

**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 June 30, 2026**  
**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**

(State or other jurisdiction of incorporation or organization)

**41-0255900**

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

**200 S. Sixth St.  
Minneapolis, Minnesota 55402**

(Address of principal executive offices, including zip code)

**651-466-3000**

(Registrant's telephone number, including area code)

**800 Nicollet Mall  
Minneapolis, Minnesota 55402**

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

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

| <b>Title of each class</b>                                                                                                                 | <b>Trading symbols</b> | <b>Name of each exchange on which registered</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------------------------------------------------|
| 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 (or for such shorter period that the registrant was required to file such reports), 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  
Common Stock, \$.01 Par Value

Outstanding as of July 31, 2026  
1,558,051,446 shares

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### “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, political 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, or the effects of related litigation;
- 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 or reform the financial system and the effectiveness of such actions;
- Turmoil and volatility in the financial services industry;
- 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 competitive pressure;
- 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, including those arising from conflict in the Middle East;
- Impacts of supply chain disruptions, rising inflation, slower growth or a recession;
- Effects of climate change and related physical and transition risks;
- Failure to execute on strategic or operational plans;
- Effects of mergers and acquisitions, such as the acquisition of Condor Trading LP and its subsidiaries, including BTIG, LLC (collectively, "BTIG"), and related integration, including that the expected benefits may take longer than anticipated to achieve or may not be achieved in entirety or at all and the costs relating to the combination may be greater than expected;
- 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 and liquidity 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, 2025, 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

|                                                               | Three Months Ended June 30 |                      |                | Six Months Ended June 30 |            |                |
|---------------------------------------------------------------|----------------------------|----------------------|----------------|--------------------------|------------|----------------|
|                                                               | 2026                       | 2025                 | Percent Change | 2026                     | 2025       | Percent Change |
| (Dollars and Shares in Millions, Except Per Share Data)       |                            |                      |                |                          |            |                |
| <b>Condensed Income Statement</b>                             |                            |                      |                |                          |            |                |
| Net interest income                                           | \$ 4,361                   | \$ 4,051             | 7.7 %          | \$ 8,624                 | \$ 8,143   | 5.9 %          |
| Taxable-equivalent adjustment <sup>(a)</sup>                  | 26                         | 29                   | (10.3)         | 54                       | 59         | (8.5)          |
| Net interest income (taxable-equivalent basis) <sup>(b)</sup> | 4,387                      | 4,080                | 7.5            | 8,678                    | 8,202      | 5.8            |
| Noninterest income                                            | 3,325                      | 2,924                | 13.7           | 6,322                    | 5,760      | 9.8            |
| Total net revenue                                             | 7,712                      | 7,004                | 10.1           | 15,000                   | 13,962     | 7.4            |
| Noninterest expense                                           | 4,428                      | 4,181                | 5.9            | 8,693                    | 8,413      | 3.3            |
| Provision for credit losses                                   | 538                        | 501                  | 7.4            | 1,114                    | 1,038      | 7.3            |
| Income before taxes                                           | 2,746                      | 2,322                | 18.3           | 5,193                    | 4,511      | 15.1           |
| Income taxes and taxable-equivalent adjustment                | 563                        | 501                  | 12.4           | 1,060                    | 974        | 8.8            |
| Net income                                                    | 2,183                      | 1,821                | 19.9           | 4,133                    | 3,537      | 16.9           |
| Net (income) loss attributable to noncontrolling interests    | (6)                        | (6)                  | —              | (11)                     | (13)       | 15.4           |
| Net income attributable to U.S. Bancorp                       | \$ 2,177                   | \$ 1,815             | 19.9           | \$ 4,122                 | \$ 3,524   | 17.0           |
| Net income applicable to U.S. Bancorp common shareholders     | \$ 2,098                   | \$ 1,733             | 21.1           | \$ 3,939                 | \$ 3,336   | 18.1           |
| <b>Per Common Share</b>                                       |                            |                      |                |                          |            |                |
| Earnings per share                                            | \$ 1.35                    | \$ 1.11              | 21.6 %         | \$ 2.53                  | \$ 2.14    | 18.2 %         |
| Diluted earnings per share                                    | 1.35                       | 1.11                 | 21.6           | 2.53                     | 2.14       | 18.2           |
| Dividends declared per share                                  | .52                        | .50                  | 4.0            | 1.04                     | 1.00       | 4.0            |
| Book value per share <sup>(c)</sup>                           | 38.91                      | 35.06                | 11.0           |                          |            |                |
| Tangible book value per common share <sup>(b)</sup>           | 30.04                      | 26.52                | 13.3           |                          |            |                |
| Market value per share                                        | 60.40                      | 45.25                | 33.5           |                          |            |                |
| Average diluted common shares outstanding                     | 1,555                      | 1,559                | (.3)           | 1,555                    | 1,560      | (.3)           |
| <b>Financial Ratios</b>                                       |                            |                      |                |                          |            |                |
| Return on average assets                                      | 1.26 %                     | 1.08 %               |                | 1.20 %                   | 1.06 %     |                |
| Return on average common equity                               | 14.0                       | 12.9                 |                | 13.3                     | 12.6       |                |
| Return on tangible common equity <sup>(b)</sup>               | 18.7                       | 18.0                 |                | 17.9                     | 17.7       |                |
| Net interest margin (taxable-equivalent basis) <sup>(a)</sup> | 2.79                       | 2.66                 |                | 2.78                     | 2.69       |                |
| Efficiency ratio <sup>(b)</sup>                               | 57.1                       | 59.2                 |                | 57.6                     | 60.0       |                |
| Net charge-offs as a percent of average loans outstanding     | .53                        | .59                  |                | .55                      | .59        |                |
| <b>Average Balances</b>                                       |                            |                      |                |                          |            |                |
| Loans                                                         | \$ 405,481                 | \$ 378,529           | 7.1 %          | \$ 399,553               | \$ 378,777 | 5.5 %          |
| Investment securities <sup>(d)</sup>                          | 170,528                    | 172,841              | (1.3)          | 170,997                  | 172,014    | (.6)           |
| Assets                                                        | 694,710                    | 673,341              | 3.2            | 691,514                  | 671,378    | 3.0            |
| Deposits                                                      | 515,080                    | 502,890              | 2.4            | 515,100                  | 504,702    | 2.1            |
| Long-term debt                                                | 61,589                     | 62,354               | (1.2)          | 61,548                   | 60,360     | 2.0            |
|                                                               | June 30,<br>2026           | December 31,<br>2025 |                |                          |            |                |
| <b>Period End Balances</b>                                    |                            |                      |                |                          |            |                |
| Loans                                                         | \$ 410,300                 | \$ 391,335           | 4.8 %          |                          |            |                |
| Investment securities                                         | 163,170                    | 167,008              | (2.3)          |                          |            |                |
| Assets                                                        | 725,918                    | 692,345              | 4.8            |                          |            |                |
| Deposits                                                      | 532,066                    | 522,216              | 1.9            |                          |            |                |
| Long-term debt                                                | 58,671                     | 60,764               | (3.4)          |                          |            |                |
| Total U.S. Bancorp shareholders' equity                       | 67,432                     | 65,193               | 3.4            |                          |            |                |
| <b>Credit Quality</b>                                         |                            |                      |                |                          |            |                |
| Allowance for credit losses                                   | \$ 7,979                   | \$ 7,947             | .4 %           |                          |            |                |
| Nonperforming assets                                          | 1,346                      | 1,590                | (15.3)         |                          |            |                |
| <b>Capital Ratios</b>                                         |                            |                      |                |                          |            |                |
| Common equity tier 1 capital                                  | 10.8 %                     | 10.8 %               |                |                          |            |                |
| Tier 1 capital                                                | 12.2                       | 12.3                 |                |                          |            |                |
| Total risk-based capital                                      | 14.4                       | 14.2                 |                |                          |            |                |
| Leverage                                                      | 8.9                        | 8.7                  |                |                          |            |                |
| Supplementary leverage                                        | 7.2                        | 7.1                  |                |                          |            |                |
| Tangible common equity to tangible assets <sup>(b)</sup>      | 6.6                        | 6.7                  |                |                          |            |                |
| Tangible common equity to risk-weighted assets <sup>(b)</sup> | 9.4                        | 9.4                  |                |                          |            |                |

(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 27.

(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.

# Management's Discussion and Analysis

## Overview

**Financial Performance** U.S. Bancorp and its subsidiaries (the "Company") reported net income attributable to U.S. Bancorp of \$2.2 billion in the second quarter of 2026, compared with \$1.8 billion in the second quarter of 2025. Financial performance for the second quarter of 2026, compared with the second quarter of 2025, included the following:

- Diluted earnings per common share of \$1.35 in the second quarter of 2026, representing a 21.6 percent increase compared with the second quarter of 2025;
- Net interest income increased \$310 million (7.7 percent) primarily due to loan growth, improved earning asset mix, and benefits from fixed asset repricing;
- Noninterest income increased \$401 million (13.7 percent) driven by higher fee revenue across all categories and the contribution from the BTIG acquisition;
- Noninterest expense increased \$247 million (5.9 percent), reflecting the impact of the BTIG acquisition, higher compensation and employee benefits expense, higher technology and communications expense, and higher marketing and business development expense;
- Average loans increased \$27.0 billion (7.1 percent) driven by higher commercial loans, commercial real estate loans and credit card loans; and
- Average deposits increased \$12.2 billion (2.4 percent), driven by an increase in savings account balances, partially offset by a decrease in time deposits.

The Company reported net income attributable to U.S. Bancorp of \$4.1 billion in the first six months of 2026, compared with \$3.5 billion in the first six months of 2025. Financial performance for the first six months of 2026, compared with the first six months of 2025, included the following:

- Diluted earnings per common share of \$2.53 in the first six months of 2026, representing an 18.2 percent increase compared with the first six months of 2025;
- Net interest income increased \$481 million (5.9 percent) primarily due to loan growth, improved earning asset mix, and fixed asset repricing;
- Noninterest income increased \$562 million (9.8 percent) driven by higher revenue across most categories and the contribution from the BTIG acquisition;
- Noninterest expense increased \$280 million (3.3 percent), reflecting the impact of the BTIG acquisition, higher technology and communications expense, higher marketing and business development expense and higher compensation and employee benefits expense;
- Average loans increased \$20.8 billion (5.5 percent) driven by higher commercial loans, credit card loans and commercial real estate loans; and
- Average deposits increased \$10.4 billion (2.1 percent), driven by an increase in savings account balances, partially offset by a decrease in time deposits.

**Credit Quality** The Company maintained stable credit quality during the first six months of 2026.

- The allowance for credit losses was \$8.0 billion at June 30, 2026, compared to \$7.9 billion at December 31, 2025. The ratio of the allowance for credit losses to period-end loans was 1.94 percent at June 30, 2026 compared to 2.03 percent at December 31, 2025.
- The provision for credit losses increased \$37 million (7.4 percent) in the second quarter of 2026 and \$76 million (7.3 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to loan growth.
- Nonperforming assets were \$1.3 billion at June 30, 2026, a decrease of \$244 million (15.3 percent) compared with December 31, 2025, driven by lower nonperforming commercial loans.
- Net charge-offs decreased \$18 million in the second quarter of 2026 and \$19 million in the first six months of 2026, compared with the same periods of the prior year, reflecting lower commercial real estate and credit card loan net charge-offs, partially offset by higher commercial loan net charge-offs.
- Total loan net charge-offs as a percentage of average loans was 0.53 percent in the second quarter of 2026 and 0.55 percent in the first six months of 2026, compared with 0.59 percent for both the second quarter and first six months of 2025.

**Capital Management** At June 30, 2026, all of the Company's regulatory capital ratios exceeded regulatory "well-capitalized" requirements.

- The Company's common equity tier 1 capital ratio was 10.8 percent at both June 30, 2026 and December 31, 2025.
- The Company returned \$1.0 billion and \$2.1 billion of earnings to shareholders in the second quarter of 2026 and the first six months of 2026, respectively, through dividends and share repurchases.
- The increase in shareholders' equity during the second quarter and first six months of 2026 included the impact of common shares issued as consideration for the acquisition of BTIG.

**BTIG acquisition** On June 1, 2026, the Company acquired BTIG for a purchase price consisting of approximately \$395 million of cash and 6.6 million shares of the Company's common stock paid on the closing date, with up to an additional \$275 million of cash consideration to be paid over the next three years, subject to achievement of defined performance targets. BTIG is a global financial services firm specializing in institutional trading, investment banking, research and related brokerage services. The acquisition is expected to add fee revenue to the Company's Wealth, Corporate, Commercial and Institutional Banking business segment by expanding its current product offerings.

## Statement of Income Analysis

The Company reported net income attributable to U.S. Bancorp of \$2.2 billion for the second quarter of 2026, or \$1.35 per diluted common share, compared with \$1.8 billion, or \$1.11 per diluted common share, for the second quarter of 2025. The Company reported net income attributable to U.S. Bancorp of \$4.1 billion for the first six months of 2026, or \$2.53 per diluted common share, compared with \$3.5 billion, or \$2.14 per diluted common share, for the first six months of 2025. The increases were due to higher net interest income and noninterest income, partially offset by higher noninterest expense and higher provision for credit losses.

**Net Interest Income** Net interest income was \$4.4 billion in the second quarter and \$8.6 billion in the first six months of 2026, representing increases of \$310 million (7.7 percent) and \$481 million (5.9 percent), respectively, compared with the same periods of 2025. The increases were primarily due to loan growth, improved earning asset mix, and fixed asset repricing. Average earning assets for the second quarter and the first six months of 2026 were \$15.7 billion (2.6 percent) and \$14.8 billion (2.4 percent) higher, respectively, than the same periods of 2025, reflecting increases in loans and other earning assets, partially offset by decreases in interest-bearing deposits with banks and investment securities. The net interest margin, on a taxable-equivalent basis, was 2.79 percent in the second quarter of 2026 and 2.78 percent in the first six months of 2026, compared with 2.66 percent and 2.69 percent, respectively, for the same periods of 2025. The increases were primarily due to the combined effects of loan growth, improved earning asset mix and benefits from fixed asset repricing. Refer to the "Consolidated Daily Average Balance Sheet and Related Yields and Rates" tables for further information on net interest income.

Average total loans in the second quarter and the first six months of 2026 were \$27.0 billion (7.1 percent) and \$20.8 billion (5.5 percent) higher, respectively, than the same periods of 2025. The increases were primarily due to higher commercial loans, commercial real estate loans and credit card loans. The increase in average commercial loans was primarily due to higher corporate loans and loans to financial institutions. The increase in average credit card loans was primarily driven by higher sales volume. Average commercial real estate loans increased due to higher commercial mortgage loan originations.

Average investment securities in the second quarter and the first six months of 2026 were \$2.3 billion (1.3 percent) and \$1.0 billion (0.6 percent) lower, respectively, than the same periods of 2025, primarily due to net investment securities sales and maturities.

Average total deposits for the second quarter and the first six months of 2026 were \$12.2 billion (2.4 percent) and \$10.4 billion (2.1 percent) higher, respectively, than the same periods of 2025. Average savings deposits for the second quarter and the first six months of 2026 were \$15.5 billion (26.7 percent) and \$16.8 billion (30.9 percent) higher, respectively, than the same periods of 2025, primarily due to

an increase in Consumer and Business Banking balances. Average noninterest-bearing deposits for the second quarter and the first six months of 2026 were \$1.5 billion (1.9 percent) and \$1.2 billion (1.5 percent) higher, respectively, than the same periods of 2025, driven by an increase in Wealth, Corporate, Commercial and Institutional Banking balances, partially offset by a decrease in Consumer and Business Banking balances. Average time deposits for the second quarter and the first six months of 2026 were \$10.5 billion (18.4 percent) and \$9.7 billion (17.2 percent) lower, respectively, than the same periods of 2025, mainly due to decreases in Treasury and Corporate Support balances, and 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. Average money market deposits for the second quarter of 2026 were \$4.9 billion (2.8 percent) higher than the second quarter of 2025, driven by an increase in Wealth, Corporate, Commercial and Institutional Banking balances, partially offset by a decrease in Consumer and Business Banking balances.

**Provision for Credit Losses** The provision for credit losses was \$538 million in the second quarter and \$1.1 billion in the first six months of 2026, representing increases of \$37 million (7.4 percent) and \$76 million (7.3 percent), respectively, from the same periods of 2025, primarily due to loan growth. Net charge-offs decreased \$18 million (3.2 percent) in the second quarter of 2026 and \$19 million (1.7 percent) in the first six months of 2026, compared with the same periods of 2025. The decreases were driven by lower commercial real estate loan and credit card loan net charge-offs, partially offset by higher 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 \$3.3 billion in the second quarter of 2026 and \$6.3 billion in the first six months of 2026, representing increases of \$401 million (13.7 percent) and \$562 million (9.8 percent), respectively, compared with the same periods of 2025. The increases from the prior year reflected higher fee revenue across most categories. Capital markets revenue increased due to the contribution from BTIG following the acquisition in the second quarter of 2026, along with higher client-related derivative activity, corporate bond underwriting fees and favorable market conditions. Trust and investment management fees increased primarily due to business growth and favorable market conditions. Card revenue and corporate payment and treasury management revenue increased mainly due to higher sales volume. Lending and deposit-related fees increased primarily due to higher loan fees. Merchant processing services revenue increased due to favorable rates.

**TABLE 2** Noninterest Income

| (Dollars in Millions)                             | Three Months Ended<br>June 30 |          |                   | Six Months Ended<br>June 30 |          |                   |
|---------------------------------------------------|-------------------------------|----------|-------------------|-----------------------------|----------|-------------------|
|                                                   | 2026                          | 2025     | Percent<br>Change | 2026                        | 2025     | Percent<br>Change |
| Card revenue                                      | \$ 435                        | \$ 413   | 5.3 %             | \$ 826                      | \$ 787   | 5.0 %             |
| Corporate payment and treasury management revenue | 440                           | 421      | 4.5               | 848                         | 821      | 3.3               |
| Merchant processing services                      | 485                           | 474      | 2.3               | 921                         | 889      | 3.6               |
| Trust and investment management fees              | 785                           | 703      | 11.7              | 1,530                       | 1,383    | 10.6              |
| Lending and deposit-related fees                  | 308                           | 277      | 11.2              | 602                         | 543      | 10.9              |
| Capital markets revenue                           | 512                           | 315      | 62.5              | 889                         | 607      | 46.5              |
| Mortgage banking revenue                          | 169                           | 162      | 4.3               | 330                         | 335      | (1.5)             |
| Investment products fees                          | 102                           | 90       | 13.3              | 199                         | 177      | 12.4              |
| Other                                             | 138                           | 126      | 9.5               | 261                         | 275      | (5.1)             |
| Total fee revenue                                 | 3,374                         | 2,981    | 13.2              | 6,406                       | 5,817    | 10.1              |
| Securities gains (losses), net                    | (49)                          | (57)     | 14.0              | (84)                        | (57)     | (47.4)            |
| Total noninterest income                          | \$ 3,325                      | \$ 2,924 | 13.7 %            | \$ 6,322                    | \$ 5,760 | 9.8 %             |

Effective January 1, 2026, the Company made changes and reclassifications to certain fee revenue items in order to align financial reporting with current management of the Company's businesses. Prior period amounts have been conformed to the current period presentation.

**TABLE 3** Noninterest Expense

| (Dollars in Millions)              | Three Months Ended<br>June 30 |          |                   | Six Months Ended<br>June 30 |          |                   |
|------------------------------------|-------------------------------|----------|-------------------|-----------------------------|----------|-------------------|
|                                    | 2026                          | 2025     | Percent<br>Change | 2026                        | 2025     | Percent<br>Change |
| Compensation and employee benefits | \$ 2,685                      | \$ 2,600 | 3.3 %             | \$ 5,313                    | \$ 5,237 | 1.5 %             |
| Net occupancy and equipment        | 303                           | 301      | .7                | 607                         | 607      | —                 |
| Professional services              | 112                           | 109      | 2.8               | 204                         | 207      | (1.4)             |
| Marketing and business development | 216                           | 161      | 34.2              | 433                         | 343      | 26.2              |
| Technology and communications      | 601                           | 534      | 12.5              | 1,174                       | 1,067    | 10.0              |
| Other intangibles                  | 114                           | 124      | (8.1)             | 224                         | 247      | (9.3)             |
| Other                              | 397                           | 352      | 12.8              | 738                         | 705      | 4.7               |
| Total noninterest expense          | \$ 4,428                      | \$ 4,181 | 5.9 %             | \$ 8,693                    | \$ 8,413 | 3.3 %             |
| Efficiency ratio <sup>(a)</sup>    | 57.1 %                        | 59.2 %   |                   | 57.6 %                      | 60.0 %   |                   |

(a) See Non-GAAP Financial Measures beginning on page 27.

**Noninterest Expense** Noninterest expense was \$4.4 billion in the second quarter and \$8.7 billion in the first six months of 2026, representing increases of \$247 million (5.9 percent) and \$280 million (3.3 percent), respectively, from the same periods of 2025. The increases from the prior year reflected the impact of the BTIG acquisition, higher technology and communications expense, higher marketing and business development expense, higher compensation and employee benefits expense, and higher other noninterest expense. Technology and communications expense increased primarily due to investments in product and technology development. Marketing and business development expense was higher primarily due to increased initiatives. Compensation and employee benefits expense increased primarily due to merit increases and incentive compensation. Compensation and employee benefits expense also increased in the second quarter of 2026, compared with the second quarter of 2025, due to higher stock-based compensation expense.

**Income Tax Expense** The provision for income taxes was \$537 million (an effective rate of 19.7 percent) for the second

quarter of 2026 and \$1.0 billion (an effective rate of 19.6 percent) for the first six months of 2026, compared with \$472 million (an effective rate of 20.6 percent) and \$915 million (an effective rate of 20.6 percent) for the same periods of 2025, respectively.

## Balance Sheet Analysis

**Loans** The Company's loan portfolio was \$410.3 billion at June 30, 2026, compared with \$391.3 billion at December 31, 2025, an increase of \$19.0 billion (4.8 percent). The increase was driven by higher commercial loans and commercial real estate loans.

Commercial loans increased \$11.5 billion (7.8 percent) at June 30, 2026, compared with December 31, 2025, primarily due to growth in corporate loans and loans to financial institutions.

Commercial real estate loans increased \$3.4 billion (7.0 percent) at June 30, 2026, compared with December 31, 2025, primarily due to increased commercial mortgage originations.

Other retail loans increased \$1.6 billion (3.9 percent) at June 30, 2026, compared with December 31, 2025, primarily due to higher revolving credit balances and retail leasing balances.

Residential mortgages held in the loan portfolio increased \$1.4 billion (1.2 percent) at June 30, 2026, compared with December 31, 2025, driven by originations. 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.

Credit card loans increased \$1.0 billion (2.8 percent) at June 30, 2026, compared with December 31, 2025, primarily due to higher sales volumes.

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 \$3.0 billion at June 30, 2026, compared with \$2.5 billion at December 31, 2025. The increase was driven primarily by the timing of residential mortgage loan sales in the second quarter of 2026. 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 \$163.2 billion at June 30, 2026, compared with \$167.0 billion at December 31, 2025. The \$3.8 billion (2.3 percent) decrease was primarily due to net investment securities sales and maturities.

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 both June 30, 2026 and December 31, 2025, the Company's net unrealized losses on available-for-sale investment securities were \$4.4 billion (\$3.3 billion net-of-tax). Gross unrealized losses on available-for-sale investment securities totaled \$4.7 billion at June 30, 2026 and December 31, 2025. 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 June 30, 2026, 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 4 and 14 in the Notes to Consolidated Financial Statements for further information on investment securities.

**Deposits** Total deposits were \$532.1 billion at June 30, 2026, compared with \$522.2 billion at December 31, 2025. The \$9.9 billion (1.9 percent) increase in total deposits was driven by increases in savings account balances, interest checking balances and noninterest-bearing deposits, partially offset by decreases in time deposits and money market deposits. Savings account balances increased \$10.0 billion (15.2 percent), driven by higher Consumer and Business Banking balances. Interest checking balances increased \$3.8 billion (2.9 percent), primarily due to higher Wealth, Corporate, Commercial and Institutional Banking balances. Noninterest-bearing deposits increased \$1.7 billion (2.0 percent) at June 30, 2026, compared with December 31, 2025, primarily driven by an increase in Wealth, Corporate, Commercial, and Institutional Banking balances. Money market deposit balances decreased \$4.1 billion (2.2 percent), primarily due to lower Consumer and Business Banking balances. Time deposits decreased \$1.5 billion (3.2 percent) at June 30, 2026, compared with December 31, 2025, driven by lower Consumer and Business Banking balances and lower Treasury and Corporate Support 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.

**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 \$37.3 billion at June 30, 2026, compared with \$17.2 billion at December 31, 2025. The \$20.2 billion increase in short-term borrowings was primarily due to higher short-term Federal Home Loan Bank ("FHLB") balances. Long-term debt was \$58.7 billion at June 30, 2026, compared with \$60.8 billion at December 31, 2025. The \$2.1 billion (3.4 percent) decrease was primarily due to an \$8.0 billion decrease in FHLB advances and \$1.2 billion of subordinated note maturities, partially offset by \$2.8 billion of medium-term note, \$2.1 billion of bank note, \$1.3 billion of subordinated note and \$1.2 billion of credit-linked bank note issuances. Refer to the "Liquidity Risk Management" section for discussion of liquidity management of the Company.



TABLE 4

## Investment Securities

|                                                                   | June 30, 2026  |            |                                    |                                       | December 31, 2025 |            |                                    |                                       |
|-------------------------------------------------------------------|----------------|------------|------------------------------------|---------------------------------------|-------------------|------------|------------------------------------|---------------------------------------|
|                                                                   | 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> |
| (Dollars in Millions)                                             |                |            |                                    |                                       |                   |            |                                    |                                       |
| <b>Held-to-Maturity</b>                                           |                |            |                                    |                                       |                   |            |                                    |                                       |
| U.S. Treasury and agencies                                        | \$ 649         | \$ 643     | 0.8                                | 3.00 %                                | \$ 648            | \$ 644     | 1.3                                | 3.00 %                                |
| Mortgage-backed securities <sup>(a)</sup>                         | 73,155         | 63,696     | 8.1                                | 2.35                                  | 75,235            | 66,146     | 8.0                                | 2.34                                  |
| Other                                                             | 281            | 283        | 1.0                                | 2.65                                  | 287               | 289        | 1.5                                | 2.63                                  |
| Total held-to-maturity                                            | \$74,085       | \$64,622   | 8.1                                | 2.35 %                                | \$76,170          | \$67,079   | 7.9                                | 2.34 %                                |
| <b>Available-for-Sale</b>                                         |                |            |                                    |                                       |                   |            |                                    |                                       |
| U.S. Treasury and agencies                                        | \$30,120       | \$28,755   | 4.0                                | 3.11 %                                | \$30,098          | \$28,770   | 4.0                                | 2.61 %                                |
| Mortgage-backed securities <sup>(a)</sup>                         | 49,573         | 47,296     | 6.3                                | 4.00                                  | 47,776            | 45,759     | 5.8                                | 3.91                                  |
| Asset-backed securities <sup>(a)</sup>                            | 5,530          | 5,535      | 4.2                                | 4.86                                  | 6,512             | 6,527      | 4.2                                | 4.94                                  |
| Obligations of state and political subdivisions <sup>(b)(c)</sup> | 8,166          | 7,361      | 10.3                               | 3.62                                  | 10,387            | 9,514      | 9.7                                | 3.66                                  |
| Other                                                             | 137            | 138        | 1.6                                | 4.58                                  | 265               | 268        | 1.3                                | 4.63                                  |
| Total available-for-sale <sup>(d)</sup>                           | \$93,526       | \$89,085   | 5.8                                | 3.73 %                                | \$95,038          | \$90,838   | 5.5                                | 3.55 %                                |

(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 \$3 million at June 30, 2026 and \$185 million at December 31, 2025.

(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.

## 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 that establishes governance and risk management requirements for all risk-taking activities. This framework includes Company risk appetite statements that 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 risk, 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 mortgage servicing rights ("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 damage to its brand 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 actions, decisions, or events that diminish the trust and confidence of key stakeholders. 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, 2025, 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. 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 loans classified as problem loans 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 5 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, 2025, 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, corporate bond spreads, commercial property prices 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 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, consumer and small business 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, asset and property prices, household debt levels, real disposable income, the 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 losses which are 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. Effective January 1, 2026, the Company reclassified small business credit card loans from the commercial loan portfolio to the credit card loan portfolio as these loans share similar credit characteristics to consumer credit card loans. Prior period balances and all related disclosures have been conformed to the current period presentation.

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 available 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 June 30, 2026:

| Residential Mortgages<br>(Dollars in Millions)                | Interest<br>Only | Amortizing       | Total            | Percent<br>of Total |
|---------------------------------------------------------------|------------------|------------------|------------------|---------------------|
| <b>Loan-to-Value</b>                                          |                  |                  |                  |                     |
| Less than or equal to 80%                                     | \$12,129         | \$ 91,628        | \$103,757        | 88.5 %              |
| Over 80% through 90%                                          | 167              | 4,126            | 4,293            | 3.7                 |
| Over 90% through 100%                                         | 15               | 823              | 838              | .7                  |
| Over 100%                                                     | 4                | 382              | 386              | .3                  |
| No LTV available                                              | —                | 6                | 6                | —                   |
| Loans purchased from<br>GNMA mortgage<br>pools <sup>(a)</sup> | —                | 8,031            | 8,031            | 6.8                 |
| <b>Total</b>                                                  | <b>\$12,315</b>  | <b>\$104,996</b> | <b>\$117,311</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<br>Mortgages<br>(Dollars in Millions) | Lines           | Loans           | Total           | Percent<br>of Total |
|--------------------------------------------------------------|-----------------|-----------------|-----------------|---------------------|
| <b>Loan-to-Value /<br/>Combined Loan-to-<br/>Value</b>       |                 |                 |                 |                     |
| Less than or equal to 80%                                    | \$10,627        | \$ 2,811        | \$13,438        | 95.1 %              |
| Over 80% through 90%                                         | 457             | 116             | 573             | 4.0                 |
| Over 90% through 100%                                        | 60              | 19              | 79              | .6                  |
| Over 100%                                                    | 21              | 6               | 27              | .2                  |
| No LTV/CLTV available                                        | 14              | —               | 14              | .1                  |
| <b>Total</b>                                                 | <b>\$11,179</b> | <b>\$ 2,952</b> | <b>\$14,131</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 consumer credit card loan balances disaggregated based upon updated credit score at June 30, 2026:

|                    | Percent of<br>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 \$735 million at June 30, 2026, compared with \$853 million at

December 31, 2025. 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 0.18 percent at June 30, 2026, compared with 0.22 percent at December 31, 2025.

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

| 90 days or more past due                         | June 30,<br>2026 | December 31,<br>2025 |
|--------------------------------------------------|------------------|----------------------|
| <b>Commercial</b>                                |                  |                      |
| Commercial                                       | .01 %            | .01 %                |
| Lease financing                                  | —                | —                    |
| Total commercial                                 | .01              | .01                  |
| <b>Commercial Real Estate</b>                    |                  |                      |
| Commercial mortgages                             | —                | —                    |
| Construction and development                     | .05              | .13                  |
| Total commercial real estate                     | .01              | .03                  |
| <b>Residential Mortgages<sup>(a)</sup></b>       | .20              | .25                  |
| <b>Credit Card</b>                               | 1.13             | 1.27                 |
| <b>Other Retail</b>                              |                  |                      |
| Retail leasing                                   | .05              | .06                  |
| Home equity and second mortgages                 | .13              | .18                  |
| Other                                            | .09              | .11                  |
| Total other retail                               | .10              | .13                  |
| Total loans                                      | .18 %            | .22 %                |
| 90 days or more past due and nonperforming loans | June 30,<br>2026 | December 31,<br>2025 |
| Commercial                                       | .26 %            | .50 %                |
| Commercial real estate                           | 1.09             | 1.09                 |
| Residential mortgages <sup>(a)</sup>             | .35              | .38                  |
| Credit card                                      | 1.13             | 1.27                 |
| Other retail                                     | .48              | .53                  |
| Total loans                                      | .50 %            | .61 %                |

(a) Delinquent loan ratios exclude \$3.9 billion at June 30, 2026, and \$3.5 billion at December 31, 2025, 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 3.71 percent at June 30, 2026, and 3.37 percent at December 31, 2025.

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

|                                            | Amount        |                   | As a Percent of Ending Loan Balances |                   |
|--------------------------------------------|---------------|-------------------|--------------------------------------|-------------------|
|                                            | June 30, 2026 | December 31, 2025 | June 30, 2026                        | December 31, 2025 |
| (Dollars in Millions)                      |               |                   |                                      |                   |
| <b>Residential Mortgages<sup>(a)</sup></b> |               |                   |                                      |                   |
| 30-89 days                                 | \$ 180        | \$ 214            | .15 %                                | .18 %             |
| 90 days or more                            | 236           | 285               | .20                                  | .25               |
| Nonperforming                              | 171           | 151               | .15                                  | .13               |
| Total                                      | \$ 587        | \$ 650            | .50 %                                | .56 %             |
| <b>Credit Card</b>                         |               |                   |                                      |                   |
| 30-89 days                                 | \$ 459        | \$ 511            | 1.17 %                               | 1.34 %            |
| 90 days or more                            | 441           | 483               | 1.13                                 | 1.27              |
| Nonperforming                              | —             | —                 | —                                    | —                 |
| Total                                      | \$ 900        | \$ 994            | 2.30 %                               | 2.61 %            |
| <b>Other Retail</b>                        |               |                   |                                      |                   |
| <b>Retail Leasing</b>                      |               |                   |                                      |                   |
| 30-89 days                                 | \$ 20         | \$ 20             | .49 %                                | .57 %             |
| 90 days or more                            | 2             | 2                 | .05                                  | .06               |
| Nonperforming                              | 7             | 7                 | .17                                  | .20               |
| Total                                      | \$ 29         | \$ 29             | .71 %                                | .82 %             |
| <b>Home Equity and Second Mortgages</b>    |               |                   |                                      |                   |
| 30-89 days                                 | \$ 43         | \$ 57             | .30 %                                | .41 %             |
| 90 days or more                            | 18            | 25                | .13                                  | .18               |
| Nonperforming                              | 138           | 136               | .98                                  | .97               |
| Total                                      | \$ 199        | \$ 218            | 1.41 %                               | 1.55 %            |
| <b>Other<sup>(b)</sup></b>                 |               |                   |                                      |                   |
| 30-89 days                                 | \$ 100        | \$ 110            | .42 %                                | .48 %             |
| 90 days or more                            | 21            | 25                | .09                                  | .11               |
| Nonperforming                              | 17            | 18                | .07                                  | .08               |
| Total                                      | \$ 138        | \$ 153            | .58 %                                | .67 %             |

(a) Excludes \$374 million of loans 30-89 days past due and \$3.9 billion of loans 90 days or more past due at June 30, 2026, purchased and that could be purchased from GNMA mortgage pools under delinquent loan repurchase options that continue to accrue interest, compared with \$606 million and \$3.5 billion at December 31, 2025, respectively.

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

**Modified Loans** The Company may modify loan terms to support borrowers facing financial hardship, typically through interest rate reductions, maturity extensions or other concessions. Modified loans accrue interest if borrowers meet revised terms over time. Modifications are assessed case-by-case across loan types, with commercial loans often involving maturity extensions and collateral adjustments, and residential mortgages modified under federal and internal programs to improve affordability. Credit card and retail loan modifications follow structured programs. Refer to Note 5 of the Notes to Consolidated Financial Statements for further information on loan modifications to borrowers experiencing financial difficulty.

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.

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

| (Dollars in Millions)                                                     | June 30,<br>2026 | December 31,<br>2025 |
|---------------------------------------------------------------------------|------------------|----------------------|
| <b>Commercial</b>                                                         |                  |                      |
| Commercial                                                                | \$ 377           | \$ 695               |
| Lease financing                                                           | 25               | 22                   |
| Total commercial                                                          | 402              | 717                  |
| <b>Commercial Real Estate</b>                                             |                  |                      |
| Commercial mortgages                                                      | 538              | 504                  |
| Construction and development                                              | 30               | 14                   |
| Total commercial real estate                                              | 568              | 518                  |
| <b>Residential Mortgages<sup>(b)</sup></b>                                | 171              | 151                  |
| <b>Credit Card</b>                                                        | —                | —                    |
| <b>Other Retail</b>                                                       |                  |                      |
| Retail leasing                                                            | 7                | 7                    |
| Home equity and second mortgages                                          | 138              | 136                  |
| Other                                                                     | 17               | 18                   |
| Total other retail                                                        | 162              | 161                  |
| Total nonperforming loans <sup>(1)</sup>                                  | 1,303            | 1,547                |
| <b>Other Real Estate<sup>(c)</sup></b>                                    | 24               | 24                   |
| <b>Other Assets</b>                                                       | 19               | 19                   |
| Total nonperforming assets                                                | \$ 1,346         | \$ 1,590             |
| Accruing loans 90 days or more past due <sup>(b)</sup>                    | \$ 735           | \$ 853               |
| Period-end loans <sup>(2)</sup>                                           | \$ 410,300       | \$ 391,335           |
| Nonperforming loans to total loans <sup>(1)/(2)</sup>                     | .32 %            | .40 %                |
| Nonperforming assets to total loans plus other real estate <sup>(c)</sup> | .33 %            | .41 %                |

## Changes in Nonperforming Assets

| (Dollars in Millions)                                 | Commercial and<br>Commercial Real<br>Estate | Residential<br>Mortgages, Credit<br>Card and Other<br>Retail | Total    |
|-------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------|----------|
| <b>Balance December 31, 2025</b>                      | \$ 1,235                                    | \$ 355                                                       | \$ 1,590 |
| Additions to nonperforming assets                     |                                             |                                                              |          |
| New nonaccrual loans and foreclosed properties        | 238                                         | 111                                                          | 349      |
| Advances on loans                                     | 25                                          | 1                                                            | 26       |
| Total additions                                       | 263                                         | 112                                                          | 375      |
| Reductions in nonperforming assets                    |                                             |                                                              |          |
| Paydowns, payoffs                                     | (151)                                       | (34)                                                         | (185)    |
| Net sales                                             | (93)                                        | (14)                                                         | (107)    |
| Return to performing status                           | (10)                                        | (30)                                                         | (40)     |
| Charge-offs <sup>(d)</sup>                            | (274)                                       | (13)                                                         | (287)    |
| Total reductions                                      | (528)                                       | (91)                                                         | (619)    |
| Net additions to (reductions in) nonperforming assets | (265)                                       | 21                                                           | (244)    |
| <b>Balance June 30, 2026</b>                          | \$ 970                                      | \$ 376                                                       | \$ 1,346 |

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

(b) Excludes \$3.9 billion at June 30, 2026, and \$3.5 billion at December 31, 2025, 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 \$81 million at June 30, 2026, and \$65 million at December 31, 2025, 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 June 30 |                    |         |                            |                    |         |
|----------------------------------|----------------------------|--------------------|---------|----------------------------|--------------------|---------|
|                                  | 2026                       |                    |         | 2025                       |                    |         |
|                                  | Average<br>Loan<br>Balance | Net<br>Charge-offs | Percent | Average<br>Loan<br>Balance | Net<br>Charge-offs | Percent |
| <b>Commercial</b>                |                            |                    |         |                            |                    |         |
| Commercial                       | \$ 152,925                 | \$ 91              | .24 %   | \$ 133,755                 | \$ 59              | .18 %   |
| Lease financing                  | 4,459                      | 5                  | .45     | 4,211                      | 6                  | .57     |
| Total commercial                 | 157,384                    | 96                 | .24     | 137,966                    | 65                 | .19     |
| <b>Commercial Real Estate</b>    |                            |                    |         |                            |                    |         |
| Commercial mortgages             | 41,840                     | 13                 | .12     | 38,194                     | 57                 | .60     |
| Construction and development     | 9,417                      | —                  | —       | 10,272                     | —                  | —       |
| Total commercial real estate     | 51,257                     | 13                 | .10     | 48,466                     | 57                 | .47     |
| <b>Residential Mortgages</b>     | 117,196                    | —                  | —       | 115,616                    | (1)                | —       |
| <b>Credit Card</b>               | 38,403                     | 367                | 3.83    | 35,439                     | 380                | 4.30    |
| <b>Other Retail</b>              |                            |                    |         |                            |                    |         |
| Retail leasing                   | 3,746                      | 14                 | 1.50    | 3,869                      | 10                 | 1.04    |
| Home equity and second mortgages | 14,055                     | —                  | —       | 13,678                     | —                  | —       |
| Other                            | 23,440                     | 46                 | .79     | 23,495                     | 43                 | .73     |
| Total other retail               | 41,241                     | 60                 | .58     | 41,042                     | 53                 | .52     |
| Total loans                      | \$ 405,481                 | \$ 536             | .53 %   | \$ 378,529                 | \$ 554             | .59 %   |

| (Dollars in Millions)            | Six Months Ended June 30   |                    |         |                            |                    |         |
|----------------------------------|----------------------------|--------------------|---------|----------------------------|--------------------|---------|
|                                  | 2026                       |                    |         | 2025                       |                    |         |
|                                  | Average<br>Loan<br>Balance | Net<br>Charge-offs | Percent | Average<br>Loan<br>Balance | Net<br>Charge-offs | Percent |
| <b>Commercial</b>                |                            |                    |         |                            |                    |         |
| Commercial                       | \$ 149,181                 | \$ 208             | .28 %   | \$ 132,013                 | \$ 156             | .24 %   |
| Lease financing                  | 4,448                      | 9                  | .41     | 4,206                      | 10                 | .48     |
| Total commercial                 | 153,629                    | 217                | .28     | 136,219                    | 166                | .25     |
| <b>Commercial Real Estate</b>    |                            |                    |         |                            |                    |         |
| Commercial mortgages             | 40,909                     | 15                 | .07     | 38,408                     | 52                 | .27     |
| Construction and development     | 9,429                      | (10)               | (.21)   | 10,269                     | 1                  | .02     |
| Total commercial real estate     | 50,338                     | 5                  | .02     | 48,677                     | 53                 | .22     |
| <b>Residential Mortgages</b>     | 116,944                    | (1)                | —       | 117,221                    | (1)                | —       |
| <b>Credit Card</b>               | 37,875                     | 732                | 3.90    | 35,262                     | 767                | 4.39    |
| <b>Other Retail</b>              |                            |                    |         |                            |                    |         |
| Retail leasing                   | 3,636                      | 32                 | 1.77    | 3,929                      | 23                 | 1.18    |
| Home equity and second mortgages | 14,014                     | 1                  | .01     | 13,610                     | (1)                | (.01)   |
| Other                            | 23,117                     | 96                 | .84     | 23,859                     | 94                 | .79     |
| Total other retail               | 40,767                     | 129                | .64     | 41,398                     | 116                | .57     |
| Total loans                      | \$ 399,553                 | \$ 1,082           | .55 %   | \$ 378,777                 | \$ 1,101           | .59 %   |

**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 June 30, 2026, total nonperforming assets were \$1.3 billion, compared to \$1.6 billion at December 31, 2025. The \$244 million (15.3 percent) decrease in nonperforming assets was primarily due to lower nonperforming commercial loans. The ratio of total nonperforming assets to total loans and other real estate was 0.33 percent at June 30, 2026, compared with 0.41 percent at December 31, 2025.

OREO was \$24 million at both June 30, 2026 and December 31, 2025, 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.

**Analysis of Loan Net Charge-offs** Total loan net charge-offs were \$536 million for the second quarter and \$1.1 billion for the first six months of 2026, compared with \$554 million and \$1.1 billion, respectively, for the same periods of 2025. The decreases in net charge-offs reflected lower commercial real estate loan and credit card loan net charge-offs, partially offset by higher commercial loan net charge-offs. The ratio of total loan net charge-offs to average loans outstanding on an annualized basis for the second quarter and first six months of 2026 was 0.53 percent and 0.55 percent, respectively, compared with 0.59 percent for both the second quarter and first six months of 2025.

**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, fiscal and monetary policy actions, and/or other emerging risks which may impact the portfolio.

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 are aligned to the key risk characteristics of the commercial and consumer lending segments and include, but are not limited to, macroeconomic variables, loan characteristics and borrower characteristics. 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 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, 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 \$1.4 billion of loans assigned a PCD status, primarily related to the MUFG Union Bank, N.A. acquisition, included in its loan portfolio at June 30, 2026.

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 composition over time that may affect model performance. The consideration of these factors 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 \$8.0 billion at June 30, 2026, compared with \$7.9 billion at December 31, 2025. The \$32 million (0.4 percent) increase was primarily driven by loan portfolio growth, partially offset by improved credit quality. The Company continued to monitor economic uncertainty related to interest rates, inflationary pressures, including those related to evolving geopolitical events, as well as other economic

factors that may affect the financial strength of corporate and consumer borrowers. 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 1.94 percent at June 30, 2026, compared with 2.03 percent at December 31, 2025. The ratio of the allowance for credit losses to nonperforming loans was 612 percent at June 30, 2026, compared with 514 percent at December 31, 2025. The ratio of the allowance for credit losses to annualized loan net charge-offs was 371 percent at June 30, 2026, compared with 367 percent of full year 2025 net charge-offs at December 31, 2025.

The allowance for credit losses related to commercial lending segment loans decreased \$72 million during the first six months of 2026, reflecting improved credit quality, partially offset by commercial loan growth.

The allowance for credit losses related to consumer lending segment loans increased \$104 million during the first six months of 2026, primarily driven by loan portfolio growth, partially offset by credit quality improvement.

Economic forecasts considered in estimating the allowance for credit losses at June 30, 2026 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 9.5 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 June 30, 2026 and December 31, 2025:

|                                                                                      | June 30,<br>2026 | December 31,<br>2025 |
|--------------------------------------------------------------------------------------|------------------|----------------------|
| United States unemployment rate for the three months ending <sup>(a)</sup>           |                  |                      |
| June 30, 2026                                                                        | 4.5 %            | 4.5 %                |
| December 31, 2026                                                                    | 4.6              | 4.4                  |
| June 30, 2027                                                                        | 4.5              | 4.4                  |
| United States real gross domestic product for the three months ending <sup>(b)</sup> |                  |                      |
| June 30, 2026                                                                        | 2.3 %            | 1.8 %                |
| December 31, 2026                                                                    | 2.1              | 1.8                  |
| June 30, 2027                                                                        | 2.1              | 1.9                  |

(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<br>June 30 |            | Six Months Ended<br>June 30 |          |
|-----------------------------------------------------------|-------------------------------|------------|-----------------------------|----------|
|                                                           | 2026                          | 2025       | 2026                        | 2025     |
| Balance at beginning of period                            | \$ 7,977                      | \$ 7,915   | \$ 7,947                    | \$ 7,925 |
| <b>Charge-Offs</b>                                        |                               |            |                             |          |
| Commercial                                                |                               |            |                             |          |
| Commercial                                                | 114                           | 78         | 252                         | 190      |
| Lease financing                                           | 8                             | 8          | 14                          | 15       |
| Total commercial                                          | 122                           | 86         | 266                         | 205      |
| Commercial real estate                                    |                               |            |                             |          |
| Commercial mortgages                                      | 20                            | 74         | 23                          | 98       |
| Construction and development                              | —                             | —          | 1                           | 1        |
| Total commercial real estate                              | 20                            | 74         | 24                          | 99       |
| Residential mortgages                                     | 5                             | 4          | 8                           | 8        |
| Credit card                                               | 446                           | 442        | 885                         | 896      |
| Other retail                                              |                               |            |                             |          |
| Retail leasing                                            | 17                            | 13         | 39                          | 30       |
| Home equity and second mortgages                          | 1                             | 1          | 4                           | 3        |
| Other                                                     | 65                            | 63         | 133                         | 132      |
| Total other retail                                        | 83                            | 77         | 176                         | 165      |
| Total charge-offs                                         | 676                           | 683        | 1,359                       | 1,373    |
| <b>Recoveries</b>                                         |                               |            |                             |          |
| Commercial                                                |                               |            |                             |          |
| Commercial                                                | 23                            | 19         | 44                          | 34       |
| Lease financing                                           | 3                             | 2          | 5                           | 5        |
| Total commercial                                          | 26                            | 21         | 49                          | 39       |
| Commercial real estate                                    |                               |            |                             |          |
| Commercial mortgages                                      | 7                             | 17         | 8                           | 46       |
| Construction and development                              | —                             | —          | 11                          | —        |
| Total commercial real estate                              | 7                             | 17         | 19                          | 46       |
| Residential mortgages                                     | 5                             | 5          | 9                           | 9        |
| Credit card                                               | 79                            | 62         | 153                         | 129      |
| Other retail                                              |                               |            |                             |          |
| Retail leasing                                            | 3                             | 3          | 7                           | 7        |
| Home equity and second mortgages                          | 1                             | 1          | 3                           | 4        |
| Other                                                     | 19                            | 20         | 37                          | 38       |
| Total other retail                                        | 23                            | 24         | 47                          | 49       |
| Total recoveries                                          | 140                           | 129        | 277                         | 272      |
| <b>Net Charge-Offs</b>                                    |                               |            |                             |          |
| Commercial                                                |                               |            |                             |          |
| Commercial                                                | 91                            | 59         | 208                         | 156      |
| Lease financing                                           | 5                             | 6          | 9                           | 10       |
| Total commercial                                          | 96                            | 65         | 217                         | 166      |
| Commercial real estate                                    |                               |            |                             |          |
| Commercial mortgages                                      | 13                            | 57         | 15                          | 52       |
| Construction and development                              | —                             | —          | (10)                        | 1        |
| Total commercial real estate                              | 13                            | 57         | 5                           | 53       |
| Residential mortgages                                     | —                             | (1)        | (1)                         | (1)      |
| Credit card                                               | 367                           | 380        | 732                         | 767      |
| Other retail                                              |                               |            |                             |          |
| Retail leasing                                            | 14                            | 10         | 32                          | 23       |
| Home equity and second mortgages                          | —                             | —          | 1                           | (1)      |
| Other                                                     | 46                            | 43         | 96                          | 94       |
| Total other retail                                        | 60                            | 53         | 129                         | 116      |
| Total net charge-offs                                     | 536                           | 554        | 1,082                       | 1,101    |
| Provision for credit losses                               | 538                           | 501        | 1,114                       | 1,038    |
| Balance at end of period                                  | \$ 7,979                      | \$ 7,862   | \$ 7,979                    | \$ 7,862 |
| <b>Components</b>                                         |                               |            |                             |          |
| Allowance for loan losses                                 | \$ 7,645                      | \$ 7,537   |                             |          |
| Liability for unfunded credit commitments                 | 334                           | 325        |                             |          |
| Total allowance for credit losses <sup>(1)</sup>          | \$ 7,979                      | \$ 7,862   |                             |          |
| Period-end loans <sup>(2)</sup>                           | \$ 410,300                    | \$ 380,243 |                             |          |
| Nonperforming loans <sup>(3)</sup>                        | 1,303                         | 1,637      |                             |          |
| <b>Allowance for Credit Losses as a Percentage of</b>     |                               |            |                             |          |
| Period-end loans <sup>(1)/(2)</sup>                       | 1.94 %                        | 2.07 %     |                             |          |
| Nonperforming loans <sup>(1)/(3)</sup>                    | 612                           | 480        |                             |          |
| Nonperforming and accruing loans 90 days or more past due | 392                           | 302        |                             |          |
| Nonperforming assets                                      | 593                           | 468        |                             |          |
| Annualized net charge-offs                                | 371                           | 354        |                             |          |

**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 June 30, 2026, no significant change in the amount of residual values or concentration of the portfolios had occurred since December 31, 2025. 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, 2025, 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, 2025, 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 brand 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, 2025, for further discussion on compliance risk management.

**Strategic Risk Management** The Board of Directors oversees the Company’s strategic direction and approves the strategic plan. Senior management develops and executes strategic objectives, assessing internal capabilities, market conditions, emerging risks, and regulatory developments as part of the annual strategic planning cycle. Strategic Risk Management (“SRM”), operating as the second line of defense, provides independent oversight of strategic initiatives and associated risk exposures. SRM evaluates strategic proposals, monitors key internal and external risk drivers, and performs review and challenge of business lines to ensure strategy execution aligns with the Company’s risk appetite and governance expectations. The Company conducts ongoing monitoring of strategic risk through periodic reporting to senior management and the Board of Directors. Reporting includes updates on strategic initiatives, operating environment changes, risk indicators, and emerging risks. Strategic risk insights are integrated into enterprise risk assessments, risk appetite monitoring, and strategic performance reviews. The Company continuously enhances its strategic risk management practices to reflect changes in the operating environment and evolving governance expectations.

**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.

**TABLE 9** Sensitivity of Net Interest Income

|                     | June 30, 2026            |                        |                           |                         | December 31, 2025        |                        |                           |                         |
|---------------------|--------------------------|------------------------|---------------------------|-------------------------|--------------------------|------------------------|---------------------------|-------------------------|
|                     | Down 50 bps<br>Immediate | Up 50 bps<br>Immediate | Down 200 bps<br>Immediate | Up 200 bps<br>Immediate | Down 50 bps<br>Immediate | Up 50 bps<br>Immediate | Down 200 bps<br>Immediate | Up 200 bps<br>Immediate |
| Net interest income | .49 %                    | — %                    | .79 %                     | .29 %                   | (.02)%                   | (.07)%                 | (1.83)%                   | .80 %                   |

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 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. The Company periodically assesses interest rate risk scenarios and behavioral assumptions, such as deposit rotation, pricing sensitivity and mortgage prepayment speeds, based on historical experience and projected through-the-cycle dynamics. From December 31, 2025 to June 30, 2026, changes in net interest income sensitivities reflect updates to the interest rate outlook, both the actual and projected balance sheet, and investment and hedging activities. As of June 30, 2026, the Company maintains a relatively neutral interest rate profile to a parallel 50 basis point shift in interest rates as asset repricing continues to align closely with liability repricing. 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 MSRs;
- 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 MSRs, but does not designate those derivatives as accounting hedges. Refer to Note 7 of the Notes to Consolidated Financial Statements for additional information regarding MSRs, 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. Effective June 1, 2026, upon completion of the acquisition of BTIG, the Company began measuring and monitoring market risk associated with BTIG's trading activities as part of its ongoing market risk management framework. The Company expects to include BTIG's trading activities in its Market Risk Rule regulatory capital calculations beginning in the third quarter of 2026. 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. 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, commodities business, equities 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. Beginning in the second quarter of 2026, the Company revised its presentation of Covered Position VaR to recognize diversification benefits across risk-type categories, whereas prior period presentations reflected the sum of component VaR amounts.

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

| Three Months Ended June 30<br>(Dollars in Millions) | 2026       |         |      |      | 2025       |         |      |      |
|-----------------------------------------------------|------------|---------|------|------|------------|---------|------|------|
|                                                     | Period End | Average | High | Low  | Period End | Average | High | Low  |
| Credit                                              | \$ 1       | \$ 1    | \$ 2 | \$ 1 | \$ 2       | \$ 2    | \$ 3 | \$ 1 |
| Foreign Exchange                                    | 1          | —       | 1    | —    | 1          | 1       | 1    | 1    |
| Interest Rate                                       | 1          | 1       | 1    | —    | 1          | 1       | 1    | —    |
| Commodity                                           | 1          | 2       | 4    | 1    | —          | —       | —    | —    |
| Diversification Benefit <sup>(a)</sup>              | (2)        | (2)     | n/a  | n/a  | (3)        | (3)     | n/a  | n/a  |
| Covered Position VaR                                | 2          | 2       | 4    | 1    | 1          | 1       | 2    | 1    |

(a) Diversification benefit represents the difference between the covered position VaR and the sum of the four risk-type categories' VaRs. By definition, VaR is not additive, and the diversification benefit is the result of the imperfect correlations between risk-type categories. High and low VaR for each component may have occurred on different trading days, and therefore, the diversification benefit is not meaningful.

The Company did not experience any backtesting losses for its combined Covered Positions that exceeded VaR during the three months ended June 30, 2026. During the three months ended June 30, 2025, the Company experienced two backtesting exceptions for its combined Covered Positions under the VaR methodology reflected in the table above. 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.

In addition to VaR, the Company manages market risk in its trading portfolios using factor sensitivities. Factor sensitivities measure the impact on the value of positions due to changes in individual market risk factors, including interest rates, credit spreads, equity prices, volatility, commodity prices, and foreign exchange rates. Risk factor sensitivities supplement VaR by providing insight into risk exposures by a factor that is not dependent on historical market movements.

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 estimates. These trader estimates 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:

| Three Months Ended June 30<br>(Dollars in Millions)                |    | 2026 | 2025 |
|--------------------------------------------------------------------|----|------|------|
| <b>Residential Mortgage Loans Held For Sale and Related Hedges</b> |    |      |      |
| Average                                                            | \$ | 1    | \$ 1 |
| High                                                               |    | 1    | 2    |
| Low                                                                |    | —    | 1    |
| <b>Mortgage Servicing Rights and Related Hedges</b>                |    |      |      |
| Average                                                            | \$ | 3    | \$ 2 |
| High                                                               |    | 5    | 5    |
| Low                                                                |    | 2    | 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 and liquidity risk appetite. The Risk Management Committee of the Company's Board of Directors oversees the Company's liquidity risk management process and approves the Company's 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 4 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 cash, available investment securities and secured borrowing capacity:

| (Dollars in Millions)                                         | June 30,<br>2026 | December 31,<br>2025 |
|---------------------------------------------------------------|------------------|----------------------|
| Cash held at the Federal Reserve Bank and other central banks | \$ 58,467        | \$ 39,206            |
| Available investment securities                               | 50,367           | 56,366               |
| Borrowing capacity from the Federal Reserve Bank and FHLB     | 192,854          | 205,120              |
| Total available liquidity                                     | \$ 301,688       | \$ 300,692           |

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 \$532.1 billion at June 30, 2026, compared with \$522.2 billion at December 31, 2025. Average total deposits for the second quarter of 2026 and second quarter of 2025 funded approximately 74 percent and 75 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 \$58.7 billion at June 30, 2026, and is an important funding source because of its multi-year borrowing structure. Short-term borrowings were \$37.3 billion at June 30, 2026, 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 June 30, 2026, parent company long-term debt outstanding was \$39.7 billion, compared with \$37.1 billion at December 31, 2025. The increase was primarily due to \$2.8 billion of medium-term note issuances. As of June 30, 2026, there was \$1.4 billion of parent company debt scheduled to mature in the remainder of 2026. 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 June 30, 2026 and December 31, 2025, the Company's average daily LCR was 107.6 percent and 106.5 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 June 30, 2026 and December 31, 2025.

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, 2025, 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 six months ended June 30, 2026. 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 June 30, 2026, the Company had an aggregate amount on deposit with European banks of approximately \$8.4 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 commitments, 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 6 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 a balanced capital management approach in order to maintain strong protection for depositors and creditors, provide shareholder benefit and 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. Table 10 provides a summary of statutory regulatory capital ratios in effect for the Company at June 30, 2026 and December 31, 2025. The Company's regulatory ratios exceeded regulatory "well-capitalized" requirements as of each date.

In March 2026, U.S. federal bank regulatory authorities issued proposals to streamline capital requirements and better align regulatory capital with risk while maintaining the safety and soundness of the banking system. The changes are expected to modernize the regulatory capital framework by enhancing risk sensitivity, reducing burden, and improving consistency across banks. This would result in a single framework being used by all banking organizations to determine compliance with risk-based capital requirements, rather than two calculations used for the largest firms, and better captures credit, market, and operational risks. The proposals' adoption is expected to be favorable to the Company; however, until the proposals are finalized and an effective date is determined, exact impacts are unknown.

The Company believes certain other capital ratios are useful in evaluating its capital utilization and adequacy. Refer to "Non-GAAP Financial Measures" beginning on page 27 for further information on these other capital ratios.

**TABLE 10** Regulatory Capital Ratios

|                                                                                                                 | June 30,<br>2026 | December 31,<br>2025 |
|-----------------------------------------------------------------------------------------------------------------|------------------|----------------------|
| (Dollars in Millions)                                                                                           |                  |                      |
| Basel III standardized approach:                                                                                |                  |                      |
| Common equity tier 1 capital                                                                                    | \$ 53,575        | \$ 51,665            |
| Tier 1 capital                                                                                                  | 60,802           | 58,917               |
| Total risk-based capital                                                                                        | 71,429           | 68,087               |
| Risk-weighted assets                                                                                            | 496,488          | 480,382              |
| Common equity tier 1 capital as a percent of risk-weighted assets                                               | 10.8 %           | 10.8 %               |
| Tier 1 capital as a percent of risk-weighted assets                                                             | 12.2             | 12.3                 |
| Total risk-based capital as a percent of risk-weighted assets                                                   | 14.4             | 14.2                 |
| Tier 1 capital as a percent of adjusted quarterly average assets (leverage ratio)                               | 8.9              | 8.7                  |
| Tier 1 capital as a percent of total on- and off-balance sheet leverage exposure (supplementary leverage ratio) | 7.2              | 7.1                  |

Total U.S. Bancorp shareholders' equity was \$67.4 billion at June 30, 2026, compared with \$65.2 billion at December 31, 2025. The increase was primarily the result of corporate earnings, partially offset by dividends paid. The increase in shareholders' equity during the second quarter of 2026 also included the impact of common shares issued as consideration for the acquisition of BTIG.

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 second quarter of 2026:

| 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) |
|--------|----------------------------------|------------------------------|------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| April  | 2,375,092                        | \$ 56.60                     | 2,375,092                                                              | \$ 3,979                                                                                     |
| May    | 1,184,814                        | 55.98                        | 1,184,814                                                              | 3,912                                                                                        |
| June   | 114                              | 54.62                        | 114                                                                    | 3,912                                                                                        |
| Total  | 3,560,020                        | \$ 56.39                     | 3,560,020                                                              | \$ 3,912                                                                                     |

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, 2025, 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 2026, certain organization and methodology changes were made, including moving the Impact Finance business unit from the Treasury and Corporate Support business segment to the Wealth, Corporate, Commercial and Institutional Banking business segment. In addition, card revenue generated from debit cards, which was previously included in the Payment Services business segment, is now included in the Consumer and Business Banking business segment. 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, and also includes investments in tax-advantaged projects. Wealth, Corporate, Commercial and Institutional Banking contributed \$1.5 billion of the Company's net income in the second quarter and \$3.0 billion in the first six months of 2026, or increases of \$356 million (30.3 percent) and \$588 million (24.5 percent), respectively, compared with the same periods of 2025.

Net revenue increased \$551 million (17.1 percent) in the second quarter and \$903 million (14.2 percent) in the first six months of 2026, compared with the same periods of 2025. Net interest income, on a taxable-equivalent basis, increased \$213 million (12.4 percent) in the second quarter and \$379 million (11.0 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher loan and deposit balances. Noninterest income increased \$338 million (22.6 percent) in the second quarter and \$524 million (18.0 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher capital markets revenue due to the contribution from the BTIG acquisition and favorable market conditions, and higher trust and investment management fees due to business growth and favorable market conditions.

Noninterest expense increased \$125 million (8.5 percent) in the second quarter and \$145 million (4.9 percent) in the first six months of 2026, compared with the same periods of 2025,



primarily due to the results of the BTIG acquisition and higher compensation and employee benefits expense. The provision for credit losses decreased \$49 million (27.5 percent) in the second quarter and \$26 million (11.8 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to improving credit quality.

**Consumer and Business Banking** Consumer and Business Banking comprises consumer banking, small business banking, debit cards 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 \$589 million of the Company's net income in the second quarter and \$1.2 billion in the first six months of 2026, or a decrease of \$27 million (4.4 percent) and an increase of \$5 million (0.4 percent), respectively, compared with the same periods of 2025.

Net revenue decreased \$3 million (0.1 percent) in the second quarter and increased \$21 million (0.5 percent) in the first six months of 2026, compared with the same periods of 2025. Net interest income, on a taxable-equivalent basis, decreased \$5 million (0.3 percent) in the second quarter and increased \$27 million (0.7 percent) in the first six months of 2026, compared with the same periods of 2025. The increase in net interest income in the first six months of 2026, compared with the first six months of 2025, was primarily due to higher deposit balances and favorable deposit mix, partially offset by lower loan balances and yields. Noninterest income increased \$2 million (0.4 percent) in the second quarter and decreased \$6 million (0.6 percent) in the first six months of 2026, compared with the same periods of 2025.

Noninterest expense decreased \$7 million (0.5 percent) in the second quarter and \$35 million (1.2 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to lower compensation and benefits expense and lower other intangibles expense. The provision for credit losses increased \$41 million in the second quarter and \$51 million (51.5 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher net charge-offs and the impact of loan sales completed in the prior year.

**Payment Services** Payment Services includes consumer and business credit cards, stored-value cards, corporate, government and purchasing card services and merchant processing. Payment Services contributed \$225 million of the Company's net income in the second quarter and \$497 million in the first six months of 2026, or a decrease of \$10 million (4.3 percent) and an increase of \$3 million (0.6 percent), respectively, compared with the same periods of 2025.

Net revenue increased \$98 million (5.7 percent) in the second quarter and \$163 million (4.8 percent) in the first six months of 2026, compared with the same periods of 2025. Net interest income, on a taxable-equivalent basis, increased \$44 million (6.0 percent) in the second quarter and \$96 million (6.5 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher average loan balances. Noninterest income increased \$54 million (5.5 percent) in the second quarter and \$67 million (3.5 percent) in

the first six months of 2026, compared with the same periods of 2025, driven by higher card revenue, corporate payment and treasury management revenue, and merchant processing services.

Noninterest expense increased \$111 million (10.9 percent) in the second quarter and \$128 million (6.4 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher compensation and employee benefits expense and higher marketing and business development expense, partially offset by lower net shared services expense. The provision for credit losses increased \$1 million (0.3 percent) in the second quarter and \$31 million (4.4 percent) in the first six months of 2026, compared with the same periods of 2025. The increase in the provision for credit losses in the first six months of 2026 was primarily due to loan growth, partially offset by lower net charge-offs.

**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, and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis. Treasury and Corporate Support recorded net losses of \$167 million in the second quarter and \$519 million in the first six months of 2026, compared with net losses of \$210 million and \$521 million, respectively, in the same periods of 2025.

Net revenue increased \$62 million (20.3 percent) in the second quarter and decreased \$49 million (11.6 percent) in the first six months of 2026, compared with the same periods of 2025. Net interest income, on a taxable-equivalent basis, increased \$55 million (25.6 percent) in the second quarter, compared with the second quarter of 2025, due to improved earning asset mix, lower funding costs and benefits from fixed asset repricing, partially offset by lower cash balances. Net interest income, on a taxable-equivalent basis, decreased \$26 million (8.4 percent) in the first six months of 2026, compared with the first six months of 2025, primarily due to lower earning assets, partially offset by lower funding costs and benefits from fixed asset repricing. Noninterest income increased \$7 million (7.7 percent) in the second quarter of 2026, compared with the second quarter of 2025. Noninterest income decreased \$23 million (20.5 percent) in the first six months of 2026, compared with the first six months of 2025, primarily due to losses from repositioning a portion of the investment securities portfolio.

Noninterest expense increased \$18 million (10.5 percent) in the second quarter and \$42 million (9.5 percent) in the first six months of 2026, compared with the same periods of 2025, primarily due to higher technology and communications expense and higher marketing and business development expense, partially offset by lower compensation and employee benefits expense. The provision for credit losses increased \$44 million (44.9 percent) in the second quarter and \$20 million in the first six months of 2026, compared with the same periods of 2025, primarily due to loan growth.

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 June 30<br>(Dollars in Millions)        | Wealth, Corporate, Commercial<br>and Institutional Banking |           |                   | Consumer and<br>Business Banking |           |                   | Payment Services |           |                   |
|------------------------------------------------------------|------------------------------------------------------------|-----------|-------------------|----------------------------------|-----------|-------------------|------------------|-----------|-------------------|
|                                                            | 2026                                                       | 2025      | Percent<br>Change | 2026                             | 2025      | Percent<br>Change | 2026             | 2025      | Percent<br>Change |
| <b>Condensed Income Statement</b>                          |                                                            |           |                   |                                  |           |                   |                  |           |                   |
| Net interest income (taxable-equivalent basis)             | \$ 1,937                                                   | \$ 1,724  | 12.4 %            | \$ 1,836                         | \$ 1,841  | (.3)%             | \$ 774           | \$ 730    | 6.0 %             |
| Noninterest income                                         | 1,834                                                      | 1,496     | 22.6              | 537                              | 535       | .4                | 1,038            | 984       | 5.5               |
| Total net revenue                                          | 3,771                                                      | 3,220     | 17.1              | 2,373                            | 2,376     | (.1)              | 1,812            | 1,714     | 5.7               |
| Noninterest expense                                        | 1,602                                                      | 1,477     | 8.5               | 1,510                            | 1,517     | (.5)              | 1,127            | 1,016     | 10.9              |
| Income (loss) before provision and income taxes            | 2,169                                                      | 1,743     | 24.4              | 863                              | 859       | .5                | 685              | 698       | (1.9)             |
| Provision for credit losses                                | 129                                                        | 178       | (27.5)            | 78                               | 37        | *                 | 385              | 384       | .3                |
| Income (loss) before income taxes                          | 2,040                                                      | 1,565     | 30.4              | 785                              | 822       | (4.5)             | 300              | 314       | (4.5)             |
| Income taxes and taxable-equivalent adjustment             | 510                                                        | 391       | 30.4              | 196                              | 206       | (4.9)             | 75               | 79        | (5.1)             |
| Net income (loss)                                          | 1,530                                                      | 1,174     | 30.3              | 589                              | 616       | (4.4)             | 225              | 235       | (4.3)             |
| Net (income) loss attributable to noncontrolling interests | —                                                          | —         | —                 | —                                | —         | —                 | —                | —         | —                 |
| Net income (loss) attributable to U.S. Bancorp             | \$ 1,530                                                   | \$ 1,174  | 30.3              | \$ 589                           | \$ 616    | (4.4)             | \$ 225           | \$ 235    | (4.3)             |
| <b>Average Balance Sheet</b>                               |                                                            |           |                   |                                  |           |                   |                  |           |                   |
| Loans                                                      | \$213,957                                                  | \$185,545 | 15.3              | \$144,008                        | \$149,500 | (3.7)             | \$ 45,947        | \$ 42,224 | 8.8               |
| Goodwill                                                   | 5,028                                                      | 4,826     | 4.2               | 4,326                            | 4,326     | —                 | 3,479            | 3,425     | 1.6               |
| Other intangible assets                                    | 645                                                        | 817       | (21.1)            | 3,910                            | 4,277     | (8.6)             | 241              | 258       | (6.6)             |
| Assets                                                     | 268,412                                                    | 234,434   | 14.5              | 157,112                          | 165,129   | (4.9)             | 51,171           | 47,840    | 7.0               |
| Noninterest-bearing deposits                               | 57,877                                                     | 55,230    | 4.8               | 18,632                           | 19,732    | (5.6)             | 2,390            | 2,439     | (2.0)             |
| Interest-bearing deposits                                  | 227,688                                                    | 213,621   | 6.6               | 206,430                          | 200,548   | 2.9               | 93               | 95        | (2.1)             |
| Total deposits                                             | 285,565                                                    | 268,851   | 6.2               | 225,062                          | 220,280   | 2.2               | 2,483            | 2,534     | (2.0)             |
| Total U.S. Bancorp shareholders' equity                    | 25,064                                                     | 23,700    | 5.8               | 12,865                           | 13,563    | (5.1)             | 10,692           | 10,234    | 4.5               |

| Three Months Ended June 30<br>(Dollars in Millions)        | Treasury and<br>Corporate Support |          |                   | Consolidated<br>Company |           |                   |
|------------------------------------------------------------|-----------------------------------|----------|-------------------|-------------------------|-----------|-------------------|
|                                                            | 2026                              | 2025     | Percent<br>Change | 2026                    | 2025      | Percent<br>Change |
| <b>Condensed Income Statement</b>                          |                                   |          |                   |                         |           |                   |
| Net interest income (taxable-equivalent basis)             | \$ (160)                          | \$ (215) | 25.6 %            | \$ 4,387                | \$ 4,080  | 7.5 %             |
| Noninterest income                                         | (84)                              | (91)     | 7.7               | 3,325                   | 2,924     | 13.7              |
| Total net revenue                                          | (244)                             | (306)    | 20.3              | 7,712                   | 7,004     | 10.1              |
| Noninterest expense                                        | 189                               | 171      | 10.5              | 4,428                   | 4,181     | 5.9               |
| Income (loss) before provision and income taxes            | (433)                             | (477)    | 9.2               | 3,284                   | 2,823     | 16.3              |
| Provision for credit losses                                | (54)                              | (98)     | 44.9              | 538                     | 501       | 7.4               |
| Income (loss) before income taxes                          | (379)                             | (379)    | —                 | 2,746                   | 2,322     | 18.3              |
| Income taxes and taxable-equivalent adjustment             | (218)                             | (175)    | (24.6)            | 563                     | 501       | 12.4              |
| Net income (loss)                                          | (161)                             | (204)    | 21.1              | 2,183                   | 1,821     | 19.9              |
| Net (income) loss attributable to noncontrolling interests | (6)                               | (6)      | —                 | (6)                     | (6)       | —                 |
| Net income (loss) attributable to U.S. Bancorp             | \$ (167)                          | \$ (210) | 20.5              | \$ 2,177                | \$ 1,815  | 19.9              |
| <b>Average Balance Sheet</b>                               |                                   |          |                   |                         |           |                   |
| Loans                                                      | \$ 1,569                          | \$ 1,260 | 24.5              | \$405,481               | \$378,529 | 7.1               |
| Goodwill                                                   | —                                 | —        | —                 | 12,833                  | 12,577    | 2.0               |
| Other intangible assets                                    | 6                                 | 8        | (25.0)            | 4,802                   | 5,360     | (10.4)            |
| Assets                                                     | 218,015                           | 225,938  | (3.5)             | 694,710                 | 673,341   | 3.2               |
| Noninterest-bearing deposits                               | 1,712                             | 1,716    | (.2)              | 80,611                  | 79,117    | 1.9               |
| Interest-bearing deposits                                  | 258                               | 9,509    | (97.3)            | 434,469                 | 423,773   | 2.5               |
| Total deposits                                             | 1,970                             | 11,225   | (82.4)            | 515,080                 | 502,890   | 2.4               |
| Total U.S. Bancorp shareholders' equity                    | 18,244                            | 13,402   | 36.1              | 66,865                  | 60,899    | 9.8               |

\* Not meaningful

| Six Months Ended June 30<br>(Dollars in Millions)          | Wealth, Corporate, Commercial<br>and Institutional Banking |           |                   | Consumer and<br>Business Banking |           |                   | Payment Services |           |                   |
|------------------------------------------------------------|------------------------------------------------------------|-----------|-------------------|----------------------------------|-----------|-------------------|------------------|-----------|-------------------|
|                                                            | 2026                                                       | 2025      | Percent<br>Change | 2026                             | 2025      | Percent<br>Change | 2026             | 2025      | Percent<br>Change |
| <b>Condensed Income Statement</b>                          |                                                            |           |                   |                                  |           |                   |                  |           |                   |
| Net interest income (taxable-equivalent basis)             | \$ 3,811                                                   | \$ 3,432  | 11.0 %            | \$ 3,635                         | \$ 3,608  | .7 %              | \$ 1,568         | \$ 1,472  | 6.5 %             |
| Noninterest income                                         | 3,442                                                      | 2,918     | 18.0              | 1,052                            | 1,058     | (.6)              | 1,963            | 1,896     | 3.5               |
| Total net revenue                                          | 7,253                                                      | 6,350     | 14.2              | 4,687                            | 4,666     | .5                | 3,531            | 3,368     | 4.8               |
| Noninterest expense                                        | 3,079                                                      | 2,934     | 4.9               | 2,992                            | 3,027     | (1.2)             | 2,136            | 2,008     | 6.4               |
| Income (loss) before provision and income taxes            | 4,174                                                      | 3,416     | 22.2              | 1,695                            | 1,639     | 3.4               | 1,395            | 1,360     | 2.6               |
| Provision for credit losses                                | 194                                                        | 220       | (11.8)            | 150                              | 99        | 51.5              | 732              | 701       | 4.4               |
| Income (loss) before income taxes                          | 3,980                                                      | 3,196     | 24.5              | 1,545                            | 1,540     | .3                | 663              | 659       | .6                |
| Income taxes and taxable-equivalent adjustment             | 995                                                        | 799       | 24.5              | 386                              | 386       | —                 | 166              | 165       | .6                |
| Net income (loss)                                          | 2,985                                                      | 2,397     | 24.5              | 1,159                            | 1,154     | .4                | 497              | 494       | .6                |
| Net (income) loss attributable to noncontrolling interests | —                                                          | —         | —                 | —                                | —         | —                 | —                | —         | —                 |
| Net income (loss) attributable to U.S. Bancorp             | \$ 2,985                                                   | \$ 2,397  | 24.5              | \$ 1,159                         | \$ 1,154  | .4                | \$ 497           | \$ 494    | .6                |
| <b>Average Balance Sheet</b>                               |                                                            |           |                   |                                  |           |                   |                  |           |                   |
| Loans                                                      | \$208,980                                                  | \$183,872 | 13.7              | \$144,100                        | \$151,702 | (5.0)             | \$ 44,980        | \$ 41,917 | 7.3               |
| Goodwill                                                   | 4,928                                                      | 4,825     | 2.1               | 4,326                            | 4,326     | —                 | 3,480            | 3,409     | 2.1               |
| Other intangible assets                                    | 663                                                        | 840       | (21.1)            | 3,912                            | 4,322     | (9.5)             | 240              | 254       | (5.5)             |
| Assets                                                     | 262,350                                                    | 232,532   | 12.8              | 157,044                          | 165,877   | (5.3)             | 50,096           | 47,338    | 5.8               |
| Noninterest-bearing deposits                               | 57,837                                                     | 55,581    | 4.1               | 18,507                           | 19,502    | (5.1)             | 2,407            | 2,527     | (4.7)             |
| Interest-bearing deposits                                  | 228,924                                                    | 216,457   | 5.8               | 205,082                          | 199,628   | 2.7               | 93               | 95        | (2.1)             |
| Total deposits                                             | 286,761                                                    | 272,038   | 5.4               | 223,589                          | 219,130   | 2.0               | 2,500            | 2,622     | (4.7)             |
| Total U.S. Bancorp shareholders' equity                    | 24,636                                                     | 23,604    | 4.4               | 12,986                           | 13,637    | (4.8)             | 10,644           | 10,232    | 4.0               |

| Six Months Ended June 30<br>(Dollars in Millions)          | Treasury and<br>Corporate Support |          |                   | Consolidated<br>Company |           |                   |
|------------------------------------------------------------|-----------------------------------|----------|-------------------|-------------------------|-----------|-------------------|
|                                                            | 2026                              | 2025     | Percent<br>Change | 2026                    | 2025      | Percent<br>Change |
| <b>Condensed Income Statement</b>                          |                                   |          |                   |                         |           |                   |
| Net interest income (taxable-equivalent basis)             | \$ (336)                          | \$ (310) | (8.4)%            | \$ 8,678                | \$ 8,202  | 5.8 %             |
| Noninterest income                                         | (135)                             | (112)    | (20.5)            | 6,322                   | 5,760     | 9.8               |
| Total net revenue                                          | (471)                             | (422)    | (11.6)            | 15,000                  | 13,962    | 7.4               |
| Noninterest expense                                        | 486                               | 444      | 9.5               | 8,693                   | 8,413     | 3.3               |
| Income (loss) before provision and income taxes            | (957)                             | (866)    | (10.5)            | 6,307                   | 5,549     | 13.7              |
| Provision for credit losses                                | 38                                | 18       | *                 | 1,114                   | 1,038     | 7.3               |
| Income (loss) before income taxes                          | (995)                             | (884)    | (12.6)            | 5,193                   | 4,511     | 15.1              |
| Income taxes and taxable-equivalent adjustment             | (487)                             | (376)    | (29.5)            | 1,060                   | 974       | 8.8               |
| Net income (loss)                                          | (508)                             | (508)    | —                 | 4,133                   | 3,537     | 16.9              |
| Net (income) loss attributable to noncontrolling interests | (11)                              | (13)     | 15.4              | (11)                    | (13)      | 15.4              |
| Net income (loss) attributable to U.S. Bancorp             | \$ (519)                          | \$ (521) | .4                | \$ 4,122                | \$ 3,524  | 17.0              |
| <b>Average Balance Sheet</b>                               |                                   |          |                   |                         |           |                   |
| Loans                                                      | \$ 1,493                          | \$ 1,286 | 16.1              | \$399,553               | \$378,777 | 5.5               |
| Goodwill                                                   | —                                 | —        | —                 | 12,734                  | 12,560    | 1.4               |
| Other intangible assets                                    | 6                                 | 8        | (25.0)            | 4,821                   | 5,424     | (11.1)            |
| Assets                                                     | 222,024                           | 225,631  | (1.6)             | 691,514                 | 671,378   | 3.0               |
| Noninterest-bearing deposits                               | 1,869                             | 1,795    | 4.1               | 80,620                  | 79,405    | 1.5               |
| Interest-bearing deposits                                  | 381                               | 9,117    | (95.8)            | 434,480                 | 425,297   | 2.2               |
| Total deposits                                             | 2,250                             | 10,912   | (79.4)            | 515,100                 | 504,702   | 2.1               |
| Total U.S. Bancorp shareholders' equity                    | 18,098                            | 12,785   | 41.6              | 66,364                  | 60,258    | 10.1              |

\* 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,
- Tangible book value per common share, 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. 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)                                                                                                                   | June 30,<br>2026 | December 31,<br>2025 |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------|
| Total equity                                                                                                                            | \$ 67,895        | \$ 65,651            |
| Preferred stock                                                                                                                         | (6,808)          | (6,808)              |
| Noncontrolling interests                                                                                                                | (463)            | (458)                |
| Common equity <sup>(1)</sup>                                                                                                            | 60,624           | 58,385               |
| Goodwill (net of deferred tax liability) <sup>(a)</sup>                                                                                 | (12,193)         | (11,603)             |
| Intangible assets (net of deferred tax liability), other than mortgage servicing rights                                                 | (1,624)          | (1,507)              |
| Tangible common equity <sup>(2)</sup>                                                                                                   | 46,807           | 45,275               |
| Total assets <sup>(3)</sup>                                                                                                             | 725,918          | 692,345              |
| Goodwill (net of deferred tax liability) <sup>(a)</sup>                                                                                 | (12,193)         | (11,603)             |
| Intangible assets (net of deferred tax liability), other than mortgage servicing rights                                                 | (1,624)          | (1,507)              |
| Tangible assets <sup>(4)</sup>                                                                                                          | 712,101          | 679,235              |
| Risk-weighted assets, determined in accordance with prescribed regulatory capital requirements effective for the Company <sup>(5)</sup> | 496,488          | 480,382              |
| <b>Ratios</b>                                                                                                                           |                  |                      |
| Common equity to assets <sup>(1)/(3)</sup>                                                                                              | 8.4 %            | 8.4 %                |
| Tangible common equity to tangible assets <sup>(2)/(4)</sup>                                                                            | 6.6              | 6.7                  |
| Tangible common equity to risk-weighted assets <sup>(2)/(5)</sup>                                                                       | 9.4              | 9.4                  |

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

| (Dollars in Millions)                                                     | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|---------------------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                                                           | 2026                          | 2025     | 2026                        | 2025     |
| Net interest income                                                       | \$ 4,361                      | \$ 4,051 | \$ 8,624                    | \$ 8,143 |
| Taxable-equivalent adjustment <sup>(a)</sup>                              | 26                            | 29       | 54                          | 59       |
| Net interest income, on a taxable-equivalent basis                        | 4,387                         | 4,080    | 8,678                       | 8,202    |
| Net interest income, on a taxable-equivalent basis (as calculated above)  | 4,387                         | 4,080    | 8,678                       | 8,202    |
| Noninterest income                                                        | 3,325                         | 2,924    | 6,322                       | 5,760    |
| Less: Securities gains (losses), net                                      | (49)                          | (57)     | (84)                        | (57)     |
| Total net revenue, excluding net securities gains (losses) <sup>(1)</sup> | 7,761                         | 7,061    | 15,084                      | 14,019   |
| Noninterest expense <sup>(2)</sup>                                        | 4,428                         | 4,181    | 8,693                       | 8,413    |
| Efficiency ratio <sup>(2)/(1)</sup>                                       | 57.1 %                        | 59.2 %   | 57.6 %                      | 60.0 %   |

(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<br>June 30 |          | Six Months Ended<br>June 30 |          |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                                                                                                         | 2026                          | 2025     | 2026                        | 2025     |
| Net income applicable to U.S. Bancorp common shareholders                                                               | \$ 2,098                      | \$ 1,733 | \$ 3,939                    | \$ 3,336 |
| Intangibles amortization (net-of-tax)                                                                                   | 90                            | 98       | 177                         | 195      |
| Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization                           | 2,188                         | 1,831    | 4,116                       | 3,531    |
| Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization <sup>(1)</sup> | 8,776                         | 7,344    | 8,300                       | 7,121    |
| Average total equity                                                                                                    | 67,327                        | 61,356   | 66,824                      | 60,717   |
| Average preferred stock                                                                                                 | (6,808)                       | (6,808)  | (6,808)                     | (6,808)  |
| Average noncontrolling interests                                                                                        | (462)                         | (457)    | (460)                       | (459)    |
| Average goodwill (net of deferred tax liability) <sup>(a)</sup>                                                         | (11,796)                      | (11,544) | (11,699)                    | (11,528) |
| Average intangible assets (net of deferred tax liability), other than mortgage servicing rights                         | (1,409)                       | (1,734)  | (1,442)                     | (1,770)  |
| Average tangible common equity <sup>(2)</sup>                                                                           | 46,852                        | 40,813   | 46,415                      | 40,152   |
| Return on tangible common equity <sup>(1)/(2)</sup>                                                                     | 18.7 %                        | 18.0 %   | 17.9 %                      | 17.7 %   |

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

| (Dollars in Millions, Except Per Share Data)                                            | June 30, 2026 | June 30, 2025 |
|-----------------------------------------------------------------------------------------|---------------|---------------|
| Common equity                                                                           | \$ 60,624     | \$ 54,630     |
| Goodwill (net of deferred tax liability) <sup>(a)</sup>                                 | (12,193)      | (11,613)      |
| Intangible assets (net of deferred tax liability), other than mortgage servicing rights | (1,624)       | (1,699)       |
| Tangible common equity <sup>(1)</sup>                                                   | 46,807        | 41,318        |
| Common shares outstanding <sup>(2)</sup>                                                | 1,558         | 1,558         |
| Tangible book value per common share <sup>(1)/(2)</sup>                                 | \$ 30.04      | \$ 26.52      |

(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, 2025.

## 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 second quarter of 2026, 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)  
(Unaudited)

June 30,  
2026      December 31,  
2025

### Assets

|                                                                                                                                     |            |            |
|-------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Cash and due from banks                                                                                                             | \$ 66,491  | \$ 46,890  |
| Investment securities                                                                                                               |            |            |
| Held-to-maturity (fair value \$64,622 and \$67,079, respectively)                                                                   | 74,085     | 76,170     |
| Available-for-sale (\$265 and \$294 pledged as collateral, respectively) <sup>(a)</sup>                                             | 89,085     | 90,838     |
| Loans held for sale (including \$2,645 and \$2,353 of mortgage loans carried at fair value, respectively)                           | 3,038      | 2,538      |
| Loans                                                                                                                               |            |            |
| Commercial                                                                                                                          | 159,655    | 148,161    |
| Commercial real estate                                                                                                              | 52,348     | 48,920     |
| Residential mortgages                                                                                                               | 117,311    | 115,885    |
| Credit card                                                                                                                         | 39,079     | 38,031     |
| Other retail                                                                                                                        | 41,907     | 40,338     |
| Total loans                                                                                                                         | 410,300    | 391,335    |
| Less allowance for loan losses                                                                                                      | (7,645)    | (7,605)    |
| Net loans                                                                                                                           | 402,655    | 383,730    |
| Premises and equipment                                                                                                              | 3,847      | 3,768      |
| Goodwill                                                                                                                            | 13,234     | 12,635     |
| Other intangible assets                                                                                                             | 4,999      | 4,904      |
| Other assets (including \$2,714 and \$2,585 of trading securities at fair value pledged as collateral, respectively) <sup>(a)</sup> | 68,484     | 70,872     |
| Total assets                                                                                                                        | \$ 725,918 | \$ 692,345 |

### Liabilities and Shareholders' Equity

|                                                                                                                              |            |            |
|------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| Deposits                                                                                                                     |            |            |
| Noninterest-bearing                                                                                                          | \$ 85,791  | \$ 84,116  |
| Interest-bearing (including \$13 and \$718 of time deposits carried at fair value, respectively)                             | 446,275    | 438,100    |
| Total deposits                                                                                                               | 532,066    | 522,216    |
| Short-term borrowings                                                                                                        | 37,337     | 17,162     |
| Long-term debt (including \$1,904 and \$1,414 of long-term debt carried at fair value, respectively)                         | 58,671     | 60,764     |
| Other liabilities                                                                                                            | 29,949     | 26,552     |
| Total liabilities                                                                                                            | 658,023    | 626,694    |
| Shareholders' equity                                                                                                         |            |            |
| Preferred stock                                                                                                              | 6,808      | 6,808      |
| Common stock, \$.01 par value per share, authorized: 4,000,000,000 shares; issued: 6/30/26 and 12/31/25—2,125,725,742 shares | 21         | 21         |
| Capital surplus                                                                                                              | 8,773      | 8,728      |
| Retained earnings                                                                                                            | 83,241     | 80,906     |
| Less cost of common stock in treasury: 6/30/26—567,916,191 shares; 12/31/25—570,328,105 shares                               | (24,300)   | (24,283)   |
| Accumulated other comprehensive income (loss)                                                                                | (7,111)    | (6,987)    |
| Total U.S. Bancorp shareholders' equity                                                                                      | 67,432     | 65,193     |
| Noncontrolling interests                                                                                                     | 463        | 458        |
| Total equity                                                                                                                 | 67,895     | 65,651     |
| Total liabilities and equity                                                                                                 | \$ 725,918 | \$ 692,345 |

(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<br>June 30 |          | Six Months Ended<br>June 30 |           |
|------------------------------------------------------------|-------------------------------|----------|-----------------------------|-----------|
|                                                            | 2026                          | 2025     | 2026                        | 2025      |
| <b>Interest Income</b>                                     |                               |          |                             |           |
| Loans                                                      | \$ 5,728                      | \$ 5,548 | \$ 11,254                   | \$ 11,081 |
| Loans held for sale                                        | 43                            | 59       | 78                          | 87        |
| Investment securities                                      | 1,344                         | 1,355    | 2,647                       | 2,663     |
| Other interest income                                      | 483                           | 642      | 1,026                       | 1,289     |
| Total interest income                                      | 7,598                         | 7,604    | 15,005                      | 15,120    |
| <b>Interest Expense</b>                                    |                               |          |                             |           |
| Deposits                                                   | 2,330                         | 2,541    | 4,614                       | 5,052     |
| Short-term borrowings                                      | 249                           | 291      | 463                         | 540       |
| Long-term debt                                             | 658                           | 721      | 1,304                       | 1,385     |
| Total interest expense                                     | 3,237                         | 3,553    | 6,381                       | 6,977     |
| Net interest income                                        | 4,361                         | 4,051    | 8,624                       | 8,143     |
| Provision for credit losses                                | 538                           | 501      | 1,114                       | 1,038     |
| Net interest income after provision for credit losses      | 3,823                         | 3,550    | 7,510                       | 7,105     |
| <b>Noninterest Income</b>                                  |                               |          |                             |           |
| Card revenue                                               | 435                           | 413      | 826                         | 787       |
| Corporate payment and treasury management revenue          | 440                           | 421      | 848                         | 821       |
| Merchant processing services                               | 485                           | 474      | 921                         | 889       |
| Trust and investment management fees                       | 785                           | 703      | 1,530                       | 1,383     |
| Lending and deposit-related fees                           | 308                           | 277      | 602                         | 543       |
| Capital markets revenue                                    | 512                           | 315      | 889                         | 607       |
| Mortgage banking revenue                                   | 169                           | 162      | 330                         | 335       |
| Investment products fees                                   | 102                           | 90       | 199                         | 177       |
| Securities gains (losses), net                             | (49)                          | (57)     | (84)                        | (57)      |
| Other                                                      | 138                           | 126      | 261                         | 275       |
| Total noninterest income                                   | 3,325                         | 2,924    | 6,322                       | 5,760     |
| <b>Noninterest Expense</b>                                 |                               |          |                             |           |
| Compensation and employee benefits                         | 2,685                         | 2,600    | 5,313                       | 5,237     |
| Net occupancy and equipment                                | 303                           | 301      | 607                         | 607       |
| Professional services                                      | 112                           | 109      | 204                         | 207       |
| Marketing and business development                         | 216                           | 161      | 433                         | 343       |
| Technology and communications                              | 601                           | 534      | 1,174                       | 1,067     |
| Other intangibles                                          | 114                           | 124      | 224                         | 247       |
| Other                                                      | 397                           | 352      | 738                         | 705       |
| Total noninterest expense                                  | 4,428                         | 4,181    | 8,693                       | 8,413     |
| Income before income taxes                                 | 2,720                         | 2,293    | 5,139                       | 4,452     |
| Applicable income taxes                                    | 537                           | 472      | 1,006                       | 915       |
| Net income                                                 | 2,183                         | 1,821    | 4,133                       | 3,537     |
| Net (income) loss attributable to noncontrolling interests | (6)                           | (6)      | (11)                        | (13)      |
| Net income attributable to U.S. Bancorp                    | \$ 2,177                      | \$ 1,815 | \$ 4,122                    | \$ 3,524  |
| Net income applicable to U.S. Bancorp common shareholders  | \$ 2,098                      | \$ 1,733 | \$ 3,939                    | \$ 3,336  |
| Earnings per common share                                  | \$ 1.35                       | \$ 1.11  | \$ 2.53                     | \$ 2.14   |
| Diluted earnings per common share                          | \$ 1.35                       | \$ 1.11  | \$ 2.53                     | \$ 2.14   |
| Average common shares outstanding                          | 1,554                         | 1,559    | 1,554                       | 1,559     |
| Average diluted common shares outstanding                  | 1,555                         | 1,559    | 1,555                       | 1,560     |

See Notes to Consolidated Financial Statements.



# U.S. Bancorp

## Consolidated Statement of Comprehensive Income

| (Dollars in Millions)<br>(Unaudited)                                             | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|----------------------------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                                                                  | 2026                          | 2025     | 2026                        | 2025     |
| Net income                                                                       | \$ 2,183                      | \$ 1,821 | \$ 4,133                    | \$ 3,537 |
| <b>Other Comprehensive Income (Loss)</b>                                         |                               |          |                             |          |
| Changes in unrealized gains (losses) on investment securities available-for-sale | 191                           | 198      | (143)                       | 706      |
| Changes in unrealized gains (losses) on derivative hedges                        | (225)                         | 157      | (389)                       | 441      |
| Changes in debit valuation adjustments                                           | (15)                          | (5)      | (9)                         | (3)      |
| Foreign currency translation                                                     | 4                             | (8)      | 9                           | (4)      |
| Reclassification to earnings of realized (gains) losses                          | 196                           | 244      | 367                         | 414      |
| Income taxes related to other comprehensive income (loss)                        | (39)                          | (153)    | 41                          | (399)    |
| Total other comprehensive income (loss)                                          | 112                           | 433      | (124)                       | 1,155    |
| Comprehensive income (loss)                                                      | 2,295                         | 2,254    | 4,009                       | 4,692    |
| Comprehensive (income) loss attributable to noncontrolling interests             | (6)                           | (6)      | (11)                        | (13)     |
| Comprehensive income (loss) attributable to U.S. Bancorp                         | \$ 2,289                      | \$ 2,248 | \$ 3,998                    | \$ 4,679 |

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)<br>(Unaudited) | Common<br>Shares<br>Outstanding | Preferred<br>Stock | Common<br>Stock | Capital<br>Surplus | Retained<br>Earnings | Treasury<br>Stock | Accumulated<br>Other<br>Comprehensive<br>Income (Loss) | Total U.S.<br>Bancorp<br>Shareholders'<br>Equity | Noncontrolling<br>Interests | Total<br>Equity |
| <b>Balance March 31, 2025</b>                                          | 1,560                           | \$ 6,808           | \$ 21           | \$ 8,678           | \$ 77,691            | \$(24,060)        | \$ (9,042)                                             | \$ 60,096                                        | \$ 462                      | \$ 60,558       |
| Net income (loss)                                                      |                                 |                    |                 |                    | 1,815                |                   |                                                        | 1,815                                            | 6                           | 1,821           |
| Other comprehensive income (loss)                                      |                                 |                    |                 |                    |                      |                   | 433                                                    | 433                                              |                             | 433             |
| Preferred stock dividends <sup>(a)</sup>                               |                                 |                    |                 |                    | (70)                 |                   |                                                        | (70)                                             |                             | (70)            |
| Common stock dividends (\$.50 per share)                               |                                 |                    |                 |                    | (784)                |                   |                                                        | (784)                                            |                             | (784)           |
| Issuance of common and treasury stock                                  |                                 |                    |                 | (19)               |                      | 26                |                                                        | 7                                                |                             | 7               |
| Purchase of treasury stock                                             | (2)                             |                    |                 |                    |                      | (106)             |                                                        | (106)                                            |                             | (106)           |
| Distributions to noncontrolling interests                              |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (6)                         | (6)             |
| Net other changes in noncontrolling interests                          |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (4)                         | (4)             |
| Stock option and restricted stock grants                               |                                 |                    |                 | 47                 |                      |                   |                                                        | 47                                               |                             | 47              |
| <b>Balance June 30, 2025</b>                                           | 1,558                           | \$ 6,808           | \$ 21           | \$ 8,706           | \$ 78,652            | \$(24,140)        | \$ (8,609)                                             | \$ 61,438                                        | \$ 458                      | \$ 61,896       |
| <b>Balance March 31, 2026</b>                                          | 1,555                           | \$ 6,808           | \$ 21           | \$ 8,623           | \$ 81,944            | \$(24,387)        | \$ (7,223)                                             | \$ 65,786                                        | \$ 461                      | \$ 66,247       |
| Net income (loss)                                                      |                                 |                    |                 |                    | 2,177                |                   |                                                        | 2,177                                            | 6                           | 2,183           |
| Other comprehensive income (loss)                                      |                                 |                    |                 |                    |                      |                   | 112                                                    | 112                                              |                             | 112             |
| Preferred stock dividends <sup>(b)</sup>                               |                                 |                    |                 |                    | (66)                 |                   |                                                        | (66)                                             |                             | (66)            |
| Common stock dividends (\$.52 per share)                               |                                 |                    |                 |                    | (814)                |                   |                                                        | (814)                                            |                             | (814)           |
| Issuance of common and treasury stock                                  | 6                               |                    |                 | 77                 |                      | 290               |                                                        | 367                                              |                             | 367             |
| Purchase of treasury stock                                             | (3)                             |                    |                 |                    |                      | (203)             |                                                        | (203)                                            |                             | (203)           |
| Distributions to noncontrolling interests                              |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (6)                         | (6)             |
| Net other changes in noncontrolling interests                          |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | 2                           | 2               |
| Stock option and restricted stock grants                               |                                 |                    |                 | 73                 |                      |                   |                                                        | 73                                               |                             | 73              |
| <b>Balance June 30, 2026</b>                                           | 1,558                           | \$ 6,808           | \$ 21           | \$ 8,773           | \$ 83,241            | \$(24,300)        | \$ (7,111)                                             | \$ 67,432                                        | \$ 463                      | \$ 67,895       |
| <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)                                                      |                                 |                    |                 |                    | 3,524                |                   |                                                        | 3,524                                            | 13                          | 3,537           |
| Other comprehensive income (loss)                                      |                                 |                    |                 |                    |                      |                   | 1,155                                                  | 1,155                                            |                             | 1,155           |
| Preferred stock dividends <sup>(c)</sup>                               |                                 |                    |                 |                    | (165)                |                   |                                                        | (165)                                            |                             | (165)           |
| Common stock dividends (\$1.00 per share)                              |                                 |                    |                 |                    | (1,570)              |                   |                                                        | (1,570)                                          |                             | (1,570)         |
| Issuance of common and treasury stock                                  | 4                               |                    |                 | (168)              |                      | 191               |                                                        | 23                                               |                             | 23              |
| Purchase of treasury stock                                             | (6)                             |                    |                 |                    |                      | (266)             |                                                        | (266)                                            |                             | (266)           |
| Distributions to noncontrolling interests                              |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (13)                        | (13)            |
| Net other changes in noncontrolling interests                          |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (4)                         | (4)             |
| Stock option and restricted stock grants                               |                                 |                    |                 | 159                |                      |                   |                                                        | 159                                              |                             | 159             |
| <b>Balance June 30, 2025</b>                                           | 1,558                           | \$ 6,808           | \$ 21           | \$ 8,706           | \$ 78,652            | \$(24,140)        | \$ (8,609)                                             | \$ 61,438                                        | \$ 458                      | \$ 61,896       |
| <b>Balance December 31, 2025</b>                                       | 1,555                           | \$ 6,808           | \$ 21           | \$ 8,728           | \$ 80,906            | \$(24,283)        | \$ (6,987)                                             | \$ 65,193                                        | \$ 458                      | \$ 65,651       |
| Net income (loss)                                                      |                                 |                    |                 |                    | 4,122                |                   |                                                        | 4,122                                            | 11                          | 4,133           |
| Other comprehensive income (loss)                                      |                                 |                    |                 |                    |                      |                   | (124)                                                  | (124)                                            |                             | (124)           |
| Preferred stock dividends <sup>(d)</sup>                               |                                 |                    |                 |                    | (159)                |                   |                                                        | (159)                                            |                             | (159)           |
| Common stock dividends (\$1.04 per share)                              |                                 |                    |                 |                    | (1,628)              |                   |                                                        | (1,628)                                          |                             | (1,628)         |
| Issuance of common and treasury stock                                  | 11                              |                    |                 | (80)               |                      | 463               |                                                        | 383                                              |                             | 383             |
| Purchase of treasury stock                                             | (8)                             |                    |                 |                    |                      | (480)             |                                                        | (480)                                            |                             | (480)           |
| Distributions to noncontrolling interests                              |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | (11)                        | (11)            |
| Net other changes in noncontrolling interests                          |                                 |                    |                 |                    |                      |                   |                                                        | —                                                | 5                           | 5               |
| Stock option and restricted stock grants                               |                                 |                    |                 | 125                |                      |                   |                                                        | 125                                              |                             | 125             |
| <b>Balance June 30, 2026</b>                                           | 1,558                           | \$ 6,808           | \$ 21           | \$ 8,773           | \$ 83,241            | \$(24,300)        | \$ (7,111)                                             | \$ 67,432                                        | \$ 463                      | \$ 67,895       |

(a) Reflects dividends declared per share on the Company's Series A, Series B, Series K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$1,399.810, \$323.411, \$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 K, Series L, Series M, Series N and Series O Non-Cumulative Perpetual Preferred Stock of \$1,252.441, \$286.568, \$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 \$2,795.708, \$646.135, \$662.50, \$687.50, \$468.75, \$500.00, \$462.50 and \$562.50, 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 \$2,490.891, \$569.931, \$662.50, \$687.50, \$468.75, \$500.00, \$462.50 and \$562.50, respectively.

See Notes to Consolidated Financial Statements.

# U.S. Bancorp

## Consolidated Statement of Cash Flows

| (Dollars in Millions)<br>(Unaudited)                                             | Six Months Ended<br>June 30 |           |
|----------------------------------------------------------------------------------|-----------------------------|-----------|
|                                                                                  | 2026                        | 2025      |
| <b>Operating Activities</b>                                                      |                             |           |
| Net income attributable to U.S. Bancorp                                          | \$ 4,122                    | \$ 3,524  |
| Adjustments to reconcile net income to net cash provided by operating activities |                             |           |
| Provision for credit losses                                                      | 1,114                       | 1,038     |
| Depreciation and amortization of premises and equipment                          | 189                         | 185       |
| Amortization of intangibles                                                      | 224                         | 247       |
| (Gain) loss on sales of loans held for sale                                      | (74)                        | (108)     |
| (Gain) loss on sales of securities and other assets                              | 70                          | 15        |
| Loans originated for sale, net of repayments                                     | (11,316)                    | (9,847)   |
| Proceeds from sales of loans held for sale                                       | 10,729                      | 9,839     |
| Other, net                                                                       | 1,102                       | (3,288)   |
| Net cash provided by operating activities                                        | 6,160                       | 1,605     |
| <b>Investing Activities</b>                                                      |                             |           |
| Proceeds from sales of available-for-sale investment securities                  | 8,146                       | 3,525     |
| Proceeds from maturities of held-to-maturity investment securities               | 3,362                       | 3,652     |
| Proceeds from maturities of available-for-sale investment securities             | 5,474                       | 2,860     |
| Purchases of held-to-maturity investment securities                              | (1,059)                     | (2,620)   |
| Purchases of available-for-sale investment securities                            | (12,216)                    | (9,478)   |
| Net increase in loans outstanding                                                | (19,309)                    | (7,168)   |
| Proceeds from sales of loans                                                     | 432                         | 6,518     |
| Purchases of loans                                                               | (856)                       | (696)     |
| Net decrease in securities purchased under agreements to resell                  | 6,673                       | 922       |
| Net cash paid for acquisitions                                                   | (246)                       | (35)      |
| Other, net                                                                       | (2,129)                     | (1,398)   |
| Net cash used in investing activities                                            | (11,728)                    | (3,918)   |
| <b>Financing Activities</b>                                                      |                             |           |
| Net increase (decrease) in deposits                                              | 10,013                      | (199)     |
| Net increase (decrease) in short-term borrowings                                 | 19,948                      | (479)     |
| Proceeds from issuance of long-term debt                                         | 7,386                       | 9,327     |
| Principal payments or redemption of long-term debt                               | (9,708)                     | (3,750)   |
| Proceeds from issuance of common stock                                           | 19                          | 22        |
| Repurchase of common stock                                                       | (477)                       | (266)     |
| Cash dividends paid on preferred stock                                           | (160)                       | (168)     |
| Cash dividends paid on common stock                                              | (1,628)                     | (1,571)   |
| Other, net                                                                       | (25)                        | (47)      |
| Net cash provided by financing activities                                        | 25,368                      | 2,869     |
| Effect of exchange rate changes on cash and due from banks                       | (199)                       | 749       |
| Change in cash and due from banks                                                | 19,601                      | 1,305     |
| Cash and due from banks at beginning of period                                   | 46,890                      | 56,502    |
| Cash and due from banks at end of period                                         | \$ 66,491                   | \$ 57,807 |

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, 2025. Certain amounts in prior periods have been reclassified to conform to the current period presentation.

Effective January 1, 2026, the Company made changes and reclassifications to certain fee revenue generating activities and loan portfolios to align financial reporting with the current management of the Company's businesses. Corporate payment products revenue was renamed Corporate payment and treasury management revenue and now includes (1) revenue generated from treasury management services, which was previously included in Service charges, and (2) stored-value card revenue, which was previously included in Card revenue. Service charges was renamed Lending and deposit-related fees and now includes loan and leasing fees, which were previously included in Capital markets revenue. Capital markets revenue now includes tax credit investment syndication revenue and related fees, which were previously included in Other noninterest income. The Company's small business credit card loans have been reclassified from the Commercial loan portfolio to the Credit card loan portfolio as these small business credit card loans share similar credit characteristics to consumer credit card loans.

The Company has evaluated the impact of events that have occurred subsequent to June 30, 2026 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 or related notes.

## NOTE 2 Accounting Changes

**Hedge Accounting Improvements** In November 2025, the Financial Accounting Standards Board ("FASB") issued guidance, effective for the Company for annual reporting periods beginning after December 15, 2026, related to hedge accounting. This guidance seeks to align hedge accounting with the economics of an entity's risk management activities. The guidance is to be adopted on a prospective basis with an election to adopt the guidance for hedging relationships that exist on the date of adoption. The Company expects the adoption of this guidance will not be material to its financial statements.

**Accounting for Credit Losses on Purchased Loans** In November 2025, the FASB issued guidance, effective for the Company for annual reporting periods beginning after December 15, 2026, related to accounting for credit losses on purchased loans. This guidance requires the allowance established for certain loans that are acquired without credit deterioration, excluding credit cards, be offset by an increase in the basis of the acquired loans at acquisition. The guidance is to be adopted on a prospective basis to loans that are acquired on or after the adoption date.

**Expense Disaggregation Disclosures** In November 2024, the FASB issued guidance, effective for the Company for annual reporting periods beginning after December 15, 2026, related to expense disaggregation disclosures. This guidance requires disclosures of additional information of specified expense categories underlying certain expense captions included in the Consolidated Statement of Income on both an annual and interim basis. The guidance is to be adopted on either a prospective or retrospective basis. The Company expects the adoption of this guidance will not be material to its financial statements.

**Targeted Improvements to the Accounting for Internal-Use Software** In September 2025, the FASB issued guidance, effective for the Company for annual reporting periods beginning after December 15, 2027, related to accounting for internal-use software. This guidance makes targeted improvements to modernize accounting for software costs, including when determining the starting point for capitalization. The guidance allows adoption using several transition methods. The Company expects the adoption of this guidance will not be material to its financial statements.

## NOTE 3 Business Combinations

On June 1, 2026, the Company acquired BTIG for a purchase price consisting of approximately \$395 million of cash and 6.6 million shares of the Company's common stock paid on the closing date, with up to an additional \$275 million of cash consideration to be paid over the next three years, subject to achievement of defined performance targets. BTIG is a global financial services firm specializing in institutional trading, investment banking, research and related brokerage services. The acquisition is expected to add fee revenue to the Company's Wealth, Corporate, Commercial and Institutional Banking business segment by expanding its current product offerings.

The Company recorded approximately \$1.5 billion of assets, including intangibles, and approximately \$786 million of liabilities in connection with the transaction. Preliminary goodwill of \$613 million recorded in connection with the transaction is primarily

attributable to the revenue and cost synergies expected to arise from the transaction and is not deductible for income tax purposes. The amounts of assets and liabilities, including goodwill, are subject to adjustment for a year after the closing date.

## NOTE 4 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)                                                 | June 30, 2026  |                  |                   |            | December 31, 2025 |                  |                   |            |
|-----------------------------------------------------------------------|----------------|------------------|-------------------|------------|-------------------|------------------|-------------------|------------|
|                                                                       | 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                                            | \$ 649         | \$ —             | \$ (6)            | \$ 643     | \$ 648            | \$ —             | \$ (4)            | \$ 644     |
| Mortgage-backed securities                                            |                |                  |                   |            |                   |                  |                   |            |
| Residential agency                                                    | 71,561         | 38               | (9,494)           | 62,105     | 73,591            | 72               | (9,184)           | 64,479     |
| Commercial agency                                                     | 1,594          | 2                | (5)               | 1,591      | 1,644             | 25               | (2)               | 1,667      |
| Other                                                                 | 281            | 2                | —                 | 283        | 287               | 2                | —                 | 289        |
| Total held-to-maturity                                                | \$74,085       | \$ 42            | \$ (9,505)        | \$ 64,622  | \$76,170          | \$ 99            | \$ (9,190)        | \$ 67,079  |
| <b>Available-for-Sale</b>                                             |                |                  |                   |            |                   |                  |                   |            |
| U.S. Treasury and agencies                                            | \$30,120       | \$ 23            | \$ (1,388)        | \$ 28,755  | \$30,098          | \$ 32            | \$ (1,360)        | \$ 28,770  |
| Mortgage-backed securities                                            |                |                  |                   |            |                   |                  |                   |            |
| Residential agency                                                    | 41,160         | 173              | (1,466)           | 39,867     | 39,066            | 286              | (1,342)           | 38,010     |
| Commercial                                                            |                |                  |                   |            |                   |                  |                   |            |
| Agency                                                                | 8,406          | —                | (984)             | 7,422      | 8,703             | —                | (961)             | 7,742      |
| Non-agency                                                            | 7              | —                | —                 | 7          | 7                 | —                | —                 | 7          |
| Asset-backed securities                                               | 5,530          | 6                | (1)               | 5,535      | 6,512             | 16               | (1)               | 6,527      |
| Obligations of state and political subdivisions                       | 8,166          | 8                | (813)             | 7,361      | 10,387            | 11               | (884)             | 9,514      |
| Other                                                                 | 137            | 1                | —                 | 138        | 265               | 3                | —                 | 268        |
| Total available-for-sale, excluding portfolio level basis adjustments | 93,526         | 211              | (4,652)           | 89,085     | 95,038            | 348              | (4,548)           | 90,838     |
| Portfolio level basis adjustments <sup>(a)</sup>                      | 3              | —                | (3)               | —          | 185               | —                | (185)             | —          |
| Total available-for-sale                                              | \$93,529       | \$ 211           | \$ (4,655)        | \$ 89,085  | \$95,223          | \$ 348           | \$ (4,733)        | \$ 90,838  |

(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 \$14.5 billion at June 30, 2026, and \$17.2 billion at December 31, 2025, 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 \$265 million at June 30, 2026, and \$294 million at December 31, 2025.

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

| (Dollars in Millions)                            | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|--------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                                  | 2026                          | 2025     | 2026                        | 2025     |
| Taxable                                          | \$ 1,276                      | \$ 1,281 | \$ 2,508                    | \$ 2,515 |
| Non-taxable                                      | 68                            | 74       | 139                         | 148      |
| Total interest income from investment securities | \$ 1,344                      | \$ 1,355 | \$ 2,647                    | \$ 2,663 |

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<br>June 30 |         | Six Months Ended<br>June 30 |         |
|-------------------------------------------------------------|-------------------------------|---------|-----------------------------|---------|
|                                                             | 2026                          | 2025    | 2026                        | 2025    |
| Realized gains                                              | \$ 3                          | \$ 1    | \$ 4                        | \$ 8    |
| Realized losses                                             | (52)                          | (58)    | (88)                        | (65)    |
| Net realized gains (losses)                                 | \$ (49)                       | \$ (57) | \$ (84)                     | \$ (57) |
| Income tax expense (benefit) on net realized gains (losses) | \$ (12)                       | \$ (14) | \$ (21)                     | \$ (14) |

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 June 30, 2026 and December 31, 2025.

At June 30, 2026, 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 June 30, 2026:

| (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                      | \$ 2,507            | \$ (30)           | \$ 14,636            | \$ (1,358)        | \$ 17,143  | \$ (1,388)        |
| Mortgage-backed securities                      |                     |                   |                      |                   |            |                   |
| Residential agency                              | 10,982              | (105)             | 12,353               | (1,361)           | 23,335     | (1,466)           |
| Commercial                                      |                     |                   |                      |                   |            |                   |
| Agency                                          | —                   | —                 | 7,423                | (984)             | 7,423      | (984)             |
| Non-agency                                      | —                   | —                 | 7                    | —                 | 7          | —                 |
| Asset-backed securities                         | 1,524               | (1)               | —                    | —                 | 1,524      | (1)               |
| Obligations of state and political subdivisions | 1,075               | (10)              | 5,709                | (803)             | 6,784      | (813)             |
| Total investment securities                     | \$ 16,088           | \$ (146)          | \$ 40,128            | \$ (4,506)        | \$ 56,216  | \$ (4,652)        |

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 June 30, 2026, 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 six months ended June 30, 2026 and 2025, 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 June 30, 2026:

| (Dollars in Millions)                                             | Amortized<br>Cost | Fair Value | Weighted-<br>Average<br>Maturity in<br>Years | Weighted-<br>Average<br>Yield <sup>(e)</sup> |
|-------------------------------------------------------------------|-------------------|------------|----------------------------------------------|----------------------------------------------|
| <b>Held-to-Maturity</b>                                           |                   |            |                                              |                                              |
| U.S. Treasury and agencies                                        |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 649            | \$ 643     | 0.8                                          | 3.00 %                                       |
| Maturing after one year through five years                        | —                 | —          | —                                            | —                                            |
| Maturing after five years through ten years                       | —                 | —          | —                                            | —                                            |
| Maturing after ten years                                          | —                 | —          | —                                            | —                                            |
| Total                                                             | \$ 649            | \$ 643     | 0.8                                          | 3.00 %                                       |
| Mortgage-backed securities <sup>(a)</sup>                         |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 144            | \$ 145     | 0.6                                          | 4.95 %                                       |
| Maturing after one year through five years                        | 1,705             | 1,704      | 3.0                                          | 4.43                                         |
| Maturing after five years through ten years                       | 71,300            | 61,841     | 8.3                                          | 2.29                                         |
| Maturing after ten years                                          | 6                 | 6          | 17.7                                         | 5.91                                         |
| Total                                                             | \$ 73,155         | \$ 63,696  | 8.1                                          | 2.35 %                                       |
| Other                                                             |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 145            | \$ 145     | 0.4                                          | 2.62 %                                       |
| Maturing after one year through five years                        | 136               | 138        | 1.7                                          | 2.68                                         |
| Maturing after five years through ten years                       | —                 | —          | —                                            | —                                            |
| Maturing after ten years                                          | —                 | —          | —                                            | —                                            |
| Total                                                             | \$ 281            | \$ 283     | 1.0                                          | 2.65 %                                       |
| Total held-to-maturity <sup>(b)</sup>                             | \$ 74,085         | \$ 64,622  | 8.1                                          | 2.35 %                                       |
| <b>Available-for-Sale</b>                                         |                   |            |                                              |                                              |
| U.S. Treasury and agencies                                        |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 10             | \$ 10      | 0.1                                          | 3.68 %                                       |
| Maturing after one year through five years                        | 21,585            | 21,062     | 3.1                                          | 3.27                                         |
| Maturing after five years through ten years                       | 8,525             | 7,683      | 6.2                                          | 2.69                                         |
| Maturing after ten years                                          | —                 | —          | —                                            | —                                            |
| Total                                                             | \$ 30,120         | \$ 28,755  | 4.0                                          | 3.11 %                                       |
| Mortgage-backed securities <sup>(a)</sup>                         |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 86             | \$ 86      | 0.2                                          | 2.13 %                                       |
| Maturing after one year through five years                        | 10,354            | 9,420      | 4.0                                          | 1.95                                         |
| Maturing after five years through ten years                       | 39,050            | 37,710     | 6.9                                          | 4.54                                         |
| Maturing after ten years                                          | 83                | 80         | 11.2                                         | 4.70                                         |
| Total                                                             | \$ 49,573         | \$ 47,296  | 6.3                                          | 4.00 %                                       |
| Asset-backed securities <sup>(a)</sup>                            |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 1,120          | \$ 1,124   | 1.0                                          | 4.55 %                                       |
| Maturing after one year through five years                        | 2,300             | 2,301      | 4.6                                          | 4.99                                         |
| Maturing after five years through ten years                       | 2,110             | 2,110      | 5.5                                          | 4.89                                         |
| Maturing after ten years                                          | —                 | —          | —                                            | —                                            |
| Total                                                             | \$ 5,530          | \$ 5,535   | 4.2                                          | 4.86 %                                       |
| Obligations of state and political subdivisions <sup>(c)(d)</sup> |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 794            | \$ 793     | 0.5                                          | 4.69 %                                       |
| Maturing after one year through five years                        | 783               | 776        | 2.7                                          | 4.16                                         |
| Maturing after five years through ten years                       | 1,396             | 1,307      | 7.6                                          | 3.47                                         |
| Maturing after ten years                                          | 5,193             | 4,485      | 13.6                                         | 3.41                                         |
| Total                                                             | \$ 8,166          | \$ 7,361   | 10.3                                         | 3.62 %                                       |
| Other                                                             |                   |            |                                              |                                              |
| Maturing in one year or less                                      | \$ 72             | \$ 72      | 0.4                                          | 4.62 %                                       |
| Maturing after one year through five years                        | 65                | 66         | 2.8                                          | 4.53                                         |
| Maturing after five years through ten years                       | —                 | —          | —                                            | —                                            |
| Maturing after ten years                                          | —                 | —          | —                                            | —                                            |
| Total                                                             | \$ 137            | \$ 138     | 1.6                                          | 4.58 %                                       |
| Total available-for-sale <sup>(b)(f)</sup>                        | \$ 93,526         | \$ 89,085  | 5.8                                          | 3.73 %                                       |

(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 7.9 years at December 31, 2025, with a corresponding weighted-average yield of 2.34 percent. The weighted-average maturity of total available-for-sale investment securities was 5.5 years at December 31, 2025, with a corresponding weighted-average yield of 3.55 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 \$3 million.

## NOTE 5 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)            | June 30, 2026 |                  | December 31, 2025 |                  |
|----------------------------------|---------------|------------------|-------------------|------------------|
|                                  | Amount        | Percent of Total | Amount            | Percent of Total |
| <b>Commercial</b>                |               |                  |                   |                  |
| Commercial                       | \$ 155,160    | 37.8 %           | \$ 143,725        | 36.7 %           |
| Lease financing                  | 4,495         | 1.1              | 4,436             | 1.2              |
| Total commercial                 | 159,655       | 38.9             | 148,161           | 37.9             |
| <b>Commercial Real Estate</b>    |               |                  |                   |                  |
| Commercial mortgages             | 42,700        | 10.4             | 39,476            | 10.1             |
| Construction and development     | 9,648         | 2.4              | 9,444             | 2.4              |
| Total commercial real estate     | 52,348        | 12.8             | 48,920            | 12.5             |
| <b>Residential Mortgages</b>     |               |                  |                   |                  |
| Residential mortgages            | 112,630       | 27.5             | 110,788           | 28.3             |
| Home equity loans, first liens   | 4,681         | 1.1              | 5,097             | 1.3              |
| Total residential mortgages      | 117,311       | 28.6             | 115,885           | 29.6             |
| <b>Credit Card</b>               | 39,079        | 9.5              | 38,031            | 9.7              |
| <b>Other Retail</b>              |               |                  |                   |                  |
| Retail leasing                   | 4,087         | 1.0              | 3,524             | .9               |
| Home equity and second mortgages | 14,131        | 3.4              | 14,025            | 3.6              |
| Revolving credit                 | 5,409         | 1.3              | 4,561             | 1.2              |
| Installment                      | 15,032        | 3.7              | 14,653            | 3.7              |
| Automobile                       | 3,248         | .8               | 3,575             | .9               |
| Total other retail               | 41,907        | 10.2             | 40,338            | 10.3             |
| Total loans                      | \$ 410,300    | 100.0 %          | \$ 391,335        | 100.0 %          |

The Company had loans of \$126.6 billion at June 30, 2026, and \$127.8 billion at December 31, 2025, pledged at the FHLB, and loans of \$94.6 billion at June 30, 2026, and \$90.0 billion at December 31, 2025, 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 \$1.9 billion and \$2.0 billion at June 30, 2026 and December 31, 2025, 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, 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, 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 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 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 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. 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 composition 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 and letters of credit. 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 June 30<br>(Dollars in Millions) | Commercial | Commercial<br>Real Estate | Residential<br>Mortgages | Credit Card | Other Retail | Total Loans |
|-----------------------------------------------------|------------|---------------------------|--------------------------|-------------|--------------|-------------|
| <b>2026</b>                                         |            |                           |                          |             |              |             |
| Balance at beginning of period                      | \$ 1,825   | \$ 1,249                  | \$ 725                   | \$ 3,343    | \$ 835       | \$ 7,977    |
| Add                                                 |            |                           |                          |             |              |             |
| Provision for credit losses                         | 63         | (6)                       | 9                        | 397         | 75           | 538         |
| Deduct                                              |            |                           |                          |             |              |             |
| Loans charged-off                                   | 122        | 20                        | 5                        | 446         | 83           | 676         |
| Less recoveries of loans charged-off                | (26)       | (7)                       | (5)                      | (79)        | (23)         | (140)       |
| Net loan charge-offs (recoveries)                   | 96         | 13                        | —                        | 367         | 60           | 536         |
| Balance at end of period                            | \$ 1,792   | \$ 1,230                  | \$ 734                   | \$ 3,373    | \$ 850       | \$ 7,979    |
| <b>2025</b>                                         |            |                           |                          |             |              |             |
| Balance at beginning of period                      | \$ 1,694   | \$ 1,432                  | \$ 789                   | \$ 3,162    | \$ 838       | \$ 7,915    |
| Add                                                 |            |                           |                          |             |              |             |
| Provision for credit losses                         | 87         | 9                         | (33)                     | 406         | 32           | 501         |
| Deduct                                              |            |                           |                          |             |              |             |
| Loans charged-off                                   | 86         | 74                        | 4                        | 442         | 77           | 683         |
| Less recoveries of loans charged-off                | (21)       | (17)                      | (5)                      | (62)        | (24)         | (129)       |
| Net loan charge-offs (recoveries)                   | 65         | 57                        | (1)                      | 380         | 53           | 554         |
| Balance at end of period                            | \$ 1,716   | \$ 1,384                  | \$ 757                   | \$ 3,188    | \$ 817       | \$ 7,862    |
| Six Months Ended June 30<br>(Dollars in Millions)   | Commercial | Commercial<br>Real Estate | Residential<br>Mortgages | Credit Card | Other Retail | Total Loans |
| <b>2026</b>                                         |            |                           |                          |             |              |             |
| Balance at beginning of period                      | \$ 1,806   | \$ 1,288                  | \$ 747                   | \$ 3,274    | \$ 832       | \$ 7,947    |
| Add                                                 |            |                           |                          |             |              |             |
| Provision for credit losses                         | 203        | (53)                      | (14)                     | 831         | 147          | 1,114       |
| Deduct                                              |            |                           |                          |             |              |             |
| Loans charged-off                                   | 266        | 24                        | 8                        | 885         | 176          | 1,359       |
| Less recoveries of loans charged-off                | (49)       | (19)                      | (9)                      | (153)       | (47)         | (277)       |
| Net loan charge-offs (recoveries)                   | 217        | 5                         | (1)                      | 732         | 129          | 1,082       |
| Balance at end of period                            | \$ 1,792   | \$ 1,230                  | \$ 734                   | \$ 3,373    | \$ 850       | \$ 7,979    |
| <b>2025</b>                                         |            |                           |                          |             |              |             |
| Balance at beginning of period                      | \$ 1,671   | \$ 1,508                  | \$ 783                   | \$ 3,144    | \$ 819       | \$ 7,925    |
| Add                                                 |            |                           |                          |             |              |             |
| Provision for credit losses                         | 211        | (71)                      | (27)                     | 811         | 114          | 1,038       |
| Deduct                                              |            |                           |                          |             |              |             |
| Loans charged-off                                   | 205        | 99                        | 8                        | 896         | 165          | 1,373       |
| Less recoveries of loans charged-off                | (39)       | (46)                      | (9)                      | (129)       | (49)         | (272)       |
| Net loan charge-offs (recoveries)                   | 166        | 53                        | (1)                      | 767         | 116          | 1,101       |
| Balance at end of period                            | \$ 1,716   | \$ 1,384                  | \$ 757                   | \$ 3,188    | \$ 817       | \$ 7,862    |

The increase in the allowance for credit losses at June 30, 2026, compared with December 31, 2025, was primarily driven by loan portfolio growth, partially offset by improved credit quality and stabilizing economic conditions.

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

| Three Months Ended June 30<br>(Dollars in Millions) | Commercial | Commercial<br>Real Estate | Residential<br>Mortgages | Credit Card <sup>(a)</sup> | Other Retail | Total Loans |
|-----------------------------------------------------|------------|---------------------------|--------------------------|----------------------------|--------------|-------------|
| <b>2026</b>                                         |            |                           |                          |                            |              |             |
| Originated in 2026                                  | \$ 21      | \$ —                      | \$ —                     | \$ —                       | \$ 1         | \$ 22       |
| Originated in 2025                                  | 4          | —                         | —                        | —                          | 9            | 13          |
| Originated in 2024                                  | 48         | 1                         | —                        | —                          | 10           | 59          |
| Originated in 2023                                  | 25         | 18                        | —                        | —                          | 14           | 57          |
| Originated in 2022                                  | 6          | 1                         | 1                        | —                          | 10           | 18          |
| Originated prior to 2022                            | 12         | —                         | 4                        | —                          | 11           | 27          |
| Revolving                                           | 6          | —                         | —                        | 446                        | 28           | 480         |
| Total charge-offs                                   | \$ 122     | \$ 20                     | \$ 5                     | \$ 446                     | \$ 83        | \$ 676      |
| <b>2025</b>                                         |            |                           |                          |                            |              |             |
| Originated in 2025                                  | \$ 10      | \$ —                      | \$ —                     | \$ —                       | \$ —         | \$ 10       |
| Originated in 2024                                  | 27         | 25                        | —                        | —                          | 12           | 64          |
| Originated in 2023                                  | 9          | 7                         | —                        | —                          | 14           | 30          |
| Originated in 2022                                  | 7          | 35                        | 1                        | —                          | 11           | 54          |
| Originated in 2021                                  | 5          | —                         | 1                        | —                          | 10           | 16          |
| Originated prior to 2021                            | 16         | 1                         | 2                        | —                          | 8            | 27          |
| Revolving                                           | 12         | 6                         | —                        | 442                        | 22           | 482         |
| Total charge-offs                                   | \$ 86      | \$ 74                     | \$ 4                     | \$ 442                     | \$ 77        | \$ 683      |
| Six Months Ended June 30<br>(Dollars in Millions)   | Commercial | Commercial<br>Real Estate | Residential<br>Mortgages | Credit Card <sup>(a)</sup> | Other Retail | Total Loans |
| <b>2026</b>                                         |            |                           |                          |                            |              |             |
| Originated in 2026                                  | \$ 24      | \$ —                      | \$ —                     | \$ —                       | \$ 1         | \$ 25       |
| Originated in 2025                                  | 17         | —                         | —                        | —                          | 17           | 34          |
| Originated in 2024                                  | 108        | 4                         | —                        | —                          | 20           | 132         |
| Originated in 2023                                  | 70         | 18                        | —                        | —                          | 30           | 118         |
| Originated in 2022                                  | 15         | 2                         | 3                        | —                          | 24           | 44          |
| Originated prior to 2022                            | 22         | —                         | 5                        | —                          | 28           | 55          |
| Revolving                                           | 10         | —                         | —                        | 885                        | 56           | 951         |
| Total charge-offs                                   | \$ 266     | \$ 24                     | \$ 8                     | \$ 885                     | \$ 176       | \$ 1,359    |
| <b>2025</b>                                         |            |                           |                          |                            |              |             |
| Originated in 2025                                  | \$ 20      | \$ —                      | \$ —                     | \$ —                       | \$ —         | \$ 20       |
| Originated in 2024                                  | 58         | 31                        | —                        | —                          | 23           | 112         |
| Originated in 2023                                  | 38         | 21                        | —                        | —                          | 29           | 88          |
| Originated in 2022                                  | 39         | 39                        | 1                        | —                          | 24           | 103         |
| Originated in 2021                                  | 9          | 1                         | 1                        | —                          | 25           | 36          |
| Originated prior to 2021                            | 25         | 1                         | 6                        | —                          | 17           | 49          |
| Revolving                                           | 16         | 6                         | —                        | 896                        | 47           | 965         |
| Total charge-offs                                   | \$ 205     | \$ 99                     | \$ 8                     | \$ 896                     | \$ 165       | \$ 1,373    |

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 of credit 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 of credit 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>June 30, 2026</b>                 |            |                     |                          |                              |            |
| Commercial                           | \$ 159,030 | \$ 211              | \$ 12                    | \$ 402                       | \$ 159,655 |
| Commercial real estate               | 51,707     | 68                  | 5                        | 568                          | 52,348     |
| Residential mortgages <sup>(a)</sup> | 116,724    | 180                 | 236                      | 171                          | 117,311    |
| Credit card                          | 38,179     | 459                 | 441                      | —                            | 39,079     |
| Other retail                         | 41,541     | 163                 | 41                       | 162                          | 41,907     |
| Total loans                          | \$ 407,181 | \$ 1,081            | \$ 735                   | \$ 1,303                     | \$ 410,300 |
| <b>December 31, 2025</b>             |            |                     |                          |                              |            |
| Commercial                           | \$ 147,077 | \$ 347              | \$ 20                    | \$ 717                       | \$ 148,161 |
| Commercial real estate               | 48,340     | 49                  | 13                       | 518                          | 48,920     |
| Residential mortgages <sup>(a)</sup> | 115,235    | 214                 | 285                      | 151                          | 115,885    |
| Credit card                          | 37,037     | 511                 | 483                      | —                            | 38,031     |
| Other retail                         | 39,938     | 187                 | 52                       | 161                          | 40,338     |
| Total loans                          | \$ 387,627 | \$ 1,308            | \$ 853                   | \$ 1,547                     | \$ 391,335 |

(a) At June 30, 2026, \$374 million of loans 30–89 days past due and \$3.9 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 \$606 million and \$3.5 billion at December 31, 2025, respectively.

(b) The Company recognized interest income on nonperforming loans of \$4 million and \$6 million for the three months ended June 30, 2026 and 2025, respectively, and \$8 million and \$10 million for the six months ended June 30, 2026 and 2025, respectively.

The amount of foreclosed residential real estate held by the Company, and included in OREO, was \$24 million at June 30, 2026 and December 31, 2025. These amounts excluded \$81 million and \$65 million at June 30, 2026 and December 31, 2025, 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 June 30, 2026 and December 31, 2025, was \$902 million and \$705 million, respectively, of which \$654 million and \$458 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)                | June 30, 2026 |                 |                           |                  |            | December 31, 2025 |                 |                           |                  |            |
|--------------------------------------|---------------|-----------------|---------------------------|------------------|------------|-------------------|-----------------|---------------------------|------------------|------------|
|                                      | Criticized    |                 |                           |                  | Total      | Criticized        |                 |                           |                  | Total      |
|                                      | Pass          | Special Mention | Classified <sup>(a)</sup> | Total Criticized |            | Pass              | Special Mention | Classified <sup>(a)</sup> | Total Criticized |            |
| Commercial                           |               |                 |                           |                  |            |                   |                 |                           |                  |            |
| Originated in 2026                   | \$ 39,772     | \$ 472          | \$ 475                    | \$ 947           | \$ 40,719  | \$ —              | \$ —            | \$ —                      | \$ —             | \$ —       |
| Originated in 2025                   | 56,378        | 224             | 527                       | 751              | 57,129     | 72,416            | 219             | 762                       | 981              | 73,397     |
| Originated in 2024                   | 17,410        | 188             | 353                       | 541              | 17,951     | 24,344            | 168             | 637                       | 805              | 25,149     |
| Originated in 2023                   | 5,084         | 8               | 88                        | 96               | 5,180      | 7,532             | 47              | 278                       | 325              | 7,857      |
| Originated in 2022                   | 5,474         | 89              | 90                        | 179              | 5,653      | 10,045            | 23              | 287                       | 310              | 10,355     |
| Originated prior to 2022             | 5,888         | 2               | 38                        | 40               | 5,928      | 6,934             | 23              | 84                        | 107              | 7,041      |
| Revolving <sup>(b)</sup>             | 26,329        | 398             | 368                       | 766              | 27,095     | 23,494            | 484             | 384                       | 868              | 24,362     |
| Total commercial                     | 156,335       | 1,381           | 1,939                     | 3,320            | 159,655    | 144,765           | 964             | 2,432                     | 3,396            | 148,161    |
| Commercial real estate               |               |                 |                           |                  |            |                   |                 |                           |                  |            |
| Originated in 2026                   | 10,513        | 73              | 586                       | 659              | 11,172     | —                 | —               | —                         | —                | —          |
| Originated in 2025                   | 14,113        | 114             | 590                       | 704              | 14,817     | 15,466            | 143             | 981                       | 1,124            | 16,590     |
| Originated in 2024                   | 5,387         | 85              | 286                       | 371              | 5,758      | 6,368             | 88              | 338                       | 426              | 6,794      |
| Originated in 2023                   | 2,245         | 51              | 219                       | 270              | 2,515      | 3,232             | 65              | 444                       | 509              | 3,741      |
| Originated in 2022                   | 3,770         | 81              | 627                       | 708              | 4,478      | 5,211             | 242             | 613                       | 855              | 6,066      |
| Originated prior to 2022             | 10,741        | 203             | 408                       | 611              | 11,352     | 12,784            | 301             | 558                       | 859              | 13,643     |
| Revolving                            | 2,178         | 70              | 1                         | 71               | 2,249      | 1,991             | 82              | 7                         | 89               | 2,080      |
| Revolving converted to term          | 6             | —               | 1                         | 1                | 7          | 5                 | —               | 1                         | 1                | 6          |
| Total commercial real estate         | 48,953        | 677             | 2,718                     | 3,395            | 52,348     | 45,057            | 921             | 2,942                     | 3,863            | 48,920     |
| Residential mortgages <sup>(c)</sup> |               |                 |                           |                  |            |                   |                 |                           |                  |            |
| Originated in 2026                   | 9,267         | —               | —                         | —                | 9,267      | —                 | —               | —                         | —                | —          |
| Originated in 2025                   | 9,836         | —               | 2                         | 2                | 9,838      | 11,917            | —               | 1                         | 1                | 11,918     |
| Originated in 2024                   | 5,790         | —               | 14                        | 14               | 5,804      | 7,249             | —               | 14                        | 14               | 7,263      |
| Originated in 2023                   | 7,028         | —               | 32                        | 32               | 7,060      | 7,758             | —               | 35                        | 35               | 7,793      |
| Originated in 2022                   | 23,803        | —               | 69                        | 69               | 23,872     | 24,620            | —               | 61                        | 61               | 24,681     |
| Originated prior to 2022             | 61,170        | —               | 300                       | 300              | 61,470     | 63,891            | —               | 339                       | 339              | 64,230     |
| Total residential mortgages          | 116,894       | —               | 417                       | 417              | 117,311    | 115,435           | —               | 450                       | 450              | 115,885    |
| Credit card <sup>(d)</sup>           | 38,638        | —               | 441                       | 441              | 39,079     | 37,548            | —               | 483                       | 483              | 38,031     |
| Other retail                         |               |                 |                           |                  |            |                   |                 |                           |                  |            |
| Originated in 2026                   | 4,353         | —               | 1                         | 1                | 4,354      | —                 | —               | —                         | —                | —          |
| Originated in 2025                   | 5,466         | —               | 5                         | 5                | 5,471      | 6,290             | —               | 4                         | 4                | 6,294      |
| Originated in 2024                   | 4,401         | —               | 11                        | 11               | 4,412      | 5,075             | —               | 10                        | 10               | 5,085      |
| Originated in 2023                   | 2,224         | —               | 10                        | 10               | 2,234      | 2,720             | —               | 11                        | 11               | 2,731      |
| Originated in 2022                   | 2,035         | —               | 9                         | 9                | 2,044      | 2,571             | —               | 11                        | 11               | 2,582      |
| Originated prior to 2022             | 6,567         | —               | 22                        | 22               | 6,589      | 7,875             | —               | 26                        | 26               | 7,901      |
| Revolving                            | 15,794        | —               | 118                       | 118              | 15,912     | 14,780            | —               | 123                       | 123              | 14,903     |
| Revolving converted to term          | 853           | —               | 38                        | 38               | 891        | 799               | —               | 43                        | 43               | 842        |
| Total other retail                   | 41,693        | —               | 214                       | 214              | 41,907     | 40,110            | —               | 228                       | 228              | 40,338     |
| Total loans                          | \$402,513     | \$ 2,058        | \$ 5,729                  | \$ 7,787         | \$ 410,300 | \$382,915         | \$ 1,885        | \$ 6,535                  | \$ 8,420         | \$ 391,335 |
| Total outstanding commitments        | \$862,862     | \$ 3,387        | \$ 7,070                  | \$ 10,457        | \$ 873,319 | \$828,343         | \$ 3,094        | \$ 8,348                  | \$ 11,442        | \$ 839,785 |

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 June 30, 2026, \$3.9 billion of GNMA loans 90 days or more past due and \$976 million 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 \$3.5 billion and \$1.3 billion at December 31, 2025, 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 June 30<br>(Dollars in Millions)             | Interest Rate<br>Reduction         | Payment<br>Delay         | Term<br>Extension         | Multiple<br>Modifications <sup>(a)</sup>        | Total<br>Modifications         | Percent of<br>Class Total         |
|-----------------------------------------------------------------|------------------------------------|--------------------------|---------------------------|-------------------------------------------------|--------------------------------|-----------------------------------|
| <b>2026</b>                                                     |                                    |                          |                           |                                                 |                                |                                   |
| Commercial                                                      | \$ —                               | \$ —                     | \$ 131                    | \$ —                                            | \$ 131                         | .1 %                              |
| Commercial real estate                                          | —                                  | —                        | 276                       | 48                                              | 324                            | .6                                |
| Residential mortgages <sup>(b)</sup>                            | —                                  | 23                       | 9                         | 4                                               | 36                             | —                                 |
| Credit card                                                     | 152                                | —                        | —                         | —                                               | 152                            | .4                                |
| Other retail                                                    | 2                                  | 1                        | 22                        | 1                                               | 26                             | .1                                |
| Total loans, excluding loans purchased from GNMA mortgage pools | 154                                | 24                       | 438                       | 53                                              | 669                            | .2                                |
| Loans purchased from GNMA mortgage pools <sup>(b)</sup>         | —                                  | 92                       | 120                       | 217                                             | 429                            | .4                                |
| Total loans                                                     | \$ 154                             | \$ 116                   | \$ 558                    | \$ 270                                          | \$ 1,098                       | .3 %                              |
| <b>2025</b>                                                     |                                    |                          |                           |                                                 |                                |                                   |
| Commercial                                                      | \$ —                               | \$ —                     | \$ 158                    | \$ 69                                           | \$ 227                         | .2 %                              |
| Commercial real estate                                          | —                                  | —                        | 283                       | —                                               | 283                            | .6                                |
| Residential mortgages <sup>(b)</sup>                            | —                                  | 77                       | 3                         | 12                                              | 92                             | .1                                |
| Credit card                                                     | 147                                | —                        | —                         | —                                               | 147                            | .4                                |
| Other retail                                                    | 2                                  | 4                        | 25                        | 3                                               | 34                             | .1                                |
| Total loans, excluding loans purchased from GNMA mortgage pools | 149                                | 81                       | 469                       | 84                                              | 783                            | .2                                |
| Loans purchased from GNMA mortgage pools <sup>(b)</sup>         | —                                  | 375                      | 138                       | 172                                             | 685                            | .6                                |
| Total loans                                                     | \$ 149                             | \$ 456                   | \$ 607                    | \$ 256                                          | \$ 1,468                       | .4 %                              |
| <b>Six Months Ended June 30<br/>(Dollars in Millions)</b>       | <b>Interest Rate<br/>Reduction</b> | <b>Payment<br/>Delay</b> | <b>Term<br/>Extension</b> | <b>Multiple<br/>Modifications<sup>(a)</sup></b> | <b>Total<br/>Modifications</b> | <b>Percent of<br/>Class Total</b> |
| <b>2026</b>                                                     |                                    |                          |                           |                                                 |                                |                                   |
| Commercial                                                      | \$ —                               | \$ —                     | \$ 299                    | \$ —                                            | \$ 299                         | .2 %                              |
| Commercial real estate                                          | —                                  | —                        | 587                       | 48                                              | 635                            | 1.2                               |
| Residential mortgages <sup>(b)</sup>                            | —                                  | 45                       | 16                        | 18                                              | 79                             | .1                                |
| Credit card                                                     | 303                                | 1                        | —                         | —                                               | 304                            | .8                                |
| Other retail                                                    | 3                                  | 1                        | 45                        | 1                                               | 50                             | .1                                |
| Total loans, excluding loans purchased from GNMA mortgage pools | 306                                | 47                       | 947                       | 67                                              | 1,367                          | .3                                |
| Loans purchased from GNMA mortgage pools <sup>(b)</sup>         | 1                                  | 186                      | 203                       | 270                                             | 660                            | .6                                |
| Total loans                                                     | \$ 307                             | \$ 233                   | \$ 1,150                  | \$ 337                                          | \$ 2,027                       | .5 %                              |
| <b>2025</b>                                                     |                                    |                          |                           |                                                 |                                |                                   |
| Commercial                                                      | \$ —                               | \$ —                     | \$ 260                    | \$ 87                                           | \$ 347                         | .2 %                              |
| Commercial real estate                                          | —                                  | —                        | 451                       | 2                                               | 453                            | .9                                |
| Residential mortgages <sup>(b)</sup>                            | —                                  | 293                      | 5                         | 17                                              | 315                            | .3                                |
| Credit card                                                     | 287                                | 5                        | —                         | —                                               | 292                            | .8                                |
| Other retail                                                    | 4                                  | 5                        | 50                        | 7                                               | 66                             | .2                                |
| Total loans, excluding loans purchased from GNMA mortgage pools | 291                                | 303                      | 766                       | 113                                             | 1,473                          | .4                                |
| Loans purchased from GNMA mortgage pools <sup>(b)</sup>         | —                                  | 696                      | 233                       | 284                                             | 1,213                          | 1.1                               |
| Total loans                                                     | \$ 291                             | \$ 999                   | \$ 999                    | \$ 397                                          | \$ 2,686                       | .7 %                              |

(a) Includes \$38 million of total loans receiving a payment delay and term extension, \$204 million of total loans receiving an interest rate reduction and term extension and \$28 million of total loans receiving an interest rate reduction, payment delay and term extension for the three months ended June 30, 2026, compared with \$97 million, \$134 million and \$25 million for the three months ended June 30, 2025, respectively. Includes \$61 million of total loans receiving a payment delay and term extension, \$231 million of total loans receiving an interest rate reduction and term extension and \$45 million of total loans receiving an interest rate reduction, payment delay and term extension for the six months ended June 30, 2026, compared with \$166 million, \$191 million and \$40 million for the six months ended June 30, 2025, 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 June 30, 2026 the balance of loans modified in trial period arrangements was \$422 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 June 30               | Weighted-Average<br>Interest Rate<br>Reduction | Weighted-Average<br>Months of Term<br>Extension |
|------------------------------------------|------------------------------------------------|-------------------------------------------------|
| <b>2026</b>                              |                                                |                                                 |
| Commercial                               | — %                                            | 10                                              |
| Commercial real estate                   | 4.0                                            | 8                                               |
| Residential mortgages                    | .6                                             | 45                                              |
| Credit card                              | 16.1                                           | —                                               |
| Other retail                             | 6.1                                            | 6                                               |
| Loans purchased from GNMA mortgage pools | .7                                             | 89                                              |
| <b>2025</b>                              |                                                |                                                 |
| Commercial                               | 1.2 %                                          | 14                                              |
| Commercial real estate                   | —                                              | 4                                               |
| Residential mortgages                    | 1.3                                            | 95                                              |
| Credit card                              | 16.6                                           | —                                               |
| Other retail                             | 4.6                                            | 12                                              |
| Loans purchased from GNMA mortgage pools | .4                                             | 100                                             |
| Six Months Ended June 30                 | Weighted-Average<br>Interest Rate<br>Reduction | Weighted-Average<br>Months of Term<br>Extension |
| <b>2026</b>                              |                                                |                                                 |
| Commercial                               | — %                                            | 35                                              |
| Commercial real estate                   | 4.0                                            | 9                                               |
| Residential mortgages                    | .9                                             | 69                                              |
| Credit card                              | 16.3                                           | —                                               |
| Other retail                             | 7.4                                            | 6                                               |
| Loans purchased from GNMA mortgage pools | .6                                             | 92                                              |
| <b>2025</b>                              |                                                |                                                 |
| Commercial                               | 1.6 %                                          | 12                                              |
| Commercial real estate                   | 2.1                                            | 5                                               |
| Residential mortgages                    | 1.4                                            | 94                                              |
| Credit card                              | 16.7                                           | —                                               |
| Other retail                             | 5.0                                            | 19                                              |
| Loans purchased from GNMA mortgage pools | .4                                             | 99                                              |

*Note: The weighted-average payment deferral for all portfolio classes was less than \$1 million for the three and six months ended June 30, 2026 and 2025. Forbearance payments are required to be paid at the end of the original term loan.*

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 June 30, which were modified during the prior twelve months, by portfolio class and delinquency status:

| (Dollars in Millions)                | Current         | 30-89 Days<br>Past Due | 90 Days or<br>More Past Due | Total           |
|--------------------------------------|-----------------|------------------------|-----------------------------|-----------------|
| <b>2026</b>                          |                 |                        |                             |                 |
| Commercial                           | \$ 503          | \$ 4                   | \$ 130                      | \$ 637          |
| Commercial real estate               | 917             | —                      | 159                         | 1,076           |
| Residential mortgages <sup>(a)</sup> | 1,009           | 6                      | 10                          | 1,025           |
| Credit card                          | 400             | 85                     | 46                          | 531             |
| Other retail                         | 78              | 12                     | 5                           | 95              |
| Total loans                          | <u>\$ 2,907</u> | <u>\$ 107</u>          | <u>\$ 350</u>               | <u>\$ 3,364</u> |
| <b>2025</b>                          |                 |                        |                             |                 |
| Commercial                           | \$ 504          | \$ 22                  | \$ 98                       | \$ 624          |
| Commercial real estate               | 799             | —                      | 111                         | 910             |
| Residential mortgages <sup>(a)</sup> | 1,433           | 5                      | 8                           | 1,446           |
| Credit card                          | 368             | 80                     | 45                          | 493             |
| Other retail                         | 96              | 13                     | 6                           | 115             |
| Total loans                          | <u>\$ 3,200</u> | <u>\$ 120</u>          | <u>\$ 268</u>               | <u>\$ 3,588</u> |

(a) At June 30, 2026, \$186 million of loans 30-89 days past due and \$218 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 \$413 million and \$239 million at June 30, 2025 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 June 30<br>(Dollars in Millions)             | Interest Rate<br>Reduction | Payment Delay | Term Extension | Multiple<br>Modifications <sup>(a)</sup> |
|-----------------------------------------------------------------|----------------------------|---------------|----------------|------------------------------------------|
| <b>2026</b>                                                     |                            |               |                |                                          |
| Commercial                                                      | \$ —                       | \$ —          | \$ 51          | \$ —                                     |
| Commercial real estate                                          | —                          | —             | 80             | —                                        |
| Residential mortgages                                           | —                          | —             | 1              | 2                                        |
| Credit card                                                     | 45                         | —             | —              | —                                        |
| Other retail                                                    | 1                          | —             | 4              | —                                        |
| Total loans, excluding loans purchased from GNMA mortgage pools | 46                         | —             | 136            | 2                                        |
| Loans purchased from GNMA mortgage pools                        | —                          | 25            | 24             | 24                                       |
| Total loans                                                     | \$ 46                      | \$ 25         | \$ 160         | \$ 26                                    |
| <b>2025</b>                                                     |                            |               |                |                                          |
| Commercial                                                      | \$ —                       | \$ —          | \$ 1           | \$ —                                     |
| Commercial real estate                                          | 36                         | —             | —              | —                                        |
| Residential mortgages                                           | —                          | —             | —              | 3                                        |
| Credit card                                                     | 43                         | —             | —              | —                                        |
| Other retail                                                    | —                          | —             | 5              | —                                        |
| Total loans, excluding loans purchased from GNMA mortgage pools | 79                         | —             | 6              | 3                                        |
| Loans purchased from GNMA mortgage pools                        | —                          | 61            | 29             | 50                                       |
| Total loans                                                     | \$ 79                      | \$ 61         | \$ 35          | \$ 53                                    |
| Six Months Ended June 30<br>(Dollars in Millions)               | Interest Rate<br>Reduction | Payment Delay | Term Extension | Multiple<br>Modifications <sup>(a)</sup> |
| <b>2026</b>                                                     |                            |               |                |                                          |
| Commercial                                                      | \$ —                       | \$ —          | \$ 52          | \$ —                                     |
| Commercial real estate                                          | —                          | —             | 103            | —                                        |
| Residential mortgages                                           | —                          | —             | 2              | 4                                        |
| Credit card                                                     | 95                         | —             | —              | —                                        |
| Other retail                                                    | 1                          | —             | 8              | —                                        |
| Total loans, excluding loans purchased from GNMA mortgage pools | 96                         | —             | 165            | 4                                        |
| Loans purchased from GNMA mortgage pools                        | —                          | 71            | 69             | 88                                       |
| Total loans                                                     | \$ 96                      | \$ 71         | \$ 234         | \$ 92                                    |
| <b>2025</b>                                                     |                            |               |                |                                          |
| Commercial                                                      | \$ —                       | \$ —          | \$ 21          | \$ —                                     |
| Commercial real estate                                          | 36                         | —             | —              | —                                        |
| Residential mortgages                                           | —                          | —             | —              | 3                                        |
| Credit card                                                     | 88                         | —             | —              | —                                        |
| Other retail                                                    | 1                          | —             | 10             | —                                        |
| Total loans, excluding loans purchased from GNMA mortgage pools | 125                        | —             | 31             | 3                                        |
| Loans purchased from GNMA mortgage pools                        | —                          | 100           | 44             | 89                                       |
| Total loans                                                     | \$ 125                     | \$ 100        | \$ 75          | \$ 92                                    |

(a) Includes \$14 million of total loans receiving a payment delay and term extension, \$9 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 June 30, 2026, compared with \$29 million, \$20 million, and \$4 million for the three months ended June 30, 2025, respectively. Includes \$46 million of total loans receiving a payment delay and term extension, \$37 million of total loans receiving an interest rate reduction and term extension, and \$9 million of total loans receiving an interest rate reduction, payment delay and term extension for the six months ended June 30, 2026, compared with \$54 million, \$33 million, and \$5 million for the six months ended June 30, 2025, respectively.

As of June 30, 2026 the Company had \$270 million of commitments to lend additional funds to borrowers whose terms of their outstanding owed balances have been modified.

**NOTE 6****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 7. 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 \$153 million and \$212 million for the three months ended June 30, 2026 and 2025, respectively, and \$321 million and \$364 million for the six months ended June 30, 2026 and 2025, respectively. The Company recognized \$166 million and \$155 million of expenses related to all of these investments for the three months ended June 30, 2026 and 2025, respectively, which were primarily included in tax expense. The Company recognized \$331 million and \$301 million of expenses related to all of these investments for the six months ended June 30, 2026 and 2025, 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)                  | June 30, 2026 | December 31, 2025 |
|----------------------------------------|---------------|-------------------|
| Investment carrying amount             | \$ 9,774      | \$ 9,712          |
| Unfunded capital and other commitments | 5,630         | 5,761             |
| Maximum exposure to loss               | 10,080        | 9,338             |

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 \$352 million at June 30, 2026 and \$312 million at December 31, 2025. The maximum exposure to

loss related to these VIEs was \$486 million at June 30, 2026 and \$439 million at December 31, 2025, representing the Company's investment balance and its unfunded commitments to invest additional amounts.

The Company also held senior notes of \$1.1 billion as available-for-sale investment securities at June 30, 2026, compared with \$1.7 billion at December 31, 2025. These senior notes were issued by third-party securitization vehicles that held \$1.3 billion at June 30, 2026 and \$1.9 billion at December 31, 2025 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 \$284 million at June 30, 2026, compared with less than \$1 million to \$299 million at December 31, 2025.

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 June 30, 2026, approximately \$6.5 billion of the Company's assets and \$4.2 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 \$6.2 billion and \$3.8 billion, respectively, at December 31, 2025. 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 7 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 \$215.1 billion of residential mortgage loans for others at June 30, 2026, and \$216.3 billion at December 31, 2025, 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, net of the value change in derivatives used to economically hedge MSRs. These changes resulted in net gains of \$2 million and net losses of \$4 million for the three months ended June 30, 2026 and 2025, respectively, and net losses of \$25 million and \$2 million for the six months ended June 30, 2026 and 2025, respectively. Loan servicing and ancillary fees, not including valuation changes, included in mortgage banking revenue were \$164 million and \$172 million for the three months ended June 30, 2026 and 2025, respectively, and \$327 million and \$344 million for the six months ended June 30, 2026 and 2025, respectively.

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

| (Dollars in Millions)                                       | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |
|-------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|
|                                                             | 2026                          | 2025     | 2026                        | 2025     |
| Balance at beginning of period                              | \$ 3,152                      | \$ 3,312 | \$ 3,159                    | \$ 3,369 |
| Rights capitalized                                          | 85                            | 64       | 151                         | 123      |
| Rights sold                                                 | (2)                           | —        | (4)                         | 1        |
| Changes in fair value of MSRs                               |                               |          |                             |          |
| Due to fluctuations in market interest rates <sup>(a)</sup> | 17                            | 9        | 26                          | (40)     |
| Due to revised assumptions or models <sup>(b)</sup>         | 5                             | 6        | (12)                        | 10       |
| Other changes in fair value <sup>(c)</sup>                  | (80)                          | (86)     | (143)                       | (158)    |
| Balance at end of period                                    | \$ 3,177                      | \$ 3,305 | \$ 3,177                    | \$ 3,305 |

(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)        | June 30, 2026   |                |                |              |              |               | December 31, 2025 |                |                |              |              |               |
|------------------------------|-----------------|----------------|----------------|--------------|--------------|---------------|-------------------|----------------|----------------|--------------|--------------|---------------|
|                              | Down<br>100 bps | Down<br>50 bps | Down<br>25 bps | Up<br>25 bps | Up<br>50 bps | Up<br>100 bps | Down<br>100 bps   | Down<br>50 bps | Down<br>25 bps | Up<br>25 bps | Up<br>50 bps | Up<br>100 bps |
| MSR portfolio                | \$ (361)        | \$ (172)       | \$ (83)        | \$ 77        | \$ 149       | \$ 272        | \$ (369)          | \$ (176)       | \$ (86)        | \$ 81        | \$ 155       | \$ 284        |
| Derivative instrument hedges | 372             | 177            | 85             | (76)         | (148)        | (279)         | 397               | 188            | 89             | (79)         | (153)        | (297)         |
| Net sensitivity              | \$ 11           | \$ 5           | \$ 2           | \$ 1         | \$ 1         | \$ (7)        | \$ 28             | \$ 12          | \$ 3           | \$ 2         | \$ 2         | \$ (13)       |

The fair value of MSRs 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 MSRs and related characteristics by portfolio:

| (Dollars in Millions)                                           | June 30, 2026 |            |                             |           | December 31, 2025 |            |                             |            |
|-----------------------------------------------------------------|---------------|------------|-----------------------------|-----------|-------------------|------------|-----------------------------|------------|
|                                                                 | HFA           | Government | Conventional <sup>(d)</sup> | Total     | HFA               | Government | Conventional <sup>(d)</sup> | Total      |
| Servicing portfolio <sup>(a)</sup>                              | \$58,251      | \$22,862   | \$ 124,918                  | \$206,031 | \$56,993          | \$23,630   | \$ 126,614                  | \$ 207,237 |
| Fair value                                                      | \$ 874        | \$ 459     | \$ 1,844                    | \$ 3,177  | \$ 849            | \$ 465     | \$ 1,845                    | \$ 3,159   |
| Value (bps) <sup>(b)</sup>                                      | 150           | 201        | 148                         | 154       | 149               | 197        | 146                         | 152        |
| Weighted-average servicing fees (bps)                           | 35            | 45         | 25                          | 30        | 35                | 45         | 25                          | 30         |
| Multiple (value/servicing fees)                                 | 4.27          | 4.50       | 5.81                        | 5.09      | 4.22              | 4.41       | 5.75                        | 5.03       |
| Weighted-average note rate                                      | 5.23 %        | 4.42 %     | 4.10 %                      | 4.45 %    | 5.17 %            | 4.41 %     | 4.04 %                      | 4.39 %     |
| Weighted-average age (in years)                                 | 4.9           | 7.1        | 5.9                         | 5.8       | 4.8               | 6.8        | 5.7                         | 5.6        |
| Weighted-average expected prepayment (constant prepayment rate) | 10.2 %        | 9.9 %      | 8.2 %                       | 9.0 %     | 10.2 %            | 10.1 %     | 8.2 %                       | 9.0 %      |
| Weighted-average expected life (in years)                       | 7.4           | 6.7        | 7.1                         | 7.1       | 7.4               | 6.7        | 7.2                         | 7.2        |
| Weighted-average option adjusted spread <sup>(c)</sup>          | 7.1 %         | 6.6 %      | 4.8 %                       | 5.7 %     | 7.3 %             | 6.9 %      | 5.1 %                       | 5.9 %      |

(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 MSRs.

(d) Represents loans sold primarily to GSEs.

## NOTE 8 Preferred Stock

At June 30, 2026 and December 31, 2025, 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)                | June 30, 2026                 |                        |          |                 | December 31, 2025             |                        |          |                 |
|--------------------------------------|-------------------------------|------------------------|----------|-----------------|-------------------------------|------------------------|----------|-----------------|
|                                      | 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 June 30, 2026 and December 31, 2025, was \$1.00 per share.

**NOTE 9****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 June 30<br>(Dollars in Millions)       | Unrealized<br>Gains<br>(Losses) on<br>Investment<br>Securities<br>Available-<br>For-Sale | Unrealized<br>Gains (Losses)<br>on Investment<br>Securities<br>Transferred<br>From<br>Available-For-<br>Sale to Held-<br>To-Maturity | Unrealized<br>Gains<br>(Losses) on<br>Derivative<br>Hedges | Unrealized<br>Gains<br>(Losses) on<br>Retirement<br>Plans | Debit<br>Valuation<br>Adjustments | Foreign<br>Currency<br>Translation | Total      |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------|------------------------------------|------------|
| <b>2026</b>                                               |                                                                                          |                                                                                                                                      |                                                            |                                                           |                                   |                                    |            |
| Balance at beginning of period                            | \$ (3,501)                                                                               | \$ (2,741)                                                                                                                           | \$ (160)                                                   | \$ (806)                                                  | \$ (6)                            | \$ (9)                             | \$ (7,223) |
| Changes in unrealized gains (losses)                      | 191                                                                                      | —                                                                                                                                    | (225)                                                      | —                                                         | (15)                              | —                                  | (49)       |
| Foreign currency translation adjustment <sup>(a)</sup>    | —                                                                                        | —                                                                                                                                    | —                                                          | —                                                         | —                                 | 4                                  | 4          |
| Reclassification to earnings of realized (gains) losses   | 49                                                                                       | 113                                                                                                                                  | 41                                                         | (7)                                                       | —                                 | —                                  | 196        |
| Applicable income taxes                                   | (61)                                                                                     | (28)                                                                                                                                 | 46                                                         | 1                                                         | 4                                 | (1)                                | (39)       |
| Balance at end of period                                  | \$ (3,322)                                                                               | \$ (2,656)                                                                                                                           | \$ (298)                                                   | \$ (812)                                                  | \$ (17)                           | \$ (6)                             | \$ (7,111) |
| <b>2025</b>                                               |                                                                                          |                                                                                                                                      |                                                            |                                                           |                                   |                                    |            |
| Balance at beginning of period                            | \$ (4,699)                                                                               | \$ (3,082)                                                                                                                           | \$ (297)                                                   | \$ (956)                                                  | \$ 2                              | \$ (10)                            | \$ (9,042) |
| Changes in unrealized gains (losses)                      | 198                                                                                      | —                                                                                                                                    | 157                                                        | —                                                         | (5)                               | —                                  | 350        |
| Foreign currency translation adjustment <sup>(a)</sup>    | —                                                                                        | —                                                                                                                                    | —                                                          | —                                                         | —                                 | (8)                                | (8)        |
| Reclassification to earnings of realized (gains) losses   | 57                                                                                       | 123                                                                                                                                  | 66                                                         | (2)                                                       | —                                 | —                                  | 244        |
| Applicable income taxes                                   | (69)                                                                                     | (33)                                                                                                                                 | (58)                                                       | 4                                                         | 2                                 | 1                                  | (153)      |
| Balance at end of period                                  | \$ (4,513)                                                                               | \$ (2,992)                                                                                                                           | \$ (132)                                                   | \$ (954)                                                  | \$ (1)                            | \$ (17)                            | \$ (8,609) |
| <b>Six Months Ended June 30<br/>(Dollars in Millions)</b> |                                                                                          |                                                                                                                                      |                                                            |                                                           |                                   |                                    |            |
| <b>2026</b>                                               |                                                                                          |                                                                                                                                      |                                                            |                                                           |                                   |                                    |            |
| Balance at beginning of period                            | \$ (3,278)                                                                               | \$ (2,816)                                                                                                                           | \$ (69)                                                    | \$ (801)                                                  | \$ (10)                           | \$ (13)                            | \$ (6,987) |
| Changes in unrealized gains (losses)                      | (143)                                                                                    | —                                                                                                                                    | (389)                                                      | —                                                         | (9)                               | —                                  | (541)      |
| Foreign currency translation adjustment <sup>(a)</sup>    | —                                                                                        | —                                                                                                                                    | —                                                          | —                                                         | —                                 | 9                                  | 9          |
| Reclassification to earnings of realized (gains) losses   | 84                                                                                       | 214                                                                                                                                  | 83                                                         | (14)                                                      | —                                 | —                                  | 367        |
| Applicable income taxes                                   | 15                                                                                       | (54)                                                                                                                                 | 77                                                         | 3                                                         | 2                                 | (2)                                | 41         |
| Balance at end of period                                  | \$ (3,322)                                                                               | \$ (2,656)                                                                                                                           | \$ (298)                                                   | \$ (812)                                                  | \$ (17)                           | \$ (6)                             | \$ (7,111) |
| <b>2025</b>                                               |                                                                                          |                                                                                                                                      |                                                            |                                                           |                                   |                                    |            |
| Balance at beginning of period                            | \$ (5,078)                                                                               | \$ (3,165)                                                                                                                           | \$ (553)                                                   | \$ (955)                                                  | \$ 1                              | \$ (14)                            | \$ (9,764) |
| Changes in unrealized gains (losses)                      | 706                                                                                      | —                                                                                                                                    | 441                                                        | —                                                         | (3)                               | —                                  | 1,144      |
| Foreign currency translation adjustment <sup>(a)</sup>    | —                                                                                        | —                                                                                                                                    | —                                                          | —                                                         | —                                 | (4)                                | (4)        |
| Reclassification to earnings of realized (gains) losses   | 57                                                                                       | 234                                                                                                                                  | 126                                                        | (3)                                                       | —                                 | —                                  | 414        |
| Applicable income taxes                                   | (198)                                                                                    | (61)                                                                                                                                 | (146)                                                      | 4                                                         | 1                                 | 1                                  | (399)      |
| Balance at end of period                                  | \$ (4,513)                                                                               | \$ (2,992)                                                                                                                           | \$ (132)                                                   | \$ (954)                                                  | \$ (1)                            | \$ (17)                            | \$ (8,609) |

(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:

|                                                                                                            | Impact to Net Income          |          |                             |          |                                                               |
|------------------------------------------------------------------------------------------------------------|-------------------------------|----------|-----------------------------|----------|---------------------------------------------------------------|
|                                                                                                            | Three Months Ended<br>June 30 |          | Six Months Ended<br>June 30 |          |                                                               |
| (Dollars in Millions)                                                                                      | 2026                          | 2025     | 2026                        | 2025     | Affected Line Item in the<br>Consolidated Statement of Income |
| Unrealized gains (losses) on investment securities available-for-sale                                      |                               |          |                             |          |                                                               |
| Realized gains (losses) on sales of investment securities                                                  | \$ (49)                       | \$ (57)  | \$ (84)                     | \$ (57)  | Securities gains (losses), net                                |
|                                                                                                            | 12                            | 14       | 21                          | 14       | Applicable income taxes                                       |
|                                                                                                            | (37)                          | (43)     | (63)                        | (43)     | Net-of-tax                                                    |
| Unrealized gains (losses) on investment securities transferred from available-for-sale to held-to-maturity |                               |          |                             |          |                                                               |
| Amortization of unrealized gains (losses)                                                                  | (113)                         | (123)    | (214)                       | (234)    | Interest income                                               |
|                                                                                                            | 28                            | 33       | 54                          | 61       | Applicable income taxes                                       |
|                                                                                                            | (85)                          | (90)     | (160)                       | (173)    | Net-of-tax                                                    |
| Unrealized gains (losses) on derivative hedges                                                             |                               |          |                             |          |                                                               |
| Realized gains (losses) on derivative hedges                                                               | (41)                          | (66)     | (83)                        | (126)    | Net interest income                                           |
|                                                                                                            | 10                            | 17       | 21                          | 32       | Applicable income taxes                                       |
|                                                                                                            | (31)                          | (49)     | (62)                        | (94)     | Net-of-tax                                                    |
| Unrealized gains (losses) on retirement plans                                                              |                               |          |                             |          |                                                               |
| Actuarial gains (losses) and prior service cost (credit) amortization                                      | 7                             | 2        | 14                          | 3        | Other noninterest expense                                     |
|                                                                                                            | (1)                           | (1)      | (3)                         | (1)      | Applicable income taxes                                       |
|                                                                                                            | 6                             | 1        | 11                          | 2        | Net-of-tax                                                    |
| Total impact to net income                                                                                 | \$ (147)                      | \$ (181) | \$ (274)                    | \$ (308) |                                                               |

## NOTE 10 Earnings Per Share

The components of earnings per share were:

| (Dollars and Shares in Millions, Except Per Share Data)         | Three Months Ended June 30 |          | Six Months Ended June 30 |          |
|-----------------------------------------------------------------|----------------------------|----------|--------------------------|----------|
|                                                                 | 2026                       | 2025     | 2026                     | 2025     |
| Net income attributable to U.S. Bancorp                         | \$ 2,177                   | \$ 1,815 | \$ 4,122                 | \$ 3,524 |
| Preferred dividends                                             | (66)                       | (70)     | (159)                    | (165)    |
| Earnings allocated to participating stock awards                | (13)                       | (12)     | (24)                     | (23)     |
| Net income applicable to U.S. Bancorp common shareholders       | \$ 2,098                   | \$ 1,733 | \$ 3,939                 | \$ 3,336 |
| Average common shares outstanding                               | 1,554                      | 1,559    | 1,554                    | 1,559    |
| Net effect of the exercise and assumed purchase of stock awards | 1                          | —        | 1                        | 1        |
| Average diluted common shares outstanding                       | 1,555                      | 1,559    | 1,555                    | 1,560    |
| Earnings per common share                                       | \$ 1.35                    | \$ 1.11  | \$ 2.53                  | \$ 2.14  |
| Diluted earnings per common share                               | \$ 1.35                    | \$ 1.11  | \$ 2.53                  | \$ 2.14  |

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

**NOTE 11** Employee Benefits

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

| (Dollars in Millions)                             | Three Months Ended<br>June 30 |       | Six Months Ended<br>June 30 |        |
|---------------------------------------------------|-------------------------------|-------|-----------------------------|--------|
|                                                   | 2026                          | 2025  | 2026                        | 2025   |
| Service cost                                      | \$ 44                         | \$ 53 | \$ 88                       | \$ 106 |
| Interest cost                                     | 101                           | 102   | 202                         | 205    |
| Expected return on plan assets                    | (152)                         | (146) | (304)                       | (293)  |
| Prior service cost (credit) amortization          | (11)                          | (1)   | (21)                        | (2)    |
| Actuarial loss (gain) amortization                | 5                             | 1     | 9                           | 2      |
| Net periodic benefit cost (credit) <sup>(a)</sup> | \$ (13)                       | \$ 9  | \$ (26)                     | \$ 18  |

(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 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 June 30, 2026, the Company had \$298 million (net-of-tax) of realized and unrealized losses on derivatives classified as cash flow hedges recorded in other comprehensive income (loss), compared with \$69 million (net-of-tax) of realized and unrealized losses at December 31, 2025. The estimated amount to be reclassified from other comprehensive income (loss) into earnings during the next 12 months is a loss of \$172 million (net-of-tax). All cash flow hedges were highly effective for the six months ended June 30, 2026.

**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 June 30, 2026 and at December 31, 2025.

**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)              | June 30, 2026  |            |             | December 31, 2025 |            |             |
|------------------------------------|----------------|------------|-------------|-------------------|------------|-------------|
|                                    | Notional Value | Fair Value |             | Notional Value    | Fair Value |             |
|                                    |                | Assets     | Liabilities |                   | Assets     | Liabilities |
| Fair value hedges                  |                |            |             |                   |            |             |
| Interest rate contracts            |                |            |             |                   |            |             |
| Receive fixed/pay floating swaps   | \$ 13,025      | \$ —       | \$ —        | \$ 7,950          | \$ —       | \$ —        |
| Pay fixed/receive floating swaps   | 23,270         | —          | —           | 25,154            | —          | —           |
| Cash flow hedges                   |                |            |             |                   |            |             |
| Interest rate contracts            |                |            |             |                   |            |             |
| Receive fixed/pay floating swaps   | 29,580         | 2          | 3           | 25,350            | —          | —           |
| Pay fixed/receive floating swaps   | —              | —          | —           | 1,000             | —          | —           |
| Net investment hedges              |                |            |             |                   |            |             |
| Foreign exchange forward contracts | 885            | 11         | —           | 759               | —          | 2           |
| Other economic hedges              |                |            |             |                   |            |             |
| Interest rate contracts            |                |            |             |                   |            |             |
| Futures and forwards               |                |            |             |                   |            |             |
| Buy                                | 4,833          | 10         | 5           | 3,235             | 10         | 1           |
| Sell                               | 4,403          | 6          | 12          | 3,583             | 1          | 10          |
| Options                            |                |            |             |                   |            |             |
| Purchased                          | 8,955          | 127        | —           | 8,930             | 131        | —           |
| Written                            | 2,922          | 16         | 49          | 2,553             | 13         | 58          |
| Receive fixed/pay floating swaps   | 5,354          | —          | 76          | 5,318             | 14         | 30          |
| Pay fixed/receive floating swaps   | 2,662          | —          | —           | 2,479             | —          | —           |
| Foreign exchange forward contracts | 891            | 5          | 4           | 940               | 3          | 3           |
| Equity contracts                   | 366            | 5          | 3           | 334               | 2          | 1           |
| Credit contracts                   | 2,509          | —          | 10          | 2,265             | —          | 18          |
| Other <sup>(a)</sup>               | 1,539          | 5          | 76          | 1,085             | 6          | 99          |
| Total                              | \$101,194      | \$ 187     | \$ 238      | \$ 90,935         | \$ 180     | \$ 222      |

(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 \$690 million and \$74 million at June 30, 2026, respectively, compared to \$995 million and \$99 million at December 31, 2025, respectively. In addition, includes short-term underwriting purchase and sale commitments with total notional values of \$756 million at June 30, 2026.

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

| (Dollars in Millions)            | June 30, 2026  |            |             | December 31, 2025 |            |             |
|----------------------------------|----------------|------------|-------------|-------------------|------------|-------------|
|                                  | Notional Value | Fair Value |             | Notional Value    | Fair Value |             |
|                                  |                | Assets     | Liabilities |                   | Assets     | Liabilities |
| Interest rate contracts          |                |            |             |                   |            |             |
| Receive fixed/pay floating swaps | \$ 516,942     | \$ 576     | \$ 2,778    | \$ 459,357        | \$ 1,326   | \$ 2,134    |
| Pay fixed/receive floating swaps | 430,898        | 1,668      | 211         | 386,099           | 1,142      | 449         |
| Other <sup>(a)</sup>             | 63,026         | 17         | 42          | 66,014            | 19         | 33          |
| Options                          |                |            |             |                   |            |             |
| Purchased                        | 182,448        | 258        | 1           | 148,778           | 222        | 8           |
| Written                          | 120,918        | 11         | 404         | 106,749           | 24         | 291         |
| Futures                          |                |            |             |                   |            |             |
| Buy                              | 17,207         | —          | 10          | 3,974             | —          | —           |
| Sell                             | 14             | —          | —           | 527               | —          | —           |
| Foreign exchange rate contracts  |                |            |             |                   |            |             |
| Forwards, spots and swaps        | 137,299        | 2,473      | 2,367       | 137,555           | 2,688      | 2,575       |
| Options                          |                |            |             |                   |            |             |
| Purchased                        | 1,493          | 18         | —           | 1,101             | 20         | 2           |
| Written                          | 1,493          | —          | 18          | 1,101             | 4          | 19          |
| Commodity contracts              |                |            |             |                   |            |             |
| Swaps                            | 28,995         | 1,263      | 1,128       | 18,068            | 810        | 705         |
| Options                          |                |            |             |                   |            |             |
| Purchased                        | 4,959          | 316        | 5           | 4,545             | 278        | 2           |
| Written                          | 4,949          | 11         | 313         | 4,539             | 1          | 278         |
| Futures                          |                |            |             |                   |            |             |
| Buy                              | 2              | —          | —           | —                 | —          | —           |
| Sell                             | 1,139          | 302        | 105         | 631               | 138        | 71          |
| Credit contracts                 | 16,577         | —          | 14          | 14,683            | —          | 3           |
| Total                            | \$ 1,528,359   | \$ 6,913   | \$ 7,396    | \$ 1,353,721      | \$ 6,672   | \$ 6,570    |

(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 June 30                                     |        |                                                                                  |         | Six Months Ended June 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 |         |
|                                                 | 2026                                                           | 2025   | 2026                                                                             | 2025    | 2026                                                           | 2025   | 2026                                                                             | 2025    |
| <b>Asset and Liability Management Positions</b> |                                                                |        |                                                                                  |         |                                                                |        |                                                                                  |         |
| Cash flow hedges                                |                                                                |        |                                                                                  |         |                                                                |        |                                                                                  |         |
| Interest rate contracts                         | \$ (169)                                                       | \$ 116 | \$ (31)                                                                          | \$ (49) | \$ (291)                                                       | \$ 327 | \$ (62)                                                                          | \$ (94) |
| Net investment hedges                           |                                                                |        |                                                                                  |         |                                                                |        |                                                                                  |         |
| Foreign exchange forward contracts              | 16                                                             | (38)   | —                                                                                | —       | 34                                                             | (42)   | —                                                                                | —       |
| Non-derivative debt instruments                 | 11                                                             | (130)  | —                                                                                | —       | 49                                                             | (191)  | —                                                                                | —       |

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 June 30 |          |                  |          | Six Months Ended June 30 |          |                  |          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------|------------------|----------|--------------------------|----------|------------------|----------|
|                                                                                                                                                                     | Interest Income            |          | Interest Expense |          | Interest Income          |          | Interest Expense |          |
|                                                                                                                                                                     | 2026                       | 2025     | 2026             | 2025     | 2026                     | 2025     | 2026             | 2025     |
| 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 | \$ 7,598                   | \$ 7,604 | \$ 3,237         | \$ 3,553 | \$15,005                 | \$15,120 | \$ 6,381         | \$ 6,977 |
| <b>Asset and Liability Management Positions</b>                                                                                                                     |                            |          |                  |          |                          |          |                  |          |
| Fair value hedges                                                                                                                                                   |                            |          |                  |          |                          |          |                  |          |
| Interest rate contract derivatives                                                                                                                                  | 253                        | (285)    | (93)             | (78)     | 453                      | (733)    | (143)            | (184)    |
| Hedged items                                                                                                                                                        | (249)                      | 286      | 94               | 76       | (460)                    | 733      | 145              | 188      |
| Cash flow hedges                                                                                                                                                    |                            |          |                  |          |                          |          |                  |          |
| Interest rate contract derivatives                                                                                                                                  | (41)                       | (59)     | —                | 7        | (82)                     | (112)    | 1                | 14       |

Note: The Company does not exclude components from effectiveness testing for fair value and cash flow hedges. The Company reclassified losses of \$1 million into earnings during the six months ended June 30, 2026, as a result of realized cash flows on discontinued cash flow hedges, compared with \$7 million and \$14 million into earnings during the three and six months ended June 30, 2025, 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 |                   |
|---------------------------------------------------------|------------------------------------------------------|-------------------|-------------------------------|-------------------|
|                                                         | June 30, 2026                                        | December 31, 2025 | June 30, 2026                 | December 31, 2025 |
|                                                         | Line Item in the Consolidated Balance Sheet          |                   |                               |                   |
| Available-for-sale investment securities <sup>(a)</sup> | \$ 22,882                                            | \$ 25,062         | \$ (257)                      | \$ 75             |
| Long-term debt                                          | 13,023                                               | 8,091             | 22                            | 153               |

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 \$(18) million and \$(32) million, respectively, at June 30, 2026, compared with \$57 million and \$(33) million at December 31, 2025, respectively. The carrying amount of available-for-sale investment securities and long-term debt related to discontinued hedging relationships was \$13.9 billion and \$14.6 billion, respectively, at June 30, 2026, compared with \$11.8 billion and \$16.6 billion at December 31, 2025, 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 June 30, 2026, the amortized cost of the closed portfolios used in these hedging relationships was \$20.3 billion, of which \$7.3 billion was designated as hedged. At June 30, 2026, the cumulative amount of basis adjustments associated with these hedging relationships was \$6 million. At December 31, 2025, the amortized cost of the closed portfolios used in these hedging relationships was \$20.7 billion, of which \$9.2 billion was designated as hedged. At December 31, 2025, the cumulative amount of basis adjustments associated with these hedging relationships was \$175 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)<br>Recognized in Earnings | Three Months Ended<br>June 30 |      | Six Months Ended<br>June 30 |       |
|-------------------------------------------------|------------------------------------------------------|-------------------------------|------|-----------------------------|-------|
|                                                 |                                                      | 2026                          | 2025 | 2026                        | 2025  |
| <b>Asset and Liability Management Positions</b> |                                                      |                               |      |                             |       |
| Other economic hedges                           |                                                      |                               |      |                             |       |
| Interest rate contracts                         |                                                      |                               |      |                             |       |
| Futures and forwards                            | Mortgage banking revenue                             | \$ 14                         | \$ 1 | \$ 11                       | \$ 25 |
| Purchased and written options                   | Mortgage banking revenue                             | 41                            | 38   | 98                          | 68    |
| Swaps                                           | Mortgage banking revenue/Interest expense            | (9)                           | 13   | (2)                         | 69    |
| Foreign exchange forward contracts              | Other noninterest income                             | 11                            | (19) | 17                          | (17)  |
| Equity contracts                                | Compensation expense                                 | 46                            | 27   | 35                          | 8     |
| Credit contracts                                | Other noninterest income                             | (13)                          | (12) | 5                           | 5     |
| Other                                           | Other noninterest income                             | (12)                          | (82) | (31)                        | (82)  |
| <b>Customer-Related Positions</b>               |                                                      |                               |      |                             |       |
| Interest rate contracts                         |                                                      |                               |      |                             |       |
| Swaps                                           | Capital markets revenue                              | 167                           | 47   | 269                         | 82    |
| Purchased and written options                   | Capital markets revenue                              | (44)                          | 2    | (97)                        | 14    |
| Futures                                         | Capital markets revenue                              | (7)                           | 1    | (10)                        | 2     |
| Foreign exchange rate contracts                 |                                                      |                               |      |                             |       |
| Forwards, spots and swaps                       | Capital markets revenue                              | 50                            | 66   | 94                          | 114   |
| Purchased and written options                   | Capital markets revenue                              | —                             | —    | —                           | 1     |
| Commodity contracts                             |                                                      |                               |      |                             |       |
| Swaps                                           | Capital markets revenue                              | (160)                         | (43) | (202)                       | 4     |
| Purchased and written options                   | Capital markets revenue                              | 1                             | 15   | 2                           | 14    |
| Futures and forwards                            | Capital markets revenue                              | 160                           | 45   | 255                         | 4     |
| Credit contracts                                | Capital markets revenue                              | (4)                           | (8)  | 6                           | (6)   |

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 June 30, 2026, was \$2.2 billion. At June 30, 2026, the Company had \$1.9 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 \$1.6 trillion total notional amount of derivative positions at June 30, 2026, \$690.1 billion related to bilateral over-the-counter trades, \$825.6 billion related to those centrally cleared through clearinghouses and \$114.0 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. At June 30, 2026 and December 31, 2025, the fair value of collateral received where the Company has the contractual right to sell or repledge was \$78.7 billion and \$62.6 billion, respectively, of which \$78.0 billion and \$56.6 billion had been sold and repledged. 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>June 30, 2026</b>                          |                          |                   |            |                      |           |
| Repurchase agreements                         |                          |                   |            |                      |           |
| U.S. Treasury and agencies                    | \$ 73,086                | \$ 2,058          | \$ —       | \$ —                 | \$ 75,144 |
| Residential agency mortgage-backed securities | 265                      | —                 | —          | —                    | 265       |
| Corporate debt securities                     | 4,431                    | 150               | 12         | —                    | 4,593     |
| Asset-backed securities                       | 425                      | —                 | —          | —                    | 425       |
| Total repurchase agreements                   | 78,207                   | 2,208             | 12         | —                    | 80,427    |
| Securities loaned                             |                          |                   |            |                      |           |
| Corporate debt securities                     | 119                      | —                 | —          | —                    | 119       |
| Total securities loaned                       | 119                      | —                 | —          | —                    | 119       |
| Gross amount of recognized liabilities        | \$ 78,326                | \$ 2,208          | \$ 12      | \$ —                 | \$ 80,546 |
| <b>December 31, 2025</b>                      |                          |                   |            |                      |           |
| Repurchase agreements                         |                          |                   |            |                      |           |
| U.S. Treasury and agencies                    | \$ 54,117                | \$ —              | \$ —       | \$ —                 | \$ 54,117 |
| Residential agency mortgage-backed securities | 293                      | —                 | —          | —                    | 293       |
| Corporate debt securities                     | 3,015                    | 100               | —          | —                    | 3,115     |
| Asset-backed securities                       | 419                      | —                 | —          | —                    | 419       |
| Total repurchase agreements                   | 57,844                   | 100               | —          | —                    | 57,944    |
| Securities loaned                             |                          |                   |            |                      |           |
| Corporate debt securities                     | 84                       | —                 | —          | —                    | 84        |
| Total securities loaned                       | 84                       | —                 | —          | —                    | 84        |
| Gross amount of recognized liabilities        | \$ 57,928                | \$ 100            | \$ —       | \$ —                 | \$ 58,028 |

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<br>Recognized<br>Assets | Gross Amounts<br>Offset on the<br>Consolidated<br>Balance Sheet <sup>(a)</sup> | Net Amounts<br>Presented on the<br>Consolidated<br>Balance Sheet | Gross Amounts Not Offset on the<br>Consolidated Balance Sheet |                                       | Net Amount |
|----------------------------------|-------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------|------------|
|                                  |                               |                                                                                |                                                                  | Financial<br>Instruments <sup>(b)</sup>                       | Collateral<br>Received <sup>(c)</sup> |            |
| <b>June 30, 2026</b>             |                               |                                                                                |                                                                  |                                                               |                                       |            |
| Derivative assets <sup>(d)</sup> | \$ 7,078                      | \$ (3,212)                                                                     | \$ 3,866                                                         | \$ (205)                                                      | \$ (17)                               | \$ 3,644   |
| Reverse repurchase agreements    | 77,477                        | (71,776)                                                                       | 5,701                                                            | (61)                                                          | (5,602)                               | 38         |
| Securities borrowed              | 2,020                         | —                                                                              | 2,020                                                            | (31)                                                          | (1,906)                               | 83         |
| Total                            | \$ 86,575                     | \$ (74,988)                                                                    | \$ 11,587                                                        | \$ (297)                                                      | \$ (7,525)                            | \$ 3,765   |
| <b>December 31, 2025</b>         |                               |                                                                                |                                                                  |                                                               |                                       |            |
| Derivative assets <sup>(d)</sup> | \$ 6,832                      | \$ (3,151)                                                                     | \$ 3,681                                                         | \$ (116)                                                      | \$ (23)                               | \$ 3,542   |
| Reverse repurchase agreements    | 61,078                        | (48,708)                                                                       | 12,370                                                           | (454)                                                         | (11,888)                              | 28         |
| Securities borrowed              | 1,844                         | —                                                                              | 1,844                                                            | —                                                             | (1,769)                               | 75         |
| Total                            | \$ 69,754                     | \$ (51,859)                                                                    | \$ 17,895                                                        | \$ (570)                                                      | \$ (13,680)                           | \$ 3,645   |

(a) Includes \$1.1 billion and \$1.2 billion of cash collateral related payables that were netted against derivative assets at June 30, 2026 and December 31, 2025, 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 \$22 million and \$20 million at June 30, 2026 and December 31, 2025, respectively, of derivative assets not subject to netting arrangements.

| (Dollars in Millions)                 | Gross<br>Recognized<br>Liabilities | Gross Amounts<br>Offset on the<br>Consolidated<br>Balance Sheet <sup>(a)</sup> | Net Amounts<br>Presented on the<br>Consolidated<br>Balance Sheet | Gross Amounts Not Offset on the<br>Consolidated Balance Sheet |                                      | Net Amount |
|---------------------------------------|------------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------|------------|
|                                       |                                    |                                                                                |                                                                  | Financial<br>Instruments <sup>(b)</sup>                       | Collateral<br>Pledged <sup>(c)</sup> |            |
| <b>June 30, 2026</b>                  |                                    |                                                                                |                                                                  |                                                               |                                      |            |
| Derivative liabilities <sup>(d)</sup> | \$ 7,558                           | \$ (3,946)                                                                     | \$ 3,612                                                         | \$ (205)                                                      | \$ —                                 | \$ 3,407   |
| Repurchase agreements                 | 80,427                             | (71,776)                                                                       | 8,651                                                            | (61)                                                          | (8,589)                              | 1          |
| Securities loaned                     | 119                                | —                                                                              | 119                                                              | (31)                                                          | (86)                                 | 2          |
| Total                                 | \$ 88,104                          | \$ (75,722)                                                                    | \$ 12,382                                                        | \$ (297)                                                      | \$ (8,675)                           | \$ 3,410   |
| <b>December 31, 2025</b>              |                                    |                                                                                |                                                                  |                                                               |                                      |            |
| Derivative liabilities <sup>(d)</sup> | \$ 6,692                           | \$ (3,392)                                                                     | \$ 3,300                                                         | \$ (116)                                                      | \$ —                                 | \$ 3,184   |
| Repurchase agreements                 | 57,944                             | (48,708)                                                                       | 9,236                                                            | (454)                                                         | (8,779)                              | 3          |
| Securities loaned                     | 84                                 | —                                                                              | 84                                                               | —                                                             | (82)                                 | 2          |
| Total                                 | \$ 64,720                          | \$ (52,100)                                                                    | \$ 12,620                                                        | \$ (570)                                                      | \$ (8,861)                           | \$ 3,189   |

(a) Includes \$1.9 billion and \$1.5 billion of cash collateral related receivables that were netted against derivative liabilities at June 30, 2026 and December 31, 2025, respectively.

(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 \$76 million and \$100 million at June 30, 2026 and December 31, 2025, 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, 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 six months ended June 30, 2026 and 2025, 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 \$3 million for the three months ended June 30, 2026 and 2025, respectively, and net losses of \$2 million and net gains of \$6 million for the six months ended June 30, 2026 and 2025, 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 \$2 million for the three months ended June 30, 2025 and net gains of \$1 million for the six months ended June 30, 2025, 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 \$15 million and net gains of \$19 million, respectively, for the three months ended June 30, 2026, and net DVA losses of \$5 million and net gains of \$3 million, respectively, for the three months ended June 30, 2025, from the changes in the fair value of structured notes under fair value option accounting guidance. Included in other comprehensive income (loss) and interest expense on long-term debt were net DVA losses of \$9 million and net gains of \$48 million, respectively, for the six months ended June 30, 2026, and net DVA losses of \$3 million and net gains of \$2 million, respectively, for the six months ended June 30, 2025, from the changes in the fair value of structured notes under fair value option accounting guidance.

**Mortgage Servicing Rights** MSRs 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 7 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 June 30, 2026:

|                        | Minimum | Maximum | Weighted-Average <sup>(a)</sup> |
|------------------------|---------|---------|---------------------------------|
| Expected prepayment    | 6 %     | 18 %    | 9 %                             |
| Option adjusted spread | 4       | 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 June 30, 2026:

|                                            | Minimum | Maximum | Weighted-Average <sup>(a)</sup> |
|--------------------------------------------|---------|---------|---------------------------------|
| Expected loan close rate                   | 1 %     | 100 %   | 86 %                            |
| Inherent MSR value (basis points per loan) | 58      | 212     | 122                             |

(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 June 30, 2026, 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, 1,911 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>June 30, 2026</b>                                       |           |           |          |            |            |
| Available-for-sale securities                              |           |           |          |            |            |
| U.S. Treasury and agencies                                 | \$ 24,099 | \$ 4,656  | \$ —     | \$ —       | \$ 28,755  |
| Mortgage-backed securities                                 |           |           |          |            |            |
| Residential agency                                         | —         | 39,867    | —        | —          | 39,867     |
| Commercial                                                 |           |           |          |            |            |
| Agency                                                     | —         | 7,422     | —        | —          | 7,422      |
| Non-agency                                                 | —         | 7         | —        | —          | 7          |
| Asset-backed securities                                    | —         | 5,535     | —        | —          | 5,535      |
| Obligations of state and political subdivisions            | —         | 7,361     | —        | —          | 7,361      |
| Other                                                      | —         | 138       | —        | —          | 138        |
| Total available-for-sale                                   | 24,099    | 64,986    | —        | —          | 89,085     |
| Mortgage loans held for sale                               | —         | 2,645     | —        | —          | 2,645      |
| Mortgage servicing rights                                  | —         | —         | 3,177    | —          | 3,177      |
| Derivative assets                                          | 342       | 4,677     | 2,081    | (3,212)    | 3,888      |
| Other assets                                               | 695       | 2,864     | —        | —          | 3,559      |
| Total                                                      | \$ 25,136 | \$ 75,172 | \$ 5,258 | \$ (3,212) | \$ 102,354 |
| Time deposits                                              | \$ —      | \$ 13     | \$ —     | \$ —       | \$ 13      |
| Long-term debt                                             | —         | 1,904     | —        | —          | 1,904      |
| Derivative liabilities                                     | 114       | 5,188     | 2,332    | (3,946)    | 3,688      |
| Short-term borrowings and other liabilities <sup>(a)</sup> | 729       | 1,778     | —        | —          | 2,507      |
| Total                                                      | \$ 843    | \$ 8,883  | \$ 2,332 | \$ (3,946) | \$ 8,112   |
| <b>December 31, 2025</b>                                   |           |           |          |            |            |
| Available-for-sale securities                              |           |           |          |            |            |
| U.S. Treasury and agencies                                 | \$ 24,038 | \$ 4,732  | \$ —     | \$ —       | \$ 28,770  |
| Mortgage-backed securities                                 |           |           |          |            |            |
| Residential agency                                         | —         | 38,010    | —        | —          | 38,010     |
| Commercial                                                 |           |           |          |            |            |
| Agency                                                     | —         | 7,742     | —        | —          | 7,742      |
| Non-agency                                                 | —         | 7         | —        | —          | 7          |
| Asset-backed securities                                    | —         | 6,527     | —        | —          | 6,527      |
| Obligations of state and political subdivisions            | —         | 9,514     | —        | —          | 9,514      |
| Other                                                      | —         | 268       | —        | —          | 268        |
| Total available-for-sale                                   | 24,038    | 66,800    | —        | —          | 90,838     |
| Mortgage loans held for sale                               | —         | 2,353     | —        | —          | 2,353      |
| Mortgage servicing rights                                  | —         | —         | 3,159    | —          | 3,159      |
| Derivative assets                                          | 147       | 4,735     | 1,970    | (3,151)    | 3,701      |
| Other assets                                               | 524       | 2,261     | —        | —          | 2,785      |
| Total                                                      | \$ 24,709 | \$ 76,149 | \$ 5,129 | \$ (3,151) | \$ 102,836 |
| Time deposits                                              | \$ —      | \$ 718    | \$ —     | \$ —       | \$ 718     |
| Long-term debt                                             | —         | 1,414     | —        | —          | 1,414      |
| Derivative liabilities                                     | 72        | 4,538     | 2,182    | (3,392)    | 3,400      |
| Short-term borrowings and other liabilities <sup>(a)</sup> | 717       | 1,796     | —        | —          | 2,513      |
| Total                                                      | \$ 789    | \$ 8,466  | \$ 2,182 | \$ (3,392) | \$ 8,045   |

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 \$210 million and \$203 million at June 30, 2026 and December 31, 2025, respectively, and reflect no impairment or observable price change adjustment at both June 30, 2026 and December 31, 2025. The Company did not record any adjustments for observable price changes during the first six months of 2026 and 2025.

(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 June 30<br>(Dollars in Millions) | Beginning<br>of Period<br>Balance | Net Gains<br>(Losses)<br>Included<br>in Net<br>Income | Purchases | Sales  | Issuances             | Settlements | End of<br>Period<br>Balance | Net Change in<br>Unrealized<br>Gains (Losses)<br>Relating to<br>Assets and<br>Liabilities Held<br>at End of<br>Period |
|-----------------------------------------------------|-----------------------------------|-------------------------------------------------------|-----------|--------|-----------------------|-------------|-----------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>2026</b>                                         |                                   |                                                       |           |        |                       |             |                             |                                                                                                                       |
| Mortgage servicing rights                           | \$ 3,152                          | \$ (58) <sup>(a)</sup>                                | \$ —      | \$ (2) | \$ 85 <sup>(c)</sup>  | \$ —        | \$ 3,177                    | \$ (58) <sup>(a)</sup>                                                                                                |
| Net derivative assets and liabilities               | 490                               | (1,594) <sup>(b)</sup>                                | 629       | (7)    | —                     | 231         | (251)                       | (622) <sup>(d)</sup>                                                                                                  |
| <b>2025</b>                                         |                                   |                                                       |           |        |                       |             |                             |                                                                                                                       |
| Mortgage servicing rights                           | \$ 3,312                          | \$ (71) <sup>(a)</sup>                                | \$ —      | \$ —   | \$ 64 <sup>(c)</sup>  | \$ —        | \$ 3,305                    | \$ (71) <sup>(a)</sup>                                                                                                |
| Net derivative assets and liabilities               | (727)                             | 10 <sup>(e)</sup>                                     | 52        | —      | —                     | 558         | (107)                       | 463 <sup>(f)</sup>                                                                                                    |
| <b>2026</b>                                         |                                   |                                                       |           |        |                       |             |                             |                                                                                                                       |
| Mortgage servicing rights                           | \$ 3,159                          | \$ (129) <sup>(a)</sup>                               | \$ —      | \$ (4) | \$ 151 <sup>(c)</sup> | \$ —        | \$ 3,177                    | \$ (129) <sup>(a)</sup>                                                                                               |
| Net derivative assets and liabilities               | (212)                             | (1,751) <sup>(g)</sup>                                | 1,029     | (7)    | —                     | 690         | (251)                       | (136) <sup>(h)</sup>                                                                                                  |
| <b>2025</b>                                         |                                   |                                                       |           |        |                       |             |                             |                                                                                                                       |
| Mortgage servicing rights                           | \$ 3,369                          | \$ (188) <sup>(a)</sup>                               | \$ —      | \$ 1   | \$ 123 <sup>(c)</sup> | \$ —        | \$ 3,305                    | \$ (188) <sup>(a)</sup>                                                                                               |
| Net derivative assets and liabilities               | (1,800)                           | (181) <sup>(i)</sup>                                  | 721       | (2)    | 1                     | 1,154       | (107)                       | 1,351 <sup>(j)</sup>                                                                                                  |

(a) Included in mortgage banking revenue.

(b) Approximately \$51 million, \$(1.6) billion and \$(13) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(c) Represents MSRs capitalized during the period.

(d) Approximately \$16 million, \$(625) million and \$(13) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(e) Approximately \$53 million, \$39 million and \$(82) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(f) Approximately \$21 million, \$526 million and \$(82) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(g) Approximately \$95 million, \$(1.8) billion and \$(31) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(h) Approximately \$16 million, \$(121) million and \$(31) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(i) Approximately \$104 million, \$(202) million and \$(83) million included in mortgage banking revenue, capital markets revenue and other noninterest income, respectively.

(j) Approximately \$21 million, \$1.4 billion and \$(83) 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)       | June 30, 2026 |         |         |        | December 31, 2025 |         |         |        |
|-----------------------------|---------------|---------|---------|--------|-------------------|---------|---------|--------|
|                             | Level 1       | Level 2 | Level 3 | Total  | Level 1           | Level 2 | Level 3 | Total  |
| Loans <sup>(a)</sup>        | \$ —          | \$ —    | \$ 144  | \$ 144 | \$ —              | \$ —    | \$ 763  | \$ 763 |
| Other assets <sup>(b)</sup> | —             | —       | 18      | 18     | —                 | —       | 51      | 51     |

(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<br>June 30 |       | Six Months Ended<br>June 30 |        |
|-----------------------------|-------------------------------|-------|-----------------------------|--------|
|                             | 2026                          | 2025  | 2026                        | 2025   |
| Loans <sup>(a)</sup>        | \$ 39                         | \$ 99 | \$ 142                      | \$ 198 |
| Other assets <sup>(b)</sup> | 1                             | 1     | 2                           | 2      |

(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)      | June 30, 2026              |                                   |                                                                | December 31, 2025          |                                   |                                                                |
|----------------------------|----------------------------|-----------------------------------|----------------------------------------------------------------|----------------------------|-----------------------------------|----------------------------------------------------------------|
|                            | 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> | \$ 2,645                   | \$ 2,625                          | \$ 20                                                          | \$ 2,353                   | \$ 2,325                          | \$ 28                                                          |
| Time deposits              | 13                         | 13                                | —                                                              | 718                        | 718                               | —                                                              |
| Long-term debt             | 1,904                      | 1,948                             | (44)                                                           | 1,414                      | 1,419                             | (5)                                                            |

(a) Includes nonaccrual loans of \$1 million carried at fair value with contractual principal outstanding of \$1 million at June 30, 2026 and \$1 million carried at fair value with contractual principal outstanding of \$1 million at December 31, 2025. Includes loans 90 days or more past due of \$2 million carried at fair value with contractual principal outstanding of \$2 million at June 30, 2026 and \$5 million carried at fair value with contractual principal outstanding of \$5 million at December 31, 2025.

## Fair Value of Financial Instruments

The following section summarizes the estimated fair value for financial instruments accounted for at amortized cost as of June 30, 2026 and December 31, 2025. 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)                                               | June 30, 2026   |            |         |         |          | December 31, 2025 |            |         |         |          |
|---------------------------------------------------------------------|-----------------|------------|---------|---------|----------|-------------------|------------|---------|---------|----------|
|                                                                     | 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                                             | \$66,491        | \$66,491   | \$ —    | \$ —    | \$66,491 | \$46,890          | \$46,890   | \$ —    | \$ —    | \$46,890 |
| Federal funds sold and securities purchased under resale agreements | 5,742           | —          | 5,742   | —       | 5,742    | 12,359            | —          | 12,359  | —       | 12,359   |
| Investment securities held-to-maturity                              | 74,085          | 643        | 63,979  | —       | 64,622   | 76,170            | 644        | 66,435  | —       | 67,079   |
| Loans held for sale <sup>(a)</sup>                                  | 393             | —          | —       | 393     | 393      | 185               | —          | —       | 185     | 185      |
| Loans, net of allowance for losses                                  | 402,655         | —          | —       | 400,044 | 400,044  | 383,730           | —          | —       | 383,323 | 383,323  |
| Other <sup>(b)</sup>                                                | 2,634           | —          | 2,187   | 447     | 2,634    | 2,074             | —          | 1,641   | 433     | 2,074    |
| <b>Financial Liabilities</b>                                        |                 |            |         |         |          |                   |            |         |         |          |
| Time deposits <sup>(c)</sup>                                        | 46,494          | —          | 46,497  | —       | 46,497   | 47,314            | —          | 47,391  | —       | 47,391   |
| Short-term borrowings <sup>(d)</sup>                                | 34,830          | —          | 34,671  | —       | 34,671   | 14,649            | —          | 14,490  | —       | 14,490   |
| Long-term debt <sup>(e)</sup>                                       | 56,767          | —          | 56,114  | —       | 56,114   | 59,350            | —          | 59,149  | —       | 59,149   |
| Other <sup>(f)</sup>                                                | 5,325           | —          | 1,411   | 3,914   | 5,325    | 4,940             | —          | 1,419   | 3,521   | 4,940    |

(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 \$370 million and \$377 million at June 30, 2026 and December 31, 2025, respectively. The carrying value of other guarantees was \$199 million and \$187 million at June 30, 2026 and December 31, 2025, respectively.

## NOTE 15 Guarantees and Contingent Liabilities

**Visa Litigation** Visa and MasterCard are defendants in antitrust lawsuits, including the multidistrict interchange litigation pending in the United States District Court for the Eastern District of New York (the “Multi-District Litigation”). Following its reorganization in 2007 and in contemplation of its initial public offering, Visa issued shares of Visa Class B common stock to its financial institution members, including the Company, and the member financial institutions remained responsible for indemnifying Visa for certain specified litigation including the Multi-District Litigation. The indemnification by the Visa member financial institutions has no specific maximum amount. Visa funded an escrow account for the benefit of member financial institutions to fund their indemnification obligations associated with the litigation, and payments to resolve the litigation are made from the escrow account. The Class B shares are convertible into Visa Class A common stock upon resolution of the litigation and the conversion ratio is adjusted as Visa funds amounts into the escrow account. The Company previously sold substantially all of its Class B shares and under the terms of those sales, the Company has an obligation to compensate the buyer for changes in the Class B conversion rate. This obligation is included in the derivative liability swap agreements the Company records at fair value.

The Multi-District Litigation was divided 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 individual cases by merchants who opted out of the Damages Action class settlement are still being litigated. In June 2024, the court declined to grant preliminary approval of a proposed settlement of the Injunctive Action. In November 2025, the parties reached a new settlement providing for lower interchange fees and various other rule changes for U.S. merchants, which the court preliminarily approved in June 2026. A final approval hearing is set for November 16, 2026.

**Commitments to Extend Credit and Other Commitments** Commitments to extend credit are legally binding and generally have fixed expiration dates or other termination clauses. The contractual amount represents the Company’s exposure to credit loss, in the event of default by the borrower. The contract or notional amounts of unfunded commitments to extend credit, excluding those commitments considered derivatives, were \$457.9 billion and \$444.7 billion at June 30, 2026 and December 31, 2025, respectively.

As part of the Company’s broker-dealer operations, the Company has commitments to enter into reverse repurchase agreements and repurchase agreements. At June 30, 2026, the amount of unfunded contractual commitments for reverse repurchase agreements and repurchase agreements were \$16.6 billion and \$19.8 billion, respectively, compared with \$8.5 billion and \$4.8 billion at December 31, 2025, respectively.

## Other Guarantees and Contingent Liabilities

The following table is a summary of other guarantees and contingent liabilities of the Company at June 30, 2026:

| (Dollars in Millions)               | Collateral Held | Carrying Amount | Maximum Potential Future Payments |
|-------------------------------------|-----------------|-----------------|-----------------------------------|
| Standby letters of credit           | \$ —            | \$ 26           | \$ 12,300                         |
| Securities lending indemnifications | 10,106          | —               | 9,926                             |
| Asset sales                         | —               | 128             | 17,656 <sup>(a)</sup>             |
| Merchant processing                 | 456             | 51              | 156,990                           |
| Other                               | —               | 20              | 2,955                             |

(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 June 30, 2026, the value of airline tickets purchased to be delivered at a future date through card transactions processed by the Company was \$15.1 billion. The Company held collateral of \$358 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 June 30, 2026, 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 June 30, 2026 and December 31, 2025, the Company had reserved \$7 million 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 June 30, 2026 and December 31, 2025, the Company had \$16 million and \$13 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, U.S. Bank National Association, 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. For example, the Office of the Comptroller of the Currency and other government agencies are conducting inquiries or investigations of the Company and other banking organizations related to fair access to banking, including pursuant to Executive Order 14331 (Guaranteeing Fair Banking for All Americans) which directed a review of financial institutions' policies and practices for providing, maintaining, or discontinuing financial products or services to customers or potential customers. 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, and also includes investments in tax-advantaged projects.

**Consumer and Business Banking** Consumer and Business Banking comprises consumer banking, small business banking, debit cards 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, 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, 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 2026, certain organization and methodology changes were made, including moving the Impact Finance business unit from the Treasury and Corporate Support business segment to the Wealth, Corporate, Commercial and Institutional Banking business segment. In addition, card revenue generated from debit cards, which was previously included in the Payment Services business segment, is now included in the Consumer and Business Banking business segment. Prior period results were recast and presented on a comparable basis.



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

|                                                               | Wealth, Corporate,<br>Commercial and<br>Institutional Banking |           | Consumer and<br>Business Banking |           | Payment Services |           | Treasury and<br>Corporate Support |          | Consolidated<br>Company |           |
|---------------------------------------------------------------|---------------------------------------------------------------|-----------|----------------------------------|-----------|------------------|-----------|-----------------------------------|----------|-------------------------|-----------|
| (Dollars in Millions)                                         | 2026                                                          | 2025      | 2026                             | 2025      | 2026             | 2025      | 2026                              | 2025     | 2026                    | 2025      |
| <b>Condensed Income Statement</b>                             |                                                               |           |                                  |           |                  |           |                                   |          |                         |           |
| Net interest income (taxable-equivalent basis) <sup>(a)</sup> | \$ 1,937                                                      | \$ 1,724  | \$ 1,836                         | \$ 1,841  | \$ 774           | \$ 730    | \$ (160)                          | \$ (215) | \$ 4,387                | \$ 4,080  |
| Noninterest income <sup>(b)(c)</sup>                          | 1,834                                                         | 1,496     | 537                              | 535       | 1,038            | 984       | (84)                              | (91)     | 3,325                   | 2,924     |
| Total net revenue <sup>(d)</sup>                              | 3,771                                                         | 3,220     | 2,373                            | 2,376     | 1,812            | 1,714     | (244)                             | (306)    | 7,712                   | 7,004     |
| Compensation and employee benefits                            | 666                                                           | 570       | 564                              | 572       | 240              | 221       | 1,215                             | 1,237    | 2,685                   | 2,600     |
| Other intangibles                                             | 44                                                            | 46        | 51                               | 58        | 19               | 20        | —                                 | —        | 114                     | 124       |
| Net shared services                                           | 611                                                           | 615       | 550                              | 545       | 520              | 532       | (1,681)                           | (1,692)  | —                       | —         |
| Other direct expenses <sup>(e)</sup>                          | 281                                                           | 246       | 345                              | 342       | 348              | 243       | 655                               | 626      | 1,629                   | 1,457     |
| Total noninterest expense                                     | 1,602                                                         | 1,477     | 1,510                            | 1,517     | 1,127            | 1,016     | 189                               | 171      | 4,428                   | 4,181     |
| Income (loss) before provision and income taxes               | 2,169                                                         | 1,743     | 863                              | 859       | 685              | 698       | (433)                             | (477)    | 3,284                   | 2,823     |
| Provision for credit losses                                   | 129                                                           | 178       | 78                               | 37        | 385              | 384       | (54)                              | (98)     | 538                     | 501       |
| Income (loss) before income taxes                             | 2,040                                                         | 1,565     | 785                              | 822       | 300              | 314       | (379)                             | (379)    | 2,746                   | 2,322     |
| Income taxes and taxable-equivalent adjustment                | 510                                                           | 391       | 196                              | 206       | 75               | 79        | (218)                             | (175)    | 563                     | 501       |
| Net income (loss)                                             | 1,530                                                         | 1,174     | 589                              | 616       | 225              | 235       | (161)                             | (204)    | 2,183                   | 1,821     |
| Net (income) loss attributable to noncontrolling interests    | —                                                             | —         | —                                | —         | —                | —         | (6)                               | (6)      | (6)                     | (6)       |
| Net income (loss) attributable to U.S. Bancorp                | \$ 1,530                                                      | \$ 1,174  | \$ 589                           | \$ 616    | \$ 225           | \$ 235    | \$ (167)                          | \$ (210) | \$ 2,177                | \$ 1,815  |
| <b>Average Balance Sheet</b>                                  |                                                               |           |                                  |           |                  |           |                                   |          |                         |           |
| Loans                                                         | \$213,957                                                     | \$185,545 | \$144,008                        | \$149,500 | \$ 45,947        | \$ 42,224 | \$ 1,569                          | \$ 1,260 | \$405,481               | \$378,529 |
| Goodwill                                                      | 5,028                                                         | 4,826     | 4,326                            | 4,326     | 3,479            | 3,425     | —                                 | —        | 12,833                  | 12,577    |
| Other intangible assets                                       | 645                                                           | 817       | 3,910                            | 4,277     | 241              | 258       | 6                                 | 8        | 4,802                   | 5,360     |
| Assets                                                        | 268,412                                                       | 234,434   | 157,112                          | 165,129   | 51,171           | 47,840    | 218,015                           | 225,938  | 694,710                 | 673,341   |
| Noninterest-bearing deposits                                  | 57,877                                                        | 55,230    | 18,632                           | 19,732    | 2,390            | 2,439     | 1,712                             | 1,716    | 80,611                  | 79,117    |
| Interest-bearing deposits                                     | 227,688                                                       | 213,621   | 206,430                          | 200,548   | 93               | 95        | 258                               | 9,509    | 434,469                 | 423,773   |
| Total deposits                                                | 285,565                                                       | 268,851   | 225,062                          | 220,280   | 2,483            | 2,534     | 1,970                             | 11,225   | 515,080                 | 502,890   |
| Total U.S. Bancorp shareholders' equity                       | 25,064                                                        | 23,700    | 12,865                           | 13,563    | 10,692           | 10,234    | 18,244                            | 13,402   | 66,865                  | 60,899    |

(a) Total net interest income includes a taxable-equivalent adjustment of \$26 million and \$29 million for the three months ended June 30, 2026 and 2025, respectively. See Non-GAAP Financial Measures beginning on page 27.

(b) Payment Services noninterest income presented net of related rewards and rebate costs and certain partner payments of \$867 million and \$789 million for the three months ended June 30, 2026 and 2025, respectively.

(c) Total noninterest income includes revenue generated from certain contracts with customers of \$2.7 billion and \$2.4 billion for the three months ended June 30, 2026 and 2025, 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 \$202 million and \$199 million of revenue for the three months ended June 30, 2026 and 2025, 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 six months ended June 30 were as follows:

|                                                               | Wealth, Corporate,<br>Commercial and<br>Institutional Banking |           | Consumer and<br>Business Banking |           | Payment Services |           | Treasury and<br>Corporate Support |          | Consolidated<br>Company |           |
|---------------------------------------------------------------|---------------------------------------------------------------|-----------|----------------------------------|-----------|------------------|-----------|-----------------------------------|----------|-------------------------|-----------|
| (Dollars in Millions)                                         | 2026                                                          | 2025      | 2026                             | 2025      | 2026             | 2025      | 2026                              | 2025     | 2026                    | 2025      |
| <b>Condensed Income Statement</b>                             |                                                               |           |                                  |           |                  |           |                                   |          |                         |           |
| Net interest income (taxable-equivalent basis) <sup>(a)</sup> | \$ 3,811                                                      | \$ 3,432  | \$ 3,635                         | \$ 3,608  | \$ 1,568         | \$ 1,472  | \$ (336)                          | \$ (310) | \$ 8,678                | \$ 8,202  |
| Noninterest income <sup>(b)(c)</sup>                          | 3,442                                                         | 2,918     | 1,052                            | 1,058     | 1,963            | 1,896     | (135)                             | (112)    | 6,322                   | 5,760     |
| Total net revenue <sup>(d)</sup>                              | 7,253                                                         | 6,350     | 4,687                            | 4,666     | 3,531            | 3,368     | (471)                             | (422)    | 15,000                  | 13,962    |
| Compensation and employee benefits                            | 1,253                                                         | 1,128     | 1,123                            | 1,140     | 476              | 437       | 2,461                             | 2,532    | 5,313                   | 5,237     |
| Other intangibles                                             | 84                                                            | 92        | 103                              | 117       | 37               | 38        | —                                 | —        | 224                     | 247       |
| Net shared services                                           | 1,216                                                         | 1,215     | 1,089                            | 1,091     | 1,025            | 1,069     | (3,330)                           | (3,375)  | —                       | —         |
| Other direct expenses <sup>(e)</sup>                          | 526                                                           | 499       | 677                              | 679       | 598              | 464       | 1,355                             | 1,287    | 3,156                   | 2,929     |
| Total noninterest expense                                     | 3,079                                                         | 2,934     | 2,992                            | 3,027     | 2,136            | 2,008     | 486                               | 444      | 8,693                   | 8,413     |
| Income (loss) before provision and income taxes               | 4,174                                                         | 3,416     | 1,695                            | 1,639     | 1,395            | 1,360     | (957)                             | (866)    | 6,307                   | 5,549     |
| Provision for credit losses                                   | 194                                                           | 220       | 150                              | 99        | 732              | 701       | 38                                | 18       | 1,114                   | 1,038     |
| Income (loss) before income taxes                             | 3,980                                                         | 3,196     | 1,545                            | 1,540     | 663              | 659       | (995)                             | (884)    | 5,193                   | 4,511     |
| Income taxes and taxable-equivalent adjustment                | 995                                                           | 799       | 386                              | 386       | 166              | 165       | (487)                             | (376)    | 1,060                   | 974       |
| Net income (loss)                                             | 2,985                                                         | 2,397     | 1,159                            | 1,154     | 497              | 494       | (508)                             | (508)    | 4,133                   | 3,537     |
| Net (income) loss attributable to noncontrolling interests    | —                                                             | —         | —                                | —         | —                | —         | (11)                              | (13)     | (11)                    | (13)      |
| Net income (loss) attributable to U.S. Bancorp                | \$ 2,985                                                      | \$ 2,397  | \$ 1,159                         | \$ 1,154  | \$ 497           | \$ 494    | \$ (519)                          | \$ (521) | \$ 4,122                | \$ 3,524  |
| <b>Average Balance Sheet</b>                                  |                                                               |           |                                  |           |                  |           |                                   |          |                         |           |
| Loans                                                         | \$208,980                                                     | \$183,872 | \$144,100                        | \$151,702 | \$ 44,980        | \$ 41,917 | \$ 1,493                          | \$ 1,286 | \$399,553               | \$378,777 |
| Other earning assets                                          | 15,747                                                        | 13,538    | 2,530                            | 3,335     | 6                | 31        | 208,759                           | 216,113  | 227,042                 | 233,017   |
| Goodwill                                                      | 4,928                                                         | 4,825     | 4,326                            | 4,326     | 3,480            | 3,409     | —                                 | —        | 12,734                  | 12,560    |
| Other intangible assets                                       | 663                                                           | 840       | 3,912                            | 4,322     | 240              | 254       | 6                                 | 8        | 4,821                   | 5,424     |
| Assets                                                        | 262,350                                                       | 232,532   | 157,044                          | 165,877   | 50,096           | 47,338    | 222,024                           | 225,631  | 691,514                 | 671,378   |
| Noninterest-bearing deposits                                  | 57,837                                                        | 55,581    | 18,507                           | 19,502    | 2,407            | 2,527     | 1,869                             | 1,795    | 80,620                  | 79,405    |
| Interest-bearing deposits                                     | 228,924                                                       | 216,457   | 205,082                          | 199,628   | 93               | 95        | 381                               | 9,117    | 434,480                 | 425,297   |
| Total deposits                                                | 286,761                                                       | 272,038   | 223,589                          | 219,130   | 2,500            | 2,622     | 2,250                             | 10,912   | 515,100                 | 504,702   |
| Total U.S. Bancorp shareholders' equity                       | 24,636                                                        | 23,604    | 12,986                           | 13,637    | 10,644           | 10,232    | 18,098                            | 12,785   | 66,364                  | 60,258    |

(a) Total net interest income includes a taxable-equivalent adjustment of \$54 million and \$59 million for the six months ended June 30, 2026 and 2025, respectively. See Non-GAAP Financial Measures beginning on page 27.

(b) Payment Services noninterest income presented net of related rewards and rebate costs and certain partner payments of \$1.7 billion and \$1.5 billion for the six months ended June 30, 2026 and 2025, respectively.

(c) Total noninterest income includes revenue generated from certain contracts with customers of \$5.1 billion and \$4.7 billion for the six months ended June 30, 2026 and 2025, 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 \$399 million and \$396 million of revenue for the six months ended June 30, 2026 and 2025, 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.

# U.S. Bancorp

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

For the Three Months Ended June 30

|                                                               | 2026              |                 |                  | 2025              |                 |                  | 2026 v 2025               |
|---------------------------------------------------------------|-------------------|-----------------|------------------|-------------------|-----------------|------------------|---------------------------|
| (Dollars in Millions) (Unaudited)                             | Average Balances  | Interest        | Yields and Rates | Average Balances  | Interest        | Yields and Rates | % Change Average Balances |
| <b>Assets</b>                                                 |                   |                 |                  |                   |                 |                  |                           |
| Investment securities <sup>(b)</sup>                          | \$ 170,528        | \$ 1,361        | 3.19 %           | \$ 172,841        | \$ 1,373        | 3.18 %           | (1.3)%                    |
| Loans held for sale                                           | 2,783             | 43              | 6.11             | 4,843             | 59              | 4.85             | (42.5)                    |
| Loans <sup>(c)</sup>                                          |                   |                 |                  |                   |                 |                  |                           |
| Commercial                                                    | 157,384           | 1,992           | 5.08             | 137,966           | 1,903           | 5.53             | 14.1                      |
| Commercial real estate                                        | 51,257            | 731             | 5.72             | 48,466            | 723             | 5.98             | 5.8                       |
| Residential mortgages                                         | 117,196           | 1,191           | 4.07             | 115,616           | 1,160           | 4.01             | 1.4                       |
| Credit card                                                   | 38,403            | 1,188           | 12.41            | 35,439            | 1,136           | 12.86            | 8.4                       |
| Other retail                                                  | 41,241            | 635             | 6.18             | 41,042            | 637             | 6.22             | .5                        |
| Total loans                                                   | 405,481           | 5,737           | 5.67             | 378,529           | 5,559           | 5.89             | 7.1                       |
| Interest-bearing deposits with banks                          | 32,450            | 300             | 3.71             | 41,550            | 451             | 4.36             | (21.9)                    |
| Other earning assets <sup>(d)</sup>                           | 17,759            | 183             | 4.13             | 15,579            | 191             | 4.94             | 14.0                      |
| Total earning assets <sup>(d)</sup>                           | 629,001           | 7,624           | 4.86             | 613,342           | 7,633           | 4.99             | 2.6                       |
| Allowance for loan losses                                     | (7,671)           |                 |                  | (7,605)           |                 |                  | (.9)                      |
| Unrealized gain (loss) on investment securities               | (4,527)           |                 |                  | (6,602)           |                 |                  | 31.4                      |
| Other assets                                                  | 77,907            |                 |                  | 74,206            |                 |                  | 5.0                       |
| Total assets                                                  | <u>\$ 694,710</u> |                 |                  | <u>\$ 673,341</u> |                 |                  | 3.2                       |
| <b>Liabilities and Shareholders' Equity</b>                   |                   |                 |                  |                   |                 |                  |                           |
| Noninterest-bearing deposits                                  | \$ 80,611         |                 |                  | \$ 79,117         |                 |                  | 1.9 %                     |
| Interest-bearing deposits                                     |                   |                 |                  |                   |                 |                  |                           |
| Interest checking                                             | 132,358           | 369             | 1.12             | 131,599           | 415             | 1.26             | .6                        |
| Money market savings                                          | 181,978           | 1,235           | 2.72             | 177,087           | 1,347           | 3.05             | 2.8                       |
| Savings accounts                                              | 73,709            | 365             | 1.99             | 58,171            | 252             | 1.74             | 26.7                      |
| Time deposits                                                 | 46,424            | 361             | 3.12             | 56,916            | 527             | 3.71             | (18.4)                    |
| Total interest-bearing deposits                               | 434,469           | 2,330           | 2.15             | 423,773           | 2,541           | 2.41             | 2.5                       |
| Short-term borrowings                                         |                   |                 |                  |                   |                 |                  |                           |
| Federal funds purchased                                       | 989               | 9               | 3.53             | 832               | 9               | 4.23             | 18.9                      |
| Securities sold under agreements to repurchase <sup>(d)</sup> | 11,414            | 103             | 3.63             | 10,409            | 119             | 4.58             | 9.7                       |
| Commercial paper                                              | 4,383             | 26              | 2.39             | 4,141             | 28              | 2.75             | 5.8                       |
| Other short-term borrowings <sup>(e)</sup>                    | 7,066             | 111             | 6.29             | 7,409             | 135             | 7.30             | (4.6)                     |
| Total short-term borrowings <sup>(d)</sup>                    | 23,852            | 249             | 4.19             | 22,791            | 291             | 5.12             | 4.7                       |
| Long-term debt                                                | 61,589            | 658             | 4.28             | 62,354            | 721             | 4.64             | (1.2)                     |
| Total interest-bearing liabilities <sup>(d)</sup>             | 519,910           | 3,237           | 2.50             | 508,918           | 3,553           | 2.80             | 2.2                       |
| Other liabilities                                             | 26,862            |                 |                  | 23,950            |                 |                  | 12.2                      |
| Shareholders' equity                                          |                   |                 |                  |                   |                 |                  |                           |
| Preferred equity                                              | 6,808             |                 |                  | 6,808             |                 |                  | —                         |
| Common equity                                                 | 60,057            |                 |                  | 54,091            |                 |                  | 11.0                      |
| Total U.S. Bancorp shareholders' equity                       | 66,865            |                 |                  | 60,899            |                 |                  | 9.8                       |
| Noncontrolling interests                                      | 462               |                 |                  | 457               |                 |                  | 1.1                       |
| Total equity                                                  | 67,327            |                 |                  | 61,356            |                 |                  | 9.7                       |
| Total liabilities and equity                                  | <u>\$ 694,710</u> |                 |                  | <u>\$ 673,341</u> |                 |                  | 3.2                       |
| Net interest income                                           |                   | <u>\$ 4,387</u> |                  |                   | <u>\$ 4,080</u> |                  |                           |
| Gross interest margin                                         |                   |                 | 2.36 %           |                   |                 | 2.19 %           |                           |
| Gross interest margin without taxable-equivalent increments   |                   |                 | 2.34 %           |                   |                 | 2.17 %           |                           |
| <b>Percent of Earning Assets</b>                              |                   |                 |                  |                   |                 |                  |                           |
| Interest income                                               |                   |                 | 4.86 %           |                   |                 | 4.99 %           |                           |
| Interest expense                                              |                   |                 | 2.07             |                   |                 | 2.33             |                           |
| Net interest margin                                           |                   |                 | 2.79 %           |                   |                 | 2.66 %           |                           |
| Net interest margin without taxable-equivalent increments     |                   |                 | 2.77 %           |                   |                 | 2.64 %           |                           |

(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) Interest income and interest expense related to certain repurchase and reverse repurchase transactions recorded under enforceable netting agreements are presented on a net basis, consistent with the presentation of the related balances on the consolidated balance sheet. Total interest income and interest expense reflected on a gross basis for these arrangements was \$8,159 million and \$3,772 million, respectively, for the three months ended June 30, 2026.

(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 Six Months Ended June 30

|                                                               | 2026             |          |                  | 2025             |          |                  | 2026 v 2025               |
|---------------------------------------------------------------|------------------|----------|------------------|------------------|----------|------------------|---------------------------|
| (Dollars in Millions) (Unaudited)                             | Average Balances | Interest | Yields and Rates | Average Balances | Interest | Yields and Rates | % Change Average Balances |
| <b>Assets</b>                                                 |                  |          |                  |                  |          |                  |                           |
| Investment securities <sup>(b)</sup>                          | \$ 170,997       | \$ 2,683 | 3.14 %           | \$ 172,014       | \$ 2,701 | 3.14 %           | (.6)%                     |
| Loans held for sale                                           | 2,556            | 78       | 6.07             | 3,341            | 87       | 5.17             | (23.5)                    |
| Loans <sup>(c)</sup>                                          |                  |          |                  |                  |          |                  |                           |
| Commercial                                                    | 153,629          | 3,875    | 5.08             | 136,219          | 3,762    | 5.57             | 12.8                      |
| Commercial real estate                                        | 50,338           | 1,426    | 5.71             | 48,677           | 1,448    | 6.00             | 3.4                       |
| Residential mortgages                                         | 116,944          | 2,349    | 4.02             | 117,221          | 2,349    | 4.01             | (.2)                      |
| Credit card                                                   | 37,875           | 2,369    | 12.61            | 35,262           | 2,273    | 13.00            | 7.4                       |
| Other retail                                                  | 40,767           | 1,253    | 6.20             | 41,398           | 1,270    | 6.19             | (1.5)                     |
| Total loans                                                   | 399,553          | 11,272   | 5.68             | 378,777          | 11,102   | 5.90             | 5.5                       |
| Interest-bearing deposits with banks                          | 35,635           | 650      | 3.68             | 42,637           | 932      | 4.41             | (16.4)                    |
| Other earning assets <sup>(d)</sup>                           | 17,854           | 376      | 4.25             | 15,025           | 357      | 4.80             | 18.8                      |
| Total earning assets <sup>(d)</sup>                           | 626,595          | 15,059   | 4.85             | 611,794          | 15,179   | 4.99             | 2.4                       |
| Allowance for loan losses                                     | (7,647)          |          |                  | (7,597)          |          |                  | (.7)                      |
| Unrealized gain (loss) on investment securities               | (4,399)          |          |                  | (6,537)          |          |                  | 32.7                      |
| Other assets                                                  | 76,965           |          |                  | 73,718           |          |                  | 4.4                       |
| Total assets                                                  | \$ 691,514       |          |                  | \$ 671,378       |          |                  | 3.0                       |
| <b>Liabilities and Shareholders' Equity</b>                   |                  |          |                  |                  |          |                  |                           |
| Noninterest-bearing deposits                                  | \$ 80,620        |          |                  | \$ 79,405        |          |                  | 1.5 %                     |
| Interest-bearing deposits                                     |                  |          |                  |                  |          |                  |                           |
| Interest checking                                             | 131,484          | 721      | 1.11             | 128,642          | 757      | 1.19             | 2.2                       |
| Money market savings                                          | 185,463          | 2,496    | 2.71             | 186,213          | 2,830    | 3.07             | (.4)                      |
| Savings accounts                                              | 71,022           | 670      | 1.90             | 54,243           | 422      | 1.57             | 30.9                      |
| Time deposits                                                 | 46,511           | 727      | 3.15             | 56,199           | 1,043    | 3.74             | (17.2)                    |
| Total interest-bearing deposits                               | 434,480          | 4,614    | 2.14             | 425,297          | 5,052    | 2.40             | 2.2                       |
| Short-term borrowings                                         |                  |          |                  |                  |          |                  |                           |
| Federal funds purchased                                       | 810              | 14       | 3.50             | 847              | 18       | 4.25             | (4.4)                     |
| Securities sold under agreements to repurchase <sup>(d)</sup> | 10,858           | 208      | 3.87             | 9,851            | 216      | 4.42             | 10.2                      |
| Commercial paper                                              | 4,500            | 53       | 2.36             | 4,508            | 62       | 2.78             | (.2)                      |
| Other short-term borrowings <sup>(e)</sup>                    | 5,560            | 188      | 6.81             | 5,621            | 244      | 8.75             | (1.1)                     |
| Total short-term borrowings <sup>(d)</sup>                    | 21,728           | 463      | 4.30             | 20,827           | 540      | 5.23             | 4.3                       |
| Long-term debt                                                | 61,548           | 1,304    | 4.27             | 60,360           | 1,385    | 4.63             | 2.0                       |
| Total interest-bearing liabilities <sup>(d)</sup>             | 517,756          | 6,381    | 2.49             | 506,484          | 6,977    | 2.78             | 2.2                       |
| Other liabilities                                             | 26,314           |          |                  | 24,772           |          |                  | 6.2                       |
| Shareholders' equity                                          |                  |          |                  |                  |          |                  |                           |
| Preferred equity                                              | 6,808            |          |                  | 6,808            |          |                  | —                         |
| Common equity                                                 | 59,556           |          |                  | 53,450           |          |                  | 11.4                      |
| Total U.S. Bancorp shareholders' equity                       | 66,364           |          |                  | 60,258           |          |                  | 10.1                      |
| Noncontrolling interests                                      | 460              |          |                  | 459              |          |                  | .2                        |
| Total equity                                                  | 66,824           |          |                  | 60,717           |          |                  | 10.1                      |
| Total liabilities and equity                                  | \$ 691,514       |          |                  | \$ 671,378       |          |                  | 3.0                       |
| Net interest income                                           |                  | \$ 8,678 |                  |                  | \$ 8,202 |                  |                           |
| Gross interest margin                                         |                  |          | 2.36 %           |                  |          | 2.21 %           |                           |
| Gross interest margin without taxable-equivalent increments   |                  |          | 2.34 %           |                  |          | 2.19 %           |                           |
| <b>Percent of Earning Assets</b>                              |                  |          |                  |                  |          |                  |                           |
| Interest income                                               |                  |          | 4.85 %           |                  |          | 4.99 %           |                           |
| Interest expense                                              |                  |          | 2.07             |                  |          | 2.30             |                           |
| Net interest margin                                           |                  |          | 2.78 %           |                  |          | 2.69 %           |                           |
| Net interest margin without taxable-equivalent increments     |                  |          | 2.76 %           |                  |          | 2.67 %           |                           |

(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) Interest income and interest expense related to certain repurchase and reverse repurchase transactions recorded under enforceable netting agreements are presented on a net basis, consistent with the presentation of the related balances on the consolidated balance sheet. Total interest income and interest expense reflected on a gross basis for these arrangements was \$16,025 million and \$7,347 million, respectively, for the six months ended June 30, 2026.

(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 70 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, 2025, 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 22 of this Report for information regarding shares repurchased by the Company during the second quarter of 2026, which is incorporated herein by reference.

**Item 5. Other Information** — During the three months ended June 30, 2026, 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).
- 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 June 30, 2026, 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  
Executive Vice President, Chief Accounting Officer and Controller  
(Principal Accounting Officer and Duly Authorized Officer)

Dated: August 6, 2026

# Corporate Information

## Executive Offices

U.S. Bancorp  
200 S. Sixth St.  
Minneapolis, MN 55402

## Investor Relations Contact

Brian Mauney  
Senior Vice President, Head of Investor Relations  
brian.mauney@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  
200 S. Sixth St.  
Minneapolis, MN 55402  
[investorrelations@usbank.com](mailto: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 payments 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.