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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 March 31, 2025
Commission File Number 001-33653



Fifth Third Bancorp

(Exact name of Registrant as specified in its charter)

Ohio	31-0854434
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

38 Fountain Square Plaza
Cincinnati, Ohio 45263
(Address of principal executive offices)

Registrant's telephone number, including area code: (800) 972-3030

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 (§ 232.405 of this chapter) 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 ☒

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered:
Common Stock, Without Par Value	FITB	The NASDAQ Stock Market LLC
Depositary Shares Representing a 1/1000th Ownership Interest in a Share of 6.625% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series I	FITBI	The NASDAQ Stock Market LLC
Depositary Shares Representing a 1/40th Ownership Interest in a Share of 6.00% Non-Cumulative Perpetual Class B Preferred Stock, Series A	FITBP	The NASDAQ Stock Market LLC
Depositary Shares Representing a 1/1000th Ownership Interest in a Share of 4.95% Non-Cumulative Perpetual Preferred Stock, Series K	FITBO	The NASDAQ Stock Market LLC

There were 667,492,181 shares of the Registrant's common stock, without par value, outstanding as of April 30, 2025.



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FORWARD-LOOKING STATEMENTS

This report contains statements that we believe are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Rule 175 promulgated thereunder, and Section 21E of the Securities Exchange Act of 1934, as amended, and Rule 3b-6 promulgated thereunder. All statements other than statements of historical fact are forward-looking statements. These statements relate to our financial condition, results of operations, plans, objectives, future performance, capital actions or business. They usually can be identified by the use of forward-looking language such as "will likely result," "may," "are expected to," "is anticipated," "potential," "estimate," "forecast," "projected," "intends to," or may include other similar words or phrases such as "believes," "plans," "trend," "objective," "continue," "remain," or similar expressions, or future or conditional verbs such as "will," "would," "should," "could," "might," "can," or similar verbs. You should not place undue reliance on these statements, as they are subject to risks and uncertainties, including but not limited to the risk factors set forth in our most recent Annual Report on Form 10-K, as updated by our Quarterly Reports on Form 10-Q. Moreover, you should treat these statements as speaking only as of the date they are made and based only on information then actually known to us. There are a number of important factors that could cause future results to differ materially from historical performance and these forward-looking statements. Factors that might cause such a difference include, but are not limited to: (1) deteriorating credit quality; (2) loan concentration by location or industry of borrowers or collateral; (3) problems encountered by other financial institutions; (4) inadequate sources of funding or liquidity; (5) unfavorable actions of rating agencies; (6) inability to maintain or grow deposits; (7) limitations on the ability to receive dividends from subsidiaries; (8) cyber-security risks; (9) Fifth Third's ability to secure confidential information and deliver products and services through the use of computer systems and telecommunications networks; (10) failures by third-party service providers; (11) inability to manage strategic initiatives and/or organizational changes; (12) inability to implement technology system enhancements, including the use of artificial intelligence; (13) failure of internal controls and other risk management programs; (14) losses related to fraud, theft, misappropriation or violence; (15) inability to attract and retain skilled personnel; (16) adverse impacts of government regulation; (17) governmental or regulatory changes or other actions; (18) failures to meet applicable capital requirements; (19) regulatory objections to Fifth Third's capital plan; (20) regulation of Fifth Third's derivatives activities; (21) deposit insurance premiums; (22) assessments for the orderly liquidation fund; (23) weakness in the national or local economies; (24) global political and economic uncertainty or negative actions; (25) changes in interest rates and the effects of inflation; (26) changes in U.S. trade policies, including the imposition of tariffs and retaliatory tariffs; (27) changes and trends in capital markets; (28) fluctuation of Fifth Third's stock price; (29) volatility in mortgage banking revenue; (30) litigation, investigations, and enforcement proceedings; (31) breaches of contractual covenants, representations and warranties; (32) competition and changes in the financial services industry; (33) potential impacts of the adoption of real-time payment networks; (34) changing retail distribution strategies, customer preferences and behavior; (35) difficulties in identifying, acquiring or integrating suitable strategic partnerships, investments or acquisitions; (36) potential dilution from future acquisitions; (37) loss of income and/or difficulties encountered in the sale and separation of businesses, investments or other assets; (38) results of investments or acquired entities; (39) changes in accounting standards or interpretation or declines in the value of Fifth Third's goodwill or other intangible assets; (40) inaccuracies or other failures from the use of models; (41) effects of critical accounting policies and judgments or the use of inaccurate estimates; (42) weather-related events, other natural disasters, or health emergencies (including pandemics); (43) the impact of reputational risk created by these or other developments on such matters as business generation and retention, funding and liquidity; (44) changes in law or requirements imposed by Fifth Third's regulators impacting our capital actions, including dividend payments and stock repurchases; and (45) Fifth Third's ability to meet its environmental and/or social targets, goals and commitments. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as may be required by law, and we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. The information contained herein is intended to be reviewed in its totality, and any stipulations, conditions or provisos that apply to a given piece of information in one part of this report should be read as applying mutatis mutandis to every other instance of such information appearing herein.

PART I. FINANCIAL INFORMATION

Glossary of Abbreviations and Acronyms

Fifth Third Bancorp provides the following list of abbreviations and acronyms as a tool for the reader that are used in Management's Discussion and Analysis of Financial Condition and Results of Operations, the Condensed Consolidated Financial Statements and the Notes to Condensed Consolidated Financial Statements.

ACL: Allowance for Credit Losses
AFS: Available-for-Sale
ALCO: Asset Liability Management Committee
ALLL: Allowance for Loan and Lease Losses
AOCI: Accumulated Other Comprehensive Income (Loss)
APR: Annual Percentage Rate
ARM: Adjustable Rate Mortgage
ASC: Accounting Standards Codification
ASU: Accounting Standards Update
ATM: Automated Teller Machine
BOLI: Bank Owned Life Insurance
bps: Basis Points
CD: Certificate of Deposit
CDC: Fifth Third Community Development Corporation and Fifth Third Community Development Company, LLC
CECL: Current Expected Credit Loss
CET1: Common Equity Tier 1
CFPB: United States Consumer Financial Protection Bureau
C&I: Commercial and Industrial
DCF: Discounted Cash Flow
DTCC: Depository Trust & Clearing Corporation
ERM: Enterprise Risk Management
ERMC: Enterprise Risk Management Committee
EVE: Economic Value of Equity
FASB: Financial Accounting Standards Board
FDIC: Federal Deposit Insurance Corporation
FHA: Federal Housing Administration
FHLB: Federal Home Loan Bank
FHLMC: Federal Home Loan Mortgage Corporation
FICO: Fair Isaac Corporation (credit rating)
FINRA: Financial Industry Regulatory Authority
FNMA: Federal National Mortgage Association
FOMC: Federal Open Market Committee
FRB: Federal Reserve Bank
FTE: Fully Taxable Equivalent
FTP: Funds Transfer Pricing
FTS: Fifth Third Securities, Inc.
GDP: Gross Domestic Product
GNMA: Government National Mortgage Association
GSE: United States Government Sponsored Enterprise
HTM: Held-to-Maturity
IPO: Initial Public Offering
IRC: Internal Revenue Code
IRLC: Interest Rate Lock Commitment
ISDA: International Swaps and Derivatives Association, Inc.
LIBOR: London Interbank Offered Rate
LIHTC: Low-Income Housing Tax Credit
LLC: Limited Liability Company
LTV: Loan-to-Value Ratio
MD&A: Management's Discussion and Analysis of Financial Condition and Results of Operations
MSR: Mortgage Servicing Right
N/A: Not Applicable
NII: Net Interest Income
NM: Not Meaningful
OAS: Option-Adjusted Spread
OCC: Office of the Comptroller of the Currency
OCI: Other Comprehensive Income (Loss)
OREO: Other Real Estate Owned
SBA: Small Business Administration
SEC: United States Securities and Exchange Commission
SOFR: Secured Overnight Financing Rate
TBA: To Be Announced
TILA: Truth in Lending Act
U.S.: United States of America
U.S. GAAP: United States Generally Accepted Accounting Principles
VA: United States Department of Veterans Affairs
VIE: Variable Interest Entity

Management's Discussion and Analysis of Financial Condition and Results of Operations (Item 2)

The following is Management's Discussion and Analysis of Financial Condition and Results of Operations of certain significant factors that have affected Fifth Third Bancorp's (the "Bancorp" or "Fifth Third") financial condition and results of operations during the periods included in the Condensed Consolidated Financial Statements, which are a part of this filing. Reference to the Bancorp incorporates the parent holding company and all consolidated subsidiaries. The Bancorp's banking subsidiary is referred to as the Bank.

OVERVIEW

Fifth Third Bancorp is a diversified financial services company headquartered in Cincinnati, Ohio. At March 31, 2025, the Bancorp had $213 billion in assets and operated 1,084 full-service banking centers and 2,069 Fifth Third branded ATMs in eleven states throughout the Midwestern and Southeastern regions of the U.S. The Bancorp reports on three business segments: Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management.

This overview of MD&A highlights selected information in the financial results of the Bancorp and may not contain all of the information that is important to you. For a more complete understanding of trends, events, commitments, uncertainties, liquidity, capital resources and critical accounting policies and estimates, you should carefully read this entire document as well as the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024. Each of these items could have an impact on the Bancorp's financial condition, results of operations and cash flows. In addition, refer to the Glossary of Abbreviations and Acronyms in this report for a list of terms included as a tool for the reader of this Quarterly Report on Form 10-Q. The abbreviations and acronyms identified therein are used throughout this MD&A, as well as the Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements.

Net interest income, net interest margin, net interest rate spread and the efficiency ratio are presented in MD&A on an FTE basis. The FTE basis adjusts for the tax-favored status of income from certain loans and leases and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts. The FTE basis for presenting net interest income is a non-GAAP measure. For further information, refer to the Non-GAAP Financial Measures section of MD&A.

The Bancorp's revenues are dependent on both net interest income and noninterest income. For the three months ended March 31, 2025, net interest income on an FTE basis and noninterest income provided 68% and 32% of total revenue, respectively. The Bancorp derives the majority of its revenues within the U.S. from customers domiciled in the U.S. Changes in interest rates, credit quality, economic trends and the capital markets are primary factors that drive the performance of the Bancorp. As discussed later in the Risk Management section of MD&A, risk identification, measurement, monitoring, control and reporting are important to the management of risk and to the financial performance and capital strength of the Bancorp.

Net interest income is the difference between interest income earned on assets such as loans, leases and securities, and interest expense incurred on liabilities such as deposits, other short-term borrowings and long-term debt. Net interest income is affected by the general level of interest rates, the relative level of short-term and long-term interest rates, changes in interest rates and changes in the amount and composition of interest-earning assets and interest-bearing liabilities. Generally, the rates of interest the Bancorp earns on its assets and pays on its liabilities are established for a period of time. The change in market interest rates over time exposes the Bancorp to interest rate risk through potential adverse changes to net interest income and financial position. The Bancorp manages this risk by continually analyzing and adjusting the composition of its assets and liabilities based on their payment streams and interest rates, the timing of their maturities and their sensitivity to changes in market interest rates. Additionally, in the ordinary course of business, the Bancorp enters into certain derivative transactions as part of its overall strategy to manage its interest rate and prepayment risks. The Bancorp is also exposed to the risk of loss on its loan and lease portfolio as a result of changing expected cash flows caused by borrower credit events, such as loan defaults and inadequate collateral.

Noninterest income is derived from wealth and asset management revenue, commercial payments revenue, consumer banking revenue, capital markets fees, commercial banking revenue, mortgage banking net revenue, other noninterest income and net securities gains or losses. Noninterest expense includes compensation and benefits, technology and communications, net occupancy expense, equipment expense, loan and lease expense, marketing expense, card and processing expense and other noninterest expense.

Accelerated Share Repurchase Transaction

During the three months ended March 31, 2025, the Bancorp entered into and settled an accelerated share repurchase transaction in the amount of $225 million. Refer to Note 12 of the Notes to Condensed Consolidated Financial Statements for additional information on share repurchase activity.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Senior Notes Offerings

On January 28, 2025, the Bank issued and sold, under its bank note program, $700 million of fixed-rate/floating-rate senior notes due on January 28, 2028. The senior notes will bear interest at a rate of 4.967% per annum to, but excluding, January 28, 2027. From, and including January 28, 2027 until maturity, the senior notes will bear interest at a rate of compounded SOFR plus 0.81%.

On January 28, 2025, the Bank issued and sold, under its bank note program, $300 million of floating-rate senior notes due on January 28, 2028. The senior notes will bear interest at a rate of compounded SOFR plus 0.81%.

Refer to Note 11 of the Notes to Condensed Consolidated Financial Statements for more information.

Key Performance Indicators

The Bancorp, as a banking institution, utilizes various key indicators of financial condition and operating results in managing and monitoring the performance of the business. In addition to traditional financial metrics, such as revenue and expense trends, the Bancorp monitors other financial measures that assist in evaluating growth trends, capital strength and operational efficiencies. The Bancorp analyzes these key performance indicators against its past performance, its forecasted performance and with the performance of its peer banking institutions. These indicators may change from time to time as the operating environment and businesses change.

The following are some of the key indicators used by management to assess the Bancorp's business performance, including those which are considered in the Bancorp's compensation programs:

- CET1 Capital Ratio: CET1 capital divided by risk-weighted assets as defined by the Basel III standardized approach to risk-weighting of assets
- Return on Average Tangible Common Equity (non-GAAP): Tangible net income available to common shareholders divided by average tangible common equity
- Return on Average Common Equity, Excluding AOCI (non-GAAP): Net income available to common shareholders divided by total equity, excluding AOCI and preferred stock
- Net Interest Margin (non-GAAP): Net interest income on an FTE basis divided by average interest-earning assets
- Efficiency Ratio (non-GAAP): Noninterest expense divided by the sum of net interest income on an FTE basis and noninterest income
- Earnings Per Share, Diluted: Net income allocated to common shareholders divided by average common shares outstanding after the effect of dilutive stock-based awards
- Nonperforming Portfolio Assets Ratio: Nonperforming portfolio assets divided by portfolio loans and leases and OREO
- Net Charge-off Ratio: Net losses charged-off divided by average portfolio loans and leases
- Return on Average Assets: Net income divided by average assets
- Loan-to-Deposit Ratio: Total loans divided by total deposits
- Household Growth: Change in the number of consumer households with retail relationship-based checking accounts

The list of indicators above is intended to summarize some of the most important metrics utilized by management in evaluating the Bancorp's performance and does not represent an all-inclusive list of all performance measures that may be considered relevant or important to management or investors.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 1: Earnings Summary

($ in millions, except for per share data)	For the three months ended March 31, 2025	2024	% Change
Income Statement Data			
Net interest income (U.S. GAAP)	**$ 1,437**	1,384	4
Net interest income (FTE)[(a)(b)]	**1,442**	1,390	4
Noninterest income	**694**	710	(2)
Total revenue (FTE)[(a)(b)]	**2,136**	2,100	2
Provision for credit losses	**174**	94	85
Noninterest expense	**1,304**	1,342	(3)
Net income	**515**	520	(1)
Net income available to common shareholders	**478**	480	—
Common Share Data			
Earnings per share - basic	**$ 0.71**	0.70	1
Earnings per share - diluted	**0.71**	0.70	1
Cash dividends declared per common share	**0.37**	0.35	6
Book value per share	**27.41**	24.72	11
Market value per share	**39.20**	37.21	5
Financial Ratios			
Return on average assets	**0.99 %**	0.98	1
Return on average common equity	**10.8**	11.6	(7)
Return on average tangible common equity[(b)]	**15.2**	17.0	(11)
Dividend payout	**52.1**	50.0	4

(a) Amounts presented on an FTE basis. The FTE adjustments were $5 and $6 for the three months ended March 31, 2025 and 2024, respectively.
(b) This is a non-GAAP measure. For further information, refer to the Non-GAAP Financial Measures section of MD&A.

Earnings Summary

Net income available to common shareholders for the first quarter of 2025 was $478 million, or $0.71 per diluted share, compared to $480 million, or $0.70 per diluted share, for the first quarter of 2024. Preferred stock dividends were $37 million and $40 million for the first quarter of 2025 and 2024, respectively.

Net interest income on an FTE basis (non-GAAP) was $1.4 billion for the three months ended March 31, 2025, increasing $52 million compared to the same period in the prior year. Net interest income for the three months ended March 31, 2025 was positively impacted by lower rates paid on average interest-bearing liabilities and higher average balances of loans and leases. These positive impacts were partially offset by lower yields on average commercial loans and leases as well as a decrease in the average balances of other short-term investments. Net interest margin on an FTE basis (non-GAAP) was 3.03% for the three months ended March 31, 2025 compared to 2.86% for the same period in the prior year.

The provision for credit losses was $174 million and $94 million for the three months ended March 31, 2025 and 2024, respectively. Provision expense for the three months ended March 31, 2025 was affected by factors which caused an increase in the ACL from December 31, 2024, including higher period-end loan and lease balances and deterioration in the economic forecasts used to calculate the ACL, partially offset by favorable impacts of improvements in the risk profile of the loan and lease portfolio. Net losses charged-off as a percent of average portfolio loans and leases were 0.46% and 0.38% for the three months ended March 31, 2025 and 2024, respectively. At March 31, 2025, nonperforming portfolio assets as a percent of portfolio loans and leases and OREO increased to 0.81% compared to 0.71% at December 31, 2024. For further discussion on credit quality, refer to the Credit Risk Management subsection of the Risk Management section of MD&A as well as Note 6 of the Notes to Condensed Consolidated Financial Statements.

Noninterest income decreased $16 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to a $19 million decrease in net securities gains/losses which was driven by the mark-to-market impacts of non-qualified deferred compensation plans that are offset in expenses. Excluding the impact of securities gains/losses, noninterest income was relatively stable as growth in wealth and asset management revenue and commercial payments revenue was mostly offset by decreases in capital markets fees, commercial banking revenue and other noninterest income.

Noninterest expense decreased $38 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to the $33 million charge related to the FDIC special assessment recognized in the first quarter of 2024 not recurring in 2025, partially offset by increases in technology and communications expense and equipment expense.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

For more information on net interest income, provision for credit losses, noninterest income and noninterest expense refer to the Statements of Income Analysis section of MD&A.

Capital Summary

The Bancorp calculated its regulatory capital ratios under the Basel III standardized approach to risk-weighting of assets as of March 31, 2025. As of March 31, 2025, the Bancorp's capital ratios, as defined by the U.S. banking agencies, were:

- CET1 capital ratio: 10.43%;
- Tier 1 risk-based capital ratio: 11.71%;
- Total risk-based capital ratio: 13.63%;
- Leverage ratio: 9.23%.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

NON-GAAP FINANCIAL MEASURES

The following are non-GAAP financial measures which provide useful insight to the reader of the Condensed Consolidated Financial Statements but should be supplemental to primary U.S. GAAP measures and should not be read in isolation or relied upon as a substitute for the primary U.S. GAAP measures. The Bancorp encourages readers to consider the Condensed Consolidated Financial Statements in their entirety and not to rely on any single financial measure.

The FTE basis adjusts for the tax-favored status of income from certain loans and leases and securities held by the Bancorp that are not taxable for federal income tax purposes. The Bancorp believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison between taxable and non-taxable amounts.

The following table reconciles the non-GAAP financial measures of net interest income on an FTE basis, interest income on an FTE basis, net interest margin, net interest rate spread and the efficiency ratio to U.S. GAAP:

TABLE 2: Non-GAAP Financial Measures - Financial Measures and Ratios on an FTE basis

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Net interest income (U.S. GAAP)	**$ 1,437**	1,384
Add: FTE adjustment	**5**	6
Net interest income on an FTE basis (1)	**$ 1,442**	1,390
Net interest income on an FTE basis (annualized) (2)	**5,848**	5,591
Interest income (U.S. GAAP)	**$ 2,432**	2,608
Add: FTE adjustment	**5**	6
Interest income on an FTE basis	**$ 2,437**	2,614
Interest income on an FTE basis (annualized) (3)	**9,883**	10,513
Interest expense (annualized) (4)	**$ 4,035**	4,923
Noninterest income (5)	**694**	710
Noninterest expense (6)	**1,304**	1,342
Average interest-earning assets (7)	**192,808**	195,349
Average interest-bearing liabilities (8)	**144,285**	146,533
Ratios:		
Net interest margin on an FTE basis (2) / (7)	**3.03 %**	2.86
Net interest rate spread on an FTE basis ((3) / (7)) - ((4) / (8))	**2.33**	2.02
Efficiency ratio on an FTE basis (6) / ((1) + (5))	**61.0**	63.9

The Bancorp believes return on average tangible common equity is an important measure for comparative purposes with other financial institutions, but is not defined under U.S. GAAP, and therefore is considered a non-GAAP financial measure. This measure is useful for evaluating the performance of a business as it calculates the return available to common shareholders without the impact of intangible assets and their related amortization.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table reconciles the non-GAAP financial measure of return on average tangible common equity to U.S. GAAP:

TABLE 3: Non-GAAP Financial Measures - Return on Average Tangible Common Equity

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Net income available to common shareholders (U.S. GAAP)	**$ 478**	480
Add: Intangible amortization, net of tax	**6**	8
Tangible net income available to common shareholders	**$ 484**	488
Tangible net income available to common shareholders (annualized) (1)	**1,963**	1,963
Average Bancorp shareholders' equity (U.S. GAAP)	**$ 20,000**	18,727
Less: Average preferred stock	**2,116**	2,116
Average goodwill	**4,918**	4,918
Average intangible assets	**86**	121
Average tangible common equity (2)	**$ 12,880**	11,572
Return on average tangible common equity (1) / (2)	**15.2 %**	17.0

The Bancorp considers various measures when evaluating capital utilization and adequacy, including the tangible equity ratio and tangible common equity ratio, in addition to capital ratios defined by the U.S. banking agencies. These calculations are intended to complement the capital ratios defined by the U.S. banking agencies for both absolute and comparative purposes. As U.S. GAAP does not include capital ratio measures, the Bancorp believes there are no comparable U.S. GAAP financial measures to these ratios. These ratios are not formally defined by U.S. GAAP or codified in the federal banking regulations and, therefore, are considered to be non-GAAP financial measures.

The following table reconciles non-GAAP capital ratios to U.S. GAAP:

TABLE 4: Non-GAAP Financial Measures - Capital Ratios

As of ($ in millions)	**March 31, 2025**	December 31, 2024
Total Bancorp Shareholders' Equity (U.S. GAAP)	**$ 20,403**	19,645
Less: Preferred stock	**2,116**	2,116
Goodwill	**4,918**	4,918
Intangible assets	**82**	90
AOCI	**(3,895)**	(4,636)
Tangible common equity, excluding AOCI (1)	**$ 17,182**	17,157
Add: Preferred stock	**2,116**	2,116
Tangible equity (2)	**$ 19,298**	19,273
Total Assets (U.S. GAAP)	**$ 212,669**	212,927
Less: Goodwill	**4,918**	4,918
Intangible assets	**82**	90
AOCI, before tax	**(5,125)**	(5,868)
Tangible assets, excluding AOCI (3)	**$ 212,794**	213,787
Ratios:		
Tangible equity as a percentage of tangible assets (2) / (3)	**9.07 %**	9.02
Tangible common equity as a percentage of tangible assets (1) / (3)	**8.07**	8.03

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

RECENT ACCOUNTING STANDARDS

Note 3 of the Notes to Condensed Consolidated Financial Statements provides a discussion of the significant new accounting standard applicable to the Bancorp and the expected impact of a significant accounting standard issued, but not yet required to be adopted.

CRITICAL ACCOUNTING POLICIES

The Bancorp's Condensed Consolidated Financial Statements are prepared in accordance with U.S. GAAP. Certain accounting policies require management to exercise judgment in determining methodologies, economic assumptions and estimates that may materially affect the Bancorp's financial position, results of operations and cash flows. The Bancorp's critical accounting policies include the accounting for the ALLL, reserve for unfunded commitments, valuation of servicing rights, goodwill, legal contingencies and fair value measurements. These accounting policies are discussed in detail in the Critical Accounting Policies section of the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to the valuation techniques or models during the three months ended March 31, 2025.

STATEMENTS OF INCOME ANALYSIS

Net Interest Income

Net interest income is the interest earned on loans and leases (including yield-related fees), securities and other short-term investments less the interest incurred on core deposits and wholesale funding (including CDs over $250,000, federal funds purchased, other short-term borrowings and long-term debt). The net interest margin is calculated by dividing net interest income by average interest-earning assets. Net interest rate spread is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities. Net interest margin is typically greater than net interest rate spread due to the interest income earned on those assets that are funded by noninterest-bearing liabilities, or free funding, such as demand deposits or shareholders' equity.

Table 5 presents the components of net interest income, net interest margin and net interest rate spread for the three months ended March 31, 2025 and 2024, as well as the relative impact of changes in the average balance sheet and changes in interest rates on net interest income. Nonaccrual loans and leases and loans and leases held for sale have been included in the average loan and lease balances. Average outstanding securities balances are based on amortized cost with any unrealized gains or losses included in average other assets.

Net interest income on an FTE basis (non-GAAP) was $1.4 billion for the three months ended March 31, 2025, increasing $52 million compared to the same period in the prior year. Net interest income for the three months ended March 31, 2025 was positively impacted by lower rates paid on average interest-bearing liabilities and higher average balances of loans and leases. These positive impacts were partially offset by lower yields on average commercial loans and leases as well as a decrease in the average balances of other short-term investments.

Net interest rate spread on an FTE basis (non-GAAP) was 2.33% for the three months ended March 31, 2025 compared to 2.02% for the same period in the prior year. Rates paid on average interest-bearing liabilities decreased 56 bps, partially offset by a 25 bps decrease in yields on average interest-earning assets for the three months ended March 31, 2025 compared to the same period in the prior year.

Net interest margin on an FTE basis (non-GAAP) was 3.03% for the three months ended March 31, 2025 compared to 2.86% for the comparable period in the prior year. Net interest margin for the three months ended March 31, 2025 was positively impacted by the previously mentioned increase in net interest rate spread and a decrease in interest-earning assets, which included a decrease in average other short-term investments partially offset by an increase in average loans and leases. Net interest margin results are expected to modestly increase over the next several quarters driven by loan growth, fixed-rate asset repricing and continued liability cost management, assuming that the FOMC continues its easing cycle. However, net interest margin may be negatively impacted by increased deposit competition or higher levels of cash and other short-term investments.

Interest income on an FTE basis (non-GAAP) from loans and leases decreased $44 million during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily driven by a decrease in yields on average commercial loans and leases associated with lower market rates, partially offset by an increase in the average balances of loans and leases and higher yields on average consumer loans due to fixed-rate asset repricing. For more information on the Bancorp's loan and lease portfolio, refer to the Loans and Leases subsection of the Balance Sheet Analysis section of MD&A. Interest income on an FTE basis (non-GAAP) from investment securities and other short-term investments decreased $133 million during the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to decreases in the average balances of and yields on other short-term investments.

Interest expense on average core deposits decreased $165 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to a decrease in the cost of average interest-bearing core deposits to 239 bps for the three months ended March 31, 2025 from 291 bps for the three months ended March 31, 2024. Refer to the Deposits subsection of the Balance Sheet Analysis section of MD&A for additional information on the Bancorp's deposits.

Interest expense on average wholesale funding decreased $64 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to a decrease in rates paid on average wholesale funding and a decrease in the average balances

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

of CDs over $250,000, partially offset by an increase in the average balances of FHLB advances. Refer to the Borrowings subsection of the Balance Sheet Analysis section of MD&A for additional information on the Bancorp's borrowings. During the three months ended March 31, 2025, average wholesale funding represented 15% of average interest-bearing liabilities compared to 17% for the three months ended March 31, 2024. For more information on the Bancorp's interest rate risk management, including estimated earnings sensitivity to changes in market interest rates, refer to the Interest Rate and Price Risk Management subsection of the Risk Management section of MD&A.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 5: Condensed Consolidated Average Balance Sheets and Analysis of Net Interest Income on an FTE Basis

For the three months ended	March 31, 2025			March 31, 2024			Attribution of Change in Net Interest Income[a]		
($ in millions)	Average Balance	Interest Earned/ Paid	Average Yield/ Rate	Average Balance	Interest Earned/ Paid	Average Yield/ Rate	Volume	Yield/ Rate	Total
Assets:									
Interest-earning assets:									
Loans and leases:[b]									
Commercial and industrial loans	**$ 53,430**	**819**	**6.22 %**	$ 53,256	938	7.08 %	$ 3	(122)	(119)
Commercial mortgage loans	**12,388**	**182**	**5.97**	11,339	177	6.28	16	(11)	5
Commercial construction loans	**5,813**	**99**	**6.92**	5,732	103	7.20	1	(5)	(4)
Commercial leases	**3,110**	**37**	**4.80**	2,543	27	4.24	6	4	10
Total commercial loans and leases	**$ 74,741**	**1,137**	**6.17**	$ 72,870	1,245	6.87	$ 26	(134)	(108)
Residential mortgage loans	**17,980**	**176**	**3.96**	17,268	152	3.55	6	18	24
Home equity	**4,222**	**79**	**7.57**	3,933	81	8.29	6	(8)	(2)
Indirect secured consumer loans	**16,476**	**226**	**5.57**	15,172	186	4.93	17	23	40
Credit card	**1,627**	**59**	**14.76**	1,773	61	13.73	(6)	4	(2)
Solar energy installation loans	**4,221**	**84**	**8.03**	3,794	73	7.77	8	3	11
Other consumer loans	**2,497**	**58**	**9.37**	2,889	65	8.96	(9)	2	(7)
Total consumer loans	**$ 47,023**	**682**	**5.88**	$ 44,829	618	5.54	$ 22	42	64
Total loans and leases	**$121,764**	**1,819**	**6.06 %**	$117,699	1,863	6.36 %	$ 48	(92)	(44)
Securities:									
Taxable	**55,205**	**442**	**3.25**	55,016	446	3.26	1	(5)	(4)
Exempt from income taxes[b]	**1,393**	**11**	**3.18**	1,440	11	3.27	—	—	—
Other short-term investments	**14,446**	**165**	**4.64**	21,194	294	5.58	(83)	(46)	(129)
Total interest-earning assets	**$192,808**	**2,437**	**5.13 %**	$195,349	2,614	5.38 %	$ (34)	(143)	(177)
Cash and due from banks	**2,388**			2,743					
Other assets	**17,714**			17,432					
Allowance for loan and lease losses	**(2,352)**			(2,321)					
Total assets	**$210,558**			$213,203					
Liabilities and Equity:									
Interest-bearing liabilities:									
Interest checking deposits[d]	**$ 57,964**	**384**	**2.69 %**	$ 58,822	495	3.38 %	$ (7)	(104)	(111)
Savings deposits	**17,226**	**23**	**0.53**	18,107	31	0.69	(1)	(7)	(8)
Money market deposits	**36,453**	**218**	**2.43**	34,589	250	2.91	13	(45)	(32)
CDs $250,000 or less	**10,380**	**92**	**3.61**	10,244	106	4.15	1	(15)	(14)
Total interest-bearing core deposits	**$122,023**	**717**	**2.39**	$121,762	882	2.91	$ 6	(171)	(165)
CDs over $250,000	**2,346**	**26**	**4.43**	5,521	72	5.22	(36)	(10)	(46)
Federal funds purchased	**194**	**2**	**4.38**	201	3	5.41	—	(1)	(1)
Securities sold under repurchase agreements	**286**	**1**	**0.92**	366	2	1.82	—	(1)	(1)
FHLB advances	**4,767**	**54**	**4.62**	3,111	44	5.72	20	(10)	10
Derivative collateral and other borrowed money	**84**	**1**	**6.46**	57	1	7.21	—	—	—
Long-term debt	**14,585**	**194**	**5.38**	15,515	220	5.71	(13)	(13)	(26)
Total interest-bearing liabilities	**$144,285**	**995**	**2.80 %**	$146,533	1,224	3.36 %	$ (23)	(206)	(229)
Demand deposits	**39,788**			40,839					
Other liabilities	**6,485**			7,104					
Total liabilities	**$190,558**			$194,476					
Total equity	**$ 20,000**			$ 18,727					
Total liabilities and equity	**$210,558**			$213,203					
Net interest income (FTE)[c]		**$ 1,442**			$ 1,390		$ (11)	63	52
Net interest margin (FTE)[c]			**3.03 %**			2.86 %			
Net interest rate spread (FTE)[c]			**2.33**			2.02			
Interest-bearing liabilities to interest-earning assets			**74.83**			75.01			

(a) Changes in interest not solely due to volume or yield/rate are allocated in proportion to the absolute dollar amount of change in volume and yield/rate.
(b) The FTE adjustments included in the above table were $5 and $6 for the three months ended March 31, 2025 and 2024, respectively.
(c) This is a non-GAAP measure. For further information, refer to the Non-GAAP Financial Measures section of MD&A.
(d) Effective January 1, 2025, foreign office deposits are included in interest checking. Prior periods have been adjusted to conform to current period presentation.

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Provision for Credit Losses

The Bancorp provides, as an expense, an amount for expected credit losses within the loan and lease portfolio and the portfolio of unfunded commitments that is based on factors discussed in the Critical Accounting Policies section of the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

The provision for credit losses was $174 million and $94 million for the three months ended March 31, 2025 and 2024, respectively. Provision expense for the three months ended March 31, 2025 was affected by factors which caused an increase in the ACL from December 31, 2024, including higher period-end loan and lease balances and deterioration in the economic forecasts used to calculate the ACL, partially offset by favorable impacts of improvements in the risk profile of the loan and lease portfolio.

The ALLL increased $32 million from December 31, 2024 to $2.4 billion at March 31, 2025. At March 31, 2025, the ALLL as a percent of portfolio loans and leases decreased to 1.95%, compared to 1.96% at December 31, 2024. The reserve for unfunded commitments increased $6 million from December 31, 2024 to $140 million at March 31, 2025. At March 31, 2025, the ACL as a percent of portfolio loans and leases decreased to 2.07%, compared to 2.08% at December 31, 2024.

Refer to the Credit Risk Management subsection of the Risk Management section of MD&A as well as Note 6 of the Notes to Condensed Consolidated Financial Statements for more information on the provision for credit losses, including an analysis of loan and lease portfolio composition, nonperforming assets, net charge-offs and other factors considered by the Bancorp in assessing the credit quality of the loan and lease portfolio and determining the level of the ACL.

Noninterest Income

Noninterest income decreased $16 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

The following table presents the components of noninterest income:

TABLE 6: Components of Noninterest Income

	For the three months ended March 31,		
($ in millions)	**2025**	2024	% Change
Wealth and asset management revenue	**$ 172**	161	7
Commercial payments revenue	**153**	145	6
Consumer banking revenue	**137**	135	1
Capital markets fees	**90**	97	(7)
Commercial banking revenue	**80**	85	(6)
Mortgage banking net revenue	**57**	54	6
Other noninterest income	**14**	23	(39)
Securities (losses) gains, net	**(9)**	10	NM
Total noninterest income	**$ 694**	710	(2)

Wealth and asset management revenue increased $11 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily driven by increases in personal asset management revenue and brokerage income. The Bancorp's trust and registered investment advisory businesses had approximately $639 billion and $634 billion in total assets under care as of March 31, 2025 and 2024, respectively, and managed $68 billion and $62 billion in assets for individuals, corporations and not-for-profit organizations as of March 31, 2025 and 2024, respectively.

Commercial payments revenue increased $8 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily driven by an increase in treasury management fees due to new client acquisition and higher average revenue per existing customer.

Capital markets fees decreased $7 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily driven by decreases in loan syndication revenue and merger and acquisition fees, partially offset by an increase in revenue from commercial customer derivatives.

Commercial banking revenue decreased $5 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily driven by a decrease in operating lease income.

Mortgage banking net revenue increased $3 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table presents the components of mortgage banking net revenue:

TABLE 7: Components of Mortgage Banking Net Revenue

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Origination fees and gains on loan sales	**$ 14**	14
Net mortgage servicing revenue:		
Gross mortgage servicing fees	**74**	78
Net valuation adjustments on MSRs and free-standing derivatives purchased to economically hedge MSRs	**(31)**	(38)
Net mortgage servicing revenue	**43**	40
Total mortgage banking net revenue	**$ 57**	54

Origination fees and gains on loan sales were flat for the three months ended March 31, 2025 compared to the three months ended March 31, 2024. Residential mortgage loan originations increased to $1.4 billion for the three months ended March 31, 2025 from $1.1 billion for the three months ended March 31, 2024 primarily due to an increase in the average loan size originated and an increase in correspondent channel volume.

The following table presents the components of net valuation adjustments on the MSR portfolio and the impact of the Bancorp's hedging strategy:

TABLE 8: Components of Net Valuation Adjustments on MSRs

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio	**$ 19**	(46)
Changes in fair value:		
Due to changes in inputs or assumptions[(a)]	**(16)**	41
Other changes in fair value[(b)]	**(34)**	(33)
Net valuation adjustments on MSRs and free-standing derivatives purchased to economically hedge MSRs	**$ (31)**	(38)

(a) Primarily reflects changes in prepayment speed and OAS assumptions which are updated based on market interest rates.
(b) Primarily reflects changes due to realized cash flows and the passage of time.

Net mortgage servicing revenue increased $3 million for the three months ended March 31, 2025 compared to the same period in the prior year as the $4 million reduction in gross mortgage servicing fees was more than offset by the $7 million reduction in negative valuation adjustments on the MSR and MSR related hedge. The valuation adjustments on the MSR portfolio included decreases of $16 million and increases of $41 million for the three months ended March 31, 2025 and 2024, respectively, due to changes in market rates and other inputs in the valuation model, including future prepayment speeds and OAS assumptions. Mortgage rates decreased during the three months ended March 31, 2025, which caused an increase in prepayment speeds. The fair value of the MSR portfolio decreased $34 million and $33 million as a result of contractual principal payments and actual prepayment activity for the three months ended March 31, 2025 and 2024, respectively.

Further detail on the valuation of MSRs can be found in Note 8 of the Notes to Condensed Consolidated Financial Statements. The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the valuation of the MSR portfolio. Refer to Note 9 of the Notes to Condensed Consolidated Financial Statements for more information on the free-standing derivatives used to economically hedge the MSR portfolio. In addition to the derivative positions used to economically hedge the MSR portfolio, the Bancorp acquires various securities as a component of its non-qualifying hedging strategy. Net gains and losses on these securities were immaterial for both the three months ended March 31, 2025 and 2024.

The Bancorp's total residential mortgage loans serviced as of March 31, 2025 and 2024 were $109.4 billion and $115.7 billion, respectively, with $92.8 billion and $99.6 billion, respectively, of residential mortgage loans serviced for others.

Other noninterest income decreased $9 million for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 primarily due to a decrease in private equity investment income, which was driven by valuation adjustments recognized on certain private equity investments during the prior year.

Net securities losses were $9 million for the three months ended March 31, 2025 compared to gains of $10 million for the three months ended March 31, 2024. For more information, refer to Note 4 of the Notes to Condensed Consolidated Financial Statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Noninterest Expense

Noninterest expense decreased $38 million for the three months ended March 31, 2025 compared to the same period in the prior year.

The following table presents the components of noninterest expense:

TABLE 9: Components of Noninterest Expense

	For the three months ended March 31,		
($ in millions)	**2025**	2024	% Change
Compensation and benefits	**$ 750**	753	—
Technology and communications	**123**	117	5
Net occupancy expense	**87**	87	—
Equipment expense	**42**	37	14
Loan and lease expense	**30**	29	3
Marketing expense	**28**	32	(13)
Card and processing expense	**21**	20	5
Other noninterest expense	**223**	267	(16)
Total noninterest expense	**$ 1,304**	1,342	(3)
Efficiency ratio on an FTE basis[(a)]	**61.0%**	63.9	

(a) This is a non-GAAP measure. For further information, refer to the Non-GAAP Financial Measures section of MD&A.

Compensation and benefits expense decreased $3 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in non-qualified deferred compensation expense, partially offset by increases in base compensation and performance-based compensation. Full-time equivalent employees totaled 18,786 at March 31, 2025 compared to 18,657 at March 31, 2024.

Technology and communications expense increased $6 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by increased investments in strategic initiatives and technology modernization.

Equipment expense increased $5 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to investments in retail and treasury management equipment as well as the expansion of the Southeast branch network.

Marketing expense decreased $4 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to decreases in advertising costs.

The following table presents the components of other noninterest expense:

TABLE 10: Components of Other Noninterest Expense

	For the three months ended March 31,	
($ in millions)	**2025**	2024
FDIC insurance and other taxes	**$ 42**	73
Data processing	**19**	20
Leasing business expense	**18**	25
Losses and adjustments	**17**	22
Dues and subscriptions	**17**	15
Travel	**16**	14
Securities recordkeeping	**14**	13
Postal and courier	**13**	13
Professional service fees	**12**	9
Cash and coin processing	**11**	12
Intangible amortization	**8**	10
Other, net	**36**	41
Total other noninterest expense	**$ 223**	267

Other noninterest expense decreased $44 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to decreases in FDIC insurance and other taxes and leasing business expense.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

FDIC insurance and other taxes decreased $31 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to the expense recognized in the first quarter of 2024 associated with the Bancorp's updated estimate of its allocated share of the FDIC's special assessment. Leasing business expense decreased $7 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in depreciation expense associated with operating lease equipment.

Applicable Income Taxes

The Bancorp's income before income taxes, applicable income tax expense and effective tax rate are as follows:

TABLE 11: Applicable Income Taxes

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Income before income taxes	**$ 653**	658
Applicable income tax expense	**138**	138
Effective tax rate	**21.2 %**	21.1

Applicable income tax expense for all periods presented includes the benefits from tax-exempt income, tax-advantaged investments, and tax credits (and other related tax benefits), partially offset by the effect of proportional amortization of qualifying investments and certain nondeductible expenses. The tax credits are primarily associated with the Low-Income Housing Tax Credit program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC, the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC and the Research Credit program established under Section 41 of the IRC.

The effective tax rate increased to 21.2% for the three months ended March 31, 2025 compared to 21.1% for the same period in the prior year primarily related to an increase in state tax expense, largely offset by an increase in excess tax benefits related to share-based compensation.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

BALANCE SHEET ANALYSIS

Loans and Leases

The Bancorp classifies its commercial loans and leases based upon primary purpose and consumer loans based upon product or collateral. Table 12 summarizes end of period loans and leases, including loans and leases held for sale, and Table 13 summarizes average total loans and leases, including average loans and leases held for sale.

TABLE 12: Components of Total Loans and Leases (including loans and leases held for sale)

As of ($ in millions)		**March 31, 2025**	December 31, 2024
Commercial loans and leases:			
Commercial and industrial loans	**$**	**53,728**	52,286
Commercial mortgage loans		**12,357**	12,268
Commercial construction loans		**5,952**	5,617
Commercial leases		**3,128**	3,188
Total commercial loans and leases	**$**	**75,165**	73,359
Consumer loans:			
Residential mortgage loans		**18,026**	18,117
Home equity		**4,265**	4,188
Indirect secured consumer loans		**16,804**	16,313
Credit card		**1,660**	1,734
Solar energy installation loans		**4,262**	4,202
Other consumer loans		**2,482**	2,518
Total consumer loans	**$**	**47,499**	47,072
Total loans and leases	**$**	**122,664**	120,431
Total portfolio loans and leases (excluding loans and leases held for sale)	**$**	**122,191**	119,791

Total loans and leases, including loans and leases held for sale, increased $2.2 billion, or 2%, from December 31, 2024 driven by increases in both commercial loans and leases and consumer loans.

Commercial loans and leases increased $1.8 billion, or 2%, from December 31, 2024 primarily due to increases in commercial and industrial loans and commercial construction loans. Commercial and industrial loans increased $1.4 billion, or 3%, from December 31, 2024 primarily as a result of loan originations exceeding payoffs as well as increased line utilization. Commercial construction loans increased $335 million, or 6%, from December 31, 2024 as draws on existing commitments and loan originations exceeded payoffs.

Consumer loans increased $427 million, or 1%, from December 31, 2024 primarily due to an increase in indirect secured consumer loans. Indirect secured consumer loans increased $491 million, or 3%, from December 31, 2024 primarily driven by higher loan production.

TABLE 13: Components of Average Loans and Leases (including average loans and leases held for sale)

For the three months ended ($ in millions)		**March 31, 2025**	March 31, 2024
Commercial loans and leases:			
Commercial and industrial loans	**$**	**53,430**	53,256
Commercial mortgage loans		**12,388**	11,339
Commercial construction loans		**5,813**	5,732
Commercial leases		**3,110**	2,543
Total commercial loans and leases	**$**	**74,741**	72,870
Consumer loans:			
Residential mortgage loans		**17,980**	17,268
Home equity		**4,222**	3,933
Indirect secured consumer loans		**16,476**	15,172
Credit card		**1,627**	1,773
Solar energy installation loans		**4,221**	3,794
Other consumer loans		**2,497**	2,889
Total consumer loans	**$**	**47,023**	44,829
Total average loans and leases	**$**	**121,764**	117,699
Total average portfolio loans and leases (excluding loans and leases held for sale)	**$**	**121,272**	117,334

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Average loans and leases, including average loans and leases held for sale, increased $4.1 billion, or 3%, for the three months ended March 31, 2025 compared to the same period in the prior year driven by increases in both average consumer loans and average commercial loans and leases.

Average commercial loans and leases increased $1.9 billion, or 3%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to increases in average commercial mortgage loans and average commercial leases. Average commercial mortgage loans increased $1.0 billion, or 9%, for the three months ended March 31, 2025 compared to the same period in the prior year and included the impact of commercial construction loans transitioning to commercial mortgage loans and increased originations. Average commercial leases increased $567 million, or 22%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase in lease originations as a result of a shift in business strategy in the second half of 2024.

Average consumer loans increased $2.2 billion, or 5%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to increases in average indirect secured consumer loans, average residential mortgage loans, average solar energy installation loans and average home equity, partially offset by a decrease in average other consumer loans. Average indirect secured consumer loans increased $1.3 billion, or 9%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by higher loan production during the second half of 2024 that has continued into 2025 following a planned reduction in balances in the second half of 2023. Average residential mortgage loans increased $712 million, or 4%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase in held-for-investment loan originations and loan purchase transactions completed in the second half of 2024. Average solar energy installation loans increased $427 million, or 11%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to loan originations exceeding payoffs. Average home equity loans increased $289 million, or 7%, for the three months ended March 31, 2025 compared to the same period in the prior year as loan originations and new advances exceeded payoffs, driven by increased marketing efforts. Average other consumer loans decreased $392 million, or 14%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by paydowns of point-of-sale loans, including loans originated in connection with one third-party point-of-sale company with which the Bancorp discontinued the origination of new loans in September 2022.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing collateral for pledging purposes and for liquidity risk management. Total investment securities were $52.6 billion and $52.4 billion at March 31, 2025 and December 31, 2024, respectively. The taxable available-for-sale debt and other securities portfolio had an effective duration of 3.8 at both March 31, 2025 and December 31, 2024. The taxable held-to-maturity securities portfolio had an effective duration of 5.5 at both March 31, 2025 and December 31, 2024.

Debt securities are classified as available-for-sale when, in management's judgment, they may be sold in response to, or in anticipation of, changes in market conditions. Debt securities that management has the intent and ability to hold to maturity are classified as held-to-maturity and reported at amortized cost. Debt securities are classified as trading typically when bought and held principally for the purpose of selling them in the near term. At March 31, 2025, the Bancorp's investment securities portfolio consisted primarily of AAA-rated available-for-sale debt and other securities and held-to-maturity securities. The Bancorp held an immaterial amount of below-investment grade available-for-sale debt and other securities and held-to-maturity securities at both March 31, 2025 and December 31, 2024.

At both March 31, 2025 and December 31, 2024, the Bancorp did not recognize an allowance for credit losses for its investment securities. The Bancorp also did not recognize provision for credit losses for investment securities during both the three months ended March 31, 2025 and 2024.

The Bancorp did not recognize impairment losses on its available-for-sale debt and other securities for the three months ended March 31, 2025. The Bancorp recognized impairment losses on available-for-sale debt and other securities of $5 million during the three months ended March 31, 2024. These losses were included in securities (losses) gains, net, in the Condensed Consolidated Statements of Income and related to certain securities in unrealized loss positions where the Bancorp had determined that it no longer intended to hold the securities until the recovery of their amortized cost bases.

The following table summarizes the end of period components of investment securities:

TABLE 14: Components of Investment Securities

As of ($ in millions)		March 31, 2025	December 31, 2024
Available-for-sale debt and other securities (amortized cost basis):			
U.S. Treasury and federal agencies securities	$	**4,358**	4,358
Mortgage-backed securities:			
Agency residential mortgage-backed securities		**7,250**	6,460
Agency commercial mortgage-backed securities		**23,659**	23,853
Non-agency commercial mortgage-backed securities		**3,997**	4,505
Asset-backed securities and other debt securities		**3,357**	3,924
Other securities[(a)]		**824**	778
Total available-for-sale debt and other securities	$	**43,445**	43,878
Held-to-maturity securities (amortized cost basis):[(b)]			
U.S. Treasury and federal agencies securities	$	**2,387**	2,370
Mortgage-backed securities:			
Agency residential mortgage-backed securities		**4,811**	4,898
Agency commercial mortgage-backed securities		**3,985**	4,008
Asset-backed securities and other debt securities		**2**	2
Total held-to-maturity securities	$	**11,185**	11,278
Trading debt securities (fair value):			
U.S. Treasury and federal agencies securities	$	**695**	626
Obligations of states and political subdivisions securities		**70**	120
Agency residential mortgage-backed securities		**26**	10
Asset-backed securities and other debt securities		**368**	429
Total trading debt securities	$	**1,159**	1,185
Total equity securities (fair value)	$	**494**	341

(a) Other securities consist of FHLB, FRB and DTCC restricted stock holdings that are carried at cost.

(b) Includes a discount of $833 and $865 at March 31, 2025 and December 31, 2024, respectively, pertaining to the remaining unamortized portion of unrealized losses on securities transferred to HTM.

In January 2024, the Bancorp transferred $12.6 billion (amortized cost basis) of investment securities from available-for-sale to held-to-maturity to reflect the Bancorp's change in intent to hold these securities to maturity in order to reduce potential capital volatility associated with investment security market price fluctuations. The transfer included U.S. Treasury and federal agencies securities, agency residential mortgage-backed securities and agency commercial mortgage-backed securities. On the date of the transfer, pre-tax unrealized losses of

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$994 million were included in AOCI related to these transferred securities. The unrealized losses that existed on the date of transfer will continue to be reported as a component of AOCI and will be amortized into income over the remaining life of the securities as an adjustment to yield, offsetting the amortization of the discount resulting from the transfer recorded at fair value.

The following table presents the estimated future amortization of unrealized losses related to investment securities transferred from available-for-sale to held-to-maturity. At March 31, 2025, these transferred securities had an estimated weighted-average life of 6.8 years.

TABLE 15: Estimated Amortization of Unrealized Losses on Securities Transferred to Held-to-Maturity

As of March 31, 2025 ($ in millions)		
Remainder of 2025	$	46
2026		69
2027		82
2028		119
2029		57
Thereafter		460
Unamortized portion of unrealized losses	$	833

On an amortized cost basis, available-for-sale debt and other securities and held-to-maturity securities comprised 28% of total interest-earning assets at both March 31, 2025 and December 31, 2024. The estimated weighted-average life of the debt securities in the available-for-sale debt and other securities portfolio was 5.1 years and 5.0 years at March 31, 2025 and December 31, 2024, respectively. In addition, the debt securities in the available-for-sale debt and other securities portfolio had a weighted-average yield of 3.10% and 3.08% at March 31, 2025 and December 31, 2024, respectively. The held-to-maturity securities portfolio had an estimated weighted-average life of 6.8 years and 6.9 years at March 31, 2025 and December 31, 2024, respectively. In addition, the held-to-maturity securities portfolio had a weighted-average yield of 3.39% and 3.41% at March 31, 2025 and December 31, 2024, respectively.

Information presented in Tables 16 and 17 is on a weighted-average life basis, anticipating future prepayments. Yield information is presented on an FTE basis and is computed using amortized cost balances and reflects the impact of prepayments. Maturity and yield calculations for the total available-for-sale debt and other securities portfolio exclude other securities that have no stated yield or maturity.

The fair values of investment securities are impacted by interest rates, credit spreads, market volatility and liquidity conditions. The fair value of the Bancorp's investment securities portfolio generally decreases when interest rates increase or when credit spreads widen, and, conversely, increases when interest rates decrease or when credit spreads contract. Total net unrealized losses on the available-for-sale debt and other securities portfolio were $3.7 billion and $4.3 billion at March 31, 2025 and December 31, 2024, respectively.

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TABLE 16: Characteristics of Available-for-Sale Debt and Other Securities

As of March 31, 2025 ($ in millions)		Amortized Cost	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and federal agencies securities:					
Average life within one year	$	2,558	2,559	0.6	4.43 %
Average life after one year through five years		1,800	1,802	1.3	4.43
Total	$	4,358	4,361	0.9	4.43 %
Agency residential mortgage-backed securities:					
Average life within one year		10	10	0.9	3.45
Average life after one year through five years		1,347	1,260	3.7	2.84
Average life after five years through ten years		5,080	4,691	6.8	3.93
Average life after ten years		813	640	11.0	2.89
Total	$	7,250	6,601	6.7	3.61 %
Agency commercial mortgage-backed securities:[(a)]					
Average life within one year		834	827	0.5	3.34
Average life after one year through five years		10,193	9,578	3.1	2.64
Average life after five years through ten years		9,690	8,277	7.1	2.65
Average life after ten years		2,942	2,374	11.7	2.71
Total	$	23,659	21,056	5.7	2.68 %
Non-agency commercial mortgage-backed securities:					
Average life within one year		842	836	0.3	3.33
Average life after one year through five years		1,289	1,236	2.2	3.18
Average life after five years through ten years		1,866	1,634	6.5	2.77
Total	$	3,997	3,706	3.8	3.02 %
Asset-backed securities and other debt securities:					
Average life within one year		641	633	0.5	3.16
Average life after one year through five years		1,661	1,584	3.0	3.49
Average life after five years through ten years		1,055	982	7.2	3.19
Total	$	3,357	3,199	3.8	3.33 %
Other securities		824	824		
Total available-for-sale debt and other securities	$	43,445	39,747	5.1	3.10 %

(a) Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.17% and 0.03% for securities with an average life between 5 and 10 years, average life greater than 10 years and in total, respectively.

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TABLE 17: Characteristics of Held-to-Maturity Securities

As of March 31, 2025 ($ in millions)		Amortized Cost[(b)]	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield
U.S. Treasury and federal agencies securities:					
Average life within one year	$	290	291	0.9	2.05 %
Average life after one year through five years		2,097	2,096	3.0	2.49 %
Total	$	2,387	2,387	2.8	2.44 %
Agency residential mortgage-backed securities:					
Average life after five years through ten years		4,811	4,706	9.1	3.37
Total	$	4,811	4,706	9.1	3.37 %
Agency commercial mortgage-backed securities:[(a)]					
Average life within one year		38	38	0.0	3.57
Average life after one year through five years		926	925	3.5	3.80
Average life after five years through ten years		2,609	2,601	6.9	3.92
Average life after ten years		412	413	11.1	4.66
Total	$	3,985	3,977	6.5	3.97 %
Asset-backed securities and other debt securities:					
Average life after ten years		2	2	10.6	7.67
Total	$	2	2	10.6	7.67 %
Total held-to-maturity securities	$	11,185	11,072	6.8	3.39 %

(a) Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.04%, 0.52% and 0.08% for securities with an average life between 1 and 5 years, average life between 5 and 10 years, average life greater than 10 years and in total, respectively.

(b) Includes a discount of $833 pertaining to the unamortized portion of unrealized losses on HTM securities.

Other Short-Term Investments

Other short-term investments have original maturities less than one year and primarily include interest-bearing balances that are funds on deposit at the FRB or other depository institutions. The Bancorp uses other short-term investments as part of its liquidity risk management tools. Other short-term investments were $15.0 billion at March 31, 2025, a decrease of $2.2 billion from December 31, 2024. This decrease was primarily due to deploying excess liquidity to fund loan growth and proactive liability management during the three months ended March 31, 2025.

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Deposits

The Bancorp's deposit balances represent an important source of funding and revenue growth opportunity. The Bancorp continues to focus on core deposit growth in its retail and commercial franchises by improving customer satisfaction, building full relationships and offering competitive rates and through its strategy of expanding retail presence in high-growth markets, such as in the Southeast. Average core deposits represented 77% and 76% of average total assets for the three months ended March 31, 2025 and 2024, respectively.

The following table presents the end of period components of deposits:

TABLE 18: Components of Deposits

As of ($ in millions)		March 31, 2025	December 31, 2024
Demand	$	**40,855**	41,038
Interest checking[(b)]		**58,420**	59,306
Savings		**17,583**	17,147
Money market		**36,505**	36,605
Total transaction deposits	$	**153,363**	154,096
CDs $250,000 or less		**10,248**	10,798
Total core deposits	$	**163,611**	164,894
CDs over $250,000[(a)]		**1,894**	2,358
Total deposits	$	**165,505**	167,252

(a) Includes $920 million and $1.3 billion of retail brokered CDs which are fully covered by FDIC insurance as of March 31, 2025 and December 31, 2024, respectively.

(b) Effective January 1, 2025, foreign office deposits are included in interest checking. Prior periods have been adjusted to conform to current period presentation.

Core deposits decreased $1.3 billion, or 1%, from December 31, 2024 primarily due to decreases in transaction deposits and CDs $250,000 or less. Transaction deposits decreased $733 million from December 31, 2024 primarily driven by a decrease in interest checking deposits, partially offset by an increase in savings deposits. Interest checking deposits decreased $886 million, or 1%, from December 31, 2024 primarily as a result of seasonal impacts which contributed to lower balances per commercial customer account, partially offset by higher balances per consumer customer account. Savings deposits increased $436 million, or 3%, from December 31, 2024 primarily as a result of higher average balances per consumer customer account, which is partially attributable to seasonality. CDs $250,000 or less decreased $550 million, or 5%, from December 31, 2024 primarily due to maturities which outpaced new issuances given current market conditions.

CDs over $250,000 decreased $464 million, or 20%, from December 31, 2024 primarily due to maturities of retail brokered CDs.

The following table presents the components of average deposits for the three months ended:

TABLE 19: Components of Average Deposits

($ in millions)		March 31, 2025	March 31, 2024
Demand	$	**39,788**	40,839
Interest checking[(b)]		**57,964**	58,822
Savings		**17,226**	18,107
Money market		**36,453**	34,589
Total transaction deposits	$	**151,431**	152,357
CDs $250,000 or less		**10,380**	10,244
Total core deposits	$	**161,811**	162,601
CDs over $250,000[(a)]		**2,346**	5,521
Total average deposits	$	**164,157**	168,122

(a) Includes $1.3 billion and $4.7 billion of retail brokered CDs which are fully covered by FDIC insurance for the three months ended March 31, 2025 and 2024, respectively.

(b) Effective January 1, 2025, foreign office deposits are included in interest checking. Prior periods have been adjusted to conform to current period presentation.

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On an average basis, core deposits decreased $790 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to a decrease in average transaction deposits. Average transaction deposits decreased $926 million, or 1%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by decreases in average demand deposits, average savings deposits and average interest checking deposits, partially offset by an increase in average money market deposits. Average demand deposits decreased $1.1 billion, or 3%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of lower average balances per commercial customer account, partially offset by consumer balance growth. Average savings deposits decreased $881 million, or 5%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to lower average balances per consumer customer account driven by the impact of consumer preferences for products with higher offering rates. Average interest checking deposits decreased $858 million, or 1%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to a decrease in derivative collateral held as a result of lower interest rates and a decrease in consumer balances, partially offset by higher average balances per commercial customer account. Average money market deposits increased $1.9 billion, or 5%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of higher average balances per consumer customer account due to higher offering rates.

Average CDs over $250,000 decreased $3.2 billion, or 58%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to maturities of retail brokered CDs.

Contractual maturities

The contractual maturities of CDs as of March 31, 2025 are summarized in the following table:

TABLE 20: Contractual Maturities of CDs[(a)]

($ in millions)		
Next 12 months	$	11,425
13-24 months		671
25-36 months		17
37-48 months		9
49-60 months		17
After 60 months		3
Total CDs	$	12,142

(a) Includes CDs $250,000 or less and CDs over $250,000.

Deposit insurance

The FDIC generally provides a standard amount of insurance of $250,000 per depositor, per insured bank, for each account ownership category defined by the FDIC. As of March 31, 2025 and December 31, 2024, approximately $101.3 billion, or 61%, and $100.6 billion, or 60%, respectively, of the Bancorp's domestic deposits were estimated to be insured. As of March 31, 2025 and December 31, 2024, approximately $64.1 billion and $66.5 billion, respectively, of the Bancorp's domestic deposits were estimated to be uninsured. At March 31, 2025 and December 31, 2024, approximately $998 million and $1.1 billion, respectively, of time deposits were estimated to be uninsured. Where information is not readily available to determine the amount of insured deposits, the amount of uninsured deposits is estimated, consistent with the methodologies and assumptions utilized in providing information to the Bank's regulators.

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Borrowings

The Bancorp accesses a variety of short-term and long-term funding sources. Borrowings with original maturities of one year or less are classified as short-term and include federal funds purchased and other short-term borrowings. Total average borrowings as a percent of average interest-bearing liabilities were 14% and 13% for the three months ended March 31, 2025 and 2024, respectively.

The following table summarizes the end of period components of borrowings:

TABLE 21: Components of Borrowings

As of ($ in millions)		**March 31, 2025**	December 31, 2024
Federal funds purchased	**$**	**227**	204
Other short-term borrowings		**5,457**	4,450
Long-term debt		**14,539**	14,337
Total borrowings	**$**	**20,223**	18,991

Total borrowings increased $1.2 billion, or 6%, from December 31, 2024 primarily due to increases in other short-term borrowings and long-term debt. Other short-term borrowings increased $1.0 billion from December 31, 2024 primarily due to increased funding needs resulting from loan growth and a decrease in total deposits. The level of other short-term borrowings can fluctuate significantly from period to period depending on funding needs and the sources that are used to satisfy those needs. For further information on the components of other short-term borrowings, refer to Note 10 of the Notes to Condensed Consolidated Financial Statements. Long-term debt increased $202 million from December 31, 2024 primarily due to the issuance of senior fixed-rate/floating-rate notes in January of 2025 totaling $1.0 billion and fair value adjustments of $68 million associated with hedged long-term debt. These increases were partially offset by the redemptions or maturities of $750 million of notes and $110 million of paydowns associated with loan securitizations.

The following table summarizes components of average borrowings for the three months ended:

TABLE 22: Components of Average Borrowings

($ in millions)		**March 31, 2025**	March 31, 2024
Federal funds purchased	**$**	**194**	201
Other short-term borrowings		**5,137**	3,534
Long-term debt		**14,585**	15,515
Total average borrowings	**$**	**19,916**	19,250

Total average borrowings increased $666 million, or 3%, for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to an increase in average other short-term borrowings, partially offset by a decrease in average long-term debt. Average other short-term borrowings increased $1.6 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to increased funding needs resulting from loan growth and a decrease in retail brokered CDs. Average long-term debt decreased $930 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by redemptions or maturities of $1.8 billion of notes, a $500 million net reduction in long-term FHLB advances and $477 million of paydowns associated with loan securitizations since March 31, 2024. These decreases were partially offset by the issuance of $750 million of senior fixed-rate/floating-rate notes in September 2024, the aforementioned issuance of $1.0 billion of senior fixed-rate/floating-rate notes in January 2025 and $94 million of fair value adjustments associated with hedged long-term debt since March 31, 2024. Information on the average rates paid on borrowings is discussed in the Net Interest Income subsection of the Statements of Income Analysis section of MD&A. In addition, refer to the Liquidity Risk Management subsection of the Risk Management section of MD&A for a discussion on the role of borrowings in the Bancorp's liquidity management.

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BUSINESS SEGMENT REVIEW

The Bancorp has three reportable segments: Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management. Additional information on each segment is included in Note 19 of the Notes to Condensed Consolidated Financial Statements. Results of the Bancorp's segments are presented based on its management structure and management accounting practices, which are specific to the Bancorp. Therefore, the financial results of the Bancorp's segments are not necessarily comparable with similar information for other financial institutions. The Bancorp refines its methodologies from time to time as management's accounting practices and businesses change.

The Bancorp manages interest rate risk centrally at the corporate level. By employing an FTP methodology, the segments are insulated from most benchmark interest rate volatility, enabling them to focus on serving customers through the origination of loans and acceptance of deposits. The FTP methodology assigns charge and credit rates to classes of assets and liabilities, respectively, based on the estimated amount and timing of the cash flows for each transaction.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of behavioral assumptions, such as prepayment rates on interest-earning assets and the estimated durations for indeterminate-lived deposits. In general, the charge rates on assets decreased since December 31, 2024 as they were affected by the prevailing level of interest rates and repricing characteristics of the portfolio. The credit rates for deposit products have also generally decreased since December 31, 2024 due to reduced liquidity premium assumptions and decreasing short-term interest rates.

For more information about the Bancorp's FTP process and other allocation methodologies, refer to the Business Segment Review section included in the MD&A of the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

In January 2025, the Bancorp realigned its reporting structure and moved certain business banking customer relationships and relationship management personnel to the Consumer and Small Business Banking segment from the Commercial Banking segment to improve alignment of customer acquisition and servicing resources with customer product and service demand. In conjunction with this change, the loans, deposits and operating results associated with the affected business banking customer relationships were reclassified from the Commercial Banking segment to the Consumer and Small Business Banking segment effective January 1, 2025. This change was applied retrospectively to all prior periods presented.

The following table summarizes income (loss) before income taxes on an FTE basis by segment:

TABLE 23: Income (Loss) Before Income Taxes (FTE) by Segment

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Commercial Banking	**$ 262**	427
Consumer and Small Business Banking	**522**	685
Wealth and Asset Management	**52**	58
General Corporate and Other[(a)]	**(178)**	(506)
Income before income taxes (FTE)	**$ 658**	664

(a) General Corporate and Other is not a reportable segment and is presented for reconciliation purposes.

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Commercial Banking

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

The following table contains selected financial data for the Commercial Banking segment:

TABLE 24: Commercial Banking

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Income Statement Data		
Net interest income (FTE)[(a)]	**$ 552**	663
Provision for credit losses	**80**	71
Noninterest income:		
Commercial payments revenue	**133**	125
Capital markets fees	**90**	96
Commercial banking revenue	**79**	85
Other noninterest (loss) income	**(1)**	19
Noninterest expense:		
Compensation and benefits	**178**	186
Net occupancy and equipment expense	**17**	16
Other noninterest expense	**316**	288
Income before income taxes (FTE)[(a)]	**$ 262**	427
Average Balance Sheet Data		
Commercial loans and leases, including held for sale	**$ 68,406**	67,489
Demand deposits	**15,929**	17,654
Interest checking deposits	**39,937**	39,599
Savings deposits	**131**	153
Money market deposits	**4,666**	4,480
Certificates of deposit	**31**	69

(a) Includes FTE adjustments of $3 and $4 for the three months ended March 31, 2025 and 2024, respectively.

Income before income taxes on an FTE basis was $262 million for the three months ended March 31, 2025 compared to $427 million for the same period in the prior year. The decrease was driven by a decrease in net interest income on an FTE basis, a decrease in noninterest income, an increase in noninterest expense and an increase in provision for credit losses.

Net interest income on an FTE basis decreased $111 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in FTP credits on deposits and a decrease in yields on average commercial loans and leases. These negative impacts were partially offset by a decrease in FTP charges on commercial loans and leases, a decrease in rates paid on average interest-bearing deposits and an increase in the average balances of commercial loans and leases.

Provision for credit losses increased $9 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase in net charge-offs on commercial loans and leases, partially offset by a decrease in the allocated provision for credit losses related to commercial criticized assets. Annualized net charge-offs as a percent of average portfolio loans and leases increased to 31 bps for the three months ended March 31, 2025 compared to 18 bps for the same period in the prior year.

Noninterest income decreased $24 million for the three months ended March 31, 2025 compared to the same period in the prior year driven by decreases in other noninterest income, capital markets fees and commercial banking revenue, partially offset by an increase in commercial payments revenue. Other noninterest income decreased $20 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to a decrease in private equity investment income as well as the recognition of net securities losses of $7 million for the three months ended March 31, 2025 compared to net securities gains of $1 million for the same period in the prior year. Refer to the Noninterest Income subsection of the Statement of Income Analysis section of MD&A for additional information on the fluctuations in capital markets fees, commercial banking revenue and commercial payments revenue.

Noninterest expense increased $21 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase in other noninterest expense, partially offset by a decrease in compensation and benefits expense. Other noninterest expense increased $28 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily

due to increases in allocated expenses and credit valuation adjustments on derivatives associated with customer accommodation contracts, partially offset by a decrease in leasing business expense. Compensation and benefits expense decreased $8 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in performance-based compensation.

Average commercial loans and leases increased $917 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to increases in average commercial mortgage loans and average commercial leases, partially offset by a decrease in average commercial and industrial loans. Average commercial mortgage loans increased for the three months ended March 31, 2025 compared to the same period in the prior year and included the impact of commercial construction loans transitioning to commercial mortgage loans and increased originations. Average commercial leases increased for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase in lease originations as a result of a shift in business strategy in the second half of 2024. Average commercial and industrial loans decreased for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of lower demand throughout 2024.

Average deposits decreased $1.3 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to a decrease in average demand deposits, partially offset by increases in average interest checking deposits and average money market deposits. Average demand deposits decreased $1.7 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of lower average balances per customer account. Average interest checking deposits increased $338 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by increases in balances associated with embedded payments products. Average money market deposits increased $186 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by balance growth resulting from expanded market presence in the Southeast U.S.

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Consumer and Small Business Banking

Consumer and Small Business Banking provides a full range of deposit and loan products to individuals and small businesses through a network of full-service banking centers and relationships with indirect and correspondent loan originators in addition to providing products designed to meet the specific needs of small businesses, including cash management services. Consumer and Small Business Banking includes the Bancorp's residential mortgage, home equity loans and lines of credit, credit cards, automobile and other indirect lending, solar energy installation and other consumer lending activities. Residential mortgage activities include the origination, retention and servicing of residential mortgage loans, sales and securitizations of those loans and all associated hedging activities. Indirect lending activities include extending loans to consumers through automobile dealers, motorcycle dealers, powersport dealers, recreational vehicle dealers and marine dealers. Solar energy installation loans and certain other consumer loans are originated through a network of contractors and installers.

The following table contains selected financial data for the Consumer and Small Business Banking segment:

TABLE 25: Consumer and Small Business Banking

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Income Statement Data		
Net interest income	**$ 975**	1,152
Provision for credit losses	**84**	84
Noninterest income:		
Consumer banking revenue	**135**	132
Wealth and asset management revenue	**66**	59
Mortgage banking net revenue	**57**	54
Commercial payments revenue	**20**	20
Other noninterest income	**3**	2
Noninterest expense:		
Compensation and benefits	**236**	237
Net occupancy and equipment expense	**70**	67
Marketing expense	**19**	22
Loan and lease expense	**18**	17
Other noninterest expense	**307**	307
Income before income taxes	**$ 522**	685
Average Balance Sheet Data		
Consumer loans, including held for sale	**$ 44,227**	42,105
Commercial loans	**4,759**	3,901
Demand deposits	**22,650**	21,952
Interest checking deposits	**10,946**	11,218
Savings deposits	**14,016**	14,996
Money market deposits	**31,304**	29,624
Certificates of deposit	**11,071**	11,084

Income before income taxes was $522 million for the three months ended March 31, 2025 compared to $685 million for the same period in the prior year. The decrease was primarily driven by a decrease in net interest income, partially offset by an increase in noninterest income.

Net interest income decreased $177 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in FTP credits on deposits and an increase in FTP charges on loans and leases. These negative impacts were partially offset by increases in the average balances of and yields on average loans and leases as well as a decrease in rates paid on average interest-bearing deposits.

Noninterest income increased $14 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by an increase of $7 million in wealth and asset management revenue primarily due to increases in brokerage income and personal asset management revenue.

Average consumer loans increased $2.1 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to increases in average indirect secured consumer loans, average residential mortgage loans and average solar energy installation loans, partially offset by a decrease in average other consumer loans. Refer to the Loans and Leases subsection of the Balance Sheet Analysis section of MD&A for additional information on the fluctuations in average indirect secured consumer loans, average residential mortgage loans, average solar energy installation loans and average other consumer loans. Average commercial loans increased

$858 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by loan originations exceeding payoffs.

Average deposits increased $1.1 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by increases in average money market deposits and average demand deposits, partially offset by a decrease in average savings deposits. Average money market deposits increased $1.7 billion for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of higher average balances per customer account due to higher offering rates. Average demand deposits increased $698 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily as a result of an increase in the number of customer accounts as well as higher average balances per customer account. Average savings deposits decreased $980 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to lower average balances per customer account driven by the impact of consumer preferences for products with higher offering rates.

Wealth and Asset Management

Wealth and Asset Management provides a full range of wealth management solutions for individuals, companies and not-for-profit organizations, including wealth planning, investment management, banking, insurance, trust and estate services. These offerings include retail brokerage services for individual clients, advisory services for institutional clients including middle market businesses, non-profits, states and municipalities, and wealth management strategies and products for high net worth and ultra-high net worth clients.

The following table contains selected financial data for the Wealth and Asset Management segment:

TABLE 26: Wealth and Asset Management

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Income Statement Data		
Net interest income	**$ 49**	59
Provision for credit losses	**—**	—
Noninterest income:		
Wealth and asset management revenue	**106**	101
Other noninterest income	**3**	1
Noninterest expense:		
Compensation and benefits	**62**	62
Other noninterest expense	**44**	41
Income before income taxes	**$ 52**	58
Average Balance Sheet Data		
Loans and leases, including held for sale	**$ 4,335**	4,163
Deposits	**10,820**	10,735

Income before income taxes was $52 million for the three months ended March 31, 2025 compared to $58 million for the same period in the prior year. The decrease was primarily driven by a decrease in net interest income, partially offset by an increase in noninterest income.

Net interest income decreased $10 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in FTP credits on deposits, partially offset by a decrease in rates paid on average deposits.

Noninterest income increased $7 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily due to an increase in wealth and asset management revenue, which increased $5 million for the three months ended March 31, 2025, primarily driven by an increase in personal asset management revenue.

Average loans and leases increased $172 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by increases in average other consumer loans, average commercial mortgage loans and average commercial and industrial loans as loan production exceeded payoffs.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

General Corporate and Other

General Corporate and Other includes the unallocated portion of the investment securities portfolio, securities gains and losses, certain non-core deposit funding, unassigned equity, unallocated provision for credit losses or a benefit from the reduction of the ACL, the payment of preferred stock dividends and certain support activities and other items not attributed to its segments.

Net interest income on an FTE basis increased $350 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by a decrease in FTP credits on deposits allocated to the segments and decreases in interest expense on retail brokered CDs and long-term debt, partially offset by a decrease in interest income on other short-term investments and a decrease in FTP charges on loans and leases allocated to the segments. The decrease in FTP charges allocated to the segments was driven by decreases in market interest rates, primarily affecting the variable-rate asset portfolios. The decrease in FTP credits allocated to the segments was driven by lower FTP credit rates paid on deposits as a result of lower market interest rates and reduced liquidity premium assumptions. Under the Bancorp's internal reporting methodology, the Bancorp insulates the segments from interest rate risk associated with fixed-rate lending by transferring this risk to General Corporate and Other through the FTP methodology. As a result, the amount of FTP credits on deposits earned by the segments generally increases or decreases at a faster pace than the amount of allocated FTP charges on loans and leases.

The provision for credit losses was $10 million for the three months ended March 31, 2025 compared to a benefit from credit losses of $61 million for the same period in the prior year. The provision for credit losses for the three months ended March 31, 2025 was primarily driven by a decrease in allocations to the segments.

Noninterest income decreased $13 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by the recognition of net securities losses for the three months ended March 31, 2025 compared to net securities gains for the same period in the prior year.

Noninterest expense decreased $62 million for the three months ended March 31, 2025 compared to the same period in the prior year primarily driven by the expense recognized in 2024 associated with an FDIC special assessment and an increase in corporate overhead allocations from General Corporate and Other to the other segments.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

RISK MANAGEMENT - OVERVIEW

The Risk Management Overview section included in Item 7 of the Bancorp's Annual Report on Form 10-K describes the Bancorp's Enterprise Risk Management Framework and Three Lines of Defense structure as well as key areas of risk, which include credit risk, liquidity risk, interest rate risk, price risk, legal and regulatory compliance risk, operational risk, reputation risk and strategic risk. Item 7 of the Bancorp's Annual Report on Form 10-K also includes additional detailed information about the Bancorp's processes related to operational risk management as well as legal and regulatory compliance risk management. The following information should be read in conjunction with the Bancorp's Annual Report on Form 10-K.

CREDIT RISK MANAGEMENT

Credit risk management utilizes a framework that encompasses consistent processes for identifying, assessing, managing, monitoring and reporting credit risk. These processes are supported by a credit risk governance structure that includes Board oversight, policies, risk limits and risk committees.

The objective of the Bancorp's credit risk management strategy is to quantify and manage credit risk on an aggregate portfolio basis, as well as to limit the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bancorp. The Bancorp's credit risk management strategy is based on three core principles: conservatism, diversification and monitoring. The Bancorp believes that effective credit risk management begins with conservative lending practices which are described below. These practices include the use of intentional risk-based limits for single name exposures and counterparty selection criteria designed to reduce or eliminate exposure to borrowers who have higher than average default risk and defined weaknesses in financial performance. The Bancorp carefully designs and monitors underwriting, documentation and collection standards. The Bancorp's credit risk management strategy also emphasizes diversification on a geographic, industry, product and customer level as well as ongoing portfolio monitoring and timely management reviews of large credit exposures and credits experiencing deterioration of credit quality. Credit officers with the authority to extend credit are delegated specific authority based on risk and exposure amount, the use of which is closely monitored. Underwriting activities are centrally managed, and Credit Risk Management manages the policy and the authority delegation process directly. The Credit Risk Review function provides independent and objective assessments of the quality of underwriting and documentation, the accuracy of risk ratings and the charge-off, nonaccrual and reserve analysis process. The Bancorp's credit review process and overall assessment of the adequacy of the ACL is based on quarterly assessments of the estimated losses expected in the loan and lease portfolio. The Bancorp uses these assessments to maintain an adequate ACL and record any necessary charge-offs. Certain loans and leases with probable or observed credit weaknesses receive enhanced monitoring and undergo a periodic review. Refer to Note 6 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024 for further information on the Bancorp's credit rating categories, which are derived from standard regulatory rating definitions. In addition, stress testing is performed on various commercial and consumer portfolios utilizing various models. For certain portfolios, such as real estate and leveraged lending, stress testing is performed at the individual loan level during credit underwriting.

In addition to the individual review of larger commercial loans that exhibit probable or observed credit weaknesses, the commercial credit review process includes the use of two risk rating systems. The first of these risk rating systems is based on regulatory guidance for credit risk rating systems. These ratings are used by the Bancorp to monitor and manage its credit risk. The Bancorp also separately maintains a dual risk rating system for credit approval and pricing, portfolio monitoring and capital allocation that includes a "through-the-cycle" rating philosophy for assessing a borrower's creditworthiness. This "through-the-cycle" rating philosophy uses a grading scale that assigns ratings based on average default rates through an entire business cycle for borrowers with similar financial performance. The dual risk rating system includes thirteen categories for estimating probabilities of default and an additional eleven categories for estimating losses given an event of default. The probability of default and loss given default evaluations are not separated in the regulatory risk rating system.

The Bancorp utilizes internally developed models to estimate expected credit losses for portfolio loans and leases. For loans and leases that are collectively evaluated, the Bancorp utilizes these models to forecast expected credit losses over a reasonable and supportable forecast period based on the probability of a loan or lease defaulting, the expected balance at the estimated date of default and the expected loss percentage given a default. Refer to Note 1 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024 for additional information about the Bancorp's processes for developing these models, for estimating credit losses for periods beyond the reasonable and supportable forecast period and for estimating credit losses for individually evaluated loans.

For the commercial portfolio segment, the estimated probabilities of default are primarily based on the probability of default ratings assigned under the dual risk rating system and historical observations of how those ratings migrate to a default over time in the context of macroeconomic conditions. For loans with available credit, the estimate of the expected balance at the time of default considers expected utilization rates, which are primarily based on macroeconomic conditions and the utilization history of similar borrowers under those economic conditions. The estimates for loss severity are primarily based on collateral type and coverage levels and the susceptibility of those characteristics to changes in macroeconomic conditions.

For collectively evaluated loans in the consumer and residential mortgage portfolio segments, the Bancorp's expected credit loss models primarily utilize the borrower's FICO score and delinquency history in combination with macroeconomic conditions when estimating the

probability of default. The estimates for loss severity are primarily based on collateral type and coverage levels and the susceptibility of those characteristics to changes in macroeconomic conditions. The expected balance at the estimated date of default is also especially impactful in the expected credit loss models for portfolio classes which generally have longer terms (such as residential mortgage loans and home equity) and portfolio classes containing a high concentration of loans with revolving privileges (such as home equity). The estimate of the expected balance at the time of default considers expected prepayment and utilization rates where applicable, which are primarily based on macroeconomic conditions and the utilization history of similar borrowers under those economic conditions. The Bancorp also utilizes various scoring systems, analytical tools and portfolio performance monitoring processes to assess the credit risk of the consumer and residential mortgage portfolios.

Commercial Portfolio

The Bancorp's credit risk management strategy seeks to minimize concentrations of risk through diversification. The Bancorp has commercial loan concentration limits based on industry, lines of business within the commercial segment, geography and credit product type. The risk within the commercial loan and lease portfolio is managed and monitored through an underwriting process utilizing detailed origination policies, continuous loan level reviews, monitoring of industry concentration and product type limits and continuous portfolio risk management reporting.

The Bancorp is closely monitoring various economic factors and their impacts on commercial borrowers, including, but not limited to, the impact of policy changes of the new political administration, particularly trade policy, as well as the level of inflation, interest rate changes, labor and supply chain issues, volatility and changes in consumer discretionary spending patterns, including debt and default levels. The Bancorp maintains focus on disciplined client selection, adherence to underwriting policy and attention to concentrations.

The Bancorp provides loans to a variety of customers ranging from large multinational firms to middle market businesses, sole proprietors and high net worth individuals. The origination policies for commercial loans and leases outline the risks and underwriting requirements for businesses in various industries. Included in the policies are maturity and amortization terms, collateral and leverage requirements, cash flow coverage measures and hold limits. The Bancorp aligns credit and sales teams with specific industry and regional expertise to better monitor and manage different industry and geographic segments of the portfolio.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table provides detail on commercial loans and leases by industry classification (as defined by the North American Industry Classification System), by loan size and by state, illustrating the diversity and granularity of the Bancorp's commercial loans and leases as of:

TABLE 27: Commercial Loan and Lease Portfolio (excluding loans and leases held for sale)

	March 31, 2025			December 31, 2024		
($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By Industry:						
Real estate	$ **15,193**	**23,197**	**10**	14,375	22,429	6
Financial services and insurance	**9,184**	**19,633**	**1**	9,507	19,939	1
Manufacturing	**9,140**	**19,165**	**122**	8,850	19,230	68
Healthcare	**6,047**	**8,465**	**82**	5,648	8,192	76
Business services	**5,762**	**10,262**	**106**	5,596	9,755	113
Wholesale trade	**5,511**	**10,525**	**44**	5,315	10,305	14
Accommodation and food	**4,447**	**6,927**	**16**	4,371	6,731	18
Retail trade	**3,611**	**8,427**	**149**	3,495	8,429	45
Communication and information	**3,167**	**5,881**	**35**	3,304	6,140	74
Construction	**2,978**	**6,858**	**36**	2,674	6,815	19
Mining	**2,459**	**5,781**	**—**	2,676	5,897	—
Transportation and warehousing	**2,390**	**4,110**	**6**	2,311	4,124	7
Utilities	**1,960**	**3,383**	**—**	1,882	3,326	—
Entertainment and recreation	**1,752**	**3,041**	**6**	1,749	3,091	5
Other services	**1,197**	**1,768**	**6**	1,215	1,798	5
Agribusiness	**234**	**506**	**4**	204	513	5
Public administration	**97**	**151**	**—**	110	160	—
Individuals	**8**	**19**	**—**	11	24	—
Total	$ **75,137**	**138,099**	**623**	73,293	136,898	456
By Loan Size:						
Less than $1 million	**5 %**	**5**	**10**	5	5	15
$1 million to $5 million	**7**	**5**	**6**	7	5	10
$5 million to $10 million	**4**	**4**	**5**	4	4	6
$10 million to $25 million	**13**	**11**	**26**	13	11	22
$25 million to $50 million	**24**	**22**	**26**	24	22	33
Greater than $50 million	**47**	**53**	**27**	47	53	14
Total	**100 %**	**100**	**100**	100	100	100
By State:						
California	**10 %**	**9**	**4**	10	8	6
Ohio	**8**	**10**	**4**	8	10	3
Texas	**8**	**9**	**1**	8	9	1
Illinois	**8**	**7**	**3**	8	8	5
Florida	**7**	**6**	**7**	7	6	8
New York	**7**	**6**	**9**	7	6	12
Michigan	**5**	**5**	**4**	5	5	6
Georgia	**4**	**4**	**12**	4	4	16
Indiana	**3**	**4**	**—**	3	4	2
North Carolina	**3**	**3**	**1**	3	3	1
Pennsylvania	**3**	**3**	**21**	3	3	8
South Carolina	**3**	**2**	**—**	3	2	—
Other	**31**	**32**	**34**	31	32	32
Total	**100 %**	**100**	**100**	100	100	100

The origination policies for commercial real estate outline the risks and underwriting requirements for owner and nonowner-occupied and construction lending. Included in the policies are maturity and amortization terms, maximum LTVs, minimum debt service coverage ratios, construction loan monitoring procedures, appraisal requirements, pre-leasing requirements (as applicable), pro forma analysis requirements and interest rate sensitivity. The Bancorp requires a valuation of real estate collateral, which may include third-party appraisals, be performed at the time of origination and renewal in accordance with regulatory requirements and on an as-needed basis when market conditions justify. The Bancorp maintains an appraisal review department to order and review third-party appraisals in accordance with regulatory requirements.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Nonaccrual assets with relationships exceeding $1 million are reviewed quarterly to assess the appropriateness of the value ascribed in the assessment of charge-offs and specific reserves. Additionally, collateral values are also reviewed at least annually for all criticized assets.

The Bancorp assesses all real estate and non-real estate collateral securing a loan and considers all cross-collateralized loans in the calculation of the LTV ratio. The following tables provide detail on the most recent LTV ratios for commercial mortgage loans greater than $1 million, excluding commercial mortgage loans that are individually evaluated for an ACL and loans which do not have real estate as the primary collateral. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

TABLE 28: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of March 31, 2025 ($ in millions)	LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner-occupied loans	**$ 96**	**274**	**3,727**
Commercial mortgage nonowner-occupied loans	**—**	**244**	**5,586**
Total	**$ 96**	**518**	**9,313**

TABLE 29: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of December 31, 2024 ($ in millions)	LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner-occupied loans	$ 53	137	3,753
Commercial mortgage nonowner-occupied loans	—	288	5,615
Total	$ 53	425	9,368

The Bancorp views nonowner-occupied commercial real estate as a higher credit risk product compared to some other commercial loan portfolios due to the higher volatility of the industry.

The following tables provide an analysis of nonowner-occupied commercial real estate loans, disaggregated by property location (excluding loans held for sale):

TABLE 30: Nonowner-Occupied Commercial Real Estate (excluding loans held for sale)[(a)]

As of March 31, 2025 ($ in millions)	Outstanding	Exposure	90 Days Past Due	Nonaccrual
By State:				
Florida	**$ 1,769**	**2,564**	**—**	**—**
Texas	**969**	**1,713**	**—**	**—**
Michigan	**865**	**1,024**	**1**	**—**
Ohio	**773**	**1,163**	**—**	**—**
California	**760**	**1,148**	**—**	**—**
Illinois	**715**	**798**	**—**	**3**
North Carolina	**577**	**870**	**—**	**—**
South Carolina	**483**	**544**	**—**	**—**
Georgia	**391**	**693**	**—**	**—**
New York	**347**	**388**	**—**	**2**
All other states	**3,813**	**5,206**	**—**	**3**
Total	**$ 11,462**	**16,111**	**1**	**8**

(a) Included in commercial mortgage loans and commercial construction loans in the Loans and Leases subsection of the Balance Sheet Analysis section of MD&A.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 31: Nonowner-Occupied Commercial Real Estate (excluding loans held for sale)[(a)]

As of December 31, 2024 ($ in millions)	Outstanding	Exposure	90 Days Past Due	Nonaccrual
By State:				
Florida	$ 1,543	2,526	—	—
Texas	905	1,714	—	2
Michigan	775	926	—	—
Ohio	835	1,231	—	1
California	1,080	1,714	—	—
Illinois	1,123	1,275	—	2
North Carolina	572	782	—	—
South Carolina	699	763	—	—
Georgia	429	842	—	—
New York	468	524	—	—
All other states	2,801	3,929	—	—
Total	$ 11,230	16,226	—	5

(a) Included in commercial mortgage loans and commercial construction loans in the Loans and Leases subsection of the Balance Sheet Analysis section of MD&A.

Net charge-offs on nonowner-occupied commercial real estate loans were immaterial for both the three months ended March 31, 2025 and 2024.

Consumer Portfolio

The Bancorp's consumer portfolio is materially comprised of six categories of loans: residential mortgage loans, home equity, indirect secured consumer loans, credit card, solar energy installation loans and other consumer loans. The Bancorp has identified certain credit characteristics within these six categories of loans which it believes represent a higher level of risk compared to the rest of the consumer loan portfolio. The Bancorp does not update LTVs for the consumer portfolio subsequent to origination except as part of the charge-off process for real estate secured loans. The Bancorp actively manages the consumer portfolio through concentration limits, which mitigate credit risk through limiting the exposure to lower FICO scores, higher LTVs, specific geographic concentration risks and additional risk elements.

The Bancorp continues to ensure that underwriting standards and guidelines adequately account for the broader economic conditions that the consumer portfolio faces in a high-rate environment and as rates begin to fall. Guidelines are designed to ensure that the various consumer products fall within the Bancorp's risk appetite. These guidelines are monitored and adjusted as deemed appropriate in response to the prevailing economic conditions while remaining within the Bancorp's risk appetite limits.

The payment structures for certain variable-rate products (such as residential mortgage loans, home equity and credit card) are susceptible to changes in benchmark interest rates. Increases in interest rates cause minimum payments on these products to increase, raising the potential for the environment to be disruptive to some borrowers. Potential future decreases in interest rates may lessen these risks moving forward. The impacts of these rate changes will take time to manifest and their significance will be dependent on the size and number of current and future rate cuts, as well as other economic factors impacting each customer. The Bancorp actively monitors the portion of its consumer portfolio that is susceptible to changes in minimum payments and continues to assess the impact on the overall risk appetite and soundness of the portfolio.

Residential mortgage portfolio

The Bancorp manages credit risk in the residential mortgage portfolio through underwriting guidelines that limit exposure to loan characteristics determined to increase credit risk. Additionally, the portfolio is governed by concentration limits that ensure product and channel diversification. The Bancorp may also package and sell loans in the portfolio.

The Bancorp does not originate residential mortgage loans that permit customers to make payments that are less than the accruing interest. The Bancorp originates both fixed-rate and ARM loans. Within the ARM portfolio, approximately $445 million of ARM loans will have rate resets during the next twelve months. Underlying characteristics of these borrowers are relatively strong with a weighted-average origination debt-to-income ratio of 35% and weighted-average origination LTV of 72%. Approximately 28% of these loans are expected to experience an increase in rate upon reset. For those borrowers, rates are expected to increase by an average of approximately 2.6%, resulting in an average increase in monthly payment amount of approximately 28%.

Certain residential mortgage products have characteristics that may increase the Bancorp's credit loss rates in the event of a decline in housing values. These types of mortgage products offered by the Bancorp include loans with high LTVs, multiple loans secured by the same collateral that when combined result in an LTV greater than 80% and interest-only loans. The Bancorp has deemed residential mortgage loans with greater than 80% LTVs and no mortgage insurance as loans that represent a higher level of risk. Approximately two-thirds of these loans consist of loans originated through the Bancorp's loan program for doctors.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table provides an analysis of the residential mortgage portfolio loans outstanding by LTV at origination as of:

TABLE 32: Residential Mortgage Portfolio Loans by LTV at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	Weighted-Average LTV	Outstanding	Weighted-Average LTV
LTV ≤ 80%	**$ 11,780**	**63.7 %**	$ 11,836	63.5%
LTV > 80%, with mortgage insurance[(a)]	**3,205**	**95.4**	3,165	95.5
LTV > 80%, no mortgage insurance	**2,596**	**91.0**	2,542	90.9
Total	**$ 17,581**	**73.7 %**	$ 17,543	73.5%

(a) Includes loans with either borrower or lender paid mortgage insurance.

The following tables provide an analysis of the residential mortgage portfolio loans outstanding by state with a greater than 80% LTV at origination and no mortgage insurance:

TABLE 33: Residential Mortgage Portfolio Loans, LTV Greater Than 80% at Origination, No Mortgage Insurance

As of March 31, 2025 ($ in millions)	Outstanding	90 Days Past Due and Accruing	Nonaccrual
By State:			
Illinois	**$ 529**	**—**	**5**
Ohio	**522**	**1**	**7**
Florida	**473**	**—**	**2**
North Carolina	**207**	**—**	**1**
Indiana	**170**	**—**	**2**
Michigan	**167**	**—**	**2**
Kentucky	**130**	**—**	**1**
All other states	**398**	**—**	**5**
Total	**$ 2,596**	**1**	**25**

TABLE 34: Residential Mortgage Portfolio Loans, LTV Greater Than 80% at Origination, No Mortgage Insurance

As of December 31, 2024 ($ in millions)	Outstanding	90 Days Past Due and Accruing	Nonaccrual
By State:			
Illinois	$ 518	—	5
Ohio	518	1	7
Florida	457	—	2
North Carolina	202	—	—
Indiana	165	—	2
Michigan	167	—	2
Kentucky	130	—	1
All other states	385	—	5
Total	$ 2,542	1	24

Net charge-offs on residential mortgage loans with an LTV greater than 80% at origination and no mortgage insurance were immaterial for both the three months ended March 31, 2025 and 2024.

Home equity portfolio

The Bancorp's home equity portfolio of $4.3 billion is primarily comprised of home equity lines of credit. Beginning in the first quarter of 2013, the Bancorp's newly originated home equity lines of credit have a 10-year interest-only draw period followed by a 20-year amortization period. The home equity line of credit previously offered by the Bancorp was a revolving facility with a 20-year term, minimum payments of interest-only and a balloon payment of principal at maturity. Approximately 19% of the outstanding balances of the Bancorp's portfolio of home equity lines of credit have a balloon structure at maturity. Peak maturity years for the balloon home equity lines of credit are 2025 to 2028 and approximately $539 million of the balances mature before December 31, 2028.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The home equity portfolio is managed in two primary groups: loans outstanding with a combined LTV greater than 80% and those loans with an LTV of 80% or less, based upon appraisals at origination. For additional information on these loans, refer to Tables 36, 37 and 38. Of the total $4.3 billion of outstanding home equity loans:

- 73% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Illinois, Indiana and Kentucky as of March 31, 2025;
- 75% of non-delinquent borrowers made at least one payment greater than the minimum payment during the three months ended March 31, 2025; and
- The portfolio had a weighted-average refreshed FICO score of 749 at March 31, 2025.

The Bancorp actively manages lines of credit and makes adjustments in lending limits when it believes it is necessary based on FICO score deterioration and property devaluation. The Bancorp does not routinely obtain appraisals on performing loans to update LTVs after origination. However, the Bancorp monitors the local housing markets by reviewing various home price indices and incorporates the impact of the changing market conditions in its ongoing credit monitoring processes.

The following table provides an analysis of home equity portfolio loans outstanding disaggregated based upon refreshed FICO score as of:

TABLE 35: Home Equity Portfolio Loans Outstanding by Refreshed FICO Score

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
Senior Liens:				
FICO ≤ 659	**$ 103**	**2 %**	$ 111	3 %
FICO 660-719	**163**	**4**	160	4
FICO ≥ 720	**1,008**	**24**	1,013	24
Total senior liens	**$ 1,274**	**30 %**	$ 1,284	31 %
Junior Liens:				
FICO ≤ 659	**254**	**6**	242	6
FICO 660-719	**527**	**12**	521	12
FICO ≥ 720	**2,210**	**52**	2,141	51
Total junior liens	**$ 2,991**	**70 %**	$ 2,904	69 %
Total	**$ 4,265**	**100 %**	$ 4,188	100 %

The Bancorp believes that home equity portfolio loans with a greater than 80% LTV (including senior liens, if applicable) present a higher level of risk. The following table provides an analysis of the home equity portfolio loans outstanding in a senior and junior lien position by LTV at origination as of:

TABLE 36: Home Equity Portfolio Loans Outstanding by LTV at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	Weighted-Average LTV	Outstanding	Weighted-Average LTV
Senior Liens:				
LTV ≤ 80%	**$ 1,142**	**49.5 %**	$ 1,147	49.8 %
LTV > 80%	**132**	**89.2**	137	89.1
Total senior liens	**$ 1,274**	**53.7 %**	$ 1,284	54.2 %
Junior Liens:				
LTV ≤ 80%	**2,170**	**64.1**	2,085	64.3
LTV > 80%	**821**	**88.0**	819	88.2
Total junior liens	**$ 2,991**	**70.9 %**	$ 2,904	71.3 %
Total	**$ 4,265**	**65.8 %**	$ 4,188	66.0 %

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following tables provide an analysis of home equity portfolio loans outstanding by state with an LTV greater than 80% (including senior liens, if applicable) at origination:

TABLE 37: Home Equity Portfolio Loans Outstanding with an LTV Greater than 80% at Origination

As of March 31, 2025 ($ in millions)	Outstanding	Exposure	90 Days Past Due and Accruing	Nonaccrual
By State:				
Ohio	**$ 279**	**752**	—	**7**
Illinois	**137**	**335**	—	**3**
Michigan	**130**	**352**	—	**3**
Indiana	**105**	**255**	—	**2**
Florida	**100**	**220**	—	**2**
Kentucky	**75**	**191**	—	**2**
All other states	**127**	**314**	—	**3**
Total	**$ 953**	**2,419**	—	**22**

TABLE 38: Home Equity Portfolio Loans Outstanding with an LTV Greater than 80% at Origination

As of December 31, 2024 ($ in millions)	Outstanding	Exposure	90 Days Past Due and Accruing	Nonaccrual
By State:				
Ohio	$ 283	761	—	7
Illinois	140	337	—	5
Michigan	131	358	—	3
Indiana	103	251	—	3
Florida	96	214	—	2
Kentucky	77	196	—	2
All other states	126	310	—	3
Total	$ 956	2,427	—	25

Net charge-offs on home equity loans with an LTV greater than 80% at origination were immaterial for both the three months ended March 31, 2025 and 2024.

Indirect secured consumer portfolio

The indirect secured consumer portfolio is comprised of $13.8 billion of automobile loans and $3.0 billion of indirect recreational vehicle, marine, motorcycle and powersport loans as of March 31, 2025. All concentration and guideline changes are monitored monthly to ensure alignment with original credit performance and return projections.

The following table provides an analysis of indirect secured consumer portfolio loans outstanding disaggregated based upon FICO score at origination as of:

TABLE 39: Indirect Secured Consumer Portfolio Loans Outstanding by FICO Score at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 179**	**1 %**	$ 177	1 %
FICO 660-719	**3,096**	**18**	3,040	19
FICO ≥ 720	**13,529**	**81**	13,096	80
Total	**$ 16,804**	**100 %**	$ 16,313	100 %

It is a common industry practice to advance on these types of loans an amount in excess of the collateral value due to the inclusion of negative equity trade-in, maintenance/warranty products, taxes, title and other fees paid at closing. The Bancorp monitors its exposure to these higher risk loans.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table provides an analysis of indirect secured consumer portfolio loans outstanding by LTV at origination as of:

TABLE 40: Indirect Secured Consumer Portfolio Loans Outstanding by LTV at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	Weighted-Average LTV	Outstanding	Weighted-Average LTV
LTV ≤ 100%	**$ 12,144**	**79.9 %**	$ 11,822	79.8 %
LTV > 100%	**4,660**	**110.1**	4,491	110.1
Total	**$ 16,804**	**88.3 %**	$ 16,313	88.1 %

At March 31, 2025 and December 31, 2024, $26 million and $24 million, respectively, of the Bancorp's nonaccrual indirect secured consumer portfolio loans had an LTV greater than 100% at origination. Net charge-offs on indirect secured consumer loans with an LTV greater than 100% at origination were $9 million and $11 million for the three months ended March 31, 2025 and 2024, respectively.

Credit card portfolio

The credit card portfolio consists of predominantly prime accounts with 98% of balances existing within the Bancorp's footprint at both March 31, 2025 and December 31, 2024. At both March 31, 2025 and December 31, 2024, 72% of the outstanding balances were originated through branch-based relationships with the remainder coming from direct mail campaigns and online acquisitions.

Given the variable nature of the credit card portfolio, interest rate increases impact this product and it is regularly monitored to ensure the portfolio remains within the Bancorp's risk appetite. Recent rate cuts and potential future decreases in interest rates may lessen these risks moving forward.

The following table provides an analysis of the Bancorp's outstanding credit card portfolio disaggregated based upon FICO score at origination as of:

TABLE 41: Credit Card Portfolio Loans Outstanding by FICO Score at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 76**	**5 %**	$ 78	5 %
FICO 660-719	**457**	**27**	470	27
FICO ≥ 720	**1,127**	**68**	1,186	68
Total	**$ 1,660**	**100 %**	$ 1,734	100 %

Solar energy installation loans portfolio

The Bancorp originates point-of-sale solar energy installation loans through a network of approved installers. The Bancorp considers several factors when monitoring its solar energy installation loan portfolio, including concentrations by installer, concentrations by state and FICO distributions at origination. At both March 31, 2025 and December 31, 2024, loans originated through the Bancorp's three largest approved installers represented approximately 23% of total balances outstanding in the solar energy installation loan portfolio.

The following table provides an analysis of solar energy installation portfolio loans outstanding by state as of:

TABLE 42: Solar Energy Installation Loans Outstanding by State

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	Nonaccrual	Outstanding	Nonaccrual
By State:				
Florida	**$ 664**	**9**	$ 675	16
California	**558**	**3**	562	8
Texas	**507**	**3**	501	7
Arizona	**366**	**3**	366	4
Virginia	**237**	**1**	229	1
Oregon	**178**	**—**	165	—
Nevada	**168**	**—**	165	1
Colorado	**161**	**—**	158	1
New York	**122**	**—**	118	—
Connecticut	**105**	**1**	103	3
All other states	**1,196**	**10**	1,160	23
Total	**$ 4,262**	**30**	$ 4,202	64

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table provides an analysis of solar energy installation portfolio loans outstanding disaggregated based upon FICO score at origination as of:

TABLE 43: Solar Energy Installation Loans Outstanding by FICO Score at Origination

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 5**	**— %**	$ 5	— %
FICO 660-719	**626**	**15**	621	15
FICO ≥ 720	**3,631**	**85**	3,576	85
Total	**$ 4,262**	**100 %**	$ 4,202	100 %

Other consumer loans portfolio

Other consumer portfolio loans are comprised of secured and unsecured loans originated through the Bancorp's branch network, point-of-sale home improvement loans originated through a network of contractors and installers, and other point-of-sale loans originated or purchased in connection with third-party companies. Loans originated in connection with one third-party point-of-sale company are impacted by certain credit loss protection coverage provided by that company. The Bancorp discontinued origination of new loans with this third-party company in September 2022.

The following table provides an analysis of other consumer portfolio loans outstanding by product type as of:

TABLE 44: Other Consumer Portfolio Loans Outstanding by Product Type

	March 31, 2025		December 31, 2024	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
Other secured	**$ 981**	**39 %**	$ 912	36 %
Point-of-sale home improvement	**585**	**24**	623	25
Third-party point-of-sale	**491**	**20**	546	22
Unsecured	**425**	**17**	437	17
Total	**$ 2,482**	**100 %**	$ 2,518	100 %

Analysis of Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain and certain other assets, including OREO and other repossessed property. A summary of nonperforming assets is included in Table 45. For further information on the Bancorp's policies related to accounting for delinquent and nonperforming loans and leases, refer to the Nonaccrual Loans and Leases section of Note 1 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

Nonperforming assets were $1.0 billion at March 31, 2025 compared to $860 million at December 31, 2024. At March 31, 2025, $21 million of nonaccrual loans were held for sale, compared to $7 million at December 31, 2024.

Nonperforming portfolio assets as a percent of portfolio loans and leases and OREO were 0.81% and 0.71% at March 31, 2025 and December 31, 2024, respectively. Nonaccrual loans and leases secured by real estate were 29% of nonaccrual loans and leases as of March 31, 2025 compared to 35% as of December 31, 2024.

Portfolio commercial nonaccrual loans and leases were $623 million at March 31, 2025, an increase of $167 million from December 31, 2024. Portfolio residential mortgage and consumer nonaccrual loans were $343 million at March 31, 2025, a decrease of $24 million from December 31, 2024. Refer to Table 46 for a rollforward of portfolio nonaccrual loans and leases.

OREO and other repossessed property was $30 million at both March 31, 2025 and December 31, 2024. The Bancorp recognized gains of $1 million and losses of an immaterial amount on the transfer, sale or write-down of OREO properties for the three months ended March 31, 2025 and 2024 , respectively.

For the three months ended March 31, 2025 and 2024, approximately $18 million and $17 million, respectively, of interest income would have been recognized if the nonaccrual portfolio loans and leases had been current in accordance with their contractual terms. Although these values help demonstrate the costs of carrying nonaccrual credits, the Bancorp does not expect to recover the full amount of interest as nonaccrual loans and leases are generally carried below their principal balance.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 45: Summary of Nonperforming Assets and Delinquent Loans and Leases

As of ($ in millions)		March 31, 2025	December 31, 2024
Nonaccrual portfolio loans and leases:			
Commercial and industrial loans	$	**537**	374
Commercial mortgage loans		**70**	79
Commercial construction loans		**—**	1
Commercial leases		**16**	2
Residential mortgage loans		**145**	137
Home equity		**69**	70
Indirect secured consumer loans		**60**	55
Credit card		**31**	32
Solar energy installation loans		**30**	64
Other consumer loans		**8**	9
Total nonaccrual portfolio loans and leases[(a)]	$	**966**	823
OREO and other repossessed property[(c)]		**30**	30
Total nonperforming portfolio assets	$	**996**	853
Nonaccrual loans held for sale		**21**	7
Total nonperforming assets	$	**1,017**	860
Total portfolio loans and leases 90 days past due and still accruing:			
Commercial and industrial loans	$	**2**	5
Commercial mortgage loans		**6**	—
Commercial leases		**—**	1
Residential mortgage loans[(b)]		**8**	6
Credit card		**17**	20
Total portfolio loans and leases 90 days past due and still accruing	$	**33**	32
Nonperforming portfolio assets as a percent of portfolio loans and leases and OREO		**0.81%**	0.71
Nonperforming portfolio loans and leases as a percent of portfolio loans and leases		**0.79**	0.69
ACL as a percent of nonperforming portfolio loans and leases		**261**	302
ACL as a percent of nonperforming portfolio assets		**253**	291

(a) Includes $19 and $18 of nonaccrual government-insured commercial loans whose repayments are insured by the SBA as of March 31, 2025 and December 31, 2024, respectively.

(b) Information for all periods presented excludes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the FHA or guaranteed by the VA. These advances were $167 as of March 31, 2025 and $163 as of December 31, 2024. The Bancorp recognized losses of an immaterial amount for both the three months ended March 31, 2025 and 2024 due to claim denials and curtailments associated with these insured or guaranteed loans.

(c) Includes $13 and $12 of branch-related real estate no longer intended to be used for banking purposes as of March 31, 2025 and December 31, 2024, respectively.

The following tables provide a rollforward of portfolio nonaccrual loans and leases, by portfolio segment:

TABLE 46: Rollforward of Portfolio Nonaccrual Loans and Leases

For the three months ended March 31, 2025 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$	**456**	**137**	**230**	**823**
Transfers to nonaccrual status		**273**	**20**	**89**	**382**
Transfers to accrual status		**(3)**	**(4)**	**(44)**	**(51)**
Transfers to held for sale		**(17)**	**—**	**—**	**(17)**
Loan paydowns/payoffs		**(19)**	**(8)**	**(22)**	**(49)**
Transfers to OREO		**—**	**(1)**	**(4)**	**(5)**
Charge-offs		**(67)**	**—**	**(52)**	**(119)**
Draws/other extensions of credit		**—**	**1**	**1**	**2**
Balance, end of period	$	**623**	**145**	**198**	**966**

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 47: Rollforward of Portfolio Nonaccrual Loans and Leases

For the three months ended March 31, 2024 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$ 326	124	199	649
Transfers to nonaccrual status	108	20	91	219
Transfers to accrual status	(1)	(1)	(21)	(23)
Transfers to held for sale	(3)	—	—	(3)
Loan paydowns/payoffs	(18)	(6)	(17)	(41)
Transfers to OREO	—	(1)	(4)	(5)
Charge-offs	(40)	—	(49)	(89)
Draws/other extensions of credit	—	1	—	1
Balance, end of period	$ 372	137	199	708

Analysis of Net Loan Charge-offs

Net charge-offs were 46 bps and 38 bps of average portfolio loans and leases for the three months ended March 31, 2025 and 2024, respectively. Table 48 provides a summary of credit loss experience and net charge-offs as a percentage of average portfolio loans and leases outstanding by loan category.

The ratio of commercial loan and lease net charge-offs as a percent of average portfolio commercial loans and leases increased to 35 bps during the three months ended March 31, 2025, compared to 19 bps during the same period in the prior year primarily due to increases in net charge-offs on commercial and industrial loans of $17 million and commercial mortgage loans of $10 million for the three months ended March 31, 2025.

The ratio of consumer loan net charge-offs as a percent of average portfolio consumer loans decreased to 63 bps during the three months ended March 31, 2025, compared to 67 bps during the same period in the prior year primarily due to decreases in net charge-offs on other consumer loans of $5 million and indirect secured consumer loans of $3 million, partially offset by an increase in net charge-offs on solar energy installation loans of $6 million for the three months ended March 31, 2025.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

TABLE 48: Summary of Credit Loss Experience

($ in millions)	For the three months ended March 31, 2025	2024
Losses charged-off:		
Commercial and industrial loans	**$ (54)**	(40)
Commercial mortgage loans	**(11)**	—
Commercial leases	**(2)**	—
Residential mortgage loans	**—**	—
Home equity	**(2)**	(2)
Indirect secured consumer loans	**(36)**	(35)
Credit card	**(22)**	(23)
Solar energy installation loans	**(21)**	(14)
Other consumer loans[(a)]	**(25)**	(32)
Total losses charged-off	**$ (173)**	(146)
Recoveries of losses previously charged-off:		
Commercial and industrial loans	**$ 2**	5
Commercial mortgage loans	**1**	—
Commercial leases	**—**	—
Residential mortgage loans	**—**	—
Home equity	**2**	2
Indirect secured consumer loans	**15**	11
Credit card	**5**	5
Solar energy installation loans	**3**	2
Other consumer loans[(a)]	**9**	11
Total recoveries of losses previously charged-off	**$ 37**	36
Net losses charged-off:		
Commercial and industrial loans	**$ (52)**	(35)
Commercial mortgage loans	**(10)**	—
Commercial leases	**(2)**	—
Residential mortgage loans	**—**	—
Home equity	**—**	—
Indirect secured consumer loans	**(21)**	(24)
Credit card	**(17)**	(18)
Solar energy installation loans	**(18)**	(12)
Other consumer loans	**(16)**	(21)
Total net losses charged-off	**$ (136)**	(110)
Net losses charged-off as a percent of average portfolio loans and leases:		
Commercial and industrial loans	**0.39 %**	0.27
Commercial mortgage loans	**0.34**	—
Commercial leases	**0.29**	(0.04)
Total commercial loans and leases	**0.35 %**	0.19
Residential mortgage loans	**—**	(0.01)
Home equity	**0.04**	0.03
Indirect secured consumer loans	**0.53**	0.64
Credit card	**4.19**	4.19
Solar energy installation loans	**1.73**	1.31
Other consumer loans	**2.52**	2.71
Total consumer loans	**0.63 %**	0.67
Total net losses charged-off as a percent of average portfolio loans and leases	**0.46 %**	0.38

(a) For the three months ended March 31, 2025 and 2024, the Bancorp recorded $6 and $8, respectively, in both losses charged-off and recoveries of losses previously charged-off related to customer defaults on point-of-sale consumer loans for which the Bancorp obtained recoveries under third-party credit enhancements.

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Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. The Bancorp maintains the ALLL to absorb the amount of credit losses that are expected to be incurred over the remaining contractual terms of the related loans and leases (as adjusted for prepayments). In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Condensed Consolidated Balance Sheets. The provision for unfunded commitments is included in the provision for credit losses in the Condensed Consolidated Statements of Income.

For more information about the Bancorp's methodology for determining the ACL, refer to the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024, including the Critical Accounting Policies section and Allowance for Credit Losses subsection of the Risk Management section of MD&A and Note 1 of the Notes to Consolidated Financial Statements.

At both March 31, 2025 and December 31, 2024, the Bancorp used three forward-looking economic scenarios during the reasonable and supportable forecast period in its expected credit loss models to address the inherent imprecision in macroeconomic forecasting. Each of the three scenarios was developed by a third party that is subject to the Bancorp's Third-Party Risk Management program including oversight by the Bancorp's independent model risk management group. The scenarios included a most likely outcome (Baseline) and two less probable scenarios with one being more favorable than the Baseline and the other being less favorable. The more favorable alternative scenario (Upside) depicted a stronger near-term growth outlook while the less favorable outlook (Downside) depicted a moderate recession.

The Baseline scenario was developed such that the expectation is that the economy will perform better than the projection 50% of the time and worse than the projection 50% of the time. The Upside scenario was developed such that there is a 10% probability that the economy will perform better than the projection and a 90% probability that it will perform worse. The Downside scenario was developed such that there is a 90% probability that the economy will perform better than the projection and a 10% probability that it will perform worse.

March 31, 2025 ACL

The ACL as of March 31, 2025 increased $38 million from December 31, 2024, driven by higher period-end loan and lease balances and deterioration in the economic forecasts used to calculate the ACL, partially offset by favorable impacts of improvements in the risk profile of the loan and lease portfolio. As of March 31, 2025, the Bancorp's macroeconomic scenarios included estimates of the expected impacts of changes in economic conditions caused by forecasted interest rates and higher tariffs. During the first quarter of 2025, the FOMC paused further changes in monetary policy after cutting rates at the end of 2024. It is expected that the FRB will maintain current federal funds rate levels in the near-term until there is more clarity regarding U.S. economic policies and their impacts.

At March 31, 2025, the Bancorp assigned an 80% probability weighting to the Baseline scenario and 10% to each of the Upside and Downside scenarios. The Baseline scenario used in the March 31, 2025 ACL assumed that inflation rates peaked higher and more rapidly when compared to the scenario used for the December 31, 2024 estimate. These changes reflect recent trends and additional inflationary pressures that have arisen from changes in U.S. fiscal, tariff and immigration policies. This scenario assumed a peak rate of inflation of 3.8% at the start of the scenario, decreasing to 3.1% by the end of 2025 and averaging 2.8% and 2.2% in 2026 and 2027, respectively. In response to fiscal tightening and high interest rates, this scenario also assumed that real GDP growth would be below trend in the near term but that the unemployment rate will remain steady. The Baseline scenario assumed an average annual real GDP growth rate of 1.9% for 2025, followed by 1.7% in 2026 and 2.3% in 2027. The Baseline scenario also assumed an average unemployment rate of 4.1% for 2025, followed by 4.3% for both 2026 and 2027. The Treasury rate environment is expected to be relatively stable with the 10-year yield remaining within a narrow projected range of 4.3% to 4.4% through 2027. Credit spreads are projected to expand from 1.6% at the start of the scenario to a peak of 2.5% in mid-2026. Lastly, the Baseline scenario assumed additional cuts to the target federal funds rate, with an average federal funds rate of 4.2% in 2025 that decreases to an average of 3.4% and 3.0% in 2026 and 2027, respectively.

The Upside scenario assumed that, on an average annual basis, the change in real GDP is 2.5% in 2025, 2.7% in 2026 and 2.2% in 2027. The Upside scenario also assumed an average unemployment rate of 3.5% in 2025, 3.4% in 2026 and 3.6% in 2027. In this scenario, 10-year Treasury yields are fairly stable, reaching a peak of 4.5% in the second quarter of 2025, while credit spreads are consistent with the Baseline scenario, peaking at 2.5% in mid-2026. In the Upside scenario, the forecast for federal funds rate cuts was generally consistent with the Baseline scenario.

The Downside scenario included significant worsening of economic conditions, causing the U.S. economy to fall into a recession in the second quarter of 2025. The Downside scenario assumed that real GDP declines from the first quarter of 2025 through the fourth quarter of 2025, with a cumulative decline of 2.6%, recovering to an average annualized GDP growth rate of 2.4% for the full year of 2027. The Downside scenario assumed an average unemployment rate of 6.2% in 2025, increasing to an average of 8.2% in 2026 and decreasing to an average of 7.1% in 2027. In this scenario, the 10-year treasury yield increases to 4.7% in mid-2025, then drops to 3.1% by the end of 2025. Credit spreads also expand in this scenario, reaching a peak of 3.9% in the fourth quarter of 2025. In the Downside scenario, the forecast for the federal funds rate included steeper rate cuts than the Baseline scenario, with average target rates of 4.5% in 2025, followed by 2.2% and 1.0% in 2026 and 2027, respectively.

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The Bancorp's qualitative adjustments, as an overlay to the quantitative models, resulted in a net increase to the ACL as of March 31, 2025, primarily driven by a qualitative increase in the ACL for the commercial portfolio segment. These qualitative adjustments primarily reflect the Bancorp's expectations that additional credit losses may be present in its portfolio loans and leases beyond what is predictable through the use of quantitative models. The qualitative adjustment for the commercial portfolio segment was primarily driven by additional allowances for certain nonowner-occupied commercial loans secured by real estate, particularly loans secured by office buildings, based on current challenges in the commercial real estate market that are not fully reflected in the Bancorp's quantitative models. These challenges include, but are not limited to, an imbalance between supply and demand in the market for commercial real estate properties and pressures on borrowers and property valuations resulting from elevated interest rates. Specific to office properties, the Bancorp has also observed industry data indicating that the office sector of the commercial real estate market continues to lag behind others in terms of property values, driven in part by lessened demand as a result of the increased prevalence of remote work across many professions.

The Bancorp's quantitative credit loss models are sensitive to changes in economic forecast assumptions over the reasonable and supportable forecast period. Applying a 100% probability weighting to the Downside scenario rather than using the probability-weighted three scenario approach would result in an increase in the quantitative ACL of approximately $2.1 billion. This sensitivity calculation only reflects the impact of changing the probability weighting of the scenarios in the quantitative credit loss models and excludes any additional considerations associated with the qualitative component of the ACL that might be warranted if probability weights were adjusted.

The following table provides a rollforward of the Bancorp's ACL:

TABLE 49: Changes in Allowance for Credit Losses

	For the three months ended March 31,	
($ in millions)	**2025**	2024
ALLL:		
Balance, beginning of period	**$ 2,352**	2,322
Losses charged-off[(a)]	**(173)**	(146)
Recoveries of losses previously charged-off[(a)]	**37**	36
Provision for loan and lease losses	**168**	106
Balance, end of period	**$ 2,384**	2,318
Reserve for unfunded commitments:		
Balance, beginning of period	**$ 134**	166
Provision for (benefit from) the reserve for unfunded commitments	**6**	(12)
Balance, end of period	**$ 140**	154

(a) For the three months ended March 31, 2025 and 2024, the Bancorp recorded $6 and $8, respectively, in both losses charged-off and recoveries of losses previously charged-off related to customer defaults on point-of-sale consumer loans for which the Bancorp obtained recoveries under third-party credit enhancements.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table provides an attribution of the Bancorp's ALLL to portfolio loans and leases:

TABLE 50: Attribution of Allowance for Loan and Lease Losses to Portfolio Loans and Leases

As of ($ in millions)		March 31, 2025	December 31, 2024
Attributed ALLL:			
Commercial and industrial loans	$	**845**	728
Commercial mortgage loans		**323**	351
Commercial construction loans		**57**	59
Commercial leases		**16**	16
Residential mortgage loans		**139**	146
Home equity		**94**	106
Indirect secured consumer loans		**312**	311
Credit card		**157**	165
Solar energy installation loans		**323**	351
Other consumer loans		**118**	119
Total ALLL	$	**2,384**	2,352
Portfolio loans and leases:			
Commercial and industrial loans	$	**53,700**	52,271
Commercial mortgage loans		**12,357**	12,246
Commercial construction loans		**5,952**	5,588
Commercial leases		**3,128**	3,188
Residential mortgage loans[(a)]		**17,581**	17,543
Home equity		**4,265**	4,188
Indirect secured consumer loans		**16,804**	16,313
Credit card		**1,660**	1,734
Solar energy installation loans		**4,262**	4,202
Other consumer loans		**2,482**	2,518
Total portfolio loans and leases	$	**122,191**	119,791
Attributed ALLL as a percent of respective portfolio loans and leases:			
Commercial and industrial loans		**1.57 %**	1.39
Commercial mortgage loans		**2.61**	2.87
Commercial construction loans		**0.96**	1.06
Commercial leases		**0.51**	0.50
Residential mortgage loans		**0.79**	0.83
Home equity		**2.20**	2.53
Indirect secured consumer loans		**1.86**	1.91
Credit card		**9.46**	9.52
Solar energy installation loans		**7.58**	8.35
Other consumer loans		**4.75**	4.73
Total ALLL as a percent of portfolio loans and leases		**1.95 %**	1.96
Total ACL as a percent of portfolio loans and leases		**2.07**	2.08

(a) Includes residential mortgage loans measured at fair value of $109 at March 31, 2025 and $108 at December 31, 2024.

The Bancorp's ALLL may vary significantly from period to period based on changes in economic conditions, economic forecasts and the composition and credit quality of the Bancorp's loan and lease portfolio.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

INTEREST RATE AND PRICE RISK MANAGEMENT

Interest rate risk is the risk to earnings or capital arising from movement of interest rates. This risk primarily impacts the Bancorp's income categories through changes in interest income on earning assets and the cost of interest-bearing liabilities, and through fee items that are related to interest-sensitive activities such as mortgage origination and servicing income and through earnings credits earned on commercial deposits that offset commercial deposit fees. Price risk is the risk to earnings or capital arising from changes in the value of financial instruments and portfolios due to movements in interest rates, volatilities, foreign exchange rates, equity prices and commodity prices. Management considers interest rate risk a prominent market risk in terms of its potential impact on earnings. Interest rate risk may occur for any one or more of the following reasons:

- Assets and liabilities mature or reprice at different times;
- Short-term and long-term market interest rates change by different amounts; or
- The expected maturities of various assets or liabilities shorten or lengthen as interest rates change.

In addition to the direct impact of interest rate changes on NII and interest-sensitive fees, interest rates can impact earnings through their effect on loan and deposit demand, credit losses, mortgage origination volumes, the value of servicing rights and other sources of the Bancorp's earnings. Changes in interest rates and other market factors can impact earnings through changes in the value of portfolios, if not appropriately hedged. Stability of the Bancorp's net income is largely dependent upon the effective management of interest rate risk and to a lesser extent price risk.

Management continually reviews the Bancorp's on- and off-balance sheet composition, earnings flows, and hedging strategies and models interest rate risk and price risk exposures, and possible actions to manage these risks, given numerous possible future interest rate and market factor scenarios. A series of key risk indicators and early warning indicators are employed to ensure that risks are managed within the Bancorp's risk appetite for interest rate risk and price risk.

The Commercial Banking and Wealth and Asset Management lines of business manage price risk for capital markets sales and trading activities related to their respective businesses. The Consumer and Small Business Banking line of business manages price risk for the origination and sale of conforming residential mortgage loans to government agencies and government-sponsored enterprises. The Bancorp's Treasury department manages interest rate risk and price risk for all other activities. Independent oversight is provided by ERM and Board-approved key risk indicators are used to ensure risks are managed within the Bancorp's risk appetite.

The Bancorp's Market Risk Management Committee, which includes senior management representatives and reports to the Corporate Credit Committee (accountable to the ERMC), provides oversight and monitors price risk for the capital markets sales and trading activities. The Bancorp's ALCO, which includes senior management representatives and is accountable to the ERMC, provides oversight and monitors interest rate and price risks, including those for Mortgage and Treasury activities.

Net Interest Income Sensitivity

The Bancorp employs a variety of measurement techniques to identify and manage its interest rate risk, including the use of an NII simulation model to analyze the sensitivity of NII to changes in interest rates. The model is based on contractual and estimated cash flows and repricing characteristics for all of the Bancorp's assets, liabilities and off-balance sheet exposures and incorporates market-based assumptions regarding the effect of changing interest rates on the prepayment rates of certain assets and the attrition and mix shift of certain liabilities. The model also includes senior management's projections of the future volume and pricing of each of the product lines offered by the Bancorp as well as other pertinent assumptions. The NII simulation model does not represent a forecast of the Bancorp's net interest income but is a tool utilized to assess the risk of the impact of changing market interest rates across a range of market interest rate environments. As a result, actual results will differ from simulated results for multiple reasons, which may include actual balance sheet composition differences, timing, magnitude and frequency of interest rate changes, deviations from projected customer behavioral assumptions as well as from changes in market conditions and management strategies.

As of March 31, 2025, the Bancorp's interest rate risk exposure is governed by a risk framework that utilizes the change in NII over 12-month and 24-month horizons under parallel and non-parallel increases and decreases in interest rates. Risk appetite thresholds are utilized for scenarios assuming a 200 bps increase and a 200 bps decrease in interest rates over 12-month and 24-month horizons. The Bancorp routinely analyzes various potential and extreme scenarios, including parallel ramps and shocks as well as steepening and other non-parallel shifts in rates, to assess where risks to net interest income persist or develop as changes in the balance sheet and market rates evolve, and employs key risk indicators and early warning indicators to monitor and manage exposures under these types of scenarios. Additionally, the Bancorp routinely evaluates its exposures to changes in the basis between interest rates.

In order to recognize the risk of noninterest-bearing demand deposit balance migration or attrition in a rising interest rate environment, the Bancorp's NII sensitivity modeling assumes additional attrition of approximately $380 million of demand deposit balances over a period of 24 months for each 100 bps increase in short-term market interest rates. Similarly, the Bancorp's NII sensitivity modeling incorporates approximately $380 million of incremental growth in noninterest-bearing deposit balances over 24 months for each 100 bps decrease in short-

term market interest rates. The incremental balance attrition and growth are modeled to flow into and out of funding products that reprice in conjunction with short-term market rate changes.

Another important deposit modeling assumption is the amount by which interest-bearing deposit rates will increase or decrease when market interest rates increase or decrease. This deposit repricing sensitivity is known as the beta, and it represents the expected amount by which the Bancorp's interest-bearing deposit rates will change for a given change in short-term market rates. The Bancorp utilizes dynamic deposit beta models to adjust assumed repricing sensitivity depending on market rate levels. The dynamic beta models were developed utilizing the Bancorp's performance during prior interest rate cycles. Since the beginning of the recent tightening cycle in early 2022 and through March 31, 2025, the Bancorp's actual cumulative interest-bearing deposit beta was approximately 55%-60%. Using the dynamic beta models, the Bancorp's NII sensitivity modeling assumes weighted-average rising-rate interest-bearing deposit betas at the end of the ramped parallel scenarios of approximately 75%-80% for both a 100 bps and 200 bps increase in rates. In the event of continued rate cuts, this approach assumes a weighted-average falling-rate interest-bearing deposit beta at the end of the ramped parallel scenarios of approximately 65%-70% for both a 100 bps and 200 bps decrease in rates. In falling rate scenarios, deposit rate floors are utilized to ensure modeled deposit rates will not become negative. NII simulation modeling assumes no lag between the timing of changes in market rates and the timing of deposit repricing despite such timing lags having occurred in prior rate cycles. Future actual performance will be dependent on market conditions, the level of competition for deposits and the magnitude of continued interest rate increases. The Bancorp provides sensitivity analysis in Tables 52 and 53 for key assumptions related to its deposit modeling, including beta and demand deposit balance performance.

The Bancorp continually evaluates the sensitivity of its interest rate risk measures to these important deposit modeling assumptions. The Bancorp also regularly monitors the sensitivity of other important modeling assumptions, such as loan and security prepayments and early withdrawals on fixed-rate customer liabilities.

The following table shows the Bancorp's estimated NII sensitivity profile and policy limits as of:

TABLE 51: Estimated NII Sensitivity Profile and Policy Limits

	March 31, 2025				March 31, 2024			
	% Change in NII (FTE)		Policy Limit		% Change in NII (FTE)		Policy Limit	
Change in Interest Rates (bps)	12 Months	13-24 Months	12 Months	13-24 Months	12 Months	13-24 Months	12 Months	13-24 Months
+200 Ramp over 12 months	**(3.54) %**	**(4.84)**	**(6.00)**	**(7.00)**	(2.76) %	(4.62)	(5.00)	(6.00)
+100 Ramp over 12 months	**(1.72)**	**(2.22)**	**N/A**	**N/A**	(1.36)	(2.20)	N/A	N/A
-100 Ramp over 12 months	**0.84**	**0.69**	**N/A**	**N/A**	0.23	0.11	N/A	N/A
-200 Ramp over 12 months	**1.15**	**(0.03)**	**(6.00)**	**(7.00)**	0.29	(0.35)	(5.00)	(6.00)

Table 51 presents the change in estimated net interest income for 12 month and 13-24 month horizons for alternative interest rate scenarios relative to the net interest income projection for a static rate scenario for those same time horizons. As previously mentioned, these numbers do not represent a forecast, but are instead risk measures that are monitored to evaluate the consolidated interest rate risk position of the Bancorp. At March 31, 2025, the Bancorp's NII sensitivity in the rising-rate scenarios is negative in years one and two as interest expense is expected to increase more than interest income due to deposit repricing and balance migration estimates given the high interest rate environment. The Bancorp's NII simulation projects an increase in NII in years one and two under the parallel 100 bps ramp decrease in interest rates and in year one in the 200 bps ramp decrease in interest rates, driven by an expectation that deposits would reprice faster than earning assets. However, in year two, some deposits have reached their floors but assets continue to reprice to lower rates, generating less NII. The changes in the estimated NII sensitivity profile compared to March 31, 2024 were primarily attributable to increases in fixed-rate loans and the activation of previously forward-starting receive-fixed interest rate swaps, partially offset by the impacts of investment securities and short-term investments with a shorter life.

Tables 52 and 53 provide the sensitivity of the Bancorp's estimated NII profile at March 31, 2025 to changes to certain deposit balance and deposit repricing sensitivity (beta) assumptions.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

The following table includes the Bancorp's estimated NII sensitivity profile with an immediate $1 billion decrease and an immediate $1 billion increase in demand deposit balances as of March 31, 2025:

TABLE 52: Estimated NII Sensitivity Profile at March 31, 2025 with a $1 Billion Change in Demand Deposit Assumption

	% Change in NII (FTE)			
	Immediate $1 Billion Balance Decrease		Immediate $1 Billion Balance Increase	
Change in Interest Rates (bps)	12 Months	13-24 Months	12 Months	13-24 Months
+200 Ramp over 12 months	(4.44)%	(5.84)	(2.65)	(3.84)
+100 Ramp over 12 months	(2.53)	(3.06)	(0.91)	(1.37)
-100 Ramp over 12 months	0.21	0.16	1.47	1.22
-200 Ramp over 12 months	0.61	(0.40)	1.69	0.35

The following table includes the Bancorp's estimated NII sensitivity profile with a 10% increase and a 10% decrease to the corresponding deposit beta assumptions as of March 31, 2025:

TABLE 53: Estimated NII Sensitivity Profile at March 31, 2025 with Deposit Beta Assumptions Changes

	% Change in NII (FTE)			
	Betas 10% Higher[(a)]		Betas 10% Lower[(a)]	
Change in Interest Rates (bps)	12 Months	13-24 Months	12 Months	13-24 Months
+200 Ramp over 12 months	(5.12)%	(7.79)	(2.03)	(1.96)
+100 Ramp over 12 months	(2.51)	(3.67)	(0.97)	(0.79)
-100 Ramp over 12 months	1.54	1.95	0.17	(0.53)
-200 Ramp over 12 months	2.56	2.26	(0.09)	(2.09)

(a) Applies a +/- 10% multiple on assumed betas.

Economic Value of Equity Sensitivity

The Bancorp also uses EVE as a measurement tool to govern and manage its interest rate risk exposure. The exposure is governed by a risk framework that uses risk appetite thresholds for scenarios assuming an instantaneous 200 bps increase and a 200 bps decrease in interest rates. The Bancorp routinely analyzes exposures to other interest rate scenarios and employs key risk indicators to monitor and manage exposures. Whereas the NII sensitivity analysis highlights the impact on forecasted NII on an FTE basis (non-GAAP) over one- and two-year time horizons, EVE is a point-in-time analysis of the economic sensitivity of current balance sheet and off-balance sheet positions that incorporates all cash flows over their estimated remaining lives. The EVE of the balance sheet is defined as the discounted present value of all asset and net derivative cash flows less the discounted value of all liability cash flows. Due to this longer horizon, the sensitivity of EVE to changes in the level of interest rates is a measure of longer-term interest rate risk. EVE values only the current balance sheet and does not incorporate any assumptions related to continued production or renewal activities used in the NII sensitivity analysis. As with the NII simulation model, assumptions about the timing and variability of existing balance sheet cash flows are critical in the EVE analysis. Particularly important are assumptions driving loan and security prepayments and the expected balance attrition and pricing of indeterminate-lived deposits.

The following table shows the Bancorp's estimated EVE sensitivity profile as of:

TABLE 54: Estimated EVE Sensitivity Profile

	March 31, 2025		March 31, 2024	
Change in Interest Rates (bps)	% Change in EVE	Policy Limit	% Change in EVE	Policy Limit
+200 Shock	**(5.92)%**	**(12.00)**	(4.37)%	(12.00)
+100 Shock	**(2.50)**	**N/A**	(1.80)	N/A
-100 Shock	**1.05**	**N/A**	0.94	N/A
-200 Shock	**(0.11)**	**(12.00)**	0.14	(12.00)

The EVE sensitivity is negative in both a +200 bps and +100 bps rising-rate scenario, positive in a -100 bps falling-rate scenario, and slightly negative in a -200 bps falling-rate scenario at March 31, 2025. The changes in the estimated EVE sensitivity profile from March 31, 2024 were primarily related to changes in forward interest rate expectations, mix shift of deposit composition into higher-beta products, an increase in fixed-rate loans and reduced wholesale funding, partially offset by the impacts of a shorter investment securities portfolio duration.

While an instantaneous shift in spot interest rates is used in this analysis to provide an estimate of exposure, the Bancorp believes that a gradual shift in interest rates would have a more modest impact. Since EVE measures the discounted present value of cash flows over the

estimated lives of instruments, the change in EVE does not directly correlate to the degree that earnings would be impacted over a shorter time horizon (e.g., the current fiscal year). Further, EVE does not account for factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships and changing product spreads that could mitigate or exacerbate the impact of changes in interest rates. The NII simulations and EVE analyses do not necessarily include certain actions that management may undertake to manage risk in response to actual changes in interest rates.

The Bancorp regularly evaluates its exposures to a static balance sheet forecast, basis risks relative to the Prime Rate and various SOFR terms, yield curve twist risks and embedded options risks. In addition, the impacts on NII on an FTE basis and EVE of extreme changes in interest rates are modeled, wherein the Bancorp employs the use of yield curve shocks and environment-specific scenarios.

Use of Derivatives to Manage Interest Rate Risk

An integral component of the Bancorp's interest rate risk management strategy is its use of derivative instruments to minimize significant fluctuations in earnings caused by changes in market interest rates. Examples of derivative instruments that the Bancorp may use as part of its interest rate risk management strategy include interest rate swaps, interest rate floors, interest rate caps, forward contracts, forward starting interest rate swaps, options, swaptions and TBA securities.

Tables 55 and 56 show all swap positions that are utilized as qualifying hedging instruments for purposes of managing the Bancorp's exposures to the variability of interest rates. These positions are used to convert the contractual interest rate index of agreed-upon amounts of assets and liabilities (i.e., notional amounts) to another interest rate index, to hedge the exposure to changes in fair value of a recognized asset attributable to changes in the benchmark interest rate or to hedge forecasted transactions for the variability in cash flows attributable to the contractually specified interest rate. The volume, maturity and mix of portfolio swaps change frequently as the Bancorp adjusts its broader interest rate risk management objectives and the balance sheet positions to be hedged. For further information, refer to Note 9 of the Notes to Condensed Consolidated Financial Statements.

The following tables present additional information about the interest rate swaps used as qualifying hedging instruments in Fifth Third's asset and liability management activities:

TABLE 55: Summary of Qualifying Hedging Instruments

			Weighted-Average		
As of March 31, 2025 ($ in millions)	Notional Amount	Fair Value	Remaining Term (years)	Fixed Rate	Index
Interest rate swaps related to C&I loans – cash flow – receive-fixed	**$ 11,000**	**(3)**	**6.0**	**3.05 %**	**SOFR**
Interest rate swaps related to commercial mortgage and commercial construction loans – cash flow – receive-fixed	**4,000**	**1**	**6.8**	**3.50**	**SOFR**
Interest rate swaps related to long-term debt – fair value – receive-fixed	**4,955**	**(14)**	**4.5**	**5.04**	**SOFR**
Total interest rate swaps	**$ 19,955**	**(16)**			

TABLE 56: Summary of Qualifying Hedging Instruments

			Weighted-Average		
As of December 31, 2024 ($ in millions)	Notional Amount	Fair Value	Remaining Term (years)	Fixed Rate	Index
Interest rate swaps related to C&I loans – cash flow – receive-fixed	$ 11,000	(2)	5.7	3.05 %	SOFR
Interest rate swaps related to C&I loans – cash flow – receive-fixed – forward starting[(a)]	1,000	1	7.0	3.20	SOFR
Interest rate swaps related to commercial mortgage and commercial construction loans – cash flow – receive-fixed – forward starting[(a)]	4,000	3	7.1	3.50	SOFR
Interest rate swaps related to long-term debt – fair value – receive-fixed	4,955	(11)	4.7	5.04	SOFR
Total interest rate swaps	$ 20,955	(9)			

(a) Forward starting swaps became effective in January and February 2025.

Additionally, as part of its overall risk management strategy relative to its residential mortgage banking activities, the Bancorp enters into forward contracts accounted for as free-standing derivatives to economically hedge IRLCs that are also considered free-standing derivatives. The Bancorp economically hedges its exposure to residential mortgage loans held for sale through the use of forward contracts and mortgage options as well. Refer to the Residential Mortgage Servicing Rights and Price Risk section for the discussion of the use of derivatives to economically hedge this exposure.

The Bancorp also enters into derivative contracts with major financial institutions to economically hedge market risks assumed in interest rate derivative contracts with commercial customers. Generally, these contracts have similar terms in order to protect the Bancorp from market

volatility. Credit risk arises from the possible inability of the counterparties to meet the terms of their contracts, which the Bancorp minimizes through collateral arrangements, approvals, limits and monitoring procedures. The Bancorp has risk limits and internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of interest rate volatility and potential future exposure on these contracts and counterparty credit approvals performed by independent risk management. For further information, including the notional amount and fair values of these derivatives, refer to Note 9 of the Notes to Condensed Consolidated Financial Statements.

Residential Mortgage Servicing Rights and Price Risk

The fair value of the residential MSR portfolio was $1.7 billion at both March 31, 2025 and December 31, 2024. The value of servicing rights can fluctuate sharply depending on changes in interest rates and other factors. Generally, as interest rates decline and loans are prepaid to take advantage of refinancing, the total value of existing servicing rights declines because no further servicing fees are collected on repaid loans. For further information on the significant drivers and components of the valuation adjustments on MSRs, refer to the Noninterest Income subsection of the Statements of Income Analysis section of MD&A. The Bancorp maintains a non-qualifying hedging strategy relative to its mortgage banking activity in order to manage a portion of the risk associated with changes in the value of its MSR portfolio as a result of changing interest rates which may include the use of investment securities or derivative instruments. The Bancorp may adjust its hedging strategy to reflect its assessment of the composition of its MSR portfolio, the cost of hedging and the anticipated effectiveness of the hedges given the economic environment. Refer to Note 9 of the Notes to Condensed Consolidated Financial Statements for additional information on derivative instruments used for this purpose.

Foreign Currency Risk

The Bancorp may enter into foreign exchange derivative contracts to economically hedge certain foreign denominated loans. The derivatives are classified as free-standing instruments with the revaluation gain or loss being recorded in other noninterest income in the Condensed Consolidated Statements of Income. The balance of the Bancorp's foreign denominated loans at March 31, 2025 and December 31, 2024 was $869 million and $861 million, respectively. The Bancorp also enters into foreign exchange contracts for the benefit of commercial customers to hedge their exposure to foreign currency fluctuations. Similar to the hedging of price risk from interest rate derivative contracts entered into with commercial customers, the Bancorp also enters into foreign exchange contracts with major financial institutions to economically hedge a substantial portion of the exposure from client driven foreign exchange activity. The Bancorp has risk limits and internal controls in place to help ensure excessive risk is not being taken in providing this service to customers. These controls include an independent determination of currency volatility and potential future exposure on these contracts, counterparty credit approvals and country limits performed by independent risk management.

Commodity Risk

The Bancorp also enters into commodity contracts for the benefit of commercial customers to hedge their exposure to commodity price fluctuations. Similar to the hedging of foreign exchange and price risk from interest rate derivative contracts, the Bancorp also enters into commodity contracts with major financial institutions to economically hedge a substantial portion of the exposure from client driven commodity activity. The Bancorp may also offset this risk with exchange-traded commodity contracts. The Bancorp has risk limits and internal controls in place to help ensure excessive risk is not taken in providing this service to customers. These controls include an independent determination of commodity volatility and potential future exposure on these contracts and counterparty credit approvals performed by independent risk management.

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LIQUIDITY RISK MANAGEMENT

The goal of liquidity risk management is to maintain adequate funds to meet changes in the balance sheet, contractual obligations and risk arising from off-balance-sheet exposures. The mitigation of liquidity risk is accomplished primarily through the management of a granular core deposit base and the utilization of stable, long-term funding sources. The Bancorp maintains a contingency funding plan and liquidity stress testing framework that collectively inform prudent levels of on-balance sheet liquidity in the form of cash and investment securities, along with contingent borrowing capacity at the FHLB and the FRB Discount Window, and outline responses and actions to various liquidity stress events. A summary of certain obligations and commitments to make future payments under contracts is included in Note 13 of the Notes to Condensed Consolidated Financial Statements.

Liquidity risk is monitored and managed for both Fifth Third Bancorp and its subsidiaries. The Bancorp (parent company) receives substantially all of its liquidity from dividends from its subsidiaries, primarily Fifth Third Bank, National Association. Subsidiary dividends are supplemented with term debt to enable the Bancorp to maintain sufficient liquidity to meet its cash obligations, including debt service and scheduled maturities, common and preferred dividends, unfunded commitments to subsidiaries and other planned capital actions in the form of share repurchases. Liquidity resources are more limited at the Bancorp, making its liquidity position more susceptible to market disruptions. Bancorp liquidity is assessed using a cash coverage horizon, ensuring the entity maintains sufficient liquidity to withstand a period of sustained market disruption while meeting its anticipated obligations over an extended stressed horizon.

Liquidity risk is monitored and managed by the Treasury department with independent oversight provided by ERM, and a series of policy limits and key risk indicators are established to ensure risks are managed within the Board-approved risk appetite. ALCO, which includes senior management representatives, monitors and manages liquidity risk within the Board-approved risk appetite and is accountable to ERMC.

Sources of Funds

Primary sources of funds include revenue from noninterest income as well as cash flows from loan and lease payments, payments from securities including sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of wholesale borrowings.

The available-for-sale debt and other securities and held-to-maturity securities portfolios had a fair value of $50.8 billion at March 31, 2025. From these portfolios, $8.8 billion in principal and interest payments are expected to be received in the next 12 months and an additional $7.6 billion is expected to be received in the next 13 to 24 months. For further information on the investment securities portfolio, refer to the Investment Securities subsection of the Balance Sheet Analysis section of MD&A.

Asset-driven liquidity is provided by the ability to monetize loans, leases and investment securities through a variety of channels, including repurchase agreements, outright sales, securitizations or pledging to secured borrowing sources. In order to reduce the exposure to interest rate fluctuations and to manage liquidity, the Bancorp has developed securitization and sale procedures for several types of interest-sensitive assets. A majority of the long-term, fixed-rate single-family residential mortgage loans underwritten according to FHLMC or FNMA guidelines are sold for cash upon origination. Additional assets such as certain other residential mortgage loans, certain commercial loans and leases, home equity loans, automobile loans, solar energy installation loans and other consumer loans are also capable of being securitized or sold. For the three months ended March 31, 2025 and 2024, the Bancorp sold or securitized loans and leases totaling $1.1 billion and $858 million, respectively. For further information, refer to Note 8 of the Notes to Condensed Consolidated Financial Statements.

Core deposits have historically provided a sizeable source of relatively stable and low-cost funds. Average core deposits and average shareholders' equity funded 86% and 85% of its average total assets for the three months ended March 31, 2025 and 2024, respectively. In addition to core deposit funding, the Bancorp also accesses a variety of other short-term and long-term funding sources, which include the use of the FHLB system. Management does not rely on any one source of liquidity and manages availability in response to changing balance sheet needs.

In June of 2023, the Board of Directors authorized $10.0 billion of debt or other securities for issuance, of which $7.0 billion of debt or other securities were available for issuance as of March 31, 2025. The Bancorp is authorized to file any necessary registration statements with the SEC to permit ready access to the public securities markets; however, access to these markets may depend on market conditions.

As of March 31, 2025, the Bank's global bank note program had a borrowing capacity of $25.0 billion, of which $19.4 billion was available for issuance. On January 28, 2025, the Bank issued and sold, under this program, $700 million of fixed-rate/floating-rate senior notes and $300 million of floating-rate senior notes, as further discussed in Note 11 of the Notes to Condensed Consolidated Financial Statements. Additionally, at March 31, 2025, the Bank had approximately $68.8 billion of borrowing capacity available through secured borrowing sources, including the FRB and the FHLB.

Current Liquidity Position

The Bancorp maintains a strong liquidity profile driven by strong core deposit funding and over $100 billion in readily available liquidity. Refer to the Deposits subsection of the Balance Sheet Analysis section of MD&A for more information regarding the Bancorp's deposit

portfolio characteristics. The Bancorp maintains a liquidity profile focused on core deposit and stable long-term funding sources, while supplementing with a variety of secured and unsecured wholesale funding sources across the maturity spectrum, which allows for the effective management of concentration and rollover risk. The investment securities portfolio remains highly concentrated in liquid and readily marketable instruments and is a significant source of secured borrowing capacity via several monetization channels. As part of its liquidity management activities, the Bancorp maintains collateral at its secured funding providers to ensure immediate availability of funding. Additionally, the Bancorp routinely executes test trades to assess the operational processes and market depth associated with its secured funding sources.

As of March 31, 2025, the Bancorp (parent company) had sufficient liquidity to meet contractual obligations and all preferred and common dividends without accessing the capital markets or receiving upstream dividends from the Bank subsidiary for 31 months.

Credit Ratings

The cost and availability of financing to the Bancorp and Bank are impacted by its credit ratings. A downgrade to the credit ratings of the Bancorp or the Bank could affect their ability to access the credit markets and increase borrowing costs, thereby adversely impacting their financial condition and liquidity. Key factors in maintaining high credit ratings include a stable and diverse earnings stream, strong credit quality, strong capital ratios and diverse funding sources, in addition to disciplined liquidity monitoring procedures.

Credit ratings are summarized in Table 57. The ratings reflect the view of each rating agency on the capacity of the Bancorp and the Bank to meet financial commitments.*

**As an investor, you should be aware that a security rating is not a recommendation to buy, sell or hold securities, that it may be subject to revision or withdrawal at any time by the assigning rating organization and that each rating should be evaluated independently of any other rating. Additional information on the credit rating ranking within the overall classification system is located on the website of each credit rating agency.*

TABLE 57: Agency Ratings

As of May 6, 2025	Moody's	Standard and Poor's	Fitch	DBRS Morningstar
Fifth Third Bancorp:				
Short-term borrowings	No rating	A-2	F1	R-1L
Senior debt	Baa1	BBB+	A-	A
Subordinated debt	Baa1	BBB	BBB+	AL
Fifth Third Bank, National Association:				
Short-term borrowings	P-2	A-2	F1	R-1M
Short-term deposit	P-1	No rating	F1	No rating
Long-term deposit	A1	No rating	A	AH
Senior debt	A3	A-	A-	AH
Subordinated debt	A3	BBB+	BBB+	A
Rating Agency Outlook for Fifth Third Bancorp and Fifth Third Bank, National Association	Stable	Stable	Stable	Stable

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CAPITAL MANAGEMENT

Management regularly reviews capital levels to help ensure it is appropriately positioned under various operating environments. The Bancorp has established a Capital Committee which is responsible for making capital plan recommendations to management. These recommendations are reviewed by the ERMC and the annual capital plan is approved by the Board of Directors. The Capital Committee is responsible for execution and oversight of the capital actions of the capital plan.

Regulatory Capital Ratios

The Basel III Final Rule sets minimum regulatory capital ratios as well as defines the measure of "well-capitalized" for insured depository institutions. The following table presents these requirements as well as the actual ratios and amounts for the Bancorp and Bank as of:

TABLE 58: Regulatory Capital

	Regulatory Ratio Requirements		**March 31, 2025**		December 31, 2024[(a)]	
($ in millions)	Minimum	Well-Capitalized	Ratio	Amount	Ratio	Amount
CET1 capital:						
Fifth Third Bancorp	4.50 %	N/A	**10.43 %**	**$ 17,239**	10.57 %	$ 17,339
Fifth Third Bank, National Association	4.50	6.50	**12.78**	**20,980**	12.86	20,943
Tier 1 risk-based capital:						
Fifth Third Bancorp	6.00	6.00	**11.71**	**19,355**	11.86	19,455
Fifth Third Bank, National Association	6.00	8.00	**12.78**	**20,980**	12.86	20,943
Total risk-based capital:						
Fifth Third Bancorp	8.00	10.00	**13.63**	**22,530**	13.86	22,746
Fifth Third Bank, National Association	8.00	10.00	**14.02**	**23,020**	14.19	23,116
Leverage:						
Fifth Third Bancorp	4.00	N/A	**9.23**	**19,355**	9.22	19,455
Fifth Third Bank, National Association	4.00	5.00	**10.10**	**20,980**	10.02	20,943
Total risk-weighted assets:						
Fifth Third Bancorp				**165,326**		164,102
Fifth Third Bank, National Association				**164,176**		162,895
Quarterly average assets for leverage:[(b)]						
Fifth Third Bancorp				**209,678**		210,963
Fifth Third Bank, National Association				**207,723**		209,038

(a) Regulatory capital ratios and amounts as of December 31, 2024 were calculated pursuant to the five-year transition provision option to phase in the effects of CECL on regulatory capital. This has been fully phased in as of January 1, 2025.

(b) Quarterly average assets are a component of the leverage ratio and, for this purpose, do not include goodwill or any other assets that the U.S. banking agencies determine should be deducted from Tier 1 capital.

The following table presents additional capital ratios of the Bancorp as of:

TABLE 59: Additional Capital Ratios

	March 31, 2025	December 31, 2024
Quarterly average total Bancorp shareholders' equity as a percent of average assets	**9.50 %**	9.40
Tangible equity as a percent of tangible assets[(a)(b)]	**9.07**	9.02
Tangible common equity as a percent of tangible assets[(a)(b)]	**8.07**	8.03

(a) These are non-GAAP measures. For further information, refer to the Non-GAAP Financial Measures section of MD&A.

(b) Excludes AOCI.

Capital Planning

The Bancorp maintains a comprehensive process for managing capital that considers the current and forward-looking macroeconomic and regulatory environments and makes capital distributions that are consistent with FRB requirements and the stress capital buffer requirement. Under the Enhanced Prudential Standards tailoring rules, the Bancorp is subject to Category IV standards, under which the Bancorp is required to develop and maintain a capital plan approved by the Board of Directors on an annual basis. The Bancorp is also subject to supervisory stress tests every two years. The Bancorp was not subject to the 2025 supervisory stress test conducted by the FRB, but submitted the Board-approved capital plan and information contained in Schedule C - Regulatory Capital Instruments, as required, by the April 5, 2025 deadline.

Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Dividend Policy and Stock Repurchase Program

The Bancorp's common stock dividend policy and stock repurchase program reflect its earnings outlook, desired payout ratios, the need to maintain adequate capital levels, the ability of its subsidiaries to pay dividends and the need to comply with safe and sound banking practices as well as meet regulatory requirements and expectations. The Bancorp declared dividends per common share of $0.37 and $0.35 for the three months ended March 31, 2025 and 2024, respectively. Pursuant to the Bancorp's Board-approved capital plan, during the three months ended March 31, 2025, the Bancorp entered into and settled an accelerated share repurchase transaction. Refer to Note 12 of the Notes to Condensed Consolidated Financial Statements for additional information on share repurchase activity.

The following table summarizes the monthly share repurchase activity for the three months ended March 31, 2025:

TABLE 60: Share Repurchases

Period	Total Number of Shares Purchased[(a)]	Average Price Paid per Share	Total Number of Shares Purchased as a Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased under the Plans or Programs[(b)]
January 1 - January 31, 2025	4,407,500	$ 43.13	4,353,517	12,719,124
February 1 - February 28, 2025	1,210,724	44.06	—	12,719,124
March 1 - March 31, 2025	916,863	43.05	888,865	11,830,259
Total	6,535,087	$ 43.29	5,242,382	11,830,259

(a) Includes 1,292,705 shares repurchased during the first quarter of 2025 in connection with various employee compensation plans. These purchases do not count against the maximum number of shares that may yet be purchased under the Board of Directors' authorization.

(b) On June 18, 2019, the Bancorp announced that its Board of Directors had authorized management to purchase 100 million shares of the Bancorp's common stock through the open market or in any private party transactions. This authorization did not include specific targets or an expiration date.

Quantitative and Qualitative Disclosures about Market Risk (Item 3)

Information presented in the Interest Rate and Price Risk Management subsection of the Risk Management section of Management's Discussion and Analysis of Financial Condition and Results of Operations is incorporated herein by reference. This information contains certain statements that the Bancorp believes are forward-looking statements. Refer to page 1 for cautionary information regarding forward-looking statements.

Controls and Procedures (Item 4)

The Bancorp conducted an evaluation, under the supervision and with the participation of the Bancorp's management, including the Bancorp's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Bancorp's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on the foregoing, as of the end of the period covered by this report, the Bancorp's Chief Executive Officer and Chief Financial Officer concluded that the Bancorp's disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Bancorp files and submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported as and when required and information is accumulated and communicated to the Bancorp's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Bancorp's management also conducted an evaluation of internal control over financial reporting to determine whether any changes occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Bancorp's internal control over financial reporting. Based on this evaluation, there has been no such change during the period covered by this report.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (Item 1)

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

($ in millions, except share data)		As of March 31, 2025	As of December 31, 2024
Assets			
Cash and due from banks	**$**	**3,009**	3,014
Other short-term investments[(a)]		**14,965**	17,120
Available-for-sale debt and other securities (amortized cost of **$43,445** and $43,878)		**39,747**	39,547
Held-to-maturity securities (fair value of **$11,072** and $10,965)		**11,185**	11,278
Trading debt securities		**1,159**	1,185
Equity securities		**494**	341
Loans and leases held for sale (includes **$445** and $574 of residential mortgage loans measured at fair value)		**473**	640
Portfolio loans and leases[(a)] (includes **$109** and $108 of residential mortgage loans measured at fair value)		**122,191**	119,791
Allowance for loan and lease losses[(a)]		**(2,384)**	(2,352)
Portfolio loans and leases, net		**119,807**	117,439
Bank premises and equipment (includes **$14** and $14 held for sale)		**2,506**	2,475
Operating lease equipment		**314**	319
Goodwill		**4,918**	4,918
Intangible assets		**82**	90
Servicing rights		**1,663**	1,704
Other assets[(a)]		**12,347**	12,857
Total Assets	**$**	**212,669**	212,927
Liabilities			
Deposits:			
Noninterest-bearing deposits	**$**	**40,855**	41,038
Interest-bearing deposits		**124,650**	126,214
Total deposits		**165,505**	167,252
Federal funds purchased		**227**	204
Other short-term borrowings		**5,457**	4,450
Accrued taxes, interest and expenses		**1,722**	2,137
Other liabilities[(a)]		**4,816**	4,902
Long-term debt[(a)]		**14,539**	14,337
Total Liabilities	**$**	**192,266**	193,282
Equity			
Common stock[(b)]	**$**	**2,051**	2,051
Preferred stock[(c)]		**2,116**	2,116
Capital surplus		**3,773**	3,804
Retained earnings		**24,377**	24,150
Accumulated other comprehensive loss		**(3,895)**	(4,636)
Treasury stock[(b)]		**(8,019)**	(7,840)
Total Equity	**$**	**20,403**	19,645
Total Liabilities and Equity	**$**	**212,669**	212,927

(a) Includes $47 and $51 of other short-term investments, $874 and $1,000 of portfolio loans and leases, $(16) and $(19) of ALLL, $6 and $5 of other assets, $12 and $12 of other liabilities and $774 and $889 of long-term debt from consolidated VIEs that are included in their respective captions above at March 31, 2025 and December 31, 2024, respectively. For further information, refer to Note 7.

(b) Common shares: Stated value $2.22 per share; authorized 2,000,000,000; outstanding at March 31, 2025 – 667,272,067 (excludes 256,620,514 treasury shares), December 31, 2024 – 669,853,830 (excludes 254,038,751 treasury shares).

(c) 500,000 shares of no par value preferred stock were authorized at both March 31, 2025 and December 31, 2024. There were 422,000 unissued shares of undesignated no par value preferred stock at both March 31, 2025 and December 31, 2024. Each issued share of no par value preferred stock has a liquidation preference of $25,000. 500,000 shares of no par value Class B preferred stock were authorized at both March 31, 2025 and December 31, 2024. There were 300,000 unissued shares of undesignated no par value Class B preferred stock at both March 31, 2025 and December 31, 2024. Each issued share of no par value Class B preferred stock has a liquidation preference of $1,000.

Refer to the Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited)

($ in millions, except share data)	For the three months ended March 31, 2025	2024
Interest Income		
Interest and fees on loans and leases	**$ 1,816**	1,859
Interest on securities	**451**	455
Interest on other short-term investments	**165**	294
Total interest income	**2,432**	2,608
Interest Expense		
Interest on deposits	**743**	954
Interest on federal funds purchased	**2**	3
Interest on other short-term borrowings	**56**	47
Interest on long-term debt	**194**	220
Total interest expense	**995**	1,224
Net Interest Income	**1,437**	1,384
Provision for credit losses	**174**	94
Net Interest Income After Provision for Credit Losses	**1,263**	1,290
Noninterest Income		
Wealth and asset management revenue	**172**	161
Commercial payments revenue	**153**	145
Consumer banking revenue	**137**	135
Capital markets fees	**90**	97
Commercial banking revenue	**80**	85
Mortgage banking net revenue	**57**	54
Other noninterest income	**14**	23
Securities (losses) gains, net	**(9)**	10
Total noninterest income	**694**	710
Noninterest Expense		
Compensation and benefits	**750**	753
Technology and communications	**123**	117
Net occupancy expense	**87**	87
Equipment expense	**42**	37
Loan and lease expense	**30**	29
Marketing expense	**28**	32
Card and processing expense	**21**	20
Other noninterest expense	**223**	267
Total noninterest expense	**1,304**	1,342
Income Before Income Taxes	**653**	658
Applicable income tax expense	**138**	138
Net Income	**515**	520
Dividends on preferred stock	**37**	40
Net Income Available to Common Shareholders	**$ 478**	480
Earnings per share - basic	**$ 0.71**	0.70
Earnings per share - diluted	**$ 0.71**	0.70
Average common shares outstanding - basic	**671,052,320**	685,749,673
Average common shares outstanding - diluted	**676,040,080**	690,633,531

Refer to the Notes to Condensed Consolidated Financial Statements.

Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (unaudited)

($ in millions)	For the three months ended March 31, 2025	2024
Net Income	**$ 515**	520
Other Comprehensive Income (Loss), Net of Tax:		
Net unrealized losses on available-for-sale debt securities:		
Unrealized holding gains (losses) arising during period	**481**	(182)
Unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**—**	785
Reclassification adjustment for net losses included in net income	**—**	3
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities:		
Unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**—**	(785)
Amortization of unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**25**	25
Net unrealized losses on cash flow hedge derivatives:		
Unrealized holding gains (losses) arising during period	**193**	(316)
Reclassification adjustment for net losses included in net income	**42**	69
Other comprehensive income (loss), net of tax	**741**	(401)
Comprehensive Income	**$ 1,256**	119

Refer to the Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (unaudited)

($ in millions, except per share data)	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total Equity
Balance at December 31, 2023	$ 2,051	2,116	3,757	22,997	(4,487)	(7,262)	19,172
Impact of cumulative effect of change in accounting principle				(10)			(10)
Balance at January 1, 2024	$ 2,051	2,116	3,757	22,987	(4,487)	(7,262)	19,162
Net income				520			520
Other comprehensive loss, net of tax					(401)		(401)
Cash dividends declared:							
Common stock ($0.35 per share)				(243)			(243)
Preferred stock:							
Series H ($545.09 per share)				(13)			(13)
Series I ($587.86 per share)				(10)			(10)
Series J ($551.01 per share)				(7)			(7)
Series K ($309.38 per share)				(3)			(3)
Series L ($281.25 per share)				(4)			(4)
Class B, Series A ($15.00 per share)				(3)			(3)
Impact of stock transactions under stock compensation plans, net			(15)			35	20
Balance at March 31, 2024	$ 2,051	2,116	3,742	23,224	(4,888)	(7,227)	19,018
Balance at December 31, 2024	**$ 2,051**	**2,116**	**3,804**	**24,150**	**(4,636)**	**(7,840)**	**19,645**
Net income				**515**			**515**
Other comprehensive income, net of tax					**741**		**741**
Cash dividends declared:							
Common stock ($0.37 per share)				**(251)**			**(251)**
Preferred stock:							
Series H ($476.55 per share)				**(12)**			**(12)**
Series I ($518.85 per share)				**(9)**			**(9)**
Series J ($482.40 per share)				**(6)**			**(6)**
Series K ($309.38 per share)				**(3)**			**(3)**
Series L ($281.25 per share)				**(4)**			**(4)**
Class B, Series A ($15.00 per share)				**(3)**			**(3)**
Shares acquired for treasury						**(226)**	**(226)**
Impact of stock transactions under stock compensation plans, net			**(31)**			**47**	**16**
Balance at March 31, 2025	**$ 2,051**	**2,116**	**3,773**	**24,377**	**(3,895)**	**(8,019)**	**20,403**

Refer to the Notes to Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Condensed Consolidated Financial Statements and Notes (continued)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

($ in millions)	For the three months ended March 31, 2025	2024
Operating Activities		
Net income	**$ 515**	520
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**174**	94
Depreciation, amortization and accretion	**135**	128
Stock-based compensation expense	**73**	64
Provision for (benefit from) deferred income taxes	**5**	(35)
Securities losses (gains), net	**5**	(12)
MSR fair value adjustment	**50**	(8)
Net gains on sales of loans and fair value adjustments on loans held for sale	**(13)**	(3)
Proceeds from sales of loans held for sale	**1,049**	742
Loans originated or purchased for sale, net of repayments	**(912)**	(714)
Dividends representing return on equity method investments	**10**	9
Net change in:		
Equity and trading debt securities	**(74)**	(14)
Other assets	**755**	(265)
Accrued taxes, interest and expenses and other liabilities	**(539)**	(120)
Net Cash Provided by Operating Activities	**1,233**	386
Investing Activities		
Proceeds from sales:		
AFS securities and other investments	**956**	64
Loans and leases	**79**	121
Bank premises and equipment	**—**	15
Proceeds from repayments / maturities of AFS and HTM securities and other investments	**1,635**	1,238
Purchases:		
AFS securities, equity method investments and other investments	**(2,184)**	(1,398)
Bank premises and equipment	**(117)**	(65)
Proceeds from settlement of BOLI	**12**	11
Proceeds from sales and dividends representing return of equity method investments	**4**	2
Net cash received for divestitures	**—**	6
Net change in:		
Other short-term investments	**2,155**	(758)
Portfolio loans and leases	**(2,594)**	526
Operating lease equipment	**(13)**	9
Net Cash Used in Investing Activities	**(67)**	(229)
Financing Activities		
Net change in deposits	**(1,747)**	675
Net change in federal funds purchased and other short-term borrowings	**23**	56
Proceeds from short-term FHLB advances	**1,000**	—
Proceeds from long-term debt issuances/advances	**998**	1,495
Repayment of long-term debt	**(867)**	(2,400)
Dividends paid on common and preferred stock	**(297)**	(287)
Repurchases of treasury stock and related forward contract	**(225)**	—
Other	**(56)**	(42)
Net Cash Used in Financing Activities	**(1,171)**	(503)
Decrease in Cash and Due from Banks	**(5)**	(346)
Cash and Due from Banks at Beginning of Period	**3,014**	3,142
Cash and Due from Banks at End of Period	**$ 3,009**	2,796

Refer to the Notes to Condensed Consolidated Financial Statements. Note 2 contains cash payments related to interest and income taxes in addition to non-cash investing and financing activities.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

1. Basis of Presentation

The Condensed Consolidated Financial Statements include the accounts of the Bancorp and its majority-owned subsidiaries and VIEs in which the Bancorp has been determined to be the primary beneficiary. Other entities, including certain joint ventures in which the Bancorp has the ability to exercise significant influence over operating and financial policies of the investee, but upon which the Bancorp does not possess control, are accounted for by the equity method and not consolidated. The investments in those entities in which the Bancorp does not have the ability to exercise significant influence are generally carried at fair value unless the investment does not have a readily determinable fair value. The Bancorp accounts for equity investments without a readily determinable fair value using the measurement alternative to fair value, representing the cost of the investment minus any impairment recorded and plus or minus changes resulting from observable price changes in orderly transactions for an identical or a similar investment of the same issuer. Intercompany transactions and balances among consolidated entities have been eliminated.

In the opinion of management, the unaudited Condensed Consolidated Financial Statements include all adjustments, which consist of normal recurring accruals, necessary to present fairly the results for the periods presented. In accordance with U.S. GAAP and the rules and regulations of the SEC for interim financial information, these statements do not include certain information and footnote disclosures required for complete annual financial statements and it is suggested that these Condensed Consolidated Financial Statements be read in conjunction with the Bancorp's Annual Report on Form 10-K. The results of operations, comprehensive income, cash flows and changes in equity for the three months ended March 31, 2025 and 2024 are not necessarily indicative of the results to be expected for the full year. Financial information as of December 31, 2024 has been derived from the Bancorp's Annual Report on Form 10-K.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Supplemental Cash Flow Information

Cash payments related to interest and income taxes in addition to non-cash investing and financing activities are presented in the following table for the three months ended March 31:

($ in millions)		**2025**	2024
Cash Payments:			
Interest	**$**	**1,107**	1,294
Income taxes		**(3)**	10
Transfers:			
Portfolio loans and leases to loans and leases held for sale	**$**	**38**	110
Loans and leases held for sale to portfolio loans and leases		**2**	1
Portfolio loans and leases to OREO		**5**	1
Bank premises and equipment to OREO		**4**	4
Available-for-sale debt securities to held-to-maturity securities[(a)]		**—**	11,593
Supplemental Disclosures:			
Net additions to lease liabilities under operating leases	**$**	**54**	13
Net additions to lease liabilities under finance leases		**—**	46

(a) Represents the fair value of the securities on the date of transfer. Refer to Note 4 for additional information.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

3. Accounting and Reporting Developments

Standard Adopted in 2025

The Bancorp adopted the following new accounting standard during the three months ended March 31, 2025:

ASU 2023-09 – Income Taxes (Topic 740): Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU 2023-09, which amends the disclosure requirements for income taxes. The amendments primarily include new requirements to disclose additional information as part of the reconciliation of the effective tax rate to statutory tax rates, provide the amount of income taxes paid, net of refunds received, and income tax expense disaggregated between federal, state and foreign jurisdictions and provide income before income taxes disaggregated between domestic and foreign jurisdictions. The amendments also discontinue certain other disclosure requirements. The Bancorp adopted the amended guidance on January 1, 2025 and will provide the amended disclosures within its Annual Report on Form 10-K for the year ended December 31, 2025.

Significant Accounting Standard Issued but Not Yet Adopted

The following significant accounting standard was issued but not yet adopted by the Bancorp as of March 31, 2025:

ASU 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses

In November 2024, the FASB issued ASU 2024-03, which introduces new requirements to disclose additional information about certain types of expenses, including employee compensation, depreciation, intangible asset amortization and selling expenses. The amended guidance is effective for the Bancorp for the year ending December 31, 2027 and subsequent interim reporting periods beginning in 2028, with early adoption permitted, and is to be applied prospectively, with retrospective application permitted. The Bancorp is in the process of evaluating the impact of the amended guidance on its Condensed Consolidated Financial Statements.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

4. Investment Securities

The Bancorp uses investment securities as a means of managing interest rate risk, providing collateral for pledging purposes and for liquidity risk management. The Bancorp may also utilize investment securities as part of a non-qualifying hedging strategy to manage interest rate risk related to MSRs.

The following tables provide the amortized cost, unrealized gains and losses and fair value for the major categories of the available-for-sale debt and other securities and held-to-maturity securities portfolios as of:

March 31, 2025 ($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale debt and other securities:				
U.S. Treasury and federal agencies securities	**$ 4,358**	**3**	**—**	**4,361**
Mortgage-backed securities:				
Agency residential mortgage-backed securities	**7,250**	**2**	**(651)**	**6,601**
Agency commercial mortgage-backed securities	**23,659**	**2**	**(2,605)**	**21,056**
Non-agency commercial mortgage-backed securities	**3,997**	**—**	**(291)**	**3,706**
Asset-backed securities and other debt securities	**3,357**	**2**	**(160)**	**3,199**
Other securities[(a)]	**824**	**—**	**—**	**824**
Total available-for-sale debt and other securities	**$ 43,445**	**9**	**(3,707)**	**39,747**
Held-to-maturity securities:[(b)]				
U.S. Treasury and federal agencies securities	**$ 2,387**	**1**	**(1)**	**2,387**
Mortgage-backed securities:				
Agency residential mortgage-backed securities	**4,811**	**—**	**(105)**	**4,706**
Agency commercial mortgage-backed securities	**3,985**	**8**	**(16)**	**3,977**
Asset-backed securities and other debt securities	**2**	**—**	**—**	**2**
Total held-to-maturity securities	**$ 11,185**	**9**	**(122)**	**11,072**

(a) Other securities consist of FHLB, FRB and DTCC restricted stock holdings of $321, $501 and $2, respectively, at March 31, 2025, that are carried at cost.
(b) The amortized cost basis includes a discount of $833 at March 31, 2025 pertaining to the remaining unamortized portion of unrealized losses on securities transferred to HTM.

December 31, 2024 ($ in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale debt and other securities:				
U.S. Treasury and federal agencies securities	$ 4,358	2	—	4,360
Mortgage-backed securities:				
Agency residential mortgage-backed securities	6,460	—	(779)	5,681
Agency commercial mortgage-backed securities	23,853	1	(3,022)	20,832
Non-agency commercial mortgage-backed securities	4,505	—	(338)	4,167
Asset-backed securities and other debt securities	3,924	3	(198)	3,729
Other securities[(a)]	778	—	—	778
Total available-for-sale debt and other securities	$ 43,878	6	(4,337)	39,547
Held-to-maturity securities:[(b)]				
U.S. Treasury and federal agencies securities	$ 2,370	—	(26)	2,344
Mortgage-backed securities:				
Agency residential mortgage-backed securities	4,898	—	(197)	4,701
Agency commercial mortgage-backed securities	4,008	—	(90)	3,918
Asset-backed securities and other debt securities	2	—	—	2
Total held-to-maturity securities	$ 11,278	—	(313)	10,965

(a) Other securities consist of FHLB, FRB and DTCC restricted stock holdings of $276, $500 and $2, respectively, at December 31, 2024, that are carried at cost.
(b) The amortized cost basis includes a discount of $865 at December 31, 2024 pertaining to the remaining unamortized portion of unrealized losses on securities transferred to HTM.

The following table provides the fair value of trading debt securities and equity securities as of:

($ in millions)	**March 31, 2025**	December 31, 2024
Trading debt securities	**$ 1,159**	1,185
Equity securities	**494**	341

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

The amounts reported in the preceding tables exclude accrued interest receivable on investment securities of $162 million at both March 31, 2025 and December 31, 2024, which is presented as a component of other assets in the Condensed Consolidated Balance Sheets.

In January 2024, the Bancorp transferred $12.6 billion (amortized cost basis) of investment securities from available-for-sale to held-to-maturity to reflect the Bancorp's change in intent to hold these securities to maturity in order to reduce potential capital volatility associated with investment security market price fluctuations. AOCI included pretax unrealized losses of $994 million on these securities at the date of transfer. The unrealized losses that existed on the date of transfer will continue to be reported as a component of AOCI and will be amortized into income over the remaining life of the securities as an adjustment to yield, offsetting the amortization of the discount resulting from the transfer recorded at fair value. The amortized cost basis of held-to-maturity securities included a discount of $833 million and $865 million at March 31, 2025 and December 31, 2024, respectively, pertaining to the unamortized portion of unrealized losses on the previously transferred securities, which are offset in AOCI.

The following table presents the components of net securities losses and gains recognized in the Condensed Consolidated Statements of Income:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Available-for-sale debt and other securities:		
Realized gains	**$ 5**	2
Realized losses	**(5)**	—
Impairment losses	**—**	(5)
Net losses on available-for-sale debt and other securities	**$ —**	(3)
Equity securities:		
Net unrealized (losses) gains	**(9)**	13
Net equity securities (losses) gains	**$ (9)**	13
Total (losses) gains recognized in income from available-for-sale debt and other securities, trading debt securities and equity securities[(a)]	**$ (9)**	10

(a) Excludes $4 and $2 of net securities gains for the three months ended March 31, 2025 and 2024, respectively, related to securities held by FTS to facilitate the timely execution of customer transactions. These gains and losses are included in capital markets fees and wealth and asset management revenue in the Condensed Consolidated Statements of Income.

The Bancorp did not recognize impairment losses on its available-for-sale debt and other securities for the three months ended March 31, 2025. The Bancorp recognized impairment losses on available-for-sale debt and other securities of $5 million during the three months ended March 31, 2024. These losses were included in securities (losses) gains, net, in the Condensed Consolidated Statements of Income and related to certain securities in unrealized loss positions where the Bancorp had determined that it no longer intended to hold the securities until the recovery of their amortized cost bases.

At both March 31, 2025 and December 31, 2024, the Bancorp did not recognize an allowance for credit losses for its investment securities. The Bancorp also did not recognize provision for credit losses for investment securities during both the three months ended March 31, 2025 and 2024.

At March 31, 2025 and December 31, 2024, investment securities with a fair value of $29.3 billion and $30.0 billion, respectively, were pledged to secure borrowing capacity, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

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The expected maturity distribution of the Bancorp's mortgage-backed securities and the contractual maturity distribution of the remainder of the Bancorp's available-for-sale debt and other securities and held-to-maturity securities as of March 31, 2025 are shown in the following table:

	Available-for-Sale Debt and Other		Held-to-Maturity	
($ in millions)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities:[(a)]				
Due in 1 year or less	$ 4,244	4,232	328	328
Due after 1 year through 5 years	15,415	14,651	3,023	3,022
Due after 5 years through 10 years	16,655	14,620	7,420	7,307
Due after 10 years	6,307	5,420	414	415
Other securities	824	824	—	—
Total	$ 43,445	39,747	11,185	11,072

(a) Actual maturities may differ from contractual maturities when a right to call or prepay obligations exists with or without call or prepayment penalties.

The following table provides the fair value and gross unrealized losses on available-for-sale debt and other securities in an unrealized loss position, aggregated by investment category and length of time the individual securities have been in a continuous unrealized loss position as of:

	Less than 12 months		12 months or more		Total	
($ in millions)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
March 31, 2025						
U.S. Treasury and federal agencies securities	**$ 38**	**—**	**—**	**—**	**38**	**—**
Agency residential mortgage-backed securities	**1,196**	**(15)**	**4,534**	**(636)**	**5,730**	**(651)**
Agency commercial mortgage-backed securities	**200**	**(4)**	**20,760**	**(2,601)**	**20,960**	**(2,605)**
Non-agency commercial mortgage-backed securities	**152**	**(1)**	**3,519**	**(290)**	**3,671**	**(291)**
Asset-backed securities and other debt securities	**121**	**(1)**	**2,741**	**(159)**	**2,862**	**(160)**
Total	**$ 1,707**	**(21)**	**31,554**	**(3,686)**	**33,261**	**(3,707)**
December 31, 2024						
U.S. Treasury and federal agencies securities	$ 569	—	—	—	569	—
Agency residential mortgage-backed securities	1,061	(14)	4,566	(765)	5,627	(779)
Agency commercial mortgage-backed securities	157	(6)	20,536	(3,016)	20,693	(3,022)
Non-agency commercial mortgage-backed securities	183	(3)	3,984	(335)	4,167	(338)
Asset-backed securities and other debt securities	283	(11)	3,157	(187)	3,440	(198)
Total	$ 2,253	(34)	32,243	(4,303)	34,496	(4,337)

At March 31, 2025 and December 31, 2024, $30 million and $34 million, respectively, of unrealized losses in the available-for-sale debt and other securities portfolio were related to non-rated securities.

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5. Loans and Leases

The Bancorp diversifies its loan and lease portfolio by offering a variety of loan and lease products with various payment terms and rate structures. The Bancorp's commercial loan and lease portfolio consists of lending to various industry types. Management periodically reviews the performance of its loan and lease products to evaluate whether they are performing within acceptable interest rate and credit risk levels and changes are made to underwriting policies and procedures as needed. The Bancorp maintains an allowance to absorb loan and lease losses that are expected to be incurred over the remaining contractual terms of the related loans and leases. For further information on credit quality and the ALLL, refer to Note 6.

The following table provides a summary of commercial loans and leases classified by primary purpose and consumer loans classified based upon product or collateral as of:

($ in millions)		**March 31, 2025**	December 31, 2024
Loans and leases held for sale:			
Commercial and industrial loans	**$**	**28**	15
Commercial mortgage loans		**—**	22
Commercial construction loans		**—**	29
Residential mortgage loans		**445**	574
Total loans and leases held for sale	**$**	**473**	640
Portfolio loans and leases:			
Commercial and industrial loans	**$**	**53,700**	52,271
Commercial mortgage loans		**12,357**	12,246
Commercial construction loans		**5,952**	5,588
Commercial leases		**3,128**	3,188
Total commercial loans and leases	**$**	**75,137**	73,293
Residential mortgage loans	**$**	**17,581**	17,543
Home equity		**4,265**	4,188
Indirect secured consumer loans		**16,804**	16,313
Credit card		**1,660**	1,734
Solar energy installation loans		**4,262**	4,202
Other consumer loans		**2,482**	2,518
Total consumer loans	**$**	**47,054**	46,498
Total portfolio loans and leases	**$**	**122,191**	119,791

Portfolio loans and leases are recorded net of unearned income, which totaled $383 million and $380 million as of March 31, 2025 and December 31, 2024, respectively. The amortized cost basis of loans and leases excludes accrued interest receivable of $568 million and $566 million at March 31, 2025 and December 31, 2024, respectively, which is presented as a component of other assets in the Condensed Consolidated Balance Sheets. Additionally, portfolio loans and leases are recorded net of unamortized premiums and discounts, deferred direct loan origination fees and costs associated with loans and valuation adjustments associated with loans measured at fair value. These items totaled a net discount of $279 million and $324 million as of March 31, 2025 and December 31, 2024, respectively, of which $898 million and $901 million of net discount was related to solar energy installation loans, respectively.

The Bancorp's FHLB and FRB borrowings are primarily secured by loans. The Bancorp had loans of $14.8 billion and $15.1 billion as of March 31, 2025 and December 31, 2024, respectively, pledged to the FHLB, and loans of $58.3 billion and $55.3 billion as of March 31, 2025 and December 31, 2024, respectively, pledged to the FRB.

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The following table presents a summary of net charge-offs:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Commercial and industrial loans	**$ 52**	35
Commercial mortgage loans	**10**	—
Commercial leases	**2**	—
Indirect secured consumer loans	**21**	24
Credit card	**17**	18
Solar energy installation loans	**18**	12
Other consumer loans	**16**	21
Total net charge-offs	**$ 136**	110

The following table presents the income recognized related to leases where the Bancorp is the lessor:

		For the three months ended March 31,	
($ in millions)	Condensed Consolidated Statements of Income Caption	**2025**	2024
Direct financing leases	Interest and fees on loans and leases	**$ 10**	9
Sales-type leases	Interest and fees on loans and leases	**26**	18
Operating leases	Commercial banking revenue	**20**	28

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6. Credit Quality and the Allowance for Loan and Lease Losses

The Bancorp disaggregates ALLL balances and transactions in the ALLL by portfolio segment. Credit quality related disclosures for loans and leases are further disaggregated by class. Refer to Note 1 and Note 6 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024 for additional information on the Bancorp's accounting policies and estimation practices for the ALLL.

Allowance for Loan and Lease Losses

The following tables summarize transactions in the ALLL by portfolio segment:

For the three months ended March 31, 2025 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	**$ 1,154**	**146**	**1,052**	**2,352**
Losses charged-off[(a)]	**(67)**	**—**	**(106)**	**(173)**
Recoveries of losses previously charged-off[(a)]	**3**	**—**	**34**	**37**
Provision for (benefit from) loan and lease losses	**151**	**(7)**	**24**	**168**
Balance, end of period	**$ 1,241**	**139**	**1,004**	**2,384**

(a) The Bancorp recorded $6 in both losses charged-off and recoveries of losses previously charged-off related to customer defaults on point-of-sale consumer loans for which the Bancorp obtained recoveries under third-party credit enhancements.

For the three months ended March 31, 2024 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$ 1,130	145	1,047	2,322
Losses charged-off[(a)]	(40)	—	(106)	(146)
Recoveries of losses previously charged-off[(a)]	5	—	31	36
Provision for (benefit from) loan and lease losses	46	(5)	65	106
Balance, end of period	$ 1,141	140	1,037	2,318

(a) The Bancorp recorded $8 in both losses charged-off and recoveries of losses previously charged-off related to customer defaults on point-of-sale consumer loans for which the Bancorp obtained recoveries under third-party credit enhancements.

The following tables provide a summary of the ALLL and related loans and leases, classified by portfolio segment:

As of March 31, 2025 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
ALLL:[(a)]				
Individually evaluated	**$ 178**	**1**	**13**	**192**
Collectively evaluated	**1,063**	**138**	**991**	**2,192**
Total ALLL	**$ 1,241**	**139**	**1,004**	**2,384**
Portfolio loans and leases:[(b)]				
Individually evaluated	**$ 563**	**136**	**101**	**800**
Collectively evaluated	**74,574**	**17,336**	**29,372**	**121,282**
Total portfolio loans and leases	**$ 75,137**	**17,472**	**29,473**	**122,082**

(a) Includes $1 related to commercial leveraged leases at March 31, 2025.
(b) Excludes $109 of residential mortgage loans measured at fair value and includes $241 of commercial leveraged leases, net of unearned income, at March 31, 2025.

As of December 31, 2024 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
ALLL:[(a)]				
Individually evaluated	$ 106	—	11	117
Collectively evaluated	1,048	146	1,041	2,235
Total ALLL	$ 1,154	146	1,052	2,352
Portfolio loans and leases:[(b)]				
Individually evaluated	$ 395	131	96	622
Collectively evaluated	72,898	17,304	28,859	119,061
Total portfolio loans and leases	$ 73,293	17,435	28,955	119,683

(a) Includes $1 related to commercial leveraged leases at December 31, 2024.
(b) Excludes $108 of residential mortgage loans measured at fair value and includes $248 of commercial leveraged leases, net of unearned income, at December 31, 2024.

CREDIT RISK PROFILE

Commercial Portfolio Segment

For purposes of monitoring the credit quality and risk characteristics of its commercial portfolio segment, the Bancorp disaggregates the segment into the following classes: commercial and industrial, commercial mortgage owner-occupied, commercial mortgage nonowner-occupied, commercial construction and commercial leases.

To facilitate the monitoring of credit quality within the commercial portfolio segment, the Bancorp utilizes the following categories of credit ratings: pass, special mention, substandard, doubtful and loss. The five categories, which are derived from standard regulatory rating definitions, are assigned upon initial approval of credit to borrowers and updated periodically thereafter.

The Bancorp defines term loans and leases as those having a fixed duration, repayment schedule and defined interest rate. For purposes of disclosing term loans by origination year, the Bancorp generally determines the origination date for loans and leases within the commercial portfolio as the date of the most recent credit decision or extension. Revolving and other loans include loans with revolving privileges and certain complex lending arrangements involving commitments made by the Bancorp under predefined terms, including loans with both revolving and non-revolving components, loans with delayed draw features or loans with interchangeable interest rate and repayment options that extend beyond the time of origination.

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The following tables present the amortized cost basis of the Bancorp's commercial portfolio segment, by class and vintage, disaggregated by credit risk rating:

As of March 31, 2025 ($ in millions)	Term Loans and Leases by Origination Year						Revolving and Other Loans	Total
	2025	2024	2023	2022	2021	Prior		
Commercial and industrial loans:								
Pass	$ 965	2,812	1,180	2,302	1,096	746	41,472	50,573
Special mention	1	64	25	11	9	4	833	947
Substandard	5	115	100	179	84	41	1,507	2,031
Doubtful	—	—	—	2	—	—	147	149
Total commercial and industrial loans	$ 971	2,991	1,305	2,494	1,189	791	43,959	53,700
Commercial mortgage owner-occupied loans:								
Pass	$ 312	777	761	798	609	578	1,827	5,662
Special mention	—	14	6	15	11	2	43	91
Substandard	12	56	41	34	30	43	241	457
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage owner-occupied loans	$ 324	847	808	847	650	623	2,111	6,210
Commercial mortgage nonowner-occupied loans:								
Pass	$ 110	593	745	763	173	628	2,613	5,625
Special mention	—	56	—	20	—	—	206	282
Substandard	2	31	22	29	—	2	154	240
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage nonowner-occupied loans	$ 112	680	767	812	173	630	2,973	6,147
Commercial construction loans:								
Pass	$ —	2	7	—	28	—	4,972	5,009
Special mention	—	—	—	—	—	—	705	705
Substandard	—	—	—	—	—	—	238	238
Doubtful	—	—	—	—	—	—	—	—
Total commercial construction loans	$ —	2	7	—	28	—	5,915	5,952
Commercial leases:								
Pass	$ 395	1,220	308	256	277	612	—	3,068
Special mention	—	4	4	1	2	—	—	11
Substandard	—	—	10	11	4	24	—	49
Doubtful	—	—	—	—	—	—	—	—
Total commercial leases	$ 395	1,224	322	268	283	636	—	3,128
Total commercial loans and leases:								
Pass	$ 1,782	5,404	3,001	4,119	2,183	2,564	50,884	69,937
Special mention	1	138	35	47	22	6	1,787	2,036
Substandard	19	202	173	253	118	110	2,140	3,015
Doubtful	—	—	—	2	—	—	147	149
Total commercial loans and leases	$ 1,802	5,744	3,209	4,421	2,323	2,680	54,958	75,137

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As of December 31, 2024 ($ in millions)	Term Loans and Leases by Origination Year						Revolving and Other Loans	Total
	2024	2023	2022	2021	2020	Prior		
Commercial and industrial loans:								
Pass	$ 2,966	1,346	2,445	1,321	371	437	40,185	49,071
Special mention	15	13	22	1	3	9	1,055	1,118
Substandard	67	95	182	74	32	15	1,545	2,010
Doubtful	—	—	2	—	—	—	70	72
Total commercial and industrial loans	$ 3,048	1,454	2,651	1,396	406	461	42,855	52,271
Commercial mortgage owner-occupied loans:								
Pass	$ 786	790	844	630	315	307	1,829	5,501
Special mention	8	9	23	7	—	3	31	81
Substandard	64	34	24	28	9	43	239	441
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage owner-occupied loans	$ 858	833	891	665	324	353	2,099	6,023
Commercial mortgage nonowner-occupied loans:								
Pass	$ 710	751	769	170	263	408	2,698	5,769
Special mention	54	—	50	5	—	—	150	259
Substandard	38	27	9	—	—	2	119	195
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage nonowner-occupied loans	$ 802	778	828	175	263	410	2,967	6,223
Commercial construction loans:								
Pass	$ 4	21	—	29	—	—	4,565	4,619
Special mention	—	—	—	—	—	—	756	756
Substandard	—	—	—	—	—	—	213	213
Doubtful	—	—	—	—	—	—	—	—
Total commercial construction loans	$ 4	21	—	29	—	—	5,534	5,588
Commercial leases:								
Pass	$ 1,532	335	281	311	137	517	—	3,113
Special mention	4	4	2	3	2	4	—	19
Substandard	—	11	12	4	3	26	—	56
Doubtful	—	—	—	—	—	—	—	—
Total commercial leases	$ 1,536	350	295	318	142	547	—	3,188
Total commercial loans and leases:								
Pass	$ 5,998	3,243	4,339	2,461	1,086	1,669	49,277	68,073
Special mention	81	26	97	16	5	16	1,992	2,233
Substandard	169	167	227	106	44	86	2,116	2,915
Doubtful	—	—	2	—	—	—	70	72
Total commercial loans and leases	$ 6,248	3,436	4,665	2,583	1,135	1,771	53,455	73,293

The following tables summarize the Bancorp's gross charge-offs within the commercial portfolio segment, by class and vintage:

For the three months ended March 31, 2025 ($ in millions)	Term Loans and Leases by Origination Year						Revolving and Other Loans	Total
	2025	2024	2023	2022	2021	Prior		
Commercial loans and leases:								
Commercial and industrial loans	**$ —**	**6**	**4**	**1**	**—**	**—**	**43**	**54**
Commercial mortgage owner-occupied loans	**—**	**—**	**—**	**—**	**—**	**11**	**—**	**11**
Commercial leases	**—**	**—**	**—**	**—**	**—**	**2**	**—**	**2**
Total commercial loans and leases	**$ —**	**6**	**4**	**1**	**—**	**13**	**43**	**67**

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For the three months ended March 31, 2024 ($ in millions)	Term Loans and Leases by Origination Year						Revolving and Other Loans	Total
	2024	2023	2022	2021	2020	Prior		
Commercial loans and leases:								
Commercial and industrial loans	$ —	1	2	—	—	—	37	40
Commercial mortgage owner-occupied loans	—	—	—	—	—	—	—	—
Commercial leases	—	—	—	—	—	—	—	—
Total commercial loans and leases	$ —	1	2	—	—	—	37	40

Age Analysis of Past Due Commercial Loans and Leases

The following tables summarize the Bancorp's amortized cost basis in portfolio commercial loans and leases, by age and class:

As of March 31, 2025 ($ in millions)	Current Loans and Leases[(a)]	Past Due			Total Loans and Leases	90 Days Past Due and Still Accruing
		30-89 Days[(a)]	90 Days or More[(a)]	Total Past Due		
Commercial loans and leases:						
Commercial and industrial loans	**$ 53,377**	**147**	**176**	**323**	**53,700**	**2**
Commercial mortgage owner-occupied loans	**6,172**	**6**	**32**	**38**	**6,210**	**5**
Commercial mortgage nonowner-occupied loans	**6,137**	**3**	**7**	**10**	**6,147**	**1**
Commercial construction loans	**5,952**	**—**	**—**	**—**	**5,952**	**—**
Commercial leases	**3,082**	**45**	**1**	**46**	**3,128**	**—**
Total portfolio commercial loans and leases	**$ 74,720**	**201**	**216**	**417**	**75,137**	**8**

(a) Includes accrual and nonaccrual loans and leases.

As of December 31, 2024 ($ in millions)	Current Loans and Leases[(a)]	Past Due			Total Loans and Leases	90 Days Past Due and Still Accruing
		30-89 Days[(a)]	90 Days or More[(a)]	Total Past Due		
Commercial loans and leases:						
Commercial and industrial loans	$ 52,098	90	83	173	52,271	5
Commercial mortgage owner-occupied loans	5,980	40	3	43	6,023	—
Commercial mortgage nonowner-occupied loans	6,215	6	2	8	6,223	—
Commercial construction loans	5,587	1	—	1	5,588	—
Commercial leases	3,167	18	3	21	3,188	1
Total portfolio commercial loans and leases	$ 73,047	155	91	246	73,293	6

(a) Includes accrual and nonaccrual loans and leases.

Residential Mortgage and Consumer Portfolio Segments

For purposes of monitoring the credit quality and risk characteristics of its consumer portfolio segment, the Bancorp disaggregates the segment into the following classes: home equity, indirect secured consumer loans, credit card, solar energy installation loans and other consumer loans. The Bancorp's residential mortgage portfolio segment is also a separate class.

The Bancorp considers repayment performance as the best indicator of credit quality for residential mortgage and consumer loans, which includes both the delinquency status and performing versus nonperforming status of the loans.

The following tables present the amortized cost basis of the Bancorp's residential mortgage and consumer portfolio segments, by class and vintage, disaggregated by both delinquency and performing versus nonperforming status:

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As of March 31, 2025 ($ in millions)	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2025	2024	2023	2022	2021	Prior			
Residential mortgage loans:									
Performing:									
Current[(a)]	$ 346	2,124	973	2,885	4,472	6,495	—	—	17,295
30-89 days past due	—	3	2	3	5	13	—	—	26
90 days or more past due	—	—	1	—	3	4	—	—	8
Nonperforming	—	—	4	12	15	112	—	—	143
Total residential mortgage loans[(b)]	$ 346	2,127	980	2,900	4,495	6,624	—	—	17,472
Home equity:									
Performing:									
Current	$ 40	160	63	32	2	87	3,714	71	4,169
30-89 days past due	—	—	—	—	—	1	23	3	27
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	—	—	—	—	7	59	3	69
Total home equity	$ 40	160	63	32	2	95	3,796	77	4,265
Indirect secured consumer loans:									
Performing:									
Current	$ 2,331	6,036	2,572	2,767	2,042	882	—	—	16,630
30-89 days past due	1	21	25	33	21	13	—	—	114
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	7	12	19	13	9	—	—	60
Total indirect secured consumer loans	$ 2,332	6,064	2,609	2,819	2,076	904	—	—	16,804
Credit card:									
Performing:									
Current	$ —	—	—	—	—	—	1,595	—	1,595
30-89 days past due	—	—	—	—	—	—	17	—	17
90 days or more past due	—	—	—	—	—	—	17	—	17
Nonperforming	—	—	—	—	—	—	31	—	31
Total credit card	$ —	—	—	—	—	—	1,660	—	1,660
Solar energy installation loans:									
Performing:									
Current	$ 192	849	2,047	1,088	2	32	—	—	4,210
30-89 days past due	—	3	13	6	—	—	—	—	22
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	1	17	11	—	1	—	—	30
Total solar energy installation loans	$ 192	853	2,077	1,105	2	33	—	—	4,262
Other consumer loans:									
Performing:									
Current	$ 56	170	319	471	197	283	926	31	2,453
30-89 days past due	—	1	4	7	3	3	3	—	21
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	—	2	3	—	1	1	1	8
Total other consumer loans	$ 56	171	325	481	200	287	930	32	2,482
Total residential mortgage and consumer loans:									
Performing:									
Current	$ 2,965	9,339	5,974	7,243	6,715	7,779	6,235	102	46,352
30-89 days past due	1	28	44	49	29	30	43	3	227
90 days or more past due	—	—	1	—	3	4	17	—	25
Nonperforming	—	8	35	45	28	130	91	4	341
Total residential mortgage and consumer loans[(b)]	$ 2,966	9,375	6,054	7,337	6,775	7,943	6,386	109	46,945

(a) Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the FHA or guaranteed by the VA. As of March 31, 2025, $73 of these loans were 30-89 days past due and $167 were 90 days or more past due. The Bancorp recognized an immaterial amount of losses during the three months ended March 31, 2025 due to claim denials and curtailments associated with these insured or guaranteed loans.

(b) Excludes $109 of residential mortgage loans measured at fair value at March 31, 2025, including $1 of 30-89 days past due loans and $2 of nonperforming loans.

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As of December 31, 2024 ($ in millions)	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
Residential mortgage loans:									
Performing:									
Current[(a)]	$ 1,961	998	2,961	4,606	2,491	4,245	—	—	17,262
30-89 days past due	1	3	4	9	4	12	—	—	33
90 days or more past due	1	—	1	1	—	2	—	—	5
Nonperforming	—	2	9	13	8	103	—	—	135
Total residential mortgage loans[(b)]	$ 1,963	1,003	2,975	4,629	2,503	4,362	—	—	17,435
Home equity:									
Performing:									
Current	$ 168	67	34	2	4	86	3,660	72	4,093
30-89 days past due	—	—	—	—	—	1	23	1	25
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	—	1	—	—	7	56	6	70
Total home equity	$ 168	67	35	2	4	94	3,739	79	4,188
Indirect secured consumer loans:									
Performing:									
Current	$ 6,773	2,836	3,046	2,371	753	349	—	—	16,128
30-89 days past due	19	27	39	27	11	7	—	—	130
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	4	10	19	13	5	4	—	—	55
Total indirect secured consumer loans	$ 6,796	2,873	3,104	2,411	769	360	—	—	16,313
Credit card:									
Performing:									
Current	$ —	—	—	—	—	—	1,664	—	1,664
30-89 days past due	—	—	—	—	—	—	18	—	18
90 days or more past due	—	—	—	—	—	—	20	—	20
Nonperforming	—	—	—	—	—	—	32	—	32
Total credit card	$ —	—	—	—	—	—	1,734	—	1,734
Solar energy installation loans:									
Performing:									
Current	$ 894	2,095	1,094	2	—	33	—	—	4,118
30-89 days past due	2	11	7	—	—	—	—	—	20
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	1	34	28	—	—	1	—	—	64
Total solar energy installation loans	$ 897	2,140	1,129	2	—	34	—	—	4,202
Other consumer loans:									
Performing:									
Current	$ 201	351	507	219	171	142	860	34	2,485
30-89 days past due	1	5	10	3	1	2	1	1	24
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	2	4	1	—	1	—	1	9
Total other consumer loans	$ 202	358	521	223	172	145	861	36	2,518
Total residential mortgage and consumer loans:									
Performing:									
Current	$ 9,997	6,347	7,642	7,200	3,419	4,855	6,184	106	45,750
30-89 days past due	23	46	60	39	16	22	42	2	250
90 days or more past due	1	—	1	1	—	2	20	—	25
Nonperforming	5	48	61	27	13	116	88	7	365
Total residential mortgage and consumer loans[(b)]	$10,026	6,441	7,764	7,267	3,448	4,995	6,334	115	46,390

(a) Information includes advances made pursuant to servicing agreements for GNMA mortgage pools whose repayments are insured by the FHA or guaranteed by the VA. As of December 31, 2024, $90 of these loans were 30-89 days past due and $162 were 90 days or more past due. The Bancorp recognized an immaterial amount of losses during the three months ended March 31, 2024 due to claim denials and curtailments associated with these insured or guaranteed loans.

(b) Excludes $108 of residential mortgage loans measured at fair value at December 31, 2024, including $1 of 30-89 days past due loans, $1 of 90 days or more past due loans and $2 of nonperforming loans.

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The following tables summarize the Bancorp's gross charge-offs within the residential mortgage and consumer portfolio segments, by class and vintage:

For the three months ended March 31, 2025 ($ in millions)	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2025	2024	2023	2022	2021	Prior			
Consumer loans:									
Home equity	**$ —**	**—**	**—**	**—**	**—**	**—**	**2**	**—**	**2**
Indirect secured consumer loans	**—**	**6**	**11**	**12**	**4**	**3**	**—**	**—**	**36**
Credit card	**—**	**—**	**—**	**—**	**—**	**—**	**22**	**—**	**22**
Solar energy installation loans	**—**	**3**	**11**	**7**	**—**	**—**	**—**	**—**	**21**
Other consumer loans	**—**	**1**	**4**	**7**	**2**	**3**	**8**	**—**	**25**
Total residential mortgage and consumer loans	**$ —**	**10**	**26**	**26**	**6**	**6**	**32**	**—**	**106**

For the three months ended March 31, 2024 ($ in millions)	Term Loans by Origination Year						Revolving Loans	Revolving Loans Converted to Term Loans	Total
	2024	2023	2022	2021	2020	Prior			
Consumer loans:									
Home equity	$ —	—	—	—	—	—	2	—	2
Indirect secured consumer loans	—	8	13	7	3	4	—	—	35
Credit card	—	—	—	—	—	—	23	—	23
Solar energy installation loans	—	8	6	—	—	—	—	—	14
Other consumer loans	—	4	11	3	2	3	8	1	32
Total residential mortgage and consumer loans	$ —	20	30	10	5	7	33	1	106

Collateral-Dependent Loans and Leases

The Bancorp considers a loan or lease to be collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. When a loan or lease is collateral-dependent, its fair value is generally based on the fair value less cost to sell of the underlying collateral.

The following table presents the amortized cost basis of the Bancorp's collateral-dependent loans and leases, by portfolio class, as of:

($ in millions)		**March 31, 2025**	December 31, 2024
Commercial loans and leases:			
Commercial and industrial loans	**$**	**493**	325
Commercial mortgage owner-occupied loans		**47**	63
Commercial mortgage nonowner-occupied loans		**7**	4
Commercial construction loans		**—**	1
Commercial leases		**16**	2
Total commercial loans and leases	**$**	**563**	395
Residential mortgage loans		**136**	131
Consumer loans:			
Home equity		**66**	66
Indirect secured consumer loans		**35**	30
Total consumer loans	**$**	**101**	96
Total portfolio loans and leases	**$**	**800**	622

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Nonperforming Assets

Nonperforming assets include nonaccrual loans and leases for which ultimate collectability of the full amount of the principal and/or interest is uncertain and certain other assets, including OREO and other repossessed property.

The following table presents the amortized cost basis of the Bancorp's nonaccrual loans and leases, by class, and OREO and other repossessed property as of:

	March 31, 2025			December 31, 2024		
($ in millions)	With an ALLL	No Related ALLL	Total	With an ALLL	No Related ALLL	Total
Commercial loans and leases:						
Commercial and industrial loans	**$ 439**	**98**	**537**	265	109	374
Commercial mortgage owner-occupied loans	**59**	**3**	**62**	52	23	75
Commercial mortgage nonowner-occupied loans	**4**	**4**	**8**	—	4	4
Commercial construction loans	**—**	**—**	**—**	—	1	1
Commercial leases	**1**	**15**	**16**	2	—	2
Total nonaccrual portfolio commercial loans and leases	**$ 503**	**120**	**623**	319	137	456
Residential mortgage loans	**66**	**79**	**145**	57	80	137
Consumer loans:						
Home equity	**20**	**49**	**69**	21	49	70
Indirect secured consumer loans	**51**	**9**	**60**	48	7	55
Credit card	**31**	**—**	**31**	32	—	32
Solar energy installation loans	**30**	**—**	**30**	64	—	64
Other consumer loans	**8**	**—**	**8**	9	—	9
Total nonaccrual portfolio consumer loans	**$ 140**	**58**	**198**	174	56	230
Total nonaccrual portfolio loans and leases[(a)(b)]	**$ 709**	**257**	**966**	550	273	823
OREO and other repossessed property	**—**	**30**	**30**	—	30	30
Total nonperforming portfolio assets[(a)(b)]	**$ 709**	**287**	**996**	550	303	853

(a) Excludes $21 and $7 of nonaccrual loans held for sale as of March 31, 2025 and December 31, 2024, respectively.
(b) Includes $19 and $18 of nonaccrual government-insured commercial loans whose repayments are insured by the SBA as of March 31, 2025 and December 31, 2024, respectively.

The Bancorp recognized an immaterial amount of interest income on nonaccrual loans and leases for both the three months ended March 31, 2025 and 2024.

The Bancorp's amortized cost basis of consumer mortgage loans secured by residential real estate properties for which formal foreclosure proceedings are in process according to local requirements of the applicable jurisdiction was $110 million and $94 million as of March 31, 2025 and December 31, 2024, respectively.

Modifications to Borrowers Experiencing Financial Difficulty

In the course of servicing its loans, the Bancorp works with borrowers who are experiencing financial difficulty to identify solutions that are mutually beneficial to both parties with the objective of mitigating the risk of losses on the loan. These efforts often result in modifications to the payment terms of the loan. The types of modifications offered to borrowers vary by type of loan and may include term extensions, interest rate reductions, payment delays (other than those that are insignificant) or combinations thereof. The Bancorp typically does not provide principal forgiveness except in circumstances where the loan has already been fully or partially charged off.

The Bancorp applies its expected credit loss models consistently to both modified and non-modified loans when estimating the ALLL. For loans which are modified for borrowers experiencing financial difficulty, there is generally not a significant change to the ALLL upon modification because the Bancorp's ALLL estimation methodologies already consider those borrowers' financial difficulties and the resulting effects of potential modifications when estimating expected credit losses.

Portfolio loans with an amortized cost basis of $254 million and $207 million as of March 31, 2025 and 2024, respectively, were modified during the three months ended March 31, 2025 and 2024, respectively, for borrowers experiencing financial difficulty, as further discussed in the following sections. These modifications for the three months ended March 31, 2025 and 2024 represented 0.21% and 0.18%, respectively, of total portfolio loans and leases as of March 31, 2025 and 2024, respectively. These amounts excluded $19 million and $8 million for the three months ended March 31, 2025 and 2024, respectively, of consumer and residential mortgage loans which have been granted a concession under provisions of the Federal Bankruptcy Act and are monitored separately from loans modified under the Bancorp's loan modification programs. As of March 31, 2025 and December 31, 2024, the Bancorp had commitments of $114 million and $88 million,

respectively, to lend additional funds to borrowers experiencing financial difficulty whose terms have been modified during the twelve months ended March 31, 2025 and December 31, 2024, respectively.

Commercial portfolio segment

Commercial loan modifications are individually negotiated and may vary depending on the borrower's financial situation, but the Bancorp most commonly utilizes term extensions for periods of three to twelve months. In less common situations, and when specifically warranted by the borrower's situation, the Bancorp may also consider offering commercial borrowers interest rate reductions or payment delays, which may be combined with a term extension.

The following tables present the amortized cost basis as of March 31, 2025 and 2024 of the Bancorp's commercial portfolio loans that were modified for borrowers experiencing financial difficulty, by portfolio class and type of modification, for the three months ended:

March 31, 2025 ($ in millions)	Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class
Commercial and industrial loans	**$ 50**	**6**	**65**	**—**	**121**	**0.23 %**
Commercial mortgage owner-occupied loans	**5**	**24**	**—**	**—**	**29**	**0.47**
Commercial mortgage nonowner-occupied loans	**24**	**—**	**—**	**—**	**24**	**0.39**
Commercial construction loans	**8**	**—**	**42**	**—**	**50**	**0.84**
Total commercial portfolio loans	**$ 87**	**30**	**107**	**—**	**224**	**0.31 %**

March 31, 2024 ($ in millions)	Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class
Commercial and industrial loans	$ 99	—	53	1	153	0.29 %
Commercial mortgage owner-occupied loans	12	—	—	—	12	0.22
Commercial mortgage nonowner-occupied loans	5	—	—	—	5	0.08
Commercial construction loans	—	—	—	—	—	—
Total commercial portfolio loans	$ 116	—	53	1	170	0.24 %

Residential mortgage portfolio segment

The Bancorp has established residential mortgage loan modification programs which define the type of modifications available as well as the eligibility criteria for borrowers. The designs of the Bancorp's modification programs for residential mortgage loans are similar to those utilized by the various GSEs. The most common modification program utilized for residential mortgage loans is a term extension for up to 480 months from the modification date, combined with a change in interest rate to a fixed rate (which may be an increase or decrease from the rate in the original loan). As part of these modifications, the Bancorp may capitalize delinquent amounts due at the time of the modification into the principal balance of the loan when determining its modified payment structure. For loans where the modification results in a new monthly payment amount, borrowers may be required to complete a trial period of three to four months before the loan is permanently modified. The Bancorp also offers payment delay modifications to qualified borrowers which allow either the delay of repayment for delinquent amounts due until maturity or capitalization of delinquent amounts due into the principal balance of the loan. The number of monthly payments delayed varies by borrower but is most commonly within a range of six to twelve months.

The following table presents the amortized cost basis as of March 31, 2025 and 2024 of the Bancorp's residential mortgage portfolio loans that were modified for borrowers experiencing financial difficulty, by type of modification, during the three months ended:

	March 31, 2025		March 31, 2024	
($ in millions)	Total	% of Total Class	Total	% of Total Class
Payment delay	**$ —**	**— %**	$ 2	0.01 %
Term extension and payment delay	**16**	**0.09**	22	0.13
Term extension, interest rate reduction and payment delay	**2**	**0.01**	2	0.01
Total residential mortgage portfolio loans	**$ 18**	**0.10 %**	$ 26	0.15 %

The Bancorp had $3 million and $1 million of in-process modifications to residential mortgage loans outstanding as of March 31, 2025 and 2024, respectively, which are excluded from the completed modification activity in the table above. These in-process modifications will be reported as completed modifications once the borrower satisfies the applicable contingencies in the modification agreement and the loan is contractually modified to make the modified terms permanent.

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Consumer portfolio segment

The Bancorp's modification programs for consumer loans vary based on type of loan. The most common modification program for home equity is a term extension for up to 360 months combined with a delay in repayment of delinquent amounts due until maturity, which is typically combined with an interest rate reduction. Modification programs for credit card typically involve an interest rate reduction and an increase to the minimum monthly payment in order to repay a larger portion of outstanding balances. Modifications for indirect secured consumer loans, solar energy installation loans and other consumer loans are less commonly utilized as part of the Bancorp's loss mitigation activities and programs vary by specific product type.

The following tables present the amortized cost basis as of March 31, 2025 and 2024 of the Bancorp's consumer portfolio loans that were modified for borrowers experiencing financial difficulty, by portfolio class and type of modification, during the three months ended:

March 31, 2025 ($ in millions)	Interest Rate Reduction	Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class
Home equity	**$ 1**	**—**	**3**	**4**	**0.09 %**
Credit card	**6**	**—**	**—**	**6**	**0.36**
Solar energy installation loans	**—**	**1**	**—**	**1**	**0.02**
Other consumer loans	**—**	**1**	**—**	**1**	**0.04**
Total consumer portfolio loans	**$ 7**	**2**	**3**	**12**	**0.04 %**

March 31, 2024 ($ in millions)	Interest Rate Reduction	Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class
Home equity	$ 1	—	2	3	0.08 %
Credit card	7	—	—	7	0.40
Solar energy installation loans	—	—	—	—	—
Other consumer loans	—	1	—	1	0.04
Total consumer portfolio loans	$ 8	1	2	11	0.04 %

Financial effects of loan modifications

The following table presents the financial effects of the Bancorp's significant types of portfolio loan modifications to borrowers experiencing financial difficulty, by portfolio class for the three months ended March 31:

	Financial Effects	**2025**	2024
Commercial loans:			
Commercial and industrial loans	Weighted-average length of term extensions	**6 months**	5 months
	Weighted-average length of payment delay	**4 months**	3 months
Commercial mortgage owner-occupied loans	Weighted-average length of term extensions	**9 months**	3 months
	Weighted-average length of payment delay	**10 months**	N/A
Commercial mortgage nonowner-occupied loans	Weighted-average length of term extensions	**4 months**	6 months
Commercial construction loans	Weighted-average length of term extensions	**13 months**	N/A
	Weighted-average length of payment delay	**7 months**	N/A
Residential mortgage loans	Weighted-average length of term extensions	**10.1 years**	10.9 years
	Approximate amount of payment delays as a percentage of the related loan balances	**11%**	12%
Consumer loans:			
Home equity	Weighted-average length of term extensions	**16.8 years**	27.1 years
	Weighted-average interest rate reduction	**From 8.3% to 6.9%**	From 9.1% to 7.3%
	Approximate amount of payment delays as a percentage of the related loan balances	**8%**	4%
Credit card	Weighted-average interest rate reduction	**From 23.0% to 4.3%**	From 24.1% to 4.2%

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Credit quality of modified loans

The Bancorp closely monitors the performance of loans that are modified for borrowers experiencing financial difficulty to understand the effectiveness of its modification efforts.

The following tables present the amortized cost basis as of March 31, 2025 and 2024 for the Bancorp's portfolio loans that were modified during the twelve months ended March 31, 2025 and 2024, respectively, for borrowers experiencing financial difficulty, by age and portfolio class:

March 31, 2025 ($ in millions)	Current	Past Due 30-89 Days	Past Due 90 Days or More	Total
Commercial loans:				
Commercial and industrial loans	**$ 213**	**6**	**33**	**252**
Commercial mortgage owner-occupied loans	**66**	**—**	**24**	**90**
Commercial mortgage nonowner-occupied loans	**72**	**—**	**—**	**72**
Commercial construction loans	**107**	**1**	**—**	**108**
Residential mortgage loans	**55**	**11**	**15**	**81**
Consumer loans:				
Home equity	**13**	**1**	**1**	**15**
Credit card[(a)]	**15**	**3**	**2**	**20**
Solar energy installation loans	**1**	**—**	**—**	**1**
Other consumer loans	**3**	**—**	**—**	**3**
Total portfolio loans	**$ 545**	**22**	**75**	**642**

(a) Credit card loans continue to be reported as delinquent after modification as they are not returned to current status until the borrower demonstrates a willingness and ability to repay the loan according to its modified terms.

March 31, 2024 ($ in millions)	Current	Past Due 30-89 Days	Past Due 90 Days or More	Total
Commercial loans:				
Commercial and industrial loans	$ 207	11	56	274
Commercial mortgage owner-occupied loans	21	16	—	37
Commercial mortgage nonowner-occupied loans	50	3	—	53
Commercial construction loans	74	—	—	74
Residential mortgage loans	82	12	16	110
Consumer loans:				
Home equity	13	1	1	15
Credit card[(a)]	17	4	3	24
Solar energy installation loans	1	—	—	1
Other consumer loans	4	—	—	4
Total portfolio loans	$ 469	47	76	592

(a) Credit card loans continue to be reported as delinquent after modification as they are not returned to current status until the borrower demonstrates a willingness and ability to repay the loan according to its modified terms.

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The Bancorp considers modifications to borrowers experiencing financial difficulty that subsequently become 90 days or more past due under the modified terms as subsequently defaulted. The following tables present the amortized cost basis as of March 31, 2025 and 2024 of the modifications for borrowers experiencing financial difficulty that subsequently defaulted during the three months ended March 31, 2025 and 2024, respectively, and were within twelve months of the modification date:

March 31, 2025 ($ in millions)	Term Extension	Interest Rate Reduction	Payment Delay	Term Extension and Interest Rate Reduction	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total
Commercial loans:							
Commercial and industrial loans	**$ —**	**—**	**11**	**—**	**6**	**—**	**17**
Commercial mortgage owner-occupied loans	**—**	**—**	**—**	**—**	**24**	**—**	**24**
Residential mortgage loans	**—**	**—**	**—**	**—**	**7**	**2**	**9**
Consumer loans:							
Home equity	**—**	**1**	**—**	**—**	**—**	**—**	**1**
Credit card	**—**	**3**	**—**	**—**	**—**	**—**	**3**
Total portfolio loans	**$ —**	**4**	**11**	**—**	**37**	**2**	**54**

March 31, 2024 ($ in millions)	Term Extension	Interest Rate Reduction	Payment Delay	Term Extension and Interest Rate Reduction	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total
Commercial loans:							
Commercial and industrial loans	$ 8	—	—	1	—	—	9
Commercial mortgage owner-occupied loans	—	—	—	—	—	—	—
Residential mortgage loans	—	—	1	—	8	—	9
Consumer loans:							
Home equity	—	—	—	—	1	—	1
Credit card	—	4	—	—	—	—	4
Total portfolio loans	$ 8	4	1	1	9	—	23

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7. Variable Interest Entities

The Bancorp, in the normal course of business, engages in a variety of activities that involve VIEs, which are legal entities that lack sufficient equity at risk to finance their activities without additional subordinated financial support or the equity investors of the entities as a group lack any of the characteristics of a controlling interest. The Bancorp evaluates its interest in certain entities to determine if these entities meet the definition of a VIE and whether the Bancorp is the primary beneficiary and should consolidate the entity based on the variable interests it held both at inception and when there is a change in circumstances that requires a reconsideration. If the Bancorp is determined to be the primary beneficiary of a VIE, it must account for the VIE as a consolidated subsidiary. If the Bancorp is determined not to be the primary beneficiary of a VIE but holds a variable interest in the entity, such variable interests are accounted for under the equity method of accounting or other accounting standards as appropriate.

Consolidated VIEs

The Bancorp has consolidated VIEs related to an automobile loan securitization and a solar loan securitization where it has determined that it is the primary beneficiary. The following table provides a summary of assets and liabilities recorded on the Condensed Consolidated Balance Sheets for these consolidated VIEs as of:

($ in millions)		**March 31, 2025**	December 31, 2024
Assets:			
Other short-term investments	**$**	**47**	51
Indirect secured consumer loans		**843**	967
Solar energy installation loans		**31**	33
ALLL		**(16)**	(19)
Other assets		**6**	5
Total assets	**$**	**911**	1,037
Liabilities:			
Other liabilities	**$**	**12**	12
Long-term debt		**774**	889
Total liabilities	**$**	**786**	901

The Bancorp previously completed a securitization transaction in which the Bancorp transferred certain consumer automobile loans to a bankruptcy remote trust which was deemed to be a VIE. Additionally, as a result of a previous business acquisition, the Bancorp acquired interests in a completed securitization transaction in which solar energy installation loans were transferred to a bankruptcy remote trust which was deemed to be a VIE.

In each of these securitization transactions, the primary purposes of the VIEs were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide access to liquidity for originated loans. The Bancorp retained residual interests in the VIEs and, therefore, has an obligation to absorb losses and a right to receive benefits from the VIEs that could potentially be significant to the VIEs. In addition, the Bancorp retained servicing rights for the underlying loans and, therefore, holds the power to direct the activities of the VIEs that most significantly impact the economic performance of the VIEs. As a result, the Bancorp concluded that it is the primary beneficiary of the VIEs and has consolidated these VIEs. The assets of the VIEs are restricted to the settlement of the asset-backed securities and other obligations of the VIEs. The third-party holders of the asset-backed notes do not have recourse to the general assets of the Bancorp.

The economic performance of the VIEs is most significantly impacted by the performance of the underlying loans. The principal risks to which the VIEs are exposed include credit risk and prepayment risk. The credit and prepayment risks are managed through credit enhancements in the form of reserve accounts, over-collateralization, excess interest on the loans and the subordination of certain classes of asset-backed securities to other classes.

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Non-consolidated VIEs

The following tables provide a summary of assets and liabilities carried on the Condensed Consolidated Balance Sheets related to non-consolidated VIEs for which the Bancorp holds an interest, but is not the primary beneficiary of the VIE, as well as the Bancorp's maximum exposure to losses associated with its interests in the entities as of:

March 31, 2025 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$ 2,183**	**720**	**2,230**
Private equity investments	**281**	**—**	**498**
Loans provided to VIEs	**4,588**	**—**	**7,482**
Lease pool entities	**28**	**—**	**28**
Solar loan securitizations	**8**	**—**	**8**

December 31, 2024 ($ in millions)	Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$ 2,179	741	2,224
Private equity investments	268	—	487
Loans provided to VIEs	4,711	—	7,529
Lease pool entities	30	—	30
Solar loan securitizations	8	—	8

CDC investments

CDC invests in projects to create affordable housing and revitalize business and residential areas. CDC generally co-invests with other unrelated companies and/or individuals and typically makes investments in a separate legal entity that owns the property under development. The entities are usually formed as limited partnerships and LLCs and CDC typically invests as a limited partner/investor member in the form of equity contributions. The economic performance of the VIEs is driven by the performance of their underlying investment projects as well as the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it lacks the power to direct the activities that most significantly impact the economic performance of the underlying project or the VIEs' ability to operate in compliance with the rules and regulations necessary for the qualification of tax credits generated by equity investments. This power is held by the managing members who exercise full and exclusive control of the operations of the VIEs. For information regarding the Bancorp's accounting for these investments, refer to Note 1 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

The Bancorp's funding requirements are limited to its invested capital and any additional unfunded commitments for future equity contributions. The Bancorp's maximum exposure to loss as a result of its involvement with the VIEs is limited to the carrying amounts of the investments, including the unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Condensed Consolidated Balance Sheets, and the liabilities related to the unfunded commitments, which are included in other liabilities in the Condensed Consolidated Balance Sheets, are included in the previous tables for all periods presented. Certain CDC investments include undrawn liquidity and lending commitments which are included in the maximum exposure amount but not included in the Condensed Consolidated Balance Sheets. The Bancorp has no other liquidity arrangements or obligations to purchase assets of the VIEs that would expose the Bancorp to a loss. In certain arrangements, the general partner/managing member of the VIE has guaranteed a level of projected tax credits to be received by the limited partners/investor members, thereby minimizing a portion of the Bancorp's risk.

The Bancorp utilizes the proportional amortization method to account for its qualifying investments in projects that are related to certain income tax credit programs. These tax credit programs include the LIHTC program established under Section 42 of the IRC, the New Markets Tax Credit program established under Section 45D of the IRC and the Rehabilitation Investment Tax Credit program established under Section 47 of the IRC.

At both March 31, 2025 and December 31, 2024, the Bancorp's CDC investments included $2.0 billion of tax credit program investments accounted for under the proportional amortization method. The unfunded commitments related to these investments were $720 million and $741 million at March 31, 2025 and December 31, 2024, respectively. The unfunded commitments as of March 31, 2025 are expected to be funded from 2025 to 2044.

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The following table summarizes the impacts to the Condensed Consolidated Statements of Income related to the Bancorp's tax credit program investments:

($ in millions)	Condensed Consolidated Statements of Income Caption[(a)]	For the three months ended March 31,	
		2025	2024
Proportional amortization	Applicable income tax expense	**$ 47**	47
Tax credits and other benefits[(b)]	Applicable income tax expense	**(56)**	(58)
Changes in carrying amounts of equity method investments[(c)]	Other noninterest expense	**2**	2

(a) The Bancorp did not recognize impairment losses resulting from the forfeiture or ineligibility of tax credits or other circumstances during both the three months ended March 31, 2025 and 2024.

(b) The related cash flows are classified as operating activities in the Condensed Consolidated Statements of Cash Flows primarily in net change in other assets.

(c) These amounts pertain to tax credit program investments which were accounted for under the equity method as they did not meet the qualification criteria for the proportional amortization method.

Private equity investments

The Bancorp invests as a limited partner in private equity investment funds which provide the Bancorp an opportunity to obtain higher rates of return on invested capital, while also providing strategic opportunities in certain cases. Each of the limited partnerships has an unrelated third-party general partner responsible for appointing the fund manager. The Bancorp has not been appointed fund manager for any of these private equity investments. The funds finance primarily all of their activities from the partners' capital contributions and investment returns. The Bancorp has determined that it is not the primary beneficiary of the funds because it does not have the obligation to absorb the funds' expected losses or the right to receive the funds' expected residual returns that could potentially be significant to the funds and lacks the power to direct the activities that most significantly impact the economic performance of the funds. The Bancorp, as a limited partner, does not have substantive participating or substantive kick-out rights over the general partner. Therefore, the Bancorp accounts for its investments in these limited partnerships under the equity method of accounting.

The Bancorp is exposed to losses arising from the negative performance of the underlying investments in the private equity investment funds. As a limited partner, the Bancorp's maximum exposure to loss is limited to the carrying amounts of the investments plus unfunded commitments. The carrying amounts of these investments, which are included in other assets in the Condensed Consolidated Balance Sheets, are presented in previous tables. Also, at March 31, 2025 and December 31, 2024, the Bancorp's unfunded commitment amounts to the private equity funds were $217 million and $219 million, respectively. As part of previous commitments, the Bancorp made capital contributions to private equity investments of $17 million and $14 million during the three months ended March 31, 2025 and 2024, respectively.

Loans provided to VIEs

The Bancorp has provided funding to certain unconsolidated VIEs sponsored by third parties. These VIEs are generally established to finance certain consumer and business loans originated by third parties. The entities are primarily funded through the issuance of a loan from the Bancorp or a syndication through which the Bancorp is involved. The sponsor/administrator of the entities is responsible for servicing the underlying assets in the VIEs. Because the sponsor/administrator, not the Bancorp, holds the servicing responsibilities, which include the establishment and employment of default mitigation policies and procedures, the Bancorp does not hold the power to direct the activities that most significantly impact the economic performance of the entity and, therefore, is not the primary beneficiary.

The principal risk to which these entities are exposed is credit risk related to the underlying assets. The Bancorp's maximum exposure to loss is equal to the carrying amounts of the loans and unfunded commitments to the VIEs. The Bancorp's outstanding loans to these VIEs are included in commercial loans in Note 5. As of March 31, 2025 and December 31, 2024, the Bancorp's unfunded commitments to these entities were $2.9 billion and $2.8 billion, respectively. The loans and unfunded commitments to these VIEs are included in the Bancorp's overall analysis of the ALLL and reserve for unfunded commitments, respectively. The Bancorp does not provide any implicit or explicit liquidity guarantees or principal value guarantees to these VIEs.

Lease pool entities

The Bancorp is a co-investor with other unrelated leasing companies in three LLCs designed for the purpose of purchasing pools of residual interests in leases which have been originated or purchased by the other investing member. For each LLC, the leasing company is the managing member and has full authority over the day-to-day operations of the entity. While the Bancorp holds more than 50% of the equity interests in each LLC, the operating agreements require both members to consent to significant corporate actions, such as liquidating the entity or removing the manager. In addition, the Bancorp has a preference with regard to distributions such that all of the Bancorp's equity contribution for each pool must be distributed, plus a pre-defined rate of return, before the other member may receive distributions. The leasing company is also entitled to the return of its investment plus a pre-defined rate of return before any residual profits are distributed to the members.

The lease pool entities are primarily subject to risk of losses on the lease residuals purchased. The Bancorp's maximum exposure to loss is equal to the carrying amount of the investments. The Bancorp has determined that it is not the primary beneficiary of these VIEs because it does not have the power to direct the activities that most significantly impact the economic performance of the entities. This power is held by the leasing company who, as managing member, controls the servicing of the leases and collection of the proceeds on the residual interests.

Solar loan securitizations

As a result of a previous business acquisition, the Bancorp acquired interests in completed securitization transactions in which solar energy installation loans were transferred to bankruptcy remote trusts which were deemed to be VIEs. In each of these securitization transactions, the primary purposes of the VIEs were to issue asset-backed securities with varying levels of credit subordination and payment priority, as well as residual interests, and to provide access to liquidity for originated loans. The Bancorp retained certain risk retention interests in the classes of securities issued by the VIEs and retained servicing rights for the underlying loans. The Bancorp's maximum exposure to loss is equal to the carrying amount of the investments. The Bancorp has determined that it is not the primary beneficiary of the VIEs because it does not have the obligation to absorb the VIEs expected losses or the right to receive the VIEs expected residual returns that could potentially be significant to the VIEs. The risk retention interests held by the Bancorp were included in available-for-sale debt and other securities in the Condensed Consolidated Balance Sheets.

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8. Sales of Receivables and Servicing Rights

Residential Mortgage Loan Sales

The Bancorp sold residential mortgage loans during the three months ended March 31, 2025 and 2024. In those sales, the Bancorp obtained servicing responsibilities and provided certain standard representations and warranties; however, the investors have no recourse to the Bancorp's other assets for failure of debtors to pay when due. The Bancorp receives servicing fees based on a percentage of the outstanding balance. The Bancorp identifies classes of servicing assets based on financial asset type and interest rates.

Information related to residential mortgage loan sales and the Bancorp's mortgage banking activity, which is included in mortgage banking net revenue in the Condensed Consolidated Statements of Income, is as follows:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Residential mortgage loan sales[(a)]	**$ 1,003**	714
Origination fees and gains on loan sales	**14**	14
Gross mortgage servicing fees	**74**	78

(a) Represents the unpaid principal balance at the time of the sale.

Servicing Rights

The Bancorp measures all of its mortgage servicing rights at fair value with changes in fair value reported in mortgage banking net revenue in the Condensed Consolidated Statements of Income.

The following table presents changes in the servicing rights related to residential mortgage loans for the three months ended March 31:

($ in millions)	**2025**	2024
Balance, beginning of period	**$ 1,704**	1,737
Servicing rights originated	**9**	11
Changes in fair value:		
Due to changes in inputs or assumptions[(a)]	**(16)**	41
Other changes in fair value[(b)]	**(34)**	(33)
Balance, end of period	**$ 1,663**	1,756

(a) Primarily reflects changes in prepayment speed and OAS assumptions which are updated based on market interest rates.
(b) Primarily reflects changes due to realized cash flows and the passage of time.

The Bancorp maintains a non-qualifying hedging strategy to manage a portion of the risk associated with changes in the value of the MSR portfolio which may include the use of investment securities or derivative instruments. Refer to Note 9 for additional information on derivative instruments used for this purpose.

The key economic assumptions used in measuring the servicing rights related to residential mortgage loans that continued to be held by the Bancorp at the date of sale, securitization or purchase resulting from transactions completed during the three months ended March 31, 2025 and 2024 were as follows:

	March 31, 2025			March 31, 2024		
	Weighted-Average Life (in years)	Prepayment Speed (annual)	OAS (bps)	Weighted-Average Life (in years)	Prepayment Speed (annual)	OAS (bps)
Fixed-rate	**7.4**	**10.7 %**	**483**	5.9	14.3 %	503

At March 31, 2025 and December 31, 2024, the Bancorp serviced $92.8 billion and $94.2 billion, respectively, of residential mortgage loans for other investors. The value of MSRs that continue to be held by the Bancorp is subject to credit, prepayment and interest rate risks on the sold financial assets. The weighted-average coupon of the MSR portfolio was 3.80% and 3.79% at March 31, 2025 and December 31, 2024, respectively.

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At March 31, 2025, the sensitivity of the current fair value of residual cash flows to immediate 10%, 20% and 50% adverse changes in prepayment speed assumptions and immediate 10% and 20% adverse changes in OAS for servicing rights related to residential mortgage loans are as follows:

			Prepayment Speed Assumption				OAS Assumption		
				Impact of Adverse Change on Fair Value				Impact of Adverse Change on Fair Value	
($ in millions)[(a)]	Fair Value	Weighted-Average Life (in years)	Rate	10%	20%	50%	OAS (bps)	10%	20%
Fixed-rate	$ 1,660	8.2	6.3 %	$ (39)	(76)	(176)	418	$ (32)	(63)
Adjustable-rate	3	4.8	16.0	—	(1)	(1)	725	—	—

(a) The impact of the weighted-average default rate on the current fair value of residual cash flows for all scenarios is immaterial.

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on these variations in the assumptions typically cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. The Bancorp believes that variations of these levels are reasonably possible; however, there is the potential that adverse changes in key assumptions could be even greater. Also, in the previous table, the effect of a variation in a particular assumption on the fair value of the interests that continue to be held by the Bancorp is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments), which might magnify or counteract these sensitivities.

9. Derivative Financial Instruments

The Bancorp maintains an overall risk management strategy that incorporates the use of derivative instruments to reduce certain risks related to interest rate, prepayment and foreign currency volatility. The Bancorp's interest rate risk management strategy involves modifying the repricing characteristics of certain financial instruments so that changes in interest rates do not adversely affect the Bancorp's net interest margin and cash flows. Additionally, the Bancorp holds derivative instruments for the benefit of its commercial customers and for other business purposes. The Bancorp does not enter into unhedged speculative derivative positions. Refer to Note 14 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for additional information about the Bancorp's use of derivative instruments, including those designated as hedges.

The Bancorp's derivative contracts include certain contractual features in which either the Bancorp or the counterparties may be required to provide collateral, typically in the form of cash or securities, as initial margin and to offset changes in the fair value of the derivatives, including changes in the fair value due to credit risk, either of the Bancorp or the counterparty. In measuring the fair value of its derivative contracts, the Bancorp considers its own credit risk, taking into consideration collateral maintenance requirements of certain derivative counterparties and the duration of instruments with counterparties that do not require collateral maintenance.

As of March 31, 2025 and December 31, 2024, the balance of collateral held by the Bancorp for derivative assets was $577 million and $947 million, respectively. For derivative contracts cleared through certain central clearing parties whose rules treat variation margin payments as settlements of the derivative contract, the payments for variation margin of $358 million and $403 million as of March 31, 2025 and December 31, 2024, respectively, were applied to reduce the respective derivative contracts and were also not included in the total amount of collateral held. As of March 31, 2025 and December 31, 2024, the credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts was $6 million and $4 million, respectively.

As of March 31, 2025 and December 31, 2024, the balance of collateral posted by the Bancorp, as either initial margin or due to changes in fair value of the related derivative contracts, was $1.3 billion and $1.1 billion, respectively. Additionally, as of March 31, 2025 and December 31, 2024, $820 million and $1.2 billion of variation margin payments, respectively, were applied to the respective derivative contracts to reduce the Bancorp's derivative liabilities and were also not included in the total amount of collateral posted. Certain of the Bancorp's derivative liabilities contain credit risk-related contingent features that could result in the requirement to post additional collateral upon the occurrence of specified events. As of both March 31, 2025 and December 31, 2024, the fair value of the additional collateral that could be required to be posted as a result of the credit risk-related contingent features being triggered was immaterial to the Bancorp's Condensed Consolidated Financial Statements. The posting of collateral has been determined to remove the need for further consideration of credit risk. As a result, the Bancorp determined that the impact of the Bancorp's credit risk to the valuation of its derivative liabilities was immaterial to the Bancorp's Condensed Consolidated Financial Statements.

The Bancorp holds certain derivative instruments that qualify for hedge accounting treatment and are designated as either fair value hedges or cash flow hedges. Derivative instruments that do not qualify for hedge accounting treatment, or for which hedge accounting is not established, are held as free-standing derivatives. All customer accommodation derivatives are held as free-standing derivatives.

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The following tables reflect the notional amounts and fair values for all derivative instruments included in the Condensed Consolidated Balance Sheets as of:

March 31, 2025 ($ in millions)	Notional Amount	Fair Value	
		Derivative Assets	Derivative Liabilities
Derivatives Designated as Qualifying Hedging Instruments:			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 4,955	—	14
Total fair value hedges		—	14
Cash flow hedges:			
Interest rate swaps related to C&I loans	11,000	1	4
Interest rate swaps related to commercial mortgage and commercial construction loans	4,000	1	—
Total cash flow hedges		2	4
Total derivatives designated as qualifying hedging instruments		2	18
Derivatives Not Designated as Qualifying Hedging Instruments:			
Free-standing derivatives – risk management and other business purposes:			
Interest rate contracts related to MSR portfolio	3,385	10	1
Forward contracts related to residential mortgage loans measured at fair value[(a)]	805	1	2
Swap associated with the sale of Visa, Inc. Class B Shares	2,717	—	173
Foreign exchange contracts	116	—	—
Interest-only strips	28	—	—
Interest rate contracts for LIBOR transition	597	—	—
Other	46	—	—
Total free-standing derivatives – risk management and other business purposes		11	176
Free-standing derivatives – customer accommodation:			
Interest rate contracts[(b)]	84,053	568	733
Interest rate lock commitments	304	5	—
Commodity contracts	17,619	806	800
TBA securities	38	—	—
Foreign exchange contracts	34,629	798	758
Total free-standing derivatives – customer accommodation		2,177	2,291
Total derivatives not designated as qualifying hedging instruments		2,188	2,467
Total		$ 2,190	2,485

(a) Includes forward sale and forward purchase contracts which are utilized to manage market risk on residential mortgage loans held for sale and the related interest rate lock commitments in addition to certain portfolio residential mortgage loans measured at fair value.

(b) Derivative assets and liabilities are presented net of variation margin of $197 and $40, respectively.

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December 31, 2024 ($ in millions)	Notional Amount	Fair Value	
		Derivative Assets	Derivative Liabilities
Derivatives Designated as Qualifying Hedging Instruments:			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 4,955	1	12
Total fair value hedges		1	12
Cash flow hedges:			
Interest rate swaps related to C&I loans	11,000	2	4
Interest rate swaps related to C&I loans - forward starting[(a)]	1,000	1	—
Interest rate swaps related to commercial mortgage and commercial construction loans - forward starting[(a)]	4,000	3	—
Total cash flow hedges		6	4
Total derivatives designated as qualifying hedging instruments		7	16
Derivatives Not Designated as Qualifying Hedging Instruments:			
Free-standing derivatives – risk management and other business purposes:			
Interest rate contracts related to MSR portfolio	3,135	4	4
Forward contracts related to residential mortgage loans measured at fair value[(b)]	881	8	—
Swap associated with the sale of Visa, Inc. Class B Shares	2,465	—	170
Foreign exchange contracts	104	2	—
Interest-only strips	30	—	—
Interest rate contracts for collateral management	1,000	1	—
Interest rate contracts for LIBOR transition	597	—	—
Other	43	—	—
Total free-standing derivatives – risk management and other business purposes		15	174
Free-standing derivatives – customer accommodation:			
Interest rate contracts[(c)]	87,928	708	924
Interest rate lock commitments	264	2	—
Commodity contracts	16,889	575	564
TBA securities	44	—	—
Foreign exchange contracts	38,640	1,165	1,120
Total free-standing derivatives – customer accommodation		2,450	2,608
Total derivatives not designated as qualifying hedging instruments		2,465	2,782
Total		$ 2,472	2,798

(a) Forward starting swaps became effective in January and February 2025.
(b) Includes forward sale and forward purchase contracts which are utilized to manage market risk on residential mortgage loans held for sale and the related interest rate lock commitments in addition to certain portfolio residential mortgage loans measured at fair value.
(c) Derivative assets and liabilities are presented net of variation margin of $257 and $45, respectively.

Fair Value Hedges

The Bancorp may enter into interest rate swaps to convert its fixed-rate funding to floating-rate or to hedge the exposure to changes in fair value of a recognized asset attributable to changes in the benchmark interest rate.

The following table reflects the changes in fair value of interest rate contracts, designated as fair value hedges and the changes in fair value of the related hedged items attributable to the risk being hedged, as well as the line items in the Condensed Consolidated Statements of Income in which the corresponding gains or losses are recorded:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended March 31,	
		2025	2024
Long-term debt:			
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	**$ 68**	(91)
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt	**(68)**	91

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The following amounts were recorded in the Condensed Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges as of:

($ in millions)	Condensed Consolidated Balance Sheets Caption		**March 31, 2025**	December 31, 2024
Long-term debt:				
Carrying amount of the hedged items	Long-term debt	**$**	**4,907**	4,838
Cumulative amount of fair value hedging adjustments included in the carrying amount of the hedged items	Long-term debt		**(35)**	(103)
Available-for-sale debt and other securities:				
Cumulative amount of fair value hedging adjustments remaining for hedged items for which hedge accounting has been discontinued	Available-for-sale debt and other securities		**(9)**	(9)

Cash Flow Hedges

The Bancorp may enter into interest rate swaps to convert floating-rate assets and liabilities to fixed rates or to hedge certain forecasted transactions for the variability in cash flows attributable to the contractually specified interest rate. As of March 31, 2025, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 82 months.

Reclassified gains and losses on interest rate contracts related to commercial loans are recorded within interest income in the Condensed Consolidated Statements of Income. As of March 31, 2025 and December 31, 2024, respectively, $419 million and $654 million of net deferred losses, net of tax, on cash flow hedges were recorded in AOCI in the Condensed Consolidated Balance Sheets. As of March 31, 2025, $178 million in net unrealized losses, net of tax, recorded in AOCI are expected to be reclassified into earnings during the next 12 months. This amount could differ from amounts actually recognized due to changes in interest rates, hedge de-designations or the addition of other hedges subsequent to March 31, 2025.

During both the three months ended March 31, 2025 and 2024, there were no gains or losses reclassified from AOCI into earnings associated with the discontinuance of cash flow hedges because it was probable that the original forecasted transaction would no longer occur by the end of the originally specified time period or within the additional period of time as defined by U.S. GAAP.

The following table presents the pre-tax net gains (losses) recorded in the Condensed Consolidated Statements of Income and in the Condensed Consolidated Statements of Comprehensive Income relating to derivative instruments designated as cash flow hedges:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Amount of pre-tax net gains (losses) recognized in OCI	**$ 253**	(413)
Amount of pre-tax net losses reclassified from OCI into net income	**(56)**	(89)

Free-Standing Derivative Instruments – Risk Management and Other Business Purposes

The net (losses) gains recorded in the Condensed Consolidated Statements of Income relating to free-standing derivative instruments used for risk management and other business purposes are summarized in the following table:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended March 31, **2025**	2024
Interest rate contracts:			
Interest rate contracts related to MSR portfolio	Mortgage banking net revenue	**$ 19**	(46)
Forward contracts related to residential mortgage loans measured at fair value	Mortgage banking net revenue	**(9)**	5
Foreign exchange contracts:			
Foreign exchange contracts for risk management purposes	Other noninterest income	**—**	5
Equity contracts:			
Swap associated with sale of Visa, Inc. Class B Shares	Other noninterest income	**(18)**	(17)

Free-Standing Derivative Instruments – Customer Accommodation

The majority of the free-standing derivative instruments the Bancorp enters into are for the benefit of its commercial customers. The Bancorp may economically hedge significant exposures related to these derivative contracts entered into for the benefit of customers by entering into offsetting contracts with approved, reputable, independent counterparties with substantially matching terms.

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The Bancorp enters into risk participation agreements, under which the Bancorp assumes credit exposure relating to certain underlying interest rate derivative contracts. The Bancorp typically only enters into these risk participation agreements in instances in which the Bancorp has participated in the loan that the underlying interest rate derivative contract was designed to hedge. The Bancorp will make payments under these agreements if a customer defaults on its obligation to perform under the terms of the underlying interest rate derivative contract. The total notional amount of the risk participation agreements was $3.1 billion and $3.2 billion at March 31, 2025 and December 31, 2024, respectively, and the fair value was a liability of $5 million at both March 31, 2025 and December 31, 2024, which is included in other liabilities in the Condensed Consolidated Balance Sheets.

The net gains (losses) recorded in the Condensed Consolidated Statements of Income relating to free-standing derivative instruments used for customer accommodation are summarized in the following table:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended March 31,	
		2025	2024
Interest rate contracts:			
Interest rate contracts for customers (contract revenue)	Capital market fees	**$ 8**	5
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**(3)**	3
Interest rate lock commitments	Mortgage banking net revenue	**15**	9
Commodity contracts:			
Commodity contracts for customers (contract revenue)	Capital market fees	**6**	4
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense	**—**	1
Foreign exchange contracts:			
Foreign exchange contracts for customers (contract revenue)	Capital market fees	**19**	17
Foreign exchange contracts for customers (contract revenue)	Other noninterest income	**(10)**	4

Offsetting Derivative Financial Instruments

The Bancorp's derivative transactions are generally governed by ISDA Master Agreements and similar arrangements, which include provisions governing the setoff of assets and liabilities between the parties. When the Bancorp has more than one outstanding derivative transaction with a single counterparty, the setoff provisions contained within these agreements generally allow the non-defaulting party the right to reduce its liability to the defaulting party by amounts eligible for setoff, including the collateral received as well as eligible offsetting transactions with that counterparty, irrespective of the currency, place of payment or booking office. The Bancorp's policy is to present its derivative assets and derivative liabilities on the Condensed Consolidated Balance Sheets on a gross basis, even when provisions allowing for setoff are in place. However, for derivative contracts cleared through certain central clearing parties who have modified their rules to treat variation margin payments as settlements, the fair value of the respective derivative contracts is reported net of the variation margin payments.

Collateral amounts included in the tables below consist primarily of cash and highly rated government-backed securities and do not include variation margin payments for derivative contracts with legal rights of setoff for both periods shown.

The following table provides a summary of offsetting derivative financial instruments:

	Gross Amount Recognized in the Condensed Consolidated Balance Sheets[(a)]	Gross Amounts Not Offset in the Condensed Consolidated Balance Sheets		Net Amount
		Derivatives	Collateral[(b)]	
As of March 31, 2025				
Derivative assets	**$ 2,185**	**(1,218)**	**(301)**	**666**
Derivative liabilities	**2,485**	**(1,218)**	**(307)**	**960**
As of December 31, 2024				
Derivative assets	$ 2,470	(1,378)	(573)	519
Derivative liabilities	2,798	(1,378)	(193)	1,227

(a) Amount does not include IRLCs because these instruments are not subject to master netting or similar arrangements.

(b) Amount of collateral received as an offset to asset positions or pledged as an offset to liability positions. Collateral values in excess of related derivative amounts recognized in the Condensed Consolidated Balance Sheets were excluded from this table.

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10. Other Short-Term Borrowings

Borrowings with original maturities of one year or less are classified as short-term. The following table presents a summary of the Bancorp's other short-term borrowings as of:

($ in millions)		March 31, 2025	December 31, 2024
FHLB advances	$	**5,100**	4,100
Securities sold under repurchase agreements		**293**	273
Derivative collateral		**—**	19
Other borrowed money		**64**	58
Total other short-term borrowings	$	**5,457**	4,450

The Bancorp's securities sold under repurchase agreements are accounted for as secured borrowings and are collateralized by securities included in available-for-sale debt and other securities and held-to-maturity securities in the Condensed Consolidated Balance Sheets. These securities are subject to changes in market value and, therefore, the Bancorp may increase or decrease the level of securities pledged as collateral based upon these movements in market value. As of both March 31, 2025 and December 31, 2024, all securities sold under repurchase agreements were secured by agency mortgage-backed securities and the repurchase agreements had an overnight remaining contractual maturity.

At both March 31, 2025 and December 31, 2024, the Bancorp's other borrowed money primarily included obligations recognized by the Bancorp under ASC Topic 860 related to certain loans sold to GNMA and serviced by the Bancorp. Under ASC Topic 860, once the Bancorp has the unilateral right to repurchase the GNMA loans due to the borrower missing three consecutive payments, the Bancorp is considered to have regained effective control over the loan. As such, the Bancorp is required to recognize both the loan and the repurchase liability, regardless of the intent to repurchase the loans.

11. Long-Term Debt

On January 28, 2025, the Bank issued and sold, under its bank note program, $700 million of fixed-rate/floating-rate senior notes due on January 28, 2028. The senior notes will bear interest at a rate of 4.967% per annum to, but excluding, January 28, 2027. From, and including, January 28, 2027, to, but excluding, the maturity date, the senior notes will bear interest at a rate of compounded SOFR plus 0.81%. The senior notes are redeemable at the Bank's option, in whole, but not in part, one year prior to their maturity date, or in whole or in part beginning 30 days prior to maturity, at par plus accrued and unpaid interest. Additionally, the senior notes are redeemable at the Bank's option, in whole or in part, beginning 180 days after the issue date and prior to January 28, 2027, at the greater of: (a) the aggregate principal amount of the senior notes being redeemed, plus accrued and unpaid interest, or (b) the sum of the present value of the remaining scheduled payments of principal and interest.

On January 28, 2025, the Bank issued and sold, under its bank note program, $300 million of floating-rate senior notes due on January 28, 2028. The senior notes will bear interest at a rate of compounded SOFR plus 0.81%. These senior notes are redeemable at the Bank's option, in whole, but not in part, one year prior to their maturity date, or in whole or in part beginning 30 days prior to maturity, at par plus accrued and unpaid interest.

12. Capital Actions

Accelerated Share Repurchase Transaction

During the three months ended March 31, 2025, the Bancorp entered into and settled an accelerated share repurchase transaction. As part of the transaction, the Bancorp entered into a forward contract in which the final number of shares delivered at settlement was based on a discount to the average daily volume-weighted average price of the Bancorp's common stock during the term of the repurchase agreement. The accelerated share repurchase was treated as two separate transactions: (i) the repurchase of treasury shares on the repurchase date and (ii) a forward contract indexed to the Bancorp's common stock.

The following table presents a summary of the Bancorp's accelerated share repurchase transaction that was entered into and settled during the three months ended March 31, 2025:

Repurchase Date		Amount ($ in millions)	Shares Repurchased on Repurchase Date	Shares Received from Forward Contract Settlement	Total Shares Repurchased	Final Settlement Date
January 23, 2025	$	225	4,353,517	888,865	5,242,382	March 5, 2025

The Bancorp increased the cost basis of shares repurchased during the three months ended March 31, 2025 by $1 million as a result of the excise tax on share repurchases.

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13. Commitments, Contingent Liabilities and Guarantees

The Bancorp, in the normal course of business, enters into financial instruments and various agreements to meet the financing needs of its customers. The Bancorp also enters into certain transactions and agreements to manage its interest rate and prepayment risks, provide funding, equipment and locations for its operations and invest in its communities. These instruments and agreements involve, to varying degrees, elements of credit risk, counterparty risk and market risk in excess of the amounts recognized in the Condensed Consolidated Balance Sheets. The creditworthiness of counterparties for all instruments and agreements is evaluated on a case-by-case basis in accordance with the Bancorp's credit policies. The Bancorp's significant commitments, contingent liabilities and guarantees in excess of the amounts recognized in the Condensed Consolidated Balance Sheets are discussed in the following sections.

Commitments

The Bancorp has certain commitments to make future payments under contracts. The following table reflects a summary of significant commitments as of:

($ in millions)		**March 31, 2025**	December 31, 2024
Commitments to extend credit	**$**	**80,272**	80,680
Letters of credit		**1,879**	1,952
Forward contracts related to residential mortgage loans measured at fair value		**805**	881
Capital commitments for private equity investments		**217**	219
Capital expenditures		**113**	80
Purchase obligations		**20**	27

Commitments to extend credit

Commitments to extend credit are agreements to lend, typically having fixed expiration dates or other termination clauses that may require payment of a fee. Since many of the commitments to extend credit may expire without being drawn upon, the total commitment amounts do not necessarily represent future cash flow requirements. The Bancorp is exposed to credit risk in the event of nonperformance by the counterparty for the amount of the contract. Fixed-rate commitments are also subject to market risk resulting from fluctuations in interest rates and the Bancorp's exposure is limited to the replacement value of those commitments. As of March 31, 2025 and December 31, 2024, the Bancorp had a reserve for unfunded commitments, including letters of credit, totaling $140 million and $134 million, respectively, included in other liabilities in the Condensed Consolidated Balance Sheets. The Bancorp monitors the credit risk associated with commitments to extend credit using the same standard regulatory risk rating systems utilized for its loan and lease portfolio.

Risk ratings of outstanding commitments to extend credit under this risk rating system are summarized in the following table as of:

($ in millions)		**March 31, 2025**	December 31, 2024
Pass	**$**	**78,477**	78,734
Special mention		**750**	850
Substandard		**1,043**	1,095
Doubtful		**2**	1
Total commitments to extend credit	**$**	**80,272**	80,680

Letters of credit

Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party and expire as summarized in the following table as of March 31, 2025:

($ in millions)		
Less than 1 year[(a)]	$	963
1 - 5 years[(a)]		911
Over 5 years		5
Total letters of credit	$	1,879

(a) Includes $1 and $3 issued on behalf of commercial customers to facilitate trade payments in U.S. dollars and foreign currencies which expire in less than 1 year and between 1 - 5 years, respectively.

Standby letters of credit accounted for approximately 99% of total letters of credit at both March 31, 2025 and December 31, 2024 and are considered guarantees in accordance with U.S. GAAP. Approximately 75% and 76% of the total standby letters of credit were collateralized as of March 31, 2025 and December 31, 2024, respectively. In the event of nonperformance by the customers, the Bancorp has rights to the underlying collateral, which can include commercial real estate, physical plant and property, inventory, receivables, cash and marketable securities. The reserve related to these standby letters of credit, which was included in the total reserve for unfunded commitments, was $11

million and $12 million at March 31, 2025 and December 31, 2024, respectively. The Bancorp monitors the credit risk associated with letters of credit using the same standard regulatory risk rating systems utilized for its loan and lease portfolio.

Risk ratings of outstanding letters of credit under this risk rating system are summarized in the following table as of:

($ in millions)		March 31, 2025	December 31, 2024
Pass	$	**1,741**	1,779
Special mention		**33**	60
Substandard		**103**	110
Doubtful		**2**	3
Total letters of credit	$	**1,879**	1,952

Forward contracts related to residential mortgage loans measured at fair value
The Bancorp enters into forward contracts and mortgage options to economically hedge the change in fair value of certain residential mortgage loans held for sale, and certain residential mortgage portfolio loans measured at fair value, due to changes in interest rates. The outstanding notional amounts of these forward contracts are included in the summary of significant commitments table for all periods presented.

Other commitments
The Bancorp has entered into a limited number of agreements for work related to banking center construction and to purchase goods or services.

Contingent Liabilities
Legal claims
There are legal claims pending against the Bancorp and its subsidiaries that have arisen in the normal course of business. Refer to Note 14 for additional information regarding these proceedings.

Guarantees
The Bancorp has performance obligations upon the occurrence of certain events under financial guarantees provided in certain contractual arrangements as discussed in the following sections.

Residential mortgage loans sold with representation and warranty provisions
Conforming residential mortgage loans sold to unrelated third parties are generally sold with representation and warranty provisions. A contractual liability arises only in the event of a breach of these representations and warranties and, in general, only when a loss results from the breach. The Bancorp may be required to repurchase any previously sold loan, or indemnify or make whole the investor or insurer for which the representation or warranty of the Bancorp proves to be inaccurate, incomplete or misleading. For more information on how the Bancorp establishes the residential mortgage repurchase reserve, refer to Note 1 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

As of both March 31, 2025 and December 31, 2024, the Bancorp maintained reserves related to loans sold with representation and warranty provisions totaling $5 million included in other liabilities in the Condensed Consolidated Balance Sheets.

The Bancorp uses the best information available when estimating its mortgage representation and warranty reserve; however, the estimation process is inherently uncertain and imprecise and, accordingly, losses in excess of the amounts reserved as of March 31, 2025 are reasonably possible. The Bancorp currently estimates that it is reasonably possible that it could incur losses related to mortgage representation and warranty provisions in an amount up to approximately $9 million in excess of amounts reserved. This estimate was derived by modifying the key assumptions to reflect management's judgment regarding reasonably possible adverse changes to those assumptions. The actual repurchase losses could vary significantly from the recorded mortgage representation and warranty reserve or this estimate of reasonably possible losses, depending on the outcome of various factors, including those previously discussed.

During both the three months ended March 31, 2025 and 2024, the Bancorp paid an immaterial amount in the form of make-whole payments and repurchased $6 million and $11 million, respectively, in outstanding principal of loans to satisfy investor demands. Total repurchase demand requests during the three months ended March 31, 2025 and 2024 were $9 million and $16 million, respectively. Total outstanding repurchase demand inventory was $5 million and $7 million at March 31, 2025 and December 31, 2024, respectively.

Margin accounts
FTS, an indirect wholly-owned subsidiary of the Bancorp, guarantees the collection of all margin account balances held by its brokerage clearing agent for the benefit of its customers. FTS is responsible for payment to its brokerage clearing agent for any loss, liability, damage, cost or expense incurred as a result of customers failing to comply with margin or margin maintenance calls on all margin accounts. The

margin account balances held by the brokerage clearing agent were $21 million and $16 million at March 31, 2025 and December 31, 2024, respectively. In the event of customer default, FTS has rights to the underlying collateral provided. Given the existence of the underlying collateral provided and negligible historical credit losses, the Bancorp does not maintain a loss reserve related to the margin accounts.

Long-term borrowing obligations
The Bancorp had certain fully and unconditionally guaranteed long-term borrowing obligations issued by wholly-owned issuing trust entities of $62 million at both March 31, 2025 and December 31, 2024.

Visa litigation
The Bancorp, as a member bank of Visa prior to Visa's reorganization and IPO (the "IPO") of its Class A common shares (the "Class A Shares") in 2008, had certain indemnification obligations pursuant to Visa's certificate of incorporation and bylaws and in accordance with its membership agreements. In accordance with Visa's bylaws prior to the IPO, the Bancorp could have been required to indemnify Visa for the Bancorp's proportional share of losses based on the pre-IPO membership interests. As part of its reorganization and IPO, the Bancorp's indemnification obligation was modified to include only certain known or anticipated litigation (the "Covered Litigation") as of the date of the restructuring. This modification triggered a requirement for the Bancorp to recognize a liability equal to the fair value of the indemnification liability.

In conjunction with the IPO, the Bancorp received 10.1 million of Visa's Class B common shares (the "Class B Shares") based on the Bancorp's membership percentage in Visa prior to the IPO. The Class B Shares were not transferable (other than to another member bank) until the later of the third anniversary of the IPO closing or the date on which the Covered Litigation has been resolved; therefore, the Bancorp's Class B Shares were classified in other assets and accounted for at their carryover basis of $0. Visa deposited $3 billion of the proceeds from the IPO into a litigation escrow account, established for the purpose of funding judgments in, or settlements of, the Covered Litigation. Since then, when Visa's litigation committee determined that the escrow account was insufficient, Visa issued additional Class A Shares and deposited the proceeds from the sale of the Class A Shares into the litigation escrow account. When Visa funded the litigation escrow account, the Class B Shares were subjected to dilution through an adjustment in the conversion rate of Class B Shares into Class A Shares. On January 23, 2024, Visa announced shareholder approval of changes to its articles of incorporation that would release certain transfer restrictions on portions of Class B Shares. The program allows holders of Class B Shares to liquidate some of their shares subject to assurances that other Visa stockholders will retain existing protection from exposure to the Covered Litigation.

In 2009, the Bancorp completed the sale of Visa, Inc. Class B Shares and entered into a total return swap in which the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Class B Shares into Class A Shares. The swap terminates on the later of the third anniversary of Visa's IPO or the date on which the Covered Litigation is settled. Refer to Note 18 for additional information on the valuation of the swap. The counterparty to the swap as a result of its ownership of the Class B Shares will be impacted by dilutive adjustments to the conversion rate of the Class B Shares into Class A Shares caused by any Covered Litigation losses in excess of the litigation escrow account. If actual judgments in, or settlements of, the Covered Litigation significantly exceed current expectations, then additional funding by Visa of the litigation escrow account and the resulting dilution of the Class B Shares could result in a scenario where the Bancorp's ultimate exposure associated with the Covered Litigation (the "Visa Litigation Exposure") exceeds the value of the Class B Shares owned by the swap counterparty (the "Class B Value"). In the event the Bancorp concludes that it is probable that the Visa Litigation Exposure exceeds the Class B Value, the Bancorp would record a litigation reserve liability and a corresponding amount of other noninterest expense for the amount of the excess. Any such litigation reserve liability would be separate and distinct from the fair value derivative liability associated with the total return swap.

As of the date of the Bancorp's sale of the Visa Class B Shares and through March 31, 2025, the Bancorp has concluded that it is not probable that the Visa Litigation Exposure will exceed the Class B Value. Based on this determination, upon the sale of Class B Shares, the Bancorp reversed its net Visa litigation reserve liability and recognized a free-standing derivative liability associated with the total return swap. The fair value of the swap liability was $173 million at March 31, 2025 and $170 million at December 31, 2024, respectively. Refer to Note 9 and Note 18 for further information.

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After the Bancorp's sale of the Class B Shares, Visa has funded additional amounts into the litigation escrow account which have resulted in further dilutive adjustments to the conversion of Class B Shares into Class A Shares, and along with other terms of the total return swap, required the Bancorp to make cash payments in varying amounts to the swap counterparty as follows:

Period ($ in millions)	Visa Funding Amount	Bancorp Cash Payment Amount
Q2 2010	$ 500	20
Q4 2010	800	35
Q2 2011	400	19
Q1 2012	1,565	75
Q3 2012	150	6
Q3 2014	450	18
Q2 2018	600	26
Q3 2019	300	12
Q4 2021	250	11
Q2 2022	600	25
Q4 2022	350	15
Q2 2023	500	21
Q3 2023	150	6
Q3 2024	1,500	65
Q1 2025	375	*(a)*

(a) The Bancorp made a cash payment of $15 million to the swap counterparty on April 8, 2025 as a result of the Visa escrow funding in the first quarter of 2025.

14. Legal and Regulatory Proceedings

Litigation

Visa/MasterCard Merchant Interchange Litigation

In April 2006, the Bancorp was added as a defendant in a consolidated antitrust class action lawsuit originally filed against Visa®, MasterCard® and several other major financial institutions in the United States District Court for the Eastern District of New York (In re: Payment Card Interchange Fee and Merchant Discount Antitrust Litigation, Case No. 5-MD-1720). The plaintiffs, merchants operating commercial businesses throughout the U.S. and trade associations, claimed that the interchange fees charged by card-issuing banks were unreasonable and sought injunctive relief and unspecified damages. In addition to being a named defendant, the Bancorp is currently also subject to a possible indemnification obligation of Visa as discussed in Note 13 and has also entered into judgment and loss sharing agreements with Visa, MasterCard and certain other named defendants. In October 2012, the parties to the litigation entered into a settlement agreement that was initially approved by the trial court but reversed by the U.S. Second Circuit Court of Appeals and remanded to the district court for further proceedings. More than 500 of the merchants who requested exclusion from the class filed separate federal lawsuits against Visa, MasterCard and certain other defendants alleging similar antitrust violations. These individual federal lawsuits were transferred to the United States District Court for the Eastern District of New York. While the Bancorp is only named as a defendant in one of the individual federal lawsuits, it may have obligations pursuant to indemnification arrangements and/or the judgment or loss sharing agreements noted above. On September 17, 2018, the defendants in the consolidated class action signed a second settlement agreement (the "Amended Settlement Agreement") resolving the claims seeking monetary damages by the proposed plaintiffs' class (the "Plaintiff Damages Class") and superseding the original settlement agreement entered into in October 2012. The Amended Settlement Agreement included, among other terms, a release from participating class members for liability for claims that accrue no later than five years after the Amended Settlement Agreement becomes final. The Amended Settlement Agreement provided for a total payment by all defendants of approximately $6.24 billion, composed of approximately $5.34 billion held in escrow plus an additional $900 million in new funds. Pursuant to the terms of the Settlement Agreement, $700 million of the additional $900 million has been returned to the defendants due to the level of opt-outs from the class. On December 13, 2019, the Court entered an order granting final approval for the settlement, and on March 15, 2023, the Second Circuit affirmed that order. The settlement does not resolve the claims of the separate proposed plaintiffs' class seeking injunctive relief or the claims of merchants who have opted out of the proposed class settlement and are pursuing, or may in the future decide to pursue, private lawsuits. Several of the remaining opt-out cases have now been set for a trial scheduled to commence on October 20, 2025 in the matter of Target Corp. et al. v. Visa Inc. et al., Case No. 13 Civ. 3477 (AKH) (S.D.N.Y.). On September 27, 2021, the Court overseeing the class litigation entered an order certifying a class of merchants pursuing claims for injunctive relief. On March 26, 2024, Plaintiffs filed a motion seeking preliminary approval of a settlement that would resolve class claims for injunctive relief. On June 13, 2024, the Court held a hearing on Plaintiffs' motion for preliminary approval of the injunctive relief settlement, and on June 25, 2024, the Court issued an order denying the request for preliminary approval of the settlement. The ultimate outcome in this matter, including the timing of resolution, remains uncertain. Refer to Note 13 for further information.

Klopfenstein v. Fifth Third Bank

On August 3, 2012, William Klopfenstein and Adam McKinney filed a lawsuit against Fifth Third Bank in the United States District Court for the Northern District of Ohio (Klopfenstein et al. v. Fifth Third Bank), alleging that the 120% APR that Fifth Third disclosed on its Early Access program was misleading. Early Access is a deposit-advance program offered to eligible customers with checking accounts. The plaintiffs sought to represent a nationwide class of customers who used the Early Access program and repaid their cash advances within 30 days. On October 31, 2012, the case was transferred to the United States District Court for the Southern District of Ohio. In 2013, four similar putative class action lawsuits were filed against Fifth Third Bank in federal courts throughout the country (Lori and Danielle Laskaris v. Fifth Third Bank, Janet Fyock v. Fifth Third Bank, Jesse McQuillen v. Fifth Third Bank, and Brian Harrison v. Fifth Third Bank). Those four lawsuits were transferred to the Southern District of Ohio and consolidated with the original lawsuit as In re: Fifth Third Early Access Cash Advance Litigation (Case No. 1:12-CV-851). On behalf of a putative class, the plaintiffs sought unspecified monetary and statutory damages, injunctive relief, punitive damages, attorneys' fees, and pre- and post-judgment interest. On March 30, 2015, the court dismissed all claims alleged in the consolidated lawsuit except a claim under the TILA. On May 28, 2019, the Sixth Circuit Court of Appeals reversed the dismissal of plaintiffs' breach of contract claim and remanded for further proceedings. The plaintiffs' claimed damages for the alleged breach of contract claim exceed $440 million, plus prejudgment interest. On March 26, 2021, the trial court granted plaintiffs' motion for class certification. On March 29, 2023, the trial court issued an order granting summary judgement on plaintiffs' TILA claim, with statutory damages capped at $2 million plus costs and attorney fees. Plaintiffs' claim for breach of contract proceeded to trial beginning on April 17, 2023. On April 27, 2023, the jury returned a verdict in favor of the Bank, finding a breach of contract, but that the voluntary payment doctrine is a complete defense to the breach of contract claim. On September 30, 2024, the trial court issued a decision denying post-trial motions related to the jury verdict. On October 30, 2024, plaintiffs filed a notice of appeal, and on November 7, 2024, Fifth Third filed a notice of cross appeal.

Howards v. Fifth Third Bank

On March 8, 2018, Plaintiff Troy Howards filed a putative class action against Fifth Third Bank in the United States District Court for the Central District of California (Case No. 1:18-CV-869, S.D. OH 2018), alleging that Fifth Third improperly charged certain fees related to insufficient funds, customer overdrafts, and out-of-network ATM use. Venue was subsequently transferred to the United States District Court for the Southern District of Ohio. Plaintiff filed claims for breach of contract, breach of the implied covenant of good faith and fair dealing, for violation of the California Unfair Competition Law (Ca. Bus. & Prof. Code sec. 17200, et seq.), and the California Consumer Legal Remedies Act (Cal. Civ. Code sec. 1750 et seq.). Plaintiff seeks to represent putative nationwide classes and California classes of consumers allegedly charged improper repeated insufficient funds fees, improper overdraft fees, and fees for out-of-network ATM use from the beginning of the applicable statute of limitations to present. Plaintiff seeks damages of restitution and disgorgement in the amount of the allegedly unlawfully charged fees, damages proved at trial together with interest as allowed by applicable law. Fifth Third filed a motion to dismiss all claims. On February 6, 2023, the trial court issued an order dismissing the Plaintiff's breach of contract claim with respect to out-of-network ATM fees and dismissing the two claims for violations of California consumer protection statutes. The Court denied Fifth Third's motion to dismiss as it relates to the claims for breach of contract and breach of the implied covenant of good faith and fair dealing for certain customer overdrafts and insufficient funds fees. The case is in discovery, and no trial date has been set.

Other litigation

The Bancorp and its subsidiaries are not parties to any other material litigation at this time. However, there are other litigation matters that arise in the normal course of business, which include, or may include, claims related to product features, pricing and other lending practices. For example, Fifth Third Bank, National Association is currently responding to lawsuits regarding bankruptcies and practices of residential solar installers as well as lending practices of credit providers to this market, which includes Dividend Solar Finance, LLC, which the Bank acquired in May 2022. While it is impossible to ascertain the ultimate resolution or range of financial liability with respect to these contingent matters, management believes that the resulting liability, if any, from these other actions would not have a material effect upon the Bancorp's consolidated financial position, results of operations or cash flows. However, it is possible that the ultimate resolution of a matter, if unfavorable, may be material to the Bancorp's consolidated financial position, results of operations or cash flows.

Governmental Investigations and Proceedings

The Bancorp and/or its affiliates are or may become involved in information-gathering requests, reviews, investigations and proceedings (both formal and informal) by various governmental regulatory agencies and law enforcement authorities, including but not limited to the FRB, OCC, CFPB, SEC, FINRA, U.S. Department of Justice, etc., as well as state and other governmental authorities and self-regulatory bodies regarding their respective businesses. For example, Fifth Third Bank, National Association is currently cooperating with investigations related to several civil investigative demands by a number of state attorneys general regarding the residential solar installation industry and lending practices of credit providers to this market, which includes Dividend Solar Finance, LLC, which the Bank acquired in May 2022. Among these are investigations related to multiple lenders by a coalition of 17 state attorneys general relating to the Chapter 7 bankruptcy filing of one such installer, Power Home Solar, LLC, dba Pink Energy. Dividend Solar Finance, LLC financed installations of Power Home Solar, LLC customers in 11 of the 17 states represented by the coalition. Additional matters will likely arise from time to time. Any of these matters may result in material adverse consequences or reputational harm to the Bancorp, its affiliates and/or their respective directors, officers and other personnel, including adverse judgments, findings, settlements, fines, penalties, orders, injunctions or other actions, amendments and/or restatements of the Bancorp's SEC filings and/or financial statements, as applicable, and/or determinations of material weaknesses in our disclosure controls and procedures. Investigations by regulatory authorities may from time to time result in civil or

criminal referrals to law enforcement. Additionally, in some cases, regulatory authorities may take supervisory actions that are considered to be confidential supervisory information which may not be publicly disclosed.

Reasonably Possible Losses in Excess of Accruals

The Bancorp and its subsidiaries are parties to numerous claims and lawsuits as well as threatened or potential actions or claims concerning matters arising from the conduct of its business activities. The outcome of claims or litigation and the timing of ultimate resolution are inherently difficult to predict. The following factors, among others, contribute to this lack of predictability: claims often include significant legal uncertainties, damages alleged by plaintiffs are often unspecified or overstated, discovery may not have started or may not be complete and material facts may be disputed or unsubstantiated. As a result of these factors, the Bancorp is not always able to provide an estimate of the range of reasonably possible outcomes for each claim. An accrual for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Any such accrual is adjusted from time to time thereafter as appropriate to reflect changes in circumstances. The Bancorp also determines, when possible (due to the uncertainties described above), estimates of reasonably possible losses or ranges of reasonably possible losses, in excess of amounts accrued. Under U.S. GAAP, an event is "reasonably possible" if "the chance of the future event or events occurring is more than remote but less than likely" and an event is "remote" if "the chance of the future event or events occurring is slight." Thus, references to the upper end of the range of reasonably possible loss for cases in which the Bancorp is able to estimate a range of reasonably possible loss mean the upper end of the range of loss for cases for which the Bancorp believes the risk of loss is more than slight. For matters where the Bancorp is able to estimate such possible losses or ranges of possible losses, the Bancorp currently estimates that it is reasonably possible that it could incur losses related to legal and regulatory proceedings in an aggregate amount up to approximately $74 million in excess of amounts accrued, with it also being reasonably possible that no losses will be incurred in these matters. The estimates included in this amount are based on the Bancorp's analysis of currently available information, and as new information is obtained the Bancorp may change its estimates.

For these matters and others where an unfavorable outcome is reasonably possible but not probable, there may be a range of possible losses in excess of the established accrual that cannot be estimated. Based on information currently available, advice of counsel, available insurance coverage and established accruals, the Bancorp believes that the eventual outcome of the actions against the Bancorp and/or its subsidiaries, including the matters described above, will not, individually or in the aggregate, have a material adverse effect on the Bancorp's consolidated financial position. However, in the event of unexpected future developments, it is possible that the ultimate resolution of those matters, if unfavorable, may be material to the Bancorp's results of operations for any particular period, depending, in part, upon the size of the loss or liability imposed and the operating results for the applicable period.

15. Income Taxes

The applicable income tax expense was $138 million for both the three months ended March 31, 2025 and 2024. The effective tax rates for the three months ended March 31, 2025 and 2024 were 21.2% and 21.1%, respectively.

While it is reasonably possible that the amount of the unrecognized tax benefits with respect to certain of the Bancorp's uncertain tax positions could increase or decrease during the next twelve months, the Bancorp believes it is unlikely that its unrecognized tax benefits will change by a material amount during the next twelve months.

16. Earnings Per Share

The following table provides the calculation of earnings per share and the reconciliation of earnings per share and earnings per diluted share:

	For the three months ended March 31,	
($ in millions, except per share data)	**2025**	2024
Net income available to common shareholders	**$ 478**	480
Average common shares outstanding - basic	**671**	686
Effect of dilutive stock-based awards	**5**	5
Average common shares outstanding - diluted	**$ 676**	691
Earnings per share - basic	**$ 0.71**	0.70
Earnings per share - diluted	**0.71**	0.70
Anti-dilutive stock-based awards excluded from diluted shares	**2**	3

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17. Accumulated Other Comprehensive Income

The tables below present the activity of the components of OCI and AOCI for the three months ended:

	Total OCI			Total AOCI		
March 31, 2025 ($ in millions)	Pre-tax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
Unrealized holding gains on available-for-sale debt securities arising during period	**$ 633**	**(152)**	**481**			
Reclassification adjustment for net gains on available-for-sale debt securities included in net income	**—**	**—**	**—**			
Net unrealized losses on available-for-sale debt securities	**633**	**(152)**	**481**	**(3,280)**	**481**	**(2,799)**
Amortization of unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities included in net income	**32**	**(7)**	**25**			
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**32**	**(7)**	**25**	**(684)**	**25**	**(659)**
Unrealized holding gains on cash flow hedge derivatives arising during period	**253**	**(60)**	**193**			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	**56**	**(14)**	**42**			
Net unrealized losses on cash flow hedge derivatives	**309**	**(74)**	**235**	**(654)**	**235**	**(419)**
Defined benefit pension plans, net	**—**	**—**	**—**	**(16)**	**—**	**(16)**
Other	**—**	**—**	**—**	**(2)**	**—**	**(2)**
Total	**$ 974**	**(233)**	**741**	**(4,636)**	**741**	**(3,895)**

	Total OCI			Total AOCI		
March 31, 2024 ($ in millions)	Pre-tax Activity	Tax Effect	Net Activity	Beginning Balance	Net Activity	Ending Balance
Unrealized holding losses on available-for-sale debt securities arising during period	$ (236)	54	(182)			
Unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	994	(209)	785			
Reclassification adjustment for net losses on available-for-sale debt securities included in net income	3	—	3			
Net unrealized losses on available-for-sale debt securities	761	(155)	606	(4,094)	606	(3,488)
Unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	(994)	209	(785)			
Amortization of unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities included in net income	32	(7)	25			
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	(962)	202	(760)	—	(760)	(760)
Unrealized holding losses on cash flow hedge derivatives arising during period	(413)	97	(316)			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	89	(20)	69			
Net unrealized losses on cash flow hedge derivatives	(324)	77	(247)	(372)	(247)	(619)
Defined benefit pension plans, net	—	—	—	(17)	—	(17)
Other	—	—	—	(4)	—	(4)
Total	$ (525)	124	(401)	(4,487)	(401)	(4,888)

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The table below presents reclassifications out of AOCI:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended March 31, **2025**	2024
Net unrealized losses on available-for-sale debt securities:[(a)]			
Net losses included in net income	Securities (losses) gains, net	**$ —**	(3)
	Income before income taxes	**—**	(3)
	Applicable income tax expense	**—**	—
	Net income	**—**	(3)
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities:[(a)]			
Net losses included in net income	Interest on securities	**(32)**	(32)
	Income before income taxes	**(32)**	(32)
	Applicable income tax expense	**7**	7
	Net income	**(25)**	(25)
Net unrealized losses on cash flow hedge derivatives:[(a)]			
Interest rate contracts related to C&I, commercial mortgage and commercial construction loans	Interest and fees on loans and leases	**(56)**	(89)
	Income before income taxes	**(56)**	(89)
	Applicable income tax expense	**14**	20
	Net income	**(42)**	(69)
Total reclassifications for the period	Net income	**$ (67)**	(97)

(a) Amounts in parentheses indicate reductions to net income.

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18. Fair Value Measurements

The Bancorp measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement. For more information regarding the fair value hierarchy, refer to Note 1 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured at fair value on a recurring basis as of:

	Fair Value Measurements Using			
March 31, 2025 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Available-for-sale debt and other securities:				
U.S. Treasury and federal agencies securities	$ 4,361	—	—	4,361
Mortgage-backed securities:				
Agency residential mortgage-backed securities	—	6,601	—	6,601
Agency commercial mortgage-backed securities	—	21,056	—	21,056
Non-agency commercial mortgage-backed securities	—	3,706	—	3,706
Asset-backed securities and other debt securities	—	3,199	—	3,199
Available-for-sale debt and other securities[(a)]	4,361	34,562	—	38,923
Trading debt securities:				
U.S. Treasury and federal agencies securities	675	20	—	695
Obligations of states and political subdivisions securities	—	70	—	70
Agency residential mortgage-backed securities	—	26	—	26
Asset-backed securities and other debt securities	—	368	—	368
Trading debt securities	675	484	—	1,159
Equity securities	465	29	—	494
Residential mortgage loans held for sale	—	445	—	445
Residential mortgage loans[(b)]	—	—	109	109
Servicing rights	—	—	1,663	1,663
Derivative assets:				
Interest rate contracts	1	580	5	586
Foreign exchange contracts	—	798	—	798
Commodity contracts	72	734	—	806
Derivative assets[(c)]	73	2,112	5	2,190
Total assets	$ 5,574	37,632	1,777	44,983
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ 2	747	5	754
Foreign exchange contracts	—	758	—	758
Equity contracts	—	—	173	173
Commodity contracts	165	635	—	800
Derivative liabilities[(d)]	167	2,140	178	2,485
Short positions:				
U.S. Treasury and federal agencies securities	76	—	—	76
Asset-backed securities and other debt securities	—	125	—	125
Equity securities	42	—	—	42
Short positions[(d)]	118	125	—	243
Total liabilities	$ 285	2,265	178	2,728

(a) Excludes FHLB, FRB and DTCC restricted stock holdings totaling $321, $501 and $2, respectively, at March 31, 2025.
(b) Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.
(c) Included in other assets in the Condensed Consolidated Balance Sheets.
(d) Included in other liabilities in the Condensed Consolidated Balance Sheets.

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December 31, 2024 ($ in millions)	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Assets:				
Available-for-sale debt and other securities:				
U.S. Treasury and federal agencies securities	$ 4,360	—	—	4,360
Mortgage-backed securities:				
Agency residential mortgage-backed securities	—	5,681	—	5,681
Agency commercial mortgage-backed securities	—	20,832	—	20,832
Non-agency commercial mortgage-backed securities	—	4,167	—	4,167
Asset-backed securities and other debt securities	—	3,729	—	3,729
Available-for-sale debt and other securities[(a)]	4,360	34,409	—	38,769
Trading debt securities:				
U.S. Treasury and federal agencies securities	591	35	—	626
Obligations of states and political subdivisions securities	—	120	—	120
Agency residential mortgage-backed securities	—	10	—	10
Asset-backed securities and other debt securities	—	429	—	429
Trading debt securities	591	594	—	1,185
Equity securities	307	34	—	341
Residential mortgage loans held for sale	—	574	—	574
Residential mortgage loans[(b)]	—	—	108	108
Servicing rights	—	—	1,704	1,704
Derivative assets:				
Interest rate contracts	7	721	2	730
Foreign exchange contracts	—	1,167	—	1,167
Commodity contracts	75	500	—	575
Derivative assets[(c)]	82	2,388	2	2,472
Total assets	$ 5,340	37,999	1,814	45,153
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ —	939	5	944
Foreign exchange contracts	—	1,120	—	1,120
Equity contracts	—	—	170	170
Commodity contracts	57	507	—	564
Derivative liabilities[(d)]	57	2,566	175	2,798
Short positions:				
U.S. Treasury and federal agencies securities	139	—	—	139
Asset-backed securities and other debt securities	—	156	—	156
Equity securities	21	—	—	21
Short positions[(d)]	160	156	—	316
Total liabilities	$ 217	2,722	175	3,114

(a) Excludes FHLB, FRB and DTCC restricted stock holdings totaling $276, $500 and $2, respectively, at December 31, 2024.
(b) Includes residential mortgage loans originated as held for sale and subsequently transferred to held for investment.
(c) Included in other assets in the Condensed Consolidated Balance Sheets.
(d) Included in other liabilities in the Condensed Consolidated Balance Sheets.

For further information on the valuation methodologies used for significant instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, refer to Note 28 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

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The following tables are a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the three months ended March 31, 2025 ($ in millions)	Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net[(a)]	Equity Derivatives	Total Fair Value
Balance, beginning of period	**$ 108**	**1,704**	**(3)**	**(170)**	**1,639**
Total (losses) gains (realized/unrealized):[(b)]					
Included in earnings	**2**	**(50)**	**15**	**(18)**	**(51)**
Purchases/originations	**—**	**9**	**(1)**	**—**	**8**
Settlements	**(3)**	**—**	**(11)**	**15**	**1**
Transfers into Level 3[(c)]	**2**	**—**	**—**	**—**	**2**
Balance, end of period	**$ 109**	**1,663**	**—**	**(173)**	**1,599**
The amount of total (losses) gains for the period included in earnings attributable to the change in unrealized gains or losses relating to instruments still held at March 31, 2025	**$ 2**	**(35)**	**6**	**(18)**	**(45)**

(a) Net interest rate derivatives include $5 for both derivative assets and liabilities as of March 31, 2025.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at March 31, 2025.
(c) Includes certain residential mortgage loans originated as held for sale that were transferred to held for investment.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the three months ended March 31, 2024 ($ in millions)	Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net[(a)]	Equity Derivatives	Total Fair Value
Balance, beginning of period	$ 116	1,737	—	(168)	1,685
Total (losses) gains (realized/unrealized):[(b)]					
Included in earnings	(2)	8	9	(17)	(2)
Purchases/originations	—	11	—	—	11
Settlements	(3)	—	(9)	23	11
Transfers into Level 3[(c)]	2	—	—	—	2
Balance, end of period	$ 113	1,756	—	(162)	1,707
The amount of total gains (losses) for the period included in earnings attributable to the change in unrealized gains or losses relating to instruments still held at March 31, 2024	$ (2)	25	5	(17)	11

(a) Net interest rate derivatives include $6 for both derivative assets and liabilities as of March 31, 2024.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at March 31, 2024.
(c) Includes certain residential mortgage loans originated as held for sale that were transferred to held for investment.

The total losses and gains included in earnings for assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) were recorded in the Condensed Consolidated Statements of Income as follows:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Mortgage banking net revenue	**$ (34)**	14
Capital markets fees	**1**	1
Other noninterest income	**(18)**	(17)
Total losses	**$ (51)**	(2)

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The total losses and gains included in earnings attributable to changes in unrealized gains and losses related to Level 3 assets and liabilities still held at March 31, 2025 and 2024 were recorded in the Condensed Consolidated Statements of Income as follows:

	For the three months ended March 31,	
($ in millions)	**2025**	2024
Mortgage banking net revenue	**$ (28)**	27
Capital markets fees	**1**	1
Other noninterest income	**(18)**	(17)
Total (losses) gains	**$ (45)**	11

The following tables present information as of March 31, 2025 and 2024 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured at fair value on a recurring basis:

As of March 31, 2025 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Inputs	Weighted-Average	
Residential mortgage loans	**$ 109**	Loss rate model	Interest rate risk factor	**(51.9) - 5.7%**		**(11.5)%** [(a)]
			Credit risk factor	**— - 0.7%**		**0.1 %** [(a)]
Servicing rights	**1,663**	DCF	Prepayment speed	**— - 100.0%**	(Fixed)	**6.3 %** [(b)]
					(Adjustable)	**16.0 %** [(b)]
			OAS (bps)	**335 - 1,821**	(Fixed)	**418** [(b)]
					(Adjustable)	**725** [(b)]
IRLCs, net	**5**	DCF	Loan closing rates	**20.5 - 96.0%**		**79.7 %** [(c)]
Swap associated with the sale of Visa, Inc. Class B Shares	**(173)**	DCF	Timing of the resolution of the Covered Litigation	**Q2 2027 - Q1 2028**		**Q4 2027** [(d)]

(a) Unobservable inputs were weighted by the relative carrying value of the instruments.
(b) Unobservable inputs were weighted by the relative unpaid principal balance of the instruments.
(c) Unobservable inputs were weighted by the relative notional amount of the instruments.
(d) Unobservable inputs were weighted by the probability of the final funding date of the instruments.

As of March 31, 2024 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Inputs	Weighted-Average	
Residential mortgage loans	$ 113	Loss rate model	Interest rate risk factor	(25.2) - 3.7 %		(13.4)% [(a)]
			Credit risk factor	— - 0.6 %		0.1 % [(a)]
Servicing rights	1,756	DCF	Prepayment speed	— - 100.0 %	(Fixed)	5.8 % [(b)]
					(Adjustable)	22.9 % [(b)]
			OAS (bps)	448 - 1,833	(Fixed)	460 [(b)]
					(Adjustable)	702 [(b)]
IRLCs, net	5	DCF	Loan closing rates	20.0 - 96.0 %		79.4 % [(c)]
Swap associated with the sale of Visa, Inc. Class B Shares	(162)	DCF	Timing of the resolution of the Covered Litigation	Q2 2026 - Q1 2028		Q4 2026 [(d)]

(a) Unobservable inputs were weighted by the relative carrying value of the instruments.
(b) Unobservable inputs were weighted by the relative unpaid principal balance of the instruments.
(c) Unobservable inputs were weighted by the relative notional amount of the instruments.
(d) Unobservable inputs were weighted by the probability of the final funding date of the instruments.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis. These assets and liabilities are not measured at fair value on an ongoing basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment.

The following tables provide the fair value hierarchy and carrying amount of all assets that were held as of March 31, 2025 and 2024, and for which a nonrecurring fair value adjustment was recorded during the three months ended March 31, 2025 and 2024, and the related gains and losses from fair value adjustments on assets sold during the period as well as assets still held as of the end of the period.

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	Fair Value Measurements Using				Total (Losses) Gains
As of March 31, 2025 ($ in millions)	Level 1	Level 2	Level 3	Total	**For the three months ended March 31, 2025**
Commercial loans and leases	**$ —**	**—**	**261**	**261**	**(126)**
Consumer and residential mortgage loans	**—**	**—**	**145**	**145**	**(4)**
OREO	**—**	**—**	**4**	**4**	**1**
Private equity investments	**—**	**13**	**—**	**13**	**4**
Total	**$ —**	**13**	**410**	**423**	**(125)**

	Fair Value Measurements Using				Total (Losses) Gains
As of March 31, 2024 ($ in millions)	Level 1	Level 2	Level 3	Total	For the three months ended March 31, 2024
Commercial loans held for sale	$ —	—	25	25	—
Commercial loans and leases	—	—	130	130	(60)
Consumer and residential mortgage loans	—	—	197	197	(3)
OREO	—	—	1	1	—
Bank premises and equipment	—	—	1	1	—
Private equity investments	—	—	—	—	9
Total	$ —	—	354	354	(54)

The following tables present information as of March 31, 2025 and 2024 about significant unobservable inputs related to the Bancorp's material categories of Level 3 financial assets and liabilities measured on a nonrecurring basis:

As of March 31, 2025 ($ in millions)					
Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans and leases	**$ 261**	Appraised value	Collateral value	**NM**	**NM**
Consumer and residential mortgage loans	**145**	Appraised value	Collateral value	**NM**	**NM**
OREO	**4**	Appraised value	Appraised value	**NM**	**NM**

As of March 31, 2024 ($ in millions)					
Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	$ 25	Comparable company analysis	Market comparable transactions	NM	NM
Commercial loans and leases	130	Appraised value	Collateral value	NM	NM
Consumer and residential mortgage loans	197	Appraised value	Collateral value	NM	NM
OREO	1	Appraised value	Appraised value	NM	NM
Bank premises and equipment	1	Appraised value	Appraised value	NM	NM
Private equity investments	—	Comparable company analysis	Market comparable transactions	NM	NM

Commercial loans held for sale
The Bancorp estimated the fair value of certain commercial loans held for sale during the three months ended March 31, 2024. These valuations were based on appraisals of the underlying collateral or by applying unobservable inputs such as an estimated market discount to the unpaid principal balance of the loans or the appraised value of the assets (Level 3 of the valuation hierarchy).

Portfolio loans and leases
During the three months ended March 31, 2025 and 2024, the Bancorp recorded nonrecurring adjustments to certain collateral-dependent portfolio loans and leases. When a loan is collateral-dependent, the fair value of the loan is generally based on the fair value less cost to sell of the underlying collateral supporting the loan and therefore these loans were classified within Level 3 of the valuation hierarchy. In cases where the amortized cost basis of the loan or lease exceeds the estimated net realizable value of the collateral, then an ALLL is recognized, or a charge-off once the remaining amount is considered uncollectible.

OREO
During the three months ended March 31, 2025 and 2024, the Bancorp recorded nonrecurring adjustments to certain commercial and residential real estate properties and branch-related real estate no longer intended to be used for banking purposes classified as OREO and measured at the lower of carrying amount or fair value. These nonrecurring losses were primarily due to declines in real estate values of the

properties upon the transfer, or subsequent to the transfer, to OREO. The fair value amounts are generally based on appraisals of the property values, resulting in a classification within Level 3 of the valuation hierarchy. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized.

Private equity investments

The Bancorp accounts for its private equity investments using the measurement alternative to fair value, except for those accounted for under the equity method of accounting. Under the measurement alternative, the Bancorp carries each investment at its cost basis minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. The Bancorp recognized gains of $4 million and $9 million during the three months ended March 31, 2025 and 2024, respectively, resulting from observable price changes. The carrying value of the Bancorp's private equity investments still held as of March 31, 2025 includes a cumulative $23 million of positive adjustments as a result of observable price changes since January 1, 2018. Because these adjustments are based on observable transactions in inactive markets, they are classified in Level 2 of the fair value hierarchy.

For private equity investments which are accounted for using the measurement alternative to fair value, the Bancorp qualitatively evaluates each investment quarterly to determine if impairment may exist. If necessary, the Bancorp then measures impairment by estimating the value of its investment and comparing that to the investment's carrying value, whether or not the Bancorp considers the impairment to be temporary. These valuations are typically developed using a DCF method, but other methods may be used if more appropriate for the circumstances. These valuations are based on unobservable inputs and therefore are classified in Level 3 of the fair value hierarchy. For both the three months ended March 31, 2025 and 2024, the Bancorp did not recognize impairment charges on its private equity investments. The carrying value of the Bancorp's private equity investments still held as of March 31, 2025 includes a cumulative $15 million of impairment charges recognized since adoption of the measurement alternative to fair value on January 1, 2018.

Fair Value Option

The Bancorp elected to measure certain residential mortgage loans held for sale under the fair value option as allowed under U.S. GAAP. Electing to measure residential mortgage loans held for sale at fair value reduces certain timing differences and better matches changes in the value of these assets with changes in the value of derivatives used as economic hedges for these assets. Management's intent to sell residential mortgage loans classified as held for sale may change over time due to such factors as changes in the overall liquidity in markets or changes in characteristics specific to certain loans held for sale. Consequently, these loans may be reclassified to loans held for investment and maintained in the Bancorp's loan portfolio. In such cases, the loans will continue to be measured at fair value.

Fair value changes recognized in earnings for residential mortgage loans held at March 31, 2025 and 2024 for which the fair value option was elected included losses of $2 million and $11 million, respectively. These losses are reported in mortgage banking net revenue in the Condensed Consolidated Statements of Income.

Valuation adjustments related to instrument-specific credit risk for residential mortgage loans measured at fair value negatively impacted the fair value of those loans by an immaterial amount at both March 31, 2025 and December 31, 2024. Interest on loans measured at fair value is accrued as it is earned using the effective interest method and is reported as interest income in the Condensed Consolidated Statements of Income.

The following table summarizes the difference between the fair value and the unpaid principal balance for residential mortgage loans measured at fair value as of:

March 31, 2025 ($ in millions)	Aggregate Fair Value	Aggregate Unpaid Principal Balance
Residential mortgage loans measured at fair value	**$ 554**	**556**
Past due loans of 30-89 days	**1**	**1**
Nonaccrual loans	**2**	**2**
December 31, 2024		
Residential mortgage loans measured at fair value	$ 682	693
Past due loans of 30-89 days	1	1
Past due loans of 90 days or more	1	1
Nonaccrual loans	2	2

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Fair Value of Certain Financial Instruments

The following tables summarize the carrying amounts and estimated fair values for certain financial instruments, excluding financial instruments measured at fair value on a recurring basis:

As of March 31, 2025 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	**$ 3,009**	**3,009**	**—**	**—**	**3,009**
Other short-term investments	**14,965**	**14,965**	**—**	**—**	**14,965**
Other securities	**824**	**—**	**824**	**—**	**824**
Held-to-maturity securities	**11,185**	**2,387**	**8,683**	**2**	**11,072**
Loans and leases held for sale	**28**	**—**	**—**	**28**	**28**
Portfolio loans and leases:					
Commercial loans and leases	**73,896**	**—**	**—**	**74,303**	**74,303**
Consumer and residential mortgage loans	**45,802**	**—**	**—**	**43,288**	**43,288**
Total portfolio loans and leases, net	**$ 119,698**	**—**	**—**	**117,590**	**117,590**
Financial liabilities:					
Deposits	**$ 165,505**	**—**	**165,617**	**—**	**165,617**
Federal funds purchased	**227**	**227**	**—**	**—**	**227**
Other short-term borrowings	**5,457**	**—**	**5,463**	**—**	**5,463**
Long-term debt	**14,574**	**8,667**	**6,161**	**—**	**14,828**

As of December 31, 2024 ($ in millions)	Net Carrying Amount	Fair Value Measurements Using			Total Fair Value
		Level 1	Level 2	Level 3	
Financial assets:					
Cash and due from banks	$ 3,014	3,014	—	—	3,014
Other short-term investments	17,120	17,120	—	—	17,120
Other securities	778	—	778	—	778
Held-to-maturity securities	11,278	2,344	8,619	2	10,965
Loans and leases held for sale	66	—	—	66	66
Portfolio loans and leases:					
Commercial loans and leases	72,139	—	—	72,319	72,319
Consumer and residential mortgage loans	45,192	—	—	42,155	42,155
Total portfolio loans and leases, net	$ 117,331	—	—	114,474	114,474
Financial liabilities:					
Deposits	$ 167,252	—	167,353	—	167,353
Federal funds purchased	204	204	—	—	204
Other short-term borrowings	4,450	—	4,459	—	4,459
Long-term debt	14,440	3,753	10,835	—	14,588

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19. Business Segments

The Bancorp has three reportable segments: Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management. The Bancorp's reportable segments have been determined based on its management structure and management accounting practices. This presentation is aligned with how results are reviewed internally by the Bancorp's Chairman, Chief Executive Officer and President, which the Bancorp has determined to be its Chief Operating Decision Maker ("CODM"). For each of the Bancorp's segments, the CODM primarily uses segment income before income taxes on an FTE basis to allocate resources such as employees and capital. The CODM also monitors trends in net interest income, noninterest income and noninterest expense to evaluate the financial performance of each segment and make resource allocation decisions. These decisions also consider segment-specific events and circumstances, general market conditions, forecasts and variances to annual budgets. Additionally, the CODM uses segment average assets as a measure to allocate resources to the segments.

The Bancorp manages interest rate risk centrally at the corporate level. By employing an FTP methodology, the segments are insulated from most benchmark interest rate volatility, enabling them to focus on serving customers through the origination of loans and acceptance of deposits. The FTP methodology assigns charge and credit rates to classes of assets and liabilities, respectively, based on the estimated amount and timing of the cash flows for each transaction. Assigning the FTP rate based on matching the duration of cash flows allocates interest income and interest expense to each segment so its resulting net interest income is insulated from future changes in benchmark interest rates. The Bancorp's FTP methodology also allocates the contribution to net interest income of the asset-generating and deposit-providing businesses on a duration-adjusted basis to better attribute the driver of the performance. As the asset and liability durations are not perfectly matched, the residual impact of the FTP methodology is captured in General Corporate and Other. The charge and credit rates are determined using the FTP rate curve, which is based on an estimate of Fifth Third's marginal borrowing cost in the wholesale funding markets. The FTP curve is constructed using the U.S. swap curve, brokered CD pricing and unsecured debt pricing.

The Bancorp adjusts the FTP charge and credit rates as dictated by changes in interest rates for various interest-earning assets and interest-bearing liabilities and by the review of behavioral assumptions, such as prepayment rates on interest-earning assets and the estimated durations for indeterminate-lived deposits. Key assumptions, including the credit rates provided for deposit accounts, are reviewed annually. Credit rates for deposit products and charge rates for loan products may be reset more frequently in response to changes in market conditions.

Refer to Note 31 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024 for additional information about the Bancorp's FTP process and other allocation methodologies.

In January 2025, the Bancorp realigned its reporting structure and moved certain business banking customer relationships and relationship management personnel to the Consumer and Small Business Banking segment from the Commercial Banking segment to improve alignment of customer acquisition and servicing resources with customer product and service demand. In conjunction with this change, the loans, deposits and operating results associated with the affected business banking customer relationships were reclassified from the Commercial Banking segment to the Consumer and Small Business Banking segment effective January 1, 2025, along with $73 million of associated goodwill. This change was applied retrospectively to all prior periods presented. The following table summarizes the impacts of the movements from the Commercial Banking segment to the Consumer & Small Business Banking segment for the years ended December 31:

($ in millions)	2024	2023	2022
Net interest income (FTE)	$ 103	135	74
Income before income taxes (FTE)	68	105	43
Average assets	714	686	660

The following is a description of each of the Bancorp's segments and the products and services they provide to their respective client bases.

Commercial Banking offers credit intermediation, cash management and financial services to large and middle-market businesses and government and professional customers. In addition to the traditional lending and depository offerings, Commercial Banking products and services include global cash management, foreign exchange and international trade finance, derivatives and capital markets services, asset-based lending, real estate finance, public finance, commercial leasing and syndicated finance.

Consumer and Small Business Banking provides a full range of deposit and loan products to individuals and small businesses through a network of full-service banking centers and relationships with indirect and correspondent loan originators in addition to providing products designed to meet the specific needs of small businesses, including cash management services. Consumer and Small Business Banking includes the Bancorp's residential mortgage, home equity loans and lines of credit, credit cards, automobile and other indirect lending, solar energy installation and other consumer lending activities. Residential mortgage activities include the origination, retention and servicing of residential mortgage loans, sales and securitizations of those loans and all associated hedging activities. Indirect lending activities include extending loans to consumers through automobile dealers, motorcycle dealers, powersport dealers, recreational vehicle dealers and marine dealers. Solar energy installation loans and certain other consumer loans are originated through a network of contractors and installers.

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Wealth and Asset Management provides a full range of wealth management solutions for individuals, companies and not-for-profit organizations, including wealth planning, investment management, banking, insurance, trust and estate services. These offerings include retail brokerage services for individual clients, advisory services for institutional clients including middle market businesses, non-profits, states and municipalities, and wealth management strategies and products for high net worth and ultra-high net worth clients.

The following tables present the results of operations and average assets by segment for the three months ended:

March 31, 2025 ($ in millions)	Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other[(c)]	Total
Net interest income (FTE)[(a)]	$ 552	975	49	(134)	1,442
Provision for credit losses	80	84	—	10	174
Net interest income after provision for credit losses	$ 472	891	49	(144)	1,268
Noninterest income:					
Wealth and asset management revenue	$ —	66	106	—	172
Commercial payments revenue	133	20	—	—	153
Consumer banking revenue	—	135	1	1	137
Capital markets fees	90	—	1	(1)	90
Commercial banking revenue	79	1	—	—	80
Mortgage banking net revenue	—	57	—	—	57
Other noninterest income	6	2	1	5	14
Securities losses, net	(7)	—	—	(2)	(9)
Total noninterest income	$ 301	281	109	3	694
Noninterest expense:					
Compensation and benefits	$ 178	236	62	274	750
Technology and communications	3	7	—	113	123
Net occupancy expense	9	54	3	21	87
Equipment expense	8	16	—	18	42
Loan and lease expense	7	18	—	5	30
Marketing expense	1	19	—	8	28
Card and processing expense	3	17	1	—	21
Other noninterest expense[(b)]	302	283	40	(402)	223
Total noninterest expense	$ 511	650	106	37	1,304
Income (loss) before income taxes (FTE)[(a)]	$ 262	522	52	(178)	658
Average assets	$ 77,940	54,406	4,657	73,555	210,558

(a) Includes FTE adjustments of $3 for Commercial Banking and $2 for General Corporate and Other.
(b) Includes segment expenses which are classified as other noninterest expense and allocations of corporate and shared services expenses.
(c) General Corporate and Other is not a reportable segment and is presented for reconciliation purposes.

Fifth Third Bancorp and Subsidiaries
Notes to Condensed Consolidated Financial Statements (unaudited)

March 31, 2024 ($ in millions)		Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other[(c)]	Total
Net interest income (FTE)[(a)]	$	663	1,152	59	(484)	1,390
Provision for (benefit from) credit losses		71	84	—	(61)	94
Net interest income after provision for (benefit from) credit losses	$	592	1,068	59	(423)	1,296
Noninterest income:						
Wealth and asset management revenue	$	1	59	101	—	161
Commercial payments revenue		125	20	—	—	145
Consumer banking revenue		—	132	1	2	135
Capital markets fees		96	1	—	—	97
Commercial banking revenue		85	—	—	—	85
Mortgage banking net revenue		—	54	—	—	54
Other noninterest income		17	1	—	5	23
Securities gains, net		1	—	—	9	10
Total noninterest income	$	325	267	102	16	710
Noninterest expense:						
Compensation and benefits	$	186	237	62	268	753
Technology and communications		4	7	—	106	117
Net occupancy expense		9	54	3	21	87
Equipment expense		7	13	—	17	37
Loan and lease expense		6	17	—	6	29
Marketing expense		1	22	—	9	32
Card and processing expense		2	19	—	(1)	20
Other noninterest expense[(b)]		275	281	38	(327)	267
Total noninterest expense	$	490	650	103	99	1,342
Income (loss) before income taxes (FTE)[(a)]	$	427	685	58	(506)	664
Average assets	$	77,415	51,363	4,413	80,012	213,203

(a) Includes FTE adjustments of $4 for Commercial Banking and $2 for General Corporate and Other.
(b) Includes segment expenses which are classified as other noninterest expense and allocations of corporate and shared services expenses.
(c) General Corporate and Other is not a reportable segment and is presented for reconciliation purposes.

PART II. OTHER INFORMATION

Legal Proceedings (Item 1)

Refer to Note 14 of the Notes to Condensed Consolidated Financial Statements in Part I, Item 1 for information regarding legal proceedings.

Risk Factors (Item 1A)

There have been no material changes made during the first quarter of 2025 to any of the risk factors as previously disclosed in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2024.

Unregistered Sales of Equity Securities and Use of Proceeds (Item 2)

Refer to the "Capital Management" section within Management's Discussion and Analysis in Part I, Item 2 for information regarding purchases and sales of equity securities by the Bancorp during the first quarter of 2025.

Defaults Upon Senior Securities (Item 3)

None.

Mine Safety Disclosures (Item 4)

Not applicable.

Other Information (Item 5)

None.

Exhibits (Item 6)

3.1	Amended Articles of Incorporation of Fifth Third Bancorp. Incorporated by reference to Exhibit 3.1 of the Registrant's Quarterly Report on Form 10-Q filed on May 7, 2021.
3.2	Code of Regulations of Fifth Third Bancorp, as Amended as of December 12, 2023. Incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K filed on December 18, 2023.
10.1	Supplemental Confirmation dated January 22, 2025, to Master Confirmation dated December 13, 2024, for accelerated share repurchase transaction between Fifth Third Bancorp and RBC Capital Markets, LLC, as agent for Royal Bank of Canada.**
31(i)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
31(ii)	Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
32(i)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Executive Officer.
32(ii)	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 by Chief Financial Officer.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase.
101.DEF	Inline XBRL Taxonomy Definition Linkbase.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

***Selected portions of this exhibit have been omitted in accordance with Item 601(b)(10) of Regulation S-K.*

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.

Fifth Third Bancorp
Registrant

Date: May 6, 2025

/s/ Bryan D. Preston
Bryan D. Preston
Executive Vice President
Chief Financial Officer
(Duly Authorized Officer & Principal Financial Officer)