (c) Information related to obligations of state and political subdivisions is presented based upon yield to first optional call date if the security is purchased at a premium, and yield to maturity if the security is purchased at par or a discount.
- (d) Maturity calculations for obligations of state and political subdivisions are based on the first optional call date for securities with a fair value above par and the contractual maturity date for securities with a fair value equal to or below par.
- (e) Weighted-average yields for obligations of state and political subdivisions are presented on a fully-taxable equivalent basis based on a federal income tax rate of 21 percent. Yields on investment securities are computed based on amortized cost balances, excluding any premiums or discounts recorded related to the transfer of investment securities at fair value from available-for-sale to held-to-maturity.
- (f) Amortized cost excludes portfolio level basis adjustments of \$304 million.

## NOTE 4 Loans and Allowance for Credit Losses

The composition of the loan portfolio, by class and underlying specific portfolio type, was as follows:

(Dollars in Millions)	September 30, 2025		December 31, 2024	
	Amount	Percent of Total	Amount	Percent of Total
<b>Commercial</b>				
Commercial	\$ 144,106	37.7 %	\$ 135,254	35.6 %
Lease financing	4,308	1.1	4,230	1.1
Total commercial	148,414	38.8	139,484	36.7
<b>Commercial Real Estate</b>				
Commercial mortgages	38,316	10.0	38,619	10.2
Construction and development	9,928	2.6	10,240	2.7
Total commercial real estate	48,244	12.6	48,859	12.9
<b>Residential Mortgages</b>				
Residential mortgages	109,730	28.7	112,806	29.7
Home equity loans, first liens	5,316	1.4	6,007	1.6
Total residential mortgages	115,046	30.1	118,813	31.3
<b>Credit Card</b>	30,594	8.0	30,350	8.0
<b>Other Retail</b>				
Retail leasing	3,627	1.0	4,040	1.0
Home equity and second mortgages	13,858	3.6	13,565	3.6
Revolving credit	4,274	1.1	3,747	1.0
Installment	14,592	3.8	14,373	3.8
Automobile	3,868	1.0	6,601	1.7
Total other retail	40,219	10.5	42,326	11.1
Total loans	\$ 382,517	100.0 %	\$ 379,832	100.0 %

The Company had loans of \$126.3 billion at September 30, 2025, and \$127.6 billion at December 31, 2024, pledged at the FHLB, and loans of \$89.6 billion at September 30, 2025, and \$85.1 billion at December 31, 2024, pledged at the Federal Reserve Bank.

Originated loans are reported at the principal amount outstanding, net of unearned interest and deferred fees and costs, and any partial charge-offs recorded. Purchased loans are recorded at fair value at the date of purchase. Net unearned interest and deferred fees and costs on originated loans and unamortized premiums and discounts on purchased loans amounted to \$2.0 billion and \$2.5 billion at September 30, 2025 and December 31, 2024, respectively. The Company evaluates purchased loans for more-than-insignificant deterioration at the date of purchase in accordance with applicable authoritative accounting guidance. Purchased loans that have experienced more-than-insignificant deterioration from origination are considered purchased credit deteriorated loans. All other purchased loans are considered non-purchased credit deteriorated loans.

**Allowance for Credit Losses** The allowance for credit losses is established for current expected credit losses on the Company's loan and lease portfolio, including unfunded credit commitments. The allowance considers expected losses for the remaining lives of the applicable assets, inclusive of expected recoveries. The allowance for credit losses is increased through provisions charged to earnings and reduced by net charge-offs. Management evaluates the appropriateness of the allowance for credit losses on a quarterly basis.

Multiple economic scenarios are considered over a three-year reasonable and supportable forecast period, which includes increasing consideration of historical loss experience over years two and three. These economic scenarios are constructed with interrelated projections of multiple economic variables, and loss estimates are produced that consider the historical correlation of those economic variables with credit losses. After the forecast period, the Company fully reverts to long-term historical loss experience, adjusted for prepayments and characteristics of the current loan and lease portfolio, to estimate losses over the remaining life of the portfolio. The economic scenarios are updated at least quarterly and are designed to provide a range of reasonable estimates, both better and worse than current expectations. Scenarios are weighted based on the Company's expectation of economic conditions for the foreseeable future and reflect significant judgment and consideration of economic forecast uncertainty. Final loss estimates also consider factors affecting credit losses not reflected in the scenarios, due to the unique aspects of current conditions and expectations. These factors may include, but are not limited to, loan servicing practices, regulatory guidance, and/or fiscal and monetary policy actions.

The allowance recorded for credit losses utilizes forward-looking expected loss models to consider a variety of factors affecting lifetime credit losses. These factors include, but are not limited to, macroeconomic variables such as unemployment rates, real

estate prices, gross domestic product levels, inflation, interest rates and corporate bonds spreads, as well as loan and borrower characteristics, such as internal risk ratings on commercial loans and consumer credit scores, delinquency status, collateral type and available valuation information, consideration of end-of-term losses on lease residuals, and the remaining term of the loan, adjusted for expected prepayments. For each loan portfolio, including those loans modified under various loan modification programs, model estimates are adjusted as necessary to consider any relevant changes in portfolio composition, lending policies, underwriting standards, risk management practices, economic conditions or other factors that would affect the accuracy of the model. Expected credit loss estimates also include consideration of expected cash recoveries on loans previously charged-off or expected recoveries on collateral dependent loans where recovery is expected through sale of the collateral at fair value less selling costs. Where loans do not exhibit similar risk characteristics, an individual analysis is performed to consider expected credit losses. For loans and leases that do not share similar risk characteristics with a pool of loans, the Company establishes individually assessed reserves. Reserves for individual commercial nonperforming loans greater than \$5 million in the commercial lending segment are analyzed utilizing expected cash flows discounted using the original effective interest rate, the observable market price of the loan, or the fair value of the collateral, less selling costs, for collateral-dependent loans as appropriate. For smaller commercial loans collectively evaluated for impairment, historical loss experience is also incorporated into the allowance methodology applied to this category of loans.

The Company's methodology for determining the appropriate allowance for credit losses also considers the imprecision inherent in the methodologies used and allocated to the various loan portfolios. As a result, amounts determined under the methodologies described above are adjusted by management to consider the potential impact of other qualitative factors not captured in the quantitative model adjustments which include, but are not limited to, the following: model imprecision, imprecision in economic scenario assumptions, and emerging risks related to either changes in the environment that are affecting specific portfolios, or changes in portfolio concentrations over time that may affect model performance. The consideration of these items results in adjustments to allowance amounts included in the Company's allowance for credit losses for each loan portfolio.

The Company also assesses the credit risk associated with off-balance sheet loan commitments, letters of credit, investment securities and derivatives. Credit risk associated with derivatives is reflected in the fair values recorded for those positions. The liability for off-balance sheet credit exposure related to loan commitments and other credit guarantees is included in other liabilities. Because business processes and credit risks associated with unfunded credit commitments are essentially the same as for loans, the Company utilizes similar processes to estimate its liability for unfunded credit commitments.

The results of the analysis are evaluated quarterly to confirm the estimates are appropriate for each specific loan portfolio, as well as the entire loan portfolio, as the entire allowance for credit losses is available for the entire loan portfolio.

Activity in the allowance for credit losses by portfolio class was as follows:

Three Months Ended September 30 (Dollars in Millions)	Commercial	Commercial Real Estate	Residential Mortgages	Credit Card	Other Retail	Total Loans
<b>2025</b>						
Balance at beginning of period	\$ 2,239	\$ 1,384	\$ 757	\$ 2,665	\$ 817	\$ 7,862
Add						
Provision for credit losses	111	46	28	311	75	571
Deduct						
Loans charged-off	129	110	3	344	83	669
Less recoveries of loans charged-off	(37)	(7)	(4)	(60)	(25)	(133)
Net loan charge-offs (recoveries)	92	103	(1)	284	58	536
Balance at end of period	\$ 2,258	\$ 1,327	\$ 786	\$ 2,692	\$ 834	\$ 7,897
<b>2024</b>						
Balance at beginning of period	\$ 2,180	\$ 1,596	\$ 836	\$ 2,498	\$ 824	\$ 7,934
Add						
Provision for credit losses	155	49	(36)	349	40	557
Deduct						
Loans charged-off	165	80	3	347	74	669
Less recoveries of loans charged-off	(18)	(10)	(6)	(48)	(23)	(105)
Net loan charge-offs (recoveries)	147	70	(3)	299	51	564
Balance at end of period	\$ 2,188	\$ 1,575	\$ 803	\$ 2,548	\$ 813	\$ 7,927
<b>Nine Months Ended September 30 (Dollars in Millions)</b>						
	Commercial	Commercial Real Estate	Residential Mortgages	Credit Card	Other Retail	Total Loans
<b>2025</b>						
Balance at beginning of period	\$ 2,175	\$ 1,508	\$ 783	\$ 2,640	\$ 819	\$ 7,925
Add						
Provision for credit losses	466	(25)	1	978	189	1,609
Deduct						
Loans charged-off	471	209	11	1,103	248	2,042
Less recoveries of loans charged-off	(88)	(53)	(13)	(177)	(74)	(405)
Net loan charge-offs (recoveries)	383	156	(2)	926	174	1,637
Balance at end of period	\$ 2,258	\$ 1,327	\$ 786	\$ 2,692	\$ 834	\$ 7,897
<b>2024</b>						
Balance at beginning of period	\$ 2,119	\$ 1,620	\$ 827	\$ 2,403	\$ 870	\$ 7,839
Add						
Provision for credit losses	475	82	(31)	1,055	97	1,678
Deduct						
Loans charged-off	484	152	10	1,042	228	1,916
Less recoveries of loans charged-off	(78)	(25)	(17)	(132)	(74)	(326)
Net loan charge-offs (recoveries)	406	127	(7)	910	154	1,590
Balance at end of period	\$ 2,188	\$ 1,575	\$ 803	\$ 2,548	\$ 813	\$ 7,927

The decrease in the allowance for credit losses at September 30, 2025, compared with December 31, 2024, was primarily driven by the impact of loan sales during the second quarter of 2025, along with improved credit quality and portfolio mix.

The following table provides a summary of loans charged-off by portfolio class and year of origination:

Three Months Ended September 30 (Dollars in Millions)	Commercial	Commercial Real Estate	Residential Mortgages	Credit Card <sup>(a)</sup>	Other Retail	Total Loans
<b>2025</b>						
Originated in 2025	\$ 4	\$ —	\$ —	\$ —	\$ 3	\$ 7
Originated in 2024	16	12	—	—	11	39
Originated in 2023	12	34	—	—	19	65
Originated in 2022	13	60	1	—	11	85
Originated in 2021	5	—	—	—	8	13
Originated prior to 2021	8	4	2	—	8	22
Revolving	71	—	—	344	23	438
Total charge-offs	\$ 129	\$ 110	\$ 3	\$ 344	\$ 83	\$ 669
<b>2024</b>						
Originated in 2024	\$ 10	\$ 39	\$ —	\$ —	\$ 4	\$ 53
Originated in 2023	16	15	—	—	13	44
Originated in 2022	48	23	1	—	11	83
Originated in 2021	8	—	—	—	9	17
Originated in 2020	3	1	—	—	4	8
Originated prior to 2020	10	2	2	—	6	20
Revolving	70	—	—	347	27	444
Total charge-offs	\$ 165	\$ 80	\$ 3	\$ 347	\$ 74	\$ 669
<b>Nine Months Ended September 30 (Dollars in Millions)</b>						
<b>2025</b>						
Originated in 2025	\$ 24	\$ —	\$ —	\$ —	\$ 3	\$ 27
Originated in 2024	74	43	—	—	34	151
Originated in 2023	50	55	—	—	48	153
Originated in 2022	52	99	2	—	35	188
Originated in 2021	14	1	1	—	33	49
Originated prior to 2021	33	5	8	—	25	71
Revolving	224	6	—	1,103	70	1,403
Total charge-offs	\$ 471	\$ 209	\$ 11	\$ 1,103	\$ 248	\$ 2,042
<b>2024</b>						
Originated in 2024	\$ 13	\$ 80	\$ —	\$ —	\$ 6	\$ 99
Originated in 2023	68	21	—	—	34	123
Originated in 2022	132	47	2	—	39	220
Originated in 2021	23	—	—	—	30	53
Originated in 2020	9	1	—	—	17	27
Originated prior to 2020	31	3	8	—	25	67
Revolving	208	—	—	1,042	77	1,327
Total charge-offs	\$ 484	\$ 152	\$ 10	\$ 1,042	\$ 228	\$ 1,916

Note: Year of origination is based on the origination date of a loan, or for existing loans the date when the maturity date, pricing or commitment amount is amended. Predominantly all current year and near term loan origination years for gross charge-offs relate to existing loans that have had recent maturity date, pricing or commitment amount amendments.

(a) Predominantly all credit card loans are considered revolving loans. Includes an immaterial amount of charge-offs related to revolving converted to term loans.

**Credit Quality** The credit quality of the Company's loan portfolios is assessed as a function of net credit losses, levels of nonperforming assets and delinquencies, and credit quality ratings as defined by the Company.

For all loan portfolio classes, loans are considered past due based on the number of days delinquent except for monthly amortizing loans which are classified delinquent based upon the number of contractually required payments not made (for example, two missed payments is considered 30 days delinquent). When a loan is placed on nonaccrual status, unpaid accrued interest is reversed, reducing interest income in the current period.

Commercial lending segment loans are generally placed on nonaccrual status when the collection of principal and interest has become 90 days past due or is otherwise considered doubtful. Commercial lending segment loans are generally fully charged down if unsecured by collateral or partially charged down to the fair value of the collateral securing the loan, less costs to sell, when the loan is placed on nonaccrual.

Consumer lending segment loans are generally charged-off at a specific number of days or payments past due. Residential mortgages and other retail loans secured by 1-4 family properties are generally charged down to the fair value of the collateral securing the loan, less costs to sell, at 180 days past due. Residential mortgage loans and lines in a first lien position are placed on nonaccrual status in instances where a partial charge-off occurs unless the loan is well secured and in the process of collection. Residential mortgage loans and lines in a junior lien position secured by 1-4 family properties are placed on nonaccrual status at 120 days past due or when they are behind a first lien that has become 180 days or greater past due or placed on nonaccrual status. Any secured consumer lending segment loan whose borrower has had debt discharged through bankruptcy, for which the loan amount exceeds the fair value of the collateral, is charged down to the fair value of the related collateral and the remaining balance is placed on nonaccrual status. Credit card loans continue to accrue interest until the account is charged-off. Credit cards are charged-off at 180 days past due. Other retail loans not secured by 1-4 family properties are charged-off at 120 days past due, and revolving consumer lines are charged-off at 180 days past due. Similar to credit cards, other retail loans are generally not placed on nonaccrual status because of the relative short period of time to charge-off. Certain retail customers having financial difficulties may have the terms of their credit card and other loan agreements modified to require only principal payments and, as such, are reported as nonaccrual.

For all loan classes, interest payments received on nonaccrual loans are generally recorded as a reduction to a loan's carrying amount while a loan is on nonaccrual and are recognized as interest income upon payoff of the loan. However, interest income may be recognized for interest payments if the remaining carrying amount of the loan is believed to be collectible. In certain circumstances, loans in any class may be restored to accrual status, such as when a loan has demonstrated sustained repayment performance or no amounts are past due and prospects for future payment are no longer in doubt, or when the loan becomes well secured and is in the process of collection. Loans where there has been a partial charge-off may be returned to accrual status if all principal and interest (including amounts previously charged-off) is expected to be collected and the loan is current.

The following table provides a summary of loans by portfolio class, including the delinquency status of those that continue to accrue interest, and those that are nonperforming:

(Dollars in Millions)	Accruing				Total
	Current	30-89 Days Past Due	90 Days or More Past Due	Nonperforming <sup>(b)</sup>	
<b>September 30, 2025</b>					
Commercial	\$ 147,310	\$ 283	\$ 88	\$ 733	\$ 148,414
Commercial real estate	47,571	75	19	579	48,244
Residential mortgages <sup>(a)</sup>	114,443	162	298	143	115,046
Credit card	29,801	409	384	—	30,594
Other retail	39,837	176	51	155	40,219
Total loans	\$ 378,962	\$ 1,105	\$ 840	\$ 1,610	\$ 382,517
<b>December 31, 2024</b>					
Commercial	\$ 138,362	\$ 356	\$ 96	\$ 670	\$ 139,484
Commercial real estate	47,948	78	9	824	48,859
Residential mortgages <sup>(a)</sup>	118,267	188	206	152	118,813
Credit card	29,487	428	435	—	30,350
Other retail	41,886	229	64	147	42,326
Total loans	\$ 375,950	\$ 1,279	\$ 810	\$ 1,793	\$ 379,832

(a) At September 30, 2025, \$626 million of loans 30-89 days past due and \$2.4 billion of loans 90 days or more past due purchased and that could be purchased from GNMA mortgage pools under delinquent loan repurchase options whose repayments are insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs, were classified as current, compared with \$660 million and \$2.3 billion at December 31, 2024, respectively.

(b) Substantially all nonperforming loans at September 30, 2025 and December 31, 2024, had an associated allowance for credit losses. The Company recognized interest income on nonperforming loans of \$4 million and \$5 million for the three months ended September 30, 2025 and 2024, respectively, and \$14 million and \$16 million for the nine months ended September 30, 2025 and 2024, respectively.

The amount of foreclosed residential real estate held by the Company, and included in OREO, was \$23 million and \$21 million at September 30, 2025 and December 31, 2024, respectively. These amounts excluded \$63 million and \$46 million at September 30, 2025 and December 31, 2024, respectively, of foreclosed residential real estate related to mortgage loans whose payments are primarily insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs. In addition, the amount of residential mortgage loans secured by residential real estate in the process of foreclosure at September 30, 2025 and December 31, 2024, was \$593 million and \$576 million, respectively, of which \$365 million and \$354 million, respectively, related to loans purchased and that could be purchased from GNMA mortgage pools under delinquent loan repurchase options whose repayments are insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs.

The Company classifies its loan portfolio classes using internal credit quality ratings on a quarterly basis. These ratings include pass, special mention and classified, and are an important part of the Company's overall credit risk management process and evaluation of the allowance for credit losses. Loans with a pass rating represent those loans not classified on the Company's rating scale for problem credits, as minimal credit risk has been identified. Special mention loans are those loans that have a potential weakness deserving management's close attention. Classified loans are those loans where a well-defined weakness has been identified that may put full collection of contractual cash flows at risk. It is possible that others, given the same information, may reach different reasonable conclusions regarding the credit quality rating classification of specific loans.

The following table provides a summary of loans by portfolio class and the Company's internal credit quality rating:

(Dollars in Millions)	September 30, 2025					December 31, 2024				
	Pass	Criticized			Total	Pass	Criticized			Total
		Special Mention	Classified <sup>(a)</sup>	Total Criticized			Special Mention	Classified <sup>(a)</sup>	Total Criticized	
<b>Commercial</b>										
Originated in 2025	\$ 52,825	\$ 208	\$ 465	\$ 673	\$ 53,498	\$ —	\$ —	\$ —	\$ —	\$ —
Originated in 2024	32,628	384	758	1,142	33,770	57,578	503	1,034	1,537	59,115
Originated in 2023	9,151	65	383	448	9,599	19,128	173	564	737	19,865
Originated in 2022	12,045	24	402	426	12,471	19,718	231	370	601	20,319
Originated in 2021	3,028	4	32	36	3,064	4,677	60	92	152	4,829
Originated prior to 2021	4,642	61	84	145	4,787	6,812	76	143	219	7,031
Revolving <sup>(b)</sup>	30,209	576	440	1,016	31,225	27,344	169	812	981	28,325
Total commercial	144,528	1,322	2,564	3,886	148,414	135,257	1,212	3,015	4,227	139,484
<b>Commercial real estate</b>										
Originated in 2025	10,556	142	777	919	11,475	—	—	—	—	—
Originated in 2024	7,222	58	574	632	7,854	9,652	261	1,772	2,033	11,685
Originated in 2023	4,052	55	612	667	4,719	5,213	42	760	802	6,015
Originated in 2022	6,568	272	675	947	7,515	9,047	661	913	1,574	10,621
Originated in 2021	4,938	87	144	231	5,169	6,515	100	196	296	6,811
Originated prior to 2021	8,908	149	473	622	9,530	10,822	148	608	756	11,578
Revolving	1,920	47	11	58	1,978	2,078	—	68	68	2,146
Revolving converted to term	4	—	—	—	4	3	—	—	—	3
Total commercial real estate	44,168	810	3,266	4,076	48,244	43,330	1,212	4,317	5,529	48,859
<b>Residential mortgages<sup>(c)</sup></b>										
Originated in 2025	8,076	—	1	1	8,077	—	—	—	—	—
Originated in 2024	8,660	—	12	12	8,672	10,291	—	—	—	10,291
Originated in 2023	8,137	—	31	31	8,168	8,764	—	11	11	8,775
Originated in 2022	24,860	—	60	60	24,920	28,484	—	43	43	28,527
Originated in 2021	31,300	—	61	61	31,361	34,694	—	35	35	34,729
Originated prior to 2021	33,556	—	291	291	33,847	36,211	—	280	280	36,491
Revolving	1	—	—	—	1	—	—	—	—	—
Total residential mortgages	114,590	—	456	456	115,046	118,444	—	369	369	118,813
<b>Credit card<sup>(d)</sup></b>	30,210	—	384	384	30,594	29,915	—	435	435	30,350
<b>Other retail</b>										
Originated in 2025	4,894	—	2	2	4,896	—	—	—	—	—
Originated in 2024	5,412	—	9	9	5,421	7,398	—	3	3	7,401
Originated in 2023	2,971	—	10	10	2,981	3,966	—	9	9	3,975
Originated in 2022	2,893	—	11	11	2,904	4,085	—	11	11	4,096
Originated in 2021	4,431	—	10	10	4,441	6,537	—	14	14	6,551
Originated prior to 2021	4,238	—	17	17	4,255	5,543	—	21	21	5,564
Revolving	14,369	—	119	119	14,488	13,846	—	120	120	13,966
Revolving converted to term	792	—	41	41	833	731	—	42	42	773
Total other retail	40,000	—	219	219	40,219	42,106	—	220	220	42,326
<b>Total loans</b>	<b>\$373,496</b>	<b>\$ 2,132</b>	<b>\$ 6,889</b>	<b>\$ 9,021</b>	<b>\$ 382,517</b>	<b>\$369,052</b>	<b>\$ 2,424</b>	<b>\$ 8,356</b>	<b>\$ 10,780</b>	<b>\$ 379,832</b>
<b>Total outstanding commitments</b>	<b>\$807,499</b>	<b>\$ 3,212</b>	<b>\$ 8,773</b>	<b>\$ 11,985</b>	<b>\$ 819,484</b>	<b>\$778,155</b>	<b>\$ 3,875</b>	<b>\$ 10,441</b>	<b>\$ 14,316</b>	<b>\$ 792,471</b>

Note: Year of origination is based on the origination date of a loan, or for existing loans the date when the maturity date, pricing or commitment amount is amended. Predominately all current year and nearer term loan origination years for criticized loans relate to existing loans that have had recent maturity date, pricing or commitment amount amendments.

(a) Classified rating on consumer loans primarily based on delinquency status.

(b) Includes an immaterial amount of revolving converted to term loans.

(c) At September 30, 2025, \$2.4 billion of GNMA loans 90 days or more past due and \$1.5 billion of modified GNMA loans whose repayments are insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs were classified with a pass rating, compared with \$2.3 billion and \$1.4 billion at December 31, 2024, respectively.

(d) Predominately all credit card loans are considered revolving loans. Includes an immaterial amount of revolving converted to term loans.

**Loan Modifications** In certain circumstances, the Company may modify the terms of a loan to maximize the collection of amounts due when a borrower is experiencing financial difficulties or is expected to experience difficulties in the near-term. The Company recognizes interest on modified loans if full collection of contractual principal and interest is expected. The effects of modifications on credit loss expectations, such as improved payment capacity, longer expected lives and other factors, are considered when measuring the allowance for credit losses. Modification performance, including redefault rates and how these compare to historical losses, are also considered. Modifications generally do not result in significant changes to the Company's allowance for credit losses.

The following table provides a summary of period-end balances of loans modified during the periods presented, by portfolio class and modification granted:

Three Months Ended September 30 (Dollars in Millions)	Interest Rate Reduction	Payment Delay	Term Extension	Multiple Modifications <sup>(a)</sup>	Total Modifications	Percent of Class Total
<b>2025</b>						
Commercial	\$ 41	\$ —	\$ 110	\$ 23	\$ 174	.1 %
Commercial real estate	—	—	175	4	179	.4
Residential mortgages <sup>(b)</sup>	—	32	8	6	46	—
Credit card	147	—	—	—	147	.5
Other retail	2	3	26	1	32	.1
Total loans, excluding loans purchased from GNMA mortgage pools	190	35	319	34	578	.2
Loans purchased from GNMA mortgage pools <sup>(b)</sup>	—	356	163	147	666	.6
Total loans	\$ 190	\$ 391	\$ 482	\$ 181	\$ 1,244	.3 %
<b>2024</b>						
Commercial	\$ 26	\$ —	\$ 292	\$ —	\$ 318	.2 %
Commercial real estate	—	—	401	27	428	.8
Residential mortgages <sup>(b)</sup>	—	21	3	7	31	—
Credit card	133	2	—	—	135	.5
Other retail	2	—	36	2	40	.1
Total loans, excluding loans purchased from GNMA mortgage pools	161	23	732	36	952	.3
Loans purchased from GNMA mortgage pools <sup>(b)</sup>	—	391	96	101	588	.5
Total loans	\$ 161	\$ 414	\$ 828	\$ 137	\$ 1,540	.4 %
<b>Nine Months Ended September 30 (Dollars in Millions)</b>						
<b>2025</b>						
Commercial	\$ 79	\$ 1	\$ 309	\$ 66	\$ 455	.3 %
Commercial real estate	—	—	438	6	444	.9
Residential mortgages <sup>(b)</sup>	—	295	12	23	330	.3
Credit card	352	3	—	—	355	1.2
Other retail	5	7	70	6	88	.2
Total loans, excluding loans purchased from GNMA mortgage pools	436	306	829	101	1,672	.4
Loans purchased from GNMA mortgage pools <sup>(b)</sup>	—	915	368	394	1,677	1.5
Total loans	\$ 436	\$ 1,221	\$ 1,197	\$ 495	\$ 3,349	.9 %
<b>2024</b>						
Commercial	\$ 63	\$ —	\$ 603	\$ —	\$ 666	.5 %
Commercial real estate	49	—	761	27	837	1.7
Residential mortgages <sup>(b)</sup>	—	46	15	16	77	.1
Credit card	330	2	—	—	332	1.1
Other retail	6	2	98	3	109	.3
Total loans, excluding loans purchased from GNMA mortgage pools	448	50	1,477	46	2,021	.5
Loans purchased from GNMA mortgage pools <sup>(b)</sup>	1	1,101	257	281	1,640	1.4
Total loans	\$ 449	\$ 1,151	\$ 1,734	\$ 327	\$ 3,661	1.0 %

(a) Includes \$83 million of total loans receiving a payment delay and term extension, \$77 million of total loans receiving an interest rate reduction and term extension and \$21 million of total loans receiving an interest rate reduction, payment delay and term extension for the three months ended September 30, 2025, compared with \$85 million, \$44 million and \$8 million for the three months ended September 30, 2024, respectively. Includes \$230 million of total loans receiving a payment delay and term extension, \$208 million of total loans receiving an interest rate reduction and term extension and \$57 million of total loans receiving an interest rate reduction, payment delay and term extension for the nine months ended September 30, 2025, compared with \$251 million, \$56 million and \$20 million for the nine months ended September 30, 2024, respectively.

(b) Percent of class total amounts expressed as a percent of total residential mortgage loan balances.

Loan modifications included in the table above exclude trial period arrangements offered to customers and secured loans to consumer borrowers that have had debt discharged through bankruptcy where the borrower has not reaffirmed the debt during the periods presented. At September 30, 2025 the balance of loans modified in trial period arrangements was \$185 million, while the balance of secured loans to consumer borrowers that have had debt discharged through bankruptcy was not material.

The following table summarizes the effects of loan modifications made to borrowers on loans modified:

Three Months Ended September 30	Weighted-Average Interest Rate Reduction	Weighted-Average Months of Term Extension
<b>2025</b>		
Commercial <sup>(a)</sup>	8.7 %	9
Commercial real estate	4.0	10
Residential mortgages	1.1	79
Credit card	16.0	—
Other retail	7.3	4
Loans purchased from GNMA mortgage pools	.4	103
<b>2024</b>		
Commercial <sup>(a)</sup>	20.5 %	9
Commercial real estate	4.4	12
Residential mortgages	1.1	92
Credit card	16.2	—
Other retail	6.4	5
Loans purchased from GNMA mortgage pools	.4	109
<b>Nine Months Ended September 30</b>		
<b>2025</b>		
Commercial <sup>(a)</sup>	10.1 %	11
Commercial real estate	3.3	9
Residential mortgages	1.3	88
Credit card	16.1	—
Other retail	5.8	8
Loans purchased from GNMA mortgage pools	.4	102
<b>2024</b>		
Commercial <sup>(a)</sup>	20.2 %	9
Commercial real estate	3.1	12
Residential mortgages	.9	88
Credit card	16.3	—
Other retail	7.7	5
Loans purchased from GNMA mortgage pools	.5	113

Note: The weighted-average payment deferral for all portfolio classes was less than \$1 million for the three and nine months ended September 30, 2025 and 2024. Forbearance payments are required to be paid at the end of the original term loan.

(a) The weighted-average interest rate reduction was primarily driven by commercial cards.

For the commercial lending segment, modifications generally result in the Company working with borrowers on a case-by-case basis. Commercial and commercial real estate modifications generally include extensions of the maturity date and may be accompanied by an increase or decrease to the interest rate. In addition, the Company may work with the borrower in identifying other changes that mitigate loss to the Company, which may include additional collateral or guarantees to support the loan. To a lesser extent, the Company may provide an interest rate reduction.

Modifications for the consumer lending segment are generally part of programs the Company has initiated. The Company modifies residential mortgage loans under Federal Housing Administration, United States Department of Veterans Affairs, or its own internal programs. Under these programs, the Company offers qualifying homeowners the opportunity to permanently modify their loan and achieve more affordable monthly payments. These modifications may include adjustments to interest rates, conversion of adjustable rates to fixed rates, extension of maturity dates or deferrals of payments, capitalization of accrued interest and/or outstanding advances, or in limited situations, partial forgiveness of loan principal. In some instances, participation in residential mortgage loan modification programs requires the customer to complete a short-term trial period. A permanent loan modification is

contingent on the customer successfully completing the trial period arrangement, and the loan documents are not modified until that time.

Credit card and other retail loan modifications are generally part of distinct modification programs providing customers experiencing financial difficulty with modifications whereby balances may be amortized up to 60 months, and generally include waiver of fees and reduced interest rates.

Loans that receive a forbearance plan generally remain in default until they are no longer delinquent as the result of the payment of all past due amounts or the borrower receiving a term extension or modification. Therefore, loans only receiving forbearance plans are not included in the table below.

The following table provides a summary of loan balances as of September 30, which were modified during the prior twelve months, by portfolio class and delinquency status:

(Dollars in Millions)	Current	30-89 Days Past Due	90 Days or More Past Due	Total
<b>2025</b>				
Commercial	\$ 423	\$ 18	\$ 76	\$ 517
Commercial real estate	688	—	18	706
Residential mortgages <sup>(a)</sup>	1,476	6	10	1,492
Credit card	318	74	39	431
Other retail	87	14	6	107
Total loans	\$ 2,992	\$ 112	\$ 149	\$ 3,253
<b>2024</b>				
Commercial	\$ 556	\$ 55	\$ 159	\$ 770
Commercial real estate	752	2	455	1,209
Residential mortgages <sup>(a)</sup>	1,487	4	10	1,501
Credit card	298	70	37	405
Other retail	120	17	5	142
Total loans	\$ 3,213	\$ 148	\$ 666	\$ 4,027

(a) At September 30, 2025, \$410 million of loans 30-89 days past due and \$288 million of loans 90 days or more past due purchased and that could be purchased from GNMA mortgage pools under delinquent loan repurchase options whose payments are insured by the Federal Housing Administration or guaranteed by the United States Department of Veterans Affairs, were classified as current, compared with \$430 million and \$265 million at September 30, 2024 respectively.

The following table provides a summary of loans that defaulted (fully or partially charged-off or became 90 days or more past due) that were modified within twelve months prior to default:

Three Months Ended September 30 (Dollars in Millions)	Interest Rate Reduction	Payment Delay	Term Extension	Multiple Modifications <sup>(a)</sup>
<b>2025</b>				
Commercial	\$ 10	\$ —	\$ 11	\$ —
Commercial real estate	—	—	—	—
Residential mortgages	—	—	1	1
Credit card	34	—	—	—
Other retail	1	—	4	—
Total loans, excluding loans purchased from GNMA mortgage pools	45	—	16	1
Loans purchased from GNMA mortgage pools	—	69	51	66
Total loans	\$ 45	\$ 69	\$ 67	\$ 67
<b>2024</b>				
Commercial	\$ 8	\$ —	\$ 13	\$ —
Commercial real estate	—	—	180	—
Residential mortgages	—	2	—	1
Credit card	33	—	—	—
Other retail	1	—	5	—
Total loans, excluding loans purchased from GNMA mortgage pools	42	2	198	1
Loans purchased from GNMA mortgage pools	—	97	50	54
Total loans	\$ 42	\$ 99	\$ 248	\$ 55
<b>Nine Months Ended September 30 (Dollars in Millions)</b>				
<b>2025</b>				
Commercial	\$ 29	\$ —	\$ 22	\$ —
Commercial real estate	36	—	—	—
Residential mortgages	—	—	1	4
Credit card	103	—	—	—
Other retail	2	—	13	—
Total loans, excluding loans purchased from GNMA mortgage pools	170	—	36	4
Loans purchased from GNMA mortgage pools	—	108	71	104
Total loans	\$ 170	\$ 108	\$ 107	\$ 108
<b>2024</b>				
Commercial	\$ 20	\$ —	\$ 13	\$ —
Commercial real estate	—	—	204	—
Residential mortgages	—	12	3	4
Credit card	92	—	—	—
Other retail	2	1	15	—
Total loans, excluding loans purchased from GNMA mortgage pools	114	13	235	4
Loans purchased from GNMA mortgage pools	—	154	80	94
Total loans	\$ 114	\$ 167	\$ 315	\$ 98

(a) Includes \$34 million of total loans receiving a payment delay and term extension, \$30 million of total loans receiving an interest rate reduction and term extension, and \$3 million of total loans receiving an interest rate reduction, payment delay and term extension for the three months ended September 30, 2025, compared with \$49 million, \$5 million, and \$1 million for the three months ended September 30, 2024, respectively. Includes \$59 million of total loans receiving a payment delay and term extension, \$44 million of total loans receiving an interest rate reduction and term extension, and \$5 million of total loans receiving an interest rate reduction, payment delay and term extension for the nine months ended September 30, 2025, compared with \$91 million, \$6 million and \$1 million for the nine months ended September 30, 2024, respectively.

As of September 30, 2025 the Company had \$368 million of commitments to lend additional funds to borrowers whose terms of their outstanding owed balances have been modified.

**NOTE 5****Accounting for Transfers and Servicing of Financial Assets and Variable Interest Entities**

The Company transfers financial assets in the normal course of business. The majority of the Company's financial asset transfers are residential mortgage loan sales primarily to GSEs, transfers of tax-advantaged investments, commercial loan sales through participation agreements, and other individual or portfolio loan and securities sales. In accordance with the accounting guidance for asset transfers, the Company considers any ongoing involvement with transferred assets in determining whether the assets can be derecognized from the balance sheet. Guarantees provided to certain third parties in connection with the transfer of assets are further discussed in Note 15.

For loans sold under participation agreements, the Company also considers whether the terms of the loan participation agreement meet the accounting definition of a participating interest. With the exception of servicing and certain performance-based guarantees, the Company's continuing involvement with financial assets sold is minimal and generally limited to market customary representation and warranty clauses. Any gain or loss on sale depends on the previous carrying amount of the transferred financial assets, the consideration received, and any liabilities incurred in exchange for the transferred assets. Upon transfer, any servicing assets and other interests that continue to be held by the Company are initially recognized at fair value. For further information on MSRs, refer to Note 6. On a limited basis, the Company may acquire and package high-grade corporate bonds for select corporate customers, in which the Company generally has no continuing involvement with these transactions. The Company also is an authorized GNMA issuer and issues GNMA securities on a regular basis. Additionally, the Company originated auto loans that were sold and securitized through an off-balance sheet special purpose vehicle. In connection with the auto securitization, the Company is the sponsor of the transaction, retains a risk retention security in compliance with SEC rules, and is the servicer for the auto loans that were sold and securitized. The Company has no other asset securitizations or similar asset-backed financing arrangements that are off-balance sheet.

The Company is involved in various entities that are considered to be VIEs. The Company's investments in VIEs are primarily related to investments promoting affordable housing, community development and renewable energy sources. Some of these tax-advantaged investments support the Company's regulatory compliance with the Community Reinvestment Act. The Company's investments in these entities generate a return primarily through the realization of federal and state income tax credits, and other tax benefits, such as tax deductions from operating losses of the investments, over specified time periods. These tax credits are recognized as a reduction of tax expense or, for investments qualifying as investment tax credits, as a reduction to the related investment asset. The Company recognized federal and state income tax credits related to its affordable housing and other tax-advantaged investments in tax expense of \$184 million and \$141 million for the three months ended September 30, 2025 and 2024, respectively, and \$548 million and \$424 million for the nine months ended September 30, 2025 and 2024, respectively. The Company recognized \$151 million and \$135 million of expenses related to all of these investments for the three months ended September 30, 2025 and 2024, respectively, which were primarily included in tax expense. The Company recognized \$452 million and \$418 million of expenses related to all of these investments for the nine months ended September 30, 2025 and 2024, respectively, which were primarily included in tax expense.

The Company is not required to consolidate VIEs in which it has concluded it does not have a controlling financial interest, and thus is not the primary beneficiary. In such cases, the Company does not have both the power to direct the entities' most significant activities and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIEs. The assets of each unconsolidated VIE can only be used to settle the VIE's obligations and if the VIE defaults on its obligations, creditors do not have general recourse to the Company.

The Company's investments in these unconsolidated VIEs are carried in other assets on the Consolidated Balance Sheet. The Company's unfunded capital and other commitments related to these unconsolidated VIEs are generally carried in other liabilities on the Consolidated Balance Sheet. The Company's maximum exposure to loss from these unconsolidated VIEs include the investment recorded on the Company's Consolidated Balance Sheet, net of unfunded capital commitments, and previously recorded tax credits which remain subject to recapture by taxing authorities based on compliance features required to be met at the project level. While the Company believes potential losses from these investments are remote, the maximum exposure was determined by assuming a scenario where the community-based business and housing projects completely fail and do not meet certain government compliance requirements resulting in recapture of the related tax credits.

The following table provides a summary of investments in community development and tax-advantaged VIEs that the Company has not consolidated:

(Dollars in Millions)	September 30, 2025	December 31, 2024
Investment carrying amount	\$ 9,535	\$ 8,107
Unfunded capital and other commitments	5,954	5,032
Maximum exposure to loss	9,635	8,435

The Company also has noncontrolling financial investments in private investment funds and partnerships considered to be VIEs, which are not consolidated. The Company's recorded investment in these entities, carried in other assets on the Consolidated Balance Sheet, was approximately \$309 million at September 30, 2025 and \$264 million at December 31, 2024. The maximum

exposure to loss related to these VIEs was \$423 million at September 30, 2025 and \$382 million at December 31, 2024, representing the Company's investment balance and its unfunded commitments to invest additional amounts.

The Company also held senior notes of \$2.0 billion as available-for-sale investment securities at September 30, 2025, compared with \$3.2 billion at December 31, 2024. These senior notes were issued by third-party securitization vehicles that held \$2.3 billion at September 30, 2025 and \$3.6 billion at December 31, 2024 of indirect auto loans that collateralize the senior notes. These VIEs are not consolidated by the Company.

The Company's individual net investments in unconsolidated VIEs, which exclude any unfunded capital commitments, ranged from less than \$1 million to \$100 million at September 30, 2025, compared with less than \$1 million to \$79 million at December 31, 2024.

The Company is required to consolidate VIEs in which it has concluded it has a controlling financial interest. The Company sponsors entities to which it transfers its interests in tax-advantaged investments to third parties. At September 30, 2025, approximately \$5.9 billion of the Company's assets and \$3.6 billion of its liabilities included on the Consolidated Balance Sheet were related to community development and tax-advantaged investment VIEs which the Company has consolidated, primarily related to these transfers. These amounts compared to \$6.4 billion and \$4.2 billion, respectively, at December 31, 2024. The majority of the assets of these consolidated VIEs are reported in other assets, and the liabilities are reported in long-term debt and other liabilities. The assets of a particular VIE are the primary source of funds to settle its obligations. The creditors of the VIEs do not have recourse to the general credit of the Company. The Company's exposure to the consolidated VIEs is generally limited to the carrying value of its variable interests plus any related tax credits previously recognized or transferred to others with a guarantee.

## NOTE 6 Mortgage Servicing Rights

The Company capitalizes MSRs as separate assets when loans are sold and servicing is retained. MSRs may also be purchased from others. The Company carries MSRs at fair value, with changes in the fair value recorded in earnings during the period in which they occur. The Company serviced \$216.1 billion of residential mortgage loans for others at September 30, 2025, and \$216.6 billion at December 31, 2024, including subserviced mortgages with no corresponding MSR asset. Included in mortgage banking revenue are the MSR fair value changes arising from market rate and model assumption changes, including a gain on the sale of MSRs in the second quarter of 2024, net of the value change in derivatives used to economically hedge MSRs. These changes resulted in net gains of \$12 million and net losses of \$10 million for the three months ended September 30, 2025 and 2024, respectively, and net gains of \$10 million and \$11 million for the nine months ended September 30, 2025 and 2024, respectively. Loan servicing and ancillary fees, not including valuation changes, included in mortgage banking revenue were \$173 million and \$170 million for the three months ended September 30, 2025 and 2024, respectively, and \$517 million and \$526 million for the nine months ended September 30, 2025 and 2024, respectively.

Changes in fair value of capitalized MSRs are summarized as follows:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Balance at beginning of period	\$ 3,305	\$ 3,326	\$ 3,369	\$ 3,377
Rights purchased	—	—	—	1
Rights capitalized	71	72	194	191
Rights sold	1	1	2	(188)
Changes in fair value of MSRs				
Due to fluctuations in market interest rates <sup>(a)</sup>	(3)	(121)	(43)	27
Due to revised assumptions or models <sup>(b)</sup>	13	3	23	44
Other changes in fair value <sup>(c)</sup>	(98)	(94)	(256)	(265)
Balance at end of period	\$ 3,289	\$ 3,187	\$ 3,289	\$ 3,187

(a) Includes changes in MSR value associated with changes in market interest rates, including estimated prepayment rates and anticipated earnings on escrow deposits.

(b) Includes changes in MSR value not caused by changes in market interest rates, such as changes in assumed cost to service, ancillary income and option adjusted spread, as well as the impact of any model changes.

(c) Primarily the change in MSR value from passage of time and cash flows realized (decay), but also includes the impact of changes to expected cash flows not associated with changes in market interest rates, such as the impact of delinquencies.

The estimated sensitivity to changes in interest rates of the fair value of the MSR portfolio and the related derivative instruments was as follows:

(Dollars in Millions)	September 30, 2025						December 31, 2024					
	Down 100 bps	Down 50 bps	Down 25 bps	Up 25 bps	Up 50 bps	Up 100 bps	Down 100 bps	Down 50 bps	Down 25 bps	Up 25 bps	Up 50 bps	Up 100 bps
MSR portfolio	\$ (365)	\$ (173)	\$ (84)	\$ 78	\$ 150	\$ 275	\$ (310)	\$ (144)	\$ (69)	\$ 63	\$ 120	\$ 217
Derivative instrument hedges	398	187	89	(79)	(151)	(285)	325	147	69	(61)	(118)	(220)
Net sensitivity	\$ 33	\$ 14	\$ 5	\$ (1)	\$ (1)	\$ (10)	\$ 15	\$ 3	\$ —	\$ 2	\$ 2	\$ (3)

The fair value of MSR's and their sensitivity to changes in interest rates is influenced by the mix of the servicing portfolio and characteristics of each segment of the portfolio. The Company's servicing portfolio consists of the distinct portfolios of government-insured mortgages, conventional mortgages and Housing Finance Agency ("HFA") mortgages. The servicing portfolios are predominantly comprised of fixed-rate agency loans with limited adjustable-rate or jumbo mortgage loans. The HFA servicing portfolio is comprised of loans originated under state and local housing authority program guidelines which assist purchases by first-time or low- to moderate-income homebuyers through a favorable rate subsidy, down payment and/or closing cost assistance on government- and conventional-insured mortgages.

The following table provides a summary of the Company's MSR's and related characteristics by portfolio:

(Dollars in Millions)	September 30, 2025				December 31, 2024			
	HFA	Government	Conventional <sup>(d)</sup>	Total	HFA	Government	Conventional <sup>(d)</sup>	Total
Servicing portfolio <sup>(a)</sup>	\$56,166	\$23,995	\$ 135,668	\$215,829	\$52,807	\$25,139	\$ 138,428	\$ 216,374
Fair value	\$ 840	\$ 472	\$ 1,977	\$ 3,289	\$ 856	\$ 512	\$ 2,001	\$ 3,369
Value (bps) <sup>(b)</sup>	150	197	146	152	162	204	145	156
Weighted-average servicing fees (bps)	35	45	25	30	35	45	25	30
Multiple (value/servicing fees)	4.23	4.41	5.75	5.06	4.57	4.56	5.69	5.17
Weighted-average note rate	5.12 %	4.40 %	4.01 %	4.34 %	4.92 %	4.35 %	3.87 %	4.18 %
Weighted-average age (in years)	4.7	6.6	5.4	5.4	4.5	6.1	5.0	5.0
Weighted-average expected prepayment (constant prepayment rate)	10.0 %	10.2 %	8.3 %	8.9 %	9.9 %	10.2 %	7.8 %	8.6 %
Weighted-average expected life (in years)	7.5	6.8	7.2	7.3	7.5	6.8	7.4	7.4
Weighted-average option adjusted spread <sup>(c)</sup>	7.3 %	6.9 %	5.1 %	5.9 %	5.8 %	6.2 %	5.6 %	5.7 %

(a) Represents principal balance of mortgages having corresponding MSR asset.

(b) Calculated as fair value divided by the servicing portfolio.

(c) Option adjusted spread is the incremental spread added to the risk-free rate to reflect optionality and other risk inherent in the MSR's.

(d) Represents loans sold primarily to GSEs.

## NOTE 7 Preferred Stock

At September 30, 2025 and December 31, 2024, the Company had authority to issue 50 million shares of preferred stock. The number of shares issued and outstanding and the carrying amount of each outstanding series of the Company's preferred stock were as follows:

(Dollars in Millions)	September 30, 2025				December 31, 2024			
	Shares Issued and Outstanding	Liquidation Preference	Discount	Carrying Amount	Shares Issued and Outstanding	Liquidation Preference	Discount	Carrying Amount
Series A	12,510	\$ 1,251	\$ 145	\$ 1,106	12,510	\$ 1,251	\$ 145	\$ 1,106
Series B	40,000	1,000	—	1,000	40,000	1,000	—	1,000
Series J	40,000	1,000	7	993	40,000	1,000	7	993
Series K	23,000	575	10	565	23,000	575	10	565
Series L	20,000	500	14	486	20,000	500	14	486
Series M	30,000	750	21	729	30,000	750	21	729
Series N	60,000	1,500	8	1,492	60,000	1,500	8	1,492
Series O	18,000	450	13	437	18,000	450	13	437
Total preferred stock <sup>(a)</sup>	243,510	\$ 7,026	\$ 218	\$ 6,808	243,510	\$ 7,026	\$ 218	\$ 6,808

(a) The par value of all shares issued and outstanding at September 30, 2025 and December 31, 2024, was \$1.00 per share.

## NOTE 8 Accumulated Other Comprehensive Income (Loss)

Shareholders' equity is affected by transactions and valuations of asset and liability positions that require adjustments to accumulated other comprehensive income (loss). The reconciliation of the transactions affecting accumulated other comprehensive income (loss) included in shareholders' equity is as follows:

Three Months Ended September 30 (Dollars in Millions)	Unrealized Gains (Losses) on Investment Securities Available- For-Sale	Unrealized Gains (Losses) on Investment Securities Transferred From Available-For- Sale to Held- To-Maturity	Unrealized Gains (Losses) on Derivative Hedges	Unrealized Gains (Losses) on Retirement Plans	Debit Valuation Adjustments	Foreign Currency Translation	Total
<b>2025</b>							
Balance at beginning of period	\$ (4,513)	\$ (2,992)	\$ (132)	\$ (954)	\$ (1)	\$ (17)	\$ (8,609)
Changes in unrealized gains (losses)	975	—	(5)	—	(5)	—	965
Foreign currency translation adjustment <sup>(a)</sup>	—	—	—	—	—	(1)	(1)
Reclassification to earnings of realized (gains) losses	7	124	65	(1)	—	—	195
Applicable income taxes	(248)	(32)	(15)	(4)	1	—	(298)
Balance at end of period	\$ (3,779)	\$ (2,900)	\$ (87)	\$ (959)	\$ (5)	\$ (18)	\$ (7,748)
<b>2024</b>							
Balance at beginning of period	\$ (5,310)	\$ (3,354)	\$ (482)	\$ (1,138)	\$ —	\$ (24)	\$ (10,308)
Changes in unrealized gains (losses)	1,297	—	460	—	—	—	1,757
Foreign currency translation adjustment <sup>(a)</sup>	—	—	—	—	—	12	12
Reclassification to earnings of realized (gains) losses	119	132	77	—	—	—	328
Applicable income taxes	(361)	(33)	(138)	—	—	(3)	(535)
Balance at end of period	\$ (4,255)	\$ (3,255)	\$ (83)	\$ (1,138)	\$ —	\$ (15)	\$ (8,746)
<b>2025</b>							
Balance at beginning of period	\$ (5,078)	\$ (3,165)	\$ (553)	\$ (955)	\$ 1	\$ (14)	\$ (9,764)
Changes in unrealized gains (losses)	1,681	—	436	—	(8)	—	2,109
Foreign currency translation adjustment <sup>(a)</sup>	—	—	—	—	—	(5)	(5)
Reclassification to earnings of realized (gains) losses	64	358	191	(4)	—	—	609
Applicable income taxes	(446)	(93)	(161)	—	2	1	(697)
Balance at end of period	\$ (3,779)	\$ (2,900)	\$ (87)	\$ (959)	\$ (5)	\$ (18)	\$ (7,748)
<b>2024</b>							
Balance at beginning of period	\$ (5,151)	\$ (3,537)	\$ (242)	\$ (1,138)	\$ —	\$ (28)	\$ (10,096)
Changes in unrealized gains (losses)	1,048	—	8	—	—	—	1,056
Foreign currency translation adjustment <sup>(a)</sup>	—	—	—	—	—	16	16
Reclassification to earnings of realized (gains) losses	153	377	206	—	—	—	736
Applicable income taxes	(305)	(95)	(55)	—	—	(3)	(458)
Balance at end of period	\$ (4,255)	\$ (3,255)	\$ (83)	\$ (1,138)	\$ —	\$ (15)	\$ (8,746)

(a) Represents the impact of changes in foreign currency exchange rates on the Company's investment in foreign operations and related hedges.

Additional detail about the impact to net income for items reclassified out of accumulated other comprehensive income (loss) and into earnings is as follows:

(Dollars in Millions)	Impact to Net Income				Affected Line Item in the Consolidated Statement of Income
	Three Months Ended September 30		Nine Months Ended September 30		
	2025	2024	2025	2024	
Unrealized gains (losses) on investment securities available-for-sale					
Realized gains (losses) on sales of investment securities	\$ (7)	\$ (119)	\$ (64)	\$ (153)	Securities gains (losses), net
	2	31	16	39	Applicable income taxes
	(5)	(88)	(48)	(114)	Net-of-tax
Unrealized gains (losses) on investment securities transferred from available-for-sale to held-to-maturity					
Amortization of unrealized gains (losses)	(124)	(132)	(358)	(377)	Interest income
	32	33	93	95	Applicable income taxes
	(92)	(99)	(265)	(282)	Net-of-tax
Unrealized gains (losses) on derivative hedges					
Realized gains (losses) on derivative hedges	(65)	(77)	(191)	(206)	Net interest income
	16	20	48	53	Applicable income taxes
	(49)	(57)	(143)	(153)	Net-of-tax
Unrealized gains (losses) on retirement plans					
Actuarial gains (losses) and prior service cost (credit) amortization	1	—	4	—	Other noninterest expense
	—	—	(1)	—	Applicable income taxes
	1	—	3	—	Net-of-tax
Total impact to net income	\$ (145)	\$ (244)	\$ (453)	\$ (549)	

## NOTE 9 Earnings Per Share

The components of earnings per share were:

(Dollars and Shares in Millions, Except Per Share Data)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Net income attributable to U.S. Bancorp	\$ 2,001	\$ 1,714	\$ 5,525	\$ 4,636
Preferred dividends	(97)	(103)	(262)	(280)
Earnings allocated to participating stock awards	(11)	(10)	(34)	(28)
Net income applicable to U.S. Bancorp common shareholders	\$ 1,893	\$ 1,601	\$ 5,229	\$ 4,328
Average common shares outstanding	1,557	1,561	1,558	1,560
Net effect of the exercise and assumed purchase of stock awards	—	—	1	1
Average diluted common shares outstanding	1,557	1,561	1,559	1,561
Earnings per common share	\$ 1.22	\$ 1.03	\$ 3.36	\$ 2.77
Diluted earnings per common share	\$ 1.22	\$ 1.03	\$ 3.35	\$ 2.77

Options outstanding at September 30, 2025 to purchase 1 million common shares for the three and nine months ended September 30, 2025, and outstanding at September 30, 2024 to purchase 1 million common shares for the three and nine months ended September 30, 2024 were not included in the computation of diluted earnings per share because they were antidilutive.

## NOTE 10 Employee Benefits

The components of net periodic benefit cost for the Company's pension plans were:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Service cost	\$ 54	\$ 55	\$ 160	\$ 164
Interest cost	102	94	307	282
Expected return on plan assets	(147)	(146)	(440)	(438)
Prior service cost (credit) amortization	(1)	(1)	(3)	(3)
Actuarial loss (gain) amortization	1	2	3	7
Net periodic benefit cost <sup>(a)</sup>	\$ 9	\$ 4	\$ 27	\$ 12

(a) Service cost is included in compensation and employee benefits expense on the Consolidated Statement of Income. All other components are included in other noninterest expense on the Consolidated Statement of Income.

## NOTE 11 Income Taxes

The components of income tax expense were:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
<b>Federal</b>				
Current	\$ 332	\$ 144	\$ 588	\$ 645
Deferred	88	79	441	261
Federal income tax	420	223	1,029	906
<b>State</b>				
Current	100	105	287	214
Deferred	4	22	123	22
State income tax	104	127	410	236
Total income tax provision	\$ 524	\$ 350	\$ 1,439	\$ 1,142

A reconciliation of expected income tax expense at the federal statutory rate of 21 percent to the Company's applicable income tax expense follows:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Tax at statutory rate	\$ 532	\$ 435	\$ 1,467	\$ 1,218
State income tax, at statutory rates, net of federal tax benefit	119	106	330	289
Tax effect of				
Tax credits and benefits, net of related expenses	(115)	(140)	(381)	(284)
Revaluation of tax related assets and liabilities <sup>(a)</sup>	—	—	72	—
Exam resolutions	(1)	(1)	(1)	(98)
Tax-exempt income	(39)	(38)	(112)	(105)
Other items	28	(12)	64	122
Applicable income taxes	\$ 524	\$ 350	\$ 1,439	\$ 1,142

(a) California enacted legislation resulting in a decrease to the Company's state effective tax rate, requiring the Company to revalue its state deferred tax assets and liabilities. As a result of this revaluation, the Company recorded an estimated net tax expense of \$72 million in the second quarter of 2025.

The Company's income tax returns are subject to review and examination by federal, state, local and foreign government authorities. On an ongoing basis, numerous federal, state, local and foreign examinations are in progress and cover multiple tax years. As of September 30, 2025, federal tax examinations for all years ending through December 31, 2020 are completed and resolved. The Company's tax returns for the years ended December 31, 2021 through December 31, 2022 are under examination by the Internal Revenue Service. The years open to examination by foreign, state and local government authorities vary by jurisdiction.

The Company's net deferred tax asset was \$5.0 billion at September 30, 2025 and \$6.3 billion at December 31, 2024.

## NOTE 12 Derivative Instruments

In the ordinary course of business, the Company enters into derivative transactions to manage various risks and to accommodate the business requirements of its customers. The Company recognizes all derivatives on the Consolidated Balance Sheet at fair value in other assets or in other liabilities. On the date the Company enters into a derivative contract, the derivative is designated as either a fair value hedge, cash flow hedge, net investment hedge, or a designation is not made as it is a customer-related transaction, an economic hedge for asset/liability risk management purposes or another stand-alone derivative created through the Company's operations ("free-standing derivative"). When a derivative is designated as a fair value, cash flow or net investment hedge, the Company performs an assessment, at inception and, at a minimum, quarterly thereafter, to determine the effectiveness of the derivative in offsetting changes in the value or cash flows of the hedged item(s).

**Fair Value Hedges** These derivatives are interest rate swaps the Company uses to hedge the change in fair value related to interest rate changes of its underlying available-for-sale investment securities and fixed-rate debt. Changes in the fair value of derivatives designated as fair value hedges, and changes in the fair value of the hedged items, are recorded in earnings.

**Cash Flow Hedges** These derivatives are interest rate swaps the Company uses to hedge the forecasted cash flows from its underlying variable-rate loans and debt. Changes in the fair value of derivatives designated as cash flow hedges are recorded in other comprehensive income (loss) until the cash flows of the hedged items are realized. If a derivative designated as a cash flow hedge is terminated or ceases to be highly effective, the gain or loss in other comprehensive income (loss) is amortized to earnings over the period the forecasted hedged transactions impact earnings. If a hedged forecasted transaction is no longer probable, hedge accounting is ceased and any gain or loss included in other comprehensive income (loss) is reported in earnings immediately, unless the forecasted transaction is at least reasonably possible of occurring, whereby the amounts remain within other comprehensive income (loss). At September 30, 2025, the Company had \$87 million (net-of-tax) of realized and unrealized losses on derivatives classified as cash flow hedges recorded in other comprehensive income (loss), compared with \$553 million (net-of-tax) of realized and unrealized losses at December 31, 2024. The estimated amount to be reclassified from other comprehensive income (loss) into earnings during the next 12 months is a loss of \$85 million (net-of-tax). All cash flow hedges were highly effective for the nine months ended September 30, 2025.

**Net Investment Hedges** The Company uses forward commitments to sell specified amounts of certain foreign currencies, and non-derivative debt instruments, to hedge the volatility of its net investment in foreign operations driven by fluctuations in foreign currency exchange rates. The carrying amount of non-derivative debt instruments designated as net investment hedges was \$1.7 billion at September 30, 2025 and \$1.3 billion at December 31, 2024.

**Other Derivative Positions** The Company enters into free-standing derivatives to mitigate interest rate risk and for other risk management purposes. These derivatives include forward commitments to sell TBAs and other commitments to sell residential mortgage loans, which are used to economically hedge the interest rate risk related to MLHFS and unfunded mortgage loan commitments. The Company also enters into interest rate swaps, swaptions, forward commitments to buy TBAs, U.S. Treasury and SOFR futures and options on U.S. Treasury futures to economically hedge the change in the fair value of the Company's MSRs. The Company enters into foreign currency forwards to economically hedge remeasurement gains and losses the Company recognizes on foreign currency denominated assets and liabilities. The Company also enters into interest rate swaps as economic hedges of fair value option elected deposits and long-term debt. In addition, the Company acts as a seller and buyer of interest rate, foreign exchange and commodity contracts for its customers. The Company mitigates the market, funding and liquidity risk associated with these customer derivatives by entering into similar offsetting positions with broker-dealers, or on a portfolio basis by entering into other derivative or non-derivative financial instruments that partially or fully offset the exposure to earnings from these customer-related positions. The Company's customer derivatives and related hedges are monitored and reviewed by the Company's Market Risk Committee, which establishes policies for market risk management, including exposure limits for each portfolio. The Company also has derivative contracts that are created through its operations, including certain unfunded mortgage loan commitments and swap agreements related to the sale of a portion of its Class B common and preferred shares of Visa Inc. Refer to Note 14 for further information on these swap agreements. The Company uses credit derivatives to economically hedge the credit risk on its derivative positions and loan portfolios.

The following table summarizes the asset and liability management derivative positions of the Company:

(Dollars in Millions)	September 30, 2025			December 31, 2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Fair value hedges						
Interest rate contracts						
Receive fixed/pay floating swaps	\$ 8,550	\$ —	\$ —	\$ 10,600	\$ —	\$ —
Pay fixed/receive floating swaps	26,614	—	—	29,739	—	—
Cash flow hedges						
Interest rate contracts						
Receive fixed/pay floating swaps	23,000	—	—	28,550	—	—
Pay fixed/receive floating swaps	1,000	—	—	—	—	—
Net investment hedges						
Foreign exchange forward contracts	741	6	—	870	7	—
Other economic hedges						
Interest rate contracts						
Futures and forwards						
Buy	8,544	14	12	5,436	8	30
Sell	3,283	4	12	2,711	10	1
Options						
Purchased	9,520	145	—	7,810	186	—
Written	3,181	21	66	1,991	8	47
Receive fixed/pay floating swaps	9,396	109	30	9,977	45	23
Pay fixed/receive floating swaps	2,983	—	—	2,371	—	—
Foreign exchange forward contracts	774	4	1	702	4	4
Equity contracts	321	8	1	293	—	9
Credit contracts	2,816	—	18	3,558	—	29
Other <sup>(a)</sup>	2,846	8	118	1,084	7	78
Total	\$103,569	\$ 319	\$ 258	\$105,692	\$ 275	\$ 221

(a) Includes derivative liability swap agreements related to the sale of a portion of the Company's Class B common and preferred shares of Visa Inc. The Visa swap agreements had a total notional value and fair value of \$1.0 billion and \$115 million at September 30, 2025, respectively, compared to \$1.0 billion and \$78 million at December 31, 2024, respectively. In addition, includes short-term underwriting purchase and sale commitments with total notional values of \$1.8 billion at September 30, 2025.

The following table summarizes the customer-related derivative positions of the Company:

(Dollars in Millions)	September 30, 2025			December 31, 2024		
	Notional Value	Fair Value		Notional Value	Fair Value	
		Assets	Liabilities		Assets	Liabilities
Interest rate contracts						
Receive fixed/pay floating swaps	\$ 444,332	\$ 1,357	\$ 2,190	\$ 413,841	\$ 462	\$ 4,485
Pay fixed/receive floating swaps	382,650	1,124	481	363,837	2,342	153
Other <sup>(a)</sup>	69,002	21	62	72,503	17	34
Options						
Purchased	134,864	254	9	96,238	414	2
Written	95,541	26	334	90,572	12	574
Futures						
Buy	1,881	—	—	—	—	—
Sell	963	—	—	—	—	—
Foreign exchange rate contracts						
Forwards, spots and swaps	136,823	2,831	2,691	113,718	2,441	2,232
Options						
Purchased	1,330	23	1	497	14	—
Written	1,330	3	24	497	—	14
Commodity contracts						
Swaps	14,804	579	485	8,224	199	180
Options						
Purchased	5,300	348	2	3,921	233	2
Written	5,293	2	348	3,921	3	233
Futures						
Buy	4	—	—	1	—	—
Sell	548	84	81	166	25	27
Equity contracts	8	—	—	—	—	—
Credit contracts	14,015	1	3	13,670	—	3
Total	\$ 1,308,688	\$ 6,653	\$ 6,711	\$ 1,181,606	\$ 6,162	\$ 7,939

(a) Primarily represents floating rate interest rate swaps that pay based on differentials between specified interest rate indexes.

The table below shows the effective portion of the gains (losses) recognized in other comprehensive income (loss) and the gains (losses) reclassified from other comprehensive income (loss) into earnings (net-of-tax):

(Dollars in Millions)	Three Months Ended September 30				Nine Months Ended September 30			
	Gains (Losses) Recognized in Other Comprehensive Income (Loss)		Gains (Losses) Reclassified from Other Comprehensive Income (Loss) into Earnings		Gains (Losses) Recognized in Other Comprehensive Income (Loss)		Gains (Losses) Reclassified from Other Comprehensive Income (Loss) into Earnings	
	2025	2024	2025	2024	2025	2024	2025	2024
<b>Asset and Liability Management Positions</b>								
Cash flow hedges								
Interest rate contracts	\$ (4)	\$ 342	\$ (49)	\$ (57)	\$ 323	\$ 6	\$ (143)	\$ (153)
Net investment hedges								
Foreign exchange forward contracts	14	(19)	—	—	(28)	59	—	—
Non-derivative debt instruments	(3)	(56)	—	—	(194)	(15)	—	—

Note: The Company does not exclude components from effectiveness testing for cash flow and net investment hedges.

The table below shows the effect of fair value and cash flow hedge accounting on the Consolidated Statement of Income:

(Dollars in Millions)	Three Months Ended September 30				Nine Months Ended September 30			
	Interest Income		Interest Expense		Interest Income		Interest Expense	
	2025	2024	2025	2024	2025	2024	2025	2024
Total amount of income and expense line items presented in the Consolidated Statement of Income in which the effects of fair value or cash flow hedges are recorded	\$ 7,927	\$ 8,086	\$ 3,705	\$ 3,951	\$23,047	\$23,835	\$10,682	\$11,692
<b>Asset and Liability Management Positions</b>								
Fair value hedges								
Interest rate contract derivatives	34	(1,108)	92	302	(699)	(663)	(92)	314
Hedged items	(34)	1,113	(92)	(303)	699	666	96	(315)
Cash flow hedges								
Interest rate contract derivatives	(60)	(70)	5	7	(172)	(185)	19	21

Note: The Company does not exclude components from effectiveness testing for fair value and cash flow hedges. The Company reclassified losses of \$5 million and \$19 million into earnings during the three and nine months ended September 30, 2025, respectively, as a result of realized cash flows on discontinued cash flow hedges, compared with \$7 million and \$21 million during the three and nine months ended September 30, 2024, respectively. No amounts were reclassified into earnings on discontinued cash flow hedges because it is probable the original hedged forecasted cash flows will not occur.

The table below shows cumulative hedging adjustments and the carrying amount of assets and liabilities currently designated in fair value hedges:

(Dollars in Millions)	Carrying Amount of the Hedged Assets and Liabilities		Cumulative Hedging Adjustment	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
	<b>Line Item in the Consolidated Balance Sheet</b>			
Available-for-sale investment securities <sup>(a)</sup>	\$ 26,687	\$ 29,005	\$ 257	\$ (464)
Long-term debt	8,837	10,632	209	39

Note: The table above excludes the cumulative hedging adjustment related to discontinued hedging relationships on available-for-sale investment securities and long-term debt of \$(8) million and \$(75) million, respectively, at September 30, 2025, compared with \$(72) million and \$(149) million at December 31, 2024, respectively. The carrying amount of available-for-sale investment securities and long-term debt related to discontinued hedging relationships was \$9.3 billion and \$16.1 billion, respectively, at September 30, 2025, compared with \$6.8 billion and \$14.9 billion at December 31, 2024, respectively.

(a) Includes amounts related to available-for-sale investment securities currently designated as the hedged item in a fair value hedge using the portfolio layer method. At September 30, 2025, the amortized cost of the closed portfolios used in these hedging relationships was \$20.8 billion, of which \$10.8 billion was designated as hedged. At September 30, 2025, the cumulative amount of basis adjustments associated with these hedging relationships was \$293 million. At December 31, 2024, the amortized cost of the closed portfolios used in these hedging relationships was \$17.5 billion, of which \$11.6 billion was designated as hedged. At December 31, 2024, the cumulative amount of basis adjustments associated with these hedging relationships was \$13 million.

The table below shows the gains (losses) recognized in earnings for other economic hedges and the customer-related positions:

(Dollars in Millions)	Location of Gains (Losses) Recognized in Earnings	Three Months Ended September 30		Nine Months Ended September 30	
		2025	2024	2025	2024
<b>Asset and Liability Management Positions</b>					
Other economic hedges					
Interest rate contracts					
Futures and forwards	Mortgage banking revenue	\$ 18	\$ 2	\$ 43	\$ (12)
Purchased and written options	Mortgage banking revenue	43	64	111	112
Swaps	Mortgage banking revenue/Interest expense	12	107	81	30
Foreign exchange forward contracts	Other noninterest income	13	(6)	(4)	2
Equity contracts	Compensation expense	20	(2)	28	(4)
Credit contracts	Capital markets revenue	1	(5)	6	(7)
Other	Other noninterest income	(7)	(1)	(89)	(70)
<b>Customer-Related Positions</b>					
Interest rate contracts					
Swaps					
Purchased and written options	Capital markets revenue	61	(55)	143	165
Futures	Capital markets revenue	(5)	109	9	41
Foreign exchange rate contracts	Capital markets revenue	1	—	3	—
Forwards, spots and swaps					
Purchased and written options	Capital markets revenue	69	70	183	126
Commodity contracts	Capital markets revenue	—	—	1	—
Swaps					
Purchased and written options	Capital markets revenue	(30)	(2)	(26)	(1)
Futures	Capital markets revenue	1	1	15	5
Credit contracts	Capital markets revenue	35	4	39	10
	Capital markets revenue	(4)	(3)	(10)	(3)

Derivatives are subject to credit risk associated with counterparties to the derivative contracts. The Company measures that credit risk using a credit valuation adjustment and includes it within the fair value of the derivative. The Company manages counterparty credit risk through diversification of its derivative positions among various counterparties, by entering into derivative positions that are centrally cleared through clearinghouses, by entering into master netting arrangements and, where possible, by requiring collateral arrangements. A master netting arrangement allows two counterparties, who have multiple derivative contracts with each other, the ability to net settle amounts under all contracts, including any related collateral, through a single payment and in a single currency. Collateral arrangements generally require the counterparty to deliver collateral (typically cash or U.S. Treasury and agency securities) equal to the Company's net derivative receivable, subject to minimum transfer and credit rating requirements.

The Company's collateral arrangements are predominately bilateral and, therefore, contain provisions that require collateralization of the Company's net liability derivative positions. Required collateral coverage is based on net liability thresholds and may be contingent upon the Company's credit rating from two of the nationally recognized statistical rating organizations. If the Company's credit rating were to fall below credit ratings thresholds established in the collateral arrangements, the counterparties to the derivatives could request immediate additional collateral coverage up to and including full collateral coverage for derivatives in a net liability position. The aggregate fair value of all derivatives under collateral arrangements that were in a net liability position at September 30, 2025, was \$1.9 billion. At September 30, 2025, the Company had \$1.7 billion of cash posted as collateral against this net liability position.

## **NOTE 13** Netting Arrangements for Certain Financial Instruments and Securities Financing Activities

The Company's derivative portfolio consists of bilateral over-the-counter trades, certain interest rate derivatives and credit contracts required to be centrally cleared through clearinghouses per current regulations, and exchange-traded positions which may include U.S. Treasury and SOFR futures or options on U.S. Treasury futures. Of the Company's \$1.4 trillion total notional amount of derivative positions at September 30, 2025, \$633.6 billion related to bilateral over-the-counter trades, \$722.7 billion related to those centrally cleared through clearinghouses and \$56.8 billion related to those that were exchange-traded. The Company's derivative contracts typically include offsetting rights (referred to as netting arrangements), and depending on expected volume, credit risk, and counterparty preference, collateral maintenance may be required. For all derivatives under collateral support arrangements, fair value is determined daily and, depending on the collateral maintenance requirements, the Company and a counterparty may receive or deliver collateral, based upon the net fair value of all derivative positions between the Company and the counterparty. Collateral is typically cash, but securities may be allowed under collateral arrangements with certain counterparties. Receivables and payables related to cash collateral are included in other assets and other liabilities on the Consolidated Balance Sheet, along with the related derivative asset and liability fair values. Any securities pledged to counterparties as collateral remain on the Consolidated Balance Sheet. Securities received from counterparties as collateral are not recognized on the Consolidated Balance Sheet, unless the counterparty defaults. In general, securities used as collateral can be sold, repledged or otherwise used by the party in possession. No restrictions exist on the use of cash collateral by either party. Refer to Note 12 for further discussion of the Company's derivatives, including collateral arrangements.

As part of the Company's treasury and broker-dealer operations, the Company executes transactions that are treated as securities sold under agreements to repurchase or securities purchased under agreements to resell, both of which are accounted for as collateralized financings. Securities sold under agreements to repurchase include repurchase agreements and securities loaned transactions. Securities purchased under agreements to resell include reverse repurchase agreements and securities borrowed transactions. For securities sold under agreements to repurchase, the Company records a liability for the cash received, which is included in short-term borrowings on the Consolidated Balance Sheet. For securities purchased under agreements to resell, the Company records a receivable for the cash paid, which is included in other assets on the Consolidated Balance Sheet.

Securities transferred to counterparties under repurchase agreements and securities loaned transactions continue to be recognized on the Consolidated Balance Sheet, are measured at fair value, and are included in investment securities or other assets. Securities received from counterparties under reverse repurchase agreements and securities borrowed transactions are not recognized on the Consolidated Balance Sheet unless the counterparty defaults. The securities transferred under repurchase and reverse repurchase transactions typically are U.S. Treasury and agency securities, residential agency mortgage-backed securities, corporate debt securities or asset-backed securities. The securities loaned or borrowed typically are corporate debt securities traded by the Company's primary broker-dealer subsidiary. In general, the securities transferred can be sold, repledged or otherwise used by the party in possession. No restrictions exist on the use of cash collateral by either party. Repurchase/reverse repurchase and securities loaned/borrowed transactions expose the Company to counterparty risk. The Company manages this risk by performing assessments, independent of business line managers, and establishing concentration limits on each counterparty. Additionally, these transactions include collateral arrangements that require the fair values of the underlying securities to be determined daily, resulting in cash being obtained from or refunded to counterparties to maintain specified collateral levels.

The following table summarizes the maturities by category of collateral pledged for repurchase agreements and securities loaned transactions:

(Dollars in Millions)	Overnight and Continuous	Less Than 30 Days	30-89 Days	Greater Than 90 Days	Total
<b>September 30, 2025</b>					
Repurchase agreements					
U.S. Treasury and agencies	\$ 23,411	\$ —	\$ —	\$ —	\$ 23,411
Residential agency mortgage-backed securities	325	—	—	—	325
Corporate debt securities	2,652	—	—	—	2,652
Asset-backed securities	400	—	—	—	400
Total repurchase agreements	26,788	—	—	—	26,788
Securities loaned					
Corporate debt securities	152	—	—	—	152
Total securities loaned	152	—	—	—	152
Gross amount of recognized liabilities	\$ 26,940	\$ —	\$ —	\$ —	\$ 26,940
<b>December 31, 2024</b>					
Repurchase agreements					
U.S. Treasury and agencies	\$ 5,918	\$ —	\$ —	\$ —	\$ 5,918
Residential agency mortgage-backed securities	319	—	—	—	319
Corporate debt securities	1,116	—	—	—	1,116
Asset-backed securities	270	22	—	—	292
Total repurchase agreements	7,623	22	—	—	7,645
Securities loaned					
Corporate debt securities	90	—	—	—	90
Total securities loaned	90	—	—	—	90
Gross amount of recognized liabilities	\$ 7,713	\$ 22	\$ —	\$ —	\$ 7,735

The Company executes its derivative, repurchase/reverse repurchase and securities loaned/borrowed transactions under the respective industry standard agreements. These agreements include master netting arrangements that allow for multiple contracts executed with the same counterparty to be viewed as a single arrangement. This allows for net settlement of a single amount on a daily basis. In the event of default, the master netting arrangement provides for close-out netting, which allows all of these positions with the defaulting counterparty to be terminated and net settled with a single payment amount.

The Company has elected to offset the assets and liabilities under netting arrangements for the balance sheet presentation of the majority of its derivative counterparties. The netting occurs at the counterparty level, and includes all assets and liabilities related to the derivative contracts, including those associated with cash collateral received or delivered. The Company has also elected to offset the assets and liabilities under netting arrangements for the balance sheet presentation of repurchase/reverse repurchase transactions with certain counterparties, but has not made the election for securities loaned/borrowed transactions.

The following tables provide information on the Company's netting adjustments, and items not offset on the Consolidated Balance Sheet but available for offset in the event of default:

(Dollars in Millions)	Gross Recognized Assets	Gross Amounts Offset on the Consolidated Balance Sheet <sup>(a)</sup>	Net Amounts Presented on the Consolidated Balance Sheet	Gross Amounts Not Offset on the Consolidated Balance Sheet		Net Amount
				Financial Instruments <sup>(b)</sup>	Collateral Received <sup>(c)</sup>	
<b>September 30, 2025</b>						
Derivative assets <sup>(d)</sup>	\$ 6,941	\$ (3,282)	\$ 3,659	\$ (124)	\$ (11)	\$ 3,524
Reverse repurchase agreements	24,974	(19,637)	5,337	(32)	(5,300)	5
Securities borrowed	1,852	—	1,852	(1)	(1,782)	69
Total	\$ 33,767	\$ (22,919)	\$ 10,848	\$ (157)	\$ (7,093)	\$ 3,598
<b>December 31, 2024</b>						
Derivative assets <sup>(d)</sup>	\$ 6,422	\$ (2,979)	\$ 3,443	\$ (177)	\$ (5)	\$ 3,261
Reverse repurchase agreements	6,383	—	6,383	(851)	(5,508)	24
Securities borrowed	1,516	—	1,516	—	(1,453)	63
Total	\$ 14,321	\$ (2,979)	\$ 11,342	\$ (1,028)	\$ (6,966)	\$ 3,348

- (a) Includes \$1.1 billion and \$1.9 billion of cash collateral related payables that were netted against derivative assets at September 30, 2025 and December 31, 2024, respectively.
- (b) For derivative assets this includes any derivative liability fair values that could be offset in the event of counterparty default; for reverse repurchase agreements this includes any repurchase agreement payables that could be offset in the event of counterparty default; for securities borrowed this includes any securities loaned payables that could be offset in the event of counterparty default.
- (c) Includes the fair value of securities received by the Company from the counterparty. These securities are not included on the Consolidated Balance Sheet unless the counterparty defaults.
- (d) Excludes \$31 million and \$15 million at September 30, 2025 and December 31, 2024, respectively, of derivative assets not subject to netting arrangements.

(Dollars in Millions)	Gross Recognized Liabilities	Gross Amounts Offset on the Consolidated Balance Sheet <sup>(a)</sup>	Net Amounts Presented on the Consolidated Balance Sheet	Gross Amounts Not Offset on the Consolidated Balance Sheet		Net Amount
				Financial Instruments <sup>(b)</sup>	Collateral Pledged <sup>(c)</sup>	
<b>September 30, 2025</b>						
Derivative liabilities <sup>(d)</sup>	\$ 6,850	\$ (3,838)	\$ 3,012	\$ (124)	\$ —	\$ 2,888
Repurchase agreements	26,788	(19,637)	7,151	(32)	(7,119)	—
Securities loaned	152	—	152	(1)	(147)	4
Total	\$ 33,790	\$ (23,475)	\$ 10,315	\$ (157)	\$ (7,266)	\$ 2,892
<b>December 31, 2024</b>						
Derivative liabilities <sup>(d)</sup>	\$ 8,081	\$ (2,949)	\$ 5,132	\$ (177)	\$ —	\$ 4,955
Repurchase agreements	7,645	—	7,645	(851)	(6,787)	7
Securities loaned	90	—	90	—	(88)	2
Total	\$ 15,816	\$ (2,949)	\$ 12,867	\$ (1,028)	\$ (6,875)	\$ 4,964

- (a) Includes \$1.7 billion and \$1.9 billion of cash collateral related receivables that were netted against derivative liabilities at both September 30, 2025 and December 31, 2024.
- (b) For derivative liabilities this includes any derivative asset fair values that could be offset in the event of counterparty default; for repurchase agreements this includes any reverse repurchase agreement receivables that could be offset in the event of counterparty default; for securities loaned this includes any securities borrowed receivables that could be offset in the event of counterparty default.
- (c) Includes the fair value of securities pledged by the Company to the counterparty. These securities are included on the Consolidated Balance Sheet unless the Company defaults.
- (d) Excludes \$119 million and \$79 million at September 30, 2025 and December 31, 2024, respectively, of derivative liabilities not subject to netting arrangements.

## NOTE 14 Fair Values of Assets and Liabilities

The Company uses fair value measurements for the initial recording of certain assets and liabilities, periodic remeasurement of certain assets and liabilities, and disclosures. Derivatives, trading and available-for-sale investment securities, MSRs, certain time deposits and structured long-term notes, and substantially all MLHFS are recorded at fair value on a recurring basis. Additionally, from time to time, the Company may be required to record at fair value other assets on a nonrecurring basis, such as loans held for sale, loans held for investment and certain other assets. These nonrecurring fair value adjustments typically involve application of lower-of-cost-or-fair value accounting or impairment write-downs of individual assets. Other financial instruments, such as held-to-maturity investment securities, loans, the majority of time deposits, short-term borrowings and long-term debt, are accounted for at amortized cost. See "Fair Value of Financial Instruments" in this Note for further information on the estimated fair value of these other financial instruments. In accordance with disclosure guidance, certain financial instruments, such as deposits with no defined or contractual maturity, receivables and payables due in one year or less, insurance contracts and equity investments not accounted for at fair value, are excluded from this Note.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value measurement reflects all of the assumptions that market participants would use in pricing the asset

or liability, including assumptions about the risk inherent in a particular valuation technique, the effect of a restriction on the sale or use of an asset and the risk of nonperformance.

The Company groups its assets and liabilities measured at fair value into a three-level hierarchy for valuation techniques used to measure financial assets and financial liabilities at fair value. This hierarchy is based on whether the valuation inputs are observable or unobservable. These levels are:

- Level 1 — Quoted prices in active markets for identical assets or liabilities. Level 1 includes U.S. Treasury securities, as well as exchange-traded instruments.
- Level 2 — Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 includes debt securities that are traded less frequently than exchange-traded instruments and which are typically valued using third party pricing services; derivative contracts and other assets and liabilities, including securities, and certain time deposits and structured long-term notes, whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data; and MLHFS whose values are determined using quoted prices for similar assets or pricing models with inputs that are observable in the market or can be corroborated by observable market data.
- Level 3 — Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category includes MSRs and certain derivative contracts.

## Valuation Methodologies

The valuation methodologies used by the Company to measure financial assets and liabilities at fair value are described below. In addition, the following section includes an indication of the level of the fair value hierarchy in which the assets or liabilities are classified. Where appropriate, the descriptions include information about the valuation models and key inputs to those models. During the nine months ended September 30, 2025 and 2024, there were no significant changes to the valuation techniques used by the Company to measure fair value.

**Available-for-Sale Investment Securities** When quoted market prices for identical securities are available in an active market, these prices are used to determine fair value and these securities are classified within Level 1 of the fair value hierarchy. Level 1 investment securities include U.S. Treasury and exchange-traded securities.

For other securities, quoted market prices may not be readily available for the specific securities. When possible, the Company determines fair value based on market observable information, including quoted market prices for similar securities, inactive transaction prices, and broker quotes. These securities are classified within Level 2 of the fair value hierarchy. Level 2 valuations are generally provided by a third-party pricing service. Level 2 investment securities are predominantly agency mortgage-backed securities, certain other asset-backed securities, obligations of state and political subdivisions and agency debt securities.

**Mortgage Loans Held For Sale** MLHFS measured at fair value, for which an active secondary market and readily available market prices exist, are initially valued at the transaction price and are subsequently valued by comparison to instruments with similar collateral and risk profiles. MLHFS are classified within Level 2. Included in mortgage banking revenue were net gains of \$18 million and \$26 million for the three months ended September 30, 2025 and 2024, respectively, and net gains of \$24 million and \$22 million for the nine months ended September 30, 2025 and 2024, respectively, from the changes to fair value of these MLHFS under fair value option accounting guidance. Changes in fair value due to instrument specific credit risk were immaterial. Interest income for MLHFS is measured based on contractual interest rates and reported as interest income on the Consolidated Statement of Income. Electing to measure MLHFS at fair value reduces certain timing differences and better matches changes in fair value of these assets with changes in the value of the derivative instruments used to economically hedge them without the burden of complying with the requirements for hedge accounting.

**Time Deposits** The Company elects the fair value option to account for certain time deposits that are hedged with derivatives that do not qualify for hedge accounting. Electing to measure these time deposits at fair value reduces certain timing differences and better matches changes in fair value of these deposits with changes in the value of the derivative instruments used to economically hedge them. The time deposits measured at fair value are valued using a discounted cash flow model that utilizes market observable inputs and are classified within Level 2. Included in interest expense on deposits were net losses of \$7 million and \$13 million for the three months ended September 30, 2025 and 2024, respectively, and net losses of \$6 million and \$2 million for the nine months ended September 30, 2025 and 2024, respectively, from the changes in fair value of time deposits under fair value option accounting guidance.

**Long-term Debt** The Company elects the fair value option to account for certain structured notes that are hedged with derivatives that do not qualify for hedge accounting. Electing to measure these structured notes at fair value reduces certain timing differences and better matches changes in fair value of these notes with changes in the value of the derivative instruments used to economically hedge them. The structured notes measured at fair value are valued using a discounted cash flow model that utilizes market observable inputs and are classified within Level 2. The discount rate used in the discounted cash flow model incorporates the impact of the Company's credit spread, which is based on observable spreads in the secondary bond market. Changes in fair value

attributable to instrument specific credit risk are recorded as debit valuation adjustments (“DVA”) in other comprehensive income (loss) with all other changes in fair value recorded in interest expense. Included in other comprehensive income (loss) and interest expense on long-term debt were net DVA losses of \$5 million and \$1 million, respectively, for the three months ended September 30, 2025, and net DVA losses of \$8 million and net gains of \$1 million, respectively, for the nine months ended September 30, 2025, from the changes in the fair value of structured notes under fair value option account guidance.

**Mortgage Servicing Rights** MSR are valued using a discounted cash flow methodology, and are classified within Level 3. The Company determines fair value of the MSRs by projecting future cash flows for different interest rate scenarios using prepayment rates and other assumptions, and discounts these cash flows using a risk adjusted rate based on option adjusted spread levels. There is minimal observable market activity for MSRs on comparable portfolios, and therefore, the determination of fair value requires significant management judgment. Refer to Note 6 for further information on MSR valuation assumptions.

**Derivatives** The majority of derivatives held by the Company are executed over-the-counter or centrally cleared through clearinghouses and are valued using market standard cash flow valuation techniques. The models incorporate inputs, depending on the type of derivative, including interest rate curves, foreign exchange rates and volatility. All derivative values incorporate an assessment of the risk of counterparty nonperformance, measured based on the Company’s evaluation of credit risk including external assessments of credit risk. The Company monitors and manages its nonperformance risk by considering its ability to net derivative positions under master netting arrangements, as well as collateral received or provided under collateral arrangements. Accordingly, the Company has elected to measure the fair value of derivatives, at a counterparty level, on a net basis. The majority of the derivatives are classified within Level 2 of the fair value hierarchy, as the significant inputs to the models, including nonperformance risk, are observable. However, certain derivative transactions are with counterparties where risk of nonperformance cannot be observed in the market and, therefore, the credit valuation adjustments result in these derivatives being classified within Level 3 of the fair value hierarchy.

The Company also has other derivative contracts that are created through its operations, including commitments to purchase and originate mortgage loans and swap agreements executed in conjunction with the sale of a portion of its Class B common and preferred shares of Visa Inc. (the “Visa swaps”). The mortgage loan commitments are valued by pricing models that include market observable and unobservable inputs, which result in the commitments being classified within Level 3 of the fair value hierarchy. The unobservable inputs include assumptions about the percentage of commitments that actually become a closed loan and the MSR value that is inherent in the underlying loan value. The Visa swaps require payments by either the Company or the purchaser of the Visa Inc. Class B common and preferred shares when there are changes in the conversion rate of the Visa Inc. Class B common and preferred shares to Visa Inc. Class A common and preferred shares, respectively, as well as quarterly payments to the purchaser based on specified terms of the agreements. Management reviews and updates the Visa swaps fair value in conjunction with its review of Visa Inc. related litigation contingencies, and the associated escrow funding. The expected litigation resolution impacts the Visa Inc. Class B common share to Visa Inc. Class A common share conversion rate, as well as the ultimate termination date for the Visa swaps. Accordingly, the Visa swaps are classified within Level 3. Refer to Note 15 for further information on the Visa Inc. restructuring and related card association litigation.

## Significant Unobservable Inputs of Level 3 Assets and Liabilities

The following section provides information to facilitate an understanding of the uncertainty in the fair value measurements for the Company’s Level 3 assets and liabilities recorded at fair value on the Consolidated Balance Sheet. This section includes a description of the significant inputs used by the Company and a description of any interrelationships between these inputs. The discussion below excludes nonrecurring fair value measurements of collateral value used for impairment measures for loans and OREO. These valuations utilize third party appraisal or broker price opinions, and are classified as Level 3 due to the significant judgment involved.

**Mortgage Servicing Rights** The significant unobservable inputs used in the fair value measurement of the Company’s MSRs are expected prepayments and the option adjusted spread that is added to the risk-free rate to discount projected cash flows. Significant increases in either of these inputs in isolation would have resulted in a significantly lower fair value measurement. Significant decreases in either of these inputs in isolation would have resulted in a significantly higher fair value measurement. There is no direct interrelationship between prepayments and option adjusted spread. Prepayment rates generally move in the opposite direction of market interest rates. Option adjusted spread is generally impacted by changes in market return requirements.

The following table shows the significant valuation assumption ranges for MSRs at September 30, 2025:

	Minimum	Maximum	Weighted-Average <sup>(a)</sup>
Expected prepayment	6 %	21 %	9 %
Option adjusted spread	5	11	6

(a) Determined based on the relative fair value of the related mortgage loans serviced.

**Derivatives** The Company has two distinct Level 3 derivative portfolios: (i) the Company’s commitments to purchase and originate mortgage loans that meet the requirements of a derivative and (ii) the Company’s asset/liability and customer-related derivatives that

are Level 3 due to unobservable inputs related to measurement of risk of nonperformance by the counterparty. In addition, the Company's Visa swaps are classified within Level 3.

The significant unobservable inputs used in the fair value measurement of the Company's derivative commitments to purchase and originate mortgage loans are the percentage of commitments that actually become a closed loan and the MSR value that is inherent in the underlying loan value. A significant increase in the rate of loans that close would have resulted in a larger derivative asset or liability. A significant increase in the inherent MSR value would have resulted in an increase in the derivative asset or a reduction in the derivative liability. Expected loan close rates and the inherent MSR values are directly impacted by changes in market rates and will generally move in the same direction as interest rates.

The following table shows the significant valuation assumption ranges for the Company's derivative commitments to purchase and originate mortgage loans at September 30, 2025:

	Minimum	Maximum	Weighted-Average <sup>(a)</sup>
Expected loan close rate	4 %	100 %	83 %
Inherent MSR value (basis points per loan)	58	219	115

(a) Determined based on the relative fair value of the related mortgage loans.

The significant unobservable input used in the fair value measurement of certain of the Company's asset/liability and customer-related derivatives is the credit valuation adjustment related to the risk of counterparty nonperformance. A significant increase in the credit valuation adjustment would have resulted in a lower fair value measurement. A significant decrease in the credit valuation adjustment would have resulted in a higher fair value measurement. The credit valuation adjustment is impacted by changes in market rates, volatility, market implied credit spreads, and loss recovery rates, as well as the Company's assessment of the counterparty's credit position. At September 30, 2025, the minimum, maximum and weighted-average credit valuation adjustment as a percentage of the net fair value of the counterparty's derivative contracts prior to adjustment was 0 percent, 248 percent and 2 percent, respectively.

The significant unobservable inputs used in the fair value measurement of the Visa swaps are management's estimate of the probability of certain litigation scenarios occurring, and the timing of the resolution of the related litigation loss estimates in excess, or shortfall, of the Company's proportional share of escrow funds. An increase in the loss estimate or a delay in the resolution of the related litigation would have resulted in an increase in the derivative liability. A decrease in the loss estimate or an acceleration of the resolution of the related litigation would have resulted in a decrease in the derivative liability.

The following table summarizes the balances of assets and liabilities measured at fair value on a recurring basis:

(Dollars in Millions)	Level 1	Level 2	Level 3	Netting	Total
<b>September 30, 2025</b>					
Available-for-sale securities					
U.S. Treasury and agencies	\$ 22,355	\$ 4,713	\$ —	\$ —	\$ 27,068
Mortgage-backed securities					
Residential agency	—	37,677	—	—	37,677
Commercial					
Agency	—	7,694	—	—	7,694
Non-agency	—	7	—	—	7
Asset-backed securities	—	6,865	—	—	6,865
Obligations of state and political subdivisions	—	9,486	—	—	9,486
Other	—	268	—	—	268
Total available-for-sale	22,355	66,710	—	—	89,065
Mortgage loans held for sale	—	2,288	—	—	2,288
Mortgage servicing rights	—	—	3,289	—	3,289
Derivative assets	92	4,797	2,083	(3,282)	3,690
Other assets	412	2,725	—	—	3,137
Total	\$ 22,859	\$ 76,520	\$ 5,372	\$ (3,282)	\$ 101,469
Time deposits	\$ —	\$ 4,924	\$ —	\$ —	\$ 4,924
Long-term debt	—	1,408	—	—	1,408
Derivative liabilities	82	4,874	2,013	(3,838)	3,131
Short-term borrowings and other liabilities <sup>(a)</sup>	752	1,840	—	—	2,592
Total	\$ 834	\$ 13,046	\$ 2,013	\$ (3,838)	\$ 12,055
<b>December 31, 2024</b>					
Available-for-sale securities					
U.S. Treasury and agencies	\$ 23,891	\$ 4,496	\$ —	\$ —	\$ 28,387
Mortgage-backed securities					
Residential agency	—	33,281	—	—	33,281
Commercial					
Agency	—	7,351	—	—	7,351
Non-agency	—	6	—	—	6
Asset-backed securities	—	7,165	—	—	7,165
Obligations of state and political subdivisions	—	9,552	—	—	9,552
Other	—	250	—	—	250
Total available-for-sale	23,891	62,101	—	—	85,992
Mortgage loans held for sale	—	2,251	—	—	2,251
Mortgage servicing rights	—	—	3,369	—	3,369
Derivative assets	27	5,208	1,202	(2,979)	3,458
Other assets	420	1,769	—	—	2,189
Total	\$ 24,338	\$ 71,329	\$ 4,571	\$ (2,979)	\$ 97,259
Time deposits	\$ —	\$ 5,754	\$ —	\$ —	\$ 5,754
Long-term debt	—	391	—	—	391
Derivative liabilities	27	5,131	3,002	(2,949)	5,211
Short-term borrowings and other liabilities <sup>(a)</sup>	475	1,460	—	—	1,935
Total	\$ 502	\$ 12,736	\$ 3,002	\$ (2,949)	\$ 13,291

Note: Excluded from the table above are equity investments without readily determinable fair values. The Company has elected to carry these investments at historical cost, adjusted for impairment and any changes resulting from observable price changes for identical or similar investments of the issuer. The aggregate carrying amount of these equity investments was \$173 million and \$159 million at September 30, 2025 and December 31, 2024, respectively, and reflect no impairment or observable price change adjustment at both September 30, 2025 and December 31, 2024. The Company did not record any adjustments for observable price changes during the first nine months of 2025 and 2024.

(a) Primarily represents the Company's obligation on securities sold short required to be accounted for at fair value per applicable accounting guidance.

The following table presents the changes in fair value for all assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

Three Months Ended September 30 (Dollars in Millions)	Beginning of Period Balance	Net Gains (Losses) Included in Net Income	Purchases	Sales	Issuances	Settlements	End of Period Balance	Net Change in Unrealized Gains (Losses) Relating to Assets and Liabilities Held at End of Period
<b>2025</b>								
Mortgage servicing rights	\$ 3,305	\$ (88) <sup>(a)</sup>	\$ —	\$ 1	\$ 71 <sup>(c)</sup>	\$ —	\$ 3,289	\$ (88) <sup>(a)</sup>
Net derivative assets and liabilities	(107)	(403) <sup>(b)</sup>	193	(2)	—	389	70	152 <sup>(d)</sup>
<b>2024</b>								
Mortgage servicing rights	\$ 3,326	\$ (212) <sup>(a)</sup>	\$ —	\$ 1	\$ 72 <sup>(c)</sup>	\$ —	\$ 3,187	\$ (212) <sup>(a)</sup>
Net derivative assets and liabilities	(2,303)	651 <sup>(e)</sup>	264	(9)	—	585	(812)	1,438 <sup>(f)</sup>
<b>2025</b>								
Mortgage servicing rights	\$ 3,369	\$ (276) <sup>(a)</sup>	\$ —	\$ 2	\$ 194 <sup>(c)</sup>	\$ —	\$ 3,289	\$ (276) <sup>(a)</sup>
Net derivative assets and liabilities	(1,800)	(584) <sup>(g)</sup>	914	(4)	1	1,543	70	1,351 <sup>(h)</sup>
<b>2024</b>								
Mortgage servicing rights	\$ 3,377	\$ (194) <sup>(a)</sup>	\$ 1	\$ (188)	\$ 191 <sup>(c)</sup>	\$ —	\$ 3,187	\$ (194) <sup>(a)</sup>
Net derivative assets and liabilities	(1,885)	(2,036) <sup>(i)</sup>	912	(14)	—	2,211	(812)	666 <sup>(j)</sup>

(a) Included in mortgage banking revenue.

(b) Approximately \$69 million, \$(464) million and \$(8) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(c) Represents MSRs capitalized during the period.

(d) Approximately \$20 million, \$139 million and \$(7) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(e) Approximately \$89 million, \$563 million and \$(1) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(f) Approximately \$20 million, \$1.4 billion and \$(1) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(g) Approximately \$173 million, \$(666) million and \$(91) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(h) Approximately \$20 million, \$1.4 billion and \$(91) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(i) Approximately \$185 million, \$(2.2) billion and \$(70) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(j) Approximately \$20 million, \$716 million and \$(70) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

The Company is also required periodically to measure certain other financial assets at fair value on a nonrecurring basis. These measurements of fair value usually result from the application of lower-of-cost-or-fair value accounting or write-downs of individual assets.

The following table summarizes the balances as of the measurement date of assets measured at fair value on a nonrecurring basis, and still held as of the reporting date:

(Dollars in Millions)	September 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Loans <sup>(a)</sup>	\$ —	\$ —	\$ 611	\$ 611	\$ —	\$ —	\$ 636	\$ 636
Other assets <sup>(b)</sup>	—	—	51	51	—	—	25	25

(a) Represents the carrying value of loans for which adjustments were based on the fair value of the collateral, excluding loans fully charged-off.

(b) Primarily represents the fair value of foreclosed properties that were measured at fair value based on an appraisal or broker price opinion of the collateral subsequent to their initial acquisition.

The following table summarizes losses recognized related to nonrecurring fair value measurements of individual assets or portfolios:

(Dollars in Millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	2025	2024
Loans <sup>(a)</sup>	\$ 117	\$ 116	\$ 315	\$ 279
Other assets <sup>(b)</sup>	2	1	4	4

(a) Represents write-downs of loans which were based on the fair value of the collateral, excluding loans fully charged-off.

(b) Primarily represents related losses of foreclosed properties that were measured at fair value subsequent to their initial acquisition.

## Fair Value Option

The following table summarizes the differences between the aggregate fair value carrying amount of the assets and liabilities for which the fair value option has been elected and the aggregate remaining contractual principal balance outstanding:

(Dollars in Millions)	September 30, 2025			December 31, 2024		
	Fair Value Carrying Amount	Contractual Principal Outstanding	Carrying Amount Over (Under) Contractual Principal Outstanding	Fair Value Carrying Amount	Contractual Principal Outstanding	Carrying Amount Over (Under) Contractual Principal Outstanding
Total loans <sup>(a)</sup>	\$ 2,288	\$ 2,259	\$ 29	\$ 2,251	\$ 2,243	\$ 8
Time deposits	4,924	4,926	(2)	5,754	5,762	(8)
Long-term debt	1,408	1,419	(11)	391	409	(18)

(a) Includes nonaccrual loans of \$1 million carried at fair value with contractual principal outstanding of \$1 million at September 30, 2025 and \$1 million carried at fair value with contractual principal outstanding of \$1 million at December 31, 2024. Includes loans 90 days or more past due of \$5 million carried at fair value with contractual principal outstanding of \$5 million at September 30, 2025 and \$4 million carried at fair value with contractual principal outstanding of \$4 million at December 31, 2024.

## Fair Value of Financial Instruments

The following section summarizes the estimated fair value for financial instruments accounted for at amortized cost as of September 30, 2025 and December 31, 2024. In accordance with disclosure guidance related to fair values of financial instruments, the Company did not include assets and liabilities that are not financial instruments, such as the value of goodwill, long-term relationships with deposit, credit card, merchant processing and trust customers, other purchased intangibles, premises and equipment, deferred taxes and other liabilities. Additionally, in accordance with the disclosure guidance, receivables and payables due in one year or less, insurance contracts, equity investments not accounted for at fair value, and deposits with no defined or contractual maturities are excluded.

The estimated fair values of the Company's financial instruments are shown in the table below:

(Dollars in Millions)	September 30, 2025					December 31, 2024				
	Carrying Amount	Fair Value				Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>										
Cash and due from banks	\$66,637	\$66,637	\$ —	\$ —	\$66,637	\$56,502	\$56,502	\$ —	\$ —	\$56,502
Federal funds sold and securities purchased under resale agreements	5,373	—	5,373	—	5,373	6,380	—	6,380	—	6,380
Investment securities held-to-maturity	76,931	641	66,705	—	67,346	78,634	1,275	65,000	—	66,275
Loans held for sale <sup>(a)</sup>	202	—	—	202	202	322	—	—	322	322
Loans, net of allowance for losses	374,960	—	—	373,152	373,152	372,249	—	—	365,628	365,628
Other <sup>(b)</sup>	2,281	—	1,637	644	2,281	2,482	—	1,767	715	2,482
<b>Financial Liabilities</b>										
Time deposits <sup>(c)</sup>	50,102	—	50,149	—	50,149	49,015	—	49,156	—	49,156
Short-term borrowings <sup>(d)</sup>	12,857	—	12,703	—	12,703	13,583	—	13,419	—	13,419
Long-term debt <sup>(e)</sup>	61,127	—	60,837	—	60,837	57,611	—	56,441	—	56,441
Other <sup>(f)</sup>	4,628	—	1,399	3,229	4,628	5,220	—	1,369	3,851	5,220

(a) Excludes mortgages held for sale for which the fair value option under applicable accounting guidance was elected.

(b) Includes investments in Federal Reserve Bank and FHLB stock and tax-advantaged investments.

(c) Excludes time deposits for which the fair value option under applicable accounting guidance was elected.

(d) Excludes the Company's obligation on securities sold short required to be accounted for at fair value per applicable accounting guidance.

(e) Excludes structured long-term notes for which the fair value option under applicable accounting guidance was elected.

(f) Includes operating lease liabilities and liabilities related to tax-advantaged investments.

The fair value of unfunded commitments, deferred non-yield related loan fees, standby letters of credit and other guarantees is approximately equal to their carrying value. The carrying value of unfunded commitments, deferred non-yield related loan fees and standby letters of credit was \$374 million and \$376 million at September 30, 2025 and December 31, 2024, respectively. The carrying value of other guarantees was \$179 million and \$194 million at September 30, 2025 and December 31, 2024, respectively.

## NOTE 15 Guarantees and Contingent Liabilities

**Visa Restructuring and Card Association Litigation** The Company's Payment Services business issues credit and debit cards and acquires credit and debit card transactions through the Visa U.S.A. Inc. card association or its affiliates (collectively "Visa"). In 2007, Visa completed a restructuring and issued shares of Visa Inc. common stock to its financial institution members in contemplation of its initial public offering ("IPO") completed in the first quarter of 2008 (the "Visa Reorganization"). As a part of the Visa Reorganization, the Company received its proportionate number of shares of Visa Inc. common stock, which were subsequently converted to Class B shares of Visa Inc. ("Class B shares"). As of September 30, 2025, the Company has sold substantially all of its Class B shares.

Visa U.S.A. Inc. ("Visa U.S.A.") and MasterCard International (collectively, the "Card Brands") are defendants in antitrust lawsuits challenging the practices of the Card Brands (the "Visa Litigation"). Visa U.S.A. member banks have a contingent obligation to indemnify Visa Inc. under the Visa U.S.A. bylaws (which were modified at the time of the restructuring in October 2007) for potential losses arising from the Visa Litigation. The indemnification by the Visa U.S.A. member banks has no specific maximum amount. Using proceeds from its IPO and through reductions to the conversion ratio applicable to the Class B shares held by Visa U.S.A. member banks, Visa Inc. has funded an escrow account for the benefit of member financial institutions to fund their indemnification obligations associated with the Visa Litigation. The receivable related to the escrow account is classified in other liabilities and fully offsets the related Visa Litigation contingent liability.

In October 2012, Visa signed a settlement agreement to resolve merchant class action claims associated with the multidistrict interchange litigation pending in the United States District Court for the Eastern District of New York (the "Multi-District Litigation"). The U.S. Court of Appeals for the Second Circuit reversed the approval of that settlement and remanded the matter to the district court. Thereafter, the case was split into two putative class actions, one seeking damages (the "Damages Action") and a separate class action seeking injunctive relief only (the "Injunctive Action"). The Damages Action was settled and is fully resolved. A number of merchants opted out of the Damages Action class settlement and filed individual cases in various federal district courts. Some of those cases have been settled and others are still being litigated. In March 2024, Visa signed a settlement agreement to resolve the Injunctive Action. In June 2024, the court declined to grant preliminary approval of the proposed settlement, which provided for lower interchange fees and various other rule changes for U.S. merchants. Accordingly, the Injunctive Action continues.

## Other Guarantees and Contingent Liabilities

The following table is a summary of other guarantees and contingent liabilities of the Company at September 30, 2025:

(Dollars in Millions)	Collateral Held	Carrying Amount	Maximum Potential Future Payments
Standby letters of credit	\$ —	\$ 23	\$ 10,983
Securities lending indemnifications	6,652	—	6,481
Asset sales	—	106	14,947 <sup>(a)</sup>
Merchant processing	750	52	158,347
Other	—	21	3,202

(a) The maximum potential future payments do not include loan sales where the Company provides standard representation and warranties to the buyer against losses related to loan underwriting documentation defects that may have existed at the time of sale that generally are identified after the occurrence of a triggering event such as delinquency. For these types of loan sales, the maximum potential future payments is generally the unpaid principal balance of loans sold measured at the end of the current reporting period. Actual losses will be significantly less than the maximum exposure, as only a fraction of loans sold will have a representation and warranty breach, and any losses on repurchase would generally be mitigated by any collateral held against the loans.

**Merchant Processing** The Company, through its subsidiaries, provides merchant processing services. Under the rules of credit card associations, a merchant processor retains a contingent liability for credit card transactions processed. This contingent liability arises in the event of a billing dispute between the merchant and a cardholder that is ultimately resolved in the cardholder's favor. In this situation, the transaction is "charged-back" to the merchant and the disputed amount is credited or otherwise refunded to the cardholder. If the Company is unable to collect this amount from the merchant, it bears the loss for the amount of the refund paid to the cardholder.

The Company currently processes card transactions in the United States, Canada and Europe through wholly-owned subsidiaries. In the event a merchant was unable to fulfill product or services subject to future delivery, such as airline tickets, the Company could become financially liable for refunding the purchase price of such products or services purchased through the credit card associations under the charge-back provisions. Charge-back risk related to these merchants is evaluated in a manner similar to credit risk assessments and, as such, merchant processing contracts contain various provisions to protect the Company in the event of default. At September 30, 2025, the value of airline tickets purchased to be delivered at a future date through card transactions processed by the Company was \$15.0 billion. The Company held collateral of \$657 million in escrow deposits, letters of credit and indemnities from financial institutions, and liens on various assets related to these airline processing arrangements. In addition to specific collateral or other credit enhancements, the Company maintains a liability for its implied guarantees associated with future delivery. At September 30, 2025, the liability was \$30 million primarily related to these airline processing arrangements.

**Asset Sales** The Company regularly sells loans to GSEs as part of its mortgage banking activities. The Company provides customary representations and warranties to GSEs in conjunction with these sales. These representations and warranties generally require the Company to repurchase assets if it is subsequently determined that a loan did not meet specified criteria, such as a documentation deficiency or rescission of mortgage insurance. If the Company is unable to cure or refute a repurchase request, the Company is generally obligated to repurchase the loan or otherwise reimburse the GSE for losses. At September 30, 2025 and December 31, 2024, the Company had reserved \$8 million and \$9 million, respectively, for potential losses from representation and warranty obligations. The Company's reserve reflects management's best estimate of losses for representation and warranty obligations. The Company's repurchase reserve is modeled at the loan level, taking into consideration the individual credit quality and borrower activity that has transpired since origination. The model applies credit quality and economic risk factors to derive a probability of default and potential repurchase that are based on the Company's historical loss experience, and estimates loss severity based on expected collateral value. The Company also considers qualitative factors that may result in anticipated losses differing from historical loss trends.

As of September 30, 2025 and December 31, 2024, the Company had \$14 million and \$15 million, respectively, of unresolved representation and warranty claims from GSEs. The Company does not have a significant amount of unresolved claims from investors other than GSEs.

## Litigation and Regulatory Matters

The Company is subject to various litigation and regulatory matters that arise from the conduct of its business activities. The Company establishes reserves for such matters when potential losses become probable and can be reasonably estimated. The Company believes the ultimate resolution of existing legal and regulatory matters will not have a material adverse effect on the financial condition, results of operations or cash flows of the Company. However, in light of the uncertainties inherent in these matters, it is possible that the ultimate resolution of one or more of these matters may have a material adverse effect on the Company's results of operations for a particular period, and future changes in circumstances or additional information could result in additional accruals or resolution in excess of established accruals, which could adversely affect the Company's results of operations, potentially materially.

**Residential Mortgage-Backed Securities Litigation** Starting in 2011, the Company and other large financial institutions have been sued in their capacity as trustee for residential mortgage-backed securities trusts for losses arising out of the 2008 financial crisis. In the lawsuits brought against the Company, the investors allege that the Company's banking subsidiary, USBNA, as trustee caused them to incur substantial losses by failing to enforce loan repurchase obligations and failing to abide by appropriate standards of care after events of default allegedly occurred. The plaintiffs in these matters seek monetary damages generally in unspecified amounts and most also seek equitable relief.

**Regulatory Matters** The Company is continually subject to examinations, inquiries, investigations and other forms of regulatory and governmental inquiry or scrutiny covering a wide range of issues in its financial services businesses including in areas of heightened regulatory scrutiny, such as compliance, risk management, third-party risk management and consumer protection. In some cases, these matters are part of reviews of specified activities at multiple industry participants; in others, they are directed at the Company individually. The Company is cooperating fully with all pending examinations, inquiries and investigations, any of which could lead to administrative or legal proceedings or settlements. Remedies in these proceedings or settlements may include fines, penalties, restitution or alterations in the Company's business practices (which may increase the Company's operating expenses and decrease its revenue).

**Outlook** Due to their complex nature, it can be years before litigation and regulatory matters are resolved. The Company may be unable to develop an estimate or range of loss where matters are in early stages, there are significant factual or legal issues to be resolved, damages are unspecified or uncertain, or there is uncertainty as to a litigation class being certified or the outcome of pending motions, appeals or proceedings. For those litigation and regulatory matters where the Company has information to develop an estimate or range of loss, the Company believes the upper end of the range of reasonably possible losses in aggregate, in excess of any reserves established for matters where a loss is considered probable, will not be material to its financial condition, results of operations or cash flows. The Company's estimates are subject to significant judgment and uncertainties, and the matters underlying the estimates will change from time to time. Actual results may vary significantly from the current estimates.

## NOTE 16 Business Segments

The Company's management reporting is organized into three reportable operating segments aligned by major lines of business based on the products and services provided to customers through its distribution channels. All other business activities not included in the reportable operating segments are included in the Treasury and Corporate Support business segment. The chief operating decision maker uses net interest income on a taxable-equivalent basis, noninterest income and net income (loss) before income taxes for all reportable segments in deciding how to allocate resources during the annual budget and monthly forecasting process. The chief operating decision maker considers variances in reported results to forecasts and variances to prior periods to assess performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company has the following reportable operating and other business segments:

**Wealth, Corporate, Commercial and Institutional Banking** Wealth, Corporate, Commercial and Institutional Banking provides core banking, specialized lending, transaction and payment processing, capital markets, asset management, and brokerage and investment related services to wealth, middle market, large corporate, commercial real estate, government and institutional clients.

**Consumer and Business Banking** Consumer and Business Banking comprises consumer banking, small business banking and consumer lending. Products and services are delivered through banking offices, telephone servicing and sales, online services, direct mail, ATMs, mobile devices, distributed mortgage loan officers, and intermediary relationships including auto dealerships, mortgage banks, and strategic business partners.

**Payment Services** Payment Services includes consumer and business credit cards, stored-value cards, debit cards, corporate, government and purchasing card services and merchant processing.

**Treasury and Corporate Support** Treasury and Corporate Support includes the Company's investment portfolios, funding, capital management, interest rate risk management, income taxes not allocated to business segments, including most investments in tax-advantaged projects, and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis.

**Basis of Presentation** Business segment results are derived from the Company's business unit profitability reporting systems by specifically attributing managed balance sheet assets, deposits and other liabilities and their related income or expense. The allowance for credit losses and related provision expense are allocated to the business segments according to the volume and credit quality of the loan balances managed, but with the impact of changes in economic forecasts recorded in Treasury and Corporate Support. Goodwill and other intangible assets are assigned to the business segments based on the mix of business of an entity acquired by the Company. Within the Company, capital levels are evaluated and managed centrally; however, capital is allocated to the business segments to support evaluation of business performance. Business segments are allocated capital on a risk-adjusted basis considering economic and regulatory capital requirements. Generally, the determination of the amount of capital allocated to each business segment includes credit allocations following a Basel III regulatory framework. Interest income and expense is determined based on the assets and liabilities managed by the business segment. Because funding and asset/liability management is a central function, funds transfer-pricing methodologies are utilized to allocate a cost of funds used or credit for funds provided to all business segment assets and liabilities, respectively, using a matched funding concept. Also, each business unit is allocated the taxable-equivalent benefit of tax-exempt products. The residual effect on net interest income of asset/liability management activities is included in Treasury and Corporate Support. Noninterest income and expenses directly managed by each business segment, including fees, service charges, salaries and benefits, and other direct revenues and costs, are accounted for within each segment's financial results in a manner similar to the consolidated financial statements. Occupancy costs are allocated based on utilization of facilities by the business segments. Generally, operating losses are charged to the business segment when the loss event is realized in a manner similar to a loan charge-off. Noninterest expenses incurred by centrally managed operations or business segments that directly support another business segment's operations are charged to the applicable business segment based on its utilization of those services, primarily measured by the volume of customer activities, number of employees or other relevant factors. These allocated expenses are reported as net shared services expense within noninterest expense. Certain activities that do not directly support the operations of the business segments or for which the business segments are not considered financially accountable in evaluating their performance are not charged to the business segments. The income or expenses associated with these corporate activities, including merger and integration charges, are reported within the Treasury and Corporate Support business segment. Income taxes are assessed to each business segment at a standard tax rate with the residual tax expense or benefit to arrive at the consolidated effective tax rate included in Treasury and Corporate Support.

Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2025 and 2024, certain organization and methodology changes were made, including revising the Company's business segment funds transfer-pricing methodology related to deposits and loans during the second quarter of 2024. Prior period results were recast and presented on a comparable basis.

Business segment results for the three months ended September 30 were as follows:

(Dollars in Millions)	Wealth, Corporate, Commercial and Institutional Banking		Consumer and Business Banking		Payment Services		Treasury and Corporate Support		Consolidated Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Condensed Income Statement</b>										
Net interest income (taxable-equivalent basis) <sup>(a)</sup>	\$ 1,823	\$ 1,889	\$ 1,849	\$ 1,928	\$ 781	\$ 727	\$ (202)	\$ (378)	\$ 4,251	\$ 4,166
Noninterest income <sup>(b)(c)</sup>	1,256	1,145	436	401	1,106	1,073	280	79	3,078	2,698
Total net revenue <sup>(d)</sup>	3,079	3,034	2,285	2,329	1,887	1,800	78	(299)	7,329	6,864
Compensation and employee benefits	530	531	526	558	227	215	1,278	1,333	2,561	2,637
Other intangibles	46	52	59	67	20	23	—	—	125	142
Net shared services	522	536	705	700	547	527	(1,774)	(1,763)	—	—
Other direct expenses <sup>(e)</sup>	235	229	314	339	250	225	712	632	1,511	1,425
Total noninterest expense	1,333	1,348	1,604	1,664	1,044	990	216	202	4,197	4,204
Income (loss) before provision and income taxes	1,746	1,686	681	665	843	810	(138)	(501)	3,132	2,660
Provision for credit losses	197	94	61	18	408	404	(95)	41	571	557
Income (loss) before income taxes	1,549	1,592	620	647	435	406	(43)	(542)	2,561	2,103
Income taxes and taxable-equivalent adjustment	387	398	155	162	109	102	(98)	(281)	553	381
Net income (loss)	1,162	1,194	465	485	326	304	55	(261)	2,008	1,722
Net (income) loss attributable to noncontrolling interests	—	—	—	—	—	—	(7)	(8)	(7)	(8)
Net income (loss) attributable to U.S. Bancorp	\$ 1,162	\$ 1,194	\$ 465	\$ 485	\$ 326	\$ 304	\$ 48	\$ (269)	\$ 2,001	\$ 1,714
<b>Average Balance Sheet</b>										
Loans	\$184,442	\$171,898	\$145,900	\$155,240	\$ 42,957	\$ 41,652	\$ 5,853	\$ 5,280	\$379,152	\$374,070
Other earning assets	10,734	10,740	2,331	2,738	5	8	225,295	219,624	238,365	233,110
Goodwill	4,826	4,825	4,326	4,326	3,482	3,370	—	—	12,634	12,521
Other intangible assets	772	955	4,223	4,405	260	266	7	9	5,262	5,635
Assets	212,924	200,267	158,749	168,871	48,424	47,195	259,508	248,307	679,605	664,640
Noninterest-bearing deposits	55,329	54,375	19,642	20,673	2,427	2,653	2,492	3,238	79,890	80,939
Interest-bearing deposits	217,748	217,180	202,321	199,327	95	95	11,728	11,216	431,892	427,818
Total deposits	273,077	271,555	221,963	220,000	2,522	2,748	14,220	14,454	511,782	508,757
Total U.S. Bancorp shareholders' equity	22,130	21,280	13,363	14,244	10,318	9,958	16,832	12,801	62,643	58,283

(a) Total net interest income includes a taxable-equivalent adjustment of \$29 million and \$31 million for the three months ended September 30, 2025 and 2024, respectively. See Non-GAAP Financial Measures beginning on page 29.

(b) Payment Services noninterest income presented net of related rewards and rebate costs and certain partner payments of \$811 million and \$796 million for the three months ended September 30, 2025 and 2024, respectively.

(c) Total noninterest income includes revenue generated from certain contracts with customers of \$2.5 billion and \$2.3 billion for the three months ended September 30, 2025 and 2024, respectively.

(d) The Company, as a lessor, originates retail and commercial leases either directly to the consumer or indirectly through dealer networks. Under these arrangements, the Company recorded a total of \$200 million and \$195 million of revenue for the three months ended September 30, 2025 and 2024, respectively, primarily consisting of interest income on sales-type and direct financing leases.

(e) Other direct expenses for each reportable segment includes: net occupancy and equipment, professional services, marketing and business development, technology and communications, and other.

Business segment results for the nine months ended September 30 were as follows:

(Dollars in Millions)	Wealth, Corporate, Commercial and Institutional Banking		Consumer and Business Banking		Payment Services		Treasury and Corporate Support		Consolidated Company	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
<b>Condensed Income Statement</b>										
Net interest income (taxable-equivalent basis) <sup>(a)</sup>	\$ 5,363	\$ 5,679	\$ 5,459	\$ 5,712	\$ 2,253	\$ 2,102	\$ (622)	\$ (1,260)	\$ 12,453	\$ 12,233
Noninterest income <sup>(b)(c)</sup>	3,620	3,387	1,251	1,239	3,257	3,144	710	443	8,838	8,213
Total net revenue <sup>(d)</sup>	8,983	9,066	6,710	6,951	5,510	5,246	88	(817)	21,291	20,446
Compensation and employee benefits	1,587	1,629	1,579	1,668	659	645	3,973	4,005	7,798	7,947
Other intangibles	138	156	177	201	57	73	—	—	372	430
Net shared services	1,579	1,616	2,050	2,074	1,595	1,559	(5,224)	(5,249)	—	—
Other direct expenses <sup>(e)</sup>	711	695	928	959	725	679	2,076	2,167	4,440	4,500
Total noninterest expense	4,015	4,096	4,734	4,902	3,036	2,956	825	923	12,610	12,877
Income (loss) before provision and income taxes	4,968	4,970	1,976	2,049	2,474	2,290	(737)	(1,740)	8,681	7,569
Provision for credit losses	390	335	162	102	1,109	1,151	(52)	90	1,609	1,678
Income (loss) before income taxes	4,578	4,635	1,814	1,947	1,365	1,139	(685)	(1,830)	7,072	5,891
Income taxes and taxable-equivalent adjustment	1,145	1,159	454	487	342	285	(414)	(699)	1,527	1,232
Net income (loss)	3,433	3,476	1,360	1,460	1,023	854	(271)	(1,131)	5,545	4,659
Net (income) loss attributable to noncontrolling interests	—	—	—	—	—	—	(20)	(23)	(20)	(23)
Net income (loss) attributable to U.S. Bancorp	\$ 3,433	\$ 3,476	\$ 1,360	\$ 1,460	\$ 1,023	\$ 854	\$ (291)	\$ (1,154)	\$ 5,525	\$ 4,636
<b>Average Balance Sheet</b>										
Loans	\$181,266	\$172,285	\$149,731	\$155,037	\$ 42,267	\$ 40,766	\$ 5,639	\$ 5,190	\$378,903	\$373,278
Other earning assets	11,819	9,693	2,997	2,300	22	92	219,982	218,717	234,820	230,802
Goodwill	4,825	4,825	4,326	4,326	3,433	3,343	—	—	12,584	12,494
Other intangible assets	817	1,007	4,288	4,611	256	282	8	9	5,369	5,909
Assets	211,262	200,950	163,382	168,917	47,700	46,704	251,806	244,792	674,150	661,363
Noninterest-bearing deposits	54,966	56,769	19,465	20,955	2,539	2,716	2,598	2,600	79,568	83,040
Interest-bearing deposits	214,765	214,975	200,658	199,319	95	96	12,001	11,146	427,519	425,536
Total deposits	269,731	271,744	220,123	220,274	2,634	2,812	14,599	13,746	507,087	508,576
Total U.S. Bancorp shareholders' equity	21,837	21,508	13,540	14,550	10,261	9,955	15,424	10,653	61,062	56,666

- (a) Total net interest income includes a taxable-equivalent adjustment of \$88 million and \$90 million for the nine months ended September 30, 2025 and 2024, respectively. See Non-GAAP Financial Measures beginning on page 29.
- (b) Payment Services noninterest income presented net of related rewards and rebate costs and certain partner payments of \$2.3 billion for both the nine months ended September 30, 2025 and 2024.
- (c) Total noninterest income includes revenue generated from certain contracts with customers of \$7.2 billion and \$6.8 billion for the nine months ended September 30, 2025 and 2024, respectively.
- (d) The Company, as a lessor, originates retail and commercial leases either directly to the consumer or indirectly through dealer networks. Under these arrangements, the Company recorded a total of \$596 million and \$577 million of revenue for the nine months ended September 30, 2025 and 2024, respectively, primarily consisting of interest income on sales-type and direct financing leases.
- (e) Other direct expenses for each reportable segment includes: net occupancy and equipment, professional services, marketing and business development, technology and communications, and other.

## NOTE 17 Subsequent Events

The Company has evaluated the impact of events that have occurred subsequent to September 30, 2025 through the date the consolidated financial statements were filed with the SEC. Based on this evaluation, the Company has determined none of these events were required to be recognized or disclosed in the consolidated financial statements and related notes.

# U.S. Bancorp

## Consolidated Daily Average Balance Sheet and Related Yields and Rates<sup>(a)</sup>

For the Three Months Ended September 30

(Dollars in Millions) (Unaudited)	2025			2024			% Change Average Balances
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
<b>Assets</b>							
Investment securities <sup>(b)</sup>	\$ 173,423	\$ 1,412	3.26 %	\$ 166,899	\$ 1,335	3.20 %	3.9 %
Loans held for sale	2,253	35	6.39	2,757	45	6.44	(18.3)
Loans <sup>(c)</sup>							
Commercial	145,792	2,139	5.82	133,138	2,217	6.63	9.5
Commercial real estate	48,246	741	6.10	51,454	841	6.50	(6.2)
Residential mortgages	114,780	1,162	4.05	117,559	1,160	3.95	(2.4)
Credit card	30,241	1,017	13.34	28,994	987	13.54	4.3
Other retail	40,093	638	6.31	42,925	669	6.20	(6.6)
Total loans	379,152	5,697	5.97	374,070	5,874	6.25	1.4
Interest-bearing deposits with banks	47,822	517	4.29	50,547	694	5.46	(5.4)
Other earning assets <sup>(d)</sup>	14,867	295	7.87	12,907	169	5.19	15.2
Total earning assets <sup>(d)</sup>	617,517	7,956	5.13	607,180	8,117	5.33	1.7
Allowance for loan losses	(7,565)			(7,576)			.1
Unrealized gain (loss) on investment securities	(5,756)			(6,291)			8.5
Other assets	75,409			71,327			5.7
Total assets	<u>\$ 679,605</u>			<u>\$ 664,640</u>			2.3
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$ 79,890			\$ 80,939			(1.3)%
Interest-bearing deposits							
Interest checking	131,281	430	1.30	125,631	399	1.26	4.5
Money market savings	181,063	1,403	3.07	206,546	1,930	3.72	(12.3)
Savings accounts	62,599	289	1.83	36,814	28	.30	70.0
Time deposits	56,949	526	3.67	58,827	647	4.37	(3.2)
Total interest-bearing deposits	431,892	2,648	2.43	427,818	3,004	2.79	1.0
Short-term borrowings							
Federal funds purchased	428	4	3.97	302	4	4.97	41.7
Securities sold under agreements to repurchase <sup>(d)</sup>	7,621	207	10.74	7,253	95	5.22	5.1
Commercial paper	4,366	32	2.90	6,538	65	3.94	(33.2)
Other short-term borrowings <sup>(e)</sup>	3,283	85	10.28	3,630	120	13.21	(9.6)
Total short-term borrowings <sup>(d)</sup>	15,698	328	8.28	17,723	284	6.38	(11.4)
Long-term debt	63,329	729	4.57	54,841	663	4.81	15.5
Total interest-bearing liabilities <sup>(d)</sup>	510,919	3,705	2.88	500,382	3,951	3.14	2.1
Other liabilities	25,695			24,575			4.6
Shareholders' equity							
Preferred equity	6,808			6,808			—
Common equity	55,835			51,475			8.5
Total U.S. Bancorp shareholders' equity	62,643			58,283			7.5
Noncontrolling interests	458			461			(.7)
Total equity	63,101			58,744			7.4
Total liabilities and equity	<u>\$ 679,605</u>			<u>\$ 664,640</u>			2.3
Net interest income		\$ 4,251			\$ 4,166		
Gross interest margin			2.25 %			2.19 %	
Gross interest margin without taxable-equivalent increments			2.23 %			2.17 %	
<b>Percent of Earning Assets</b>							
Interest income			5.13 %			5.33 %	
Interest expense			2.38			2.59	
Net interest margin			2.75 %			2.74 %	
Net interest margin without taxable-equivalent increments			2.73 %			2.72 %	

\* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

(b) Yields on investment securities are computed based on amortized cost balances, excluding any premiums or discounts recorded related to the transfer of investment securities at fair value from available-for-sale to held-to-maturity. Yields include impacts of hedge accounting, including portfolio level basis adjustments.

(c) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

(d) Average balances for the three months ended September 30, 2025, reflect the impact of balance sheet netting of certain repurchase/reverse repurchase transactions under enforceable netting agreements, exclusive of the related interest income and expense. Reflecting the impact of netting the related interest income and expense for these arrangements, the average yields earned on other earning assets and total earning assets were 4.53% and 5.03%, respectively, and average rates paid on securities sold under agreements to repurchase, total short-term borrowings and total interest-bearing liabilities were 4.24%, 5.12% and 2.78%, respectively, for the three months ended September 30, 2025.

(e) Interest expense and rates include interest paid on collateral associated with derivative positions.

# U.S. Bancorp

## Consolidated Daily Average Balance Sheet and Related Yields and Rates<sup>(a)</sup>

For the Nine Months Ended September 30

(Dollars in Millions) (Unaudited)	2025			2024			% Change Average Balances
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
<b>Assets</b>							
Investment securities <sup>(b)</sup>	\$ 172,489	\$ 4,113	3.18 %	\$ 165,059	\$ 3,843	3.10 %	4.5 %
Loans held for sale	2,975	122	5.49	2,381	123	6.86	24.9
Loans <sup>(c)</sup>							
Commercial	143,267	6,262	5.84	132,749	6,606	6.65	7.9
Commercial real estate	48,532	2,189	6.03	52,257	2,542	6.50	(7.1)
Residential mortgages	116,398	3,511	4.02	116,563	3,408	3.90	(.1)
Credit card	29,747	2,929	13.16	28,430	2,852	13.40	4.6
Other retail	40,959	1,908	6.23	43,279	1,961	6.05	(5.4)
Total loans	378,903	16,799	5.92	373,278	17,369	6.21	1.5
Interest-bearing deposits with banks	44,384	1,449	4.36	51,499	2,134	5.53	(13.8)
Other earning assets <sup>(d)</sup>	14,972	652	5.82	11,863	458	5.16	26.2
Total earning assets <sup>(d)</sup>	613,723	23,135	5.04	604,080	23,927	5.29	1.6
Allowance for loan losses	(7,586)			(7,521)			(.9)
Unrealized gain (loss) on investment securities	(6,275)			(6,956)			9.8
Other assets	74,288			71,760			3.5
Total assets	<u>\$ 674,150</u>			<u>\$ 661,363</u>			1.9
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$ 79,568			\$ 83,040			(4.2)%
Interest-bearing deposits							
Interest checking	129,531	1,187	1.23	125,451	1,147	1.22	3.3
Money market savings	184,478	4,233	3.07	203,821	5,837	3.83	(9.5)
Savings accounts	57,059	711	1.67	39,097	80	.27	45.9
Time deposits	56,451	1,569	3.72	57,167	1,852	4.33	(1.3)
Total interest-bearing deposits	427,519	7,700	2.41	425,536	8,916	2.80	.5
Short-term borrowings							
Federal funds purchased	706	22	4.19	327	12	5.05	*
Securities sold under agreements to repurchase <sup>(d)</sup>	9,100	423	6.21	5,957	224	5.03	52.8
Commercial paper	4,460	94	2.82	7,177	214	3.98	(37.9)
Other short-term borrowings <sup>(e)</sup>	4,833	329	9.10	3,603	402	14.88	34.1
Total short-term borrowings <sup>(d)</sup>	19,099	868	6.07	17,064	852	6.67	11.9
Long-term debt	61,360	2,114	4.61	53,482	1,926	4.81	14.7
Total interest-bearing liabilities <sup>(d)</sup>	507,978	10,682	2.81	496,082	11,694	3.15	2.4
Other liabilities	25,083			25,112			(.1)
Shareholders' equity							
Preferred equity	6,808			6,808			—
Common equity	54,254			49,858			8.8
Total U.S. Bancorp shareholders' equity	61,062			56,666			7.8
Noncontrolling interests	459			463			(.9)
Total equity	61,521			57,129			7.7
Total liabilities and equity	<u>\$ 674,150</u>			<u>\$ 661,363</u>			1.9
Net interest income		<u>\$ 12,453</u>			<u>\$ 12,233</u>		
Gross interest margin			2.23 %			2.14 %	
Gross interest margin without taxable-equivalent increments			2.21 %			2.12 %	
<b>Percent of Earning Assets</b>							
Interest income			5.04 %			5.29 %	
Interest expense			2.33			2.59	
Net interest margin			2.71 %			2.70 %	
Net interest margin without taxable-equivalent increments			2.69 %			2.68 %	

\* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

(b) Yields on investment securities are computed based on amortized cost balances, excluding any premiums or discounts recorded related to the transfer of investment securities at fair value from available-for-sale to held-to-maturity. Yields include impacts of hedge accounting, including portfolio level basis adjustments.

(c) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

(d) Average balances for the nine months ended September 30, 2025, reflect the impact of balance sheet netting of certain repurchase/reverse repurchase transactions under enforceable netting agreements, exclusive of the related interest income and expense. Reflecting the impact of netting the related interest income and expense for these arrangements, the average yields earned on other earning assets and total earning assets were 4.71% and 5.01%, respectively, and average rates paid on securities sold under agreements to repurchase, total short-term borrowings and total interest-bearing liabilities were 4.37%, 5.20% and 2.78%, respectively, for the nine months ended September 30, 2025.

(e) Interest expense and rates include interest paid on collateral associated with derivative positions.

## Part II — Other Information

**Item 1. Legal Proceedings** — See the information set forth in “Litigation and Regulatory Matters” in Note 15 in the Notes to Consolidated Financial Statements on page 72 of this Report, which is incorporated herein by reference.

**Item 1A. Risk Factors** — There are a number of factors that may adversely affect the Company’s business, financial results or stock price. Refer to “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, for discussion of these risks.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds** — See the information set forth in the “Capital Management” section on page 25 of this Report for information regarding shares repurchased by the Company during the third quarter of 2025, which is incorporated herein by reference.

**Item 5. Other Information** — During the three months ended September 30, 2025, no director or officer (as defined in SEC Rule 16a-1(f)) of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

### Item 6. Exhibits

- 3.1 Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.4 to the Company’s Form 8-K filed on April 20, 2022).
- 3.2 Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Company’s Form 8-K filed on October 19, 2023).
- 10.1 Form of Aircraft Time Sharing Agreement (incorporated by reference to Exhibit 10.1 to the Company’s Form 8-K filed on August 14, 2025).
- 10.2 Form of Charter Flight Reimbursement Agreement (incorporated by reference to Exhibit 10.2 to the Company’s Form 8-K filed on August 14, 2025).
- 31.1 Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 31.2 Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
- 32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
- 101 The following financial statements from the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2025, formatted in Inline XBRL: (i) Consolidated Balance Sheet, (ii) Consolidated Statement of Income, (iii) Consolidated Statement of Comprehensive Income, (iv) Consolidated Statement of Shareholders’ Equity, (v) Consolidated Statement of Cash Flows and (vi) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document and included in Exhibit 101).

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

U.S. BANCORP

By: /s/ LISA R. STARK

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Lisa R. Stark

Controller

(Principal Accounting Officer and Duly Authorized Officer)

Dated: November 4, 2025

# Corporate Information

## **Executive Offices**

U.S. Bancorp  
800 Nicollet Mall  
Minneapolis, MN 55402

## **Investor Relations Contact**

George Andersen  
Senior Vice President, Director of Investor Relations  
george.andersen@usbank.com

## **Media Requests**

David R. Palombi  
Executive Vice President  
Chief Communications Officer  
Public Affairs and Communications  
david.palombi@usbank.com

## **Financial Information**

U.S. Bancorp news and financial results are available through our website and by mail.

*Website* For information about U.S. Bancorp, including news, financial results, annual reports and other documents filed with the Securities and Exchange Commission, visit [usbank.com](http://usbank.com) and click on *About Us* and then *Investor Relations*.

*Mail* At your request, we will mail to you our quarterly earnings, news releases, quarterly financial data reported on Form 10-Q, Form 10-K and additional copies of our annual reports. Please contact:

U.S. Bancorp Investor Relations  
800 Nicollet Mall  
Minneapolis, MN 55402  
investorrelations@usbank.com  
Phone: 866-775-9668

## **Common Stock Transfer Agent and Registrar**

Computershare acts as our transfer agent and registrar, dividend paying agent and dividend reinvestment plan administrator, and maintains all shareholder records for the Company. Inquiries related to shareholder records, stock transfers, changes of ownership, lost stock certificates, changes of address and dividend payment should be directed to the transfer agent at:

Computershare  
P.O. Box 505000  
Louisville, KY 40233  
Phone: 888-778-1311 or 201-680-6578 (international calls)  
[computershare.com/investor](http://computershare.com/investor)

Registered or Certified Mail:

Computershare  
462 South 4th Street, Suite 1600  
Louisville, KY 40202

Telephone representatives are available weekdays from 8 a.m. to 6 p.m., Central Time, and automated support is available 24 hours a day, seven days a week. Specific information about your account is available on Computershare's Investor Center website.

## **Independent Auditor**

Ernst & Young LLP serves as the independent auditor for U.S. Bancorp.

## **Common Stock Listing and Trading**

U.S. Bancorp common stock is listed and traded on the New York Stock Exchange under the ticker symbol USB.

## **Dividends and Reinvestment Plan**

U.S. Bancorp currently pays quarterly dividends on our common stock on or about the 15th day of January, April, July and October, subject to approval by our Board of Directors. U.S. Bancorp shareholders can choose to participate in a plan that provides automatic reinvestment of dividends and/or optional cash purchase of additional shares of U.S. Bancorp common stock. For more information, please contact our transfer agent, Computershare.