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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 September 30, 2024
Commission File Number 001-33653

Fifth Third Bancorp
(Exact name of Registrant as specified in its charter)

Ohio	31-0854434
(State or other jurisdiction	(I.R.S. Employer
of incorporation or organization)	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 670,543,312 shares of the Registrant's common stock, without par value, outstanding as of October 31, 2024.

FIFTH THIRD

FINANCIAL CONTENTS

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; (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 and trends in capital markets; (27) fluctuation of Fifth Third's stock price; (28) volatility in mortgage banking revenue; (29) litigation, investigations, and enforcement proceedings by governmental authorities; (30) breaches of contractual covenants, representations and warranties; (31) competition and changes in the financial services industry; (32) potential impacts of the adoption of real-time payment networks; (33) changing retail distribution strategies, customer preferences and behavior; (34) difficulties in identifying, acquiring or integrating suitable strategic partnerships, investments or acquisitions; (35) potential dilution from future acquisitions; (36) loss of income and/or difficulties encountered in the sale and separation of businesses, investments or other assets; (37) results of investments or acquired entities; (38) changes in accounting standards or interpretation or declines in the value of Fifth Third's goodwill or other intangible assets; (39) inaccuracies or other failures from the use of models; (40) effects of critical accounting policies and judgments or the use of inaccurate estimates; (41) weather-related events, other natural disasters, or health emergencies (including pandemics); (42) the impact of reputational risk created by these or other developments on such matters as business generation and retention, funding and liquidity; (43) changes in law or requirements imposed by Fifth Third's regulators impacting our capital actions, including dividend payments and stock repurchases; and (44) 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	**FTP**: Funds Transfer Pricing
AFS: Available-for-Sale	**FTS**: Fifth Third Securities, Inc.
ALCO: Asset Liability Management Committee	**GDP**: Gross Domestic Product
ALLL: Allowance for Loan and Lease Losses	**GNMA**: Government National Mortgage Association
AOCI: Accumulated Other Comprehensive Income (Loss)	**GSE**: United States Government Sponsored Enterprise
APR: Annual Percentage Rate	**HTM**: Held-to-Maturity
ARM: Adjustable Rate Mortgage	**IPO**: Initial Public Offering
ASC: Accounting Standards Codification	**IRC**: Internal Revenue Code
ASU: Accounting Standards Update	**IRLC**: Interest Rate Lock Commitment
ATM: Automated Teller Machine	**ISDA**: International Swaps and Derivatives Association, Inc.
BHC: Bank Holding Company	**LIBOR**: London Interbank Offered Rate
BOLI: Bank Owned Life Insurance	**LIHTC**: Low-Income Housing Tax Credit
bps: Basis Points	**LLC**: Limited Liability Company
CD: Certificate of Deposit	**LTV**: Loan-to-Value Ratio
CDC: Fifth Third Community Development Corporation and Fifth Third Community Development Company, LLC	**MD&A**: Management's Discussion and Analysis of Financial Condition and Results of Operations
CECL: Current Expected Credit Loss	**MSR**: Mortgage Servicing Right
CET1: Common Equity Tier 1	**N/A**: Not Applicable
CFPB: United States Consumer Financial Protection Bureau	**NII**: Net Interest Income
C&I: Commercial and Industrial	**NM**: Not Meaningful
DCF: Discounted Cash Flow	**OAS**: Option-Adjusted Spread
DTCC: Depository Trust & Clearing Corporation	**OCC**: Office of the Comptroller of the Currency
ERM: Enterprise Risk Management	**OCI**: Other Comprehensive Income (Loss)
ERMC: Enterprise Risk Management Committee	**OREO**: Other Real Estate Owned
EVE: Economic Value of Equity	**ROU**: Right-of-Use
FASB: Financial Accounting Standards Board	**SBA**: Small Business Administration
FDIC: Federal Deposit Insurance Corporation	**SEC**: United States Securities and Exchange Commission
FHA: Federal Housing Administration	**SOFR**: Secured Overnight Financing Rate
FHLB: Federal Home Loan Bank	**TBA**: To Be Announced
FHLMC: Federal Home Loan Mortgage Corporation	**TILA**: Truth in Lending Act
FICO: Fair Isaac Corporation (credit rating)	**U.S.**: United States of America
FINRA: Financial Industry Regulatory Authority	**U.S. GAAP**: United States Generally Accepted Accounting Principles
FNMA: Federal National Mortgage Association	**VA**: United States Department of Veterans Affairs
FOMC: Federal Open Market Committee	**VIE**: Variable Interest Entity
FRB: Federal Reserve Bank	**VRDN**: Variable Rate Demand Note
FTE: Fully Taxable Equivalent	

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 September 30, 2024, the Bancorp had $214 billion in assets and operated 1,072 full-service banking centers and 2,060 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, 2023. 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 and nine months ended September 30, 2024, net interest income on an FTE basis and noninterest income provided 67% and 33% of total revenue, respectively. The Bancorp derives the majority of its revenues within the U.S. from customers domiciled in the U.S. Revenue from foreign countries and external customers domiciled in foreign countries was immaterial to the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2024. 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, service charges on deposits, commercial banking revenue, card and processing revenue, mortgage banking net revenue, leasing business revenue, other noninterest income and net securities gains or losses. Noninterest expense includes compensation and benefits, technology and communications, net occupancy expense, equipment expense, marketing expense, leasing business expense, card and processing expense and other noninterest expense.

FDIC Special Assessment

In response to the bank closures that occurred in the first half of 2023, the FDIC issued a final rule for a special deposit insurance assessment on banking organizations with greater than $5 billion in assets to recover the losses to the Deposit Insurance Fund associated with protecting uninsured depositors. The Bancorp's initial estimate of its allocated share of the special assessment under the provisions of the final rule was $224 million, which was recognized in earnings upon issuance of the final rule in November 2023.

Subsequently, in 2024, the FDIC has announced that it expects to incur additional losses related to these bank closures beyond its initial estimates, resulting in an increase to the amount of the special assessment allocated to each member bank. As of September 30, 2024, the

Bancorp's estimate of its allocation of the special assessment was $263 million, based on the most recent information provided by the FDIC. As a result, the Bancorp recorded an incremental expense of $39 million during the first six months of 2024. The Bancorp currently expects to pay the special assessment to the FDIC over a total of ten quarterly assessment periods, which began with the first quarter of 2024. The estimate of the cost associated with protecting the uninsured depositors will continue to be subject to periodic adjustment until the final loss amount is determined by the FDIC.

Accelerated Share Repurchase Transactions

During the three and nine months ended September 30, 2024, the Bancorp entered into and settled accelerated share repurchase transactions totaling $200 million and $325 million, respectively. Refer to Note 17 and Note 25 of the Notes to Condensed Consolidated Financial Statements for additional information on share repurchase activity.

Senior Notes Offerings

On January 29, 2024, the Bancorp issued and sold $1.0 billion of fixed-rate/floating-rate senior notes which will mature on January 29, 2032. The senior notes will bear interest at a rate of 5.631% per annum until January 28, 2031. From January 29, 2031 until maturity, the senior notes will bear interest at a rate of compounded SOFR plus 1.840%.

On September 6, 2024, the Bancorp issued and sold $750 million of fixed-rate/floating-rate senior notes which will mature on September 6, 2030. The senior notes will bear interest at a rate of 4.895% per annum until September 5, 2029. From September 6, 2029 until maturity, the senior notes will bear interest at a rate of compounded SOFR plus 1.486%.

Refer to Note 16 of the Notes to Condensed Consolidated Financial Statements for more information.

Transfer of Securities

In January 2024, the Bancorp transferred $12.6 billion (amortized cost basis) of 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. Refer to the Investment Securities subsection of the Balance Sheet Analysis section of MD&A for more information.

CFPB Settlements

On July 9, 2024, the Bank and the CFPB agreed to resolve previously outstanding litigation which alleged violations of the Consumer Financial Protection Act, the Truth in Lending Act and Truth in Savings Act. The Bank agreed to the entry of a Stipulated Final Judgment and Order, pursuant to which the Bank, without admitting or denying any of the allegations in the suit except as specified in the order, agreed to pay a civil monetary penalty of $15 million, agreed to maintain existing policies around its consumer sales incentives, agreed to create a compliance plan to ensure its account opening practices comply with law and the order and agreed to provide a redress plan to remediate certain customers with checking, savings, or credit card accounts opened beginning January 1, 2010 and ending December 31, 2016.

Concurrently, the Bank also agreed to entry of a Consent Order related to a since-discontinued program in its auto lending business that placed collateral protection insurance on certain automobile loans. Under this Consent Order, without admitting or denying any of the findings of fact or conclusions of law (except to establish jurisdiction), the Bank agreed to pay a $5 million civil monetary penalty related to those issues, maintain existing policy changes related to its auto servicing practices, agreed to create a compliance plan to ensure its compliance with the order and provide a redress plan to remediate certain customers within a redress period beginning July 21, 2011 and ending December 31, 2020.

Refer to Note 19 of the Notes to Condensed Consolidated Financial Statements for additional information on these settlements.

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

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

- 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.

TABLE 1: Earnings Summary

($ in millions, except for per share data)	For the three months ended September 30, 2024	2023	% Change	For the nine months ended September 30, 2024	2023	% Change
Income Statement Data						
Net interest income (U.S. GAAP)	$ **1,421**	1,438	(1)	$ **4,192**	4,411	(5)
Net interest income (FTE)[(a)(b)]	**1,427**	1,445	(1)	**4,210**	4,429	(5)
Noninterest income	**711**	715	(1)	**2,117**	2,137	(1)
Total revenue (FTE)[(a)(b)]	**2,138**	2,160	(1)	**6,327**	6,566	(4)
Provision for credit losses	**160**	119	34	**351**	460	(24)
Noninterest expense	**1,244**	1,188	5	**3,807**	3,750	2
Net income	**573**	660	(13)	**1,694**	1,819	(7)
Net income available to common shareholders	**532**	623	(15)	**1,573**	1,719	(8)
Common Share Data						
Earnings per share - basic	$ **0.78**	0.91	(14)	$ **2.30**	2.51	(8)
Earnings per share - diluted	**0.78**	0.91	(14)	**2.28**	2.50	(9)
Cash dividends declared per common share	**0.37**	0.35	6	**1.07**	1.01	6
Book value per share	**27.60**	21.19	30	**27.60**	21.19	30
Market value per share	**42.84**	25.33	69	**42.84**	25.33	69
Financial Ratios						
Return on average assets	**1.06 %**	1.26	(16)	**1.06 %**	1.18	(10)
Return on average common equity	**11.7**	16.3	(28)	**12.3**	14.6	(16)
Return on average tangible common equity[(b)]	**16.3**	24.7	(34)	**17.6**	21.8	(19)
Dividend payout	**47.4**	38.5	23	**46.5**	40.2	16

(a) Amounts presented on an FTE basis. The FTE adjustments were $6 and $7 for the three months ended September 30, 2024 and 2023, respectively, and were $18 for both the nine months ended September 30, 2024 and 2023.

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

Earnings Summary

The Bancorp's net income available to common shareholders for the third quarter of 2024 was $532 million, or $0.78 per diluted share, which was net of $41 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the third quarter of 2023 was $623 million, or $0.91 per diluted share, which was net of $37 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the nine months ended September 30, 2024 was $1.6 billion, or $2.28 per diluted share, which was net of $121 million in preferred stock dividends. The Bancorp's net income available to common shareholders for the nine months ended September 30, 2023 was $1.7 billion, or $2.50 per diluted share, which was net of $100 million in preferred stock dividends.

Net interest income on an FTE basis (non-GAAP) was $1.4 billion and $4.2 billion for the three and nine months ended September 30, 2024, respectively, decreasing $18 million and $219 million compared to the same periods in the prior year. For both the three and nine months ended September 30, 2024, net interest income was negatively impacted by higher funding costs due to increases in market interest rates and deposit balance migration into higher yielding products as well as decreases in the average balances of commercial and industrial loans. These negative impacts were partially offset by increases in the average balances of other short-term investments and increases in yields on average interest-earning assets. Net interest margin on an FTE basis (non-GAAP) was 2.90% and 2.88% for the three and nine months ended September 30, 2024, respectively, compared to 2.98% and 3.12% for the comparable periods in the prior year.

The provision for credit losses was $160 million and $351 million for the three and nine months ended September 30, 2024, respectively, compared to $119 million and $460 million during the same periods in the prior year. Provision expense for the three months ended September 30, 2024 was affected by factors that caused an increase in the ACL from June 30, 2024, primarily including the recognition of specific reserves on individually evaluated commercial and industrial loans, slight deterioration in the economic forecast and changes in loan mix. The provision for credit losses for the nine months ended September 30, 2024 was affected by factors that caused a decrease in the ACL from December 31, 2023, including improvement in the economic forecast used to calculate the ACL and lower period-end loan and lease balances. Net losses charged-off as a percent of average portfolio loans and leases were 0.48% and 0.41% for the three months ended September 30, 2024 and 2023, respectively, and 0.45% and 0.32% for the nine months ended September 30, 2024 and 2023, respectively. At September 30, 2024 and December 31, 2023, nonperforming portfolio assets as a percent of portfolio loans and leases and OREO were 0.62% and 0.59%, respectively. For more information 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 $4 million and $20 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to decreases in other noninterest income, leasing business revenue and mortgage banking net revenue, partially offset by increases in wealth and asset management revenue, services charges on deposits and net securities gains.

Noninterest expense increased $56 million and $57 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in compensation and benefits expense, other noninterest expense and technology and communications expense, partially offset by decreases in leasing business expense and marketing expense.

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 and pursuant to the five-year transition provision option to phase in the effects of CECL on regulatory capital as of September 30, 2024. As of September 30, 2024, the Bancorp’s capital ratios, as defined by the U.S. banking agencies, were:

- CET1 capital ratio: 10.75%;
- Tier 1 risk-based capital ratio: 12.07%;
- Total risk-based capital ratio: 14.13%;
- Leverage ratio: 9.11%.

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 September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Net interest income (U.S. GAAP)	$	**1,421**	1,438	**4,192**	4,411
Add: FTE adjustment		**6**	7	**18**	18
Net interest income on an FTE basis (1)	$	**1,427**	1,445	**4,210**	4,429
Net interest income on an FTE basis (annualized) (2)		**5,677**	5,733	**5,624**	5,922
Interest income (U.S. GAAP)	$	**2,669**	2,529	**7,897**	7,113
Add: FTE adjustment		**6**	7	**18**	18
Interest income on an FTE basis	$	**2,675**	2,536	**7,915**	7,131
Interest income on an FTE basis (annualized) (3)		**10,642**	10,061	**10,573**	9,534
Interest expense (annualized) (4)	$	**4,965**	4,328	**4,949**	3,613
Noninterest income (5)		**711**	715	**2,117**	2,137
Noninterest expense (6)		**1,244**	1,188	**3,807**	3,750
Average interest-earning assets (7)		**195,836**	192,216	**195,231**	189,578
Average interest-bearing liabilities (8)		**147,092**	139,779	**146,664**	134,588
Ratios:					
Net interest margin on an FTE basis (2) / (7)		**2.90 %**	2.98	**2.88**	3.12
Net interest rate spread on an FTE basis ((3) / (7)) - ((4) / (8))		**2.05**	2.13	**2.05**	2.35
Efficiency ratio on an FTE basis (6) / ((1) + (5))		**58.2**	55.0	**60.2**	57.1

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.

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 September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Net income available to common shareholders (U.S. GAAP)	**$ 532**	623	**1,573**	1,719
Add: Intangible amortization, net of tax	**7**	8	**21**	26
Tangible net income available to common shareholders	**$ 539**	631	**1,594**	1,745
Tangible net income available to common shareholders (annualized) (1)	**2,144**	2,503	**2,129**	2,333
Average Bancorp shareholders' equity (U.S. GAAP)	**$ 20,251**	17,305	**19,232**	17,873
Less: Average preferred stock	**2,116**	2,116	**2,116**	2,116
Average goodwill	**4,918**	4,919	**4,918**	4,917
Average intangible assets	**103**	141	**112**	152
Average tangible common equity (2)	**$ 13,114**	10,129	**12,086**	10,688
Return on average tangible common equity (1) / (2)	**16.3 %**	24.7	**17.6**	21.8

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)	**September 30, 2024**	December 31, 2023
Total Bancorp Shareholders' Equity (U.S. GAAP)	**$ 20,784**	19,172
Less: Preferred stock	**2,116**	2,116
Goodwill	**4,918**	4,919
Intangible assets	**98**	125
AOCI	**(3,446)**	(4,487)
Tangible common equity, excluding AOCI (1)	**$ 17,098**	16,499
Add: Preferred stock	**2,116**	2,116
Tangible equity (2)	**$ 19,214**	18,615
Total Assets (U.S. GAAP)	**$ 214,318**	214,574
Less: Goodwill	**4,918**	4,919
Intangible assets	**98**	125
AOCI, before tax	**(4,362)**	(5,680)
Tangible assets, excluding AOCI (3)	**$ 213,664**	215,210
Ratios:		
Tangible equity as a percentage of tangible assets (2) / (3)	**8.99 %**	8.65
Tangible common equity as a percentage of tangible assets (1) / (3)	**8.00**	7.67

RECENT ACCOUNTING STANDARDS

Note 3 of the Notes to Condensed Consolidated Financial Statements provides a discussion of the significant new accounting standards 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, fair value measurements, goodwill and legal contingencies. 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, 2023. There have been no material changes to the valuation techniques or models during the nine months ended September 30, 2024.

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.

Tables 5 and 6 present the components of net interest income, net interest margin and net interest rate spread for the three and nine months ended September 30, 2024 and 2023, 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 and $4.2 billion for the three and nine months ended September 30, 2024, respectively, decreasing $18 million and $219 million compared to the same periods in the prior year. For both the three and nine months ended September 30, 2024, net interest income was negatively impacted by higher funding costs due to increases in market interest rates and deposit balance migration into higher yielding products as well as decreases in the average balances of commercial and industrial loans. These negative impacts were partially offset by increases in the average balances of other short-term investments and increases in yields on average interest-earning assets.

Net interest rate spread on an FTE basis (non-GAAP) was 2.05% for both the three and nine months ended September 30, 2024, compared to 2.13% and 2.35% for the three and nine months ended September 30, 2023, respectively. Rates paid on average interest-bearing liabilities increased 28 bps and 69 bps, partially offset by increases in yields on average interest-earning assets of 20 bps and 39 bps for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023.

Net interest margin on an FTE basis (non-GAAP) was 2.90% and 2.88% for the three and nine months ended September 30, 2024, respectively, compared to 2.98% and 3.12% for the comparable periods in the prior year. Net interest margin for the three and nine months ended September 30, 2024 was primarily impacted by the previously mentioned impacts of higher market interest rates, migration of average balances of deposits from demand deposits to interest-bearing deposits and decreases in average balances of loans and leases. Net interest margin results are expected to modestly increase over the next several quarters driven by fixed-rate asset repricing and moderating deposit costs. 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 increased $11 million and $195 million during the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily driven by increases in yields on loans and leases, partially offset by decreases in average balances of commercial and industrial loans. 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 increased $128 million and $589 million during the three and nine months ended September 30, 2024 , respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in the average balances of other short-term investments. The increase for the nine months ended September 30, 2024 was also driven by an increase in yields on average taxable securities.

Interest expense on average core deposits increased $153 million and $905 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in the cost of average interest-bearing core deposits to 297 bps and 295 bps for the three and nine months ended September 30, 2024, respectively, from 265 bps and 219 bps for the three and nine months ended September 30, 2023, respectively, as a result of higher short-term interest rates and greater competition for deposits. The increases for the three and nine months ended September 30, 2024 were also driven by increases in the average balances of interest-bearing core deposits. 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 increased $4 million and $98 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in the average balances of long-term debt. The increase for the three months ended September 30, 2024 was partially offset by a decrease in the average balances of CDs over $250,000. The increase for the nine months ended September 30, 2024 was also driven by an increase in the rates paid on average long-term debt, partially offset by a decrease 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. Average wholesale funding represented 16% of average interest-bearing liabilities for both the three and nine months ended September 30, 2024, compared to 17% and 18% for the three and nine months ended September 30, 2023, respectively. 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.

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

For the three months ended	**September 30, 2024**			September 30, 2023			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	**$ 51,630**	**929**	**7.15 %**	$ 57,015	1,006	7.00 %	$ (96)	19	(77)
Commercial mortgage loans	**11,488**	**181**	**6.26**	11,216	173	6.12	4	4	8
Commercial construction loans	**5,982**	**107**	**7.14**	5,540	97	6.93	8	2	10
Commercial leases	**2,686**	**31**	**4.53**	2,618	24	3.75	1	6	7
Total commercial loans and leases	**$ 71,786**	**1,248**	**6.91**	$ 76,389	1,300	6.75	$ (83)	31	(52)
Residential mortgage loans	**17,604**	**164**	**3.71**	18,019	160	3.52	(4)	8	4
Home equity	**4,018**	**85**	**8.40**	3,897	80	8.17	3	2	5
Indirect secured consumer loans	**15,680**	**214**	**5.42**	15,787	176	4.43	(1)	39	38
Credit card	**1,708**	**60**	**14.00**	1,808	64	14.09	(4)	—	(4)
Solar energy installation loans	**3,990**	**81**	**8.12**	3,245	53	6.42	13	15	28
Other consumer loans	**2,629**	**62**	**9.37**	3,121	70	8.93	(11)	3	(8)
Total consumer loans	**$ 45,629**	**666**	**5.81**	$ 45,877	603	5.22	$ (4)	67	63
Total loans and leases	**$ 117,415**	**1,914**	**6.48 %**	$ 122,266	1,903	6.18 %	$ (87)	98	11
Securities:									
Taxable	**55,329**	**452**	**3.25**	55,519	435	3.10	(2)	19	17
Exempt from income taxes[(b)]	**1,378**	**11**	**3.30**	1,475	12	3.21	(1)	—	(1)
Other short-term investments	**21,714**	**298**	**5.47**	12,956	186	5.69	120	(8)	112
Total interest-earning assets	**$ 195,836**	**2,675**	**5.43 %**	$ 192,216	2,536	5.23 %	$ 30	109	139
Cash and due from banks	**2,664**			2,576					
Other assets	**17,626**			15,920					
Allowance for loan and lease losses	**(2,288)**			(2,327)					
Total assets	**$ 213,838**			$ 208,385					
Liabilities and Equity:									
Interest-bearing liabilities:									
Interest checking deposits	**$ 58,441**	**497**	**3.38 %**	$ 53,109	426	3.18 %	$ 44	27	71
Savings deposits	**17,272**	**31**	**0.71**	20,511	46	0.89	(7)	(8)	(15)
Money market deposits	**37,257**	**287**	**3.06**	32,072	202	2.50	36	49	85
Foreign office deposits	**164**	**1**	**1.97**	168	1	1.72	—	—	—
CDs $250,000 or less	**10,543**	**108**	**4.07**	9,630	96	3.97	9	3	12
Total interest-bearing core deposits	**$ 123,677**	**924**	**2.97**	$ 115,490	771	2.65	$ 82	71	153
CDs over $250,000	**3,499**	**44**	**5.08**	5,926	73	4.91	(31)	2	(29)
Federal funds purchased	**176**	**2**	**5.34**	181	2	5.31	—	—	—
Securities sold under repurchase agreements	**396**	**2**	**2.36**	352	1	1.46	—	1	1
FHLB advances	**2,576**	**36**	**5.59**	3,726	50	5.26	(16)	2	(14)
Derivative collateral and other borrowed money	**52**	**2**	**14.76**	48	1	7.82	—	1	1
Long-term debt	**16,716**	**238**	**5.65**	14,056	193	5.46	38	7	45
Total interest-bearing liabilities	**$ 147,092**	**1,248**	**3.38 %**	$ 139,779	1,091	3.10 %	$ 73	84	157
Demand deposits	**40,020**			44,228					
Other liabilities	**6,475**			7,073					
Total liabilities	**$ 193,587**			$ 191,080					
Total equity	**$ 20,251**			$ 17,305					
Total liabilities and equity	**$ 213,838**			$ 208,385					
Net interest income (FTE)[(c)]		**$ 1,427**			$ 1,445		$ (43)	25	(18)
Net interest margin (FTE)[(c)]			**2.90 %**			2.98 %			
Net interest rate spread (FTE)[(c)]			**2.05**			2.13			
Interest-bearing liabilities to interest-earning assets			**75.11**			72.72			

(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 $6 and $7 for the three months ended September 30, 2024 and 2023, respectively.*

(c) *Net interest income (FTE), net interest margin (FTE) and net interest rate spread (FTE) are non-GAAP measures. For further information, refer to the Non-GAAP Financial*

Measures section of MD&A.

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

TABLE 6: Condensed Consolidated Average Balance Sheets and Analysis of Net Interest Income on an FTE Basis

For the nine months ended	September 30, 2024			September 30, 2023			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	Tot
Assets:									
Interest-earning assets:									
Loans and leases:[(b)]									
Commercial and industrial loans	$ 52,423	2,795	7.12 %	$ 57,786	2,908	6.73 %	$ (280)	167	(11
Commercial mortgage loans	11,394	535	6.27	11,237	493	5.87	7	35	4
Commercial construction loans	5,877	315	7.16	5,527	279	6.74	18	18	3
Commercial leases	2,602	85	4.37	2,661	71	3.59	(1)	15	1
Total commercial loans and leases	$ 72,296	3,730	6.89	$ 77,211	3,751	6.50	$ (256)	235	(2
Residential mortgage loans	17,412	474	3.64	18,168	467	3.43	(20)	27	
Home equity	3,960	248	8.35	3,946	217	7.34	1	30	3
Indirect secured consumer loans	15,410	598	5.18	16,219	508	4.19	(26)	116	9
Credit card	1,736	176	13.53	1,790	188	14.06	(5)	(7)	(1
Solar energy installation loans	3,900	236	8.08	2,734	116	5.68	60	60	12
Other consumer loans	2,752	189	9.16	3,216	209	8.67	(31)	11	(2
Total consumer loans	$ 45,170	1,921	5.68	$ 46,073	1,705	4.95	$ (21)	237	21
Total loans and leases	$ 117,466	5,651	6.43 %	$ 123,284	5,456	5.92 %	$ (277)	472	19
Securities:									
Taxable	55,196	1,347	3.26	56,127	1,292	3.08	(22)	77	5
Exempt from income taxes[(b)]	1,395	34	3.28	1,459	35	3.17	(2)	1	
Other short-term investments	21,174	883	5.57	8,708	348	5.34	519	16	53
Total interest-earning assets	$ 195,231	7,915	5.42 %	$ 189,578	7,131	5.03 %	$ 218	566	78
Cash and due from banks	2,681			2,776					
Other assets	17,571			16,405					
Allowance for loan and lease losses	(2,309)			(2,231)					
Total assets	$ 213,174			$ 206,528					
Liabilities and Equity:									
Interest-bearing liabilities:									
Interest checking deposits	$ 58,372	1,480	3.39 %	$ 50,782	1,061	2.79 %	$ 173	246	41
Savings									

deposits	17,707	91	0.69	21,755	118	0.73	(21)	(6)	(2
Money market deposits	35,791	802	2.99	29,815	419	1.88	97	286	38
Foreign office deposits	156	3	2.16	151	2	1.63	—	1	
CDs $250,000 or less	10,518	327	4.15	7,537	198	3.51	88	41	12
Total interest-bearing core deposits	$ 122,544	2,703	2.95	$ 110,040	1,798	2.19	$ 337	568	90
CDs over $250,000	4,585	177	5.16	5,222	179	4.57	(24)	22	(
Federal funds purchased	202	8	5.39	347	13	4.89	(6)	1	(
Securities sold under repurchase agreements	378	6	2.06	347	3	1.13	—	3	
FHLB advances	2,949	125	5.68	5,035	188	4.99	(86)	23	(6
Derivative collateral and other borrowed money	55	4	9.50	123	7	8.10	(4)	1	(
Long-term debt	15,951	682	5.71	13,474	514	5.09	101	67	16
Total interest-bearing liabilities	$ 146,664	3,705	3.37 %	$ 134,588	2,702	2.68 %	$ 318	685	1,00
Demand deposits	40,374			47,138					
Other liabilities	6,904			6,929					
Total liabilities	$ 193,942			$ 188,655					
Total equity	$ 19,232			$ 17,873					
Total liabilities and equity	$ 213,174			$ 206,528					
Net interest income (FTE)(c)		$ 4,210			$ 4,429		$ (100)	(119)	(21
Net interest margin (FTE)(c)			2.88 %			3.12 %			
Net interest rate spread (FTE)(c)			2.05			2.35			
Interest-bearing liabilities to interest-earning assets			75.12			70.99			

(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 $18 for both the nine months ended September 30, 2024 and 2023.*

(c) *Net interest income (FTE), net interest margin (FTE) and net interest rate spread (FTE) are non-GAAP measures. For further information, refer to the Non-GAAP Financial Measures section of MD&A.*

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, 2023. The provision is recorded to bring the ALLL and reserve for unfunded commitments to a level deemed appropriate by the Bancorp to cover losses expected in the portfolios. Actual credit losses on loans and leases are charged against the ALLL. The amount of loans and leases actually removed from the Condensed Consolidated Balance Sheets are referred to as charge-offs. Net charge-offs include current period charge-offs less recoveries on previously charged-off loans and leases.

The provision for credit losses was $160 million and $351 million for the three and nine months ended September 30, 2024, respectively, compared to $119 million and $460 million during the same periods in the prior year. Provision expense for the three months ended September 30, 2024 was affected by factors that caused an increase in the ACL from June 30, 2024, primarily including the recognition of specific reserves on individually evaluated commercial and industrial loans, slight deterioration in the economic forecast and changes in loan mix. The provision for credit losses for the nine months ended September 30, 2024 was affected by factors that caused a decrease in the ACL from December 31, 2023, including improvement in the economic forecast used to calculate the ACL and lower period-end loan and lease balances.

The ALLL decreased $17 million from December 31, 2023 to $2.3 billion at September 30, 2024. The ALLL as a percent of portfolio loans and leases was 1.98% at both September 30, 2024 and December 31, 2023. The reserve for unfunded commitments decreased $28 million from December 31, 2023 to $138 million at September 30, 2024. At September 30, 2024, the ACL as a percent of portfolio loans and leases decreased to 2.09%, compared to 2.12% at December 31, 2023.

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 $4 million and $20 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023.

The following table presents the components of noninterest income:

TABLE 7: Components of Noninterest Income

	For the three months ended September 30,			For the nine months ended September 30,		
($ in millions)	**2024**	2023	% Change	**2024**	2023	% Change
Wealth and asset management revenue	$ **163**	145	12	$ **483**	434	11
Service charges on deposits	**161**	149	8	**467**	431	8
Commercial banking revenue	**163**	154	6	**451**	461	(2)
Card and processing revenue	**106**	104	2	**316**	310	2
Mortgage banking net revenue	**50**	57	(12)	**154**	184	(16)
Leasing business revenue	**43**	58	(26)	**120**	162	(26)
Other noninterest income	**15**	55	(73)	**103**	152	(32)
Securities gains (losses), net	**10**	(7)	NM	**23**	3	667
Total noninterest income	$ **711**	715	(1)	$ **2,117**	2,137	(1)

Wealth and asset management revenue

Wealth and asset management revenue increased $18 million and $49 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily driven by increases in personal asset management revenue and brokerage income. The Bancorp’s trust and registered investment advisory businesses had approximately $635 billion and $547 billion in total assets under care as of September 30, 2024 and 2023, respectively, and managed $69 billion and $57 billion in assets for individuals, corporations and not-for-profit organizations as of September 30, 2024 and 2023, respectively.

Service charges on deposits

Service charges on deposits increased $12 million and $36 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in service charges on commercial deposits. Service charges on commercial deposits were $120 million and $350 million for the three and nine months ended September 30, 2024, respectively, increasing $11 million and $35 million from the same periods in the prior year, primarily due to increases in revenue from commercial payments activities, which include traditional treasury management and embedded payments. Service charges on consumer deposits were $41 million and $117 million for the three and nine months ended September 30, 2024, respectively, compared to $40 million and $116 million for the same periods in the prior year.

Commercial banking revenue

Commercial banking revenue increased $9 million and decreased $10 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023. The increase for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 was primarily driven by an increase in corporate bond fees, partially offset by a decrease in foreign exchange fees. The decrease for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 was primarily driven by decreases in revenue from commercial customer derivatives, foreign exchange fees and loan syndication revenue, partially offset by an increase in corporate bond fees.

Card and processing revenue

Card and processing revenue increased $2 million and $6 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in electronic funds transfer income. The increase for the nine months ended September 30, 2024 also included an increase in credit and debit card interchange, partially offset by increased reward costs.

Mortgage banking net revenue

Mortgage banking net revenue decreased $7 million and $30 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023.

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

TABLE 8: Components of Mortgage Banking Net Revenue

		For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Origination fees and gains on loan sales	**$**	**18**	19	**50**	59
Net mortgage servicing revenue:					
Gross mortgage servicing fees		**77**	79	**233**	241
Net valuation adjustments on MSRs and free-standing derivatives purchased to economically hedge MSRs		**(45)**	(41)	**(129)**	(116)
Net mortgage servicing revenue		**32**	38	**104**	125
Total mortgage banking net revenue	**$**	**50**	57	**154**	184

Origination fees and gains on loan sales decreased $1 million and $9 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily driven by the impact of gains recognized during the three and nine months ended September 30, 2023 from sales of forbearance loans that were repurchased from GNMA, partially offset by the impacts of mark-to-market adjustments recognized on held for investment loans measured at fair value. Residential mortgage loan originations increased to $1.9 billion from $1.5 billion for the three months ended September 30, 2024 compared to the three months ended September 30, 2023 primarily due to the impact of lower market interest rates on originations. Residential mortgage loan originations were $4.6 billion for both the nine months ended September 30, 2024 and 2023.

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

TABLE 9: Components of Net Valuation Adjustments on MSRs

		For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio	**$**	**45**	(75)	**(17)**	(110)
Changes in fair value:					
Due to changes in inputs or assumptions[(a)]		**(49)**	73	**1**	107
Other changes in fair value[(b)]		**(41)**	(39)	**(113)**	(113)
Net valuation adjustments on MSRs and free-standing derivatives purchased to economically hedge MSRs	**$**	**(45)**	(41)	**(129)**	(116)

(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 recognized losses of $90 million and $112 million for the three and nine months ended September 30, 2024, respectively, in mortgage banking net revenue for valuation adjustments on the MSR portfolio, compared to gains of $34 million and losses of $6 million for the same periods in the prior year. The valuation adjustments on the MSR portfolio included a decrease of $49 million and an increase of $1 million for the three and nine months ended September 30, 2024, respectively, and increases of $73 million and $107 million for the three and nine months ended September 30, 2023, 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 and nine months ended September 30, 2024, which caused an increase in prepayment speeds. The fair value of the MSR portfolio decreased $41 million and $113 million for the three and nine months ended September 30, 2024, respectively, and decreased $39 million and $113 million for the three and nine months ended September 30, 2023, respectively, as a result of contractual principal payments and actual prepayment activity.

Further detail on the valuation of MSRs can be found in Note 13 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 14 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 and nine months ended September 30, 2024 and 2023.

The Bancorp's total residential mortgage loans serviced as of September 30, 2024 and 2023 were $112.4 billion and $118.5 billion, respectively, with $95.8 billion and $101.9 billion, respectively, of residential mortgage loans serviced for others.

Leasing business revenue

Leasing business revenue decreased $15 million and $42 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily driven by decreases in operating lease income, lease remarketing fees and lease syndication revenue.

Other noninterest income

The following table presents the components of other noninterest income:

TABLE 10: Components of Other Noninterest Income

	For the three months ended September 30,			For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
BOLI income	$	**16**	15	**49**	45
Cardholder fees		**14**	15	**41**	43
Private equity investment income		**12**	13	**33**	39
Banking center income		**7**	7	**20**	19
Consumer loan fees		**6**	5	**16**	15
Equity method investment income		**5**	3	**13**	48
Gains on sale of businesses		**1**	2	**7**	—
Loss on swap associated with the sale of Visa, Inc. Class B Shares		**(47)**	(10)	**(87)**	(72)
Other, net		**1**	5	**11**	15
Total other noninterest income	$	**15**	55	**103**	152

Other noninterest income decreased $40 million and $49 million for the three and nine months ended September 30, 2024, respectively, compared to the three and nine months ended September 30, 2023 primarily due to increases in the loss on the swap associated with the sale of Visa, Inc. Class B Shares. The decrease for the nine months ended September 30, 2024 also included a decrease in equity method investment income.

The Bancorp recognized negative valuation adjustments of $47 million and $87 million related to the Visa total return swap during the three and nine months ended September 30, 2024, respectively, compared to negative valuation adjustments of $10 million and $72 million during the three and nine months ended September 30, 2023, respectively. For additional information on the valuation of the swap associated with the sale of Visa, Inc. Class B Shares, refer to Note 23 of the Notes to Condensed Consolidated Financial Statements. Equity method investment income decreased $35 million for the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023 primarily due to a gain on the partial disposition of an equity method investment during the second quarter of 2023.

Securities gains (losses), net

Net securities gains were $10 million and $23 million for the three and nine months ended September 30, 2024, respectively, compared to losses of $7 million and gains of $3 million for the three and nine months ended September 30, 2023, respectively. For more information, refer to Note 4 of the Notes to Condensed Consolidated Financial Statements.

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Noninterest Expense

Noninterest expense increased $56 million and $57 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year.

The following table presents the components of noninterest expense:

TABLE 11: Components of Noninterest Expense

	For the three months ended September 30,			For the nine months ended September 30,		
($ in millions)	**2024**	2023	% Change	**2024**	2023	% Change
Compensation and benefits	**$ 690**	629	10	**$ 2,099**	2,036	3
Technology and communications	**121**	115	5	**351**	347	1
Net occupancy expense	**81**	84	(4)	**251**	248	1
Equipment expense	**38**	37	3	**114**	110	4
Marketing expense	**26**	35	(26)	**92**	96	(4)
Leasing business expense	**21**	29	(28)	**69**	94	(27)
Card and processing expense	**22**	21	5	**63**	63	—
Other noninterest expense	**245**	238	3	**768**	756	2
Total noninterest expense	**$ 1,244**	1,188	5	**$ 3,807**	3,750	2
Efficiency ratio on an FTE basis(a)	**58.2 %**	55.0		**60.2 %**	57.1	

(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 increased $61 million and $63 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in performance-based compensation and employee benefits expense. Full-time equivalent employees totaled 18,579 at September 30, 2024 compared to 18,804 at September 30, 2023.

Technology and communications expense increased $6 million and $4 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increased investments in strategic initiatives and technology modernization.

Marketing expense decreased $9 million and $4 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to decreases in advertising costs.

Leasing business expense decreased $8 million and $25 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in depreciation expense associated with operating lease equipment.

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The following table presents the components of other noninterest expense:

TABLE 12: Components of Other Noninterest Expense

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
FDIC insurance and other taxes	**$ 35**	39	**155**	122
Loan and lease	**34**	34	**96**	99
Losses and adjustments	**20**	21	**69**	70
Data processing	**21**	22	**61**	66
Dues and subscriptions	**15**	15	**46**	46
Travel	**15**	11	**44**	45
Securities recordkeeping	**14**	13	**41**	38
Postal and courier	**12**	12	**36**	35
Cash and coin processing	**12**	12	**36**	37
Professional service fees	**12**	12	**35**	41
Intangible amortization	**8**	10	**27**	32
Other, net	**47**	37	**122**	125
Total other noninterest expense	**$ 245**	238	**768**	756

Other noninterest expense increased $7 million and $12 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year.

Other noninterest expense included the impacts of FDIC insurance and other taxes, which increased $33 million for the nine months ended September 30, 2024 compared to the same period in the prior year primarily due to the incremental expenses associated with the Bancorp's updated estimate of its allocated share of the FDIC's special assessment, as further discussed in the Overview section of MD&A.

Applicable Income Taxes

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

TABLE 13: Applicable Income Taxes

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Income before income taxes	**$ 728**	846	**2,151**	2,338
Applicable income tax expense	**155**	186	**457**	519
Effective tax rate	**21.3 %**	22.0	**21.3**	22.2

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 Research Credit under Section 41 of the IRC, 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 Qualified Zone Academy Bond program established under Section 1397E of the IRC.

The effective tax rate decreased to 21.3% for the three months ended September 30, 2024 compared to 22.0% for the same period in the prior year primarily related to an increase in tax credits and an increase in excess tax benefits related to share-based compensation. The effective tax rate decreased to 21.3% for the nine months ended September 30, 2024 compared to 22.2% for the same period in the prior year primarily related to the remeasurement of deferred tax assets for changes in certain state tax laws which were enacted during the second quarter of 2024 as well as a decrease in state tax expense associated with the recognition of certain previously unrecognized tax benefits.

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 14 summarizes end of period loans and leases, including loans and leases held for sale, and Table 15 summarizes average total loans and leases, including average loans and leases held for sale.

TABLE 14: Components of Total Loans and Leases (including loans and leases held for sale)

	September 30, 2024		December 31, 2023	
As of ($ in millions)	Carrying Value	% of Total	Carrying Value	% of Total
Commercial loans and leases:				
Commercial and industrial loans	$ 50,930	43 %	$ 53,311	45 %
Commercial mortgage loans	11,428	10	11,276	10
Commercial construction loans	5,997	5	5,621	5
Commercial leases	2,875	3	2,582	2
Total commercial loans and leases	$ 71,230	61 %	$ 72,790	62 %
Consumer loans:				
Residential mortgage loans	17,678	15	17,360	15
Home equity	4,074	4	3,916	3
Indirect secured consumer loans	15,942	14	14,965	13
Credit card	1,703	1	1,865	1
Solar energy installation loans	4,078	3	3,728	3
Other consumer loans	2,575	2	2,988	3
Total consumer loans	$ 46,050	39 %	$ 44,822	38 %
Total loans and leases	$ 117,280	100 %	$ 117,612	100 %
Total portfolio loans and leases (excluding loans and leases held for sale)	$ 116,668		$ 117,234	

Total loans and leases, including loans and leases held for sale, decreased $332 million from December 31, 2023 driven by a decrease in commercial loans and leases, partially offset by an increase in consumer loans.

Commercial loans and leases decreased $1.6 billion, or 2%, from December 31, 2023 due to a decrease in commercial and industrial loans, partially offset by increases in commercial construction loans, commercial leases and commercial mortgage loans. Commercial and industrial loans decreased $2.4 billion, or 4%, from December 31, 2023 primarily as a result of payoffs exceeding loan originations. Commercial construction loans increased $376 million, or 7%, from December 31, 2023 as draws on existing commitments and loan originations exceeded payoffs. Commercial leases increased $293 million, or 11%, from December 31, 2023 primarily as a result of an increase in lease originations. Commercial mortgage loans increased $152 million, or 1%, from December 31, 2023 as loan originations exceeded payoffs.

Consumer loans increased $1.2 billion, or 3%, from December 31, 2023 due to increases in indirect secured consumer loans, solar energy installation loans, residential mortgage loans and home equity, partially offset by decreases in other consumer loans and credit card. Indirect secured consumer loans increased $977 million, or 7%, from December 31, 2023 primarily driven by loan production exceeding payoffs. Solar energy installation loans increased $350 million, or 9%, from December 31, 2023 primarily driven by increased loan originations. Residential mortgage loans increased $318 million, or 2%, from December 31, 2023 primarily driven by an increase in loan production. Home equity loans increased $158 million, or 4%, from December 31, 2023 as loan originations and new advances exceeded payoffs. Other consumer loans decreased $413 million, or 14%, from December 31, 2023 primarily driven by paydowns of 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. Credit card decreased $162 million, or 9%, from December 31, 2023 primarily due to paydowns of seasonally elevated year-end balances.

TABLE 15: Components of Average Loans and Leases (including average loans and leases held for sale)

	September 30, 2024		September 30, 2023	
For the three months ended ($ in millions)	Carrying Value	% of Total	Carrying Value	% of Total
Commercial loans and leases:				
Commercial and industrial loans	**$ 51,630**	**44 %**	$ 57,015	47 %
Commercial mortgage loans	**11,488**	**10**	11,216	9
Commercial construction loans	**5,982**	**5**	5,540	5
Commercial leases	**2,686**	**2**	2,618	2
Total commercial loans and leases	**$ 71,786**	**61 %**	$ 76,389	63 %
Consumer loans:				
Residential mortgage loans	**17,604**	**15**	18,019	15
Home equity	**4,018**	**4**	3,897	3
Indirect secured consumer loans	**15,680**	**13**	15,787	13
Credit card	**1,708**	**2**	1,808	1
Solar energy installation loans	**3,990**	**3**	3,245	3
Other consumer loans	**2,629**	**2**	3,121	2
Total consumer loans	**$ 45,629**	**39 %**	$ 45,877	37 %
Total average loans and leases	**$ 117,415**	**100 %**	$ 122,266	100 %
Total average portfolio loans and leases (excluding loans and leases held for sale)	**$ 116,826**		$ 121,630	

Average loans and leases, including average loans and leases held for sale, decreased $4.9 billion, or 4%, for the three months ended September 30, 2024 compared to the same period in the prior year driven by decreases in average commercial loans and leases and average consumer loans.

Average commercial loans and leases decreased $4.6 billion, or 6%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to a decrease in average commercial and industrial loans, partially offset by increases in average commercial construction loans and average commercial mortgage loans. Average commercial and industrial loans decreased $5.4 billion, or 9%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily as a result of a planned reduction in balances in the second half of 2023. Average commercial construction loans increased $442 million, or 8%, for the three months ended September 30, 2024 compared to the same period in the prior year as draws on existing commitments and loan originations exceeded payoffs.
Average commercial mortgage loans increased $272 million, or 2%, for the three months ended September 30, 2024 compared to the same period in the prior year as loan originations exceeded payoffs.

Average consumer loans decreased $248 million, or 1%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to decreases in average other consumer loans and average residential mortgage loans, partially offset by an increase in average solar energy installation loans. Average other consumer loans decreased $492 million, or 16%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily driven by paydowns of 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. Average residential mortgage loans decreased $415 million, or 2%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily as a result of a planned reduction in balances in the second half of 2023 and a decrease in residential mortgage loans held for sale as the Bancorp sold government-guaranteed loans that were previously in forbearance programs. Average solar energy installation loans increased $745 million, or 23%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to increased loan originations.

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 $53.4 billion and $51.9 billion at September 30, 2024 and December 31, 2023, respectively. The taxable available-for-sale debt and other investment securities portfolio had an effective duration of 3.9 at September 30, 2024 compared to 4.8 at December 31, 2023. The taxable held-to-maturity securities portfolio had an effective duration of 5.6 at September 30, 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. 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 September 30, 2024 , 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 September 30, 2024 and December 31, 2023.

At both September 30, 2024 and December 31, 2023, 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 and nine months ended September 30, 2024 and 2023.

The Bancorp recognized impairment losses on available-for-sale debt and other securities of $11 million and $21 million during the three and nine months ended September 30, 2024, respectively, compared with impairment losses of $1 million and $5 million during the three and nine months ended September 30, 2023, respectively. These losses were included in securities gains (losses), 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 16: Components of Investment Securities

As of ($ in millions)		**September 30, 2024**	December 31, 2023
Available-for-sale debt and other securities (amortized cost basis):			
U.S. Treasury and federal agencies securities	**$**	**4,354**	4,477
Obligations of states and political subdivisions securities		**—**	2
Mortgage-backed securities:			
Agency residential mortgage-backed securities		**5,623**	11,564
Agency commercial mortgage-backed securities		**24,008**	28,945
Non-agency commercial mortgage-backed securities		**4,677**	4,872
Asset-backed securities and other debt securities		**4,315**	5,207
Other securities[(a)]		**777**	722
Total available-for-sale debt and other securities	**$**	**43,754**	55,789
Held-to-maturity securities (amortized cost basis):[(b)]			
U.S. Treasury and federal agencies securities	**$**	**2,354**	—
Mortgage-backed securities:			
Agency residential mortgage-backed securities		**4,992**	—
Agency commercial mortgage-backed securities		**4,010**	—
Asset-backed securities and other debt securities		**2**	2
Total held-to-maturity securities	**$**	**11,358**	2
Trading debt securities (fair value):			
U.S. Treasury and federal agencies securities	**$**	**619**	647
Obligations of states and political subdivisions securities		**86**	39
Agency residential mortgage-backed securities		**12**	6
Asset-backed securities and other debt securities		**459**	207
Total trading debt securities	**$**	**1,176**	899
Total equity securities (fair value)	**$**	**428**	613

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

(b) Includes a discount of $897 at September 30, 2024 pertaining to the unamortized portion of unrealized losses on HTM securities.

In January 2024, the Bancorp transferred $12.6 billion (amortized cost basis) of 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 $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 securities transferred from available-for-sale to held-to-maturity. At September 30, 2024, these transferred securities had an estimated weighted-average life of 6.9 years.

TABLE 17: Estimated Amortization of Unrealized Losses on Securities Transferred to Held-to-Maturity

As of September 30, 2024 ($ in millions)	
Remainder of 2024	$ 17
2025	61
2026	75
2027	87
2028	128
Thereafter	529
Unamortized portion of unrealized losses	$ 897

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 September 30, 2024 and December 31, 2023. The estimated weighted-average life of the debt securities in the available-for-sale debt and other securities portfolio was 5.1 years and 6.2 years at September 30, 2024 and December 31, 2023, 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 3.06% at September 30, 2024 and December 31, 2023, respectively. At September 30, 2024, the held-to-maturity securities portfolio had an estimated weighted-average life of 6.9 years and a weighted-average yield of 3.41%.

Information presented in Tables 18 and 19 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. Total net unrealized losses on the available-for-sale debt and other securities portfolio were $3.4 billion and $5.4 billion at September 30, 2024 and December 31, 2023, respectively.

TABLE 18: Characteristics of Available-for-Sale Debt and Other Securities

As of September 30, 2024 ($ 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	$ 1,239	1,238	0.6	5.01 %
Average life after one year through five years	3,115	3,112	1.5	5.06
Total	$ 4,354	4,350	1.2	5.04 %
Agency residential mortgage-backed securities:				
Average life within one year	3	3	0.7	5.02
Average life after one year through five years	1,252	1,178	3.7	2.87
Average life after five years through ten years	3,604	3,235	6.5	3.05
Average life after ten years	764	601	11.0	2.91
Total	$ 5,623	5,017	6.5	2.99 %
Agency commercial mortgage-backed securities:(a)				
Average life within one year	587	579	0.7	3.15
Average life after one year through five years	10,048	9,538	3.3	2.68
Average life after five years through ten years	10,506	9,184	7.4	2.61
Average life after ten years	2,867	2,418	12.1	2.74
Total	$ 24,008	21,719	6.1	2.67 %
Non-agency commercial mortgage-backed securities:				
Average life within one year	1,312	1,297	0.5	3.22
Average life after one year through five years	1,498	1,443	2.5	3.20
Average life after five years through ten years	1,867	1,659	7.0	2.77
Total	$ 4,677	4,399	3.7	3.04 %
Asset-backed securities and other debt securities:				
Average life within one year	835	826	0.5	3.55
Average life after one year through five years	2,687	2,563	3.0	3.66
Average life after five years through ten years	768	722	6.0	4.28
Average life after ten years	25	23	16.5	6.57
Total	$ 4,315	4,134	3.1	3.76 %
Other securities	777	777		
Total available-for-sale debt and other securities	$ 43,754	40,396	5.1	3.10 %

(a) Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.18% and 0.03% for securities with an average life between 5 and 10 years, average life greater than 10 years and in total, respectively.

TABLE 19: Characteristics of Held-to-Maturity Securities

As of September 30, 2024 ($ in millions)		Amortized Cost[(b)]	Fair Value	Weighted-Average Life (in years)	Weighted-Average Yield	
U.S. Treasury and federal agencies securities:						
Average life after one year through five years	$	2,354	2,379	3.3	2.44	%
Total	$	2,354	2,379	3.3	2.44	%
Agency residential mortgage-backed securities:						
Average life after five years through ten years		4,992	5,066	8.6	3.41	
Total	$	4,992	5,066	8.6	3.41	%
Agency commercial mortgage-backed securities:[(a)]						
Average life within one year		38	38	0.5	3.60	
Average life after one year through five years		717	727	3.5	3.80	
Average life after five years through ten years		2,778	2,842	7.1	3.92	
Average life after ten years		477	500	11.3	4.68	
Total	$	4,010	4,107	6.9	3.98	%
Asset-backed securities and other debt securities:						
Average life after ten years		2	2	11.1	8.55	
Total	$	2	2	11.1	8.55	%
Total held-to-maturity securities	$	11,358	11,554	6.9	3.41	%

(a) Taxable-equivalent yield adjustments included in the above table are 0.01%, 0.01%, 0.59% 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 $897 at September 30, 2024 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 $21.7 billion at September 30, 2024, a decrease of $353 million from December 31, 2023. This decrease was primarily associated with decreases in total borrowings during the nine months ended September 30, 2024, partially offset by a decrease in loan and lease balances during the same period.

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. Average core deposits represented 77% of average total assets for both the three months ended September 30, 2024 and 2023.

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

TABLE 20: Components of Deposits

	September 30, 2024		December 31, 2023	
As of ($ in millions)	Balance	% of Total	Balance	% of Total
Demand	**$ 41,393**	**25 %**	$ 43,146	26 %
Interest checking	**58,572**	**35**	57,257	34
Savings	**16,990**	**10**	18,215	11
Money market	**37,482**	**22**	34,374	20
Foreign office	**155**	**—**	162	—
Total transaction deposits	**$ 154,592**	**92**	$ 153,154	91
CDs $250,000 or less	**10,480**	**6**	10,552	6
Total core deposits	**$ 165,072**	**98**	$ 163,706	97
CDs over $250,000[(a)]	**3,268**	**2**	5,206	3
Total deposits	**$ 168,340**	**100 %**	$ 168,912	100 %

(a) *Includes $2.3 billion and $4.4 billion of retail brokered CDs which are fully covered by FDIC insurance as of September 30, 2024 and December 31, 2023, respectively.*

Core deposits increased $1.4 billion, or 1%, from December 31, 2023 primarily due to an increase in transaction deposits, partially offset by a decrease in CDs $250,000 or less. Transaction deposits increased $1.4 billion, or 1%, from December 31, 2023 primarily driven by increases in money market deposits and interest checking deposits, partially offset by decreases in demand deposits and savings deposits. In response to the higher interest rate environment, deposit balances have migrated from noninterest-bearing products or lower interest-bearing products into higher interest-bearing products. Money market deposits increased $3.1 billion, or 9%, from December 31, 2023 primarily as a result of higher balances per consumer customer account due to higher offering rates and the aforementioned balance migration. Interest checking deposits increased $1.3 billion, or 2%, from December 31, 2023 primarily as a result of the aforementioned balance migration, partially offset by lower balances per customer account. Demand deposits decreased $1.8 billion, or 4%, from December 31, 2023 primarily as a result of the aforementioned balance migration and lower balances per consumer customer account. Savings deposits decreased $1.2 billion, or 7%, from December 31, 2023 primarily due to lower average balances per consumer customer account, driven by increased consumer spending and the impact of consumer preferences for products with higher offering rates. CDs $250,000 or less decreased $72 million, or 1%, from December 31, 2023 primarily due to maturities which outpaced new issuances given current market conditions.

CDs over $250,000 decreased $1.9 billion, or 37%, from December 31, 2023 primarily due to maturities of retail brokered CDs.

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

TABLE 21: Components of Average Deposits

	September 30, 2024		September 30, 2023	
($ in millions)	Balance	% of Total	Balance	% of Total
Demand	**$ 40,020**	**24 %**	$ 44,228	27 %
Interest checking	**58,441**	**35**	53,109	32
Savings	**17,272**	**10**	20,511	12
Money market	**37,257**	**23**	32,072	19
Foreign office	**164**	**—**	168	—
Total transaction deposits	**$ 153,154**	**92**	$ 150,088	90
CDs $250,000 or less	**10,543**	**6**	9,630	6
Total core deposits	**$ 163,697**	**98**	$ 159,718	96
CDs over $250,000[(a)]	**3,499**	**2**	5,926	4
Total average deposits	**$ 167,196**	**100 %**	$ 165,644	100 %

(a) *Includes $2.6 billion and $5.2 billion of retail brokered CDs which are fully covered by FDIC insurance for the three months ended September 30, 2024 and 2023, respectively.*

On an average basis, core deposits increased $4.0 billion, or 2%, for the three months ended September 30, 2024 compared to the same period in the prior year due to increases in average transaction deposits and average CDs $250,000 or less. In response to the higher interest rate environment, deposit balances have migrated from noninterest-bearing products or lower interest-bearing products into higher interest-bearing products. Average transaction deposits increased $3.1 billion, or 2%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily driven by increases in average interest checking deposits and average money market deposits, partially offset by decreases in average demand deposits and average savings deposits. Average interest checking deposits increased $5.3 billion, or 10%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily as a result of the aforementioned balance migration as well as average commercial balance growth, partially offset by lower average balances per consumer customer account. Average money market deposits increased $5.2 billion, or 16%, for the three months ended September 30, 2024 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 and the aforementioned balance migration. Average demand deposits decreased $4.2 billion, or 10%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily as a result of the aforementioned balance migration and lower average balances per consumer customer account. Average savings deposits decreased $3.2 billion, or 16%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to lower average balances per consumer customer account, driven by increased consumer spending and the impact of consumer preferences for products with higher offering rates. Average CDs $250,000 or less increased $913 million, or 9%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to higher offering rates.

Average CDs over $250,000 decreased $2.4 billion, or 41%, for the three months ended September 30, 2024 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 September 30, 2024 are summarized in the following table:

TABLE 22: Contractual Maturities of CDs[(a)]

($ in millions)		
Next 12 months	$	13,187
13-24 months		506
25-36 months		33
37-48 months		9
49-60 months		10
After 60 months		3
Total CDs	$	13,748

(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. Depositors may qualify for coverage of accounts over $250,000 if they have funds in different ownership categories and all FDIC requirements are met. All deposits that an account owner has in the same ownership category at the same bank are added together and insured up to the standard insurance amount. As of September 30, 2024 and December 31, 2023, approximately $96.7 billion, or 57%, and $97.6 billion, or 58%, respectively, of the Bancorp’s domestic deposits were estimated to be insured. As of September 30, 2024 and December 31, 2023, approximately $71.5 billion and $71.1 billion, respectively, of the Bancorp’s domestic deposits were estimated to be uninsured. At September 30, 2024 and December 31, 2023, approximately $1.0 billion and $1.9 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 September 30, 2024 and 2023, respectively.

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

TABLE 23: Components of Borrowings

As of ($ in millions)		**September 30, 2024**	December 31, 2023
Federal funds purchased	**$**	**169**	193
Other short-term borrowings		**1,424**	2,861
Long-term debt		**17,096**	16,380
Total borrowings	**$**	**18,689**	19,434

Total borrowings decreased $745 million, or 4%, from December 31, 2023 primarily due to a decrease in other short-term borrowings partially offset by an increase in long-term debt. Other short-term borrowings decreased $1.4 billion from December 31, 2023 primarily due to the maturity of FHLB advances, which were not replaced due to reduced short-term funding needs. 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 15 of the Notes to Condensed Consolidated Financial Statements. Long-term debt increased $716 million from December 31, 2023 primarily due to the issuances of senior fixed-rate/floating-rate notes in January and September of 2024 totaling $1.8 billion, long-term FHLB advances of $1.5 billion and fair value adjustments of $76 million associated with hedged long-term debt. These increases were partially offset by the redemptions or maturities of $2.3 billion of notes and $382 million of paydowns associated with loan securitizations.

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

TABLE 24: Components of Average Borrowings

($ in millions)		**September 30, 2024**	September 30, 2023
Federal funds purchased	**$**	**176**	181
Other short-term borrowings		**3,024**	4,126
Long-term debt		**16,716**	14,056
Total average borrowings	**$**	**19,916**	18,363

Total average borrowings increased $1.6 billion, or 8%, for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to an increase in average long-term debt, partially offset by a decrease in average other short-term borrowings. Average long-term debt increased $2.7 billion for the three months ended September 30, 2024 compared to the same period in the prior year primarily driven by long-term debt transactions occurring since September 30, 2023, including the issuances of senior fixed-rate/floating-rate notes in January and September of 2024 totaling $1.8 billion, long-term FHLB advances of $3.0 billion and fair value adjustments of $290 million associated with hedged long-term debt. These increases were partially offset by redemptions or maturities of $2.3 billion of notes and $520 million of paydowns associated with loan securitizations since September 30, 2023. Average other short-term borrowings decreased $1.1 billion for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to increased long-term debt which reduced the need for short-term funding during the period. 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.

BUSINESS SEGMENT REVIEW

The Bancorp reports on three business segments: Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management. Additional information on each business segment is included in Note 24 of the Notes to Condensed Consolidated Financial Statements. Results of the Bancorp’s business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp’s business 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.

During the first quarter of 2024, the Bancorp eliminated certain revenue sharing agreements between Wealth and Asset Management and Consumer and Small Business Banking. As a result, the results of operations for the Wealth and Asset Management segment for the three and nine months ended September 30, 2023 were adjusted to reflect the impact of the elimination of these revenue sharing agreements between Wealth and Asset Management and Consumer and Small Business Banking.

The Bancorp manages interest rate risk centrally at the corporate level. By employing an FTP methodology, the business 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 business 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. In general, the charge rates on assets increased since December 31, 2023 as they were affected by the prevailing level of interest rates and repricing characteristics of the portfolio. The credit rates for deposit products decreased modestly since December 31, 2023 due to modified assumptions and an inverted yield curve. As a result, net interest income for each segment was negatively impacted during the nine months ended September 30, 2024 as a result of these updates to FTP charge and credit rates.

The Bancorp’s methodology for allocating provision for credit losses to the business segments includes charges or benefits associated with changes in criticized commercial loan levels in addition to actual net charge-offs experienced by the loans and leases owned by each business segment. Provision for credit losses attributable to loan and lease growth and changes in ALLL factors is captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Additionally, the business segments form synergies by taking advantage of relationship depth opportunities and funding operations by accessing the capital markets as a collective unit.

The following table summarizes net income (loss) by business segment:

TABLE 25: Net Income (Loss) by Business Segment

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Commercial Banking	**$ 393**	718	**1,080**	2,009
Consumer and Small Business Banking	**497**	739	**1,524**	2,145
Wealth and Asset Management	**42**	79	**136**	226
General Corporate and Other	**(359)**	(876)	**(1,046)**	(2,561)
Net income	**$ 573**	660	**1,694**	1,819

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

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 26: Commercial Banking

($ in millions)		For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Income Statement Data					
Net interest income (FTE)[(a)]	$	**673**	1,012	**2,023**	3,017
Provision for credit losses		**76**	—	**284**	37
Noninterest income:					
Commercial banking revenue		**162**	154	**446**	459
Service charges on deposits		**104**	95	**307**	275
Leasing business revenue		**43**	58	**120**	162
Other noninterest income		**48**	46	**131**	130
Noninterest expense:					
Compensation and benefits		**151**	156	**496**	499
Leasing business expense		**21**	29	**69**	94
Other noninterest expense		**298**	293	**863**	923
Income before income taxes (FTE)	$	**484**	887	**1,315**	2,490
Applicable income tax expense[(a)(b)]		**91**	169	**235**	481
Net income	$	**393**	718	**1,080**	2,009
Average Balance Sheet Data					
Commercial loans and leases, including held for sale	$	**66,814**	72,028	**67,492**	73,142
Demand deposits		**18,005**	21,581	**18,329**	23,862
Interest checking deposits		**40,735**	34,313	**39,786**	30,629
Savings deposits		**138**	170	**145**	188
Money market deposits		**5,607**	5,095	**5,454**	4,906
Foreign office deposits		**164**	168	**156**	151
Certificates of deposit		**39**	83	**51**	55

(a) *Includes FTE adjustments of $4 and $5 for the three months ended September 30, 2024 and 2023, respectively, and $11 for both the nine months ended September 30, 2024 and 2023.*

(b) *Applicable income tax expense for all periods includes the tax benefit from tax-exempt income, tax-advantaged investments and tax credits partially offset by the effect of certain nondeductible expenses. Refer to the Applicable Income Taxes subsection of the Statements of Income Analysis section of MD&A for additional information.*

Net income was $393 million and $1.1 billion for the three and nine months ended September 30, 2024, respectively, compared to $718 million and $2.0 billion for the same periods in the prior year. The decreases for both periods were primarily driven by decreases in net interest income on an FTE basis and increases in provision for credit losses. The decrease for the nine months ended September 30, 2024 was also impacted by a decrease in noninterest income, partially offset by a decrease in noninterest expense.

Net interest income on an FTE basis decreased $339 million and $994 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in average balances of and rates paid on interest checking deposits and money market deposits, decreases in FTP credits on deposits and decreases in average balances of commercial and industrial loans, partially offset by increases in yields on average commercial loans. Net interest income for the three months ended September 30, 2024 was positively impacted by a decrease in FTP charges on commercial loans and leases, which was primarily attributable to lower average balances. Net interest income for the nine months ended September 30, 2024 was negatively impacted by an increase in FTP charges, which was primarily attributable to higher FTP charge rates, partially offset by lower average balances.

Provision for credit losses increased $76 million and $247 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in the allocated provision for credit losses related to commercial criticized assets as well as increases in net charge-offs on commercial and industrial loans. Annualized net charge-offs as a percent of average portfolio loans and leases increased to 39 bps and 34 bps for the three and nine months ended September 30, 2024, respectively, compared to 12 bps and 13 bps for the same periods in the prior year.

Noninterest income increased $4 million and decreased $22 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year. The increase for the three months ended September 30, 2024 was primarily driven by increases in service charges on deposits and commercial banking revenue, partially offset by a decrease in leasing business revenue. The decrease for the nine months ended September 30, 2024 was primarily driven by decreases in leasing business revenue and commercial banking revenue, partially offset by an increase in service charges on deposits. Leasing business revenue decreased $15 million and $42 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in operating lease income, lease remarketing fees and lease syndication fees. Commercial banking revenue increased $8 million and decreased $13 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year. The increase for the three months ended September 30, 2024 compared to the same period in the prior year was primarily driven by an increase in corporate bond fees, partially offset by a decrease in foreign exchange fees. The decrease for the nine months ended September 30, 2024 compared to the same period in the prior year was primarily driven by decreases in revenue from commercial customer derivatives, foreign exchange fees and loan syndication revenue, partially offset by an increase in corporate bond fees. Service charges on deposits increased $9 million and $32 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in revenue from commercial payments activities, which include traditional treasury management and embedded payments.

Noninterest expense decreased $8 million and $88 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year. The decrease for the three months ended September 30, 2024 was primarily driven by a decrease in leasing business expense, partially offset by an increase in other noninterest expense. The decrease for the nine months ended September 30, 2024 was driven by decreases in other noninterest expense and leasing business expense. Other noninterest expense increased $5 million for the three months ended September 30, 2024 compared to the same period in the prior year primarily due to an increase in credit valuation adjustments on derivatives associated with customer accommodation contracts. Other noninterest expense decreased $60 million for the nine months ended September 30, 2024 compared to the same period in the prior year primarily driven by a decrease in allocated expenses. Leasing business expense decreased $8 million and $25 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in depreciation expense associated with operating lease equipment.

Average commercial loans and leases decreased $5.2 billion and $5.7 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to decreases in average commercial and industrial loans. Average commercial and industrial loans decreased for the three and nine months ended September 30, 2024 compared to the same periods in the prior year primarily as a result of a planned reduction in balances in the second half of 2023.

Average deposits increased $3.3 billion and $4.1 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in average interest checking deposits and average money market deposits, partially offset by decreases in average demand deposits. In response to the higher interest rate environment, deposit balances have generally migrated from noninterest-bearing products or lower interest-bearing products into higher interest-bearing products. This migration contributed to increases in average interest checking deposits of $6.4 billion and $9.2 billion for the three and nine months ended September 30, 2024, respectively, and increases in average money market deposits of $512 million and $548 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year, along with a decrease in average demand deposits of $3.6 billion and $5.5 billion for the three and nine months ended September 30, 2024, respectively.

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 27: Consumer and Small Business Banking

		For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Income Statement Data					
Net interest income	$	**1,031**	1,390	**3,210**	4,016
Provision for credit losses		**78**	105	**232**	221
Noninterest income:					
Card and processing revenue		**78**	78	**232**	231
Wealth and asset management revenue		**64**	53	**185**	159
Service charges on deposits		**56**	55	**159**	159
Mortgage banking net revenue		**50**	57	**153**	184
Other noninterest income		**32**	31	**90**	86
Noninterest expense:					
Compensation and benefits		**206**	217	**666**	663
Net occupancy and equipment expense		**65**	63	**197**	188
Card and processing expense		**20**	19	**57**	57
Other noninterest expense		**313**	325	**948**	992
Income before income taxes	$	**629**	935	**1,929**	2,714
Applicable income tax expense		**132**	196	**405**	569
Net income	$	**497**	739	**1,524**	2,145
Average Balance Sheet Data					
Consumer loans, including held for sale	$	**42,912**	43,017	**42,459**	43,176
Commercial loans		**3,521**	2,987	**3,361**	2,742
Demand deposits		**21,092**	21,620	**21,036**	22,163
Interest checking deposits		**10,611**	11,750	**10,937**	12,647
Savings deposits		**14,155**	16,245	**14,626**	17,582
Money market deposits		**31,165**	26,452	**29,858**	24,275
Certificates of deposit		**11,200**	10,240	**11,229**	7,980

Net income was $497 million and $1.5 billion for the three and nine months ended September 30, 2024, respectively, compared to $739 million and $2.1 billion for the same periods in the prior year. The decrease for three months ended September 30, 2024 was primarily driven by a decrease in net interest income, partially offset by decreases in provision for credit losses and noninterest expense. The decrease for the nine months ended September 30, 2024 was primarily driven by a decrease in net interest income and an increase in provision for credit losses, partially offset by a decrease in noninterest expense.

Net interest income decreased $359 million and $806 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in rates paid on and average balances of interest-bearing deposits, decreases in FTP credits on deposits and increases in FTP charge rates on loans. These negative impacts were partially offset by increases in yields on loans and leases.

Provision for credit losses decreased $27 million and increased $11 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year. The decrease for the three months ended September 30, 2024 compared to the same period in the prior year was primarily due to a decrease in net charge-offs on commercial and industrial loans, partially offset by an increase in net charge-offs on solar energy installation loans. The increase for the nine months ended September 30, 2024 compared to the same period in the prior year was primarily due to increases in net charge-offs on solar energy installation loans and indirect secured consumer loans, partially offset by a decrease in net charge-offs on commercial and industrial loans. Annualized net charge-offs as a percent

of average portfolio loans and leases were 66 bps for both the three and nine months ended September 30, 2024 compared to 90 bps and 65 bps for the same periods in the prior year.

Noninterest income increased $6 million and remained flat for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year, primarily driven by increases in wealth and asset management revenue, partially offset by decreases in mortgage banking net revenue. Wealth and asset management revenue increased $11 million and $26 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in broker income and personal asset management revenue. Refer to the Noninterest Income subsection of the Statements of Income Analysis section of MD&A for additional information on the fluctuations in mortgage banking net revenue.

Noninterest expense decreased $20 million and $32 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in other noninterest expense, partially offset by increases in net occupancy and equipment expense. The decrease for the three months ended September 30, 2024 was also impacted by a decrease in compensation and benefits expense. Other noninterest expense decreased $12 million and $44 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to decreases in allocated expenses. The decrease for the three months ended September 30, 2024 was also impacted by a decrease in losses and adjustments. Net occupancy and equipment expense increased $2 million and $9 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by the Bancorp's expansion into Southeast markets. Compensation and benefits expense decreased $11 million for the three months ended September 30, 2024 compared to the same period in the prior year primarily driven by a decrease in base compensation.

Average consumer loans decreased $105 million and $717 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to decreases in average indirect secured consumer loans, average residential mortgage loans and average other consumer loans, partially offset by an increase in average solar energy installation loans. Average indirect secured consumer loans decreased for the three and nine months ended September 30, 2024 compared to the same periods in the prior year primarily driven by paydowns exceeding loan originations and a planned reduction in balances in the second half of 2023. Average residential mortgage loans decreased for the three and nine months ended September 30, 2024 compared to the same periods in the prior year primarily as a result of a planned reduction in balances in the second half of 2023 and a decrease in residential mortgage loans held for sale as the Bancorp sold government-guaranteed loans that were previously in forbearance programs. Average other consumer loans decreased for the three and nine months ended September 30, 2024 compared to the same periods in the prior year primarily driven by the paydowns of loans originated in connection with one third-party point-of-sale company with which the Bancorp discontinued the origination of new loans in September of 2022. Average solar energy installation loans increased for the three and nine months ended September 30, 2024 compared to the same periods in the prior year primarily due to increased loan originations. Average commercial loans increased $534 million and $619 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in average commercial mortgage loans and average commercial construction loans as loan originations exceeded payoffs. The increase for the for the nine months ended September 30, 2024 was also impacted by an increase in average commercial and industrial loans as loan originations exceeded payoffs.

Average deposits increased $1.9 billion and $3.0 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in average money market deposits and average certificates of deposit, partially offset by decreases in average savings deposits, average interest checking deposits and average demand deposits. Average money market deposits increased $4.7 billion and $5.6 billion for the three and nine months ended September 30, 2024, respectively, and average certificates of deposit increased $960 million and $3.2 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to higher offering rates and higher average balances per customer account as well as balance migration from demand deposits, interest checking deposits and savings deposits. Average savings deposits decreased $2.1 billion and $3.0 billion, average interest checking deposits decreased $1.1 billion and $ 1.7 billion and average demand deposits decreased $528 million and $ 1.1 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily as a result of lower average balances per customer account as well as balance migration into certificates of deposit and money market accounts.

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 28: Wealth and Asset Management

		For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Income Statement Data					
Net interest income	$	**50**	98	**162**	294
Provision for credit losses		**—**	1	**—**	1
Noninterest income:					
Wealth and asset management revenue		**98**	92	**296**	273
Other noninterest income		**1**	2	**6**	5
Noninterest expense:					
Compensation and benefits		**54**	53	**168**	169
Other noninterest expense		**41**	37	**124**	117
Income before income taxes	$	**54**	101	**172**	285
Applicable income tax expense		**12**	22	**36**	59
Net income	$	**42**	79	**136**	226
Average Balance Sheet Data					
Loans and leases, including held for sale	$	**4,128**	4,388	**4,113**	4,427
Deposits		**10,513**	10,634	**10,585**	11,253

Net income was $42 million and $136 million for the three and nine months ended September 30, 2024, respectively, compared to $79 million and $226 million for the same periods in the prior year. The decreases for both periods were primarily driven by decreases in net interest income, partially offset by increases in noninterest income.

Net interest income decreased $48 million and $132 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in FTP credits on deposits and increases in rates paid on average deposits.

Noninterest income increased $5 million and $24 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily due to increases in wealth and asset management revenue, which increased $6 million and $23 million for the three and nine months ended September 30, 2024, respectively, driven by increases in personal asset management revenue.

Average loans and leases decreased $260 million and $314 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by decreases in average commercial and industrial loans, average residential mortgage loans, average other consumer loans and average home equity loans as payoffs exceeded loan production.

Average deposits decreased $121 million and $ 668 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year, primarily driven by decreases in average interest checking deposits, average demand deposits and average money market deposits as a result of lower average balances per customer account, partially offset by increases in average savings deposits and average certificates of deposit.

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 the business segments.

Net interest income on an FTE basis increased $728 million and $1.7 billion for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in interest income on other short-term investments and increases in FTP charges on loans and leases allocated to the business segments as well as decreases in FTP credits on deposits allocated to the business segments. These positive impacts were partially offset by increases in interest expense on long-term debt. The increases in FTP charges allocated to the business segments were driven by increases in market interest rates, primarily across the fixed-rate asset portfolios. The decreases in FTP credits allocated to the business segments were driven by lower assumed liquidity premiums from deposit portfolios. Under the Bancorp's internal reporting methodology, the Bancorp insulates the business 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 business 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 $6 million and the benefit from credit losses was $165 million for the three and nine months ended September 30, 2024, respectively, compared to provision for credit losses of $13 million and $201 million for the same periods in the prior year. The benefit from credit losses for the nine months ended September 30, 2024 was primarily driven by increases in allocations to the business segments.

Noninterest income decreased $19 million and $22 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year primarily driven by increases in the loss recognized on the swap associated with the sale of Visa, Inc. Class B Shares. The decrease for the nine months ended September 30, 2024 also included a decrease in equity method investment income, primarily due to a gain on the partial disposition of an equity method investment during the second quarter of 2023.

Noninterest expense increased $79 million and $171 million for the three and nine months ended September 30, 2024, respectively, compared to the same periods in the prior year, driven by increases in compensation and benefits expense, which were primarily attributable to increases in performance-based compensation, base compensation and employee benefits expense. The increase for the nine months ended September 30, 2024 compared to the same period in the prior year was also impacted by an increase in other noninterest expense, which was primarily attributable to a decrease in corporate overhead allocations from General Corporate and Other to the other business segments, as well as the incremental expenses associated with the Bancorp’s updated estimate of its allocated share of the FDIC’s special assessment.

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 Condensed Consolidated Financial Statements 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, 2023 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 level of inflation, labor and supply chain issues, volatility and changes in consumer discretionary spending patterns, including debt and default levels. Additionally, despite recent cuts, borrowers are expected to experience lingering effects from higher-for-longer interest rates. 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 29: Commercial Loan and Lease Portfolio (excluding loans and leases held for sale)

	September 30, 2024			December 31, 2023		
($ in millions)	Outstanding	Exposure	Nonaccrual	Outstanding	Exposure	Nonaccrual
By Industry:						
Real estate	$ **12,969**	**19,616**	**6**	12,558	19,679	4
Financial services and insurance	**9,712**	**20,085**	**1**	9,998	21,022	—
Manufacturing	**9,103**	**18,975**	**57**	9,010	19,101	54
Healthcare	**5,488**	**8,081**	**73**	5,485	7,831	13
Business services	**5,312**	**9,734**	**53**	5,917	10,339	50
Wholesale trade	**5,130**	**10,327**	**18**	5,259	10,414	6
Accommodation and food	**4,254**	**6,597**	**19**	4,326	6,946	25
Retail trade	**3,565**	**8,580**	**47**	3,953	9,847	85
Communication and information	**3,201**	**6,084**	**—**	3,191	6,482	60
Construction	**2,725**	**6,401**	**7**	2,656	6,391	10
Mining	**2,568**	**6,269**	**33**	2,813	5,940	—
Transportation and warehousing	**2,232**	**4,035**	**5**	2,382	4,326	5
Utilities	**1,786**	**3,426**	**—**	1,850	3,493	—
Entertainment and recreation	**1,611**	**2,917**	**5**	1,687	2,964	8
Other services	**1,132**	**1,652**	**5**	1,181	1,680	6
Agribusiness	**220**	**533**	**5**	300	614	—
Public administration	**110**	**178**	**—**	151	240	—
Individuals	**12**	**26**	**—**	29	77	—
Total	$ **71,130**	**133,516**	**334**	72,746	137,386	326
By Loan Size:						
Less than $1 million	**5 %**	**5**	**20**	4	4	19
$1 million to $5 million	**7**	**5**	**15**	7	6	11
$5 million to $10 million	**5**	**4**	**8**	5	4	5
$10 million to $25 million	**13**	**11**	**24**	14	11	23
$25 million to $50 million	**25**	**23**	**33**	24	23	—
Greater than $50 million	**45**	**52**	**—**	46	52	42
Total	**100 %**	**100**	**100**	100	100	100
By State:						
California	**10 %**	**8**	**7**	10	8	5
Texas	**9**	**9**	**11**	9	9	1
Illinois	**9**	**8**	**8**	9	8	5
Ohio	**8**	**11**	**5**	8	11	6
Florida	**7**	**7**	**12**	7	7	35
New York	**7**	**6**	**6**	7	6	—
Michigan	**5**	**5**	**4**	5	5	3
Georgia	**4**	**4**	**3**	4	4	21
Tennessee	**3**	**3**	**14**	3	3	1
Indiana	**3**	**3**	**3**	3	3	1
North Carolina	**3**	**3**	**2**	3	3	2
South Carolina	**3**	**2**	**1**	2	2	1
Other	**29**	**31**	**24**	30	31	19
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. The Bancorp does not typically aggregate the LTV ratios for commercial mortgage loans less than $1 million.

TABLE 30: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of September 30, 2024 ($ in millions)		LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner-occupied loans	**$**	**82**	**216**	**3,436**
Commercial mortgage nonowner-occupied loans		**3**	**112**	**5,317**
Total	**$**	**85**	**328**	**8,753**

TABLE 31: Commercial Mortgage Loans Outstanding by LTV, Loans Greater Than $1 Million

As of December 31, 2023 ($ in millions)		LTV > 100%	LTV 80-100%	LTV < 80%
Commercial mortgage owner-occupied loans	$	53	258	3,257
Commercial mortgage nonowner-occupied loans		1	29	5,121
Total	$	54	287	8,378

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 32: Nonowner-Occupied Commercial Real Estate (excluding loans held for sale)(a)

As of September 30, 2024 ($ in millions)		Outstanding	Exposure	90 Days Past Due	Nonaccrual
By State:					
Florida	**$**	**1,618**	**2,538**	**—**	**—**
California		**1,310**	**2,054**	**—**	**—**
Illinois		**1,162**	**1,259**	**—**	**2**
Ohio		**890**	**1,147**	**—**	**1**
Michigan		**832**	**1,108**	**2**	**—**
Texas		**677**	**1,324**	**—**	**—**
South Carolina		**581**	**679**	**—**	**—**
New York		**418**	**438**	**—**	**2**
Georgia		**355**	**654**	**—**	**—**
All other states		**3,393**	**4,557**	**—**	**—**
Total	**$**	**11,236**	**15,758**	**2**	**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.

TABLE 33: Nonowner-Occupied Commercial Real Estate (excluding loans held for sale)[(a)]

As of December 31, 2023 ($ in millions)	Outstanding	Exposure	90 Days Past Due	Nonaccrual
By State:				
Florida	$ 1,449	2,755	—	—
California	1,354	2,111	—	—
Illinois	912	1,037	—	2
Ohio	862	1,085	—	—
Michigan	729	1,038	—	—
Texas	637	1,304	—	—
South Carolina	460	572	—	—
New York	339	380	—	—
Georgia	331	627	—	—
All other states	3,659	5,307	—	1
Total	$ 10,732	16,216	—	3

(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 and nine months ended September 30, 2024 and 2023.

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 tolerance 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. Previous increases in interest rates have caused minimum payments on these products to increase, raising the potential for the environment to be disruptive to some borrowers. Recent rate cuts and 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. 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 influence 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 $483 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 34% and weighted-average origination LTV of 72%. Approximately 45% 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 1.8%, resulting in an average increase in monthly payment amount of approximately 23%.

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.

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

TABLE 34: Residential Mortgage Portfolio Loans by LTV at Origination

($ in millions)	September 30, 2024 Outstanding	September 30, 2024 Weighted-Average LTV	December 31, 2023 Outstanding	December 31, 2023 Weighted-Average LTV
LTV ≤ 80%	**$ 11,634**	**63.3 %**	$ 11,718	62.7 %
LTV > 80%, with mortgage insurance[(a)]	**3,107**	**95.6**	2,996	95.1
LTV > 80%, no mortgage insurance	**2,425**	**90.7**	2,312	91.1
Total	**$ 17,166**	**73.2 %**	$ 17,026	72.4 %

(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 35: Residential Mortgage Portfolio Loans, LTV Greater Than 80% at Origination, No Mortgage Insurance

As of September 30, 2024 ($ in millions)

	Outstanding	90 Days Past Due and Accruing	Nonaccrual
By State:			
Ohio	**$ 499**	**1**	**6**
Illinois	**480**	**—**	**4**
Florida	**434**	**—**	**2**
North Carolina	**186**	**—**	**—**
Michigan	**164**	**—**	**2**
Indiana	**164**	**—**	**2**
Kentucky	**123**	**—**	**1**
All other states	**375**	**—**	**5**
Total	**$ 2,425**	**1**	**22**

TABLE 36: Residential Mortgage Portfolio Loans, LTV Greater Than 80% at Origination, No Mortgage Insurance

As of December 31, 2023 ($ in millions)

	Outstanding	90 Days Past Due and Accruing	Nonaccrual
By State:			
Ohio	$ 512	—	8
Illinois	462	1	4
Florida	407	—	1
North Carolina	163	—	1
Michigan	167	—	1
Indiana	166	—	2
Kentucky	123	—	1
All other states	312	—	5
Total	$ 2,312	1	23

Net charge-offs on residential mortgage loans with a greater than 80% LTV at origination and no mortgage insurance were immaterial for both the three months ended September 30, 2024 and 2023. Net charge-offs were immaterial for the nine months ended September 30, 2024 and there were net recoveries of $1 million for the nine months ended September 30, 2023.

Home equity portfolio

The Bancorp's home equity portfolio of $4.1 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 23% 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 $638 million of the balances mature before December 31, 2028.

The ACL provides coverage for expected losses in the home equity portfolio. The allowance attributable to the portion of the home equity portfolio that is collectively evaluated is determined on a pooled basis using a probability of default, loss given default and exposure at default model framework to generate expected losses. The expected losses for the home equity portfolio are dependent upon loan delinquency, FICO scores, LTV, loan age and their historical correlation with macroeconomic variables including unemployment and the home price index. The expected losses generated from models are adjusted by certain qualitative adjustment factors to reflect risks associated with current conditions and trends. The qualitative factors include adjustments for changes in policies or procedures in underwriting, monitoring or collections, economic conditions, portfolio mix, lending and risk management personnel, results of internal audit and quality control reviews, collateral values and geographic concentrations.

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 Table 38, Table 39 and Table 40 . Of the total $4.1 billion of outstanding home equity loans:

- 74% reside within the Bancorp's Midwest footprint of Ohio, Michigan, Illinois, Indiana and Kentucky as of September 30, 2024;
- 32% are in senior lien positions and 68% are in junior lien positions at September 30, 2024;
- 75% of non-delinquent borrowers made at least one payment greater than the minimum payment during the three months ended September 30, 2024; and
- The portfolio had a weighted-average refreshed FICO score of 748 at September 30, 2024.

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. For junior lien home equity loans which become 60 days or more past due, the Bancorp tracks the performance of the senior lien loans in which the Bancorp is the servicer and utilizes consumer credit bureau attributes to monitor the status of the senior lien loans that the Bancorp does not service. If the senior lien loan is found to be 120 days or more past due, the junior lien home equity loan is placed on nonaccrual status unless both loans are well-secured and in the process of collection. Additionally, if the junior lien home equity loan becomes 120 days or more past due and the senior lien loan is also 120 days or more past due, the junior lien home equity loan is assessed for charge-off. Refer to the Analysis of Nonperforming Assets subsection of the Risk Management section of MD&A and 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, 2023 for more information.

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

TABLE 37: Home Equity Portfolio Loans Outstanding by Refreshed FICO Score

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
Senior Liens:				
FICO ≤ 659	**$ 107**	**3 %**	$ 109	2 %
FICO 660-719	**169**	**4**	187	5
FICO ≥ 720	**1,009**	**25**	1,052	27
Total senior liens	**$ 1,285**	**32 %**	$ 1,348	34 %
Junior Liens:				
FICO ≤ 659	**229**	**6**	218	6
FICO 660-719	**506**	**12**	460	12
FICO ≥ 720	**2,054**	**50**	1,890	48
Total junior liens	**$ 2,789**	**68 %**	$ 2,568	66 %
Total	**$ 4,074**	**100 %**	$ 3,916	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 38: Home Equity Portfolio Loans Outstanding by LTV at Origination

($ in millions)	September 30, 2024 Outstanding	September 30, 2024 Weighted-Average LTV	December 31, 2023 Outstanding	December 31, 2023 Weighted-Average LTV
Senior Liens:				
LTV ≤ 80%	**$ 1,144**	**50.2 %**	$ 1,194	50.8 %
LTV > 80%	**141**	**89.1**	154	88.9
Total senior liens	**$ 1,285**	**54.6 %**	$ 1,348	55.4 %
Junior Liens:				
LTV ≤ 80%	**1,980**	**64.4**	1,768	64.9
LTV > 80%	**809**	**88.3**	800	88.7
Total junior liens	**$ 2,789**	**71.7 %**	$ 2,568	72.7 %
Total	**$ 4,074**	**66.3 %**	$ 3,916	66.7 %

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

As of September 30, 2024 ($ in millions)

	Outstanding	Exposure	90 Days Past Due and Accruing	Nonaccrual
By State:				
Ohio	**$ 286**	**774**	**—**	**8**
Illinois	**142**	**341**	**—**	**5**
Michigan	**132**	**367**	**—**	**3**
Indiana	**100**	**249**	**—**	**2**
Florida	**92**	**212**	**—**	**2**
Kentucky	**77**	**200**	**—**	**1**
All other states	**121**	**308**	**—**	**3**
Total	**$ 950**	**2,451**	**—**	**24**

TABLE 40: Home Equity Portfolio Loans Outstanding with an LTV Greater than 80% at Origination

As of December 31, 2023 ($ in millions)

	Outstanding	Exposure	90 Days Past Due and Accruing	Nonaccrual
By State:				
Ohio	$ 290	808	—	6
Illinois	145	346	1	4
Michigan	140	394	—	2
Indiana	96	252	—	2
Florida	86	206	—	2
Kentucky	81	211	—	1
All other states	116	304	—	3
Total	$ 954	2,521	1	20

Net recoveries on home equity loans with an LTV greater than 80% at origination were $1 million for the three months ended September 30, 2024 and net charge-offs were immaterial for the three months ended September 30, 2023. Net recoveries were $1 million for both the nine months ended September 30, 2024 and 2023.

Indirect secured consumer portfolio

The indirect secured consumer portfolio is comprised of $12.9 billion of automobile loans and $3.0 billion of indirect recreational vehicle, marine, motorcycle and powersport loans as of September 30, 2024. 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 41: Indirect Secured Consumer Portfolio Loans Outstanding by FICO Score at Origination

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 179**	**1 %**	$ 189	1 %
FICO 660-719	**3,039**	**19**	3,075	21
FICO ≥ 720	**12,724**	**80**	11,701	78
Total	**$ 15,942**	**100 %**	$ 14,965	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.

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

TABLE 42: Indirect Secured Consumer Portfolio Loans Outstanding by LTV at Origination

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	Weighted- Average LTV	Outstanding	Weighted- Average LTV
LTV ≤ 100%	**$ 11,573**	**79.8 %**	$ 10,976	79.6 %
LTV > 100%	**4,369**	**110.1**	3,989	110.2
Total	**$ 15,942**	**88.1 %**	$ 14,965	87.7 %

At September 30, 2024 and December 31, 2023, $23 million and $18 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 $10 million and $9 million for the three months ended September 30, 2024 and 2023, respectively, and $30 million and $27 million for the nine months ended September 30, 2024 and 2023, 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 September 30, 2024 and December 31, 2023. At September 30, 2024 and December 31, 2023, 72% and 71%, respectively, 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 tolerance. Recent rate cuts and potential future decreases in interest rates may lessen these risks moving forward.

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

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

TABLE 43: Credit Card Portfolio Loans Outstanding by FICO Score at Origination

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 76**	**5 %**	$ 75	4 %
FICO 660-719	**467**	**27**	503	27
FICO ≥ 720	**1,160**	**68**	1,287	69
Total	**$ 1,703**	**100 %**	$ 1,865	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 September 30, 2024 and December 31, 2023, 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 44: Solar Energy Installation Loans Outstanding by State

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	Nonaccrual	Outstanding	Nonaccrual
By State:				
Florida	**$ 682**	**16**	680	16
California	**565**	**8**	565	5
Texas	**488**	**8**	457	8
Arizona	**356**	**4**	326	4
Virginia	**219**	**1**	190	1
Nevada	**158**	**—**	130	—
Colorado	**153**	**1**	137	1
Oregon	**147**	**—**	109	—
New York	**113**	**—**	90	—
Connecticut	**98**	**3**	87	3
All other states	**1,099**	**23**	957	22
Total	**$ 4,078**	**64**	3,728	60

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

TABLE 45: Solar Energy Installation Loans Outstanding by FICO Score at Origination

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
FICO ≤ 659	**$ 5**	**— %**	$ 6	— %
FICO 660-719	**611**	**15**	557	15
FICO ≥ 720	**3,462**	**85**	3,165	85
Total	**$ 4,078**	**100 %**	$ 3,728	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 46: Other Consumer Portfolio Loans Outstanding by Product Type

	September 30, 2024		December 31, 2023	
($ in millions)	Outstanding	% of Total	Outstanding	% of Total
Other secured	**$ 862**	**34 %**	$ 892	30 %
Point-of-sale	**665**	**26**	809	27
Third-party point-of-sale	**604**	**23**	825	28
Unsecured	**444**	**17**	462	15
Total	**$ 2,575**	**100 %**	$ 2,988	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 47. 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, 2023.

Nonperforming assets were $733 million at September 30, 2024 compared to $689 million at December 31, 2023. At September 30, 2024, $8 million of nonaccrual loans were held for sale, compared to $1 million at December 31, 2023.

Nonperforming portfolio assets as a percent of portfolio loans and leases and OREO were 0.62% and 0.59% at September 30, 2024 and December 31, 2023, respectively. Nonaccrual loans and leases secured by real estate were 40% of nonaccrual loans and leases as of September 30, 2024 compared to 32% as of December 31, 2023.

Portfolio commercial nonaccrual loans and leases were $334 million at September 30, 2024, an increase of $8 million from December 31, 2023. Portfolio residential mortgage and consumer nonaccrual loans were $352 million at September 30, 2024, an increase of $29 million from December 31, 2023. Refer to Table 48 for a rollforward of portfolio nonaccrual loans and leases.

OREO and other repossessed property was $39 million at both September 30, 2024 and December 31, 2023. The Bancorp recognized losses of an immaterial amount and $1 million on the transfer, sale or write-down of OREO properties for the three and nine months ended September 30, 2024, respectively. The Bancorp recognized losses of $7 million and $8 million on the transfer, sale or write-down of OREO properties for the three and nine months ended September 30, 2023, respectively.

For the three and nine months ended September 30, 2024, approximately $13 million and $48 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, compared to $13 million and $35 million for the same periods in the prior year. 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.

TABLE 47: Summary of Nonperforming Assets and Delinquent Loans and Leases

As of ($ in millions)		September 30, 2024	December 31, 2023
Nonaccrual portfolio loans and leases:			
Commercial and industrial loans	$	**255**	304
Commercial mortgage loans		**78**	20
Commercial construction loans		**1**	1
Commercial leases		**—**	1
Residential mortgage loans		**131**	124
Home equity		**67**	57
Indirect secured consumer loans		**50**	36
Credit card		**31**	34
Solar energy installation loans		**64**	60
Other consumer loans		**9**	12
Total nonaccrual portfolio loans and leases[(a)]	$	**686**	649
OREO and other repossessed property[(c)]		**39**	39
Total nonperforming portfolio assets	$	**725**	688
Nonaccrual loans held for sale		**8**	1
Total nonperforming assets	$	**733**	689
Total portfolio loans and leases 90 days past due and still accruing:			
Commercial and industrial loans	$	**10**	8
Commercial mortgage loans		**3**	—
Commercial leases		**1**	—
Residential mortgage loans[(b)]		**8**	7
Credit card		**18**	21
Total portfolio loans and leases 90 days past due and still accruing	$	**40**	36
Nonperforming portfolio assets as a percent of portfolio loans and leases and OREO		**0.62 %**	0.59
Nonperforming portfolio loans and leases as a percent of portfolio loans and leases		**0.59**	0.55
ACL as a percent of nonperforming portfolio loans and leases		**356**	383
ACL as a percent of nonperforming portfolio assets		**337**	362

(a) *Includes $20 and $19 of nonaccrual government-insured commercial loans whose repayments are insured by the SBA as of September 30, 2024 and December 31, 2023, 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 $141 at both September 30, 2024 and December 31, 2023. The Bancorp recognized losses of an immaterial amount and $1 for the three months ended September 30, 2024 and 2023, respectively, and losses of $1 and $2 for the nine months ended September 30, 2024 and 2023, respectively, due to claim denials and curtailments associated with these insured or guaranteed loans.*

(c) *Includes $16 and $20 of branch-related real estate no longer intended to be used for banking purposes as of September 30, 2024 and December 31, 2023, respectively.*

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

TABLE 48: Rollforward of Portfolio Nonaccrual Loans and Leases

For the nine months ended September 30, 2024 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$	**326**	**124**	**199**	**649**
Transfers to nonaccrual status		**350**	**49**	**260**	**659**
Transfers to accrual status		**(1)**	**(20)**	**(42)**	**(63)**
Transfers to held for sale		**(8)**	**—**	**—**	**(8)**
Loan paydowns/payoffs		**(131)**	**(20)**	**(51)**	**(202)**
Transfers to OREO		**—**	**(5)**	**(11)**	**(16)**
Charge-offs		**(203)**	**—**	**(135)**	**(338)**
Draws/other extensions of credit		**1**	**3**	**1**	**5**
Balance, end of period	$	**334**	**131**	**221**	**686**

TABLE 49: Rollforward of Portfolio Nonaccrual Loans and Leases

For the nine months ended September 30, 2023 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$ 263	124	128	515
Transfers to nonaccrual status	359	52	276	687
Transfers to accrual status	(59)	(21)	(69)	(149)
Transfers to held for sale	(10)	—	—	(10)
Loan paydowns/payoffs	(138)	(25)	(48)	(211)
Transfers to OREO	—	(6)	(8)	(14)
Charge-offs	(140)	—	(117)	(257)
Draws/other extensions of credit	6	3	—	9
Balance, end of period	$ 281	127	162	570

Analysis of Net Loan Charge-offs

Net charge-offs were 48 bps and 41 bps of average portfolio loans and leases for the three months ended September 30, 2024 and 2023, respectively, and were 45 bps and 32 bps of average portfolio loans and leases for the nine months ended September 30, 2024 and 2023, respectively. Table 50 provides a summary of credit loss experience and net charge-offs as a percent 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 40 bps and 35 bps during the three and nine months ended September 30, 2024, respectively, compared to 34 bps and 22 bps during the same periods in the prior year primarily due to increases in net charge-offs on commercial and industrial loans of $7 million and $60 million for the three and nine months ended September 30, 2024, respectively.

The ratio of consumer loan net charge-offs as a percent of average portfolio consumer loans increased to 62 bps during both the three and nine months ended September 30, 2024, compared to 53 bps and 48 bps during the three and nine months ended September 30, 2023, respectively, primarily due to increases in net charge-offs on solar energy installation loans of $6 million and $23 million for the three and nine months ended September 30, 2024, respectively, and an increase in net charge-offs on indirect secured consumer loans of $15 million for the nine months ended September 30, 2024.

TABLE 50: Summary of Credit Loss Experience

($ in millions)		For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Losses charged-off:					
Commercial and industrial loans	$	**(80)**	(70)	**(203)**	(138)
Commercial mortgage loans		**—**	—	**—**	(1)
Commercial construction loans		**—**	—	**—**	(1)
Commercial leases		**—**	—	**—**	—
Residential mortgage loans		**—**	(1)	**(2)**	(3)
Home equity		**(1)**	(2)	**(5)**	(6)
Indirect secured consumer loans		**(35)**	(27)	**(100)**	(75)
Credit card		**(21)**	(19)	**(67)**	(59)
Solar energy installation loans		**(16)**	(8)	**(44)**	(17)
Other consumer loans[(a)]		**(30)**	(31)	**(90)**	(89)
Total losses charged-off	$	**(183)**	(158)	**(511)**	(389)
Recoveries of losses previously charged-off:					
Commercial and industrial loans	$	**8**	5	**16**	11
Commercial mortgage loans		**—**	—	**—**	1
Commercial construction loans		**—**	—	**—**	—
Commercial leases		**—**	1	**—**	1
Residential mortgage loans		**1**	1	**3**	3
Home equity		**1**	2	**5**	5
Indirect secured consumer loans		**13**	8	**37**	27
Credit card		**5**	4	**15**	13
Solar energy installation loans		**2**	—	**5**	1
Other consumer loans[(a)]		**11**	13	**34**	35
Total recoveries of losses previously charged-off	$	**41**	34	**115**	97
Net losses charged-off:					
Commercial and industrial loans	$	**(72)**	(65)	**(187)**	(127)
Commercial mortgage loans		**—**	—	**—**	—
Commercial construction loans		**—**	—	**—**	(1)
Commercial leases		**—**	1	**—**	1
Residential mortgage loans		**1**	—	**1**	—
Home equity		**—**	—	**—**	(1)
Indirect secured consumer loans		**(22)**	(19)	**(63)**	(48)
Credit card		**(16)**	(15)	**(52)**	(46)
Solar energy installation loans		**(14)**	(8)	**(39)**	(16)
Other consumer loans		**(19)**	(18)	**(56)**	(54)
Total net losses charged-off	$	**(142)**	(124)	**(396)**	(292)
Net losses charged-off as a percent of average portfolio loans and leases:					
Commercial and industrial loans		**0.55 %**	0.45	**0.48**	0.29
Commercial mortgage loans		**—**	—	**—**	0.01
Commercial construction loans		**—**	—	**—**	0.03
Commercial leases		**(0.01)**	(0.08)	**(0.02)**	(0.05)
Total commercial loans and leases		**0.40 %**	0.34	**0.35**	0.22
Residential mortgage loans		**(0.02)**	—	**(0.01)**	—
Home equity		**(0.02)**	0.03	**(0.02)**	0.02
Indirect secured consumer loans		**0.54**	0.47	**0.55**	0.39
Credit card		**3.74**	3.25	**3.98**	3.43
Solar energy installation loans		**1.44**	0.91	**1.33**	0.81
Other consumer loans		**3.00**	2.46	**2.77**	2.23
Total consumer loans		**0.62 %**	0.53	**0.62**	0.48
Total net losses charged-off as a percent of average portfolio loans and leases		**0.48 %**	0.41	**0.45**	0.32

(a) *The Bancorp recorded $6 and $22 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 and nine months ended September 30, 2024, respectively, compared to $8 and $26 for the three and nine months ended September 30, 2023, respectively.*

Allowance for Credit Losses

The allowance for credit losses is comprised of the ALLL and the reserve for unfunded commitments. As described in 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, 2023, 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). The Bancorp's methodology for determining the ALLL includes an estimate of expected credit losses on a collective basis for groups of loans and leases with similar risk characteristics and specific allowances for loans and leases which are individually evaluated. For collectively evaluated loans and leases, the Bancorp uses quantitative models to forecast expected credit losses 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. The Bancorp's expected credit loss models consider historical credit loss experience, current market and economic conditions, and forecasted changes in market and economic conditions if such forecasts are considered reasonable and supportable.

The Bancorp also considers qualitative factors in determining the ALLL. Qualitative adjustments are used to capture characteristics in the portfolio that impact expected credit losses which are not fully captured within the Bancorp's expected credit loss models. These factors include adjustments for changes in policies or procedures in underwriting, monitoring or collections, lending and risk management personnel and results of internal audit and quality control reviews. In addition, the qualitative adjustment framework can be utilized to address specific idiosyncratic risks such as geopolitical events, natural disasters or changes in current economic conditions that are not reflected in the quantitative credit loss models, and their effects on regional borrowers and changes in product structures. Qualitative factors may also be used to address the impacts of unforeseen events on key inputs and assumptions within the Bancorp's expected credit loss models, such as the reasonable and supportable forecast period, changes to historical loss information or changes to the reversion period or methodology.

In addition to the ALLL, the Bancorp maintains a reserve for unfunded commitments recorded in other liabilities in the Condensed Consolidated Balance Sheets. The methodology used to determine the adequacy of this reserve is similar to the Bancorp's methodology for determining the ALLL. The provision for unfunded commitments is included in the provision for credit losses in the Condensed Consolidated Statements of Income.

For the commercial portfolio segment, the estimates for probability of default are primarily based on internal ratings assigned to each commercial borrower on a 13-point scale 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.

At both September 30, 2024 and December 31, 2023, 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.

September 30, 2024 ACL

The ACL as of September 30, 2024 was impacted by several factors when compared to December 31, 2023, including a more favorable macroeconomic forecast and lower period-end loan and lease balances. As of September 30, 2024, the Bancorp's macroeconomic scenarios included estimates of the expected impacts of the changes in economic conditions caused by expected interest rate cuts and geopolitical risks. At September 30, 2024, the Bancorp assigned an 80% probability weighting to the Baseline scenario and 10% to each of the Upside and Downside scenarios.

During the third quarter of 2024, economic growth remained resilient despite restrictive monetary policy. The FOMC continues to seek a soft landing for the economy while balancing the risks of cutting rates too soon with the risks of maintaining a restrictive policy for too long. Seeing positive momentum in inflation trending toward its long-term target of 2%, the FOMC cut the federal funds rate by 50 bps in September 2024. The Baseline scenario used in the September 30, 2024 ACL assumed a continued trend of positive inflation data with an expectation that inflation will reach the FRB's long-term target by early 2025, supported by an expectation that the FRB will continue to maintain a reduced pace of quantitative tightening. 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 relatively steady.

The Baseline scenario assumed an average annual real GDP growth rate of 2.6% for 2024, followed by 2.1% in 2025 and 2.0% in 2026. The Baseline scenario also assumed an average unemployment rate of 4.1% for 2024 and 2025, slightly decreasing to an average of 4.0% in 2026. Lastly, the Baseline scenario assumed additional cuts to the target federal funds rate beyond the third quarter of 2024, with an average federal funds rate of 5.2% in 2024 that decreases to an average of 4.4% and 3.4% in 2025 and 2026, respectively. The Upside scenario assumed that, on an average annual basis, the change in real GDP is 2.8% in 2024, 3.4% in 2025 and 2.4% in 2026. The Upside scenario also assumed an average unemployment rate of 3.9%, 3.2% and 3.3% in 2024, 2025 and 2026, respectively. 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 fourth quarter of 2024. The Downside scenario assumed that real GDP declines from the third quarter of 2024 through the second quarter of 2025, with a cumulative decline of 2.6%, modestly recovering to an average annualized GDP growth rate of 1.3% for the fourth quarter of 2025 and for the full year of 2026. The Downside scenario assumed an average unemployment rate of 4.4% in 2024, increasing to an average of 7.9% in 2025 and decreasing to an average of 7.6% in 2026. In the Downside scenario, the forecast for the federal funds rate included steeper rate cuts than the Baseline scenario, with average target rates of 5.1% in 2024, followed by 3.1% and 1.1% in 2025 and 2026, respectively.

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 $2.0 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 51: Changes in Allowance for Credit Losses

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
ALLL:				
Balance, beginning of period	$ **2,288**	2,327	**2,322**	2,194
Losses charged-off[(a)]	**(183)**	(158)	**(511)**	(389)
Recoveries of losses previously charged-off[(a)]	**41**	34	**115**	97
Provision for loan and lease losses	**159**	137	**379**	487
Impact of adoption of ASU 2022-02	**—**	—	**—**	(49)
Balance, end of period	$ **2,305**	2,340	**2,305**	2,340
Reserve for unfunded commitments:				
Balance, beginning of period	$ **137**	207	**166**	216
(Benefit from) provision for the reserve for unfunded commitments	**1**	(18)	**(28)**	(27)
Balance, end of period	$ **138**	189	**138**	189

(a) For the three and nine months ended September 30, 2024, the Bancorp recorded $6 and $22, 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, compared to $8 and $26 for the three and nine months ended September 30, 2023, respectively.

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

TABLE 52: Attribution of Allowance for Loan and Lease Losses to Portfolio Loans and Leases

As of ($ in millions)		September 30, 2024	December 31, 2023
Attributed ALLL:			
Commercial and industrial loans	$	**703**	767
Commercial mortgage loans		**318**	284
Commercial construction loans		**70**	66
Commercial leases		**14**	13
Residential mortgage loans		**143**	145
Home equity		**105**	102
Indirect secured consumer loans		**298**	271
Credit card		**194**	227
Solar energy installation loans		**333**	292
Other consumer loans		**127**	155
Total ALLL	$	**2,305**	2,322
Portfolio loans and leases:			
Commercial and industrial loans	$	**50,916**	53,270
Commercial mortgage loans		**11,394**	11,276
Commercial construction loans		**5,947**	5,621
Commercial leases		**2,873**	2,579
Residential mortgage loans[(a)]		**17,166**	17,026
Home equity		**4,074**	3,916
Indirect secured consumer loans		**15,942**	14,965
Credit card		**1,703**	1,865
Solar energy installation loans		**4,078**	3,728
Other consumer loans		**2,575**	2,988
Total portfolio loans and leases	$	**116,668**	117,234
Attributed ALLL as a percent of respective portfolio loans and leases:			
Commercial and industrial loans		**1.38 %**	1.44
Commercial mortgage loans		**2.79**	2.52
Commercial construction loans		**1.18**	1.17
Commercial leases		**0.49**	0.50
Residential mortgage loans		**0.83**	0.85
Home equity		**2.58**	2.60
Indirect secured consumer loans		**1.87**	1.81
Credit card		**11.39**	12.17
Solar energy installation loans		**8.17**	7.83
Other consumer loans		**4.93**	5.19
Total ALLL as a percent of portfolio loans and leases		**1.98 %**	1.98
Total ACL as a percent of portfolio loans and leases		**2.09**	2.12

(a) Includes residential mortgage loans measured at fair value of $114 at September 30, 2024 and $116 at December 31, 2023.

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. For additional information on the Bancorp's methodology for measuring the ACL, 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, 2023.

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 policy limits and key risk indicators are employed to ensure that risks are managed within the Bancorp’s risk tolerance 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 key risk indicators and Board-approved policy limits are used to ensure risks are managed within the Bancorp’s risk tolerance.

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 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 attrition rates 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 September 30, 2024, 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 ramped increases and decreases in interest rates. Policy limits 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 policy limits and/or key risk indicators to monitor and manage exposures under these types of scenarios. Additionally, the Bancorp routinely evaluates its exposures to changes in the bases 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 $350 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 $350 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 current tightening cycle, the Bancorp's actual cumulative interest-bearing deposit beta through September 30, 2024 was approximately 55%-60%, as repricing has been similar to what was experienced in prior interest rate cycles. 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 79% for both a 100 bps and 200 bps increase in rates. In the event of rate cuts, this approach assumes a weighted-average falling-rate interest-bearing deposit beta at the end of the ramped parallel scenarios of 69% and 68% for a 100 bps and 200 bps decrease in rates, respectively. 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 54 and 55 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 ALCO policy limits as of:

TABLE 53: Estimated NII Sensitivity Profile and ALCO Policy Limits

	September 30, 2024				September 30, 2023			
	% Change in NII (FTE)		ALCO Policy Limit		% Change in NII (FTE)		ALCO 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	**(3.89) %**	**(5.18)**	**(5.00)**	**(6.00)**	(3.27) %	(4.73)	(4.00)	(6.00)
+100 Ramp over 12 months	**(1.90)**	**(2.45)**	**N/A**	**N/A**	(1.62)	(2.25)	N/A	N/A
-100 Ramp over 12 months	**1.06**	**0.57**	**N/A**	**N/A**	0.61	0.27	N/A	N/A
-200 Ramp over 12 months	**1.79**	**1.08**	**(5.00)**	**(6.00)**	0.91	(0.18)	(8.00)	(12.00)

Table 53 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 September 30, 2024, 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 200 bps ramp decrease in interest rates, driven by an expectation that deposits would reprice faster than earning assets. The changes in the estimated NII sensitivity profile compared to September 30, 2023 were primarily attributable to increases in fixed-rate loans and interest-bearing core deposits combined with reduced wholesale funding.

Tables 54 and 55 provide the sensitivity of the Bancorp's estimated NII profile at September 30, 2024 to changes to certain deposit balance and deposit repricing sensitivity (beta) assumptions.

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 September 30, 2024:

TABLE 54: Estimated NII Sensitivity Profile at September 30, 2024 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	(4.95)%	(6.32)	(2.84)	(4.03)
+100 Ramp over 12 months	(2.87)	(3.43)	(0.94)	(1.46)
-100 Ramp over 12 months	0.28	(0.09)	1.83	1.22
-200 Ramp over 12 months	1.11	0.58	2.47	1.57

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 September 30, 2024:

TABLE 55: Estimated NII Sensitivity Profile at September 30, 2024 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	(5.54)%	(8.24)	(2.27)	(2.14)
+100 Ramp over 12 months	(2.72)	(3.96)	(1.09)	(0.94)
-100 Ramp over 12 months	1.79	1.89	0.33	(0.75)
-200 Ramp over 12 months	3.22	3.55	0.36	(1.40)

(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 policy limits 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 policy limits and/or 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 56: Estimated EVE Sensitivity Profile

	September 30, 2024		September 30, 2023	
Change in Interest Rates (bps)	% Change in EVE	ALCO Policy Limit	% Change in EVE	ALCO Policy Limit
+200 Shock	**(4.50)%**	**(12.00)**	(5.92)%	(12.00)
+100 Shock	**(1.78)**	**N/A**	(2.39)	N/A
-100 Shock	**0.87**	**N/A**	1.88	N/A
-200 Shock	**(1.55)**	**(12.00)**	2.21	(12.00)

The EVE sensitivity is negative in both a +200 bps rising-rate scenario and in a -200 bps falling-rate scenario at September 30, 2024. The changes in the estimated EVE sensitivity profile from September 30, 2023 were primarily related to changes in forward interest rate expectations and shortening of the investment portfolio duration in both rising and falling rate scenarios, which was partially offset by an increase in fixed-rate loans and reduced wholesale funding.

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 57 and 58 show all swap and floor positions that are utilized 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 14 of the Notes to Condensed Consolidated Financial Statements.

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

TABLE 57: Summary of Qualifying Hedging Instruments

As of September 30, 2024 ($ in millions)	Notional Amount	Fair Value	Weighted-Average Remaining Term (years)	Weighted-Average Fixed Rate	Index
Interest rate swaps related to C&I loans – cash flow – receive-fixed	$ 8,000	(10)	5.4	3.02 %	SOFR
Interest rate swaps related to C&I loans – cash flow – receive-fixed – forward starting[(a)]	4,000	—	7.2	3.14	SOFR
Interest rate swaps related to commercial mortgage and commercial construction loans – cash flow – receive-fixed – forward starting[(a)]	4,000	—	7.3	3.50	SOFR
Interest rate swaps related to long-term debt – fair value – receive-fixed	5,955	(27)	4.1	5.18	SOFR
Total interest rate swaps	$ 21,955	(37)			
Interest rate floors related to C&I loans – cash flow – receive-fixed	$ 3,000	—	0.2	2.25	SOFR

(a) Forward starting swaps will become effective on various dates between December 2024 and February 2025.

TABLE 58: Summary of Qualifying Hedging Instruments

As of December 31, 2023 ($ in millions)	Notional Amount	Fair Value	Weighted-Average Remaining Term (years)	Weighted-Average Fixed Rate	Index
Interest rate swaps related to C&I loans – cash flow – receive-fixed	$ 8,000	(9)	4.4	3.02 %	SOFR
Interest rate swaps related to C&I loans – cash flow – receive-fixed – forward starting[(a)]	6,000	5	7.8	3.11	SOFR
Interest rate swaps related to commercial mortgage and commercial construction loans – cash flow – receive-fixed – forward starting[(a)]	4,000	—	8.1	3.50	SOFR
Interest rate swaps related to long-term debt – fair value – receive-fixed	5,955	(32)	4.9	5.18	SOFR
Total interest rate swaps	$ 23,955	(36)			
Interest rate floors related to C&I loans – cash flow – receive-fixed	$ 3,000	1	1.0	2.25	SOFR

(a) Forward starting swaps will become effective on various dates between June 2024 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 14 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 September 30, 2024 and December 31, 2023. 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. 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 13 of the Notes to Condensed Consolidated Financial Statements for more information on servicing rights and the instruments used to hedge price risk on MSRs.

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 September 30, 2024 and December 31, 2023 was $812 million and $1.0 billion, 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.

LIQUIDITY RISK MANAGEMENT

The goal of liquidity management is to provide adequate funds to meet changes in loan and lease demand, unexpected levels of deposit withdrawals and other contractual obligations. Mitigating liquidity risk is accomplished by maintaining liquid assets in the form of cash and investment securities, maintaining sufficient unused borrowing capacity in the debt markets and delivering consistent growth in core deposits. A summary of certain obligations and commitments to make future payments under contracts is included in Note 18 of the Notes to Condensed Consolidated Financial Statements.

The Bancorp’s Treasury department manages funding and liquidity based on point-in-time metrics as well as forward-looking projections, which incorporate different sources and uses of funds under base and stress scenarios. 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 Bancorp’s risk tolerance. The Bancorp maintains a contingency funding plan that provides for liquidity stress testing, which assesses the liquidity needs under varying market conditions, time horizons, asset growth rates and other events. The contingency plan provides for ongoing monitoring of unused borrowing capacity and available sources of contingent liquidity to prepare for unexpected liquidity needs and to cover unanticipated events that could affect liquidity. The contingency plan also outlines the Bancorp’s response to various levels of liquidity stress and actions that should be taken during various scenarios.

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.

The Bancorp’s ALCO, which includes senior management representatives and is accountable to the ERMC, monitors and manages liquidity and funding risk within Board-approved policy limits. In addition to the risk management activities of ALCO, the Bancorp has a liquidity risk management function as part of ERM that provides independent oversight of liquidity risk management.

Sources of Funds

The Bancorp’s primary sources of funds include revenue from noninterest income as well as cash flows from loan and lease repayments, payments from securities related to sales and maturities, the sale or securitization of loans and leases and funds generated by core deposits, in addition to the use of borrowings.

Of the $52.0 billion in fair value of securities in the Bancorp’s available-for-sale debt and other securities and held-to-maturity securities portfolios at September 30, 2024, $7.6 billion in principal and interest is expected to be received in the next 12 months and an additional $8.5 billion is expected to be received in the next 13 to 24 months. For further information on the Bancorp’s securities portfolio, refer to the Investment Securities subsection of the Balance Sheet Analysis section of MD&A.

Asset-driven liquidity is provided by the Bancorp’s ability to monetize loans and leases through 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 and nine months ended September 30, 2024, the Bancorp sold or securitized loans and leases totaling $1.4 billion and $3.2 billion, respectively, compared to $3.3 billion and $5.9 billion during the three and nine months ended September 30, 2023, respectively. For further information, refer to Note 13 of the Notes to Condensed Consolidated Financial Statements.

Core deposits have historically provided the Bancorp with a sizeable source of relatively stable and low-cost funds. The Bancorp’s average core deposits and average shareholders’ equity funded 86% and 85% of its average total assets for the three and nine months ended September 30, 2024, respectively, compared to 85% for both the three and nine months ended September 30, 2023. 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 September 30, 2024. 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. The Bancorp issued and sold fixed-rate/floating-rate senior notes of $1.0 billion in January 2024 and $750 million in September 2024, as further discussed in Note 16 of the Notes to Condensed Consolidated Financial Statements.

As of September 30, 2024, the Bank’s global bank note program had a borrowing capacit y of $25.0 billion, of which $19.4 billion was available for issuance. Additionally, at September 30, 2024, the Bank had approximately $68.5 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 current 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 is managing liquidity prudently in the current environment and 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 Bancorp’s investment portfolio remains highly concentrated in liquid and readily marketable instruments and is a significant source of secured borrowing capacity. 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 executes periodic test trades to assess the operational processes associated with its secured funding sources.

As of September 30, 2024, 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 36 months.

Credit Ratings

The cost and availability of financing to the Bancorp and Bank are impacted by its credit ratings. A downgrade to the Bancorp’s or Bank’s credit ratings could affect its ability to access the credit markets and increase its borrowing costs, thereby adversely impacting the Bancorp’s or Bank’s 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.

The Bancorp’s and Bank’s credit ratings are summarized in Table 59. The ratings reflect the ratings agency’s view on the Bancorp’s and Bank’s capacity 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 59: Agency Ratings

As of November 5, 2024	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

CAPITAL MANAGEMENT

Management regularly reviews the Bancorp's 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.

TABLE 60: Prescribed Capital Ratios

	Minimum	Well-Capitalized
CET1 capital:		
Fifth Third Bancorp	4.50 %	N/A
Fifth Third Bank, National Association	4.50	6.50
Tier 1 risk-based capital:		
Fifth Third Bancorp	6.00	6.00
Fifth Third Bank, National Association	6.00	8.00
Total risk-based capital:		
Fifth Third Bancorp	8.00	10.00
Fifth Third Bank, National Association	8.00	10.00
Leverage:		
Fifth Third Bancorp	4.00	N/A
Fifth Third Bank, National Association	4.00	5.00

The Bancorp is subject to the stress capital buffer requirement and must maintain capital ratios above its buffered minimum (regulatory minimum plus stress capital buffer) in order to avoid certain limitations on capital distributions and discretionary bonuses to executive officers. The FRB uses the supervisory stress test to determine the Bancorp's stress capital buffer, subject to a floor of 2.5%. As of September 30, 2024, the Bancorp's stress capital buffer requirement was 2.5%. Effective October 1, 2024, the stress capital buffer increased to 3.2%. The Bancorp's capital ratios have exceeded the stress capital buffer requirement for all periods presented.

The Bancorp adopted ASU 2016-13 on January 1, 2020 and elected the five-year transition phase-in option for the impact of CECL on regulatory capital with its regulatory filings as of March 31, 2020. The Bancorp's modified CECL transition amount began phasing out on January 1, 2022, and will be fully phased-out by January 1, 2025. The impact of the modified CECL transition amount on the Bancorp's regulatory capital at September 30, 2024 was an increase in capital of approximately $124 million. On a fully phased-in basis, the Bancorp's CET1 capital ratio would be reduced by 7 bps as of September 30, 2024.

On July 27, 2023, the U.S. banking agencies released a notice of proposed rulemaking to revise the Basel III Capital Rules, which would modify its existing risk-based capital framework for large banks and introduce a new framework that implements international capital standards. The proposed rulemaking would adjust capital requirements applicable to banking organizations with total assets of $100 billion or more, including Fifth Third, and would align the calculation of regulatory capital and the calculation of risk-weighted assets across large banking organizations. As proposed, the rules would be effective for the Bancorp on July 1, 2025 and phased in over a three-year transition period. The Bancorp is in the process of evaluating this proposed rulemaking and assessing its potential impact.

On August 29, 2023, the U.S. banking agencies issued a notice of proposed rulemaking to require that certain banking organizations with $100 billion or more in consolidated assets, including Fifth Third, comply with certain long-term debt requirements at the holding company and insured depository institution levels. These proposed requirements are intended to increase loss absorbing capacity at insured depository institutions in order to reduce the cost of recapitalization in the event of the closure of a banking organization. As proposed, the rules would be phased in over a three-year period after their effective date. The Bancorp is in the process of evaluating this proposed rulemaking and assessing its potential impact, which is dependent on the finalization of the aforementioned proposed capital rule.

The following table summarizes the Bancorp's capital ratios as of:

TABLE 61: Capital Ratios

($ in millions)	**September 30, 2024**	December 31, 2023
Quarterly average total Bancorp shareholders' equity as a percent of average assets	**9.47 %**	8.04
Tangible equity as a percent of tangible assets[(a)(b)]	**8.99**	8.65
Tangible common equity as a percent of tangible assets[(a)(b)]	**8.00**	7.67
Regulatory capital:[(c)]		
CET1 capital	**$ 17,272**	16,800
Tier 1 capital	**19,388**	18,916
Total regulatory capital	**22,691**	22,400
Risk-weighted assets	**160,604**	163,223
Regulatory capital ratios:[(c)]		
CET1 capital	**10.75 %**	10.29
Tier 1 risk-based capital	**12.07**	11.59
Total risk-based capital	**14.13**	13.72
Leverage	**9.11**	8.73

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

(b) Excludes AOCI.

(c) Regulatory capital ratios as of both September 30, 2024 and December 31, 2023 are calculated pursuant to the five-year transition provision option to phase in the effects of CECL on regulatory capital.

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. 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 the FRB's supervisory stress tests every two years. The Bancorp was subject to the 2024 supervisory stress test conducted by the FRB and submitted its Board-approved capital plan, as required, by the April 5, 2024 deadline.

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 September 30, 2024 and 2023, respectively, and $1.07 and $1.01 for the nine months ended September 30, 2024 and 2023, respectively. Pursuant to the Bancorp's Board-approved capital plan, during the nine months ended September 30, 2024, the Bancorp entered into and settled accelerated share repurchase transactions. Refer to Note 17 and Note 25 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 September 30, 2024:

TABLE 62: 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)]
July 1 - July 31, 2024	4,241,317	$ 41.38	4,160,548	24,446,875
August 1 - August 31, 2024	782,231	41.31	713,340	23,733,535
September 1 - September 30, 2024	23,092	42.50	—	23,733,535
Total	5,046,640	$ 41.38	4,873,888	23,733,535

(a) Includes 172,752 shares repurchased during the third quarter of 2024 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. In the first quarter of 2024, the Bancorp implemented a new general ledger accounting system. The new general ledger accounting system was implemented in order to standardize processes, improve efficiency and enhance management reporting and analysis, and was subject to thorough testing and review both before and after final implementation. This implementation has not materially affected, and the Bancorp does not expect it to materially affect, its internal control over financial reporting.

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

CONDENSED CONSOLIDATED BALANCE SHEETS (unaudited)

		As of	
($ in millions, except share data)		**September 30, 2024**	December 31, 2023
Assets			
Cash and due from banks	$	**3,215**	3,142
Other short-term investments[(a)]		**21,729**	22,082
Available-for-sale debt and other securities (amortized cost of **$ 43,754** and $ 55,789)		**40,396**	50,419
Held-to-maturity securities (fair value of **$ 11,554** and $ 2)		**11,358**	2
Trading debt securities		**1,176**	899
Equity securities		**428**	613
Loans and leases held for sale (includes **$ 512** and $ 334 of residential mortgage loans measured at fair value)		**612**	378
Portfolio loans and leases[(a)] (includes **$ 114** and $ 116 of residential mortgage loans measured at fair value)		**116,668**	117,234
Allowance for loan and lease losses[(a)]		**(2,305)**	(2,322)
Portfolio loans and leases, net		**114,363**	114,912
Bank premises and equipment (includes **$ 24** and $ 19 held for sale)		**2,425**	2,349
Operating lease equipment		**357**	459
Goodwill		**4,918**	4,919
Intangible assets		**98**	125
Servicing rights		**1,656**	1,737
Other assets[(a)]		**11,587**	12,538
Total Assets	$	**214,318**	214,574
Liabilities			
Deposits:			
Noninterest-bearing deposits	$	**41,393**	43,146
Interest-bearing deposits		**126,947**	125,766
Total deposits		**168,340**	168,912
Federal funds purchased		**169**	193
Other short-term borrowings		**1,424**	2,861
Accrued taxes, interest and expenses		**2,034**	2,195
Other liabilities[(a)]		**4,471**	4,861
Long-term debt[(a)]		**17,096**	16,380
Total Liabilities	$	**193,534**	195,402
Equity			
Common stock[(b)]	$	**2,051**	2,051
Preferred stock[(c)]		**2,116**	2,116
Capital surplus		**3,784**	3,757
Retained earnings		**23,820**	22,997
Accumulated other comprehensive loss		**(3,446)**	(4,487)
Treasury stock[(b)]		**(7,541)**	(7,262)
Total Equity	$	**20,784**	19,172
Total Liabilities and Equity	$	**214,318**	214,574

(a) Includes $ 50 and $ 55 of other short-term investments, $ 1,131 and $ 1,573 of portfolio loans and leases, $(21) and $(28) of ALLL, $ 8 and $ 10 of other assets, $ 13 and $ 14 of other liabilities and $ 1,008 and $ 1,409 of long-term debt from consolidated VIEs that are included in their respective captions above at September 30, 2024 and December 31, 2023, respectively. For further information, refer to Note 12.

(b) Common shares: Stated value $ 2.22 per share; authorized 2,000,000,000 ; outstanding at September 30, 2024 – 676,268,732 (excludes 247,623,849 treasury shares), December 31, 2023 – 681,124,810 (excludes 242,767,771 treasury shares).

(c) 500,000 shares of no par value preferred stock were authorized at both September 30, 2024 and December 31, 2023. There were 422,000 unissued shares of undesignated no par value preferred stock at both September 30, 2024 and December 31, 2023. 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 September 30, 2024 and December 31, 2023. There were 300,000 unissued shares of undesignated no par value Class B preferred stock at both September 30, 2024 and December 31, 2023. 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 September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Interest Income				
Interest and fees on loans and leases	$ **1,910**	1,899	**5,640**	5,445
Interest on securities	**461**	444	**1,374**	1,320
Interest on other short-term investments	**298**	186	**883**	348
Total interest income	**2,669**	2,529	**7,897**	7,113
Interest Expense				
Interest on deposits	**968**	844	**2,880**	1,977
Interest on federal funds purchased	**2**	2	**8**	13
Interest on other short-term borrowings	**40**	52	**135**	198
Interest on long-term debt	**238**	193	**682**	514
Total interest expense	**1,248**	1,091	**3,705**	2,702
Net Interest Income	**1,421**	1,438	**4,192**	4,411
Provision for credit losses	**160**	119	**351**	460
Net Interest Income After Provision for Credit Losses	**1,261**	1,319	**3,841**	3,951
Noninterest Income				
Wealth and asset management revenue	**163**	145	**483**	434
Service charges on deposits	**161**	149	**467**	431
Commercial banking revenue	**163**	154	**451**	461
Card and processing revenue	**106**	104	**316**	310
Mortgage banking net revenue	**50**	57	**154**	184
Leasing business revenue	**43**	58	**120**	162
Other noninterest income	**15**	55	**103**	152
Securities gains (losses), net	**10**	(7)	**23**	3
Total noninterest income	**711**	715	**2,117**	2,137
Noninterest Expense				
Compensation and benefits	**690**	629	**2,099**	2,036
Technology and communications	**121**	115	**351**	347
Net occupancy expense	**81**	84	**251**	248
Equipment expense	**38**	37	**114**	110
Marketing expense	**26**	35	**92**	96
Leasing business expense	**21**	29	**69**	94
Card and processing expense	**22**	21	**63**	63
Other noninterest expense	**245**	238	**768**	756
Total noninterest expense	**1,244**	1,188	**3,807**	3,750
Income Before Income Taxes	**728**	846	**2,151**	2,338
Applicable income tax expense	**155**	186	**457**	519
Net Income	**573**	660	**1,694**	1,819
Dividends on preferred stock	**41**	37	**121**	100
Net Income Available to Common Shareholders	$ **532**	623	**1,573**	1,719
Earnings per share - basic	$ **0.78**	0.91	**2.30**	2.51
Earnings per share - diluted	$ **0.78**	0.91	**2.28**	2.50
Average common shares outstanding - basic	**680,895,306**	684,224,277	**684,462,327**	684,090,872
Average common shares outstanding - diluted	**686,108,625**	687,059,147	**689,263,426**	687,661,319

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 COMPREHENSIVE INCOME (unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Net Income	**$ 573**	660	**1,694**	1,819
Other Comprehensive Income (Loss), Net of Tax:				
Net unrealized losses on available-for-sale debt securities:				
Unrealized holding gains (losses) arising during period	**944**	(1,218)	**763**	(1,252)
Unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**—**	—	**785**	—
Reclassification adjustment for net losses included in net income	**9**	—	**13**	1
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	**26**	—	**76**	—
Net unrealized losses on cash flow hedge derivatives:				
Unrealized holding (losses) gains arising during period	**403**	(527)	**(22)**	(664)
Reclassification adjustment for net losses included in net income	**70**	72	**208**	185
Defined benefit pension plans, net:				
Reclassification of amounts to net periodic benefit costs	**1**	—	**1**	1
Other	**2**	—	**2**	—
Other comprehensive income (loss), net of tax	**1,455**	(1,673)	**1,041**	(1,729)
Comprehensive Income (Loss)	**$ 2,028**	(1,013)	**2,735**	90

Refer to the Notes to Condensed Consolidated Financial Statements.

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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 June 30, 2023	$ 2,051	2,116	3,708	22,366	(5,166)	(7,266)	17,809
Net income				660			660
Other comprehensive loss, net of tax					(1,673)		(1,673)
Cash dividends declared:							
Common stock ($ 0.35 per share)				(242)			(242)
Preferred stock:							
Series H ($ 547.63 per share)				(13)			(13)
Series I ($ 414.06 per share)				(7)			(7)
Series J ($ 553.61 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			25			2	27
Balance at September 30, 2023	$ 2,051	2,116	3,733	22,747	(6,839)	(7,264)	16,544
Balance at June 30, 2024	**$ 2,051**	**2,116**	**3,764**	**23,542**	**(4,901)**	**(7,346)**	**19,226**
Net income				**573**			**573**
Other comprehensive income, net of tax					**1,455**		**1,455**
Cash dividends declared:							
Common stock ($ 0.37 per share)				**(254)**			**(254)**
Preferred stock:							
Series H ($ 551.08 per share)				**(13)**			**(13)**
Series I ($ 594.32 per share)				**(11)**			**(11)**
Series J ($ 557.29 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)**
Shares acquired for treasury						**(202)**	**(202)**
Impact of stock transactions under stock compensation plans, net			**20**			**7**	**27**
Balance at September 30, 2024	**$ 2,051**	**2,116**	**3,784**	**23,820**	**(3,446)**	**(7,541)**	**20,784**

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, 2022	$ 2,051	2,116	3,684	21,689	(5,110)	(7,103)	17,327
Impact of cumulative effect of change in accounting principle				37			37
Balance at January 1, 2023	$ 2,051	2,116	3,684	21,726	(5,110)	(7,103)	17,364
Net income				1,819			1,819
Other comprehensive loss, net of tax					(1,729)		(1,729)
Cash dividends declared:							
Common stock ($ 1.01 per share)				(698)			(698)
Preferred stock:							
Series H ($ 1,185.13 per share)				(29)			(29)
Series I ($ 1,242.18 per share)				(22)			(22)
Series J ($ 1,570.07 per share)				(19)			(19)
Series K ($ 928.13 per share)				(9)			(9)
Series L ($ 843.75 per share)				(12)			(12)
Class B, Series A ($ 45.00 per share)				(9)			(9)
Shares acquired for treasury						(201)	(201)
Impact of stock transactions under stock compensation plans, net			49			40	89
Balance at September 30, 2023	$ 2,051	2,116	3,733	22,747	(6,839)	(7,264)	16,544
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[(a)]				**(10)**			**(10)**
Balance at January 1, 2024	**$ 2,051**	**2,116**	**3,757**	**22,987**	**(4,487)**	**(7,262)**	**19,162**
Net income				**1,694**			**1,694**
Other comprehensive income, net of tax					**1,041**		**1,041**
Cash dividends declared:							
Common stock ($ 1.07 per share)				**(740)**			**(740)**
Preferred stock:							
Series H ($ 1,639.44 per share)				**(39)**			**(39)**
Series I ($ 1,768.22 per share)				**(32)**			**(32)**
Series J ($ 1,657.71 per share)				**(20)**			**(20)**
Series K ($ 928.13 per share)				**(9)**			**(9)**
Series L ($ 843.75 per share)				**(12)**			**(12)**
Class B, Series A ($ 45.00 per share)				**(9)**			**(9)**
Shares acquired for treasury						**(327)**	**(327)**
Impact of stock transactions under stock compensation plans, net			**27**			**48**	**75**
Balance at September 30, 2024	**$ 2,051**	**2,116**	**3,784**	**23,820**	**(3,446)**	**(7,541)**	**20,784**

(a) Related to the adoption of ASU 2023-02 as of January 1, 2024. Refer to Note 3 for additional information.

Refer to the Notes to Condensed Consolidated Financial Statements.

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

($ in millions)	For the nine months ended September 30, 2024	2023
Operating Activities		
Net income	**$ 1,694**	1,819
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	**351**	460
Depreciation, amortization and accretion	**371**	347
Stock-based compensation expense	**133**	141
Provision for (benefit from) deferred income taxes	**8**	(117)
Securities gains, net	**(32)**	(6)
MSR fair value adjustment	**112**	6
Net gains on sales of loans and fair value adjustments on loans held for sale	**(30)**	(20)
Net gains on disposition and impairment of bank premises and equipment and operating lease equipment	**(3)**	(4)
Proceeds from sales of loans held for sale	**2,893**	3,934
Loans originated or purchased for sale, net of repayments	**(3,076)**	(3,464)
Dividends representing return on equity method investments	**32**	35
Net change in:		
Equity and trading debt securities	**(75)**	(129)
Other assets	**640**	(577)
Accrued taxes, interest and expenses and other liabilities	**(93)**	12
Net Cash Provided by Operating Activities	**2,925**	2,437
Investing Activities		
Proceeds from sales:		
AFS securities and other investments	**443**	2,718
Loans and leases	**305**	197
Bank premises and equipment and operating lease equipment	**75**	3
MSRs	**5**	—
Proceeds from repayments / maturities of AFS and HTM securities and other investments	**3,987**	3,214
Purchases:		
AFS securities, equity method investments and other investments	**(4,847)**	(4,795)
Bank premises and equipment	**(269)**	(365)
MSRs	**—**	(25)
Proceeds from settlement of BOLI	**25**	12
Proceeds from sales and dividends representing return of equity method investments	**8**	64
Net cash received for divestitures	**6**	—
Net change in:		
Other short-term investments	**353**	(10,572)
Portfolio loans and leases	**(177)**	829
Operating lease equipment	**(18)**	65
Net Cash Used in Investing Activities	**(104)**	(8,655)
Financing Activities		
Net change in deposits	**(572)**	3,982
Net change in other short-term borrowings and federal funds purchased	**(1,479)**	(133)
Dividends paid on common and preferred stock	**(887)**	(784)
Proceeds from long-term debt issuances/advances	**3,246**	4,283
Repayment of long-term debt	**(2,672)**	(1,507)
Repurchases of treasury stock and related forward contract	**(325)**	(200)
Other	**(59)**	(52)
Net Cash (Used in) Provided by Financing Activities	**(2,748)**	5,589
Increase (Decrease) in Cash and Due from Banks	**73**	(629)
Cash and Due from Banks at Beginning of Period	**3,142**	3,466
Cash and Due from Banks at End of Period	**$ 3,215**	2,837

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.*

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 and changes in equity for the three and nine months ended September 30, 2024 and 2023 and the cash flows for the nine months ended September 30, 2024 and 2023 are not necessarily indicative of the results to be expected for the full year. Financial information as of December 31, 2023 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 nine months ended September 30:

($ in millions)		**2024**	2023
Cash Payments:			
Interest	**$**	**3,795**	2,554
Income taxes		**126**	496
Transfers:			
Portfolio loans and leases to loans and leases held for sale	**$**	**333**	281
Loans and leases held for sale to portfolio loans and leases		**3**	5
Portfolio loans and leases to OREO		**16**	9
Bank premises and equipment to OREO		**7**	29
Available-for-sale debt securities to held-to-maturity securities[(a)]		**11,593**	—
Supplemental Disclosures:			
Net additions to lease liabilities under operating leases	**$**	**59**	56
Net additions (reductions) to lease liabilities under finance leases		**45**	(6)

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

3. Accounting and Reporting Developments

Standards Adopted in 2024

The Bancorp adopted the following new accounting standards during the nine months ended September 30, 2024:

ASU 2022-03 – Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

In June 2022, the FASB issued ASU 2022-03, which clarifies the guidance in ASC 820 on the fair value measurement of an equity security that is subject to contractual sale restrictions, stating that such restrictions are not considered part of the unit of account of the security and therefore are not considered in measuring fair value. The amended guidance also requires disclosure of the fair value of equity securities subject to contractual sale restrictions and certain additional information about those restrictions. The Bancorp adopted the amended guidance on January 1, 2024 on a prospective basis. The adoption did not have a material impact on the Bancorp's Condensed Consolidated Financial Statements.

ASU 2023-02 – Investments - Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method

In March 2023, the FASB issued ASU 2023-02, which expands the permitted usage of the proportional amortization method to include additional tax credit investment programs beyond qualifying LIHTC structures if certain conditions are met. The amended guidance permits entities to make elections to apply the proportional amortization method on a program-by-program basis for qualifying programs and also makes certain amendments to measurement and disclosure guidance. The amended disclosure guidance applies to all investments within programs where the proportional amortization method has been elected, including investments within those programs which do not meet the criteria to permit application of the proportional amortization method. The Bancorp adopted the amended guidance on January 1, 2024 on a modified retrospective basis, except for certain provisions which the Bancorp adopted on a prospective basis, as permitted. Upon adoption, the Bancorp recorded a cumulative-effect adjustment to decrease retained earnings by $ 10 million, net of tax.

ASU 2023-07 – Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU 2023-07, which amends the disclosure requirements for reportable segments. The amendments include new requirements to disclose certain significant segment expenses and other items, the title and position of the chief operating decision maker and information about how the reported measures of segment profit or loss are used in assessing segment performance. The amendments also make certain annual disclosure requirements applicable to interim periods and permit the reporting of multiple measures of segment profit or loss if appropriate. The amended guidance is effective for the Bancorp for the year ending December 31, 2024 and subsequent interim reporting periods beginning in 2025, with early adoption permitted. Consistent with this implementation guidance, the Bancorp will provide the amended disclosures within its Annual Report on Form 10-K for the year ended December 31, 2024 and the amendments will be applied retrospectively to all prior periods presented.

Significant Accounting Standard Issued but Not Yet Adopted

The following significant accounting standard was issued but not yet adopted by the Bancorp as of September 30, 2024:

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 amended guidance is effective for the Bancorp on January 1, 2025, 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.

4. Investment Securities

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:

September 30, 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	$	4,354	—	(4)	4,350
Obligations of states and political subdivisions securities		—	—	—	—
Mortgage-backed securities:					
Agency residential mortgage-backed securities		5,623	—	(606)	5,017
Agency commercial mortgage-backed securities		24,008	5	(2,294)	21,719
Non-agency commercial mortgage-backed securities		4,677	2	(280)	4,399
Asset-backed securities and other debt securities		4,315	5	(186)	4,134
Other securities[(a)]		777	—	—	777
Total available-for-sale debt and other securities	$	43,754	12	(3,370)	40,396
Held-to-maturity securities:[(b)]					
U.S. Treasury and federal agencies securities	$	2,354	25	—	2,379
Mortgage-backed securities:					
Agency residential mortgage-backed securities		4,992	75	(1)	5,066
Agency commercial mortgage-backed securities		4,010	97	—	4,107
Asset-backed securities and other debt securities		2	—	—	2
Total held-to-maturity securities	$	11,358	197	(1)	11,554

(a) *Other securities consist of FHLB, FRB and DTCC restricted stock holdngs of $ 275 , $ 499 and $ 3 , respectively, at September 30, 2024, that are carried at cost.*

(b) *The amortized cost basis of held-to-maturity securities includes a discount of $ 897 at September 30, 2024 pertaining to the unamortized portion of unrealized losses on securities.*

December 31, 2023 ($ in millions)		Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale debt and other securities:					
U.S. Treasury and federal agencies securities	$	4,477	1	(142)	4,336
Obligations of states and political subdivisions securities		2	—	—	2
Mortgage-backed securities:					
Agency residential mortgage-backed securities		11,564	—	(1,282)	10,282
Agency commercial mortgage-backed securities		28,945	5	(3,230)	25,720
Non-agency commercial mortgage-backed securities		4,872	—	(427)	4,445
Asset-backed securities and other debt securities		5,207	3	(298)	4,912
Other securities[(a)]		722	—	—	722
Total available-for-sale debt and other securities	$	55,789	9	(5,379)	50,419
Held-to-maturity securities:					
Asset-backed securities and other debt securities	$	2	—	—	2
Total held-to-maturity securities	$	2	—	—	2

(a) *Other securities consist of FHLB, FRB and DTCC restricted stock holdings of $ 224 , $ 496 and $ 2 , respectively, at December 31, 2023, that are carried at cost.*

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

($ in millions)		September 30, 2024	December 31, 2023
Trading debt securities	$	1,176	899
Equity securities		428	613

The amounts reported in the preceding tables exclude accrued interest receivable on investment securities of $ 167 million and $ 146 million at September 30, 2024 and December 31, 2023, respectively, 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 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 $ 897 million at September 30, 2024 pertaining to the unamortized portion of unrealized losses on securities, which are offset in AOCI.

The Bancorp uses investment securities as a means of managing interest rate risk, providing collateral for pledging purposes and for liquidity risk management.

The following table presents the components of net securities gains and losses recognized in the Condensed Consolidated Statements of Income, including those recognized related to the Bancorp's non-qualifying hedging strategy for MSRs:

		For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Available-for-sale debt and other securities:					
Realized gains	$	**—**	1	**4**	34
Realized losses		**—**	—	**—**	(30)
Impairment losses		**(11)**	(1)	**(21)**	(5)
Net losses on available-for-sale debt and other securities	$	**(11)**	—	**(17)**	(1)
Trading debt securities:					
Net realized gains		**1**	—	**—**	—
Net unrealized gains		**—**	—	**—**	2
Net trading debt securities gains	$	**1**	—	**—**	2
Equity securities:					
Net realized gains		**4**	2	**15**	3
Net unrealized gains (losses)		**16**	(9)	**25**	(1)
Net equity securities gains (losses)	$	**20**	(7)	**40**	2
Total gains (losses) recognized in income from available-for-sale debt and other securities, trading debt securities and equity securities[(a)]	$	**10**	(7)	**23**	3

(a) Excludes $ 7 and $ 9 of net securities gains for the three and nine months ended September 30, 2024, respectively, and $ 2 and $ 3 of net securities gains for the three and nine months ended September 30, 2023, respectively, related to securities held by FTS to facilitate the timely execution of customer transactions. These gains and losses are included in commercial banking revenue and wealth and asset management revenue in the Condensed Consolidated Statements of Income.

The Bancorp recognized impairment losses on available-for-sale debt and other securities of $ 11 million and $ 21 million during the three and nine months ended September 30, 2024, respectively, compared with impairment losses of $ 1 million and $ 5 million during the three and nine months ended September 30, 2023, respectively. These losses were included in securities gains (losses), 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 September 30, 2024 and December 31, 2023, 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 and nine months ended September 30, 2024 and 2023.

At September 30, 2024 and December 31, 2023, investment securities with a fair value of $ 31.4 billion and $ 25.2 billion, respectively, were pledged to secure borrowing capacity, public deposits, trust funds, derivative contracts and for other purposes as required or permitted by law.

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 September 30, 2024 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	$ 3,140	3,117	38	38
Due after 1 year through 5 years	17,036	16,376	3,071	3,106
Due after 5 years through 10 years	16,020	14,120	7,770	7,908
Due after 10 years	6,781	6,006	479	502
Other securities	777	777	—	—
Total	$ 43,754	40,396	11,358	11,554

(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
September 30, 2024						
U.S. Treasury and federal agencies securities	**$ 4,210**	**(4)**	**—**	**—**	**4,210**	**(4)**
Agency residential mortgage-backed securities	**215**	**(1)**	**4,796**	**(605)**	**5,011**	**(606)**
Agency commercial mortgage-backed securities	**3,736**	**(302)**	**17,651**	**(1,992)**	**21,387**	**(2,294)**
Non-agency commercial mortgage-backed securities	**—**	**—**	**4,210**	**(280)**	**4,210**	**(280)**
Asset-backed securities and other debt securities	**143**	**(12)**	**3,451**	**(174)**	**3,594**	**(186)**
Total	**$ 8,304**	**(319)**	**30,108**	**(3,051)**	**38,412**	**(3,370)**
December 31, 2023						
U.S. Treasury and federal agencies securities	$ 1,989	(3)	2,157	(139)	4,146	(142)
Agency residential mortgage-backed securities	81	(2)	10,200	(1,280)	10,281	(1,282)
Agency commercial mortgage-backed securities	5,439	(556)	19,957	(2,674)	25,396	(3,230)
Non-agency commercial mortgage-backed securities	141	(2)	4,284	(425)	4,425	(427)
Asset-backed securities and other debt securities	340	(17)	4,184	(281)	4,524	(298)
Total	$ 7,990	(580)	40,782	(4,799)	48,772	(5,379)

At September 30, 2024 and December 31, 2023, $ 29 million and $ 45 million, respectively, of unrealized losses in the available-for-sale debt and other securities portfolio were related to non-rated securities.

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)		September 30, 2024	December 31, 2023
Loans and leases held for sale:			
Commercial and industrial loans	$	**14**	41
Commercial mortgage loans		**34**	—
Commercial construction loans		**50**	—
Commercial leases		**2**	3
Residential mortgage loans		**512**	334
Total loans and leases held for sale	$	**612**	378
Portfolio loans and leases:			
Commercial and industrial loans	$	**50,916**	53,270
Commercial mortgage loans		**11,394**	11,276
Commercial construction loans		**5,947**	5,621
Commercial leases		**2,873**	2,579
Total commercial loans and leases	$	**71,130**	72,746
Residential mortgage loans	$	**17,166**	17,026
Home equity		**4,074**	3,916
Indirect secured consumer loans		**15,942**	14,965
Credit card		**1,703**	1,865
Solar energy installation loans		**4,078**	3,728
Other consumer loans		**2,575**	2,988
Total consumer loans	$	**45,538**	44,488
Total portfolio loans and leases	$	**116,668**	117,234

Portfolio loans and leases are recorded net of unearned income, which totaled $ 312 million and $ 272 million as of September 30, 2024 and December 31, 2023, respectively. The amortized cost basis of loans and leases excludes accrued interest receivable of $ 593 million at both September 30, 2024 and December 31, 2023, 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 and valuation adjustments associated with loans measured at fair value. These items totaled a net discount of $ 316 million as of September 30, 2024 and $ 395 million as of December 31, 2023, of which $ 894 million and $ 865 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 $ 14.9 billion and $ 14.5 billion as of September 30, 2024 and December 31, 2023, respectively, pledged to the FHLB, and loans of $ 53.1 billion and $ 49.3 billion at September 30, 2024 and December 31, 2023, respectively, pledged to the FRB.

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

The following table presents a summary of the total loans and leases owned by the Bancorp as of:

	Carrying Value			90 Days Past Due and Still Accruing(a)	
($ in millions)		**September 30, 2024**	December 31, 2023	**September 30, 2024**	December 31, 2023
Commercial and industrial loans	$	**50,930**	53,311	**10**	8
Commercial mortgage loans		**11,428**	11,276	**3**	—
Commercial construction loans		**5,997**	5,621	**—**	—
Commercial leases		**2,875**	2,582	**1**	—
Residential mortgage loans		**17,678**	17,360	**8**	7
Home equity		**4,074**	3,916	**—**	—
Indirect secured consumer loans		**15,942**	14,965	**—**	—
Credit card		**1,703**	1,865	**18**	21
Solar energy installation loans		**4,078**	3,728	**—**	—
Other consumer loans		**2,575**	2,988	**—**	—
Total loans and leases	$	**117,280**	117,612	**40**	36
Less: Loans and leases held for sale		**612**	378		
Total portfolio loans and leases	$	**116,668**	117,234		

(a) *Excludes government guaranteed residential mortgage loans.*

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

	For the three months ended September 30,			For the nine months ended September 30,	
($ in millions)		**2024**	2023	**2024**	2023
Commercial and industrial loans	$	**72**	65	**187**	127
Commercial construction loans		**—**	—	**—**	1
Commercial leases		**—**	(1)	**—**	(1)
Residential mortgage loans		**(1)**	—	**(1)**	—
Home equity		**—**	—	**—**	1
Indirect secured consumer loans		**22**	19	**63**	48
Credit card		**16**	15	**52**	46
Solar energy installation loans		**14**	8	**39**	16
Other consumer loans		**19**	18	**56**	54
Total net charge-offs	$	**142**	124	**396**	292

The following table presents the components of the net investment in portfolio leases as of:

($ in millions)(a)		**September 30, 2024**	December 31, 2023
Net investment in direct financing leases:			
Lease payment receivable (present value)	$	**593**	556
Unguaranteed residual assets (present value)		**119**	105
Net investment in sales-type leases:			
Lease payment receivable (present value)		**1,829**	1,585
Unguaranteed residual assets (present value)		**85**	84

(a) *Excludes $ 247 and $ 249 of leveraged leases at September 30, 2024 and December 31, 2023, respectively.*

Interest income recognized in the Condensed Consolidated Statements of Income for the three and nine months ended September 30, 2024 was $ 10 million and $ 29 million, respectively, for direct financing leases and $ 21 million and $ 58 million, respectively, for sales-type leases. For the three and nine months ended September 30, 2023, interest income recognized was $ 7 million and $ 20 million, respectively, for direct financing leases and $ 16 million and $ 47 million, respectively, for sales-type leases.

The following table presents undiscounted cash flows for both direct financing and sales-type portfolio leases for the remainder of 2024 through 2029 and thereafter as well as a reconciliation of the undiscounted cash flows to the total lease receivables as follows:

As of September 30, 2024 ($ in millions)	Direct Financing Leases	Sales-Type Leases
Remainder of 2024	$ 45	134
2025	184	595
2026	151	429
2027	117	359
2028	66	237
2029	40	101
Thereafter	53	127
Total undiscounted cash flows	$ 656	1,982
Less: Difference between undiscounted cash flows and discounted cash flows	63	153
Present value of lease payments (recognized as lease receivables)	$ 593	1,829

The lease residual value represents the present value of the estimated fair value of the leased equipment at the end of the lease. The Bancorp performs quarterly reviews of residual values associated with its leasing portfolio considering factors such as the subject equipment, structure of the transaction, industry, prior experience with the lessee and other factors that impact the residual value to assess for impairment. The Bancorp maintained an allowance of $ 14 million and $ 13 million at September 30, 2024 and December 31, 2023, respectively, to cover the losses that are expected to be incurred over the remaining contractual terms of the related leases, including the potential losses related to the lease residual value. Refer to Note 6 for additional information on credit quality and the ALLL.

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.

Allowance for Loan and Lease Losses

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

For the three months ended September 30, 2024 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	**$ 1,113**	**136**	**1,039**	**2,288**
Losses charged off[(a)]	**(80)**	**—**	**(103)**	**(183)**
Recoveries of losses previously charged off[(a)]	**8**	**1**	**32**	**41**
Provision for loan and lease losses	**64**	**6**	**89**	**159**
Balance, end of period	**$ 1,105**	**143**	**1,057**	**2,305**

(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 September 30, 2023 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$ 1,199	173	955	2,327
Losses charged off[(a)]	(70)	(1)	(87)	(158)
Recoveries of losses previously charged off[(a)]	6	1	27	34
Provision for (benefit from) loan and lease losses	52	(18)	103	137
Balance, end of period	$ 1,187	155	998	2,340

(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.*

For the nine months ended September 30, 2024 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	**$ 1,130**	**145**	**1,047**	**2,322**
Losses charged off[(a)]	**(203)**	**(2)**	**(306)**	**(511)**
Recoveries of losses previously charged off[(a)]	**16**	**3**	**96**	**115**
Provision for (benefit from) loan and lease losses	**162**	**(3)**	**220**	**379**
Balance, end of period	**$ 1,105**	**143**	**1,057**	**2,305**

(a) *The Bancorp recorded $ 22 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 nine months ended September 30, 2023 ($ in millions)	Commercial	Residential Mortgage	Consumer	Total
Balance, beginning of period	$ 1,127	245	822	2,194
Impact of adoption of ASU 2022-02	4	(36)	(17)	(49)
Losses charged off[(a)]	(140)	(3)	(246)	(389)
Recoveries of losses previously charged off[(a)]	13	3	81	97
Provision for (benefit from) loan and lease losses	183	(54)	358	487
Balance, end of period	$ 1,187	155	998	2,340

(a) *The Bancorp recorded $ 26 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 September 30, 2024 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
ALLL:(a)					
Individually evaluated	**$**	**89**	**—**	**9**	**98**
Collectively evaluated		**1,016**	**143**	**1,048**	**2,207**
Total ALLL	**$**	**1,105**	**143**	**1,057**	**2,305**
Portfolio loans and leases:(b)					
Individually evaluated	**$**	**274**	**130**	**87**	**491**
Collectively evaluated		**70,856**	**16,922**	**28,285**	**116,063**
Total portfolio loans and leases	**$**	**71,130**	**17,052**	**28,372**	**116,554**

(a) Includes $ 1 related to commercial leveraged leases at September 30, 2024.

(b) Excludes $ 114 of residential mortgage loans measured at fair value and includes $ 247 of commercial leveraged leases, net of unearned income, at September 30, 2024.

As of December 31, 2023 ($ in millions)		Commercial	Residential Mortgage	Consumer	Total
ALLL:(a)					
Individually evaluated	$	90	—	6	96
Collectively evaluated		1,040	145	1,041	2,226
Total ALLL	$	1,130	145	1,047	2,322
Portfolio loans and leases:(b)					
Individually evaluated	$	281	126	69	476
Collectively evaluated		72,465	16,784	27,393	116,642
Total portfolio loans and leases	$	72,746	16,910	27,462	117,118

(a) Includes $ 2 related to commercial leveraged leases at December 31, 2023.

(b) Excludes $ 116 of residential mortgage loans measured at fair value and includes $ 249 of commercial leveraged leases, net of unearned income, at December 31, 2023.

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.

Pass ratings, which are assigned to those borrowers that do not have identified potential or well-defined weaknesses and for which there is a high likelihood of orderly repayment, are updated at least annually based on the size and credit characteristics of the borrower. All other categories are updated on a quarterly basis during the month preceding the end of the calendar quarter.

The Bancorp assigns a special mention rating to loans and leases that have potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, at some future date, result in the deterioration of the repayment prospects for the loan or lease or the Bancorp's credit position.

The Bancorp assigns a substandard rating to loans and leases that are inadequately protected by the current sound worth and paying capacity of the borrower or of the collateral pledged. Substandard loans and leases have well-defined weaknesses or weaknesses that could jeopardize the orderly repayment of the debt. Loans and leases with this rating also are characterized by the distinct possibility that the Bancorp will sustain some loss if the deficiencies noted are not addressed and corrected.

The Bancorp assigns a doubtful rating to loans and leases that have all the attributes of a substandard rating with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonable specific pending factors that may work to the advantage of and strengthen the credit quality of the loan or lease, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors may include a proposed merger or acquisition, liquidation proceeding, capital injection, perfecting liens on additional collateral or refinancing plans.

Loans and leases classified as loss are considered uncollectible and are charged off in the period in which they are determined to be uncollectible. Because loans and leases in this category are fully charged off, they are not included in the following tables.

For loans and leases that are collectively evaluated for an ACL, the Bancorp utilizes 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. For the commercial portfolio segment, the estimates for probability of default are primarily based on internal ratings assigned to each commercial borrower on a 13-point scale 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 more information about the Bancorp's processes for developing these models, estimating credit losses for periods beyond the reasonable and supportable forecast period and for estimating credit losses for individually evaluated loans, 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, 2023.

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

	Term Loans and Leases by Origination Year						Revolving	
As of September 30, 2024 ($ in millions)	2024	2023	2022	2021	2020	Prior	Loans	Total
Commercial and industrial loans:								
Pass	$ **2,301**	**1,614**	**2,636**	**1,461**	**496**	**456**	**38,374**	**47,338**
Special mention	**20**	**9**	**27**	**20**	**3**	**76**	**1,073**	**1,228**
Substandard	**54**	**117**	**185**	**75**	**34**	**80**	**1,752**	**2,297**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**53**	**53**
Total commercial and industrial loans	$ **2,375**	**1,740**	**2,848**	**1,556**	**533**	**612**	**41,252**	**50,916**
Commercial mortgage owner-occupied loans:								
Pass	$ **517**	**845**	**864**	**635**	**332**	**364**	**1,418**	**4,975**
Special mention	**24**	**2**	**11**	**15**	**1**	**18**	**11**	**82**
Substandard	**52**	**25**	**28**	**39**	**9**	**45**	**172**	**370**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial mortgage owner-occupied loans	$ **593**	**872**	**903**	**689**	**342**	**427**	**1,601**	**5,427**
Commercial mortgage nonowner-occupied loans:								
Pass	$ **405**	**839**	**749**	**222**	**292**	**436**	**2,542**	**5,485**
Special mention	**58**	**—**	**114**	**—**	**—**	**—**	**117**	**289**
Substandard	**19**	**45**	**8**	**—**	**—**	**2**	**119**	**193**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial mortgage nonowner-occupied loans	$ **482**	**884**	**871**	**222**	**292**	**438**	**2,778**	**5,967**
Commercial construction loans:								
Pass	$ **14**	**109**	**85**	**37**	**4**	**33**	**4,606**	**4,888**
Special mention	**—**	**—**	**—**	**—**	**—**	**—**	**787**	**787**
Substandard	**7**	**15**	**—**	**—**	**—**	**—**	**250**	**272**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial construction loans	$ **21**	**124**	**85**	**37**	**4**	**33**	**5,643**	**5,947**
Commercial leases:								
Pass	$ **1,065**	**357**	**311**	**345**	**150**	**560**	**—**	**2,788**
Special mention	**2**	**—**	**1**	**4**	**2**	**6**	**—**	**15**
Substandard	**—**	**18**	**15**	**4**	**4**	**29**	**—**	**70**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial leases	$ **1,067**	**375**	**327**	**353**	**156**	**595**	**—**	**2,873**
Total commercial loans and leases:								
Pass	$ **4,302**	**3,764**	**4,645**	**2,700**	**1,274**	**1,849**	**46,940**	**65,474**
Special mention	**104**	**11**	**153**	**39**	**6**	**100**	**1,988**	**2,401**
Substandard	**132**	**220**	**236**	**118**	**47**	**156**	**2,293**	**3,202**
Doubtful	**—**	**—**	**—**	**—**	**—**	**—**	**53**	**53**
Total commercial loans and leases	$ **4,538**	**3,995**	**5,034**	**2,857**	**1,327**	**2,105**	**51,274**	**71,130**

	Term Loans and Leases by Origination Year							
As of December 31, 2023 ($ in millions)	2023	2022	2021	2020	2019	Prior	Revolving Loans	Total
Commercial and industrial loans:								
Pass	$ 2,124	3,434	1,814	580	263	321	40,889	49,425
Special mention	16	100	60	33	6	105	1,756	2,076
Substandard	105	103	28	18	39	73	1,397	1,763
Doubtful	—	—	—	—	—	—	6	6
Total commercial and industrial loans	$ 2,245	3,637	1,902	631	308	499	44,048	53,270
Commercial mortgage owner-occupied loans:								
Pass	$ 870	1,078	746	408	219	260	1,279	4,860
Special mention	30	23	18	—	6	—	20	97
Substandard	31	22	11	10	45	10	114	243
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage owner-occupied loans	$ 931	1,123	775	418	270	270	1,413	5,200
Commercial mortgage nonowner-occupied loans:								
Pass	$ 886	825	261	348	293	243	2,724	5,580
Special mention	111	166	—	2	—	2	81	362
Substandard	81	1	8	—	—	2	42	134
Doubtful	—	—	—	—	—	—	—	—
Total commercial mortgage nonowner-occupied loans	$ 1,078	992	269	350	293	247	2,847	6,076
Commercial construction loans:								
Pass	$ 171	36	45	41	70	6	4,818	5,187
Special mention	—	—	—	—	—	—	199	199
Substandard	61	—	33	—	—	—	141	235
Doubtful	—	—	—	—	—	—	—	—
Total commercial construction loans	$ 232	36	78	41	70	6	5,158	5,621
Commercial leases:								
Pass	$ 598	386	462	202	145	664	—	2,457
Special mention	1	9	12	3	8	14	—	47
Substandard	20	14	1	5	5	30	—	75
Doubtful	—	—	—	—	—	—	—	—
Total commercial leases	$ 619	409	475	210	158	708	—	2,579
Total commercial loans and leases:								
Pass	$ 4,649	5,759	3,328	1,579	990	1,494	49,710	67,509
Special mention	158	298	90	38	20	121	2,056	2,781
Substandard	298	140	81	33	89	115	1,694	2,450
Doubtful	—	—	—	—	—	—	6	6
Total commercial loans and leases	$ 5,105	6,197	3,499	1,650	1,099	1,730	53,466	72,746

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

For the nine months ended September 30, 2024 ($ in millions)	Term Loans and Leases by Origination Year						Revolving Loans	Total
	2024	2023	2022	2021	2020	Prior		
Commercial loans and leases:								
Commercial and industrial loans	**$ 1**	**2**	**15**	**1**	**1**	**—**	**183**	**203**
Commercial mortgage owner-occupied loans	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Commercial construction loans	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total commercial loans and leases	**$ 1**	**2**	**15**	**1**	**1**	**—**	**183**	**203**

For the nine months ended September 30, 2023	Term Loans and Leases by Origination Year						Revolving	
($ in millions)	2023	2022	2021	2020	2019	Prior	Loans	Total
Commercial loans and leases:								
Commercial and industrial loans	$ 24	6	12	1	—	5	90	138
Commercial mortgage owner-occupied loans	—	—	—	—	—	—	1	1
Commercial construction loans	—	—	—	—	—	—	1	1
Total commercial loans and leases	$ 24	6	12	1	—	5	92	140

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 September 30, 2024 ($ in millions)		Current Loans and Leases[(a)]	Past Due 30-89 Days[(a)]	Past Due 90 Days or More[(a)]	Past Due Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial loans and leases:							
Commercial and industrial loans	$	**50,785**	**44**	**87**	**131**	**50,916**	**10**
Commercial mortgage owner-occupied loans		**5,418**	**6**	**3**	**9**	**5,427**	**1**
Commercial mortgage nonowner-occupied loans		**5,961**	**1**	**5**	**6**	**5,967**	**2**
Commercial construction loans		**5,947**	**—**	**—**	**—**	**5,947**	**—**
Commercial leases		**2,860**	**12**	**1**	**13**	**2,873**	**1**
Total portfolio commercial loans and leases	$	**70,971**	**63**	**96**	**159**	**71,130**	**14**

(a) Includes accrual and nonaccrual loans and leases.

As of December 31, 2023 ($ in millions)		Current Loans and Leases[(a)]	Past Due 30-89 Days[(a)]	Past Due 90 Days or More[(a)]	Past Due Total Past Due	Total Loans and Leases	90 Days Past Due and Still Accruing
Commercial loans and leases:							
Commercial and industrial loans	$	53,107	61	102	163	53,270	8
Commercial mortgage owner-occupied loans		5,196	1	3	4	5,200	—
Commercial mortgage nonowner-occupied loans		6,061	14	1	15	6,076	—
Commercial construction loans		5,621	—	—	—	5,621	—
Commercial leases		2,562	17	—	17	2,579	—
Total portfolio commercial loans and leases	$	72,547	93	106	199	72,746	8

(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 delinquency status of all residential mortgage and consumer loans and the performing versus nonperforming status are presented in the following tables.

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. 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, 2023 for additional information about the Bancorp's process for developing these models and its process for estimating credit losses for periods beyond the reasonable and supportable forecast period.

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 age and performing versus nonperforming status:

As of September 30, 2024 ($ in millions)	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Residential mortgage loans:									
Performing:									
Current[(a)]	$ 1,281	1,014	2,995	4,678	2,533	4,386	—	—	16,887
30-89 days past due	1	—	5	7	2	12	—	—	27
90 days or more past due	—	—	1	3	1	3	—	—	8
Nonperforming	—	2	8	9	8	103	—	—	130
Total residential mortgage loans[(b)]	$ 1,282	1,016	3,009	4,697	2,544	4,504	—	—	17,052
Home equity:									
Performing:									
Current	$ 115	71	36	2	5	90	3,602	63	3,984
30-89 days past due	—	—	—	—	—	2	20	1	23
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	—	—	—	—	7	54	6	67
Total home equity	$ 115	71	36	2	5	99	3,676	70	4,074
Indirect secured consumer loans:									
Performing:									
Current	$ 5,228	3,117	3,347	2,721	917	440	—	—	15,770
30-89 days past due	11	23	40	27	13	8	—	—	122
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	2	9	17	12	5	5	—	—	50
Total indirect secured consumer loans	$ 5,241	3,149	3,404	2,760	935	453	—	—	15,942
Credit card:									
Performing:									
Current	$ —	—	—	—	—	—	1,634	—	1,634
30-89 days past due	—	—	—	—	—	—	20	—	20
90 days or more past due	—	—	—	—	—	—	18	—	18
Nonperforming	—	—	—	—	—	—	31	—	31
Total credit card	$ —	—	—	—	—	—	1,703	—	1,703
Solar energy installation loans:									
Performing:									
Current	$ 692	2,154	1,115	2	—	34	—	—	3,997
30-89 days past due	1	8	8	—	—	—	—	—	17
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	1	34	29	—	—	—	—	—	64
Total solar energy installation loans	$ 694	2,196	1,152	2	—	34	—	—	4,078
Other consumer loans:									
Performing:									
Current	$ 164	388	552	243	187	160	809	38	2,541
30-89 days past due	1	5	9	3	1	3	3	—	25
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	2	4	1	—	1	1	—	9
Total other consumer loans	$ 165	395	565	247	188	164	813	38	2,575
Total residential mortgage and consumer loans:									
Performing:									
Current	$ 7,480	6,744	8,045	7,646	3,642	5,110	6,045	101	44,813
30-89 days past due	14	36	62	37	16	25	43	1	234
90 days or more past due	—	—	1	3	1	3	18	—	26
Nonperforming	3	47	58	22	13	116	86	6	351
Total residential mortgage and consumer loans[(b)]	$ 7,497	6,827	8,166	7,708	3,672	5,254	6,192	108	45,424

(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 September 30, 2024, $ 85 of these loans were 30-89 days past due and $ 141 were 90 days or more past due. The Bancorp recognized an immaterial amount and $ 1 of losses during the three and nine months ended September 30, 2024, respectively, due to claim denials and curtailments associated with these insured or guaranteed loans.

(b) Excludes $ 114 of residential mortgage loans measured at fair value at September 30, 2024, including $ 1 of 30-89 days past due loans and $ 1 of nonperforming loans.

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

	Term Loans by Origination Year								
As of December 31, 2023 ($ in millions)	2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Residential mortgage loans:									
Performing:									
Current[a]	$ 995	3,139	5,001	2,703	943	3,971	—	—	16,752
30-89 days past due	—	3	6	5	1	14	—	—	29
90 days or more past due	—	1	1	1	1	3	—	—	7
Nonperforming	—	6	6	5	4	101	—	—	122
Total residential mortgage loans[b]	$ 995	3,149	5,014	2,714	949	4,089	—	—	16,910
Home equity:									
Performing:									
Current	$ 84	41	2	6	11	92	3,549	46	3,831
30-89 days past due	—	—	—	—	—	2	25	1	28
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	—	—	—	—	—	6	50	1	57
Total home equity	$ 84	41	2	6	11	100	3,624	48	3,916
Indirect secured consumer loans:									
Performing:									
Current	$ 4,126	4,333	3,925	1,527	597	271	—	—	14,779
30-89 days past due	22	49	40	19	12	8	—	—	150
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	4	11	9	6	3	3	—	—	36
Total indirect secured consumer loans	$ 4,152	4,393	3,974	1,552	612	282	—	—	14,965
Credit card:									
Performing:									
Current	$ —	—	—	—	—	—	1,789	—	1,789
30-89 days past due	—	—	—	—	—	—	21	—	21
90 days or more past due	—	—	—	—	—	—	21	—	21
Nonperforming	—	—	—	—	—	—	34	—	34
Total credit card	$ —	—	—	—	—	—	1,865	—	1,865
Solar energy installation loans:									
Performing:									
Current	$ 2,415	1,192	2	—	—	41	—	—	3,650
30-89 days past due	12	6	—	—	—	—	—	—	18
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	29	30	—	—	—	1	—	—	60
Total solar energy installation loans	$ 2,456	1,228	2	—	—	42	—	—	3,728
Other consumer loans:									
Performing:									
Current	$ 511	703	328	246	101	154	859	41	2,943
30-89 days past due	5	15	4	2	2	2	2	1	33
90 days or more past due	—	—	—	—	—	—	—	—	—
Nonperforming	2	6	1	1	1	—	—	1	12
Total other consumer loans	$ 518	724	333	249	104	156	861	43	2,988
Total residential mortgage and consumer loans:									
Performing:									
Current	$ 8,131	9,408	9,258	4,482	1,652	4,529	6,197	87	43,744
30-89 days past due	39	73	50	26	15	26	48	2	279
90 days or more past due	—	1	1	1	1	3	21	—	28
Nonperforming	35	53	16	12	8	111	84	2	321
Total residential mortgage and consumer loans[b]	$ 8,205	9,535	9,325	4,521	1,676	4,669	6,350	91	44,372

(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, 2023, $ 79 of these loans were 30-89 days past due and $ 141 were 90 days or more past due. The Bancorp recognized $ 1 and $ 2 of losses during the three and nine months ended September 30, 2023, respectively, due to claim denials and curtailments associated with these insured or guaranteed loans.

(b) Excludes $ 116 of residential mortgage loans measured at fair value at December 31, 2023, including $ 1 of 30-89 days past due loans and $ 2 of nonperforming loans.

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

For the nine months ended September 30, 2024 ($ in millions)	Term Loans by Origination Year 2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Residential mortgage loans	$ —	—	—	—	—	2	—	—	2
Consumer loans:									
Home equity	—	—	—	—	—	1	4	—	5
Indirect secured consumer loans	3	25	38	19	7	8	—	—	100
Credit card	—	—	—	—	—	—	67	—	67
Solar energy installation loans	1	16	13	—	5	9	—	—	44
Other consumer loans	—	10	21	9	12	11	25	2	90
Total residential mortgage and consumer loans	$ 4	51	72	28	24	31	96	2	308

For the nine months ended September 30, 2023 ($ in millions)	Term Loans by Origination Year 2023	2022	2021	2020	2019	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Residential mortgage loans	$ —	—	—	—	—	3	—	—	3
Consumer loans:									
Home equity	—	—	—	—	—	1	5	—	6
Indirect secured consumer loans	4	28	20	10	7	6	—	—	75
Credit card	—	—	—	—	—	—	59	—	59
Solar energy installation loans	3	11	1	—	—	2	—	—	17
Other consumer loans	3	28	11	9	6	6	25	1	89
Total residential mortgage and consumer loans	$ 10	67	32	19	13	18	89	1	249

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)	September 30, 2024	December 31, 2023
Commercial loans and leases:		
Commercial and industrial loans	$ 206	268
Commercial mortgage owner-occupied loans	63	8
Commercial mortgage nonowner-occupied loans	4	2
Commercial construction loans	1	1
Total commercial loans and leases	$ 274	279
Residential mortgage loans	130	126
Consumer loans:		
Home equity	62	54
Indirect secured consumer loans	25	15
Total consumer loans	$ 87	69
Total portfolio loans and leases	$ 491	474

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:

($ in millions)	**September 30, 2024**			December 31, 2023		
	With an ALLL	No Related ALLL	Total	With an ALLL	No Related ALLL	Total
Commercial loans and leases:						
Commercial and industrial loans	$ **217**	**38**	**255**	273	31	304
Commercial mortgage owner-occupied loans	**50**	**24**	**74**	11	6	17
Commercial mortgage nonowner-occupied loans	**—**	**4**	**4**	—	3	3
Commercial construction loans	**—**	**1**	**1**	—	1	1
Commercial leases	**—**	**—**	**—**	—	1	1
Total nonaccrual portfolio commercial loans and leases	$ **267**	**67**	**334**	284	42	326
Residential mortgage loans	**43**	**88**	**131**	26	98	124
Consumer loans:						
Home equity	**22**	**45**	**67**	21	36	57
Indirect secured consumer loans	**42**	**8**	**50**	32	4	36
Credit card	**31**	**—**	**31**	34	—	34
Solar energy installation loans	**64**	**—**	**64**	60	—	60
Other consumer loans	**9**	**—**	**9**	12	—	12
Total nonaccrual portfolio consumer loans	$ **168**	**53**	**221**	159	40	199
Total nonaccrual portfolio loans and leases[(a)(b)]	$ **478**	**208**	**686**	469	180	649
OREO and other repossessed property	**—**	**39**	**39**	—	39	39
Total nonperforming portfolio assets[(a)(b)]	$ **478**	**247**	**725**	469	219	688

(a) *Excludes $ 8 and $ 1 of nonaccrual loans held for sale as of September 30, 2024 and December 31, 2023, respectively.*

(b) *Includes $ 20 and $ 19 of nonaccrual government-insured commercial loans whose repayments are insured by the SBA as of September 30, 2024 and December 31, 2023, respectively.*

The Bancorp recognized an immaterial amount of interest income on nonaccrual loans and leases for both the three and nine months ended September 30, 2024 and 2023.

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 $ 101 million and $ 107 million as of September 30, 2024 and December 31, 2023, 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 $ 184 million and $ 171 million as of September 30, 2024 and 2023, respectively, were modified during the three months ended September 30, 2024 and 2023, respectively, and $ 373 million and $ 484 million were modified during the nine months ended September 30, 2024 and 2023, respectively, for borrowers experiencing financial difficulty, as further discussed in the following sections. These modifications for the three months ended September 30, 2024 and 2023 represented 0.16 % and 0.14 %, respectively, of total portfolio loans and leases as of September 30, 2024 and 2023, respectively, and 0.32 % and 0.40 % for the nine months ended September 30, 2024 and 2023, respectively. These amounts excluded $ 19 million and $ 6 million for the three months ended September 30, 2024 and 2023, respectively, and $ 42 million and $ 24 million for the nine months ended September 30, 2024 and 2023, 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 September 30, 2024 and December 31, 2023, the Bancorp had commitments of $ 80 million and $ 130 million, respectively, to lend additional funds to borrowers experiencing financial difficulty whose terms have been modified during the twelve months ended September 30, 2024 and December 31, 2023, 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 September 30, 2024 and 2023, respectively, 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 September 30, 2024 ($ in millions)		Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class	
Commercial and industrial loans	**$**	**84**	**2**	**19**	**—**	**105**	**0.21**	**%**
Commercial mortgage owner-occupied loans		**11**	**—**	**—**	**—**	**11**	**0.20**	
Commercial mortgage nonowner-occupied loans		**28**	**—**	**—**	**—**	**28**	**0.47**	
Commercial construction loans		**6**	**—**	**—**	**—**	**6**	**0.10**	
Total commercial portfolio loans	**$**	**129**	**2**	**19**	**—**	**150**	**0.22**	**%**

For the three months ended September 30, 2023 ($ in millions)		Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class	
Commercial and industrial loans	$	92	8	—	1	101	0.18	%
Commercial mortgage owner-occupied loans		3	—	—	—	3	0.06	
Commercial mortgage nonowner-occupied loans		1	—	—	—	1	0.02	
Commercial construction loans		19	—	—	—	19	0.34	
Total commercial portfolio loans	$	115	8	—	1	124	0.17	%

For the nine months ended September 30, 2024 ($ in millions)		Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class	
Commercial and industrial loans	**$**	**164**	**20**	**23**	**1**	**208**	**0.41**	**%**
Commercial mortgage owner-occupied loans		**25**	**—**	**1**	**—**	**26**	**0.48**	
Commercial mortgage nonowner-occupied loans		**28**	**—**	**—**	**—**	**28**	**0.47**	
Commercial construction loans		**6**	**—**	**—**	**—**	**6**	**0.10**	
Total commercial portfolio loans	**$**	**223**	**20**	**24**	**1**	**268**	**0.39**	**%**

For the nine months ended September 30, 2023 ($ in millions)		Term Extension	Term Extension and Payment Delay	Payment Delay	Other	Total	% of Total Class	
Commercial and industrial loans	$	176	8	5	2	191	0.34	%
Commercial mortgage owner-occupied loans		24	—	—	—	24	0.45	
Commercial mortgage nonowner-occupied loans		21	—	—	3	24	0.42	
Commercial construction loans		116	—	—	—	116	2.08	
Total commercial portfolio loans	$	337	8	5	5	355	0.47	%

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 tables present the amortized cost basis as of September 30, 2024 and 2023, respectively, of the Bancorp's residential mortgage portfolio loans that were modified for borrowers experiencing financial difficulty, by type of modification:

	September 30, 2024		September 30, 2023	
For the three months ended ($ in millions)	Total	% of Total Class	Total	% of Total Class
Payment delay	$ 1	0.01 %	$ 3	0.02 %
Term extension and payment delay	17	0.10	27	0.15
Term extension, interest rate reduction and payment delay	4	0.02	1	0.01
Total residential mortgage portfolio loans	$ 22	0.13 %	$ 31	0.18 %

	September 30, 2024		September 30, 2023	
For the nine months ended ($ in millions)	Total	% of Total Class	Total	% of Total Class
Payment delay	$ 5	0.03 %	$ 16	0.09 %
Term extension and payment delay	61	0.36	69	0.40
Term extension, interest rate reduction and payment delay	8	0.05	4	0.02
Total residential mortgage portfolio loans	$ 74	0.43 %	$ 89	0.51 %

The Bancorp had $ 4 million and $ 7 million of in-process modifications to residential mortgage loans outstanding as of September 30, 2024 and 2023, respectively, which are excluded from the completed modification activity in the tables 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.

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 September 30, 2024 and 2023, respectively, of the Bancorp's consumer portfolio loans that were modified for borrowers experiencing financial difficulty, by portfolio class and type of modification:

For the three months ended September 30, 2024 ($ in millions)	Interest Rate Reduction	Payment Delay	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class
Home equity	$ 1	—	—	3	4	0.10 %
Credit card	7	—	—	—	7	0.41
Solar energy installation loans	—	—	—	—	—	—
Other consumer loans	—	1	—	—	1	0.04
Total consumer portfolio loans	$ 8	1	—	3	12	0.04 %

For the three months ended September 30, 2023 ($ in millions)	Interest Rate Reduction	Payment Delay	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class
Home equity	$ 2	—	1	2	5	0.13 %
Credit card	9	—	—	—	9	0.50
Solar energy installation loans	—	—	—	—	—	—
Other consumer loans	—	2	—	—	2	0.06
Total consumer portfolio loans	$ 11	2	1	2	16	0.06 %

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

For the nine months ended September 30, 2024 ($ in millions)		Interest Rate Reduction	Payment Delay	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class	
Home equity	**$**	**3**	**—**	**1**	**7**	**11**	**0.27**	**%**
Credit card		**17**	**—**	**—**	**—**	**17**	**1.00**	
Solar energy installation loans		**—**	**—**	**—**	**—**	**—**	**—**	
Other consumer loans		**—**	**3**	**—**	**—**	**3**	**0.12**	
Total consumer portfolio loans	**$**	**20**	**3**	**1**	**7**	**31**	**0.11**	**%**

For the nine months ended September 30, 2023 ($ in millions)		Interest Rate Reduction	Payment Delay	Term Extension and Payment Delay	Term Extension, Interest Rate Reduction and Payment Delay	Total	% of Total Class	
Home equity	$	3	—	2	7	12	0.31	%
Credit card		23	—	—	—	23	1.27	
Solar energy installation loans		—	1	—	—	1	0.03	
Other consumer loans		—	4	—	—	4	0.13	
Total consumer portfolio loans	$	26	5	2	7	40	0.14	%

Financial effects of loan modifications

The following tables present 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 September 30,	
	Financial Effects	**2024**	2023
Commercial loans:			
Commercial and industrial loans	Weighted-average length of term extensions	**5 months**	7 months
	Weighted-average length of payment delay	**21 months**	10 months
Commercial mortgage owner-occupied loans	Weighted-average length of term extensions	**6 months**	3 months
Commercial mortgage nonowner-occupied loans	Weighted-average length of term extensions	**5 months**	12 months
Commercial construction loans	Weighted-average length of term extensions	**5 months**	12 months
Residential mortgage loans	Weighted-average length of term extensions	**9.6 years**	14.3 years
	Approximate amount of payment delays as a percentage of the related loan balances	**13 %**	17 %
Consumer loans:			
Home equity	Weighted-average length of term extensions	**22.9 years**	24.5 years
	Weighted-average interest rate reduction	**From 9.0 % to 7.3 %**	From 9.0 % to 7.2 %
	Approximate amount of payment delays as a percentage of the related loan balances	**5 %**	6 %
Credit card	Weighted-average interest rate reduction	**From 23.8 % to 4.2 %**	From 23.9 % to 3.9 %

		For the nine months ended September 30,	
	Financial Effects	**2024**	2023
Commercial loans:			
Commercial and industrial loans	Weighted-average length of term extensions	**9 months**	6 months
	Weighted-average length of payment delay	**13 months**	8 months
Commercial mortgage owner-occupied loans	Weighted-average length of term extensions	**13 months**	18 months
Commercial mortgage nonowner-occupied loans	Weighted-average length of term extensions	**7 months**	8 months
Commercial construction loans	Weighted-average length of term extensions	**9 months**	12 months
Residential mortgage loans	Weighted-average length of term extensions	**10.0 years**	12.5 years
	Approximate amount of payment delays as a percentage of the related loan balances	**12 %**	16 %
Consumer loans:			
Home equity	Weighted-average length of term extensions	**24.0 years**	24.8 years
	Weighted-average interest rate reduction	**From 9.0 % to 7.2 %**	From 8.6 % to 6.9 %
	Approximate amount of payment delays as a percentage of the related loan balances	**5 %**	5 %
Credit card	Weighted-average interest rate reduction	**From 23.8 % to 4.1 %**	From 23.6 % to 3.8 %

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 table presents the amortized cost basis as of September 30, 2024 for the Bancorp's portfolio loans that were modified during the twelve months then ended for borrowers experiencing financial difficulty, by age and portfolio class:

		Past Due		
($ in millions)	Current	30-89 Days	90 Days or More	Total
Commercial loans:				
Commercial and industrial loans	**$ 196**	**13**	**10**	**219**
Commercial mortgage owner-occupied loans	**26**	**—**	**—**	**26**
Commercial mortgage nonowner-occupied loans	**67**	**—**	**—**	**67**
Commercial construction loans	**6**	**—**	**—**	**6**
Residential mortgage loans	**66**	**15**	**13**	**94**
Consumer loans:				
Home equity	**13**	**1**	**1**	**15**
Credit card[(a)]	**16**	**3**	**3**	**22**
Solar energy installation loans	**1**	**—**	**—**	**1**
Other consumer loans	**3**	**—**	**—**	**3**
Total portfolio loans	**$ 394**	**32**	**27**	**453**

(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.*

The following table presents the amortized cost basis as of September 30, 2023 for the Bancorp's portfolio loans that were modified between January 1, 2023 and September 30, 2023 to borrowers experiencing financial difficulty, by age and portfolio class:

			Past Due		
($ in millions)		Current	30-89 Days	90 Days or More	Total
Commercial loans:					
Commercial and industrial loans	$	191	—	—	191
Commercial mortgage owner-occupied loans		23	1	—	24
Commercial mortgage nonowner-occupied loans		24	—	—	24
Commercial construction loans		116	—	—	116
Residential mortgage loans		74	12	3	89
Consumer loans:					
Home equity		12	—	—	12
Credit card[(a)]		16	4	3	23
Solar energy installation loans		1	—	—	1
Other consumer loans		4	—	—	4
Total portfolio loans	$	461	17	6	484

(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.*

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 table presents the amortized cost basis as of September 30, 2024 of the modifications for borrowers experiencing financial difficulty that subsequently defaulted during the three months ended September 30, 2024 and were within twelve months of the modification date:

($ 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	$	2	—	3	—	2	—	7
Residential mortgage loans		—	—	1	—	10	2	13
Consumer loans:								
Home equity		—	—	—	—	—	1	1
Credit card		—	4	—	—	—	—	4
Total portfolio loans	$	2	4	4	—	12	3	25

The following table presents the amortized cost basis as of September 30, 2024 of the modifications for borrowers experiencing financial difficulty that subsequently defaulted during the nine months ended September 30, 2024 and were within twelve months of the modification date:

($ 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	$	10	—	5	1	8	—	24
Residential mortgage loans		—	—	2	—	25	2	29
Consumer loans:								
Home equity		—	1	—	—	—	1	2
Credit card		—	8	—	—	—	—	8
Total portfolio loans	$	10	9	7	1	33	3	63

7. Bank Premises and Equipment

The following table provides a summary of bank premises and equipment as of:

($ in millions)		September 30, 2024	December 31, 2023
Equipment	$	**2,709**	2,578
Buildings[(a)]		**1,764**	1,742
Leasehold improvements		**712**	685
Land and improvements[(a)]		**622**	618
Construction in progress[(a)]		**207**	180
Bank premises and equipment held for sale:			
Land and improvements		**10**	15
Equipment		**10**	—
Buildings		**4**	4
Accumulated depreciation and amortization		**(3,613)**	(3,473)
Total bank premises and equipment	$	**2,425**	2,349

(a) Buildings, land and improvements and construction in progress included $ 1 and $ 9 associated with parcels of undeveloped land intended for future branch expansion at September 30, 2024 and December 31, 2023, respectively.

The Bancorp monitors changing customer preferences associated with the channels it uses for banking transactions to evaluate the efficiency, competitiveness and quality of the customer service experience in its consumer distribution network. As part of this ongoing assessment, the Bancorp may determine that it is no longer fully committed to maintaining full-service banking centers at certain locations. Similarly, the Bancorp may also determine that it is no longer fully committed to building banking centers on certain parcels of land which had previously been held for future branch expansion. The Bancorp closed a total of 28 banking centers throughout its footprint during the nine months ended September 30, 2024.

The Bancorp performs assessments of the recoverability of long-lived assets when events or changes in circumstances indicate that their carrying values may not be recoverable. Impairment losses associated with such assessments and lower of cost or market adjustments were immaterial for both the three months ended September 30, 2024 and 2023, and immaterial and $ 2 million for the nine months ended September 30, 2024 and 2023, respectively. For the three and nine months ended September 30, 2023, the Bancorp also recognized $ 7 million and $ 8 million of impairment losses, respectively, in conjunction with transferring certain parcels of land to OREO. The recognized impairment losses were recorded in other noninterest income in the Condensed Consolidated Statements of Income.

8. Operating Lease Equipment

Operating lease equipment was $ 357 million and $ 459 million at September 30, 2024 and December 31, 2023, respectively, net of accumulated depreciation of $ 345 million and $ 355 million at September 30, 2024 and December 31, 2023, respectively. The Bancorp recorded lease income of $ 24 million and $ 33 million relating to lease payments for operating leases in leasing business revenue in the Condensed Consolidated Statements of Income during the three months ended September 30, 2024 and 2023, respectively, and $ 78 million and $ 105 million during the nine months ended September 30, 2024 and 2023, respectively. Depreciation expense related to operating lease equipment was $ 20 million and $ 26 million for the three months ended September 30, 2024 and 2023, respectively, and $ 63 million and $ 86 million for the nine months ended September 30, 2024 and 2023 respectively. The Bancorp received payments of $ 78 million and $ 109 million related to operating leases during the nine months ended September 30, 2024 and 2023, respectively.

The following table presents future lease payments receivable from operating leases for the remainder of 2024 through 2029 and thereafter:

As of September 30, 2024 ($ in millions)		Undiscounted Cash Flows
Remainder of 2024	$	25
2025		76
2026		50
2027		26
2028		11
2029		6
Thereafter		9
Total operating lease payments	$	203

9. Lease Obligations – Lessee

The Bancorp leases certain banking centers, ATM sites, land for owned buildings and equipment. The Bancorp's lease agreements typically do not contain any residual value guarantees or any material restrictive covenants.

The following table provides a summary of lease assets and lease liabilities as of:

($ in millions)	Condensed Consolidated Balance Sheets Caption		September 30, 2024	December 31, 2023
Assets:				
Operating lease ROU assets	Other assets	$	**525**	511
Finance lease ROU assets	Bank premises and equipment		**153**	126
Total ROU assets[(a)]		$	**678**	637
Liabilities:				
Operating lease liabilities	Accrued taxes, interest and expenses	$	**609**	601
Finance lease liabilities	Long-term debt		**166**	134
Total lease liabilities		$	**775**	735

(a) Operating and finance lease ROU assets are recorded net of accumulated amortization of $ 328 and $ 58 , respectively, as of September 30, 2024, and $ 292 and $ 77 , respectively, as of December 31, 2023.

The following table presents the components of lease costs:

($ in millions)	Condensed Consolidated Statements of Income Caption		For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Lease costs:						
Amortization of ROU assets	Net occupancy and equipment expense	$	**5**	5	**16**	15
Interest on lease liabilities	Interest on long-term debt		**2**	1	**4**	3
Total finance lease costs		$	**7**	6	**20**	18
Operating lease cost	Net occupancy expense	$	**23**	22	**66**	65
Short-term lease cost	Net occupancy expense		**—**	1	**1**	2
Variable lease cost	Net occupancy expense		**7**	7	**21**	22
Sublease income	Net occupancy expense		**(1)**	(1)	**(2)**	(2)
Total operating lease costs		$	**29**	29	**86**	87
Total lease costs		$	**36**	35	**106**	105

The Bancorp performs impairment assessments for ROU assets when events or changes in circumstances indicate that their carrying values may not be recoverable. In addition to the lease costs disclosed in the table above, the Bancorp recognized an immaterial amount and $ 1 million of impairment losses and termination charges for the ROU assets related to certain operating leases during the three months ended September 30, 2024 and 2023, respectively, and an immaterial amount and $ 2 million during the nine months ended September 30, 2024 and 2023, respectively. The recognized losses were recorded in net occupancy expense in the Condensed Consolidated Statements of Income.

The following table presents undiscounted cash flows for both operating leases and finance leases for the remainder of 2024 through 2029 and thereafter as well as a reconciliation of the undiscounted cash flows to the total lease liabilities:

As of September 30, 2024 ($ in millions)		Operating Leases	Finance Leases	Total
Remainder of 2024	$	32	6	38
2025		93	23	116
2026		84	22	106
2027		76	21	97
2028		68	21	89
2029		58	11	69
Thereafter		381	104	485
Total undiscounted cash flows	$	792	208	1,000
Less: Difference between undiscounted cash flows and discounted cash flows		183	42	225
Present value of lease liabilities	$	609	166	775

The following table presents the weighted-average remaining lease term and weighted-average discount rate as of:

	September 30, 2024	December 31, 2023
Weighted-average remaining lease term (years):		
Operating leases	**11.47**	11.07
Finance leases	**12.69**	15.21
Weighted-average discount rate:		
Operating leases	**4.05 %**	3.72
Finance leases	**3.78**	3.02

The following table presents information related to lease transactions for the nine months ended September 30:

($ in millions)		2024	2023
Cash paid for amounts included in the measurement of lease liabilities:[(a)]			
Operating cash flows from operating leases	$	**71**	68
Operating cash flows from finance leases		**4**	3
Financing cash flows from finance leases		**14**	12
Gains on sale-leaseback transactions		**—**	1

(a) The cash flows related to short-term and variable lease payments are not included in the amounts presented as they were not included in the measurement of lease liabilities.

10. Goodwill

Business combinations entered into by the Bancorp typically result in the recognition of goodwill. Acquisition activity includes acquisitions in the respective period in addition to purchase accounting adjustments related to previous acquisitions.

The Bancorp completed its annual goodwill impairment test as of September 30, 2024 by performing a qualitative assessment of goodwill at the reporting unit level to determine whether any indicators of impairment existed. In performing this qualitative assessment, the Bancorp evaluated events and circumstances since the last impairment analysis, macroeconomic conditions, banking industry and market conditions and key financial metrics of the Bancorp as well as reporting unit and overall Bancorp financial performance. After assessing the totality of the events and circumstances, the Bancorp determined that it was not more likely than not that the fair values of the Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management reporting units were less than their respective carrying amounts and, therefore, the quantitative goodwill impairment test was deemed unnecessary.

Changes in the net carrying amount of goodwill, by reporting unit, for the nine months ended September 30, 2024 and the year ended December 31, 2023 were as follows:

($ in millions)		Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other	Total
Goodwill	$	3,074	2,580	226	—	5,880
Accumulated impairment losses		(750)	(215)	—	—	(965)
Net carrying value as of December 31, 2022		2,324	2,365	226	—	4,915
Acquisition activity		—	4	—	—	4
Net carrying value as of December 31, 2023		**2,324**	**2,369**	**226**	**—**	**4,919**
Sale of business		**—**	**—**	**(1)**	**—**	**(1)**
Net carrying value as of September 30, 2024	**$**	**2,324**	**2,369**	**225**	**—**	**4,918**

11. Intangible Assets

Intangible assets consist of core deposit intangibles, developed technology, customer relationships and other intangible assets which include trade names, backlog, operating leases and non-compete agreements. Intangible assets are amortized on either a straight-line or an accelerated basis over their estimated useful lives and, based on the type of intangible asset, the amortization expense may be recorded in either leasing business revenue or other noninterest expense in the Condensed Consolidated Statements of Income.

The details of the Bancorp's intangible assets are shown in the following table:

($ in millions)		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
As of September 30, 2024				
Core deposit intangibles	**$**	**206**	**(192)**	**14**
Developed technology		**106**	**(46)**	**60**
Customer relationships		**28**	**(9)**	**19**
Other		**13**	**(8)**	**5**
Total intangible assets	**$**	**353**	**(255)**	**98**
As of December 31, 2023				
Core deposit intangibles	$	209	(184)	25
Developed technology		106	(33)	73
Customer relationships		30	(10)	20
Other		16	(9)	7
Total intangible assets	$	361	(236)	125

As of September 30, 2024, all of the Bancorp's intangible assets were being amortized. Amortization expense recognized on intangible assets was $ 8 million and $ 10 million for the three months ended September 30, 2024 and 2023, respectively, and $ 27 million and $ 33 million for the nine months ended September 30, 2024 and 2023, respectively. The Bancorp's projections of amortization expense shown in the following table are based on existing asset balances as of September 30, 2024. Future amortization expense may vary from these projections.

Estimated amortization expense for the remainder of 2024 through 2028 is as follows:

($ in millions)		Total
Remainder of 2024	$	9
2025		28
2026		22
2027		14
2028		9

12. 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 carried on the Condensed Consolidated Balance Sheets for the consolidated VIEs as of:

($ in millions)		**September 30, 2024**	December 31, 2023
Assets:			
Other short-term investments	**$**	**50**	55
Indirect secured consumer loans		**1,097**	1,535
Solar energy installation loans		**34**	38
ALLL		**(21)**	(28)
Other assets		**8**	10
Total assets	**$**	**1,168**	1,610
Liabilities:			
Other liabilities	**$**	**13**	14
Long-term debt		**1,008**	1,409
Total liabilities	**$**	**1,021**	1,423

In a securitization transaction that occurred in August of 2023, the Bancorp transferred $ 1.74 billion in aggregate automobile loans to a bankruptcy remote trust which was deemed to be a VIE. This trust then issued approximately $ 1.58 billion of asset-backed notes, of which approximately $ 79 million were retained by the Bancorp. 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.

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:

September 30, 2024 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	**$**	**2,136**	**751**	**2,178**
Private equity investments		**268**	**—**	**484**
Loans provided to VIEs		**4,411**	**—**	**6,883**
Lease pool entities		**33**	**—**	**33**
Solar loan securitizations		**8**	**—**	**8**

December 31, 2023 ($ in millions)		Total Assets	Total Liabilities	Maximum Exposure
CDC investments	$	2,007	690	2,054
Private equity investments		230	—	400
Loans provided to VIEs		4,274	—	6,395
Lease pool entities		42	—	42
Solar loan securitizations		9	—	9

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, 2023.

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. Effective with the adoption of ASU 2023-02 on January 1, 2024, 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. Prior to the adoption of ASU 2023-02 on January 1, 2024, the Bancorp utilized the proportional amortization method for its LIHTC investments but other tax credit program investments were accounted for under the equity method.

At September 30, 2024 and December 31, 2023, the Bancorp's CDC investments included $ 2.0 billion and $ 1.6 billion, respectively, of investments in tax credit programs for which the Bancorp had elected to apply the proportional amortization method. The unfunded commitments related to these investments were $ 751 million and $ 684 million at September 30, 2024 and December 31, 2023, respectively. The unfunded commitments as of September 30, 2024 are expected to be funded from 2024 to 2040 .

The following table summarizes the impacts to the Condensed Consolidated Statements of Income related to these investments:

($ in millions)	Condensed Consolidated Statements of Income Caption[(a)]		For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Proportional amortization	Applicable income tax expense	$	**50**	47	**150**	148
Tax credits and other benefits[(b)]	Applicable income tax expense		**(67)**	(60)	**(190)**	(178)
Changes in carrying amounts of equity method investments[(c)]	Other noninterest expense		**2**	—	**6**	—

(a) *The Bancorp did not recognize impairment losses resulting from the forfeiture or ineligibility of tax credits or other circumstances during both the three and nine months ended September 30, 2024 and 2023.*

(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 September 30, 2024 and December 31, 2023, the Bancorp's unfunded commitment amounts to the private equity funds were $216 million and $170 million, respectively. As part of previous commitments, the Bancorp made capital contributions to private equity investments of $13 million and $15 million during the three months ended September 30, 2024 and 2023, respectively, and $38 million and $36 million during the nine months ended September 30, 2024 and 2023, 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 small 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 September 30, 2024 and December 31, 2023, the Bancorp's unfunded commitments to these entities were $2.5 billion and $2.1 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 regards 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.

13. Sales of Receivables and Servicing Rights

Residential Mortgage Loan Sales

The Bancorp sold fixed and adjustable-rate residential mortgage loans during the three and nine months ended September 30, 2024 and 2023. 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 September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Residential mortgage loan sales[(a)]	**$ 1,327**	1,374	**2,802**	3,882
Origination fees and gains on loan sales	**18**	19	**50**	59
Gross mortgage servicing fees	**77**	79	**233**	241

(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 nine months ended September 30:

($ in millions)	**2024**	2023
Balance, beginning of period	**$ 1,737**	1,746
Servicing rights originated	**36**	57
Servicing rights purchased	**—**	25
Servicing rights sold	**(5)**	—
Changes in fair value:		
Due to changes in inputs or assumptions[(a)]	**1**	107
Other changes in fair value[(b)]	**(113)**	(113)
Balance, end of period	**$ 1,656**	1,822

(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. This strategy may include the purchase of free-standing derivatives and various available-for-sale debt and trading debt securities. The interest income, mark-to-market adjustments and gain or loss from sale activities associated with these portfolios are expected to economically hedge a portion of the change in value of the MSR portfolio caused by fluctuating OAS, earnings rates and prepayment speeds. The fair value of the servicing asset is based on the present value of expected future cash flows.

The following table presents activity related to valuations of the MSR portfolio and the impact of the non-qualifying hedging strategy:

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Changes in fair value and settlement of free-standing derivatives purchased to economically hedge the MSR portfolio[(a)]	**$ 45**	(75)	**(17)**	(110)
MSR fair value adjustment due to changes in inputs or assumptions[(a)]	**(49)**	73	**1**	107

(a) Included in mortgage banking net revenue in the Condensed Consolidated Statements of Income.

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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 September 30, 2024 and 2023 were as follows:

	September 30, 2024			September 30, 2023		
	Weighted-Average Life (in years)	Prepayment Speed (annual)	OAS (bps)	Weighted-Average Life (in years)	Prepayment Speed (annual)	OAS (bps)
Fixed-rate	**5.8**	**15.4 %**	**494**	6.6	12.2 %	575

At September 30, 2024 and December 31, 2023, the Bancorp serviced $ 95.8 billion and $ 100.8 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 3.78 % and 3.72 % at September 30, 2024 and December 31, 2023, respectively.

At September 30, 2024, 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	$ 1,653	8.4	6.7 %	$ (37)	(74)	(175)	470	$ (35)	(69)
Adjustable-rate	3	3.9	22.0	—	—	(1)	696	—	—

(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.

14. 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. 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.

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. 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. Interest rate swap contracts are exchanges of interest payments, such as fixed-rate payments for floating-rate payments, based on a stated notional amount and maturity date. Interest rate floors protect against declining rates, while interest rate caps protect against rising interest rates. Forward contracts are contracts in which the buyer agrees to purchase, and the seller agrees to make delivery of, a specific financial instrument at a predetermined price or yield. Options provide the purchaser with the right, but not the obligation, to purchase or sell a contracted item during a specified period at an agreed upon price. Swaptions are financial instruments granting the owner the right, but not the obligation, to enter into or cancel a swap.

Prepayment volatility arises mostly from changes in fair value of the largely fixed-rate MSR portfolio, mortgage loans and mortgage-backed securities. The Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBA securities and interest rate swaps) to economically hedge prepayment volatility. Principal-only swaps are total return swaps based on changes in the value of the underlying mortgage principal-only trust. TBA securities are a forward purchase agreement for a mortgage-backed securities trade whereby the terms of the security are undefined at the time the trade is made.

Foreign currency volatility occurs as the Bancorp enters into certain loans denominated in foreign currencies. Derivative instruments that the Bancorp may use to economically hedge these foreign denominated loans include foreign exchange swaps and forward contracts.

The Bancorp also enters into derivative contracts (including foreign exchange contracts, commodity contracts and interest rate contracts) for the benefit of commercial customers and other business purposes. The Bancorp economically hedges significant exposures related to these free-standing derivatives by entering into offsetting third-party contracts with approved, reputable and independent counterparties with substantially matching terms and currencies. Credit risk arises from the possible inability of counterparties to meet the terms of their contracts. The Bancorp's exposure is limited to the replacement value of the contracts rather than the notional, principal or contract amounts. Credit risk is minimized through credit approvals, limits, counterparty collateral and monitoring procedures.

The fair value of derivative instruments is presented on a gross basis, even when the derivative instruments are subject to master netting arrangements. Derivative instruments with a positive fair value are reported in other assets in the Condensed Consolidated Balance Sheets while derivative instruments with a negative fair value are reported in other liabilities in the Condensed Consolidated Balance Sheets. Cash collateral payables and receivables associated with the derivative instruments are not added to or netted against the fair value amounts with the exception of certain variation margin payments that are considered legal settlements of the derivative contracts. For derivative contracts cleared through certain central clearing parties who have modified their rules to treat variation margin payments as settlements, the variation margin payments are applied to net the fair value of the respective derivative contracts.

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 September 30, 2024 and December 31, 2023, the balance of collateral held by the Bancorp for derivative assets was $ 728 million and $ 1.3 billion, 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 $ 437 million and $ 587 million as of September 30, 2024 and December 31, 2023, respectively, were applied to reduce the respective derivative contracts and were also not included in the total amount of collateral held. As of September 30, 2024 and December 31, 2023, the credit component negatively impacting the fair value of derivative assets associated with customer accommodation contracts was $ 8 million and $ 7 million, respectively.

As of September 30, 2024 and December 31, 2023, 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 $ 1.2 billion and $ 1.1 billion, respectively. Additionally, as of September 30, 2024 and December 31, 2023, $ 437 million and $ 721 million, respectively, of variation margin payments 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 September 30, 2024 and December 31, 2023, 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.

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

		Fair Value	
September 30, 2024 ($ in millions)	Notional Amount	Derivative Assets	Derivative Liabilities
Derivatives Designated as Qualifying Hedging Instruments:			
Fair value hedges:			
Interest rate swaps related to long-term debt	**$ 5,955**	**—**	**27**
Total fair value hedges		**—**	**27**
Cash flow hedges:			
Interest rate floors related to C&I loans	**3,000**	**—**	**—**
Interest rate swaps related to C&I loans	**8,000**	**—**	**10**
Interest rate swaps related to C&I loans - forward starting[(a)]	**4,000**	**—**	**—**
Interest rate swaps related to commercial mortgage and commercial construction loans - forward starting[(a)]	**4,000**	**—**	**—**
Total cash flow hedges		**—**	**10**
Total derivatives designated as qualifying hedging instruments		**—**	**37**
Derivatives Not Designated as Qualifying Hedging Instruments:			
Free-standing derivatives – risk management and other business purposes:			
Interest rate contracts related to MSR portfolio	**3,505**	**11**	**1**
Forward contracts related to residential mortgage loans measured at fair value[(b)]	**1,040**	**1**	**4**
Swap associated with the sale of Visa, Inc. Class B Shares	**2,206**	**—**	**196**
Foreign exchange contracts	**175**	**—**	**—**
Interest-only strips	**32**	**1**	**—**
Interest rate contracts for collateral management	**1,000**	**—**	**—**
Interest rate contracts for LIBOR transition	**597**	**—**	**—**
Other	**41**	**—**	**—**
Total free-standing derivatives – risk management and other business purposes		**13**	**201**
Free-standing derivatives – customer accommodation:			
Interest rate contracts[(c)(d)]	**89,233**	**628**	**777**
Interest rate lock commitments	**398**	**6**	**—**
Commodity contracts	**16,977**	**712**	**702**
TBA securities	**17**	**—**	**—**
Foreign exchange contracts	**38,815**	**739**	**710**
Total free-standing derivatives – customer accommodation		**2,085**	**2,189**
Total derivatives not designated as qualifying hedging instruments		**2,098**	**2,390**
Total		**$ 2,098**	**2,427**

(a) Forward starting swaps will become effective on various dates between December 2024 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 $ 190 and $ 49 , respectively.

(d) Includes replacement contracts with a notional amount of approximately $ 675 million which were the result of certain central clearing parties replacing existing LIBOR-based contracts with multiple separate contracts as part of the LIBOR transition.

December 31, 2023 ($ in millions)	Notional Amount	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Derivatives Designated as Qualifying Hedging Instruments:			
Fair value hedges:			
Interest rate swaps related to long-term debt	$ 5,955	—	32
Total fair value hedges		—	32
Cash flow hedges:			
Interest rate floors related to C&I loans	3,000	1	—
Interest rate swaps related to C&I loans	8,000	2	11
Interest rate swaps related to C&I loans - forward starting[(a)]	6,000	6	1
Interest rate swaps related to commercial mortgage and commercial construction loans - forward starting[(a)]	4,000	1	1
Total cash flow hedges		10	13
Total derivatives designated as qualifying hedging instruments		10	45
Derivatives Not Designated as Qualifying Hedging Instruments:			
Free-standing derivatives – risk management and other business purposes:			
Interest rate contracts related to MSR portfolio	3,205	81	—
Forward contracts related to residential mortgage loans measured at fair value[(b)]	650	—	5
Swap associated with the sale of Visa, Inc. Class B Shares	4,178	—	168
Foreign exchange contracts	190	—	4
Interest-only strips	39	1	—
Interest rate contracts for collateral management	5,000	1	1
Interest rate contracts for LIBOR transition	597	—	—
Other	30	—	—
Total free-standing derivatives – risk management and other business purposes		83	178
Free-standing derivatives – customer accommodation:			
Interest rate contracts[(c)(d)]	95,079	885	1,162
Interest rate lock commitments	252	5	—
Commodity contracts	17,621	1,051	1,018
TBA securities	27	—	—
Foreign exchange contracts	37,734	643	596
Total free-standing derivatives – customer accommodation		2,584	2,776
Total derivatives not designated as qualifying hedging instruments		2,667	2,954
Total		$ 2,677	2,999

(a) Forward starting swaps will become effective on various dates between June 2024 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 $ 335 and $ 58 , respectively.

(d) Includes replacement contracts with a notional amount of approximately $ 675 million which were the result of certain central clearing parties replacing existing LIBOR-based contracts with multiple separate contracts as part of the LIBOR transition.

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. Decisions to enter into these interest rate swaps are made primarily through consideration of the asset/liability mix of the Bancorp, the desired asset/liability sensitivity and interest rate levels. As of September 30, 2024, certain interest rate swaps met the criteria required to qualify for the shortcut method of accounting that permits the assumption of perfect offset. For all designated fair value hedges of interest rate risk as of September 30, 2024 that were not accounted for under the shortcut method of accounting, the Bancorp performed an assessment of hedge effectiveness using regression analysis with changes in the fair value of the derivative instrument and changes in the fair value of the hedged asset or liability attributable to the hedged risk recorded in the same income statement line in current period net income.

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 September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Long-term debt:					
Change in fair value of interest rate swaps hedging long-term debt	Interest on long-term debt	$ **190**	(147)	**76**	(186)
Change in fair value of hedged long-term debt attributable to the risk being hedged	Interest on long-term debt	**(190)**	146	**(76)**	188

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	**September 30, 2024**	December 31, 2023
Long-term debt:			
Carrying amount of the hedged items	Long-term debt	$ **5,977**	5,899
Cumulative amount of fair value hedging adjustments included in the carrying amount of the hedged items	Long-term debt	**38**	(38)
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	**(10)**	(11)

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. The assets or liabilities may be grouped in circumstances where they share the same risk exposure that the Bancorp desires to hedge. The Bancorp may also enter into interest rate caps and floors to limit cash flow variability of floating-rate assets and liabilities. As of September 30, 2024, all hedges designated as cash flow hedges were assessed for effectiveness using regression analysis. The entire change in the fair value of the interest rate swap included in the assessment of hedge effectiveness is recorded in AOCI and reclassified from AOCI to current period earnings when the hedged item affects earnings. As of September 30, 2024, the maximum length of time over which the Bancorp is hedging its exposure to the variability in future cash flows is 88 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 September 30, 2024 and December 31, 2023, respectively, $ 186 million and $ 372 million of net deferred losses, net of tax, on cash flow hedges were recorded in AOCI in the Condensed Consolidated Balance Sheets. As of September 30, 2024, $ 111 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 September 30, 2024.

During both the three and nine months ended September 30, 2024 and 2023, 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 (losses) gains 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:

($ in millions)	For the three months ended September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Amount of pre-tax net (losses) gains recognized in OCI	$ **530**	(687)	**(29)**	(864)
Amount of pre-tax net losses reclassified from OCI into net income	**(91)**	(94)	**(270)**	(240)

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

As part of its overall risk management strategy relative to its mortgage banking activity, the Bancorp may enter into various free-standing derivatives (principal-only swaps, interest rate swaptions, interest rate floors, mortgage options, TBA securities and interest rate swaps) to economically hedge changes in fair value of its largely fixed-rate MSR portfolio. Principal-only swaps hedge the spread between mortgage rates and benchmark rates because these swaps appreciate in value as a result of tightening spreads. Principal-only swaps also provide prepayment protection by increasing in value when prepayment speeds increase, as opposed to MSRs that lose value in a faster prepayment environment. Receive-fixed/pay-floating interest rate swaps and swaptions increase in value when interest rates do not increase as quickly as expected.

The Bancorp enters into forward contracts and mortgage options to economically hedge the changes in fair value of certain residential mortgage loans held for sale and certain residential mortgage portfolio loans measured at fair value which are due to changes in interest rates. These contracts generally settle within one year or less. IRLCs issued on residential mortgage loan commitments that will be held for sale are also considered free-standing derivative instruments and the interest rate exposure on these commitments is economically hedged primarily with forward contracts. Revaluation gains and losses from free-standing derivatives related to mortgage banking activity are recorded as a component of mortgage banking net revenue in the Condensed Consolidated Statements of Income.

In conjunction with the sale of Visa, Inc. Class B Shares in 2009, the Bancorp 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. This total return swap is accounted for as a free-standing derivative. Refer to Note 23 for more information about significant inputs and assumptions used in the valuation of this instrument.

The Bancorp entered into certain interest rate swap contracts for the purpose of managing its collateral positions across two central clearing parties. These interest rate swaps were perfectly offsetting positions that allowed the Bancorp to lower the cash posted as required initial margin at the clearing parties, which reduced its credit exposure to the clearing parties. Given that all relevant terms for these interest rate swaps are offsetting, these trades create no additional market risk for the Bancorp.

As part of the LIBOR to SOFR transition, the Bancorp received certain interest rate swap contracts from the two central clearing parties that have moved from an Effective Federal Funds Rate discounting curve to a SOFR discounting curve. The purpose of these interest rate swaps was to neutralize the impact on collateral requirements due to the change in discounting curves implemented by the central clearing parties.

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 September 30, 2024	For the three months ended September 30, 2023	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
Interest rate contracts:					
Interest rate contracts related to MSR portfolio	Mortgage banking net revenue	$ **45**	(75)	**(17)**	(110)
Forward contracts related to residential mortgage loans measured at fair value	Mortgage banking net revenue	**(7)**	6	**(1)**	9
Interest-only strips	Other noninterest income	**—**	—	**—**	(3)
Foreign exchange contracts:					
Foreign exchange contracts for risk management purposes	Other noninterest income	**(1)**	5	**5**	1
Equity contracts:					
Swap associated with sale of Visa, Inc. Class B Shares	Other noninterest income	**(47)**	(10)	**(87)**	(72)

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. These derivative contracts are not designated against specific assets or liabilities on the Condensed Consolidated Balance Sheets or to forecasted transactions and, therefore, do not qualify for hedge accounting. These instruments include foreign exchange derivative contracts entered into for the benefit of commercial customers involved in international trade to hedge their exposure to foreign currency fluctuations, commodity contracts to hedge such items as natural gas and various other derivative contracts. 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. The Bancorp hedges its interest rate exposure on commercial customer transactions by executing offsetting swap agreements with primary dealers. Revaluation gains and losses on interest rate, foreign exchange, commodity and other commercial customer derivative contracts are recorded as a component of commercial banking revenue or other noninterest income in the Condensed Consolidated Statements of Income.

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 $ 3.3 billion and $ 3.6 billion at September 30, 2024 and December 31, 2023, respectively, and the fair value was a liability of $ 5 million and $ 6 million at September 30, 2024 and December 31, 2023, respectively, which is included in other liabilities in the Condensed Consolidated Balance Sheets. As of September 30, 2024, the risk participation agreements had a weighted-average remaining life of 2.2 years.

The Bancorp's maximum exposure in the risk participation agreements is contingent on the fair value of the underlying interest rate derivative contracts in an asset position at the time of default. The Bancorp monitors the credit risk associated with the underlying customers in the risk participation agreements through the same risk grading system currently utilized for establishing loss reserves in its loan and lease portfolio.

Risk ratings of the notional amount of risk participation agreements under this risk rating system are summarized in the following table as of:

($ in millions)		**September 30, 2024**	December 31, 2023
Pass	**$**	**3,026**	3,168
Special mention		**149**	323
Substandard		**95**	72
Total	**$**	**3,270**	3,563

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:

			For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	Condensed Consolidated Statements of Income Caption		**2024**	2023	**2024**	2023
Interest rate contracts:						
Interest rate contracts for customers (contract revenue)	Commercial banking revenue	**$**	**9**	5	**20**	26
Interest rate contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**(4)**	4	**—**	2
Interest rate lock commitments	Mortgage banking net revenue		**17**	7	**37**	33
Commodity contracts:						
Commodity contracts for customers (contract revenue)	Commercial banking revenue		**3**	9	**11**	30
Commodity contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**—**	1	**1**	—
Foreign exchange contracts:						
Foreign exchange contracts for customers (contract revenue)	Commercial banking revenue		**18**	24	**57**	67
Foreign exchange contracts for customers (contract revenue)	Other noninterest income		**(16)**	7	**(13)**	—
Foreign exchange contracts for customers (credit portion of fair value adjustment)	Other noninterest expense		**—**	1	**—**	3

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.

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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		
			Derivatives	Collateral[(b)]	Net Amount
As of September 30, 2024					
Derivative assets	**$**	**2,092**	**(1,178)**	**(251)**	**663**
Derivative liabilities		**2,427**	**(1,178)**	**(231)**	**1,018**
As of December 31, 2023					
Derivative assets	$	2,672	(1,031)	(877)	764
Derivative liabilities		2,999	(1,031)	(159)	1,809

(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.

15. 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)	September 30, 2024	December 31, 2023
FHLB advances	$ **1,000**	2,500
Securities sold under repurchase agreements	**321**	330
Derivative collateral	**57**	3
Other borrowed money	**46**	28
Total other short-term borrowings	$ **1,424**	2,861

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 September 30, 2024 and December 31, 2023, 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 September 30, 2024 and December 31, 2023, 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.

16. Long-Term Debt

On January 29, 2024, the Bancorp issued and sold $1.0 billion of fixed-rate/floating-rate senior notes which will mature on January 29, 2032. The senior notes will bear interest at a rate of 5.631 % per annum to, but excluding, January 29, 2031. From, and including, January 29, 2031 until, but excluding January 29, 2032, the senior notes will bear interest at a rate of compounded SOFR plus 1.840 %. The senior notes are redeemable in whole one year prior to their maturity date, or in whole or in part beginning 60 days prior to maturity, at par plus accrued and unpaid interest. Additionally, the senior notes are redeemable at the Bancorp's option, in whole or in part, beginning 180 days after the issue date and prior to January 29, 2031, at the greater of: (a) the aggregate principal amount of the senior notes being redeemed, plus accrued and unpaid interest, or (b) the present value of the remaining scheduled payments of principal and interest.

On September 6, 2024, the Bancorp issued and sold $750 million of fixed-rate/floating-rate senior notes which will mature on September 6, 2030. The senior notes will bear interest at a rate of 4.895 % per annum to, but excluding, September 6, 2029. From, and including, September 6, 2029 until, but excluding, September 6, 2030, the senior notes will bear interest at a rate of compounded SOFR plus 1.486 %. The senior notes are redeemable in whole 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 Bancorp's option, in whole or in part, beginning 180 days after the issue date and prior to September 6, 2029, at the greater of: (a) the aggregate principal amount of the senior notes being redeemed, plus accrued and unpaid interest, or (b) the present value of the remaining scheduled payments of principal and interest.

17. Capital Actions

Accelerated Share Repurchase Transactions

During the nine months ended September 30, 2024, the Bancorp entered into and settled accelerated share repurchase transactions. As part of these transactions, the Bancorp entered into forward contracts 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 respective terms of each repurchase agreement. Each 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 transactions that were entered into and settled during the nine months ended September 30, 2024:

Repurchase Date	Amount ($ in millions)	Shares Repurchased on Repurchase Date	Shares Received from Forward Contract Settlement	Total Shares Repurchased	Final Settlement Date
June 12, 2024	$ 125	3,011,621	496,767	3,508,388	June 27, 2024
July 23, 2024	200	4,160,548	713,340	4,873,888	August 5, 2024

For further information on a subsequent event related to capital actions, refer to Note 25.

18. 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)	**September 30, 2024**	December 31, 2023
Commitments to extend credit	**$ 80,299**	81,570
Letters of credit	**1,998**	2,095
Forward contracts related to residential mortgage loans measured at fair value	**1,040**	650
Capital commitments for private equity investments	**216**	170
Capital expenditures	**100**	95
Purchase obligations	**36**	69

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 September 30, 2024 and December 31, 2023, the Bancorp had a reserve for unfunded commitments, including letters of credit, totaling $ 138 million and $ 166 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)		September 30, 2024	December 31, 2023
Pass	$	78,274	79,593
Special mention		836	1,301
Substandard		1,188	676
Doubtful		1	—
Total commitments to extend credit	$	80,299	81,570

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 September 30, 2024:

($ in millions)		
Less than 1 year[(a)]	$	688
1 - 5 years[(a)]		1,270
Over 5 years		40
Total letters of credit	$	1,998

(a) *Includes $ 1 and $ 2 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 September 30, 2024 and December 31, 2023 and are considered guarantees in accordance with U.S. GAAP. Approximately 75 % and 72 % of the total standby letters of credit were collateralized as of September 30, 2024 and December 31, 2023, 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 $ 15 million and $ 20 million at September 30, 2024 and December 31, 2023, 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)		September 30, 2024	December 31, 2023
Pass	$	1,798	1,902
Special mention		75	81
Substandard		122	112
Doubtful		3	—
Total letters of credit	$	1,998	2,095

At September 30, 2024 and December 31, 2023, the Bancorp had outstanding letters of credit that were supporting certain securities issued as VRDNs. The Bancorp facilitates financing for its commercial customers, which consist of companies and municipalities, by marketing the VRDNs to investors. The VRDNs pay interest to holders at a rate of interest that fluctuates based upon market demand. The VRDNs generally have long-term maturity dates, but can be tendered by the holder for purchase at par value upon proper advance notice. When the VRDNs are tendered, a remarketing agent generally finds another investor to purchase the VRDNs to keep the securities outstanding in the market. As of September 30, 2024 and December 31, 2023, total VRDNs, of which FTS was the remarketing agent for all, were $ 365 million and $ 400 million, respectively. As remarketing agent, FTS is responsible for actively remarketing VRDNs to other investors when they have been tendered. If another investor is not identified, FTS may choose to purchase the VRDNs into inventory at its discretion while it continues to remarket them. If FTS purchases the VRDNs into inventory, it can subsequently tender back the VRDNs to the issuer's trustee with proper advance notice. The Bancorp issued letters of credit, as a credit enhancement, to $ 53 million and $ 83 million of the VRDNs remarketed by FTS at September 30, 2024 and December 31, 2023, respectively. These letters of credit are included in the total letters of credit balance provided in the previous tables. The Bancorp held an immaterial amount and $ 6 million of these VRDNs in its portfolio and classified them as trading debt securities at September 30, 2024 and December 31, 2023, respectively.

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.

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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 19 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, 2023.

As of September 30, 2024 and December 31, 2023, the Bancorp maintained reserves related to loans sold with representation and warranty provisions totaling $ 6 million and $ 7 million, respectively, 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 September 30, 2024 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 September 30, 2024 and 2023, the Bancorp paid an immaterial amount in the form of make-whole payments and repurchased $ 2 million and $ 13 million, respectively, in outstanding principal of loans to satisfy investor demands. For both the nine months ended September 30, 2024 and 2023, the Bancorp paid an immaterial amount in the form of make-whole payments and repurchased $ 17 million and $ 46 million, respectively, in outstanding principal of loans to satisfy investor demands. Total repurchase demand requests during the three months ended September 30, 2024 and 2023 were $ 8 million and $ 16 million, respectively. Total repurchase demand requests during the nine months ended September 30, 2024 and 2023 were $ 36 million and $ 76 million, respectively. Total outstanding repurchase demand inventory was $ 7 million and $ 8 million at September 30, 2024 and December 31, 2023, 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 $ 13 million and $ 6 million at September 30, 2024 and December 31, 2023, 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 September 30, 2024 and December 31, 2023.

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 will allow 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 23 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 September 30, 2024, 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 $ 196 million at September 30, 2024 and $ 168 million at December 31, 2023. Refer to Note 14 and Note 23 for further information.

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	*(a)*

(a) The Bancorp made a cash payment of $ 65 million to the swap counterparty on October 23, 2024 as a result of the Visa escrow funding in the third quarter of 2024.

19. 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 18 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. The Bancorp’s allocated share of the settlement is within existing reserves, including funds maintained in escrow. 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. On September 27, 2021, the Court 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 18 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.

Bureau of Consumer Financial Protection v. Fifth Third Bank, National Association

On March 9, 2020, the CFPB filed a lawsuit against Fifth Third in the United States District Court for the Northern District of Illinois entitled CFPB v. Fifth Third Bank, National Association, Case No. 1:20-CV-1683, alleging violations of the Consumer Financial Protection Act, TILA, and Truth in Savings Act related to Fifth Third’s alleged opening of unspecified numbers of allegedly unauthorized credit card, savings, checking, online banking and early access accounts from 2010 through 2016. The parties agreed to the entry of a Stipulated Final Judgment and Order on July 9, 2024 to resolve this matter, pursuant to which Fifth Third, without admitting or denying any of the allegations in the suit except as specified in the order, agreed to pay a civil monetary penalty of $ 15 million, agreed to maintain existing policies around its consumer sales incentives, agreed to create a compliance plan to ensure its account opening practices comply with law and the order and agreed to provide a redress plan to remediate certain customers with checking, savings, or credit card accounts opened beginning January 1, 2010 and ending December 31, 2016.

Concurrently with the Stipulated Final Judgment and Order, Fifth Third, without admitting or denying any of the findings of fact or conclusions of law (except to establish jurisdiction), has also agreed to entry of a Consent Order related to a since-discontinued program in its auto lending business that placed collateral protection insurance (CPI) on certain auto loans. Under the Consent Order, Fifth Third has agreed to pay a $ 5 million civil monetary penalty related to those issues, maintain existing policy changes related to its auto servicing practices, agreed to create a compliance plan to ensure its compliance with the order and provide a redress plan to remediate certain customers within a redress period beginning July 21, 2011 and ending December 31, 2020.

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.

Record-Keeping Investigations

The Commodity Futures Trading Commission is conducting an investigation into the Bancorp’s registered swap dealer concerning compliance with certain record-keeping requirements for business-related electronic communications.

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.

20. Income Taxes

The applicable income tax expense was $ 155 million and $ 186 million for the three months ended September 30, 2024 and 2023, respectively, and $ 457 million and $ 519 million for the nine months ended September 30, 2024 and 2023, respectively. The effective tax rates for the three months ended September 30, 2024 and 2023 were 21.3 % and 22.0 %, respectively, and 21.3 % and 22.2 % for the nine months ended September 30, 2024 and 2023, 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.

21. 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		
September 30, 2024 ($ 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	**$ 1,241**	**(297)**	**944**			
Reclassification adjustment for net losses on available-for-sale debt securities included in net income	**11**	**(2)**	**9**			
Net unrealized losses on available-for-sale debt securities	**1,252**	**(299)**	**953**	**(3,486)**	**953**	**(2,533)**
Amortization of unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities included in net income	**33**	**(7)**	**26**			
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**33**	**(7)**	**26**	**(735)**	**26**	**(709)**
Unrealized holding gains on cash flow hedge derivatives arising during period	**530**	**(127)**	**403**			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	**91**	**(21)**	**70**			
Net unrealized losses on cash flow hedge derivatives	**621**	**(148)**	**473**	**(659)**	**473**	**(186)**
Reclassification of amounts to net periodic benefit costs	**1**	**—**	**1**			
Defined benefit pension plans, net	**1**	**—**	**1**	**(17)**	**1**	**(16)**
Other	**2**	**—**	**2**	**(4)**	**2**	**(2)**
Total	**$ 1,909**	**(454)**	**1,455**	**(4,901)**	**1,455**	**(3,446)**

	Total OCI			Total AOCI		
September 30, 2023 ($ 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	$ (1,594)	376	(1,218)			
Reclassification adjustment for net losses on available-for-sale debt securities included in net income	—	—	—			
Net unrealized losses on available-for-sale debt securities	(1,594)	376	(1,218)	(4,622)	(1,218)	(5,840)
Unrealized holding losses on cash flow hedge derivatives arising during period	(687)	160	(527)			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	94	(22)	72			
Net unrealized losses on cash flow hedge derivatives	(593)	138	(455)	(522)	(455)	(977)
Reclassification of amounts to net periodic benefit costs	—	—	—			
Defined benefit pension plans, net	—	—	—	(18)	—	(18)
Other	—	—	—	(4)	—	(4)
Total	$ (2,187)	514	(1,673)	(5,166)	(1,673)	(6,839)

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

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

	Total OCI			Total AOCI		
September 30, 2024 ($ 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	**$ 1,001**	**(238)**	**763**			
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	**17**	**(4)**	**13**			
Net unrealized losses on available-for-sale debt securities	**2,012**	**(451)**	**1,561**	**(4,094)**	**1,561**	**(2,533)**
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	**97**	**(21)**	**76**			
Net unrealized losses on available-for-sale debt securities transferred to held-to-maturity securities	**(897)**	**188**	**(709)**	**—**	**(709)**	**(709)**
Unrealized holding losses on cash flow hedge derivatives arising during period	**(29)**	**7**	**(22)**			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	**270**	**(62)**	**208**			
Net unrealized losses on cash flow hedge derivatives	**241**	**(55)**	**186**	**(372)**	**186**	**(186)**
Reclassification of amounts to net periodic benefit costs	**1**	**—**	**1**			
Defined benefit pension plans, net	**1**	**—**	**1**	**(17)**	**1**	**(16)**
Other	**2**	**—**	**2**	**(4)**	**2**	**(2)**
Total	**$ 1,359**	**(318)**	**1,041**	**(4,487)**	**1,041**	**(3,446)**

	Total OCI			Total AOCI		
September 30, 2023 ($ 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	$ (1,638)	386	(1,252)			
Reclassification adjustment for net losses on available-for-sale debt securities included in net income	1	—	1			
Net unrealized losses on available-for-sale debt securities	(1,637)	386	(1,251)	(4,589)	(1,251)	(5,840)
Unrealized holding losses on cash flow hedge derivatives arising during period	(864)	200	(664)			
Reclassification adjustment for net losses on cash flow hedge derivatives included in net income	240	(55)	185			
Net unrealized losses on cash flow hedge derivatives	(624)	145	(479)	(498)	(479)	(977)
Reclassification of amounts to net periodic benefit costs	1	—	1			
Defined benefit pension plans, net	1	—	1	(19)	1	(18)
Other	—	—	—	(4)	—	(4)
Total	$ (2,260)	531	(1,729)	(5,110)	(1,729)	(6,839)

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

The table below presents reclassifications out of AOCI:

($ in millions)	Condensed Consolidated Statements of Income Caption	For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Net unrealized losses on available-for-sale debt securities:(a)					
Net losses included in net income	Securities gains (losses), net	$ **(11)**	—	**(17)**	(1)
	Income before income taxes	**(11)**	—	**(17)**	(1)
	Applicable income tax expense	**2**	—	**4**	—
	Net income	**(9)**	—	**(13)**	(1)
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	**(33)**	—	**(97)**	—
	Income before income taxes	**(33)**	—	**(97)**	—
	Applicable income tax expense	**7**	—	**21**	—
	Net income	**(26)**	—	**(76)**	—
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	**(91)**	(94)	**(270)**	(240)
	Income before income taxes	**(91)**	(94)	**(270)**	(240)
	Applicable income tax expense	**21**	22	**62**	55
	Net income	**(70)**	(72)	**(208)**	(185)
Net periodic benefit costs:(a)					
Amortization of net actuarial loss	Compensation and benefits(b)	**(1)**	—	**(1)**	(2)
	Income before income taxes	**(1)**	—	**(1)**	(1)
	Applicable income tax expense	**—**	—	**—**	—
	Net income	**(1)**	—	**(1)**	(1)
Other:(a)					
Net losses included in net income	Other noninterest expense	**(2)**	—	**(2)**	—
	Income before income taxes	**(2)**	—	**(2)**	—
	Applicable income tax expense	**—**	—	**—**	—
	Net income	**(2)**	—	**(2)**	—
Total reclassifications for the period	Net income	$ **(108)**	(72)	**(300)**	(187)

(a) *Amounts in parentheses indicate reductions to net income.*
(b) *This AOCI component is included in the computation of net periodic benefit cost. Refer to Note 22 of the Notes to Consolidated Financial Statements included in the Bancorp's Annual Report on Form 10-K for the year ended December 31, 2023 for further information.*

22. 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:

($ in millions, except per share data)	For the three months ended September 30, 2024	2023	For the nine months ended September 30, 2024	2023
Net income available to common shareholders	$ **532**	623	$ **1,573**	1,719
Average common shares outstanding - basic	**681**	684	**684**	684
Effect of dilutive stock-based awards	**5**	3	**5**	4
Average common shares outstanding - diluted	$ **686**	687	$ **689**	688
Earnings per share - basic	$ **0.78**	0.91	$ **2.30**	2.51
Earnings per share - diluted	**0.78**	0.91	**2.28**	2.50
Anti-dilutive stock-based awards excluded from diluted shares	**1**	6	**2**	6

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23. 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, 2023.

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			
September 30, 2024 ($ 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	$ **4,350**	**—**	**—**	**4,350**
Obligations of states and political subdivisions securities	**—**	**—**	**—**	**—**
Mortgage-backed securities:				
Agency residential mortgage-backed securities	**—**	**5,017**	**—**	**5,017**
Agency commercial mortgage-backed securities	**—**	**21,719**	**—**	**21,719**
Non-agency commercial mortgage-backed securities	**—**	**4,399**	**—**	**4,399**
Asset-backed securities and other debt securities	**—**	**4,134**	**—**	**4,134**
Available-for-sale debt and other securities(a)	**4,350**	**35,269**	**—**	**39,619**
Trading debt securities:				
U.S. Treasury and federal agencies securities	**596**	**23**	**—**	**619**
Obligations of states and political subdivisions securities	**—**	**86**	**—**	**86**
Agency residential mortgage-backed securities	**—**	**12**	**—**	**12**
Asset-backed securities and other debt securities	**—**	**459**	**—**	**459**
Trading debt securities	**596**	**580**	**—**	**1,176**
Equity securities	**394**	**34**	**—**	**428**
Residential mortgage loans held for sale	**—**	**512**	**—**	**512**
Residential mortgage loans(b)	**—**	**—**	**114**	**114**
Servicing rights	**—**	**—**	**1,656**	**1,656**
Derivative assets:				
Interest rate contracts	**2**	**638**	**7**	**647**
Foreign exchange contracts	**—**	**739**	**—**	**739**
Commodity contracts	**152**	**560**	**—**	**712**
Derivative assets(c)	**154**	**1,937**	**7**	**2,098**
Total assets	$ **5,494**	**38,332**	**1,777**	**45,603**
Liabilities:				
Derivative liabilities:				
Interest rate contracts	$ **4**	**810**	**5**	**819**
Foreign exchange contracts	**—**	**710**	**—**	**710**
Equity contracts	**—**	**—**	**196**	**196**
Commodity contracts	**30**	**672**	**—**	**702**
Derivative liabilities(d)	**34**	**2,192**	**201**	**2,427**
Short positions:				
U.S. Treasury and federal agencies securities	**81**	**1**	**—**	**82**
Asset-backed securities and other debt securities	**—**	**149**	**—**	**149**
Short positions(d)	**81**	**150**	**—**	**231**
Total liabilities	$ **115**	**2,342**	**201**	**2,658**

(a) Excludes FHLB, FRB and DTCC restricted stock holdings totaling $ 275 , $ 499 and $ 3 , respectively, at September 30, 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.

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

	Fair Value Measurements Using			
cember 31, 2023 ($ in millions)	Level 1	Level 2	Level 3	Total Fair Value
sets:				
vailable-for-sale debt and other securities:				
U.S. Treasury and federal agencies securities	$ 4,336	—	—	4,336
Obligations of states and political subdivisions securities	—	2	—	2
Mortgage-backed securities:				
Agency residential mortgage-backed securities	—	10,282	—	10,282
Agency commercial mortgage-backed securities	—	25,720	—	25,720
Non-agency commercial mortgage-backed securities	—	4,445	—	4,445
Asset-backed securities and other debt securities	—	4,912	—	4,912
Available-for-sale debt and other securities(a)	4,336	45,361	—	49,697
rading debt securities:				
U.S. Treasury and federal agencies securities	640	7	—	647
Obligations of states and political subdivisions securities	—	39	—	39
Agency residential mortgage-backed securities	—	6	—	6
Asset-backed securities and other debt securities	—	207	—	207
Trading debt securities	640	259	—	899
quity securities	600	13	—	613
esidential mortgage loans held for sale	—	334	—	334
esidential mortgage loans(b)	—	—	116	116
ervicing rights	—	—	1,737	1,737
erivative assets:				
Interest rate contracts	—	977	6	983
Foreign exchange contracts	—	643	—	643
Commodity contracts	205	846	—	1,051
Derivative assets(c)	205	2,466	6	2,677
tal assets	$ 5,781	48,433	1,859	56,073
bilities:				
erivative liabilities:				
Interest rate contracts	$ 5	1,202	6	1,213
Foreign exchange contracts	—	600	—	600
Equity contracts	—	—	168	168
Commodity contracts	28	990	—	1,018
Derivative liabilities(d)	33	2,792	174	2,999
hort positions:				
U.S. Treasury and federal agencies securities	31	—	—	31
Asset-backed securities and other debt securities	—	76	—	76
Short positions(d)	31	76	—	107
tal liabilities	$ 64	2,868	174	3,106

(a) Excludes FHLB, FRB and DTCC restricted stock holdings totaling $ 224 , $ 496 and $ 2 , respectively, at December 31, 2023.
(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.

The following is a description of 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.

Available-for-sale debt and other securities, trading debt securities and equity securities
Where quoted prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include U.S. Treasury securities and equity securities. If quoted market prices are not available, then fair values are estimated using pricing models which primarily utilize quoted prices of securities with similar characteristics. Level 2 securities may include federal agencies securities, obligations of states and political subdivisions securities, agency residential mortgage-backed securities, agency and non-agency commercial mortgage-backed securities, asset-backed securities and other debt securities and equity securities. These securities are generally valued using a market approach based on observable prices of securities with similar characteristics.

Residential mortgage loans held for sale

For residential mortgage loans held for sale for which the fair value election has been made, fair value is estimated based upon mortgage-backed securities prices and spreads to those prices or, for certain ARM loans, DCF models that may incorporate the anticipated portfolio composition, credit spreads of asset-backed securities with similar collateral and market conditions. The anticipated portfolio composition includes the effect of interest rate spreads and discount rates due to loan characteristics such as the state in which the loan was originated, the loan amount and the ARM margin. Residential mortgage loans held for sale that are valued based on mortgage-backed securities prices are classified within Level 2 of the valuation hierarchy as the valuation is based on external pricing for similar instruments. ARM loans classified as held for sale are also classified within Level 2 of the valuation hierarchy due to the use of observable inputs in the DCF model. These observable inputs include interest rate spreads from agency mortgage-backed securities market rates and observable discount rates.

Residential mortgage loans

For residential mortgage loans for which the fair value election has been made, and that are reclassified from held for sale to held for investment, the fair value estimation is based on mortgage-backed securities prices, interest rate risk and an internally developed credit component. Therefore, these loans are transferred from Level 2 to Level 3 of the valuation hierarchy. An adverse change in the loss rate or severity assumption would result in a decrease in fair value of the related loans.

Servicing rights

MSRs do not trade in an active, open market with readily observable prices. While sales of MSRs do occur, the precise terms and conditions typically are not readily available. Accordingly, the Bancorp estimates the fair value of MSRs using internal OAS models with certain unobservable inputs, primarily prepayment speed assumptions, OAS and weighted-average lives, resulting in a classification within Level 3 of the valuation hierarchy. Refer to Note 13 for further information on the assumptions used in the valuation of the Bancorp's MSRs.

Derivatives

Exchange-traded derivatives valued using quoted prices and certain over-the-counter derivatives valued using active bids are classified within Level 1 of the valuation hierarchy. Most of the Bancorp's derivative contracts are valued using DCF or other models that incorporate current market interest rates, credit spreads assigned to the derivative counterparties and other market parameters and, therefore, are classified within Level 2 of the valuation hierarchy. Such derivatives include basic and structured interest rate, foreign exchange and commodity swaps and options. Derivatives that are valued based upon models with significant unobservable market parameters are classified within Level 3 of the valuation hierarchy. At September 30, 2024 and December 31, 2023, derivatives classified as Level 3, which are valued using models containing unobservable inputs, consisted primarily of a total return swap associated with the Bancorp's sale of Visa, Inc. Class B Shares as well as IRLCs, which utilize internally generated loan closing rate assumptions as a significant unobservable input in the valuation process.

Under the terms of the total return swap, the Bancorp will make or receive payments based on subsequent changes in the conversion rate of the Visa, Inc. Class B Shares into Class A Shares. Additionally, the Bancorp will make a quarterly payment based on Visa's stock price and the conversion rate of the Visa, Inc. Class B Shares into Class A Shares until the date on which the Covered Litigation is settled. The fair value of the total return swap was calculated using a DCF model based on unobservable inputs consisting of management's estimate of the probability of certain litigation scenarios, the timing of the resolution of the Covered Litigation and Visa litigation loss estimates in excess, or shortfall, of the Bancorp's proportional share of escrow funds.

An increase in the loss estimate or a delay in the resolution of the Covered Litigation would result in an increase in the fair value of the derivative liability; conversely, a decrease in the loss estimate or an acceleration of the resolution of the Covered Litigation would result in a decrease in the fair value of the derivative liability. Refer to Note 18 for additional information on the Covered Litigation.

The net asset fair value of the Bancorp's IRLCs at September 30, 2024 was $ 6 million. Immediate decreases in current interest rates of 25 bps and 50 bps would result in increases in the fair value of the IRLCs of approximately $ 2 million and $ 4 million, respectively. Immediate increases in current interest rates of 25 bps and 50 bps would result in decreases in the fair value of the IRLCs of approximately $ 3 million and $ 6 million, respectively. An immediate 10% or 20% change in loan closing rates, either adverse or favorable, would not have a material impact on the fair value of IRLCs as of September 30, 2024. These sensitivities are hypothetical and should be used with caution, as changes in fair value based on a variation in assumptions typically cannot be extrapolated because the relationship of the change in assumptions to the change in fair value may not be linear.

Short positions

Where quoted prices are available in an active market, short positions are classified within Level 1 of the valuation hierarchy. Level 1 securities include U.S. Treasury securities. If quoted market prices are not available, then fair values are estimated using pricing models which primarily utilize quoted prices of securities with similar characteristics and therefore are classified within Level 2 of the valuation hierarchy. Level 2 securities include asset-backed and other debt securities.

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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 September 30, 2024 ($ in millions)		Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net(a)	Equity Derivatives	Total Fair Value
Balance, beginning of period	**$**	**109**	**1,731**	**—**	**(164)**	**1,676**
Total (losses) gains (realized/unrealized):(b)						
Included in earnings		**7**	**(90)**	**18**	**(47)**	**(112)**
Purchases/originations		**—**	**15**	**—**	**—**	**15**
Settlements		**(3)**	**—**	**(16)**	**15**	**(4)**
Transfers into Level 3(c)		**1**	**—**	**—**	**—**	**1**
Balance, end of period	**$**	**114**	**1,656**	**2**	**(196)**	**1,576**
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 September 30, 2024	**$**	**7**	**(66)**	**6**	**(47)**	**(100)**

(a) Net interest rate derivatives include derivative assets and liabilities of $ 7 and $ 5 , respectively, as of September 30, 2024.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at September 30, 2024.
(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 September 30, 2023 ($ in millions)		Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net(a)	Equity Derivatives	Total Fair Value
Balance, beginning of period	$	124	1,764	2	(204)	1,686
Total gains (losses) (realized/unrealized):(b)						
Included in earnings		(7)	34	7	(10)	24
Purchases/originations		—	24	—	—	24
Settlements		(5)	—	(11)	42	26
Transfers into Level 3(c)		1	—	—	—	1
Balance, end of period	$	113	1,822	(2)	(172)	1,761
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 September 30, 2023	$	(7)	56	3	(10)	42

(a) Net interest rate derivatives include derivative assets and liabilities of $ 5 and $ 7 , respectively, as of September 30, 2023.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at September 30, 2023.
(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 nine months ended September 30, 2024 ($ in millions)		Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net(a)	Equity Derivatives	Total Fair Value
Balance, beginning of period	**$**	**116**	**1,737**	**—**	**(168)**	**1,685**
Total (losses) gains (realized/unrealized):(b)						
Included in earnings		**4**	**(112)**	**38**	**(87)**	**(157)**
Purchases/originations		**—**	**36**	**(1)**	**—**	**35**
Sales		**—**	**(5)**	**—**	**—**	**(5)**
Settlements		**(9)**	—	**(35)**	**59**	**15**
Transfers into Level 3(c)		**3**	**—**	**—**	**—**	**3**
Balance, end of period	**$**	**114**	**1,656**	**2**	**(196)**	**1,576**
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 September 30, 2024	**$**	**4**	**(44)**	**7**	**(87)**	**(120)**

(a) Net interest rate derivatives include derivative assets and liabilities of $ 7 and $ 5 , respectively, as of September 30, 2024.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at September 30, 2024.
(c) Includes certain residential mortgage loans originated as held for sale that were transferred to held for investment.

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	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
For the nine months ended September 30, 2023 ($ in millions)	Residential Mortgage Loans	Servicing Rights	Interest Rate Derivatives, Net(a)	Equity Derivatives	Total Fair Value
Balance, beginning of period	$ 123	1,746	(1)	(195)	1,673
Total (losses) gains (realized/unrealized):(b)					
Included in earnings	(4)	(6)	32	(72)	(50)
Purchases/originations	—	82	(2)	—	80
Settlements	(11)	—	(31)	95	53
Transfers into Level 3(c)	5	—	—	—	5
Balance, end of period	$ 113	1,822	(2)	(172)	1,761
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 September 30, 2023	$ (4)	53	3	(72)	(20)

(a) Net interest rate derivatives include derivative assets and liabilities of $ 5 and $ 7 , respectively, as of September 30, 2023.
(b) There were no unrealized gains or losses for the period included in other comprehensive income for instruments still held at September 30, 2023.
(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 September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Mortgage banking net revenue	**$ (66)**	33	**(71)**	19
Commercial banking revenue	**1**	1	**2**	3
Other noninterest income	**(47)**	(10)	**(88)**	(72)
Total (losses) gains	**$ (112)**	24	**(157)**	(50)

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 September 30, 2024 and 2023 were recorded in the Condensed Consolidated Statements of Income as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	**2024**	2023	**2024**	2023
Mortgage banking net revenue	**$ (54)**	51	**(34)**	49
Commercial banking revenue	**1**	1	**2**	3
Other noninterest income	**(47)**	(10)	**(88)**	(72)
Total (losses) gains	**$ (100)**	42	**(120)**	(20)

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The following tables present information as of September 30, 2024 and 2023 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 September 30, 2024 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range of Inputs		Weighted-Average
Residential mortgage loans	**$ 114**	Loss rate model	Interest rate risk factor	**(52.3) - 4.3 %**		**(9.3)% (a)**
			Credit risk factor	**— - 0.5 %**		**0.1 % (a)**
Servicing rights	**1,656**	DCF	Prepayment speed	**— - 100.0 %**	(Fixed)	**6.7 % (b)**
					(Adjustable)	**22.0 % (b)**
			OAS (bps)	**420 - 1,833**	(Fixed)	**470 (b)**
					(Adjustable)	**696 (b)**
IRLCs, net	**6**	DCF	Loan closing rates	**18.5 - 96.0 %**		**78.7 % (c)**
Swap associated with the sale of Visa, Inc. Class B Shares	**(196)**	DCF	Timing of the resolution of the Covered Litigation	**Q4 2026 - Q1 2028**		**Q2 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 September 30, 2023 ($ 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	(28.7) - 4.0 %		(16.9)% (a)
			Credit risk factor	— - 0.6 %		0.2 % (a)
Servicing rights	1,822	DCF	Prepayment speed	— - 100.0 %	(Fixed)	5.0 % (b)
					(Adjustable)	20.3 % (b)
			OAS (bps)	477 - 1,447	(Fixed)	582 (b)
					(Adjustable)	1,204 (b)
IRLCs, net	4	DCF	Loan closing rates	33.2 - 97.5 %		82.3 % (c)
Swap associated with the sale of Visa, Inc. Class B Shares	(172)	DCF	Timing of the resolution of the Covered Litigation	Q3 2024 - Q1 2027		Q4 2025 (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 September 30, 2024 and 2023, and for which a nonrecurring fair value adjustment was recorded during the three and nine months ended September 30, 2024 and 2023, 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.

	Fair Value Measurements Using				Total (Losses) Gains	
As of September 30, 2024 ($ in millions)	Level 1	Level 2	Level 3	Total	**For the three months ended September 30, 2024**	**For the nine months ended September 30, 2024**
Commercial loans held for sale	**$ —**	**—**	**47**	**47**	**(1)**	**(1)**
Commercial loans and leases	**—**	**—**	**125**	**125**	**(73)**	**(177)**
Consumer and residential mortgage loans	**—**	**—**	**208**	**208**	**(7)**	**(10)**
OREO	**—**	**—**	**6**	**6**	**—**	**(1)**
Bank premises and equipment	**—**	**—**	**9**	**9**	**—**	**—**
Private equity investments	**—**	**3**	**—**	**3**	**2**	**11**
Total	**$ —**	**3**	**395**	**398**	**(79)**	**(178)**

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	Fair Value Measurements Using				Total Losses	
As of September 30, 2023 ($ in millions)	Level 1	Level 2	Level 3	Total	For the three months ended September 30, 2023	For the nine months ended September 30, 2023
Commercial loans and leases	$ —	—	154	154	(21)	(118)
Consumer and residential mortgage loans	—	—	188	188	(2)	(10)
OREO	—	—	18	18	(7)	(8)
Bank premises and equipment	—	—	4	4	—	(2)
Private equity investments	—	—	—	—	—	(2)
Total	$ —	—	364	364	(30)	(140)

The following tables present information as of September 30, 2024 and 2023 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 September 30, 2024 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans held for sale	**$ 47**	Comparable company analysis	Market comparable transactions	**NM**	**NM**
Commercial loans and leases	**125**	Appraised value	Collateral value	**NM**	**NM**
Consumer and residential mortgage loans	**208**	Appraised value	Collateral value	**NM**	**NM**
OREO	**6**	Appraised value	Appraised value	**NM**	**NM**
Bank premises and equipment	**9**	Appraised value	Appraised value	**NM**	**NM**
Private equity investments	**—**	Comparable company analysis	Market comparable transactions	**NM**	**NM**

As of September 30, 2023 ($ in millions)

Financial Instrument	Fair Value	Valuation Technique	Significant Unobservable Inputs	Ranges of Inputs	Weighted-Average
Commercial loans and leases	$ 154	Appraised value	Collateral value	NM	NM
Consumer and residential mortgage loans	188	Appraised value	Collateral value	NM	NM
OREO	18	Appraised value	Appraised value	NM	NM
Bank premises and equipment	4	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 and nine months ended September 30, 2024 and 2023. These valuations were primarily based on applying unobservable inputs such as an estimated market discount to the unpaid principal balance of the loans (Level 3 of the valuation hierarchy).

Portfolio loans and leases

During the three and nine months ended September 30, 2024 and 2023, 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 and nine months ended September 30, 2024 and 2023, 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. The previous tables reflect the fair value measurements of the properties before deducting the estimated costs to sell.

Bank premises and equipment

The Bancorp performs assessments of the recoverability of long-lived assets when events or changes in circumstances indicate that their carrying values may not be recoverable. These properties were written down to their lower of cost or market values. At least annually thereafter, the Bancorp will review these properties for market fluctuations. The fair value amounts were generally based on appraisals of the property values, resulting in a classification within Level 3 of the valuation hierarchy. For further information on bank premises and equipment, refer to Note 7.

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 $ 2 million and $ 11 million during the three and nine months ended September 30, 2024, respectively, and did not recognize gains during both the three and nine months ended September 30, 2023, resulting from observable price changes. The carrying value of the Bancorp's private equity investments still held as of September 30, 2024 includes a cumulative $ 20 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 and nine months ended September 30, 2024 as well as the three months ended September 30, 2023, the Bancorp did not recognize impairment charges on its private equity investments. The Bancorp recognized $ 2 million of impairment charges during the nine months ended September 30, 2023. The carrying value of the Bancorp's private equity investments still held as of September 30, 2024 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 September 30, 2024 and 2023 for which the fair value option was elected, as well as the changes in fair value of the underlying IRLCs, included gains of $ 2 million and losses of $ 24 million, respectively. These changes 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 September 30, 2024 and December 31, 2023. 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:

September 30, 2024 ($ in millions)		Aggregate Fair Value	Aggregate Unpaid Principal Balance	Difference
Residential mortgage loans measured at fair value	**$**	**626**	**624**	**2**
Past due loans of 30-89 days		**1**	**1**	**—**
Nonaccrual loans		**1**	**1**	**—**
December 31, 2023				
Residential mortgage loans measured at fair value	$	450	456	(6)
Past due loans of 30-89 days		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 September 30, 2024 ($ in millions)		Net Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Financial assets:						
Cash and due from banks	$	3,215	3,215	—	—	3,215
Other short-term investments		21,729	21,729	—	—	21,729
Other securities		777	—	777	—	777
Held-to-maturity securities		11,358	2,379	9,173	2	11,554
Loans and leases held for sale		100	—	—	100	100
Portfolio loans and leases:						
Commercial loans and leases		70,025	—	—	70,529	70,529
Consumer and residential mortgage loans		44,224	—	—	42,190	42,190
Total portfolio loans and leases, net	$	114,249	—	—	112,719	112,719
Financial liabilities:						
Deposits	$	168,340	—	168,319	—	168,319
Federal funds purchased		169	169	—	—	169
Other short-term borrowings		1,424	—	1,429	—	1,429
Long-term debt		17,058	13,979	3,452	—	17,431

As of December 31, 2023 ($ in millions)		Net Carrying Amount	Fair Value Measurements Using Level 1	Level 2	Level 3	Total Fair Value
Financial assets:						
Cash and due from banks	$	3,142	3,142	—	—	3,142
Other short-term investments		22,082	22,082	—	—	22,082
Other securities		722	—	722	—	722
Held-to-maturity securities		2	—	—	2	2
Loans and leases held for sale		44	—	—	44	44
Portfolio loans and leases:						
Commercial loans and leases		71,616	—	—	71,766	71,766
Consumer and residential mortgage loans		43,180	—	—	41,410	41,410
Total portfolio loans and leases, net	$	114,796	—	—	113,176	113,176
Financial liabilities:						
Deposits	$	168,912	—	168,873	—	168,873
Federal funds purchased		193	193	—	—	193
Other short-term borrowings		2,861	—	2,872	—	2,872
Long-term debt		16,418	14,481	1,903	—	16,384

24. Business Segments

The Bancorp reports on three business segments: Commercial Banking, Consumer and Small Business Banking and Wealth and Asset Management. Results of the Bancorp's business segments are presented based on its management structure and management accounting practices. The structure and accounting practices are specific to the Bancorp; therefore, the financial results of the Bancorp's business 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.

During the first quarter of 2024, the Bancorp eliminated certain revenue sharing agreements between Wealth and Asset Management and Consumer and Small Business Banking. As a result, the results of operations for the Wealth and Asset Management segment for the three and nine months ended September 30, 2023 were adjusted to reflect the impact of the elimination of these revenue sharing agreements between Wealth and Asset Management and Consumer and Small Business Banking. The impact of the elimination of these revenue sharing agreements for the years ended December 31, 2023, 2022 and 2021 resulted in a decrease in wealth and asset management revenue and an offsetting decrease in other noninterest expense within the Wealth and Asset Management segment of $ 186 million, $ 177 million and $ 180 million, respectively.

The Bancorp manages interest rate risk centrally at the corporate level. By employing an FTP methodology, the business 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 business 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.

The Bancorp's methodology for allocating provision for credit losses to the business segments includes charges or benefits associated with changes in criticized commercial loan levels in addition to actual net charge-offs experienced by the loans and leases owned by each business segment. Provision for credit losses attributable to loan and lease growth and changes in ALLL factors is captured in General Corporate and Other. The financial results of the business segments include allocations for shared services and headquarters expenses. Additionally, the business segments form synergies by taking advantage of relationship depth opportunities and funding operations by accessing the capital markets as a collective unit.

The following is a description of each of the Bancorp's business 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.

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.

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

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

September 30, 2024 ($ in millions)		Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other	Total
Net interest income	$	669	1,031	50	(329)	1,421
Provision for credit losses		76	78	—	6	160
Net interest income after provision for credit losses	$	593	953	50	(335)	1,261
Noninterest income:						
Wealth and asset management revenue	$	1	64	98	—	163
Service charges on deposits		104	56	—	1	161
Commercial banking revenue		162	1	—	—	163
Card and processing revenue		27	78	1	—	106
Mortgage banking net revenue		—	50	—	—	50
Leasing business revenue		43	—	—	—	43
Other noninterest income		11	31	—	(27)	15
Securities gains, net		9	—	—	1	10
Total noninterest income	$	357	280	99	(25)	711
Noninterest expense:						
Compensation and benefits	$	151	206	54	279	690
Technology and communications		3	7	—	111	121
Net occupancy expense		9	52	3	17	81
Equipment expense		7	13	—	18	38
Marketing expense		1	15	—	10	26
Leasing business expense		21	—	—	—	21
Card and processing expense		2	20	—	—	22
Other noninterest expense		276	291	38	(360)	245
Total noninterest expense	$	470	604	95	75	1,244
Income (loss) before income taxes	$	480	629	54	(435)	728
Applicable income tax expense (benefit)		87	132	12	(76)	155
Net income (loss)	$	393	497	42	(359)	573
Total goodwill	$	2,324	2,369	225	—	4,918
Total assets	$	75,594	89,890	10,669	38,165 (a)	214,318

(a) Includes bank premises and equipment of $ 24 classified as held for sale. For more information, refer to Note 7.

September 30, 2023 ($ in millions)	Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other	Total
Net interest income	$ 1,007	1,390	98	(1,057)	1,438
Provision for credit losses	—	105	1	13	119
Net interest income after provision for credit losses	$ 1,007	1,285	97	(1,070)	1,319
Noninterest income:					
Wealth and asset management revenue	$ —	53	92	—	145
Service charges on deposits	95	55	—	(1)	149
Commercial banking revenue	154	1	—	(1)	154
Card and processing revenue	23	78	—	3	104
Mortgage banking net revenue	—	57	—	—	57
Leasing business revenue	58	—	—	—	58
Other noninterest income	24	30	2	(1)	55
Securities losses, net	(1)	—	—	(6)	(7)
Total noninterest income	$ 353	274	94	(6)	715
Noninterest expense:					
Compensation and benefits	$ 156	217	53	203	629
Technology and communications	4	7	—	104	115
Net occupancy expense[(b)]	12	52	3	17	84
Equipment expense	7	11	—	19	37
Marketing expense	1	17	—	17	35
Leasing business expense	29	—	—	—	29
Card and processing expense	3	19	—	(1)	21
Other noninterest expense	266	301	34	(363)	238
Total noninterest expense	$ 478	624	90	(4)	1,188
Income (loss) before income taxes	$ 882	935	101	(1,072)	846
Applicable income tax expense (benefit)	164	196	22	(196)	186
Net income (loss)	$ 718	739	79	(876)	660
Total goodwill	$ 2,324	2,369	226	—	4,919
Total assets	$ 82,829	88,230	10,538	31,370 [(a)]	212,967

(a) Includes bank premises and equipment of $ 22 classified as held for sale. For more information, refer to Note 7.

(b) Includes impairment losses and termination charges of $ 1 for ROU assets related to certain operating leases. For more information, refer to Note 9.

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

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

September 30, 2024 ($ in millions)		Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other		Total
Net interest income	$	2,012	3,210	162	(1,192)		4,192
Provision for (benefit from) credit losses		284	232	—	(165)		351
Net interest income after provision for (benefit from) credit losses	$	1,728	2,978	162	(1,027)		3,841
Noninterest income:							
Wealth and asset management revenue	$	2	185	296	—		483
Service charges on deposits		307	159	1	—		467
Commercial banking revenue		446	4	1	—		451
Card and processing revenue		80	232	2	2		316
Mortgage banking net revenue		—	153	1	—		154
Leasing business revenue		120	—	—	—		120
Other noninterest income		46	86	1	(30)		103
Securities gains, net		3	—	—	20		23
Total noninterest income	$	1,004	819	302	(8)		2,117
Noninterest expense:							
Compensation and benefits	$	496	666	168	769		2,099
Technology and communications		10	22	1	318		351
Net occupancy expense		27	159	9	56		251
Equipment expense		21	38	—	55		114
Marketing expense		2	55	1	34		92
Leasing business expense		69	—	—	—		69
Card and processing expense		6	57	1	(1)		63
Other noninterest expense		797	871	112	(1,012)		768
Total noninterest expense	$	1,428	1,868	292	219		3,807
Income (loss) before income taxes	$	1,304	1,929	172	(1,254)		2,151
Applicable income tax expense (benefit)		224	405	36	(208)		457
Net income (loss)	$	1,080	1,524	136	(1,046)		1,694
Total goodwill	$	2,324	2,369	225	—		4,918
Total assets	$	75,594	89,890	10,669	38,165	(a)	214,318

(a) Includes bank premises and equipment of $ 24 classified as held for sale. For more information, refer to Note 7.

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

September 30, 2023 ($ in millions)		Commercial Banking	Consumer and Small Business Banking	Wealth and Asset Management	General Corporate and Other	Total
Net interest income	$	3,006	4,016	294	(2,905)	4,411
Provision for credit losses		37	221	1	201	460
Net interest income after provision for credit losses	$	2,969	3,795	293	(3,106)	3,951
Noninterest income:						
Wealth and asset management revenue	$	2	159	273	—	434
Service charges on deposits		275	159	—	(3)	431
Commercial banking revenue		459	3	1	(2)	461
Card and processing revenue		69	231	2	8	310
Mortgage banking net revenue		—	184	—	—	184
Leasing business revenue		162	—	—	—	162
Other noninterest income(a)		68	83	2	(1)	152
Securities gains (losses), net		(9)	—	—	12	3
Total noninterest income	$	1,026	819	278	14	2,137
Noninterest expense:						
Compensation and benefits	$	499	663	169	705	2,036
Technology and communications		10	20	1	316	347
Net occupancy expense(c)		32	156	9	51	248
Equipment expense		22	32	—	56	110
Marketing expense		2	52	1	41	96
Leasing business expense		94	—	—	—	94
Card and processing expense		8	57	1	(3)	63
Other noninterest expense		849	920	105	(1,118)	756
Total noninterest expense	$	1,516	1,900	286	48	3,750
Income (loss) before income taxes	$	2,479	2,714	285	(3,140)	2,338
Applicable income tax expense (benefit)		470	569	59	(579)	519
Net income (loss)	$	2,009	2,145	226	(2,561)	1,819
Total goodwill	$	2,324	2,369	226	—	4,919
Total assets	$	82,829	88,230	10,538	31,370 (b)	212,967

(a) Includes impairment charges of $ 1 for bank premises and equipment recorded in both Consumer and Small Business Banking and General Corporate and Other. For more information, refer to Note 7 and Note 23.

(b) Includes bank premises and equipment of $ 22 classified as held for sale. For more information, refer to Note 7.

(c) Includes impairment losses and termination charges of $ 2 for ROU assets related to certain operating leases. For more information, refer to Note 9.

25. Subsequent Event

On October 21, 2024, the Bancorp entered into an accelerated share repurchase transaction with a counterparty pursuant to which the Bancorp paid $ 300 million on October 22, 2024 to repurchase shares of its outstanding common stock. The Bancorp is repurchasing the shares of its common stock as part of its Board-approved 100 million share repurchase program previously announced on June 18, 2019. The Bancorp expects the settlement of the transaction to occur on or before December 27, 2024.

PART II. OTHER INFORMATION

Legal Proceedings (Item 1)
Refer to Note 19 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 third quarter of 2024 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, 2023.

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 third quarter of 2024.

Defaults Upon Senior Securities (Item 3)
None.

Mine Safety Disclosures (Item 4)
Not applicable.

Other Information (Item 5)
None.

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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.
4.1	Seventeenth Supplemental Indenture dated as of September 6, 2024 between Fifth Third Bancorp and Wilmington Trust Company, as Trustee, to the Indenture for Senior Debt Securities dated as of April 30, 2008 between Fifth Third Bancorp and the Trustee, as amended by Article 4 of the Twelfth Supplemental Indenture dated April 25, 2022 between Fifth Third Bancorp and the Trustee. Incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed on September 6, 2024.
4.2	Form of 4.895% Fixed Rate/Floating Rate Senior Notes due 2030. Incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K filed on September 6, 2024.
10.1	Supplemental Confirmation dated July 22, 2024, to Master Confirmation dated August 5, 2019, for accelerated share repurchase transaction between Fifth Third Bancorp and Citibank, N.A.**
10.2	Master Confirmation dated September 30, 2024, for accelerated share repurchase transaction between Fifth Third Bancorp, Deutsche Bank AG, London Branch and Deutsche Bank Securities Inc.
10.3	Bancorp Director Pay Program.*
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.
99.1	Stipulated Final Judgement and Order filed July 9, 2024. Incorporated by reference to Exhibit 99.1 of the Registrant's Current Report on Form 8-K filed on July 9, 2024.
99.2	Consent Order filed July 9, 2024, issued by the Consumer Financial Protection Bureau, including the Stipulation and Consent to the Issuance of a Consent Order, dated July 5, 2024, by Fifth Third Bank, N.A. Incorporated by reference to Exhibit 99.2 of the Registrant's Current Report on Form 8-K filed on July 9, 2024.
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).

**Denotes management contract or compensation plan or arrangement.*

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

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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: November 5, 2024

/s/ Bryan D. Preston

Bryan D. Preston

Executive Vice President

Chief Financial Officer

(Duly Authorized Officer & Principal Financial Officer)

Exhibit 10.1

*CERTAIN INFORMATION IDENTIFIED WITH A MARK
OF [**] HAS BEEN EXCLUDED FROM THIS EXHIBIT
BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD
BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp 38 Fountain Square Plaza Cincinnati, Ohio 45263
From:	Citibank, N.A. Strategic Equity Solutions 390 Greenwich Street, 4th Floor New York, NY 10013
Subject:	Accelerated Stock Buyback
Date:	July 22, 2024

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between Citibank, N.A. ("**Bank**") and Fifth Third Bancorp ("**Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between Bank and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of August 5, 2019 (the "**Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	July 22, 2024
Forward Price Adjustment Amount:	**[**]***
Calculation Period Start Date:	July 23, 2024
Scheduled Termination Date:	September 26, 2024
First Acceleration Date:	**[**]***
Prepayment Amount:	$200,000,000
Prepayment Date:	July 23, 2024

Initial Shares:	4,160,548 Shares; *provided* that if, in connection with the Transaction, Bank is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that Bank is able to so borrow or otherwise acquire, and Bank shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect of the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.
Initial Share Delivery Date:	July 23, 2024
Ordinary Dividend Amount:	**[**]***
Scheduled Ex-Dividend Dates:	September 27, 2024
Termination Price:	**[**]***
Additional Relevant Days:	The 5 Exchange Business Days immediately following the Calculation Period.
Reserved Shares:	9,789,525 Shares.

3. Counterparty represents and warrants to Bank that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. Counterparty acknowledges that each Transaction may constitute a purchase of its equity securities or a capital distribution. Counterparty further acknowledges that, pursuant to the provisions of the Coronavirus Aid, Relief and Economic Security Act (the "**CARES Act**"), the Counterparty will be required to agree to certain time-bound restrictions on its ability to purchase its equity securities or make capital distributions if it receives loans, loan guarantees or direct loans (as that term is defined in the CARES Act) under section 4003(b) of the CARES Act. Counterparty further acknowledges that it may be required to agree to certain time-bound restrictions on its ability to purchase its equity securities or make capital distributions if it receives loans, loan guarantees or direct loans (as that term is defined in the CARES Act) under programs or facilities established by the Board of Governors of the Federal Reserve System or the U.S. Department of Treasury for the purpose of providing liquidity to the financial system, and may be required to agree to similar restrictions under programs or facilities established in the future. Accordingly, Counterparty represents and warrants that neither it nor any of its subsidiaries has applied for, and throughout the term of each Transaction shall not apply, for a loan, loan guarantee, direct loan (as that term is defined in the CARES Act) or other investment, or to receive any financial assistance or relief (howsoever defined) under any program or facility that (a) is established under applicable law (whether in existence as of the date of this Master Confirmation or subsequently enacted, adopted or amended), including without limitation the CARES Act and the Federal Reserve Act, as amended, and (b) requires under applicable law (or any regulation, guidance, interpretation or other pronouncement thereunder), as a condition of such loan, loan guarantee, direct loan (as that term is defined in the CARES Act), investment, financial assistance or relief, that Counterparty or any of its subsidiaries agree, attest, certify or warrant that it has not, as of the date specified in such condition, repurchased, or will not repurchase, any equity security of Counterparty, and that it has not, as of the date specified in such condition, made a capital distribution or will not make a capital distribution (collectively, "**Restricted Financial Assistance**"); provided that Counterparty may apply for Restricted Financial Assistance if Counterparty either (a)

determines, based on the advice of outside counsel of national standing, that the terms of any Transaction would not cause Counterparty to fail to satisfy any condition for application for or receipt or retention of such loan, loan guarantee, direct loan (as that term is defined in the CARES Act), investment, financial assistance or relief based on the terms of the program or facility as of the date of such advice or (b) delivers to Bank evidence of a waiver or other guidance from a governmental authority with jurisdiction for such program or facility that each Transaction is permitted under such program or facility (either by specific reference to each Transaction or by general reference to transactions with attributes of each Transaction in all relevant respects). Counterparty further represents and warrants that the Prepayment Amount is not being paid, in whole or in part, directly or indirectly, with funds received under or pursuant to any program or facility, including the U.S. Small Business Administration's "Paycheck Protection Program", that (a) is established under applicable law (whether in existence as of the Trade Date or subsequently enacted, adopted or amended), including without limitation the CARES Act and the Federal Reserve Act, as amended, and (b) requires under such applicable law (or any regulation, guidance, interpretation or other pronouncement of a governmental authority with jurisdiction for such program or facility) that such funds be used for specified or enumerated purposes that do not include the purchase of each Transaction (either by specific reference to each Transaction or by general reference to transactions with the attributes of each Transaction in all relevant respects).

4. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

[*Remainder of Page Intentionally Blank*]

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Bank) correctly sets forth the terms of the agreement between Bank and Counterparty with respect to any particular Transaction to which this Supplemental Confirmation relates, by manually signing this Supplemental Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Bank.

Yours faithfully,

CITIBANK, N.A.

By: /s/ ERIC NATELSON
Name: Eric Natelson
Authorized Representative

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ BRENNEN WILLINGHAM
Name: Brennen Willingham
Title: Treasurer

Exhibit 10.2

Opening Transaction

To:	Fifth Third Bancorp 38 Fountain Square Plaza Cincinnati, Ohio 45263
From:	Deutsche Bank AG, London Branch and Deutsche Bank Securities Inc. Deutsche Bank AG, London Branch Winchester house 1 Great Winchester St, London EC2N 2DB Telephone: 44 20 7545 8000 c/o Deutsche Bank Securities Inc. 1 Columbus Circle New York, NY 10019 Telephone: 212-250-2500 Internal Reference: [ ]
Re:	Accelerated Stock Buyback
Ref. No:	As provided in the Supplemental Confirmation
Date:	30 September 2024

DEUTSCHE BANK AG, LONDON BRANCH IS NOT REGISTERED AS A BROKER DEALER UNDER THE U.S. SECURITIES EXCHANGE ACT OF 1934. DEUTSCHE BANK SECURITIES INC. ("DBSI") HAS ACTED SOLELY AS AGENT IN CONNECTION WITH THE TRANSACTION AND HAS NO OBLIGATION, BY WAY OF ISSUANCE, ENDORSEMENT, GUARANTEE OR OTHERWISE WITH RESPECT TO THE PERFORMANCE OF EITHER PARTY UNDER THE TRANSACTION. AS SUCH, ALL DELIVERY OF FUNDS, ASSETS, NOTICES, DEMANDS AND COMMUNICATIONS OF ANY KIND RELATING TO THIS TRANSACTION BETWEEN DEUTSCHE BANK AG, LONDON BRANCH, AND COUNTERPARTY SHALL BE TRANSMITTED EXCLUSIVELY THROUGH DEUTSCHE BANK SECURITIES INC. DEUTSCHE BANK AG, LONDON BRANCH IS NOT A MEMBER OF THE SECURITIES INVESTOR PROTECTION CORPORATION (SIPC).

This master confirmation (this " **Master Confirmation**"), dated as of 30 September 2024 is intended to set forth certain terms and provisions of certain Transactions (each, a "**Transaction**") entered into from time to time between Deutsche Bank AG, London Branch ("Bank" or " **Deutsche**"), with Deutsche Bank Securities Inc. acting as agent and Fifth Third Bancorp ("**Counterparty**"). This Master Confirmation, taken alone, is neither a commitment by either party to enter into any Transaction nor evidence of a Transaction. The additional terms of any particular Transaction shall be set forth in a Supplemental Confirmation in the form of Schedule A hereto (a "**Supplemental Confirmation**"), which shall reference this Master Confirmation and supplement, form a part of, and be subject to this Master Confirmation. This Master Confirmation and each Supplemental Confirmation together shall constitute a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (the " **Equity Definitions**"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Master Confirmation. This Master Confirmation and each Supplemental Confirmation evidence a complete binding agreement between Counterparty and Bank as to the subject matter and terms of each Transaction to which this Master Confirmation and such Supplemental Confirmation relate and shall supersede all prior or contemporaneous written or oral communications with respect thereto.

This Master Confirmation and each Supplemental Confirmation supplement, form a part of, and are subject to an agreement in the form of the 2002 ISDA Master Agreement (the "**Agreement**") as if Bank and Counterparty had executed the Agreement on the date of this Master Confirmation (but without any Schedule except for (i) the election of New York law (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law) as the governing law and US Dollars ("**USD**") as the Termination Currency, (ii) the election that subparagraph (ii) of Section 2(c) will not apply to the Transactions and (iii) the election that the "Cross Default" provisions of Section 5(a)(vi) shall apply to Counterparty and Bank, with a "**"Threshold Amount"** means, with respect to Bank, an amount (including its equivalent in another currency) equal to 3% of the Shareholders Equity of Bank, and with respect to Counterparty, an amount (including its equivalent in another currency) equal to 3% of Counterparty's Equity. "Shareholders Equity" means an amount equal to Bank's total assets minus its total liabilities, as reflected on Bank's most recent audited financial statements provided that the words ", or becoming capable at such time of being declared," shall be deleted from such Section 5(a)(vi)).

The Transactions shall be the sole Transactions under the Agreement. If there exists any ISDA Master Agreement between Bank and Counterparty or any confirmation or other agreement between Bank and Counterparty pursuant to which an ISDA Master Agreement is deemed to exist between Bank and Counterparty, then notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which Bank and Counterparty are parties, the Transactions shall not be considered Transactions under, or otherwise governed by, such existing or deemed ISDA Master Agreement.

All provisions contained or incorporated by reference in the Agreement shall govern this Master Confirmation and each Supplemental Confirmation except as expressly modified herein or in the related Supplemental Confirmation.

If, in relation to any Transaction to which this Master Confirmation and a Supplemental Confirmation relate, there is any inconsistency between the Agreement, this Master Confirmation, any Supplemental Confirmation and the Equity Definitions, the following will prevail for purposes of such Transaction in the order of precedence indicated: (i) such Supplemental Confirmation; (ii) this Master Confirmation; (iii) the Equity Definitions; and (iv) the Agreement.

1. Each Transaction constitutes a Share Forward Transaction for the purposes of the Equity Definitions. Set forth below are the terms and conditions that, together with the terms and conditions set forth in the Supplemental Confirmation relating to any Transaction, shall govern such Transaction.

General Terms:

Trade Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Buyer:	Counterparty
Seller:	Bank
Shares:	Common stock, without par value, of Counterparty (Ticker: FITB)
Exchange:	NASDAQ Global Select Market
Related Exchange(s):	All Exchanges.
Prepayment\Variable Obligation:	Applicable
Prepayment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Prepayment Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation:

VWAP Price:	For any Exchange Business Day, as determined by the Calculation Agent based on the Bloomberg10b-18 Volume Weighted Average Price per Share for the regular trading session (including any extensions thereof, provided the Exchange publicly announced such extension prior to the end of the regular trading session on the prior Exchange Business Day) of the Exchange on such Exchange Business Day (without regard to pre-open or after hours trading outside of such regular trading session for such Exchange Business Day), as published by Bloomberg at 4:15 p.m. New York time (or 15 minutes following the end of any extension of the regular trading session) on such Exchange Business Day, on Bloomberg page FITB <Equity> AQR_SEC (or any successor thereto), or if such price is not so reported on such Exchange Business Day for any reason or is, in the Calculation Agent's reasonable discretion, erroneous, such VWAP Price shall be as reasonably determined in good faith and in a commercially reasonable manner by the Calculation Agent. For purposes of calculating the VWAP Price, the Calculation Agent will include only those trades that are reported during the period of time during which Counterparty could purchase its own shares under Rule 10b-18(b)(2) and are effected pursuant to the conditions of Rule 10b-18(b)(3), each under the Securities Exchange Act of 1934, as amended (the **"Exchange Act**") (such trades, "**Rule 10b-18 eligible transactions**").
Forward Price:	The average of the VWAP Prices for the Exchange Business Days in the Calculation Period, subject to "Valuation Disruption" below.
Forward Price Adjustment Amount:	For each Transaction, as set forth in the related Supplemental Confirmation.
Calculation Period:	The period from and including the Calculation Period Start Date to and including the Termination Date.
Calculation Period Start Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Termination Date:	The Scheduled Termination Date; *provided* that Bank shall have the right to designate any Exchange Business Day on or after the First Acceleration Date to be the Termination Date (the "**Accelerated Termination Date**") by delivering notice to Counterparty of any such designation prior to 11:59 p.m. New York City time on the Exchange Business Day immediately following the designated Accelerated Termination Date.
Scheduled Termination Date:	For each Transaction, as set forth in the related Supplemental Confirmation, subject to postponement as provided in "Valuation Disruption" below.
First Acceleration Date:	For each Transaction, as set forth in the related Supplemental Confirmation.

Valuation Disruption:	The definition of “Market Disruption Event” in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words “at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be” and inserting the words “at any time on any Scheduled Trading Day during the Calculation Period or Settlement Valuation Period” after the word “material,” in the third line thereof. Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term “Scheduled Closing Time” in the fourth line thereof. Notwithstanding anything to the contrary in the Equity Definitions, to the extent that a Disrupted Day occurs (i) in the Calculation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, postpone the Scheduled Termination Date, or (ii) in the Settlement Valuation Period, the Calculation Agent may, in its good faith and commercially reasonable discretion, extend the Settlement Valuation Period, in both cases by no more than one Exchange Business Day for each such Disrupted Day. If any such Disrupted Day is a Disrupted Day because of a Market Disruption Event (or a deemed Market Disruption Event as provided herein), the Calculation Agent shall determine whether (i) such Disrupted Day is a Disrupted Day in full, in which case the VWAP Price for such Disrupted Day shall not be included for purposes of determining the Forward Price or the Settlement Price, as the case may be, or (ii) such Disrupted Day is a Disrupted Day only in part, in which case the VWAP Price for such Disrupted Day shall be determined by the Calculation Agent based on Rule 10b-18 eligible transactions in the Shares on such Disrupted Day taking into account the nature and duration of the relevant Market Disruption Event, and the weighting of the VWAP Price for the relevant Exchange Business Days during the Calculation Period or the Settlement Valuation Period, as the case may be, shall be adjusted in good faith and in a commercially reasonable manner by the Calculation Agent for purposes of determining the Forward Price or the Settlement Price, as the case may be, with such adjustments based on, among other factors, the duration of any Market Disruption Event and the volume, historical trading patterns and price of the Shares. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full. If a Disrupted Day occurs during the Calculation Period or the Settlement Valuation Period, as the case may be, and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent, in its good faith and commercially reasonable discretion, may deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the VWAP Price for such ninth Scheduled Trading Day using its good faith estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

Settlement Terms:

Settlement Procedures:	If the Number of Shares to be Delivered is positive, Physical Settlement shall be applicable; *provided* that Bank does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Bank to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares. If the Number of Shares to be Delivered is negative, then the Counterparty Settlement Provisions in Annex A shall apply.
Number of Shares to be Delivered:	A number of Shares equal to (x)(a) the Prepayment Amount *divided by* (b) the Divisor Amount, *minus* (y) the number of Initial Shares.
Divisor Amount:	The greater of (i) the Forward Price *minus* the Forward Price Adjustment Amount and (ii) USD 1.00.
Excess Dividend Amount:	For the avoidance of doubt, all references to the Excess Dividend Amount shall be deleted from Section 9.2(a)(iii) of the Equity Definitions.
Settlement Date:	If the Number of Shares to be Delivered is positive, the date that is one Settlement Cycle immediately following the Termination Date.
Settlement Currency:	USD
Initial Share Delivery:	Bank shall deliver a number of Shares equal to the Initial Shares to Counterparty on the Initial Share Delivery Date in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date deemed to be a "Settlement Date" for purposes of such Section 9.4.
Initial Share Delivery Date:	For each Transaction, as set forth in the related Supplemental Confirmation.
Initial Shares:	For each Transaction, as set forth in the related Supplemental Confirmation; provided that Bank does not, and shall not, make the agreement or the representations set forth in Section 9.11 of the Equity Definitions related to the restrictions imposed by applicable securities laws with respect to any Shares delivered by Bank to Counterparty under any Transaction as a result of the fact that Counterparty is the Issuer of the Shares.

Share Adjustments:

Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute an additional Potential Adjustment Event if the Scheduled Termination Date for any Transaction is postponed pursuant to "Valuation Disruption" above, in which case the Calculation Agent may, in good faith and in its commercially reasonable discretion, adjust any relevant terms of any such Transaction as appropriate to account for the economic effect on such Transaction of such postponement.

Extraordinary Dividend:	For any calendar quarter, any dividend or distribution on the Shares with an ex- dividend date occurring during such calendar quarter (other than any dividend or distribution of the type described in Section 11.2(e)(i) or Section 11.2(e)(ii)(A) of the Equity Definitions) (a "Dividend") the amount or value of which (as determined by the Calculation Agent), when aggregated with the amount or value (as determined by the Calculation Agent) of any and all previous Dividends with ex-dividend dates occurring in the same calendar quarter, exceeds the Ordinary Dividend Amount.
Ordinary Dividend Amount:	For each Transaction, as set forth in the related Supplemental Confirmation
Method of Adjustment:	Calculation Agent Adjustment
Extraordinary Events:	
Consequences of Merger Events:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment
(b) Share-for-Other:	Cancellation and Payment
(c) Share-for Combined:	Component Adjustment
Tender Offer:	Applicable; *provided* that (i) Section 12.1(l) of the Equity Definitions shall be amended (x) by deleting the parenthetical in the fifth line thereof, (y) by replacing "that" in the fifth line thereof with "whether or not such announcement" and (z) by adding immediately after the words "Tender Offer" in the fifth line thereof ", and any publicly announced change or amendment to such an announcement (including the announcement of an abandonment of such intention)" and (ii) Sections 12.3(a) and 12.3(d) of the Equity Definitions shall each be amended by replacing each occurrence of the words "Tender Offer Date" by "Announcement Date."
Consequences of Tender Offers:	
(a) Share-for-Share:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Bank
(b) Share-for-Other:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Bank
(c) Share-for-Combined:	Modified Calculation Agent Adjustment or Cancellation and Payment, at the election of Bank

Nationalization, Insolvency or Delisting:	Cancellation and Payment; *provided* that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall also constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re- listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall be deemed to be the Exchange.
Additional Disruption Events:	
(a) Change in Law:	Applicable; *provided* that Section 12.9(a)(ii) of the Equity Definitions is hereby amended by (i) replacing the phrase “the interpretation” in the third line thereof with the phrase “, or public announcement of the interpretation”, (ii) by replacing the word “Shares” where it appears in clause (X) thereof with the words “Hedge Position” and (iii) by immediately following the word “Transaction” in clause (X) thereof, adding the phrase “in the manner contemplated by the Hedging Party on the Trade Date”; provided further that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a “Change in Law” shall be made without regard to Section 739 of the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word “regulation” in the second line thereof the words “(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)”.
(b) Failure to Deliver:	Applicable
(c) Insolvency Filing:	Applicable
(d) Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	200 basis points per annum
Hedging Party:	Bank
(e) Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 basis points per annum
Hedging Party:	Bank

Determining Party:	Bank; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Bank is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Determining Party. Upon receipt of written request from Counterparty, the Determining Party shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Bank's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Determining Party shall be made in good faith and in a commercially reasonable manner.
Additional Termination Event(s):	Notwithstanding anything to the contrary in the Equity Definitions, if, as a result of an Extraordinary Event, any Transaction would be cancelled or terminated (whether in whole or in part) pursuant to Article 12 of the Equity Definitions, an Additional Termination Event (with such terminated Transaction(s) (or portions thereof) being the Affected Transaction(s) and Counterparty being the sole Affected Party) shall be deemed to occur, and, in lieu of Sections 12.7, 12.8 and 12.9 of the Equity Definitions, Section 6 of the Agreement shall apply to such Affected Transaction(s). The (i) declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, or (ii) occurrence of an ex-dividend date for any Dividend that is not an Extraordinary Dividend during any calendar quarter occurring (in whole or in part) during the Relevant Dividend Period (as defined below) and is prior to the Scheduled Ex-Dividend Date for such calendar quarter will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Relevant Dividend Period:	The period from and including the Calculation Period Start Date to and including the Relevant Dividend Period End Date.
Relevant Dividend Period End Date:	If the Number of Shares to be Delivered is negative, the last day of the Settlement Valuation Period; otherwise, the Termination Date.
Scheduled Ex-Dividend Dates:	For each Transaction for each calendar quarter, as set forth in the related Supplemental Confirmation.

Non-Reliance/Agreements and Acknowledgements Regarding Hedging Activities/Additional Acknowledgements:	Applicable

Transfer:	Notwithstanding anything to the contrary in the Agreement, Bank may assign, transfer and set over all rights, title and interest, powers, privileges and remedies of Bank under any Transaction, in whole or in part, to an affiliate of Bank whose obligations are guaranteed by Bank, without the consent of Counterparty.
Bank Payment Instructions:	To be advised under separate cover
Counterparty's Contact Details for Purpose of Giving Notice:	To be provided by Counterparty
Bank's Contact Details for Purpose of Giving Notice:	Deutsche Bank AG, London Branch c/o Deutsche Bank Securities Inc. 1 Columbus Circle New York, New York 10019 Attention: Diana Nott Telephone No.: (212) 250-4959 Email: diana.nott@db.com and Attention: Joachim Sciard Telephone No.: (212) 250-7099 Email: joachim.sciard@db.com With a copy to: equity-linked.notifications@list.db.com

2. Calculation Agent. Bank; *provided* that, following the occurrence of an Event of Default pursuant to Section 5(a)(vii) of the Agreement with respect to which Bank is the Defaulting Party, Counterparty shall have the right to designate a nationally recognized third-party dealer in over-the-counter corporate equity derivatives to act, during the period commencing on the date such Event of Default occurred and ending on the Early Termination Date with respect to such Event of Default, as the Calculation Agent. Upon receipt of written request from Counterparty, the Calculation Agent shall promptly (but in no event later than within five (5) Exchange Business Days from the receipt of such request) provide Counterparty with a written explanation describing in reasonable detail any calculation, adjustment or determination made by it (including any quotations, market data or information from external sources used in making such calculation, adjustment or determination, as the case may be, but without disclosing Bank's proprietary models or other information that may be proprietary or subject to contractual, legal or regulatory obligations to not disclose such information). All calculations and determinations by the Calculation Agent shall be made in good faith and in a commercially reasonable manner.

3. Additional Mutual Representations, Warranties and Covenants of Each Party . In addition to the representations, warranties and covenants in the Agreement, each party represents, warrants and covenants to the other party that:

(a) Eligible Contract Participant. It is an "eligible contract participant", as defined in the U.S. Commodity Exchange Act (as amended), and is entering into each Transaction hereunder as principal (and not as agent or in any other capacity, fiduciary or otherwise) and not for the benefit of any third party.

(b) Accredited Investor. Each party acknowledges that the offer and sale of each Transaction to it is intended to be exempt from registration under the Securities Act of 1933, as amended (the "**Securities Act**"), by virtue of Section 4(a)(2) thereof. Accordingly, each party represents and warrants to the other that (i) it has the financial ability to bear the economic risk of its investment in each Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined under Regulation D under the Securities Act and (iii) the disposition of each Transaction is restricted under this Master Confirmation, the Securities Act and state securities laws.

4. Additional Representations, Warranties and Covenants of Counterparty . In addition to the representations, warranties and covenants in the Agreement, Counterparty represents, warrants and covenants to Bank that:

(a) The purchase or writing of each Transaction and the transactions contemplated hereby will not violate Rule 13e-1 or Rule 13e-4 under the Exchange Act.

(b) It is not entering into any Transaction (i) on the basis of, and is not aware of, any material non-public information with respect to the Shares, (ii) in anticipation of, in connection with, or to facilitate, a distribution of its securities, a self tender offer or a third-party tender offer or (iii) to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for the Shares) or to raise or depress or otherwise manipulate the price of the Shares (or any security convertible into or exchangeable for the Shares).

(c) Each Transaction is being entered into pursuant to a publicly disclosed Share buy-back program and its Board of Directors has approved the use of derivatives to effect the Share buy-back program.

(d) Without limiting the generality of Section 13.1 of the Equity Definitions, Counterparty acknowledges that neither Bank nor any of its affiliates is making any representations or warranties or taking any position or expressing any view with respect to the treatment of any Transaction under any accounting standards including ASC Topic 260, Earnings Per Share, ASC Topic 815, Derivatives and Hedging, or ASC Topic 480, Distinguishing Liabilities from Equity and ASC 815-40, Derivatives and Hedging – Contracts in Entity's Own Equity.

(e) As of (i) the date hereof and (ii) the Trade Date for each Transaction hereunder, Counterparty is in compliance with its reporting obligations under the Exchange Act and its most recent Annual Report on Form 10-K, together with all reports subsequently filed by it pursuant to the Exchange Act, taken together and as amended and supplemented to the date of this representation, do not, as of their respective filing dates, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Counterparty shall report each Transaction as required under the Exchange Act and the rules and regulations thereunder.

(g) The Shares are not, and Counterparty will not cause the Shares to be, subject to a "restricted period" (as defined in Regulation M promulgated under the Exchange Act) at any time during any Regulation M Period (as defined below) for any Transaction unless Counterparty has provided written notice to Bank of such restricted period not later than the Scheduled Trading Day immediately preceding the first day of such "restricted period"; Counterparty acknowledges that any such notice may cause a Disrupted Day to occur pursuant to Section 5 below; accordingly, Counterparty acknowledges that its delivery of such notice must comply with the standards set forth in Section 6 below; "**Regulation M Period**" means, for any Transaction, (i) the Relevant Period (as defined below) and (ii) the Settlement Valuation Period, if any, for such Transaction. "**Relevant Period**" means, for any Transaction, the period commencing on the Calculation Period Start Date for such Transaction and ending on the earlier of (i) the Scheduled Termination Date and (ii) the last Additional Relevant Day (as specified in the related Supplemental Confirmation) for such Transaction, or such earlier day as elected by Bank and communicated to Counterparty on such day (or, if later, the First Acceleration Date without regard to any acceleration thereof pursuant to "Special Provisions for Acquisition Transaction Announcements" below).

(h) As of the Trade Date, the Prepayment Date, the Initial Share Delivery Date and the Settlement Date for each Transaction, Counterparty is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**")) and Counterparty would be able to purchase a number of Shares with a value equal to the Prepayment Amount in compliance with the laws of the jurisdiction of Counterparty's incorporation.

(i) Counterparty is not and, after giving effect to any Transaction, will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(j) Counterparty has not and will not enter into agreements similar to the Transactions described herein where any initial hedge period, calculation period, relevant period or settlement valuation period (each however defined) in such other transaction will overlap at any time (including as a result of extensions in such initial hedge period, calculation period, relevant period or settlement valuation period as provided in the relevant agreements) with any Relevant Period or, if applicable, any Settlement Valuation Period under this Master

Confirmation. In the event that the initial hedge period, relevant period, calculation period or settlement valuation period in any other similar transaction overlaps with any Relevant Period or, if applicable, Settlement Valuation Period under this Master Confirmation as a result of any postponement of the Scheduled Termination Date or extension of the Settlement Valuation Period pursuant to "Valuation Disruption" above, Counterparty shall promptly amend such transaction to avoid any such overlap.

5. Regulatory Disruption. In the event that Bank concludes, in good faith and based on the advice of counsel, that it is appropriate with respect to any legal, regulatory or self-regulatory requirements or related policies and procedures generally applicable to the relevant line of business (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by Bank), for it to refrain from or decrease any market activity on any Scheduled Trading Day or Days during the Calculation Period or, if applicable, the Settlement Valuation Period, Bank may by written notice to Counterparty elect to deem that a Market Disruption Event has occurred and will be continuing on such Scheduled Trading Day or Days.

6. 10b5-1 Plan. Counterparty represents, warrants and covenants to Bank that:

(a) Counterparty is entering into this Master Confirmation and each Transaction hereunder in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act ("**Rule 10b-5**") or any other antifraud or anti-manipulation provisions of the federal or applicable state securities laws and that it has not entered into or altered and will not enter into or alter any corresponding or hedging transaction or position with respect to the Shares. Counterparty acknowledges that it is the intent of the parties that each Transaction entered into under this Master Confirmation comply with the requirements of paragraphs (c)(1)(i)(A) and (B) of Rule 10b5-1 under the Exchange Act ("**Rule 10b5-1**") and each Transaction entered into under this Master Confirmation shall be interpreted to comply with the requirements of Rule 10b5-1(c).

(b) Counterparty will not seek to control or influence Bank's decision to make any "purchases or sales" (within the meaning of Rule 10b5-1(c)(1)(i)(B)(3)) under any Transaction entered into under this Master Confirmation, including, without limitation, Bank's decision to enter into any hedging transactions. Counterparty represents and warrants that it has consulted with its own advisors as to the legal aspects of its adoption and implementation of this Master Confirmation and each Supplemental Confirmation under Rule 10b5-1.

(c) Counterparty acknowledges and agrees that any amendment, modification, waiver or termination of this Master Confirmation or the relevant Supplemental Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c). Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5, and no such amendment, modification or waiver shall be made at any time at which Counterparty or any officer, director, manager or similar person of Counterparty is aware of any material non-public information regarding Counterparty or the Shares.

7. Counterparty Purchases. Counterparty (or any "affiliated purchaser" as defined in Rule 10b-18 under the Exchange Act ("**Rule 10b-18**")) shall not, without the prior written consent of Bank, directly or indirectly purchase any Shares (including by means of a derivative instrument), listed contracts on the Shares or securities that are convertible into, or exchangeable or exercisable for Shares (including, without limitation, any Rule 10b-18 purchases of blocks (as defined in Rule 10b-18)) during any Relevant Period or, if applicable, Settlement Valuation Period, except through Bank. However, the foregoing shall not limit Counterparty's ability (or the ability of any "agent independent of the issuer" (as defined in Rule 10b-18)), pursuant to any plan (as defined in Rule 10b-18) of Counterparty, to re-acquire Shares in connection with any equity transaction related to such plan or to limit Counterparty's ability to withhold Shares to cover tax liabilities associated with such equity transactions or otherwise restrict Counterparty's ability to repurchase Shares under privately negotiated or off-market transactions (including, without limitation, an agreement relating to Counterparty's 401(k) Plan or transactions with any of Counterparty's employees, officers, directors or affiliates), so long as any re-acquisition, withholding or repurchase does not constitute a "Rule 10b-18 purchase" (as defined in Rule 10b-18).

8. Special Provisions for Merger Transactions. Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Counterparty agrees that it:

(i) will not during the period commencing on the Trade Date through the end of the Relevant Period or, if applicable, the Settlement Valuation Period for any Transaction make, or permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction (a "**Public Announcement**") unless such Public Announcement is made prior to the opening or after the close of the regular trading session on the Exchange for the Shares;

(ii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) notify Bank following any such Public Announcement that such Public Announcement has been made; and

(iii) shall promptly (but in any event prior to the next opening of the regular trading session on the Exchange) provide Bank with written notice specifying (i) Counterparty's average daily Rule 10b-18 Purchases (as defined in Rule 10b-18) during the three full calendar months immediately preceding the announcement date that were not effected through Bank or its affiliates and (ii) the number of Shares purchased pursuant to the proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the date of such Public Announcement. Such written notice shall be deemed to be a certification by Counterparty to Bank that such information is true and correct. In addition, Counterparty shall promptly notify Bank of the earlier to occur of the completion of the relevant Merger Transaction and the completion of the vote by target shareholders.

(b) Counterparty acknowledges that a Public Announcement may cause the terms of any Transaction to be adjusted or such Transaction to be terminated; accordingly, Counterparty acknowledges that in making any Public Announcement, it must comply with the standards set forth in Section 6 above.

(c) Upon the occurrence of any Public Announcement (whether made by Counterparty or a third party), Bank may in its sole discretion (i) make adjustments in good faith and in a commercially reasonable manner to the terms of any Transaction, including, without limitation, the Scheduled Termination Date or the Forward Price Adjustment Amount, and/or suspend the Calculation Period and/or any Settlement Valuation Period or (ii) treat the occurrence of such Public Announcement as an Additional Termination Event with Counterparty as the sole Affected Party and the Transactions hereunder as the Affected Transactions and with the amount under Section 6(e) of the Agreement determined taking into account the fact that the Calculation Period or Settlement Valuation Period, as the case may be, had fewer Scheduled Trading Days than originally anticipated.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

9. <u>Special Provisions for Acquisition Transaction Announcements</u> . (a) If an Acquisition Transaction Announcement occurs on or prior to the Settlement Date for any Transaction, then the Number of Shares to be Delivered for such Transaction shall be determined as if the Divisor Amount were equal to "The greater of (i) the Forward Price and (ii) USD 1.00." If an Acquisition Transaction Announcement occurs after the Trade Date, but prior to the First Acceleration Date of any Transaction, the First Acceleration Date shall be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Counterparty or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction, (iv) any other announcement that in the reasonable judgment of the Calculation Agent could reasonably be expected to result in an Acquisition Transaction or (v) any announcement of any change or amendment to any previous Acquisition Transaction Announcement (including any announcement of the abandonment of any such previously announced Acquisition Transaction, agreement, letter of intent, understanding or intention). For the avoidance of doubt, announcements as used in the definition of Acquisition Transaction Announcement refer to any public announcement whether made by the Issuer or a third party.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition the definition of Merger Event shall be read with the references therein to "100%" being replaced by "15%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Counterparty with or into any third party, (ii) the sale or transfer of all or substantially all of the assets of Counterparty, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets (including any capital stock or other ownership interests in subsidiaries) or other similar event by Counterparty or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Counterparty or its subsidiaries exceeds 15% of the market capitalization of Counterparty and (v) any transaction in which Counterparty or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

10. Acknowledgments. (a) The parties hereto intend for:

(i) each Transaction to be a "securities contract" as defined in Section 741(7) of the Bankruptcy Code, a "swap agreement" as defined in Section 101(53B) of the Bankruptcy Code and a "forward contract" as defined in Section 101(25) of the Bankruptcy Code, and the parties hereto to be entitled to the protections afforded by, among other Sections, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 546(g), 546(j), 555, 556, 560 and 561 of the Bankruptcy Code;

(ii) the Agreement to be a "master netting agreement" as defined in Section 101(38A) of the Bankruptcy Code;

(iii) a party's right to liquidate, terminate or accelerate any Transaction, net out or offset termination values or payment amounts, and to exercise any other remedies upon the occurrence of any Event of Default or Termination Event under the Agreement with respect to the other party or any Extraordinary Event that results in the termination or cancellation of any Transaction to constitute a "contractual right" (as defined in the Bankruptcy Code); and

(iv) all payments for, under or in connection with each Transaction, all payments for the Shares (including, for the avoidance of doubt, payment of the Prepayment Amount) and the transfer of such Shares to constitute "settlement payments" and "transfers" (as defined in the Bankruptcy Code).

(b) Counterparty acknowledges that:

(i) during the term of any Transaction, Bank and its affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative securities in order to establish, adjust or unwind its hedge position with respect to such Transaction;

(ii) Bank and its affiliates may also be active in the market for the Shares and derivatives linked to the Shares other than in connection with hedging activities in relation to any Transaction, including acting as agent or as principal and for its own account or on behalf of customers;

(iii) Bank shall make its own determination as to whether, when or in what manner any hedging or market activities in Counterparty's securities shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Forward Price and the VWAP Price;

(iv) any market activities of Bank and its affiliates with respect to the Shares may affect the market price and volatility of the Shares, as well as the Forward Price and the VWAP Price, each in a manner that may be adverse to Counterparty; and

(v) each Transaction is a derivatives transaction in which it has granted Bank an option; Bank may purchase shares for its own account at an average price that may be greater than, or less than, the price paid by Counterparty under the terms of the related Transaction.

11. Credit Support Documents. The parties hereto acknowledge that no Transaction hereunder is secured by any collateral that would otherwise secure the obligations of Counterparty herein or pursuant to the Agreement.

12. Set-off. (a) The parties agree to amend Section 6 of the Agreement by adding a new Section 6(f) thereto as follows:

"(f) Upon the occurrence of an Event of Default or Termination Event with respect to a party who is the Defaulting Party or the Affected Party ("X"), the other party ("Y") will have the right (but not be obliged) without prior notice to X or any other person to set-off or apply any obligation of X owed to Y (or any Affiliate of Y) (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation) against any obligation of Y (or any Affiliate of Y) owed to X (whether or not matured or contingent and whether or not arising under the Agreement, and regardless of the currency, place of payment or booking office of the obligation). Y will give notice to the other party of any set-off effected under this Section 6(f).

Amounts (or the relevant portion of such amounts) subject to set-off may be converted by Y into the Termination Currency at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency. If any obligation is unascertained, Y may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained. Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise)."

(b) Notwithstanding anything to the contrary in the foregoing, Bank agrees not to set off or net amounts due from Counterparty with respect to any Transaction against amounts due from Bank to Counterparty with respect to contracts or instruments that are not Equity Contracts. "**Equity Contract**" means any transaction or instrument that does not convey to Bank rights, or the ability to assert claims, that are senior to the rights and claims of common stockholders in the event of Counterparty's bankruptcy.

13. Delivery of Shares. Notwithstanding anything to the contrary herein, Bank may, by prior notice to Counterparty, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

14. Early Termination. In the event that an Early Termination Date (whether as a result of an Event of Default or a Termination Event) occurs or is designated with respect to any Transaction (except as a result of a Merger Event in which the consideration or proceeds to be paid to holders of Shares consists solely of cash), if either party would owe any amount to the other party pursuant to Section 6(d)(ii) of the Agreement (any such amount, a "**Payment Amount**"), then, in lieu of any payment of such Payment Amount, Counterparty may, no later than the Early Termination Date or the date on which such Transaction is terminated, elect to deliver or for Bank to deliver, as the case may be, to the other party a number of Shares (or, in the case of a Merger Event, a number of units, each comprising the number or amount of the securities or property that a hypothetical holder of one Share would receive in such Merger Event (each such unit, an "**Alternative Delivery Unit**" and, the securities or property comprising such unit, " **Alternative Delivery Property**")) with a value equal to the Payment Amount, as determined by the Calculation Agent (and the parties agree that, in making such determination of value, the Calculation Agent may take into account a number of factors, including the market price of the Shares or Alternative Delivery Property on the date of early termination and, if such delivery is made by Bank, the prices at which Bank purchases Shares or Alternative Delivery Property to fulfill its delivery obligations under this Section 14); *provided* that in determining the composition of any Alternative Delivery Unit, if the relevant Merger Event involves a choice of consideration to be received by holders, such holder shall be deemed to have elected to receive the maximum possible amount of cash; and *provided further* that Counterparty may make such election only if Counterparty represents and warrants to Bank in writing on the date it notifies Bank of such election that, as of such date, Counterparty is not aware of any material non-public information concerning the Shares and is making such election in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws. If such delivery is made by Counterparty, paragraphs 2 through 7 of Annex A shall apply as if such delivery were a settlement of the Transaction to which Net Share Settlement applied, the Cash Settlement Payment Date were the Early Termination Date and the Forward Cash Settlement Amount were zero (0) *minus* the Payment Amount owed by Counterparty.

15. Calculations and Payment Date upon Early Termination. The parties acknowledge and agree that in calculating Close-out Amount pursuant to Section 6 of the Agreement Bank may (but need not) determine losses without reference to actual losses incurred but based on expected losses assuming a commercially reasonable (including without limitation with regard to reasonable legal and regulatory guidelines) risk bid were used to determine loss to avoid awaiting the delay associated with closing out any hedge or related trading position in a commercially reasonable manner prior to or sooner following the designation of an Early Termination Date. Notwithstanding anything to the contrary in Section 6(d)(ii) of the Agreement, all amounts calculated as being due in respect of an Early Termination Date under Section 6(e) of the Agreement will be payable on the day that notice of the amount payable is effective; *provided* that if Counterparty elects to receive Shares or Alternative Delivery Property in accordance with Section 14, such Shares or Alternative Delivery Property shall be delivered on a date selected by Bank as promptly as practicable.

16. CARES Act. Counterparty represents and warrants that it and any of its wholly-owned subsidiaries has not applied, and throughout the term of the Transaction shall not apply, for a loan, loan guarantee, direct loan (as that term is defined in the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**")) or other investment, or to receive any financial assistance or relief (howsoever defined) under any program or facility that (a) is established under applicable law (whether in existence as of the Trade Date or subsequently enacted, adopted or amended), including without limitation the CARES Act and the Federal Reserve Act, as amended, and (b) requires under applicable law (or any regulation, guidance, interpretation or other pronouncement thereunder), as a condition of such loan, loan guarantee, direct loan (as that term is defined in the CARES Act), investment, financial assistance or relief, that Counterparty agree, attest, certify or warrant that it has not, as of the date specified in such condition, repurchased, or will not repurchase, any equity security of Counterparty, and that it has not, as of the date specified in such condition, made a capital distribution or will not make a capital distribution. Counterparty further represents and warrants that the Prepayment Amount is not being paid, in whole or in part, directly or indirectly, with funds received under or pursuant to any program or facility, including the U.S. Small Business Administration's "Paycheck Protection Program", that (a) is established under applicable law (whether in existence as of the Trade Date for such Transaction or subsequently enacted, adopted or amended), including without limitation the CARES Act and the Federal Reserve Act, as amended, and (b) requires under such applicable law (or any regulation, guidance, interpretation or other pronouncement of a governmental authority with jurisdiction for such program or facility) that such funds be used for specified or enumerated purposes that do not include the purchase of Shares (either by specific reference to the Transaction or by general reference to transactions with the attributes thereof in all relevant respects).

17. Method of Delivery. Whenever delivery of funds or other assets is required hereunder by or to Counterparty, such delivery shall be effected through DBSI. In addition, all notices, demands and communications of any kind relating to any Transaction between Deutsche and Counterparty shall be transmitted exclusively through DBSI.

18. Automatic Termination Provisions. Notwithstanding anything to the contrary in Section 6 of the Agreement, if a Termination Price is specified in any Supplemental Confirmation, then an Additional Termination Event with Counterparty as the sole Affected Party and the Transaction to which such Supplemental Confirmation relates as the Affected Transaction will automatically occur without any notice or action by Bank or Counterparty if the price of the Shares on the Exchange at any time falls below such Termination Price, and the Exchange Business Day that the price of the Shares on the Exchange at any time falls below the Termination Price will be the "Early Termination Date" for purposes of the Agreement.

19. Delivery of Cash. For the avoidance of doubt, nothing in this Master Confirmation shall be interpreted as requiring Counterparty to deliver cash in respect of the settlement of the Transactions contemplated by this Master Confirmation following payment by Counterparty of the relevant Prepayment Amount, except in circumstances where the required cash settlement thereof is permitted for classification of the contract as equity by ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity* , as in effect on the relevant Trade Date (including, without limitation, where Counterparty so elects to deliver cash or fails timely to elect to deliver Shares or Alternative Delivery Property in respect of the settlement of such Transactions).

20. Claim in Bankruptcy. Bank acknowledges and agrees that this Confirmation is not intended to convey to it rights with respect to the Transactions that are senior to the claims of common stockholders in the event of Counterparty's bankruptcy.

21. Wall Street Transparency and Accountability Act. In connection with Section 739 of the Wall Street Transparency and Accountability Act of 2010 ("WSTAA"), the parties hereby agree that neither the enactment of WSTAA or any regulation under the WSTAA, nor any requirement under WSTAA or an amendment made by WSTAA, shall limit or otherwise impair either party's otherwise applicable rights to terminate, renegotiate, modify, amend or supplement this Master Confirmation, any Supplemental Confirmation or the Agreement, as applicable, arising from a termination event, force majeure, illegality, increased costs, regulatory change or similar event under this Master Confirmation, the Equity Definitions incorporated herein, or the Agreement (including, but not limited to, rights arising from Change in Law, Hedging Disruption, Increased Cost of Hedging, or Illegality (as defined in the Agreement)).

22. 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol. The parties agree that the terms of the 2013 EMIR Portfolio Reconciliation, Dispute Resolution and Disclosure Protocol published by ISDA on July 19, 2013 ("**Protocol**") apply to the Agreement as if the parties had adhered to the Protocol without amendment. In respect of the Attachment to the Protocol, (i) the definition of "Adherence Letter" shall be deemed to be deleted and references to "Adherence Letter" shall be deemed to be to this Section 20 (and

references to “such party’s Adherence Letter” and “its Adherence Letter” shall be read accordingly), (ii) references to “adheres to the Protocol” shall be deemed to be “enters into the Agreement”, (iii) references to “Protocol Covered Agreement” shall be deemed to be references to the Agreement (and each “Protocol Covered Agreement” shall be read accordingly), and (iv) references to “Implementation Date” shall be deemed to be references to the date of this Agreement. For the purposes of this Section 21:

(i) Deutsche is a Portfolio Data Sending Entity and Counterparty is a Portfolio Data Receiving Entity.

(ii) Deutsche and Counterparty may use a Third Party Service Provider, and each of Deutsche and Counterparty consents to such use including the communication of the relevant data in relation to Deutsche and Counterparty to such Third Party Service Provider for the purposes of the reconciliation services provided by such entity.

(iii) The Local Business Days for such purposes in relation to Deutsche are New York and in relation to Counterparty are [________________].

(iv) The provisions in this paragraph shall survive the termination of this Transaction.

(v) The following are the applicable email addresses.

Portfolio Data: Deutsche: collateral.disputes@db.com

Counterparty: [________________]

Notice of discrepancy: Deutsche: collateral.disputes@db.com

Counterparty: [________________]

Dispute Notice: Deutsche: collateral.disputes@db.com

Counterparty: [________________]

23. NFC Representation Protocol. The parties agree that the provisions set out in the Attachment to the ISDA 2013 EMIR NFC Representation Protocol published by ISDA on March 8, 2013 (the “**NFC Representation Protocol**”) shall apply to the Agreement as if each party were an Adhering Party under the terms of the NFC Representation Protocol. In respect of the Attachment to the Protocol, (i) the definition of “Adherence Letter” shall be deemed to be deleted and references to “Adherence Letter” shall be deemed to be to this Section 21 (and references to “the relevant Adherence Letter” and “its Adherence Letter” shall be read accordingly), (ii) references to “adheres to the Protocol” shall be deemed to be “enters into the Agreement”, (iii) references to “Covered Master Agreement” shall be deemed to be references to the Agreement (and each “Covered Master Agreement” shall be read accordingly), and (iv) references to “Implementation Date” shall be deemed to be references to the date of the Agreement. Counterparty confirms that it enters into the Agreement as a party making the NFC Representation (as such term is defined in the NFC Representation Protocol). Counterparty shall promptly notify Deutsche of any change to its status as a party making the NFC Representation.

24. Transaction Reporting - Consent for Disclosure of Information. Notwithstanding anything to the contrary herein or in the Agreement or any non-disclosure, confidentiality or other agreements entered into between the parties from time to time, each party hereby consents to the Disclosure of information (the “Reporting Consent”):

(i) to the extent required by, or necessary in order to comply with, any applicable law, rule or regulation which mandates Disclosure of transaction and similar information or to the extent required by, or necessary in order to comply with, any order, request or directive regarding Disclosure of transaction and similar information issued by any relevant authority or body or agency (“Reporting Requirements”); or

(ii) to and between the other party’s head office, branches or affiliates; to any person, agent, third party or entity who provides services to such other party or its head office, branches or affiliates; to a Market; or to any trade data repository or any systems or services operated by any trade repository or Market, in each case, in connection with such Reporting Requirements.

“Disclosure” means disclosure, reporting, retention, or any action similar or analogous to any of the aforementioned.

“Market” means any exchange, regulated market, clearing house, central clearing counterparty or multilateral trading facility.

Disclosures made pursuant to this Reporting Consent may include, without limitation, Disclosure of information relating to disputes over transactions between the parties, a party’s identity, and certain transaction and pricing data and may result in such information becoming available to the public or recipients in a jurisdiction which may have a different level of protection for personal data from that of the relevant party’s home jurisdiction.

This Reporting Consent shall be deemed to constitute an agreement between the parties with respect to Disclosure in general and shall survive the termination of this Confirmation. No amendment to or termination of this Reporting Consent shall be effective unless such amendment or termination is made in writing between the parties and specifically refers to this Reporting Consent.

25. Contractual Recognition of Stay in Resolution.

(1) Each party:

(i) acknowledges and accepts that this Agreement may be subject to the exercise of powers by the Relevant Resolution Authority to suspend or restrict rights and obligations arising from such Agreement under Articles 33a, 69, 70 and 71 of BRRD as transposed by the Relevant National Law and that the conditions set out in Article 68 of BRRD as transposed by the Relevant National Law will apply:

(ii) acknowledges and accepts that the parties are bound by the effect of an application of (aa) the suspension of any payment or delivery obligation in accordance with Article 33a of BRRD as transposed by the Relevant National Law; (bb) the suspension of any payment or delivery obligation in accordance with Article 69 of BRRD as transposed by the Relevant National Law; (cc) the restriction of enforcement of any security interest in accordance with Article 70 of BRRD as transposed by the Relevant National Law; and (dd) the suspension of any termination right under the Agreement in accordance with Article 71 of BRRD as transposed by the Relevant National Law;

(iii) acknowledges and accepts that the parties are bound by the provisions of Article 68 of BRRD as transposed by the Relevant National Law; and
(iv) acknowledges and accepts that the contractual recognition terms in this Part I are exhaustive on the matters described herein to the exclusion of any other agreements, arrangements or understandings between the parties relating to the subject matter of the Agreement.

(2) References to the Stay Powers as transposed under each Relevant National Law are contained in the EU Stay Law Table.

For the purposes of the above provision;

(1) where the relevant BRRD Party is Bank, the Covered Member State shall be Germany; and where the relevant BRRD Party is Counterparty, the Covered Member State shall be Not Applicable.

"BRRD" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive 2019/879/EU.

"BRRD Party" means any party to this Agreement that is subject to a Stay Recognition Requirement.

"Covered Member State" means a member state of the European Economic Area that is included in the EU Stay Law Table.

"**EU Stay Law Table**" means the document described as such, as then in effect, and published by the International Swaps and Derivatives Association, Inc. (or any successor person) from time to time at https://www.isda.org/book/eu-stay-law-annex/.

"Relevant National Law" means, in relation to a Covered Member State, the laws, regulations, rules or requirements implementing BRRD (or pursuant to which BRRD is directly applicable) as described in the EU Stay Law Table from time to time that are applicable to the relevant BRRD Party.

"Relevant Resolution Authority" means the resolution authority with the ability to exercise the Stay Powers as transposed in the Relevant National Law in relation to the relevant BRRD Party.

"Stay Powers" means the powers under Articles 33a, 69, 70 and 71 of BRRD and the conditions under Article 68 of BRRD.

"Stay Recognition Requirement" means the requirements set forth under Article 71a of BRRD as transposed by the Relevant National Law."

(2) the "Adhering Party" shall be deemed to be references to the parties to this Agreement;
(3) the "Adherence Letter" shall be deemed to be references to this Agreement;
(4) the "Implementation Date" shall be deemed to be references to the date of this Agreement; and
(5 this Agreement shall be deemed a "Covered Agreement."

26. Governing Law. The Agreement, this Master Confirmation, each Supplemental Confirmation and all matters arising in connection with the Agreement, this Master Confirmation and each Supplemental Confirmation shall be governed by, and construed and enforced in accordance with, the laws of the State of New York (without reference to its choice of laws doctrine other than Title 14 of Article 5 of the New York General Obligations Law).

27. Offices.

The Office of Counterparty for each Transaction is: Fifth Third Bancorp, Fifth Third Center Cincinnati, Ohio 45263.

The Office of Bank for each Transaction is: London.

28. Waiver of Jury Trial. Each party waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in respect of any suit, action or proceeding relating to any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party have been induced to enter into any Transaction hereunder by, among other things, the mutual waivers and certifications provided herein.

29. Submission to Jurisdiction. Section 13(b) of the Agreement is deleted in its entirety and replaced by the following:

"Each party hereby irrevocably and unconditionally submits for itself and its property in any suit, legal action or proceeding relating to this Agreement and/or any Transaction, or for recognition and enforcement of any judgment in respect thereof, (each, "**Proceedings**") to the exclusive jurisdiction of the Supreme Court of the State of New York, sitting in New York County, the courts of the United States of America for the Southern District of New York and appellate courts from any thereof. Nothing in the Master Confirmation, any Supplemental Confirmation or this Agreement precludes either party from bringing Proceedings in any other jurisdiction if (A) the courts of the State of New York or the United

States of America for the Southern District of New York lack jurisdiction over the parties or the subject matter of the Proceedings or declines to accept the Proceedings on the grounds of lacking such jurisdiction; (B) the Proceedings are commenced by a party for the purpose of enforcing against the other party's property, assets or estate any decision or judgment rendered by any court in which Proceedings may be brought as provided hereunder; (C) the Proceedings are commenced to appeal any such court's decision or judgment to any higher court with competent appellate jurisdiction over that court's decisions or judgments if that higher court is located outside the State of New York or Borough of Manhattan, such as a federal court of appeals or the U.S. Supreme Court; or (D) any suit, action or proceeding has been commenced in another jurisdiction by or against the other party or against its property, assets or estate and, in order to exercise or protect its rights, interests or remedies under this Agreement, the Master Confirmation or any Supplemental Confirmation, the party (1) joins, files a claim, or takes any other action, in any such suit, action or proceeding, or (2) otherwise commences any Proceeding in that other jurisdiction as the result of that other suit, action or proceeding having commenced in that other jurisdiction."

30. Counterparts. This Master Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Master Confirmation by signing and delivering one or more counterparts.

31. Tax Matters. For purposes of Sections 4(a)(i) and (ii) of the Agreement, Counterparty agrees to deliver to Bank, upon request, upon execution of this Master Confirmation and promptly upon learning that any form previously provided by it has become obsolete or incorrect, one duly executed and completed United States Internal Revenue Service Form W-8BEN-E (or successor thereto). Bank agrees to deliver to Counterparty one valid, accurate and complete U.S. Internal Revenue Service Form W-8IMY (or any successor form) from Deutsche Bank AG London Branch and withholding statement with attached valid, accurate and complete U.S. Internal Revenue Service Form W-9 (or any successor form) from Deutsche Bank AG, New York Branch.

[*Remainder of Page Intentionally Blank*]

Counterparty hereby agrees (a) to check this Master Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by Bank) correctly sets forth the terms of the agreement between Bank and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to Bank.

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: /s/ JOACHIM SCIARD
Name: Joachim Sciard
Title: Managing Director

By: /s/ GRAHAM ORTON
Name: Graham Orton
Title: Director

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: /s/ JOACHIM SCIARD
Name: Joachim Sciard
Title: Managing Director

By: /s/ GRAHAM ORTON
Name: Graham Orton
Title: Director

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: /s/ BRENNEN WILLINGHAM
Name: Brennen Willingham
Title: Treasurer

SCHEDULE A

SUPPLEMENTAL CONFIRMATION

To:	Fifth Third Bancorp Fifth Third Center Cincinnati, Ohio 45263
From:	**[•]**
Subject:	Accelerated Stock Buyback
Date:	[•]

The purpose of this Supplemental Confirmation is to confirm the terms and conditions of the Transaction entered into between [•] ("[•]") and Fifth Third Bancorp ("**Counterparty**") (together, the "**Contracting Parties**") on the Trade Date specified below. This Supplemental Confirmation is a binding contract between [•] and Counterparty as of the relevant Trade Date for the Transaction referenced below.

1. This Supplemental Confirmation supplements, forms part of, and is subject to the Master Confirmation dated as of [•] (the "**Master Confirmation**") between the Contracting Parties, as amended and supplemented from time to time. All provisions contained in the Master Confirmation govern this Supplemental Confirmation except as expressly modified below.

2. The terms of the Transaction to which this Supplemental Confirmation relates are as follows:

Trade Date:	[•]
Forward Price Adjustment Amount:	USD [•]
Calculation Period Start Date:	[•]
Scheduled Termination Date:	[•]
First Acceleration Date:	[•]
Prepayment Amount:	[•]
Prepayment Date:	[•]
Initial Shares:	[•] Shares; *provided* that if, in connection with the Transaction, [•] is unable to borrow or otherwise acquire a number of Shares equal to the Initial Shares for delivery to Counterparty on the Initial Share Delivery Date, the Initial Shares delivered on the Initial Share Delivery Date shall be reduced to such number of Shares that [•] is able to so borrow or otherwise acquire, and [•] shall use reasonable good faith efforts to borrow or otherwise acquire a number of Shares equal to the shortfall in the Initial Share Delivery and to deliver such additional Shares as soon as reasonably practicable. The aggregate of all Shares delivered to Counterparty in respect to the Transaction pursuant to this paragraph shall be the "Initial Shares" for purposes of "Number of Shares to be Delivered" in the Master Confirmation.

Initial Share Delivery Date:	[•]
Ordinary Dividend Amount:	USD [•]
Scheduled Ex-Dividend Dates:	[•]
Termination Price:	USD [•]
Reserved Shares:	[•]
Additional Relevant Days:	The 5th Exchange Business Days immediately following the Calculation Period.

3. Counterparty represents and warrants to [•] that neither it nor any "affiliated purchaser" (as defined in Rule 10b-18 under the Exchange Act) has made any purchases of blocks pursuant to the proviso in Rule 10b- 18(b)(4) under the Exchange Act during either (i) the four full calendar weeks immediately preceding the Trade Date or (ii) during the calendar week in which the Trade Date occurs.

4. US QFC Stay Rules

The parties agree that (i) to the extent that prior to the date hereof all parties have adhered to the 2018 ISDA U.S. Resolution Stay Protocol (the "Protocol"), the terms of the Protocol are incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a Protocol Covered Agreement and each party shall be deemed to have the same status as Regulated Entity and/or Adhering Party as applicable to it under the Protocol; (ii) to the extent that prior to the date hereof the parties have executed a separate agreement the effect of which is to amend the qualified financial contracts between them to conform with the requirements of the QFC Stay Rules (the "Bilateral Agreement"), the terms of the Bilateral Agreement are incorporated into and form a part of this Agreement and each party shall be deemed to have the status of "Covered Entity" or "Counterparty Entity" (or other similar term) as applicable to it under the Bilateral Agreement; or (iii) if clause (i) and clause (ii) do not apply, the terms of Section 1 and Section 2 and the related defined terms (together, the "Bilateral Terms") of the form of bilateral template entitled "Full-Length Omnibus (for use between U.S. G-SIBs and Corporate Groups)" published by ISDA on November 2, 2018 (currently available on the 2018 ISDA U.S. Resolution Stay Protocol page at www.isda.org and, a copy of which is available upon request), the effect of which is to amend the qualified financial contracts between the parties thereto to conform with the requirements of the QFC Stay Rules, are hereby incorporated into and form a part of this Agreement, and for such purposes this Agreement shall be deemed a "Covered Agreement," [•] shall be deemed "Covered Entities" and Fifth Third Bancorp shall be deemed a "Counterparty Entity." In the event that, after the date of this Agreement, all parties hereto become adhering parties to the Protocol, the terms of the Protocol will replace the terms of this section. In the event of any inconsistencies between this Agreement and the terms of the Protocol, the Bilateral Agreement or the Bilateral Terms (each, the "QFC Stay Terms"), as applicable, the QFC Stay Terms will govern. Terms used in this paragraph without definition shall have the meanings assigned to them under the QFC Stay Rules. For purposes of this paragraph, references to "this Agreement" include any related credit enhancements entered into between the parties or provided by one to the other.

"QFC Stay Rules" means the regulations codified at 12 C.F.R. 252.2, 252.81–8, 12 C.F.R. 382.1-7 and 12 C.F.R. 47.1-8, which, subject to limited exceptions, require an express recognition of the stay-and-transfer powers of the FDIC under the Federal Deposit Insurance Act and the Orderly Liquidation Authority under Title II of the Dodd Frank Wall Street Reform and Consumer Protection Act and the override of default rights related directly or indirectly to the entry of an affiliate into certain insolvency proceedings and any restrictions on the transfer of any covered affiliate credit enhancements.

5. This Supplemental Confirmation may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Supplemental Confirmation by signing and delivering one or more counterparts.

Counterparty hereby agrees (a) to check this Supplemental Confirmation carefully and immediately upon receipt so that errors or discrepancies can be promptly identified and rectified and (b) to confirm that the foregoing (in the exact form provided by [•]) correctly sets forth the terms of the agreement between [•] and Counterparty with respect to any particular Transaction to which this Master Confirmation relates, by manually signing this Master Confirmation or this page hereof as evidence of agreement to such terms and providing the other information requested herein and immediately returning an executed copy to [•].

Yours faithfully,

DEUTSCHE BANK AG, LONDON BRANCH

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

DEUTSCHE BANK SECURITIES INC.,
acting solely as Agent in connection with the Transaction

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

Agreed and Accepted By:

FIFTH THIRD BANCORP

By: ________________________________
Name:
Title:

ANNEX A

COUNTERPARTY SETTLEMENT PROVISIONS

1. The following Counterparty Settlement Provisions shall apply to the extent indicated under the Master Confirmation:

Settlement Currency:	USD
Settlement Method Election:	Applicable; *provided* that (i) Section 7.1 of the Equity Definitions is hereby amended by deleting the word “Physical” in the sixth line thereof and replacing it with the words “Net Share” and (ii) the Electing Party may make a settlement method election only if the Electing Party represents and warrants to Bank in writing on the date it notifies Bank of its election that, as of such date, the Electing Party is not aware of any material non-public information concerning Counterparty or the Shares and is electing the settlement method in good faith and not as part of a plan or scheme to evade compliance with the federal securities laws.
Electing Party:	Counterparty
Settlement Method Election Date:	The earlier of (i) the Scheduled Termination Date and (ii) the second Exchange Business Day immediately following the Accelerated Termination Date (in which case the election under Section 7.1 of the Equity Definitions shall be made no later than 10 minutes prior to the open of trading on the Exchange on such second Exchange Business Day), as the case may be.
Default Settlement Method:	Cash Settlement
Forward Cash Settlement Amount:	The Number of Shares to be Delivered multiplied by the Settlement Price.
Settlement Price:	The average of the VWAP Prices for the Exchange Business Days in the Settlement Valuation Period, subject to Valuation Disruption as specified in the Master Confirmation.
Settlement Valuation Period:	A number of Scheduled Trading Days selected by Bank in good faith and in a commercially reasonable manner, such number to be approximately equal to the Number of Shares to be Delivered divided by 10% of the ADTV (as defined in Rule 10b-18, and expressed as a number of Shares) for the Shares at the time of determination, beginning on the Scheduled Trading Day immediately following the earlier of (i) the Scheduled Termination Date or (ii) the Exchange Business Day immediately following the Termination Date.
Cash Settlement:	If Cash Settlement is applicable, then Buyer shall pay to Seller the absolute value of the Forward Cash Settlement Amount on the Cash Settlement Payment Date.
Cash Settlement Payment Date:	The date one Settlement Cycle following the last day of the Settlement Valuation Period.
Net Share Settlement Procedures:	If Net Share Settlement is applicable, Net Share Settlement shall be made in accordance with paragraphs 2 through 7 below.

2. Net Share Settlement shall be made by delivery on the Cash Settlement Payment Date of a number of Shares satisfying the conditions set forth in paragraph 3 below (the "**Registered Settlement Shares**"), or a number of Shares not satisfying such conditions (the "**Unregistered Settlement Shares**"), in either case with a value equal to the absolute value of the Forward Cash Settlement Amount, with such Shares' value based on the value thereof to Bank (which value shall, in the case of Unregistered Settlement Shares, take into account a commercially reasonable illiquidity discount), in each case as determined by the Calculation Agent.

3. Counterparty may only deliver Registered Settlement Shares pursuant to paragraph 2 above if:

(a) a registration statement covering public resale of the Registered Settlement Shares by Bank (the "**Registration Statement**") shall have been filed with the Securities and Exchange Commission under the Securities Act and been declared or otherwise become effective on or prior to the date of delivery, and no stop order shall be in effect with respect to the Registration Statement; a printed prospectus relating to the Registered Settlement Shares (including any prospectus supplement thereto, the "**Prospectus**") shall have been delivered to Bank, in such quantities as Bank shall reasonably have requested, on or prior to the date of delivery;

(b) the form and content of the Registration Statement and the Prospectus (including, without limitation, any sections describing the plan of distribution) shall be satisfactory to Bank;

(c) as of or prior to the date of delivery, Bank shall have been afforded a reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for underwritten offerings of equity securities and the results of such investigation are satisfactory to Bank, in its discretion; and

(d) as of the date of delivery, an agreement (the "**Underwriting Agreement**") shall have been entered into with Bank in connection with the public resale of the Registered Settlement Shares by Bank substantially similar to underwriting agreements customary for underwritten offerings of equity securities, in form and substance satisfactory to Bank, which Underwriting Agreement shall include, without limitation, provisions substantially similar to those contained in such underwriting agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Bank and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters.

4. If Counterparty delivers Unregistered Settlement Shares pursuant to paragraph 2 above:

(a) all Unregistered Settlement Shares shall be delivered to Bank (or any affiliate of Bank designated by Bank) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(2) thereof;

(b) as of or prior to the date of delivery, Bank and any potential purchaser of any such shares from Bank (or any affiliate of Bank designated by Bank) identified by Bank shall be afforded a commercially reasonable opportunity to conduct a due diligence investigation with respect to Counterparty customary in scope for private placements of equity securities (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them);

(c) as of the date of delivery, Counterparty shall enter into an agreement (a "**Private Placement Agreement**") with Bank (or any affiliate of Bank designated by Bank) in connection with the private placement of such shares by Counterparty to Bank (or any such affiliate) and the private resale of such shares by Bank (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities, in form and substance commercially reasonably satisfactory to Bank, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating, without limitation, to the indemnification of, and contribution in connection with the liability of, Bank and its affiliates and the provision of customary opinions, accountants' comfort letters and lawyers' negative assurance letters, and shall provide for the payment by Counterparty of all fees and expenses in connection with such resale, including all fees and expenses of counsel for Bank, and shall contain representations, warranties, covenants and agreements of Counterparty reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales; and

(d) in connection with the private placement of such shares by Counterparty to Bank (or any such affiliate) and the private resale of such shares by Bank (or any such affiliate), Counterparty shall, if so requested by Bank, prepare, in cooperation with Bank, a private placement memorandum in form and substance reasonably satisfactory to Bank.

5. Bank, itself or through an affiliate (the " **Selling Agent**") or any underwriter(s), will sell all, or such lesser portion as may be required hereunder, of the Registered Settlement Shares or Unregistered Settlement Shares and any Makewhole Shares (as defined below) (together, the "**Settlement Shares**") delivered by Counterparty to Bank pursuant to paragraph 6 below commencing on the Cash Settlement Payment Date and continuing until the date on which the aggregate Net Proceeds (as such term is defined below) of such sales, as determined by Bank, is equal to the absolute value of the Forward Cash Settlement Amount (such date, the "**Final Resale Date**"). If the proceeds of any sale(s) made by Bank, the Selling Agent or any underwriter(s), net of any fees and commissions (including, without limitation, underwriting or placement fees) customary for similar transactions under the circumstances at the time of the offering, together with carrying charges and expenses incurred in connection with the offer and sale of the Shares (including, but without limitation to, the covering of any over-allotment or short position (syndicate or otherwise)) (the "**Net Proceeds**") exceed the absolute value of the Forward Cash Settlement Amount, Bank will refund, in USD, such excess to Counterparty on the date that is three (3) Currency Business Days following the Final Resale Date, and, if any portion of the Settlement Shares remains unsold, Bank shall return to Counterparty on that date such unsold Shares.

6. If the Calculation Agent determines that the Net Proceeds received from the sale of the Registered Settlement Shares or Unregistered Settlement Shares or any Makewhole Shares, if any, pursuant to this paragraph 6 are less than the absolute value of the Forward Cash Settlement Amount (the amount in USD by which the Net Proceeds are less than the absolute value of the Forward Cash Settlement Amount being the "**Shortfall**" and the date on which such determination is made, the "**Deficiency Determination Date**"), Counterparty shall on the Exchange Business Day next succeeding the Deficiency Determination Date (the "**Makewhole Notice Date**") deliver to Bank, through the Selling Agent, a notice of Counterparty's election that Counterparty shall either (i) pay an amount in cash equal to the Shortfall on the day that is one (1) Currency Business Day after the Makewhole Notice Date, or (ii) deliver additional Shares. If Counterparty elects to deliver to Bank additional Shares, then Counterparty shall deliver additional Shares in compliance with the terms and conditions of paragraph 3 or paragraph 4 above, as the case may be (the "**Makewhole Shares**"), on the first Clearance System Business Day which is also an Exchange Business Day following the Makewhole Notice Date in such number as the Calculation Agent reasonably believes would have a market value on that Exchange Business Day equal to the Shortfall. Such Makewhole Shares shall be sold by Bank in accordance with the provisions above; *provided* that if the sum of the Net Proceeds from the sale of the originally delivered Shares and the Net Proceeds from the sale of any Makewhole Shares is less than the absolute value of the Forward Cash Settlement Amount then Counterparty shall, at its election, either make such cash payment or deliver to Bank further Makewhole Shares until such Shortfall has been reduced to zero.

7. Notwithstanding the foregoing, in no event shall the aggregate number of Settlement Shares and Makewhole Shares be greater than the Reserved Shares *minus* the amount of any Shares actually delivered by Counterparty under any other Transaction(s) under this Master Confirmation (the result of such calculation, the "**Capped Number**"). Counterparty represents and warrants (which shall be deemed to be repeated on each day that a Transaction is outstanding) that the Capped Number is equal to or less than the number of Shares determined according to the following formula:

A – B

Where: A = the number of authorized but unissued shares of the Counterparty that are not reserved for future issuance on the date of the determination of the Capped Number; and

B = the maximum number of Shares required to be delivered to third parties if Counterparty elected Net Share Settlement of all transactions in the Shares (other than Transactions in the Shares under this Master Confirmation) with all third parties that are then currently outstanding and unexercised.

"**Reserved Shares**" means initially, 58,907,104 Shares. The Reserved Shares may be increased or decreased in a Supplemental Confirmation.

Exhibit 10.3

FIFTH THIRD

Bancorp Director Pay Program

Fifth Third Bank's Director Pay Program is reviewed each year. Our compensation philosophy is to position director compensation competitively relative to our peer group to attract and retain highly competent candidates with significant leadership capabilities for Board service. We benchmark the compensation package for Directors to that of our peers—those banks with whom we compete for talent and customers.

Director pay at Fifth Third Bank is comprised of two primary components:

- **Annual Cash Retainer:** Additional annual cash retainer is paid to committee chairpersons and members of certain committees.
- **Long-Term Incentive Compensation (LTI):** Equity-based awards consisting of restricted stock units (RSU).

Directors have the choice of deferring all components of pay. Cash retainers can be deferred under the Fifth Third Bancorp Unfunded Deferred Compensation Plan for Non-Employee Directors, and LTI can be deferred under the Fifth Third Bancorp Incentive Compensation Plan.

Bancorp Director Pay Program Highlights

- **Vesting**: There is no set vesting schedule for RSUs granted for Board service. Rather, RSUs are paid out in shares when service as a Director ends.
- **RSU Deferral Feature:** The choice is available to defer receipt of shares under the award beyond when board service ends. The deferral feature is described in more detail below.
- **Dividend Deferral:** Reinvested per policy, unless grandfathered under previous policy.
- **Grant Date:** The grant date coincides with the date of the Annual Meeting.
- **Restricted Stock Units:** Awards will be made in Restricted Stock Units.
- **Share Ownership:** Directors are required to maintain a share ownership level equal to at least six times (6x) their annual cash retainer amount, not including fees payable for committee service. Directors have 5 years from their election date to meet this requirement.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended.

Plan Overview

Plan Objectives

- Attract and retain highly competent candidates with significant leadership capabilities for Board service.
- Tie a substantial portion of compensation to increases in long-term shareholder value.
- Provide appropriate recognition of the Director's time and commitment in overseeing governance for Fifth Third Bancorp.

Eligible Participants

All non-employee Bancorp Directors are eligible to participate.

Type	Payment Amount	Payment Timing
Annual Board Retainer (cash)	**Director** $105,000 **Lead Independent Director** $90,000	Paid Quarterly
Annual Board Retainer (equity)	**Director** $145,000 **Independent Chair** $175,000 (not currently applicable)	Annual Meeting Date*
Annual Committee Retainer (cash)	**Audit Committee** Chair $45,000 Member $15,000	Paid Quarterly
	Human Capital and Compensation Committee Chair $25,000	Paid Quarterly
	Risk and Compliance Committee Chair $45,000 Member $15,000	Paid Quarterly
	Finance Committee Chair $55,000	Paid Quarterly
	Nominating and Corporate Governance Committee Chair $25,000	Paid Quarterly
	Technology Committee Chair $25,000	Paid Quarterly
Dividend Equivalents	Reinvested per policy, unless grandfathered under previous policy	Paid Quarterly

*A pro-rated RSU grant will be awarded upon a Director's election to the Board if the election occurs outside of the annual shareholders meeting.

As a Fifth Third Bancorp Director, there are several ways to defer receipt of compensation for services as a Director. These are outlined below.

Director Cash Retainer Deferral

Fifth Third has made available to its Directors the option to defer 50 percent or more of the cash compensation payable for services as a Director and/or as a member of a Committee of the Board of Directors. Percentage elections are made on an annual basis during open enrollment, which typically occurs during November or December. The percentage elected will be credited to a Deferred Compensation account, which will be paid in cash on a future date as specified on the election form. For more information, please see the Summary of the Unfunded Deferred Compensation Plan for Non-Employee Directors.

Director LTI Deferral

The vesting on any LTI award will be deferred until service as a Board of Director ends. This means that upon leave from the Board any accumulated LTI awards will be distributed in one lump sum. An election to change the timing of this distribution can be made by deferring receipt until a later date.

The deferral election period typically occurs during November or December for the following years RSU grant. During the deferral election period one or a combination of the following schedules can be chosen for any grants that might be given in the future:

- **Lump Sum Distribution:** The choice can be made to defer receipt of grants from one to 10 years after the date Board service ends. Units will be distributed in one lump sum on August 1 of the year chosen following service end date. Example: Board leave date is February 1, 2026, and five years after term date is elected as the deferral. Units will distribute in one lump sum on August 1, 2031.
- **Installment Distribution:** Receipt of accumulated units can be spread over one to up to 10 years. Distributions from each outstanding grant will occur in equal annual installments starting on August 1 following the service end date. All distributions are to be completed by the 10th anniversary of the leave date. Example: Service end date is February 1, 2026, and an annual installment over five years is elected; The distribution will be made in substantially equal, annual installments to last five years. The first distribution would be made August 1, 2026.

The initial election to instruct Fifth Third on how distributions are to be received is made once.
The installment schedule chosen will apply to any grants received in the future. However, elections to defer individual grants must be made each year. Directors can expect an election form in the mail each Fall, asking that an election be made to defer or not defer the upcoming year's RSU grant.

Dividend Equivalents

As described above, dividend equivalents will be reinvested for all new Directors. Legacy Directors previously have two choices for how dividend equivalents will be paid; in cash or reinvested. If the cash election is made, dividend equivalents will be received by direct deposit or a check mailed to the address of record. If the reinvestment election is made or is required in the case of a new director, dividend equivalent amounts will be converted to additional Restricted Stock Units. These additional units will be attached to outstanding awards and will be distributed at the same time the shares from the Restricted Stock Units are distributed.
The Director LTI deferral election materials will include election information for dividend equivalents.

Designation of a Beneficiary

To designate a beneficiary, log onto the Fidelity brokerage account, go to "update account/ features" and click on profile. Follow the steps provided online to designate beneficiaries for the account. If a decision is made not to designate a beneficiary, the estate shall be deemed to be the beneficiary.

Questions & Answers

What if I want to change my payout election?

After the initial election is made, if it's determined a change is needed to that election, a one-time change will be allowed by submitting a new election form. Election changes to outstanding grants are allowed provided they are made at least one year before the scheduled payout and must defer payout for at least five additional years (but cannot defer payment beyond 10 years after the leave date).

If I choose installments, how will my distribution be calculated?

For the purposes of calculating an installment schedule, distributions will be made in substantially equal, annual installments to last from 1 -10 years accordingly. The last distribution can be made no later than the tenth calendar year following the calendar year of service end date.

Exhibit 31(i)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Timothy N. Spence, certify that:

1. I have reviewed this report on Form 10-Q of Fifth Third Bancorp (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

N. Spence

Spence
Chief Executive Officer and President
5, 2024

Exhibit 31(ii)

CERTIFICATION PURSUANT
TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Bryan D. Preston, certify that:

1. I have reviewed this report on Form 10-Q of Fifth Third Bancorp (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

/s/ Bryan D. Preston

Bryan D. Preston
Executive Vice President and Chief Financial Officer
November 5, 2024

Exhibit 32(i)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fifth Third Bancorp (the “Registrant”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Timothy N. Spence, Chairman, Chief Executive Officer and President of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Timothy N. Spence

Timothy N. Spence
Chairman, Chief Executive Officer and President
November 5, 2024

Exhibit 32(ii)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fifth Third Bancorp (the “Registrant”) on Form 10-Q for the period ended September 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Bryan D. Preston, Executive Vice President and Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ Bryan D. Preston

Bryan D. Preston
Executive Vice President and Chief Financial Officer
November 5, 2024