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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2025

or

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

For the transition period from to
Commission File Number 001-08610

AT&T INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

208 S. Akard St., Dallas, Texas 75202
Telephone Number: (210) 821-4105

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 Shares (Par Value $1.00 Per Share)	T	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 5.000% Perpetual Preferred Stock, Series A	T PRA	New York Stock Exchange
Depositary Shares, each representing a 1/1000th interest in a share of 4.750% Perpetual Preferred Stock, Series C	T PRC	New York Stock Exchange
AT&T Inc. 3.550% Global Notes due November 18, 2025	T 25B	New York Stock Exchange
AT&T Inc. 3.500% Global Notes due December 17, 2025	T 25	New York Stock Exchange
AT&T Inc. 0.250% Global Notes due March 4, 2026	T 26E	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 5, 2026	T 26D	New York Stock Exchange
AT&T Inc. 2.900% Global Notes due December 4, 2026	T 26A	New York Stock Exchange
AT&T Inc. 1.600% Global Notes due May 19, 2028	T 28C	New York Stock Exchange
AT&T Inc. 2.350% Global Notes due September 5, 2029	T 29D	New York Stock Exchange
AT&T Inc. 4.375% Global Notes due September 14, 2029	T 29B	New York Stock Exchange
AT&T Inc. 2.600% Global Notes due December 17, 2029	T 29A	New York Stock Exchange
AT&T Inc. 0.800% Global Notes due March 4, 2030	T 30B	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due June 1, 2030	T 30C	New York Stock Exchange
AT&T Inc. 3.950% Global Notes due April 30, 2031	T 31F	New York Stock Exchange
AT&T Inc. 2.050% Global Notes due May 19, 2032	T 32A	New York Stock Exchange

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
AT&T Inc. 3.550% Global Notes due December 17, 2032	T 32	New York Stock Exchange
AT&T Inc. 3.600% Global Notes due June 1, 2033	T 33A	New York Stock Exchange
AT&T Inc. 5.200% Global Notes due November 18, 2033	T 33	New York Stock Exchange
AT&T Inc. 3.375% Global Notes due March 15, 2034	T 34	New York Stock Exchange
AT&T Inc. 4.300% Global Notes due November 18, 2034	T 34C	New York Stock Exchange
AT&T Inc. 2.450% Global Notes due March 15, 2035	T 35	New York Stock Exchange
AT&T Inc. 3.150% Global Notes due September 4, 2036	T 36A	New York Stock Exchange
AT&T Inc. 4.050% Global Notes due June 1, 2037	T 37B	New York Stock Exchange

AT&T Inc. 2.600% Global Notes due May 19, 2038	T 38C	New York Stock Exchange
AT&T Inc. 1.800% Global Notes due September 14, 2039	T 39B	New York Stock Exchange
AT&T Inc. 7.000% Global Notes due April 30, 2040	T 40	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due June 1, 2043	T 43	New York Stock Exchange
AT&T Inc. 4.875% Global Notes due June 1, 2044	T 44	New York Stock Exchange
AT&T Inc. 4.000% Global Notes due June 1, 2049	T 49A	New York Stock Exchange
AT&T Inc. 4.250% Global Notes due March 1, 2050	T 50	New York Stock Exchange
AT&T Inc. 3.750% Global Notes due September 1, 2050	T 50A	New York Stock Exchange
AT&T Inc. 5.350% Global Notes due November 1, 2066	TBB	New York Stock Exchange

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

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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 ☒

At July 21, 2025, there were 7,150,385,480 common shares outstanding.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

AT&T INC.
CONSOLIDATED STATEMENTS OF INCOME
Dollars in millions except per share amounts
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Operating Revenues				
Service	**$ 25,292**	$ 25,006	**$ 50,430**	$ 49,848
Equipment	**5,555**	4,791	**11,043**	9,977
Total operating revenues	**30,847**	29,797	**61,473**	59,825
Operating Expenses				
Cost of revenues				
Equipment	**5,738**	4,815	**11,432**	9,958
Other cost of revenues (exclusive of depreciation and amortization shown separately below)	**6,412**	6,627	**12,751**	13,438
Selling, general and administrative	**6,945**	7,043	**14,090**	14,064
Asset impairments and abandonments and restructuring	**—**	480	**504**	639
Depreciation and amortization	**5,251**	5,072	**10,441**	10,119
Total operating expenses	**24,346**	24,037	**49,218**	48,218
Operating Income	**6,501**	5,760	**12,255**	11,607
Other Income (Expense)				
Interest expense	**(1,655)**	(1,699)	**(3,313)**	(3,423)
Equity in net income of affiliates	**485**	348	**1,925**	643
Other income (expense) — net	**767**	682	**1,222**	1,133
Total other income (expense)	**(403)**	(669)	**(166)**	(1,647)
Income Before Income Taxes	**6,098**	5,091	**12,089**	9,960
Income tax expense	**1,237**	1,142	**2,536**	2,260
Net Income	**4,861**	3,949	**9,553**	7,700
Net Income Attributable to Noncontrolling Interest	**(361)**	(352)	**(702)**	(658)
Net Income Attributable to AT&T	**$ 4,500**	$ 3,597	**$ 8,851**	$ 7,042
Preferred Stock Dividends and Redemption Gain	**(36)**	(51)	**8**	(101)
Net Income Attributable to Common Stock	**$ 4,464**	$ 3,546	**$ 8,859**	$ 6,941
Basic Earnings Per Share Attributable to Common Stock	**$ 0.62**	$ 0.49	**$ 1.22**	$ 0.96
Diluted Earnings Per Share Attributable to Common Stock	**$ 0.62**	$ 0.49	**$ 1.22**	$ 0.96
Weighted Average Number of Common Shares Outstanding — Basic (in millions)	**7,209**	7,196	**7,211**	7,194
Weighted Average Number of Common Shares Outstanding — with Dilution (in millions)	**7,219**	7,198	**7,221**	7,195

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Dollars in millions

(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Net income	**$ 4,861**	$ 3,949	**$ 9,553**	$ 7,700
Other comprehensive income (loss), net of tax:				
Foreign currency:				
Translation adjustment, net of taxes of $61, $(69), $71 and $(61)	**188**	(221)	**209**	(192)
Reclassification adjustment included in net income, net of taxes of $0, $(14), $0 and $(14)	**—**	127	**—**	127
Securities:				
Net unrealized gains (losses), net of taxes of $1, $1, $4 and $(1)	**2**	(7)	**12**	(17)
Reclassification adjustment included in net income, net of taxes of $1, $1, $1 and $3	**3**	4	**4**	10
Derivative instruments:				
Net unrealized gains (losses), net of taxes of $32, $(65), $(171) and $(16)	**96**	(260)	**(528)**	(49)
Reclassification adjustment included in net income, net of taxes of $3, $4, $7 and $7	**11**	10	**22**	22
Defined benefit postretirement plans:				
Amortization of net prior service credit included in net income, net of taxes of $(114), $(123), $(229) and $(246)	**(358)**	(380)	**(714)**	(761)
Other comprehensive income (loss)	**(58)**	(727)	**(995)**	(860)
Total comprehensive income	**4,803**	3,222	**8,558**	6,840
Less: Total comprehensive income attributable to noncontrolling interest	**(361)**	(352)	**(702)**	(658)
Total Comprehensive Income Attributable to AT&T	**$ 4,442**	$ 2,870	**$ 7,856**	$ 6,182

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED BALANCE SHEETS

Dollars in millions except per share amounts

	June 30, 2025	December 31, 2024
Assets	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	**$ 10,499**	$ 3,298
Accounts receivable – net of related allowances for credit loss of $392 and $375	**8,844**	9,638
Inventories	**2,357**	2,270
Prepaid and other current assets	**17,606**	15,962
Total current assets	**39,306**	31,168
Property, plant and equipment	**356,188**	350,914
Less: accumulated depreciation and amortization	**(227,094)**	(222,043)
Property, Plant and Equipment – Net	**129,094**	128,871
Goodwill – Net	**63,432**	63,432
Licenses – Net	**127,543**	127,035
Other Intangible Assets – Net	**5,255**	5,255
Investments in and Advances to Equity Affiliates	**1,011**	295
Operating Lease Right-Of-Use Assets	**21,494**	20,909
Other Assets	**18,356**	17,830
Total Assets	**$ 405,491**	$ 394,795
Liabilities and Stockholders' Equity		
Current Liabilities		
Debt maturing within one year	**$ 9,254**	$ 5,089
Accounts payable and accrued liabilities	**33,289**	35,657
Advanced billings and customer deposits	**3,999**	4,099
Dividends payable	**2,023**	2,027
Total current liabilities	**48,565**	46,872
Long-Term Debt	**123,057**	118,443
Deferred Credits and Other Noncurrent Liabilities		
Noncurrent deferred tax liabilities	**59,786**	58,939
Postemployment benefit obligation	**9,079**	9,025
Operating lease liabilities	**17,762**	17,391
Other noncurrent liabilities	**23,865**	23,900
Total deferred credits and other noncurrent liabilities	**110,492**	109,255
Redeemable Noncontrolling Interest	**1,983**	1,980
Stockholders' Equity		
Preferred stock ($1 par value, 10,000,000 authorized at June 30, 2025 and December 31, 2024):		
Series A (48,000 issued and outstanding at June 30, 2025 and December 31, 2024)	**—**	—
Series B (20,000 issued and 0 outstanding at June 30, 2025 and 20,000 issued and outstanding December 31, 2024)	**—**	—
Series C (70,000 issued and outstanding at June 30, 2025 and December 31, 2024)	**—**	—
Common stock ($1 par value, 14,000,000,000 authorized at June 30, 2025 and December 31, 2024: issued 7,620,748,598 at June 30, 2025 and December 31, 2024)	**7,621**	7,621
Additional paid-in capital	**106,381**	109,108
Retained earnings	**6,680**	1,871
Treasury stock (459,382,925 at June 30, 2025 and 444,853,148 at December 31, 2024, at cost)	**(15,210)**	(15,023)
Accumulated other comprehensive income (loss)	**(200)**	795
Noncontrolling interest	**16,122**	13,873
Total stockholders' equity	**121,394**	118,245
Total Liabilities and Stockholders' Equity	**$ 405,491**	$ 394,795

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Dollars in millions

(Unaudited)

	Six months ended June 30,	
	2025	2024
Operating Activities		
Net Income	**$ 9,553**	$ 7,700
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**10,441**	10,119
Provision for uncollectible accounts	**1,037**	942
Asset impairments and abandonments and restructuring	**504**	639
Pension and postretirement benefit expense (credit)	**(794)**	(941)
Net (gain) loss on investments	**(31)**	185
Changes in operating assets and liabilities:		
Receivables	**(247)**	130
Equipment installment receivables and related sales	**1,115**	(320)
Contract asset and cost deferral	**(299)**	321
Inventories, prepaid and other current assets	**(317)**	419
Accounts payable and other accrued liabilities	**(4,440)**	(4,761)
Changes in income taxes	**1,663**	1,976
Postretirement claims and contributions	**(103)**	(93)
Other - net	**730**	324
Total adjustments	**9,259**	8,940
Net Cash Provided by Operating Activities	**18,812**	16,640
Investing Activities		
Capital expenditures	**(9,174)**	(8,118)
Acquisitions, net of cash acquired	**(48)**	(270)
Dispositions	**40**	14
Distributions from DIRECTV in excess of cumulative equity in earnings	**—**	586
(Purchases), sales and settlements of securities and investments - net	**(1,084)**	1,147
Other - net	**(778)**	(336)
Net Cash Used in Investing Activities	**(11,044)**	(6,977)
Financing Activities		
Net change in short-term borrowings with original maturities of three months or less	**—**	2,686
Issuance of other short-term borrowings	**—**	491
Repayment of other short-term borrowings	**—**	(2,487)
Issuance of long-term debt	**6,429**	2
Repayment of long-term debt	**(1,620)**	(6,910)
Payment of vendor financing	**(423)**	(1,391)
Redemption of preferred stock	**(2,075)**	—
Purchase of treasury stock	**(1,179)**	(159)
Issuance of treasury stock	**17**	—
Issuance of preferred interests in subsidiary	**2,221**	—
Dividends paid	**(4,135)**	(4,133)
Other - net	**167**	(1,392)
Net Cash Used in Financing Activities	**(598)**	(13,293)
Net increase (decrease) in cash and cash equivalents and restricted cash	**$ 7,170**	$ (3,630)
Cash and cash equivalents and restricted cash beginning of year	**3,406**	6,833
Cash and Cash Equivalents and Restricted Cash End of Period	**$ 10,576**	$ 3,203

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Six months ended			
	June 30, 2025		June 30, 2024		**June 30, 2025**		June 30, 2024	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Preferred Stock - Series A								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series B								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Preferred Stock - Series C								
Balance at beginning of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Balance at end of period	**—**	**$ —**	—	$ —	**—**	**$ —**	—	$ —
Common Stock								
Balance at beginning of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Balance at end of period	**7,621**	**$ 7,621**	7,621	$ 7,621	**7,621**	**$ 7,621**	7,621	$ 7,621
Additional Paid-In Capital								
Balance at beginning of period		**$ 106,302**		$ 111,599		**$ 109,108**		$ 114,519
Redemption of preferred stock		**—**		—		**(2,165)**		—
Preferred stock dividends		**—**		—		**—**		(98)
Common stock dividends ($0.2775, $0.2775, $0.5550 and $0.5550 per share)		**—**		(12)		**—**		(2,015)
Issuance of treasury stock		**(4)**		(3)		**(456)**		(416)
Share-based payments		**83**		83		**(106)**		(183)
Redemption or reclassification of interest held by noncontrolling owners		**—**		(152)		**—**		(292)
Balance at end of period		**$ 106,381**		$ 111,515		**$ 106,381**		$ 111,515
Retained Earnings (Deficit)								
Balance at beginning of period		**$ 4,215**		$ (1,570)		**$ 1,871**		$ (5,015)
Net income attributable to AT&T		**4,500**		3,597		**8,851**		7,042
Preferred stock redemption gain		**—**		—		**90**		—
Preferred stock dividends		**(35)**		(36)		**(121)**		(36)
Common stock dividends ($0.2775, $0.2775, $0.5550 and $0.5550 per share)		**(2,000)**		(1,989)		**(4,011)**		(1,989)
Balance at end of period		**$ 6,680**		$ 2		**$ 6,680**		$ 2

See Notes to Consolidated Financial Statements.

AT&T INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY - continued

Dollars and shares in millions except per share amounts

(Unaudited)

	Three months ended				Six months ended			
	June 30, 2025		June 30, 2024		**June 30, 2025**		June 30, 2024	
	Shares	**Amount**	Shares	Amount	**Shares**	**Amount**	Shares	Amount
Treasury Stock								
Balance at beginning of period	**(425)**	**$ (14,252)**	(451)	$ (15,277)	**(445)**	**$ (15,023)**	(471)	$ (16,128)
Repurchase and acquisition of common stock	**(34)**	**(968)**	—	(2)	**(43)**	**(1,186)**	(9)	(159)
Reissuance of treasury stock	**—**	**10**	—	11	**29**	**999**	29	1,019
Balance at end of period	**(459)**	**$ (15,210)**	(451)	$ (15,268)	**(459)**	**$ (15,210)**	(451)	$ (15,268)
Accumulated Other Comprehensive Income (Loss) Attributable to AT&T, net of tax								
Balance at beginning of period		**$ (142)**		$ 2,167		**$ 795**		$ 2,300
Other comprehensive income (loss) attributable to AT&T		**(58)**		(727)		**(995)**		(860)
Balance at end of period		**$ (200)**		$ 1,440		**$ (200)**		$ 1,440
Noncontrolling Interest[1]								
Balance at beginning of period		**$ 16,114**		$ 14,080		**$ 13,873**		$ 14,145
Net income attributable to noncontrolling interest		**326**		317		**631**		587
Issuance and acquisition by noncontrolling owners		**—**		—		**2,221**		—
Redemption of noncontrolling interest		**—**		(41)		**—**		(58)
Distributions		**(318)**		(319)		**(603)**		(637)
Balance at end of period		**$ 16,122**		$ 14,037		**$ 16,122**		$ 14,037
Total Stockholders' Equity at beginning of period		**$ 119,858**		$ 118,620		**$ 118,245**		$ 117,442
Total Stockholders' Equity at end of period		**$ 121,394**		$ 119,347		**$ 121,394**		$ 119,347

[1] Excludes redeemable noncontrolling interest

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
Dollars in millions except per share amounts

NOTE 1. PREPARATION OF INTERIM FINANCIAL STATEMENTS

Basis of Presentation Throughout this document, AT&T Inc. is referred to as "we," "AT&T" or the "Company." The consolidated financial statements include the accounts of the Company and subsidiaries and affiliates which we control. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this document in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2024. The results for the interim periods are not necessarily indicative of those for the full year. These consolidated financial statements include all adjustments that are necessary to present fairly the results for the presented interim periods, consisting of normal recurring accruals and other items.

The consolidated financial statements include our controlled subsidiaries, as well as variable interest entities (VIE) where we are deemed to be the primary beneficiary. All significant intercompany transactions are eliminated in consolidation. Investments in entities that we do not control but have significant influence are accounted for under the equity method.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions, including estimates of fair value, probable losses and expenses, that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Certain prior period amounts have been conformed to the current period's presentation providing further disaggregation of activities within Cash from Operations in our consolidated statements of cash flows and additional revenue categories for our Business Wireline and Consumer Wireline business units (see Note 5).

Stock Repurchase Program In December 2024, the Board of Directors authorized the repurchase of up to $10,000 of AT&T common stock. We began buying back stock under this program in the second quarter of 2025. For the six months ended June 30, 2025, we had repurchased approximately 34 million shares totaling $958 under this authorization, excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022.

To implement repurchase authorizations, we use open market repurchase programs, relying on Rule 10b5-1 of the Securities Exchange Act of 1934 where feasible.

Tax Legislation On July 4, 2025, the One Big Beautiful Bill Act was enacted, which restores or makes permanent certain expiring business tax provisions from the Tax Cuts and Jobs Act of 2017. We do not anticipate the legislation to materially impact our income tax expense, but expect that it will have a material impact on cash taxes paid relative to our expectations.

NOTE 2. EARNINGS PER SHARE

A reconciliation of the numerators and denominators of basic and diluted earnings per share is shown in the table below:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Numerators				
Numerator for basic earnings per share:				
Net Income Attributable to Common Stock	**$ 4,464**	$ 3,546	**$ 8,859**	$ 6,941
Dilutive impact of share-based payment	**2**	—	**6**	—
Numerator for diluted earnings per share	**$ 4,466**	$ 3,546	**$ 8,865**	$ 6,941
Denominators (000,000)				
Denominator for basic earnings per share:				
Weighted average number of common shares outstanding	**7,209**	7,196	**7,211**	7,194
Dilutive impact of share-based payment (in shares)	**10**	2	**10**	1
Denominator for diluted earnings per share	**7,219**	7,198	**7,221**	7,195

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

NOTE 3. OTHER COMPREHENSIVE INCOME

Changes in the balances of each component included in accumulated other comprehensive income (OCI) are presented below. All amounts are net of tax.

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2024	$ (1,755)	$ (46)	$ (604)	$ 3,200	$ 795
Other comprehensive income (loss) before reclassifications	209	12	(528)	—	(307)
Amounts reclassified from accumulated OCI	— [1]	4 [1]	22 [2]	(714) [3]	(688)
Net other comprehensive income (loss)	209	16	(506)	(714)	(995)
Balance as of June 30, 2025	**$ (1,546)**	**$ (30)**	**$ (1,110)**	**$ 2,486**	**$ (200)**

	Foreign Currency Translation Adjustment	Net Unrealized Gains (Losses) on Securities	Net Unrealized Gains (Losses) on Derivative Instruments	Defined Benefit Postretirement Plans	Accumulated Other Comprehensive Income (Loss)
Balance as of December 31, 2023	$ (1,337)	$ (57)	$ (1,029)	$ 4,723	$ 2,300
Other comprehensive income (loss) before reclassifications	(192)	(17)	(49)	—	(258)
Amounts reclassified from accumulated OCI	127 [1]	10 [1]	22 [2]	(761) [3]	(602)
Net other comprehensive income (loss)	(65)	(7)	(27)	(761)	(860)
Balance as of June 30, 2024	$ (1,402)	$ (64)	$ (1,056)	$ 3,962	$ 1,440

[1] (Gains) losses are included in “Other income (expense) - net” in the consolidated statements of income.

[2] (Gains) losses are primarily included in “Interest expense” in the consolidated statements of income (see Note 7).

[3] The amortization of prior service credit associated with postretirement benefits are included in “Other income (expense) - net” in the consolidated statements of income (see Note 6).

NOTE 4. SEGMENT INFORMATION

Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We have two reportable segments: Communications and Latin America.

Our chief operating decision maker (CODM) is our Chairman of the Board, Chief Executive Officer and President. Our CODM uses operating income to evaluate performance and allocate resources, including capital allocations, when managing the business. Our CODM manages operations through the review of actual and forecasted “Operations and Support Expenses” information at a segment and business unit level, with Communications and Latin America segments primarily evaluated on a direct cost basis and comprised of equipment, compensation, network and technology, sales, advertising and other costs.

Additionally, business unit expenses within the Communications segment include direct and shared costs. Direct costs are incurred in support of products and services offered by the business units, such as equipment costs (predominantly wireless devices), network access, rents, leases, sales support, customer provisioning and commission expenses. Shared costs amongst the business units generally include information technology, network engineering and construction costs, advertising and other general and administrative expenses.

The ***Communications segment*** provides wireless and wireline telecom and broadband services to consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to business customers.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services, and our fixed wireless access product (AT&T Internet Air or "AIA") that provides internet services delivered over our 5G wireless network, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

The ***Latin America segment*** provides wireless services and equipment in Mexico.

Corporate and Other reconciles our segment results to consolidated operating income and income before income taxes.

Corporate includes*:*

- *DTV-related retained costs*, which are costs previously allocated to the Video business that were retained after the transaction, net of reimbursements from DIRECTV Entertainment Holdings, LLC (DIRECTV) under transition service agreements.
- *Parent administration support*, which includes costs borne by AT&T where the business units do not influence decision making.
- *Securitization fees* associated with our sales of receivables (see Note 8).
- *Value portfolio*, which are businesses no longer integral to our operations or which we no longer actively market.

Other items consist of*:*

- *Certain significant items*, which includes items associated with the merger and integration of acquired or divested businesses, including amortization of intangible assets, employee separation charges associated with voluntary and/or strategic offers, asset impairments and abandonments and restructuring, and other items for which the segments are not being evaluated.

"Interest expense," "Other income (expense) – net" and "Equity in net income of affiliates" are managed only on a total company basis and are, accordingly, reflected only in consolidated results.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the three months ended June 30, 2025

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	**$ 21,845**	**$ 12,358**	**$ 2,556**	**$ 6,931**
Business Wireline	**4,313**	**2,993**	**1,521**	**(201)**
Consumer Wireline	**3,541**	**2,248**	**958**	**335**
Total Communications	**29,699**	**17,599**	**5,035**	**7,065**
Latin America	**1,054**	**853**	**155**	**46**
Segment Total	**30,753**	**18,452**	**5,190**	**7,111**
Corporate and Other				
Corporate:				
DTV-related retained costs	**—**	**57**	**50**	**(107)**
Parent administration support	**(2)**	**422**	**2**	**(426)**
Securitization fees	**30**	**174**	**—**	**(144)**
Value portfolio	**66**	**11**	**—**	**55**
Total Corporate	**94**	**664**	**52**	**(622)**
Certain significant items	**—**	**(21)**	**9**	**12**
Total Corporate and Other	**94**	**643**	**61**	**(610)**
AT&T Inc.	**$ 30,847**	**$ 19,095**	**$ 5,251**	**$ 6,501**

For the three months ended June 30, 2024

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 20,480	$ 11,285	$ 2,476	$ 6,719
Business Wireline	4,755	3,267	1,386	102
Consumer Wireline	3,347	2,249	914	184
Total Communications	28,582	16,801	4,776	7,005
Latin America	1,103	925	172	6
Segment Total	29,685	17,726	4,948	7,011
Corporate and Other				
Corporate:				
DTV-related retained costs	—	116	102	(218)
Parent administration support	—	443	2	(445)
Securitization fees	29	150	—	(121)
Value portfolio	83	25	5	53
Total Corporate	112	734	109	(731)
Certain significant items	—	505	15	(520)
Total Corporate and Other	112	1,239	124	(1,251)
AT&T Inc.	$ 29,797	$ 18,965	$ 5,072	$ 5,760

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the six months ended June 30, 2025

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	**$ 43,415**	**$ 24,662**	**$ 5,082**	**$ 13,671**
Business Wireline	**8,781**	**6,061**	**3,019**	**(299)**
Consumer Wireline	**7,063**	**4,472**	**1,907**	**684**
Total Communications	**59,259**	**35,195**	**10,008**	**14,056**
Latin America	**2,025**	**1,631**	**305**	**89**
Segment Total	**61,284**	**36,826**	**10,313**	**14,145**
Corporate and Other				
Corporate:				
DTV-related retained costs	**—**	**113**	**100**	**(213)**
Parent administration support	**(1)**	**861**	**10**	**(872)**
Securitization fees	**58**	**388**	**—**	**(330)**
Value portfolio	**132**	**21**	**—**	**111**
Total Corporate	**189**	**1,383**	**110**	**(1,304)**
Certain significant items	**—**	**568**	**18**	**(586)**
Total Corporate and Other	**189**	**1,951**	**128**	**(1,890)**
AT&T Inc.	**$ 61,473**	**$ 38,777**	**$ 10,441**	**$ 12,255**

For the six months ended June 30, 2024

	Revenues	Operations and Support Expenses	Depreciation and Amortization	Operating Income (Loss)
Communications				
Mobility	$ 41,074	$ 22,924	$ 4,963	$ 13,187
Business Wireline	9,668	6,754	2,748	166
Consumer Wireline	6,697	4,505	1,795	397
Total Communications	57,439	34,183	9,506	13,750
Latin America	2,166	1,808	349	9
Segment Total	59,605	35,991	9,855	13,759
Corporate and Other				
Corporate:				
DTV-related retained costs	—	250	222	(472)
Parent administration support	—	835	3	(838)
Securitization fees	55	315	—	(260)
Value portfolio	165	51	9	105
Total Corporate	220	1,451	234	(1,465)
Certain significant items	—	657	30	(687)
Total Corporate and Other	220	2,108	264	(2,152)
AT&T Inc.	$ 59,825	$ 38,099	$ 10,119	$ 11,607

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table is a reconciliation of Segment Operating Income to "Income Before Income Taxes" reported in our consolidated statements of income:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Communications	**$ 7,065**	$ 7,005	**$ 14,056**	$ 13,750
Latin America	**46**	6	**89**	9
Segment Operating Income	**7,111**	7,011	**14,145**	13,759
Reconciling Items:				
Corporate	**(622)**	(731)	**(1,304)**	(1,465)
Transaction, legal and other costs	**(49)**	(35)	**(128)**	(67)
Amortization of intangibles acquired	**(9)**	(15)	**(18)**	(30)
Asset impairments and abandonments and restructuring	**—**	(480)	**(504)**	(639)
Benefit-related gains (losses)	**70**	10	**64**	49
AT&T Operating Income	**6,501**	5,760	**12,255**	11,607
Interest expense	**1,655**	1,699	**3,313**	3,423
Equity in net income of affiliates	**485**	348	**1,925**	643
Other income (expense) — net	**767**	682	**1,222**	1,133
Income Before Income Taxes	**$ 6,098**	$ 5,091	**$ 12,089**	$ 9,960

The following tables present assets, investments in equity affiliates and capital expenditures by segment:

	June 30, 2025		December 31, 2024	
	Assets	Investments in Equity Method Investees	Assets	Investments in Equity Method Investees
Communications	**$ 496,906**	**$ —**	$ 481,757	$ —
Latin America	**8,659**	**—**	7,808	—
Corporate and eliminations	**(100,074)**	**1,011**	(94,770)	295
Total	**$ 405,491**	**$ 1,011**	$ 394,795	$ 295

	Six months ended June 30,	
Capital Expenditures	**2025**	2024
Communications	**$ 8,674**	$ 7,741
Latin America	**125**	101
Corporate and eliminations	**375**	276
Total	**$ 9,174**	$ 8,118

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

NOTE 5. REVENUE RECOGNITION

Revenue Categories
The following tables set forth reported revenue by category and by business unit:

For the three months ended June 30, 2025

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless	**$ 16,853**	**$ —**	**$ —**	**$ 662**	**$ —**	**$ 17,515**
Fiber and advanced connectivity[1]	**—**	**1,793**	**2,136**	**—**	**—**	**3,929**
Non-fiber consumer broadband	**—**	**—**	**892**	**—**	**—**	**892**
Legacy and other transitional	**—**	**2,349**	**265**	**—**	**45**	**2,659**
Other	**—**	**—**	**248**	**—**	**49**	**297**
Total Service	**16,853**	**4,142**	**3,541**	**662**	**94**	**25,292**
Equipment	**4,992**	**171**	**—**	**392**	**—**	**5,555**
Total	**$ 21,845**	**$ 4,313**	**$ 3,541**	**$ 1,054**	**$ 94**	**$ 30,847**

[1] Advanced connectivity services reported in Business Wireline.

For the three months ended June 30, 2024

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless	$ 16,277	$ —	$ —	$ 699	$ —	$ 16,976
Fiber and advanced connectivity[1]	—	1,732	1,796	—	—	3,528
Non-fiber consumer broadband	—	—	945	—	—	945
Legacy and other transitional	—	2,839	323	—	62	3,224
Other	—	—	283	—	50	333
Total Service	16,277	4,571	3,347	699	112	25,006
Equipment	4,203	184	—	404	—	4,791
Total	$ 20,480	$ 4,755	$ 3,347	$ 1,103	$ 112	$ 29,797

[1] Advanced connectivity services reported in Business Wireline.

For the six months ended June 30, 2025

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless	**$ 33,504**	**$ —**	**$ —**	**$ 1,277**	**$ —**	**$ 34,781**
Fiber and advanced connectivity[1]	**—**	**3,573**	**4,202**	**—**	**—**	**7,775**
Non-fiber consumer broadband	**—**	**—**	**1,810**	**—**	**—**	**1,810**
Legacy and other transitional	**—**	**4,824**	**551**	**—**	**91**	**5,466**
Other	**—**	**—**	**500**	**—**	**98**	**598**
Total Service	**33,504**	**8,397**	**7,063**	**1,277**	**189**	**50,430**
Equipment	**9,911**	**384**	**—**	**748**	**—**	**11,043**
Total	**$ 43,415**	**$ 8,781**	**$ 7,063**	**$ 2,025**	**$ 189**	**$ 61,473**

[1] Advanced connectivity services reported in Business Wireline.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

For the six months ended June 30, 2024

	Communications					
	Mobility	Business Wireline	Consumer Wireline	Latin America	Corporate & Other	Total
Wireless	$ 32,271	$ —	$ —	$ 1,389	$ —	$ 33,660
Fiber and advanced connectivity[1]	—	3,435	3,532	—	—	6,967
Non-fiber consumer broadband	—	—	1,931	—	—	1,931
Legacy and other transitional	—	5,836	665	—	124	6,625
Other	—	—	569	—	96	665
Total Service	32,271	9,271	6,697	1,389	220	49,848
Equipment	8,803	397	—	777	—	9,977
Total	$ 41,074	$ 9,668	$ 6,697	$ 2,166	$ 220	$ 59,825

[1] Advanced connectivity services reported in Business Wireline.

Deferred Customer Contract Acquisition and Fulfillment Costs
Costs to acquire and fulfill customer contracts, including commissions on service activations for our Mobility, Business Wireline and Consumer Wireline services, are deferred and amortized over the contract period or expected customer relationship life, which typically ranges from three years to five years.

The following table presents the deferred customer contract acquisition and fulfillment costs included on our consolidated balance sheets:

Consolidated Balance Sheets	**June 30, 2025**	December 31, 2024
Deferred Acquisition Costs		
Prepaid and other current assets	**$ 3,310**	$ 3,239
Other Assets	**4,413**	4,177
Total deferred customer contract acquisition costs	**$ 7,723**	$ 7,416
Deferred Fulfillment Costs		
Prepaid and other current assets	**$ 1,975**	$ 2,101
Other Assets	**3,065**	3,289
Total deferred customer contract fulfillment costs	**$ 5,040**	$ 5,390

The following table presents deferred customer contract acquisition and fulfillment cost amortization, which are primarily included in “Selling, general and administrative” and “Other cost of revenues,” respectively, for the six months ended:

Consolidated Statements of Income	**June 30, 2025**	June 30, 2024
Deferred acquisition cost amortization	**$ 1,854**	$ 1,808
Deferred fulfillment cost amortization	**1,171**	1,294

Contract Assets and Liabilities
A contract asset is recorded when revenue is recognized in advance of our right to bill and receive consideration. The contract asset will decrease as services are provided and billed. For example, when installment sales include promotional discounts (e.g., trade-in device credits) the difference between revenue recognized and consideration received is recorded as a contract asset to be amortized over the contract term.

Our contract assets primarily relate to our wireless businesses. Promotional equipment sales where we offer handset credits, which are allocated between equipment and service in proportion to their standalone selling prices, when customers commit to a

specified service period result in additional contract assets recognized. These contract assets will amortize over the service contract period, resulting in lower future service revenue.

When consideration is received in advance of the delivery of goods or services, a contract liability is recorded. Reductions in the contract liability will be recorded as we satisfy the performance obligations.

The following table presents contract assets and liabilities on our consolidated balance sheets:

Consolidated Balance Sheets	June 30, 2025	December 31, 2024
Contract asset	**$ 7,198**	$ 6,855
Current portion in "Prepaid and other current assets"	**4,009**	3,845
Contract liability	**4,291**	4,272
Current portion in "Advanced billings and customer deposits"	**3,872**	3,981

Our beginning of period contract liability recorded as customer contract revenue during 2025 was $3,515.

Remaining Performance Obligations
Remaining performance obligations represent services we are required to provide to customers under bundled or discounted arrangements, which are satisfied as services are provided over the contract term. In determining the transaction price allocated, we do not include non-recurring charges and estimates for usage, nor do we consider arrangements with an original expected duration of less than one year, which are primarily prepaid wireless and residential internet agreements.

Remaining performance obligations associated with business contracts reflect recurring charges billed, adjusted to reflect estimates for sales incentives and revenue adjustments. Performance obligations associated with wireless contracts are estimated using a portfolio approach in which we review all relevant promotional activities, calculating the remaining performance obligation using the average service component for the portfolio and the average device price. As of June 30, 2025, the aggregate amount of the transaction price allocated to remaining performance obligations was $42,008, of which we expect to recognize approximately 74% by the end of 2026, with the balance recognized thereafter.

NOTE 6. PENSION AND POSTRETIREMENT BENEFITS

Many of our employees are covered by one of our noncontributory pension plans. We also provide certain medical, dental, life insurance and death benefits to certain retired employees under various plans and accrue actuarially determined postretirement benefit costs. Our objective in funding these plans, in combination with the standards of the Employee Retirement Income Security Act of 1974, as amended (ERISA), is to accumulate assets sufficient to provide benefits described in the plans to employees upon their retirement. We do not have significant funding requirements in 2025. We intend to voluntarily contribute approximately $1,500 to our pension plan by the end of 2026, with more than half of that in 2025.

We recognize actuarial gains and losses on pension and postretirement plan assets in our consolidated results as a component of "Other income (expense) – net" at our annual measurement date of December 31, unless earlier remeasurements are required.

The following table details qualified pension and postretirement benefit costs included in the accompanying consolidated statements of income. The service cost component of net periodic pension (credit) cost is recorded in operating expenses in the consolidated statements of income while the remaining components are recorded in "Other income (expense) – net."

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Pension cost:				
Service cost – benefits earned during the period	**$ 107**	$ 121	**$ 214**	$ 243
Interest cost on projected benefit obligation	**401**	397	**801**	793
Expected return on assets	**(509)**	(552)	**(1,016)**	(1,105)
Amortization of prior service credit	**(12)**	(22)	**(24)**	(44)
Net pension (credit) cost	**$ (13)**	$ (56)	**$ (25)**	$ (113)
Postretirement cost:				
Service cost – benefits earned during the period	**$ 5**	$ 6	**$ 9**	$ 11
Interest cost on accumulated postretirement benefit obligation	**79**	78	**159**	155
Expected return on assets	**(8)**	(16)	**(18)**	(30)
Amortization of prior service credit	**(460)**	(482)	**(919)**	(964)
Net postretirement (credit) cost	**$ (384)**	$ (414)	**$ (769)**	$ (828)
Combined net pension and postretirement (credit) cost	**$ (397)**	$ (470)	**$ (794)**	$ (941)

We also provide senior- and middle-management employees with nonqualified, unfunded supplemental retirement and savings plans. Net supplemental pension benefits costs not included in the table above were $16 and $16 in the second quarter and $32 and $33 for the first six months of 2025 and 2024, respectively.

NOTE 7. FAIR VALUE MEASUREMENTS AND DISCLOSURE

The Fair Value Measurement and Disclosure framework in ASC 820, "Fair Value Measurement," provides a three-tiered fair value hierarchy based on the reliability of the inputs used to determine fair value. Level 1 refers to fair values determined based on quoted prices in active markets for identical assets. Level 2 refers to fair values estimated using significant other observable inputs and Level 3 includes fair values estimated using significant unobservable inputs.

The level of an asset or liability within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Our valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable value or reflective of future fair values. We believe our valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no changes in the methodologies used since December 31, 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
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Long-Term Debt and Other Financial Instruments
The carrying amounts and estimated fair values of our long-term debt, including current maturities, and other financial instruments are summarized as follows:

	June 30, 2025		December 31, 2024	
	Carrying Amount	**Fair Value**	Carrying Amount	Fair Value
Notes and debentures[1]	**$ 130,929**	**$ 124,807**	$ 122,116	$ 114,167
Investment securities[2]	**1,598**	**1,598**	1,603	1,603

[1] Includes credit agreement borrowings.

[2] Excludes investments accounted for under the equity method.

The carrying amount of debt with an original maturity of less than one year approximates fair value. The fair value measurements used for notes and debentures are considered Level 2 and are determined using various methods, including quoted prices for identical or similar securities in both active and inactive markets.

Following is the fair value leveling for investment securities that are measured at fair value and derivatives as of June 30, 2025 and December 31, 2024. Derivatives designated as hedging instruments are reflected as “Prepaid and other current assets,” “Other Assets,” “Accounts payable and accrued liabilities,” and “Other noncurrent liabilities” on our consolidated balance sheets.

	June 30, 2025			
	Level 1	**Level 2**	**Level 3**	**Total**
Equity Securities				
Domestic equities	**$ 514**	**$ —**	**$ —**	**$ 514**
International equities	**9**	**—**	**—**	**9**
Fixed income equities	**184**	**—**	**—**	**184**
Available-for-Sale Debt Securities	**—**	**671**	**—**	**671**
Asset Derivatives				
Cross-currency swaps	**—**	**1,203**	**—**	**1,203**
Liability Derivatives				
Cross-currency swaps	**—**	**(2,093)**	**—**	**(2,093)**

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Domestic equities	$ 484	$ —	$ —	$ 484
International equities	8	—	—	8
Fixed income equities	178	—	—	178
Available-for-Sale Debt Securities	—	689	—	689
Asset Derivatives				
Cross-currency swaps	—	87	—	87
Liability Derivatives				
Cross-currency swaps	—	(4,163)	—	(4,163)

Investment Securities
Our investment securities include both equity and debt securities that are measured at fair value, as well as equity securities without readily determinable fair values. A substantial portion of the fair values of our investment securities is estimated based on quoted market prices. Investments in equity securities not traded on a national securities exchange are valued at cost, less any impairment, and adjusted for changes resulting from observable, orderly transactions for identical or similar securities.

Investments in debt securities not traded on a national securities exchange are valued using pricing models, quoted prices of securities with similar characteristics or discounted cash flows.

The components comprising total gains and losses in the period on equity securities are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Total gains (losses) recognized on equity securities	**$ 48**	$ 29	**$ 21**	$ 126
Gains (losses) recognized on equity securities sold	**—**	(5)	**—**	(8)
Unrealized gains (losses) recognized on equity securities held at end of period	**$ 48**	$ 34	**$ 21**	$ 134

At June 30, 2025, available-for-sale debt securities totaling $671 have maturities as follows - less than one year: $71; one to three years: $107; three to five years: $113; five or more years: $380.

Our cash equivalents (money market securities) and short-term investments (certificate and time deposits) are recorded at amortized cost, and the respective carrying amounts approximate fair values. Short-term investments are recorded in “Prepaid and other current assets” and our investment securities are recorded in “Other Assets” on the consolidated balance sheets.

Derivative Financial Instruments
We enter into derivative transactions to manage certain market risks, primarily interest rate risk and foreign currency exchange risk. This includes the use of interest rate swaps, interest rate locks, foreign exchange forward contracts and combined interest rate foreign exchange contracts (cross-currency swaps). We do not use derivatives for trading or speculative purposes. We record derivatives on our consolidated balance sheets at fair value that is derived from observable market data, including yield curves and foreign exchange rates (all of our derivatives are Level 2). Cash flows associated with derivative instruments are presented in the same category on the consolidated statements of cash flows as the item being hedged.

Fair Value Hedging Periodically, we enter into and designate fixed-to-floating interest rate swaps as fair value hedges. The purpose of these swaps is to manage interest rate risk by managing our mix of fixed-rate and floating-rate debt. These swaps involve the receipt of fixed-rate amounts for floating interest rate payments over the life of the swaps without exchange of the underlying principal amount.

We also designate most of our cross-currency swaps and foreign exchange contracts as fair value hedges. The purpose of these contracts is to hedge foreign currency risk associated with changes in spot rates on foreign denominated debt. For cross-currency hedges, we have elected to exclude the change in fair value of the swap related to both time value and cross-currency basis spread from the assessment of hedge effectiveness. For foreign exchange contracts, we have elected to exclude the change in fair value of forward points from the assessment of hedge effectiveness.

Unrealized and realized gains or losses from fair value hedges impact the same category on the consolidated statements of income as the item being hedged, including the earnings impact of excluded components. In instances where we have elected to exclude components from the assessment of hedge effectiveness related to fair value hedges, unrealized gains or losses on such excluded components are recorded as a component of accumulated OCI and recognized into earnings over the life of the hedging instrument. Unrealized gains on derivatives designated as fair value hedges are recorded at fair value as assets, and unrealized losses are recorded at fair market value as liabilities. Except for excluded components, changes in the fair value of derivative instruments designated as fair value hedges are offset against the change in fair value of the hedged assets or liabilities through earnings. In the six months ended June 30, 2025 and 2024, no ineffectiveness was measured on fair value hedges.

Cash Flow Hedging We designate some of our cross-currency swaps as cash flow hedges to hedge our exposure to variability in expected future cash flows that are attributable to foreign currency risk and interest rate risk generated from our foreign-denominated debt. These agreements include initial and final exchanges of principal from fixed foreign denominated amounts to fixed U.S. dollar denominated amounts, to be exchanged at a specified rate that is usually determined by the market spot rate upon issuance. They also include an interest rate swap of a fixed or floating foreign denominated interest rate to a fixed U.S. dollar denominated interest rate.

Unrealized gains on derivatives designated as cash flow hedges are recorded at fair value as assets and unrealized losses are recorded at fair value as liabilities. For derivative instruments designated as cash flow hedges, changes in fair value are reported as a component of accumulated OCI and are reclassified into the consolidated statements of income in the same period the hedged transaction affects earnings.

Periodically, we enter into and designate interest rate locks to partially hedge the risk of changes in interest payments attributable to increases in the benchmark interest rate during the period leading up to the probable issuance of fixed-rate debt. We designate our interest rate locks as cash flow hedges. Gains and losses when we settle our interest rate locks are amortized into income over the life of the related debt. Over the next 12 months, we expect to reclassify $59 from accumulated OCI to "Interest expense" due to the amortization of net losses on historical interest rate locks.

Collateral and Credit-Risk Contingency We have entered into agreements with our derivative counterparties establishing collateral thresholds based on respective credit ratings and netting agreements. At June 30, 2025, we had posted collateral of $355 (a deposit asset) and held collateral of $404 (a receipt liability). Under the agreements, if AT&T's credit rating had been downgraded two ratings levels by Fitch Ratings, one level by S&P and one level by Moody's before the final collateral exchange in June, we would have been required to post additional collateral of $50. If AT&T's credit rating had been downgraded three ratings levels by Fitch Ratings, two levels by S&P and two levels by Moody's, we would have been required to post additional collateral of $1,312. At December 31, 2024, we had posted collateral of $188 (a deposit asset) and held collateral of $0 (a receipt liability). We do not offset the fair value of collateral, whether the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) exists, against the fair value of the derivative instruments.

Following are the notional amounts of our outstanding derivative positions:

	June 30, 2025	December 31, 2024
Cross-currency swaps	**$ 36,499**	$ 34,884
Total	**$ 36,499**	$ 34,884

Following are the related hedged items affecting our financial position and performance:

Effect of Derivatives on the Consolidated Statements of Income

	Three months ended June 30,		Six months ended June 30,	
Fair Value Hedging Relationships	**2025**	2024	**2025**	2024
Interest rate swaps ("Interest expense"):				
Gain (loss) on interest rate swaps	**$ (1)**	$ (1)	**$ (2)**	$ (1)
Gain (loss) on long-term debt	**1**	1	**2**	1
Cross-currency swaps:				
Gain (loss) on cross-currency swaps	**2,735**	(178)	**3,859**	(424)
Gain (loss) on long-term debt	**(2,735)**	178	**(3,859)**	424
Gain (loss) recognized in accumulated OCI	**128**	(325)	**(703)**	(70)

In addition, the net swap settlements that accrued and settled in the periods above were offset against "Interest expense."

The following table presents information for our cash flow hedging relationships:

	Three months ended June 30,		Six months ended June 30,	
Cash Flow Hedging Relationships	**2025**	2024	**2025**	2024
Cross-currency swaps:				
Gain (loss) recognized in accumulated OCI	**$ —**	$ —	**$ 4**	$ 5
Interest rate locks:				
Interest income (expense) reclassified from accumulated OCI into income	**(14)**	(14)	**(29)**	(29)

NOTE 8. SALES OF RECEIVABLES

We have agreements with various third-party financial institutions pertaining to the sales of certain types of our accounts receivable. The most significant of these programs are discussed in detail below and generally consist of (1) receivables arising from equipment installment plans, which are sold for cash and beneficial interests, such as deferred purchase price, when applicable, and (2) revolving trade receivables, which are sold for cash. Under the terms of our agreements for these programs, we continue to service the transferred receivables on behalf of the financial institutions.

The following table sets forth a summary of cash proceeds received, net of remittances paid, from sales of receivables:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Net cash received (paid) from equipment installment receivables program[1]	**$ (135)**	$ (674)	**$ 724**	$ (553)
Net cash received (paid) from revolving receivables program	**(42)**	(29)	**91**	247
Total net cash impact to cash flows from operating activities[2]	**$ (177)**	$ (703)	**$ 815**	$ (306)

[1] Cash from initial sales of $2,779 and $2,532 for the three months and $6,577 and $5,406 for the six months ended June 30, 2025 and 2024, respectively.

[2] Net of facility fees.

The sales of receivables did not have a material impact on our consolidated statements of income or to “Total Assets” reported on our consolidated balance sheets. We reflect cash receipts on sold receivables as cash flows from operations in our consolidated statements of cash flows. In the event cash is received on the beneficial interests, those receipts are classified as cash flows from investing activities, when applicable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

Our equipment installment and revolving receivables programs are discussed in detail below. The following table sets forth a summary of the receivables and accounts being serviced:

	June 30, 2025		December 31, 2024	
	Equipment Installment	**Revolving**	Equipment Installment	Revolving
Gross receivables:	**$ 3,227**	**$ 234**	$ 3,504	$ 553
Balance sheet classification				
Accounts receivable				
Notes receivable	**1,771**	**—**	1,817	—
Trade receivables	**299**	**234**	237	553
Other Assets				
Noncurrent notes and trade receivables	**1,157**	**—**	1,450	—
Outstanding portfolio of receivables derecognized from our consolidated balance sheets	**$ 11,566**	**$ 2,940**	$ 11,909	$ 2,770
Cash proceeds received, net of remittances[1]	**9,054**	**2,940**	8,243	2,770

[1] Represents amounts to which financial institutions remain entitled, excluding the beneficial interests.

Equipment Installment Receivables Program
We offer our customers the option to purchase certain wireless devices in installments over a specified period of time and, in many cases, once certain conditions are met, they may be eligible to trade in the original equipment for a new device and have the remaining unpaid balance paid or settled.

We maintain a program under which we transfer a portion of these receivables through our bankruptcy-remote subsidiary in exchange for cash and beneficial interests. In the event a customer trades in a device prior to the end of the installment contract period, we agree to make a payment to the financial institutions equal to any outstanding remaining installment receivable balance. Accordingly, we record a guarantee obligation for this estimated amount at the time the receivables are transferred.

The following table sets forth a summary of equipment installment receivables sold under this program:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Gross receivables sold[1]	**$ 2,807**	$ 2,557	**$ 6,642**	$ 5,461
Net receivables sold[2]	**2,687**	2,438	**6,375**	5,195
Cash proceeds received	**2,779**	2,532	**6,577**	5,406
Guarantee obligation recorded	**219**	217	**499**	483

[1] Receivables net of promotion credits.

[2] Receivables net of allowance and other reserves.

Beneficial interests, when applicable, and guarantee obligations are initially recorded at estimated fair value and subsequently adjusted for changes in present value of expected cash flows. The estimation of their fair values is based on remaining installment payments expected to be collected and the expected timing and value of device trade-ins. The estimated value of the device trade-ins considers prices offered to us by independent third parties and contemplates changes in value after the launch of a device model. The fair value measurements used for the beneficial interests and the guarantee obligation are considered Level 3 under the Fair Value Measurement and Disclosure framework (see Note 7).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) - Continued
Dollars in millions except per share amounts

The following table presents the previously transferred equipment installment receivables, which we repurchased in exchange for the associated beneficial interests:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Fair value of repurchased receivables	**$ 1,011**	$ 724	**$ 2,948**	$ 1,442
Carrying value of beneficial interests	**1,011**	743	**2,944**	1,464
Gain (loss) on repurchases[1]	**$ —**	$ (19)	**$ 4**	$ (22)

[1] These gains (losses) are included in "Selling, general and administrative" expense in the consolidated statements of income.

At June 30, 2025 and December 31, 2024, our beneficial interests were $1,990 and $3,185, respectively, of which $1,214 and $1,906 are included in "Prepaid and other current assets" on our consolidated balance sheets, with the remainder in "Other Assets." The guarantee obligation at June 30, 2025 and December 31, 2024 was $263 and $301, respectively, of which $140 and $150 are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets, with the remainder in "Other noncurrent liabilities." Our maximum exposure to loss as a result of selling these equipment installment receivables is limited to the total amount of our beneficial interests and guarantee obligation.

Revolving Receivables Program
During 2025, we expanded our revolving agreement to transfer up to $2,940 of certain receivables through our bankruptcy-remote subsidiaries to various financial institutions on a recurring basis in exchange for cash equal to the gross receivables transferred. This agreement is subject to renewal on an annual basis and the transfer limit may be expanded or reduced from time to time. As customers pay their balances, we transfer additional receivables into the program, resulting in our gross receivables sold exceeding net cash flow impacts (e.g., collect and reinvest). The transferred receivables are fully guaranteed by our bankruptcy-remote subsidiaries, which hold additional receivables in the amount of $234 that are pledged as collateral under this agreement. The transfers are recorded at fair value of the proceeds received and obligations assumed less derecognized receivables. Our maximum exposure to loss related to these receivables transferred is limited to the derecognized amount outstanding.

The following table sets forth a summary of the revolving receivables sold:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
Gross receivables sold/cash proceeds received[1]	**$ 7,673**	$ 4,672	**$ 15,016**	$ 8,846
Total collections under revolving agreement	**7,673**	4,672	**14,846**	8,546
Net cash proceeds received	**$ —**	$ —	**$ 170**	$ 300
Net receivables sold[2]	**$ 7,463**	$ 4,549	**$ 14,605**	$ 8,612

[1] Includes initial sales of receivables of $0 and $0 for the three months and $170 and $300 for the six months ended June 30, 2025 and 2024, respectively.

[2] Receivables net of allowance and other reserves.

NOTE 9. TRANSACTIONS WITH DIRECTV

We account for our investment in DIRECTV under the equity method and record our share of DIRECTV earnings as equity in net income of affiliates, with DIRECTV considered a related party. On September 29, 2024, we agreed to sell our interest in DIRECTV to TPG Capital (TPG) for approximately $7,600 in cash payments.

Beginning in third-quarter 2024, our investment in DIRECTV was reduced to zero on our consolidated balance sheet, resulting from aggregate cash receipts exceeding our initial investment balance plus our cumulative equity in DIRECTV earnings. As we are not committed, implicitly or explicitly, to provide financial or other support to DIRECTV, we record cash distributions

received in excess of our share of DIRECTV's earnings in "Equity in net income of affiliates" in the consolidated statements of income and as cash provided by operations in the consolidated statements of cash flows.

The following table sets forth our share of DIRECTV's earnings included in "Equity in net income of affiliates" and cash distributions received from DIRECTV:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	**2025**	2024
DIRECTV's earnings included in Equity in net income of affiliates	**$ 503**	$ 350	**$ 1,926**	$ 674
Distributions classified as operating activities	**$ 503**	$ 350	**$ 1,926**	$ 674
Distributions classified as investing activities	**—**	392	**—**	586
Cash distributions received from DIRECTV	**$ 503**	$ 742	**$ 1,926**	$ 1,260

For the three and six months ended June 30, 2025, we billed DIRECTV approximately $116 and $240 under commercial arrangements and transition service agreements, which were recorded as a reduction to the operations and support expenses incurred.

At June 30, 2025, we had accounts receivable from DIRECTV of $205 and accounts payable to DIRECTV of $50.

On July 2, 2025, we completed the sale of our interest in DIRECTV to TPG. Upon close, we will record a current note receivable of approximately $3,600, which we expect to receive the majority of by the end of 2025, and a long-term receivable of $500. We expect to record a significant gain on the sale, whose amount will be dependent on transition service agreements, indemnifications and other tax items.

NOTE 10. SUPPLIER AND VENDOR FINANCING PROGRAMS

Supplier Financing Program
We actively manage the timing of our supplier payments for operating items to optimize the use of our cash and seek to make payments on 90-day or greater terms, while providing suppliers with access to bank facilities that permit earlier payment at their cost. Our supplier financing program does not result in changes to our normal, contracted payment cycles or cash from operations.

At the supplier's election, they can receive payment of AT&T obligations prior to the scheduled due dates, at a discounted price from the third-party financial institution. The discounted price paid to participating suppliers is based on a variable rate that is indexed to the overnight borrowing rate. We agree to pay the financial institution the stated amount generally within 90 days of receipt of the invoice. We do not have pledged assets or other guarantees under our supplier financing program.

Suppliers had elected to sell to the third-party financial institutions $3,461 and $2,498 of our outstanding payment obligations as of June 30, 2025 and December 31, 2024, respectively. These amounts are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our supplier financing programs are reported as operating or investing (when capitalizable) activities in our consolidated statements of cash flows when paid.

Direct Supplier Financing
We also have arrangements with suppliers of handset inventory that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (variable rate extension fee). We had $4,235 of direct supplier financing outstanding as of June 30, 2025 and $6,272 as of December 31, 2024, which are included in "Accounts payable and accrued liabilities" on our consolidated balance sheets. Our direct supplier financing is reported as operating activities in our statements of cash flows when paid.

Vendor Financing
We enter into multi-year software licensing arrangements, which, consistent with industry standards, are paid over the license terms of two to five years. Additionally, in connection with capital improvements and the acquisition of other productive assets, we negotiate favorable payment terms of 120 days or more. We refer to these arrangements as vendor financing, with the

balances and activities including equipment and software arrangements. Vendor financing payments are reported as financing activities in our statements of cash flows when paid. For the six months ended June 30, 2025 and 2024, we recorded vendor financing commitments of $831 and $523, respectively. We had $1,916 of vendor financing payables at June 30, 2025, with $1,193 included in "Accounts payable and accrued liabilities" and $1,448 of vendor financing payables at December 31, 2024, with $749 included in "Accounts payable and accrued liabilities."

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

Cash and Cash Flows

We typically maintain our restricted cash balances for purchases and sales of certain investment securities and funding of certain deferred compensation benefit payments.

The following table summarizes cash and cash equivalents and restricted cash balances contained on our consolidated balance sheets:

	June 30,		December 31,	
	2025	2024	2024	2023
Cash and cash equivalents	**$ 10,499**	$ 3,093	$ 3,298	$ 6,722
Restricted cash in Prepaid and other current assets	**1**	1	1	2
Restricted cash in Other Assets	**76**	109	107	109
Cash and Cash Equivalents and Restricted Cash	**$ 10,576**	$ 3,203	$ 3,406	$ 6,833

The following table summarizes cash paid during the periods for interest and income taxes:

	Six months ended June 30,	
Cash paid (received) during the period for:	**2025**	2024
Interest	**$ 3,316**	$ 3,644
Income taxes, net of refunds	**880**	299

The following table summarizes capital expenditures:

	Six months ended June 30,	
	2025	2024
Purchase of property and equipment	**$ 9,097**	$ 8,042
Interest during construction - capital expenditures[1]	**77**	76
Total Capital Expenditures	**$ 9,174**	$ 8,118

The following table summarizes acquisitions, net of cash acquired:

	Six months ended June 30,	
	2025	2024
Business acquisitions	**$ —**	$ —
Spectrum acquisitions	**14**	147
Interest during construction - spectrum[1]	**34**	123
Total Acquisitions	**$ 48**	$ 270

[1] Total capitalized interest was $111 and $199 for the six months ended June 30, 2025 and 2024, respectively.

Preferred Equity Transactions

On March 3, 2025, we issued $2,250 of nonconvertible cumulative preferred interests in Telco LLC (Telco Class A-4). The Telco Class A-4 interests pay an initial preferred distribution of 5.94% annually, subject to declaration, and subject to reset on November 1, 2028, and every four years thereafter. The Telco Class A-4 interests can be called at issue price beginning

November 1, 2028, and are subject to the same redemption and liquidation rights as the Telco Class A-1, A-2 and A-3 interests.

On March 3, 2025, we also redeemed all outstanding Series B cumulative perpetual preferred shares. The shares had a total liquidation preference of €2.0 billion and were redeemed for $2,075.

Pending Acquisition
On May 21, 2025, we agreed to acquire substantially all of Lumen's mass markets fiber business for $5,750 cash, subject to purchase price adjustments. At the time of signing, the pending acquisition covered approximately 1 million fiber customers, and also included fiber network assets that reach more than 4 million fiber locations. The transaction is expected to close in the first half of 2026, pending regulatory approval and other customary closing conditions.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations
Dollars in millions except per share amounts

OVERVIEW

AT&T Inc. is referred to as "we," "AT&T" or the "Company" throughout this document. AT&T products and services are provided or offered by subsidiaries and affiliates of AT&T Inc. under the AT&T brand and not by AT&T Inc., and the names of the particular subsidiaries and affiliates providing the services generally have been omitted. AT&T is a holding company whose subsidiaries and affiliates operate worldwide in the telecommunications and technology industries. You should read this discussion in conjunction with the consolidated financial statements and accompanying notes (Notes).

We have two reportable segments: Communications and Latin America. Our segment results presented in Note 4 and discussed below follow our internal management reporting. Percentage increases and decreases that are not considered meaningful are denoted with a dash.

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Operating Revenues						
Communications	**$ 29,699**	$ 28,582	3.9 %	**$ 59,259**	$ 57,439	3.2 %
Latin America	**1,054**	1,103	(4.4)	**2,025**	2,166	(6.5)
Corporate	**94**	112	(16.1)	**189**	220	(14.1)
AT&T Operating Revenues	**$ 30,847**	$ 29,797	3.5 %	**$ 61,473**	$ 59,825	2.8 %
Operating Income (Loss)						
Communications	**$ 7,065**	$ 7,005	0.9 %	**$ 14,056**	$ 13,750	2.2 %
Latin America	**46**	6	—	**89**	9	—
Segment Operating Income	**7,111**	7,011	1.4	**14,145**	13,759	2.8
Corporate	**(622)**	(731)	14.9	**(1,304)**	(1,465)	11.0
Certain significant items	**12**	(520)	—	**(586)**	(687)	14.7
AT&T Operating Income	**$ 6,501**	$ 5,760	12.9 %	**$ 12,255**	$ 11,607	5.6 %

The ***Communications segment*** provides services to businesses and consumers located in the U.S. and businesses globally. Our business strategies reflect integrated product offerings that cut across product lines and utilize shared assets. This segment contains the following business units:

- **Mobility** provides nationwide wireless service and equipment.
- **Business Wireline** provides advanced ethernet-based fiber services, fixed wireless services, IP Voice and managed professional services, as well as legacy voice and data services and related equipment, to business customers.
- **Consumer Wireline** provides broadband services, including fiber connections that provide multi-gig services, and AT&T Internet Air (AIA) services, to residential customers in select locations. Consumer Wireline also provides legacy telephony voice communication services.

The ***Latin America segment*** provides wireless services and equipment in Mexico.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

RESULTS OF OPERATIONS

Consolidated Results Our financial results are summarized in the discussions that follow. Additional analysis is discussed in our "Segment Results" section.

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Operating Revenues						
Service	**$ 25,292**	$ 25,006	1.1 %	**$ 50,430**	$ 49,848	1.2 %
Equipment	**5,555**	4,791	15.9	**11,043**	9,977	10.7
Total Operating Revenues	**30,847**	29,797	3.5	**61,473**	59,825	2.8
Operating Expenses						
Operations and support	**19,095**	18,965	0.7	**38,777**	38,099	1.8
Depreciation and amortization	**5,251**	5,072	3.5	**10,441**	10,119	3.2
Total Operating Expenses	**24,346**	24,037	1.3	**49,218**	48,218	2.1
Operating Income	**6,501**	5,760	12.9	**12,255**	11,607	5.6
Interest expense	**1,655**	1,699	(2.6)	**3,313**	3,423	(3.2)
Equity in net income of affiliates	**485**	348	39.4	**1,925**	643	—
Other income (expense) — net	**767**	682	12.5	**1,222**	1,133	7.9
Income Before Income Taxes	**6,098**	5,091	19.8	**12,089**	9,960	21.4
Net Income	**4,861**	3,949	23.1	**9,553**	7,700	24.1
Net Income Attributable to AT&T	**4,500**	3,597	25.1	**8,851**	7,042	25.7
Net Income Attributable to Common Stock	**$ 4,464**	$ 3,546	25.9 %	**$ 8,859**	$ 6,941	27.6 %

Operating revenues increased in the second quarter and for the first six months of 2025, reflecting higher Mobility and Consumer Wireline revenues, partially offset by declines in Business Wireline and Mexico, which included unfavorable foreign exchange impacts.

Operations and support expenses increased in the second quarter and for the first six months of 2025, primarily due to higher Mobility equipment costs resulting from increased wireless equipment sales volumes and higher network-related costs. These increases were partially offset by expense declines from our continued transformation efforts and higher restructuring charges in the prior year. Also contributing to decreases for the first six months was the absence of expenses from our cybersecurity business that was contributed to a new cybersecurity joint venture, LevelBlue, in the second quarter of 2024.

Depreciation and amortization expense increased in the second quarter and for the first six months of 2025, primarily due to ongoing capital spending for strategic initiatives such as fiber and network upgrades, partially offset by lower depreciation impacts from our Open RAN network modernization efforts.

Operating income increased in the second quarter and for the first six months of 2025. Our operating income margin in the second quarter increased from 19.3% in 2024 to 21.1% in 2025 and for the first six months increased from 19.4% in 2024 to 19.9% in 2025.

Interest expense decreased in the second quarter and for the first six months of 2025, primarily due to lower debt balances, partially offset by lower capitalized interest associated with spectrum acquisitions.

Equity in net income of affiliates increased in the second quarter and for the first six months of 2025. The increases reflect cash distributions received by AT&T in excess of the carrying amount of our investment in DIRECTV (see Note 9). We sold our interest in DIRECTV to TPG Capital on July 2, 2025.

Other income (expense) – net increased in the second quarter and for the first six months of 2025. The increases were primarily due to a second-quarter 2025 gain on prior disposition, and for the first six months, first-quarter 2024 noncash impairment charges for a held-for-sale business and our SKY Mexico equity investment. Partially offsetting the increases were lower pension and postretirement benefit credits and lower returns on other benefit-related investments for the six-month period.

Other income (expense) - net in the third quarter of 2025, will include a gain recognized on our sale of DIRECTV, which we expect to be in the range of $5,500, dependent on transition service agreements, indemnifications and other tax items (see Note 9).

Income tax expense increased in the second quarter and for the first six months of 2025, primarily due to higher income before income tax.

Our effective tax rate was 20.3% in the second quarter and 21.0% for the first six months of 2025, versus 22.4% and 22.7% in the comparable periods in the prior year, reflecting larger discrete state tax benefits in 2025.

Segment Results Our segments are comprised of strategic business units or other operations that offer products and services to different customer segments over various technology platforms and/or in different geographies that are managed accordingly. We evaluate segment performance based on operating income as well as EBITDA and/or EBITDA margin. See "Discussion and Reconciliation of Non-GAAP Measures" for a reconciliation of EBITDA and EBITDA margin to the most comparable financial measures calculated and presented in accordance with U.S. generally accepted accounting principles (GAAP).

COMMUNICATIONS SEGMENT	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Segment Operating Revenues						
Mobility	**$ 21,845**	$ 20,480	6.7 %	**$ 43,415**	$ 41,074	5.7 %
Business Wireline	**4,313**	4,755	(9.3)	**8,781**	9,668	(9.2)
Consumer Wireline	**3,541**	3,347	5.8	**7,063**	6,697	5.5
Total Segment Operating Revenues	**$ 29,699**	$ 28,582	3.9 %	**$ 59,259**	$ 57,439	3.2 %
Segment Operating Income (Loss)						
Mobility	**$ 6,931**	$ 6,719	3.2 %	**$ 13,671**	$ 13,187	3.7 %
Business Wireline	**(201)**	102	—	**(299)**	166	—
Consumer Wireline	**335**	184	82.1	**684**	397	72.3
Total Segment Operating Income	**$ 7,065**	$ 7,005	0.9 %	**$ 14,056**	$ 13,750	2.2 %

Operating revenues increased in the second quarter and for the first six months of 2025, primarily driven by increases in our Mobility and Consumer Wireline business units, partially offset by declines in our Business Wireline business unit, which reflects lower demand for legacy services. Also offsetting revenue increases for the first six months was the absence of revenues from our cybersecurity business that was contributed to a new cybersecurity joint venture, LevelBlue, in the second quarter of 2024.

Operating income increased in the second quarter and for the first six months of 2025. Our Communications segment operating income margin in the second quarter decreased from 24.5% in 2024 to 23.8% in 2025 and for the first six months decreased from 23.9% in 2024 to 23.7% in 2025. Our Communications EBITDA margin in the second quarter decreased from 41.2% in 2024 to 40.7% in 2025 and for the first six months increased from 40.5% in 2024 to 40.6% in 2025.

Communications Business Unit Discussion

Mobility Results

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Operating revenues						
Service	**$ 16,853**	$ 16,277	3.5 %	**$ 33,504**	$ 32,271	3.8 %
Equipment	**4,992**	4,203	18.8	**9,911**	8,803	12.6
Total Operating Revenues	**21,845**	20,480	6.7	**43,415**	41,074	5.7
Operating expenses						
Operations and support	**12,358**	11,285	9.5	**24,662**	22,924	7.6
Depreciation and amortization	**2,556**	2,476	3.2	**5,082**	4,963	2.4
Total Operating Expenses	**14,914**	13,761	8.4	**29,744**	27,887	6.7
Operating Income	**$ 6,931**	$ 6,719	3.2 %	**$ 13,671**	$ 13,187	3.7 %

The following tables highlight other key measures of performance for Mobility:

Subscribers

	June 30,		Percent
(in 000s)	**2025**	2024	Change
Postpaid	**89,928**	87,999	2.2 %
Postpaid phone	**73,408**	71,930	2.1
Prepaid	**18,768**	19,271	(2.6)
Reseller	**9,549**	8,204	16.4
Total Mobility Subscribers[1]	**118,245**	115,474	2.4 %

[1] Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity during the period.

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Mobility Net Additions

	Second Quarter			Six-Month Period		
(in 000s)	**2025**	2024	Percent Change	**2025**	2024	Percent Change
Postpaid Phone Net Additions	**401**	419	(4.3) %	**725**	768	(5.6) %
Total Phone Net Additions	**367**	454	(19.2)	**671**	804	(16.5)
Postpaid[2]	**479**	593	(19.2)	**769**	982	(21.7)
Prepaid	**(152)**	82	—	**(186)**	83	—
Reseller	**(38)**	322	—	**(174)**	673	—
Mobility Net Subscriber Additions[1]	**289**	997	(71.0) %	**409**	1,738	(76.5) %
Postpaid Churn[3]	**1.02 %**	0.85 %	17 BP	**1.01 %**	0.87 %	14 BP
Postpaid Phone-Only Churn[3]	**0.87 %**	0.70 %	17 BP	**0.85 %**	0.71 %	14 BP

[1] Excludes migrations between wireless subscriber categories, including connected devices, and acquisition-related activity during the period.

[2] In addition to postpaid phones, includes tablets and wearables and other. Tablet net adds (losses) were 63 and 64 for the quarters ended June 30, 2025 and 2024 and 59 and 52 for the first six months ended June 30, 2025 and 2024. Wearables and other net adds (losses) were 15 and 110 for the quarters ended June 30, 2025 and 2024 and (15) and 162 for the first six months ended June 30, 2025 and 2024.

[3] Calculated by dividing the aggregate number of wireless subscribers who canceled service during a month by the total number of wireless subscribers at the beginning of that month. The churn rate for the period is equal to the average of the churn rate for each month of that period.

Service revenue increased in the second quarter and for the first six months of 2025, largely due to postpaid phone average revenue per subscriber (ARPU) growth and subscriber gains.

ARPU
ARPU increased in the second quarter and for the first six months of 2025, reflecting pricing actions and customers migrating to higher priced plans.

Churn
The effective management of subscriber churn is critical to our ability to maximize revenue growth and to maintain and improve margins. Postpaid churn and postpaid phone-only churn were higher in the second quarter and for the first six months of 2025, driven by a normalization of customers reaching the end of their equipment promotional plans and increased competition.

Equipment revenue increased in the second quarter and for the first six months of 2025, primarily driven by higher wireless device sales volumes.

Operations and support expenses increased in the second quarter and for the first six months of 2025, primarily due to higher equipment costs driven by higher wireless sales volumes. The increase also reflected higher advertising due to the launch of a new campaign in the first quarter, promotion costs and network costs.

Depreciation expense increased in the second quarter and for the first six months of 2025, primarily due to ongoing capital spending for network upgrades and expansion, partially offset by lower depreciation impacts from our network modernization efforts.

Operating income increased in the second quarter and for the first six months of 2025. Our Mobility operating income margin in the second quarter decreased from 32.8% in 2024 to 31.7% in 2025 and for the first six months decreased from 32.1% in 2024 to 31.5% in 2025. Our Mobility EBITDA margin in the second quarter decreased from 44.9% in 2024 to 43.4% in 2025 and for the first six months decreased from 44.2% in 2024 to 43.2% in 2025, driven by the increase in low margin equipment revenues.

Business Wireline Results

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Operating revenues						
Legacy and other transitional services	**$ 2,349**	$ 2,839	(17.3)%	**$ 4,824**	$ 5,836	(17.3)%
Fiber and advanced connectivity services	**1,793**	1,732	3.5	**3,573**	3,435	4.0
Equipment	**171**	184	(7.1)	**384**	397	(3.3)
Total Operating Revenues	**4,313**	4,755	(9.3)	**8,781**	9,668	(9.2)
Operating expenses						
Operations and support	**2,993**	3,267	(8.4)	**6,061**	6,754	(10.3)
Depreciation and amortization	**1,521**	1,386	9.7	**3,019**	2,748	9.9
Total Operating Expenses	**4,514**	4,653	(3.0)	**9,080**	9,502	(4.4)
Operating Income (Loss)	**$ (201)**	$ 102	— %	**$ (299)**	$ 166	— %

Legacy and other transitional services revenues decreased in the second quarter and for the first six months of 2025, driven by lower demand for legacy and VPN services, which we expect to continue. Revenue declines for the first six months also reflect the absence of revenues from our cybersecurity business that was contributed to LevelBlue in the second quarter of 2024. These revenue declines were partially offset by targeted pricing actions in the first quarter of 2025.

Fiber and advanced connectivity services revenues increased in the second quarter and for the first six months of 2025, driven by higher fiber and fixed wireless revenues.

Equipment revenues decreased in the second quarter and for the first six months of 2025.

Operations and support expenses decreased in the second quarter and for the first six months of 2025, primarily driven by lower personnel and customer support costs associated with ongoing transformation initiatives and lower network-related costs. Decreases for the first six months were also driven by the contribution of our cybersecurity business. As part of our transformation activities, we expect operations and support expense improvements through the remainder of 2025 as we further right size our operations in alignment with the strategic direction of the business.

Depreciation expense increased in the second quarter and for the first six months of 2025, primarily due to ongoing capital investment for strategic initiatives such as fiber, which we expect to continue through the remainder of 2025.

Operating income decreased in the second quarter and for the first six months of 2025. Our Business Wireline operating income margin in the second quarter decreased from 2.1% in 2024 to (4.7)% in 2025 and for the first six months decreased from 1.7% in 2024 to (3.4)% in 2025. Our Business Wireline EBITDA margin in the second quarter decreased from 31.3% in 2024 to 30.6% in 2025 and for the first six months increased from 30.1% in 2024 to 31.0% in 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations- Continued
Dollars in millions except per share amounts

Consumer Wireline Results

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Operating revenues						
Broadband	**$ 3,028**	$ 2,741	10.5 %	**$ 6,012**	$ 5,463	10.0 %
Legacy voice and data services	**265**	323	(18.0)	**551**	665	(17.1)
Other service and equipment	**248**	283	(12.4)	**500**	569	(12.1)
Total Operating Revenues	**3,541**	3,347	5.8	**7,063**	6,697	5.5
Operating expenses						
Operations and support	**2,248**	2,249	—	**4,472**	4,505	(0.7)
Depreciation and amortization	**958**	914	4.8	**1,907**	1,795	6.2
Total Operating Expenses	**3,206**	3,163	1.4	**6,379**	6,300	1.3
Operating Income	**$ 335**	$ 184	82.1 %	**$ 684**	$ 397	72.3 %

The following tables highlight other key measures of performance for Consumer Wireline:

Broadband Connections

(in 000s)	June 30, **2025**	2024	Percent Change
Broadband[1]	**14,262**	13,836	3.1 %
Fiber Broadband Connections	**9,835**	8,798	11.8 %

[1] Includes AIA.

Broadband Net Additions

	Second Quarter			Six-Month Period		
(in 000s)	**2025**	2024	Percent Change	**2025**	2024	Percent Change
Broadband Net Additions[1,2]	**150**	52	— %	**287**	107	— %
Fiber Broadband Net Additions	**243**	239	1.7 %	**504**	491	2.6 %

[1] Includes AIA.

[2] Excludes the impact of subscriber disconnections resulting from the termination of AIA services in areas with unfavorable regulatory requirements in the first quarter of 2025.

Broadband revenues increased in the second quarter and for the first six months of 2025, driven by increases in fiber revenues of 18.9% and 19.0%. Higher fiber revenues reflect an increase in fiber customers, which we expect to continue as we invest further in building our fiber footprint, and higher ARPU. This increase was partially offset by declines in copper-based broadband services.

Legacy voice and data services revenues decreased in the second quarter and for the first six months of 2025, reflecting the continued decline in demand for these services in favor of other technologies, such as wireless and fiber services.

Other service and equipment revenues decreased in the second quarter and for the first six months of 2025, reflecting the continued decline in the number of VoIP customers.

Operations and support expenses were flat in the second quarter and decreased for the first six months of 2025, primarily driven by lower customer support and content licensing costs, largely offset by higher network-related costs and higher marketing costs.

Depreciation expense increased in the second quarter and for the first six months of 2025, primarily due to ongoing capital spending for strategic initiatives such as fiber and network upgrades and expansion, which we expect to continue through the remainder of 2025.

Operating income increased in the second quarter and for the first six months of 2025. Our Consumer Wireline operating income margin in the second quarter increased from 5.5% in 2024 to 9.5% in 2025 and for the first six months increased from 5.9% in 2024 to 9.7% in 2025. Our Consumer Wireline EBITDA margin in the second quarter increased from 32.8% in 2024 to 36.5% in 2025 and for the first six months increased from 32.7% in 2024 to 36.7% in 2025.

LATIN AMERICA SEGMENT	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Segment Operating Revenues						
Service	**$ 662**	$ 699	(5.3)%	**$ 1,277**	$ 1,389	(8.1)%
Equipment	**392**	404	(3.0)	**748**	777	(3.7)
Total Segment Operating Revenues	**1,054**	1,103	(4.4)	**2,025**	2,166	(6.5)
Segment Operating Expenses						
Operations and support	**853**	925	(7.8)	**1,631**	1,808	(9.8)
Depreciation and amortization	**155**	172	(9.9)	**305**	349	(12.6)
Total Segment Operating Expenses	**1,008**	1,097	(8.1)	**1,936**	2,157	(10.2)
Operating Income	**$ 46**	$ 6	— %	**$ 89**	$ 9	— %

The following tables highlight other key measures of performance for Mexico:

Subscribers

(in 000s)	June 30, **2025**	2024	Percent Change
Postpaid	**6,180**	5,494	12.5 %
Prepaid	**17,440**	16,809	3.8
Reseller	**223**	333	(33.0)
Total Mexico Wireless Subscribers	**23,843**	22,636	5.3 %

Mexico Wireless Net Additions

	Second Quarter			Six-Month Period		
(in 000s)	**2025**	2024	Percent Change	**2025**	2024	Percent Change
Postpaid	**183**	142	28.9 %	**343**	258	32.9 %
Prepaid	**64**	67	(4.5)	**(46)**	146	—
Reseller	**(12)**	(32)	62.5	**(30)**	(84)	64.3
Total Mexico Wireless Net Additions	**235**	177	32.8 %	**267**	320	(16.6)%

Service revenues decreased in the second quarter and for the first six months of 2025, reflecting unfavorable foreign exchange impacts, partially offset by growth in subscribers and ARPU.

Equipment revenues decreased in the second quarter and for the first six months of 2025, reflecting unfavorable foreign exchange impacts, partially offset by higher equipment sales.

Operations and support expenses decreased in the second quarter and for the first six months of 2025, primarily due to favorable foreign exchange impacts, partially offset by increased equipment and selling costs resulting from higher sales.

Depreciation and amortization expense decreased in the second quarter and for the first six months of 2025, primarily due to favorable foreign exchange impacts.

Operating income increased in the second quarter and for the first six months of 2025. Our Mexico operating income margin in the second quarter increased from 0.5% in 2024 to 4.4% in 2025 and for the first six months increased from 0.4% in 2024 to 4.4% in 2025. Our Mexico EBITDA margin in the second quarter increased from 16.1% in 2024 to 19.1% in 2025 and for the first six months increased from 16.5% in 2024 to 19.5% in 2025.

COMPETITIVE AND REGULATORY ENVIRONMENT

Overview AT&T subsidiaries operating within the United States are subject to federal and state regulations. AT&T subsidiaries operating outside the United States are subject to the jurisdiction of national and supranational regulations in the markets where service is provided. Complying with these regulations may affect our results of operations and cash flow, and compliance may be very costly.

On July 4, 2025, the One Big Beautiful Bill Act was enacted, which restores or makes permanent certain expiring business tax provisions from the Tax Cuts and Jobs Act of 2017. We do not anticipate the legislation to materially impact our income tax expense, but expect that it will have a material impact on cash taxes paid.

For further discussion of regulations impacting AT&T and its subsidiaries, please see "Management's Discussion and Analysis of Financial Condition and Results of Operation—Regulatory Landscape" in our Annual Report on Form 10-K for the year-ended December 31, 2024.

LIQUIDITY AND CAPITAL RESOURCES

For six months ended June 30,		**2025**		2024
Cash provided by operating activities	**$**	**18,812**	$	16,640
Cash used in investing activities		**(11,044)**		(6,977)
Cash used in financing activities		**(598)**		(13,293)

		June 30, 2025		December 31, 2024
Cash and cash equivalents	**$**	**10,499**	$	3,298
Total debt		**132,311**		123,532

We had $10,499 in cash and cash equivalents available at June 30, 2025, increasing $7,201 since December 31, 2024. Cash and cash equivalents included cash of $2,795 and money market funds and other cash equivalents of $7,704. Approximately $1,376 of our cash and cash equivalents were held in accounts outside of the U.S. and may be subject to restrictions on repatriation.

For the first six months of 2025, cash inflows were primarily provided by cash receipts from operations, including cash from our sale and transfer of our receivables to third parties, and distributions from DIRECTV. These inflows exceeded cash used to meet the needs of the business, including, but not limited to, payment of operating expenses, including higher device payments from higher sales volumes. The cash generated from operating activities was primarily used to fund capital improvements, make dividend payments to stockholders, repurchase preferred and common stock, and repay long-term debt. We maintain availability under our credit facilities and our commercial paper program to meet our short-term liquidity requirements.

Cash Provided by Operating Activities
During the first six months of 2025, cash provided by operating activities was $18,812, compared to $16,640 for the first six months of 2024, with increases resulting from higher cash flows related to DIRECTV, including a first-quarter 2025 dividend of $1,138, and operational growth.

We actively manage the timing of our supplier payments for operating items to optimize the use of our cash. Among other things, we seek to make payments on 90-day or greater terms, while providing the suppliers with access to bank facilities that permit earlier payments at their cost (referred to as supplier financing program). In addition, for payments to suppliers of handset inventory, as part of our working capital initiatives, we have arrangements that allow us to extend the stated payment terms by up to 90 days at an additional cost to us (referred to as direct supplier financing). The net impact of direct supplier financing, including principal and interest payments, was to decrease cash from operating activities approximately $2,146 and $2,120 for the six months ended June 30, 2025 and 2024, respectively. All supplier financing payments are due within one year. (See Note 10)

Cash Used in Investing Activities
For the first six months of 2025, cash used in investing activities totaled $11,044 and consisted primarily of $9,174 (including interest during construction) for capital expenditures. During the first six months of 2025, investing activities also included $38 of FirstNet sustainability payments net of reinvestment, and $620 for our investment in a new strategic partner related to wireline network transformation accounted for under the equity method of accounting.

We enter into multi-year software licensing arrangements, which are typically paid over the license terms of two to five years and referred to as vendor financing. Additionally, for capital improvements, we have negotiated favorable vendor payment terms of 120 days or more with some of our vendors, which are also referred to as vendor financing. Vendor financing is excluded from capital expenditures and reported as financing activities. For the first six months of 2025, vendor financing payments were $423, compared to $1,391 for the first six months of 2024. Capital expenditures for the first six months of 2025 were $9,174, and when including $423 cash paid for vendor financing, capital investment was $9,597 ($88 higher than the prior-year comparable period).

The vast majority of our capital expenditures are spent on our networks, including product development and related support systems. During the first six months of 2025, we placed $831 of productive assets in service under vendor financing arrangements (compared to $523 in the prior-year comparable period). The amount of capital expenditures is influenced by demand for services and products, capacity needs and network enhancements.

On July 2, 2025, we completed the sale of our interest in DIRECTV to TPG. Upon close, we will record a current note receivable of approximately $3,600, which we expect to receive the majority of by the end of 2025, and a long-term note receivable of $500.

Cash Provided by or Used in Financing Activities
For the first six months of 2025, cash used in financing activities totaled $598 and was primarily comprised of dividend payments, preferred and common stock repurchases, debt repayments and vendor financing payments, offset by issuances of long-term debt and preferred interests.

A tabular summary of our debt activities for the six months ended June 30, 2025 is as follows:

	First Quarter	Second Quarter	Six months ended June 30, 2025
Issuance of Notes and Debentures:			
EUR notes	$ 2,956	$ —	$ 2,956
USD notes	—	3,473	3,473
Debt Issuances	$ 2,956	$ 3,473	$ 6,429
Repayments			
EUR notes	$ 1,321	$ 32	$ 1,353
Other	205	62	267
Repayments of long-term debt	$ 1,526	$ 94	$ 1,620

The weighted average interest rate of our long-term debt portfolio, including credit agreement borrowings and the impact of derivatives, was approximately 4.2% as of June 30, 2025 and as of December 31, 2024. We had $130,929 of total notes and debentures outstanding at June 30, 2025. This also included Euro, British pound sterling, Canadian dollar, Swiss franc and Australian dollar denominated debt that totaled approximately $36,181.

At June 30, 2025, we had $9,254 of long-term debt maturing within one year. We had no outstanding commercial paper or other short-term borrowings on June 30, 2025.

For the first six months of 2025, we paid $423 of cash under our vendor financing program, compared to $1,391 in the prior-year comparable period. Total vendor financing payables included in our June 30, 2025 consolidated balance sheet were $1,916, with $1,193 due within one year (in "Accounts payable and accrued liabilities") and the remainder predominantly due within five years (in "Other noncurrent liabilities").

During the first six months of 2025, we repurchased approximately 34 million shares totaling $958 under our $10,000 common stock repurchase authorization approved by the Board of Directors in December 2024, excluding brokerage fees and the one percent excise tax imposed by the Inflation Reduction Act of 2022. At June 30, 2025, we had approximately $9,042 remaining under this repurchase authorization.

We paid dividends on common and preferred shares of $4,135 during the first six months of 2025, compared with $4,133 for the first six months of 2024.

Dividends on common stock declared by our Board of Directors totaled $0.5550 per share in the first six months of 2025 and 2024. Our dividend policy considers the expectations and requirements of stockholders, capital funding requirements of AT&T and long-term growth opportunities.

Financing activities in the first six months of 2025 also included the issuance of $2,250 of nonconvertible cumulative preferred interests in Telco LLC, with the funds used to redeem all outstanding Series B preferred stock for $2,075 (see Note 11). We also received approximately $850 in upfront cash proceeds from a structured sale-leaseback of real estate.

Credit Facilities
The following summary of our various credit and loan agreements does not purport to be complete and is qualified in its entirety by reference to each agreement filed as exhibits to our Annual Report on Form 10-K.

We use credit facilities as a tool in managing our liquidity status. We currently have one $12,000 revolving credit agreement that terminates on November 18, 2029 (Revolving Credit Agreement). No amount was outstanding under the Revolving Credit Agreement as of June 30, 2025.

We also utilize other external financing sources, which include various credit arrangements supported by government agencies to support network equipment purchases as well as a commercial paper program.

Our Revolving Credit Agreement contains covenants that are customary for an issuer with investment grade senior debt credit rating as well as a net debt-to-EBITDA financial ratio covenant requiring AT&T to maintain, as of the last day of each fiscal quarter, a ratio of not more than 3.75-to-1. As of June 30, 2025, we were in compliance with the covenants for our credit facilities.

Collateral Arrangements
Most of our counterparty collateral arrangements require cash collateral posting by AT&T only when derivative market values exceed certain thresholds. Under these arrangements, which cover the majority of our approximate $36,499 derivative portfolio, counterparties are still required to post collateral. During the first six months of 2025, we received $237 of cash collateral, on a net basis. Cash postings under these arrangements vary with changes in credit ratings and netting agreements. (See Note 7)

Other
Our total capital consists of debt (long-term debt and debt maturing within one year), redeemable noncontrolling interest and stockholders' equity. Our capital structure does not include debt issued by our equity method investments. At June 30, 2025, our debt ratio was 51.7%, compared to 51.8% at June 30, 2024 and 50.7% at December 31, 2024. The debt ratio is affected by the same factors that affect total capital, and reflects our recent debt issuances, repayments and reclassifications related to redemption of noncontrolling interests.

DISCUSSION AND RECONCILIATION OF NON-GAAP MEASURES

We also evaluate segment and business unit performance based on EBITDA, which is defined as operating income excluding depreciation and amortization, and/or EBITDA margin, which is defined as EBITDA divided by total revenue. EBITDA is used as part of our management reporting, and we believe EBITDA to be a relevant and useful measurement to our investors as it measures the cash generation potential of our business units. EBITDA does not give effect to depreciation and amortization expenses incurred in operating income nor is it burdened by cash used for debt service requirements and thus does not reflect available funds for distributions, reinvestment or other discretionary uses. There are material limitations to using these non-GAAP financial measures. EBITDA and EBITDA margin, as we have defined them, may not be comparable to similarly titled measures reported by other companies.

	Second Quarter			Six-Month Period		
	2025	2024	Percent Change	**2025**	2024	Percent Change
Communications Segment						
Operating income	**$ 7,065**	$ 7,005	0.9 %	**$ 14,056**	$ 13,750	2.2 %
Add: Depreciation and amortization	**5,035**	4,776	5.4	**10,008**	9,506	5.3
EBITDA	**$ 12,100**	$ 11,781	2.7 %	**$ 24,064**	$ 23,256	3.5 %
Operating income margin	**23.8 %**	24.5 %		**23.7 %**	23.9 %	
EBITDA margin	**40.7 %**	41.2 %		**40.6 %**	40.5 %	
Mobility						
Operating income	**$ 6,931**	$ 6,719	3.2 %	**$ 13,671**	$ 13,187	3.7 %
Add: Depreciation and amortization	**2,556**	2,476	3.2	**5,082**	4,963	2.4
EBITDA	**$ 9,487**	$ 9,195	3.2 %	**$ 18,753**	$ 18,150	3.3 %
Operating income margin	**31.7 %**	32.8 %		**31.5 %**	32.1 %	
EBITDA margin	**43.4 %**	44.9 %		**43.2 %**	44.2 %	
Business Wireline						
Operating income (loss)	**$ (201)**	$ 102	— %	**$ (299)**	$ 166	— %
Add: Depreciation and amortization	**1,521**	1,386	9.7	**3,019**	2,748	9.9
EBITDA	**$ 1,320**	$ 1,488	(11.3)%	**$ 2,720**	$ 2,914	(6.7)%
Operating income margin	**(4.7)%**	2.1 %		**(3.4)%**	1.7 %	
EBITDA margin	**30.6 %**	31.3 %		**31.0 %**	30.1 %	
Consumer Wireline						
Operating income	**$ 335**	$ 184	82.1 %	**$ 684**	$ 397	72.3 %
Add: Depreciation and amortization	**958**	914	4.8	**1,907**	1,795	6.2
EBITDA	**$ 1,293**	$ 1,098	17.8 %	**$ 2,591**	$ 2,192	18.2 %
Operating income margin	**9.5 %**	5.5 %		**9.7 %**	5.9 %	
EBITDA margin	**36.5 %**	32.8 %		**36.7 %**	32.7 %	
Latin America Segment						
Operating income	**$ 46**	$ 6	— %	**$ 89**	$ 9	— %
Add: Depreciation and amortization	**155**	172	(9.9)	**305**	349	(12.6)
EBITDA	**$ 201**	$ 178	12.9 %	**$ 394**	$ 358	10.1 %
Operating income margin	**4.4 %**	0.5 %		**4.4 %**	0.4 %	
EBITDA margin	**19.1 %**	16.1 %		**19.5 %**	16.5 %	

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At June 30, 2025, we had no interest rate swaps.

We have fixed-to-fixed cross-currency swaps on foreign currency-denominated debt instruments with a U.S. dollar notional value of $36,499 to hedge our exposure to changes in foreign currency exchange rates and interest rates. These derivatives have been designated as fair value hedges with a net fair value of $(890) at June 30, 2025.

Item 4. Controls and Procedures

The registrant maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the registrant is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified in the SEC's rules and forms. The Chief Executive Officer and Chief Financial Officer have performed an evaluation of the effectiveness of the design and operation of the registrant's disclosure controls and procedures as of June 30, 2025. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the registrant's disclosure controls and procedures were effective as of June 30, 2025.

There have not been any changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

Information set forth in this report contains forward-looking statements that are subject to risks and uncertainties, and actual results could differ materially. Many of these factors are discussed in more detail in the "Risk Factors" section herein and in our most recent Form 10-K. We claim the protection of the safe harbor for forward-looking statements provided by the Private Securities Litigation Reform Act of 1995.

The following factors could cause our future results to differ materially from those expressed in the forward-looking statements:

- Adverse economic and political changes, public health emergencies and our ability to access financial markets on favorable terms.
- Increases in our benefit plans' costs, including due to worse-than-assumed investment returns and discount rates, mortality assumptions, medical cost trends, or healthcare laws or regulations.
- The final outcome of FCC and other federal, state or foreign government agency proceedings (including judicial review of such proceedings) and legislative and regulatory efforts involving issues important to our business, including, without limitation, pending Notices of Apparent Liability; the transition from legacy technologies to IP-based infrastructure, including the withdrawal of legacy TDM-based services; universal service; broadband deployment; wireless equipment siting regulations; E911 services; rules concerning digital discrimination; competition policy; privacy; net neutrality; copyright protection; availability of new spectrum on fair and reasonable terms; and wireless and satellite license awards and renewals, and our response to such legislative and regulatory efforts.
- Enactment of or changes to state, local, federal and/or foreign tax laws and regulations, and actions by tax agencies and judicial authorities, and the resolution of disputes with any taxing jurisdictions, pertaining to our subsidiaries and foreign investments.
- U.S. and foreign laws and regulations regarding intellectual property rights protection and privacy, personal data protection and user consent, which are rapidly evolving.
- Our ability to compete in an increasingly competitive industry and against competitors that can offer product/service offerings at lower prices due to lower cost structures and regulatory and legislative actions adverse to us, including non-regulation of comparable alternative technologies and/or government-owned or subsidized networks, and our response to such competition and emerging technologies.
- Disruptions in our supply chain that have a material impact on our ability to acquire needed goods and services.
- The development and delivery of attractive and profitable wireless and broadband offerings and devices, including our ability to match speeds offered by competitors; and the availability, cost and/or reliability of technologies required to provide such offerings.
- Our ability to adequately fund additional wireless spectrum and network development, deployment and maintenance; and regulations and conditions relating to spectrum use, licensing, obtaining additional spectrum, technical standards and deployment and usage, including network management rules.
- Our ability to manage growth in wireless data services, including network quality.
- The outcome of pending, threatened or potential litigation and arbitration.
- The impact from major equipment, software or other failures or errors that disrupt our networks or cyber incidents; the effect of security breaches related to the network or customer information; our inability to obtain handsets, equipment/software or have handsets, equipment/software serviced in a timely and cost-effective manner from suppliers; severe weather conditions or other natural disasters including earthquakes and forest fires; public health emergencies; energy shortages; or wars or terrorist attacks.
- The issuance by the FASB or other accounting oversight bodies of new or revised accounting standards.
- The imposition of tariffs and their duration and uncertainty surrounding further tariffs and congressional action regarding spending and taxation, which may result in changes in government spending and affect the ability and willingness of businesses and consumers to spend in general.
- Our ability to realize or sustain the expected benefits of our business transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline distribution, remove redundancies and simplify and improve processes and support functions.
- Our ability to successfully complete divestitures, as well as achieve our expectations regarding the financial impact of completed and/or pending transactions.

Readers are cautioned that other factors discussed in this report and in our most recent Form 10-K, although not enumerated here, also could materially affect our future earnings.

PART II – OTHER INFORMATION

Dollars in millions except per share amounts

Item 1A. Risk Factors

We discuss in our Annual Report on Form 10-K for the year ended December 31, 2024 various risks that may materially affect our business. We use this section to update this discussion to reflect material developments since our Form 10-K was filed.

We may not realize or sustain the expected benefits from our business transformation initiatives, and these efforts could have a materially adverse effect on our business, operations, financial condition, results of operations and competitive position.

We have been and will be undertaking certain transformation initiatives, which are designed to reduce costs, enable legacy rationalization, streamline and modernize distribution and customer service, remove redundancies and simplify and improve processes and support functions. Our focus is on supporting added customer value with an improved customer experience. We intend for these efficiencies to enable increased investments in our strategic areas of focus, which include improving broadband connectivity (for example, fiber and 5G). We also expect these initiatives to drive efficiencies and improved margins. If we do not successfully manage and timely execute these initiatives and investments, which may include acquisitions, joint ventures and other strategic transactions, or if they are inadequate or ineffective, we may fail to meet our financial goals and achieve anticipated benefits, improvements may be delayed, not sustained or not realized, and our business, operations and competitive position could be adversely affected. In addition, any such transaction entails certain risks and could present financial, managerial and operational challenges. Further, we are using and intend to further use artificial intelligence (AI)-driven efficiencies in our network design and operations, software development, sales, marketing, customer support services and general and administrative costs. The models used in those products, particularly generative AI models, may produce output or take action that is incorrect, release private or confidential information, reflect biases included in the data on which they are trained, infringe on the intellectual property rights of others, or be otherwise harmful. Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

(c) A summary of our repurchases of common stock during the second quarter of 2025 is as follows:

Period	(a) Total Number of Shares (or Units) Purchased[1,2]	(b) Average Price Paid Per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs[1]	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) That May Yet Be Purchased Under The Plans or Programs
April 1, 2025 - April 30, 2025	16,756	$ 28.44	—	$ 10,000
May 1, 2025 - May 31, 2025	6,491,464	$ 27.43	6,400,000	$ 9,824
June 1, 2025 - June 30, 2025	27,977,713	$ 27.96	27,974,887	$ 9,042
Total	34,485,933	$ 27.86	34,374,887	

[1] In December 2024, our Board of Directors approved, and we announced, an authorization to repurchase up to $10,000 of common stock. The authorization has no expiration date.

[2] Of the shares repurchased, 111,046 were acquired through the withholding of taxes on the vesting of restricted stock and performance shares or in respect of the exercise price of options.

Item 5. Other Information

(c) During the quarter ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f)) of the Company adopted or terminated a contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) and/or a non-Rule 10b5-1 trading arrangement.

Item 6. Exhibits

The following exhibits are filed or incorporated by reference as a part of this report:

Exhibit Number	Exhibit Description
2.1	Purchase Agreement, dated as of May 21, 2025, by and among Lumen Technologies, Inc., the Sellers named therein, Forged Fiber 37, LLC, and, solely for purposes of Section 11.16 thereof, AT&T DW Holdings, Inc. (Exhibit 2.1 to Form 8-K filed May 21, 2025)†
10.1	AT&T Inc. Health Plan effective January 1, 2026
31	Rule 13a-14(a)/15d-14(a) Certifications
	31.1 Certification of Principal Executive Officer
	31.2 Certification of Principal Financial Officer
32	Section 1350 Certifications
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, formatted in Inline XBRL: (i) Consolidated Statements of Cash Flows, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income, (iv) Consolidated Balance Sheets, and (v) Notes to Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, (formatted as Inline XBRL and contained in Exhibit 101).

† Certain schedules, annexes or exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K, but will be furnished supplementally to the SEC upon request.

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.

AT&T Inc.

July 24, 2025

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

AT&T HEALTH PLAN

Effective January 1, 2026

ARTICLE 1 PURPOSE

The AT&T Health Plan ("Plan") provides Participants with certain medical, dental, and vision benefits, as specified herein. Effective March 23, 2010, the Plan shall be frozen to new Participants, except as described in Section 2.15. The Company intends this Plan to be a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the “Affordable Care Act”). Appendix C hereto contains the required Participant disclosure regarding the Plan’s grandfathered status under the Affordable Care Act.

ARTICLE 2 DEFINITIONS

For purposes of this Plan, the following words and phrases shall have the meanings indicated, unless the context clearly indicates otherwise:

2.1 **Active Participant**. “Active Participant” shall mean an Active Employee Participant and his Dependents.

2.2 **Active Employee Participant**. “Active Employee Participant” shall mean an Eligible Employee electing to participate in the Plan while in active service, on a Leave of Absence or while receiving short term disability benefits under the Officer Disability Plan.

2.3 **Annual Deductible**. “Annual Deductible” shall mean the amount the Active Participant must pay for Covered Health Services in a Plan Year before the Plan will begin paying for Covered Benefits in that calendar year. The Annual Deductible applies to all Covered Health Services. The Annual Deductible does not apply to Preventive Care, Dental Services and Vision Services. Once the Participant meets his applicable Annual Deductible, the Plan will begin to pay Covered Benefits, subject to any required Coinsurance, in accordance with and as governed by Section 4.1. The applicable Annual Deductible is set forth in Appendix A to this Plan.

2.4 **Annual Out-of-Pocket Maximum.** “Annual Out-of-Pocket Maximum” shall mean the maximum amount of Covered Health Services an Active Participant must pay out-of-pocket every calendar year, including the Participant’s Annual Deductible. Once the Participant reaches the applicable Annual Out-of-Pocket Maximum, Covered Benefits for those Covered Health Services that apply to the Annual Out-of-Pocket Maximum are payable in accordance with and as governed by Section 4.1 during the rest of that Plan Year. The following costs shall never apply toward the Annual Out-of-Pocket Maximum: (a) any applicable Monthly Contributions and (b) any charges for Non-Covered Health Services. Even when the Annual Out-of-Pocket Maximum has been reached, Covered Benefits will not be provided for the following: (a) any applicable Monthly Contributions and (b) any charges for Non-Covered Health Services. The applicable Annual Out-of-Pocket Maximum is set forth in Appendix A to this Plan.

2.5 **AT&T**. “AT&T” shall mean AT&T Inc. References to “Company” shall mean AT&T.

2.6 **CEO**. "CEO" shall mean the Chief Executive Officer of AT&T Inc.

2.7 COBRA. “COBRA” shall mean the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

2.8 Coinsurance. “Coinsurance” shall mean the amount an Active Participant must pay each time he/she receives Covered Health Services, after he/she meets the applicable Annual Deductible. Coinsurance payments are calculated as a percentage of Covered Health Services, rather than a set dollar amount. Coinsurance does not apply to Preventive Care, Dental Services and Vision Services (or Medical Services for Retired Participants as provided in Section 4.1(c)). The applicable Coinsurance percentage is set forth in Appendix A to this Plan.

2.9 Committee. "Committee" shall mean the Human Resources Committee of the Board of Directors of AT&T Inc.

2.10 Covered Benefits. “Covered Benefits” shall mean the benefits provided by the Plan, as provided for and governed by Section 4.1 of the Plan.

2.11 Covered Health Services. “Covered Health Services” means all Medical Services or Preventive Care that would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not. Dental Services and Vision Services are not included in the definition of Covered Health Services.

2.12 Dental Services. “Dental Services” shall mean services for dental and orthodontic care. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Dental, Medical or Vision Service.

2.13 Dependent(s). “Dependent(s)” shall mean those individuals who would qualify as a Participant’s dependent(s) under the terms of the AT&T Medical Program.

2.14 Disability. "Disability" shall mean qualification for long term disability benefits under Section 3.1 of the Officer Disability Plan.

2.15 Eligible Employee. "Eligible Employee" shall mean an Officer. Notwithstanding the foregoing, the CEO may, from time to time, exclude any Officer or group of Officers from being an “Eligible Employee” under this Plan. Employees of a company acquired by AT&T shall not be considered an Eligible Employee unless designated as such by the CEO. Notwithstanding the foregoing, only the Committee shall have the authority to exclude from participation or take any action with respect to Executive Officers.

Notwithstanding the foregoing provisions, unless otherwise provided for in Appendix D to this Plan, individuals hired, rehired or promoted to an Officer level position on or after March 23, 2010 shall be excluded from the term Eligible Employee, and such individuals (and their Dependents) shall not be eligible to participate in this Plan.

2.16 Employer. "Employer" shall mean AT&T Inc. or any of its Subsidiaries.

2.17 Executive Officer. “Executive Officer” shall mean any executive officer of AT&T, as that term is used under the Securities Exchange Act of 1934.

2.18 International Plan. “International Plan” shall mean the “AT&T International Health Plan” for Officers serving in expatriate positions with the Company.

2.19 Leave of Absence. “Leave of Absence” shall mean a Company-approved leave of absence.

2.20 Medical Services. “Medical Services” shall mean medical/surgical, mental health/substance abuse and prescription pharmacy services. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Medical, Dental or Vision Service. Medical Services do not include Dental Services and Vision Services.

2.21 Monthly Contributions. “Monthly Contributions” shall mean the monthly premiums or contributions required for participation in this Plan as further governed by Article 7 of the Plan. The applicable Monthly Contributions are set forth in Exhibit A to this Plan.

2.22 Non-Covered Health Services. “Non-Covered Health Services” shall mean any Medical Services or Preventive Care which do not meet the definition of Covered Health Services.

2.23 Officer. "Officer" shall mean an individual who is designated as an officer level employee for compensation purposes on the records of AT&T.

2.24 Participant. “Participant” shall mean an Active Participant or Retired Participant or both, as the context indicates.

2.25 Plan Administrator. “Plan Administrator” shall mean the SEVP-HR, or any other person or persons whom the Committee may appoint to administer the Plan; provided that the Committee may act as the Plan Administrator at any time.

2.26 Plan Year. ”Plan Year” shall mean the calendar year.

2.27 Preventive Care. “Preventive Care” generally focuses on evaluating a Participant’s current health status when the Participant is symptom-free and taking the necessary steps to maintain the Participant’s health. The Plan Administrator, in its sole discretion, shall determine whether a particular service constitutes Preventive Care.

2.28 Qualified Dependent. “Qualified Dependent” shall mean a Dependent who loses coverage under a COBRA eligible program due to a Qualifying Event.

2.29 Qualifying Event. “Qualifying Event” shall mean any of the following events if, but for COBRA continuation coverage, they would result in a Participant’s loss of coverage under this Plan:

(1) death of a covered Eligible Employee;
(2) termination (other than by reason of such Eligible Employee's gross misconduct) of an Employee's employment;
(3) reduction in hours of an Eligible Employee;
(4) divorce or legal separation of an Eligible Employee or dissolution of an Eligible Employee's registered domestic partnership;
(5) an Eligible Employee's entitlement to Medicare benefits; or
(6) a Dependent child ceasing to qualify as a Dependent

2.30 Retire, Retired or Retirement. "Retire," "Retired" or "Retirement" shall mean the termination of an Active Employee Participant's employment with AT&T or any of its Subsidiaries, for reasons other than death, on or after the earlier of the following dates: (1) the date such Active Employee Participant has attained age 55, and, for an Active Employee Participant on or after January 1, 2002, has five (5) years of service, or (2) the date the Active Employee Participant has attained one of the following combinations of age and service at termination of employment on or after April 1, 1997:

Net Credited Service	Age
25 years or more	50 or older
30 years or more	Any age

2.31 Retired Participant. "Retired Participant" shall mean a Retired Employee Participant and his Dependents.

2.32 Retired Employee Participant. "Retired Employee Participant" shall mean a former Active Employee Participant who has Retired within the meaning of Section 2.30 and who meets the additional requirements of Section 3.2 to be eligible for coverage in Retirement.

2.33 SEVP-HR. "SEVP-HR" shall mean AT&T's highest ranking Officer, specifically responsible for human resources matters.

2.34 Subsidiary. "Subsidiary" shall mean any corporation, partnership, venture or other entity in which AT&T holds, directly or indirectly, a 50% or greater ownership interest. The Committee may, at its sole discretion, designate any other corporation, partnership, venture or other entity a Subsidiary for the purpose of participating in this Plan.

2.35 Vision Services. "Vision Services" shall mean services for vision care. The Plan Administrator, in its sole discretion, shall determine whether a particular service is classified as Preventive Care or a Vision, Medical or Dental Service.

2.36 Medicare Eligible Retired Participant. "Medicare Eligible Retired Participant" shall mean a Retired Participant who is eligible for Medicare due to reaching the eligible age for Medicare.

ARTICLE 3 ELIGIBILITY

3.1 **Active Participants**. Each Eligible Employee shall be eligible to participate in this Plan along with his/her Dependent(s) beginning on the effective date of the employee becoming an Eligible Employee.

In order to continue participation, the Active Participant must pay all applicable Monthly Contributions. If an Active Employee Participant terminates participation in this Plan at any time for any reason, that Participant and his/her Dependent(s) shall be ineligible to participate in the Plan at any time in the future.

3.2 **Retired Participants.** Provisions of this Plan will continue in effect during Retirement for each Retired Employee Participant and his/her Dependent(s) with respect to any Eligible Employee who became a Participant before January 1, 1999. Neither an Eligible Employee who became a Participant after December 31, 1998 nor his/her Dependent(s) shall be eligible for participation hereunder on or after such Participant's Retirement. Coverage for Retired Participants shall be subject to the payment of all applicable Monthly Contributions, as governed by Article 7. The provisions of this Plan related to Retired Participants, including the level of Covered Benefits and the applicable Monthly Premiums, shall begin to apply on the first day of the month following the month in which the Active Employee Participant Retires. If a Retired Employee Participant terminates participation at any time for any reason, participation of that Retired Employee participant and his/her Dependent(s) may not be reinstated for any reason.

3.3 **Requirement to Enroll and Participate in Medicare and the International Plan.** Notwithstanding any provision in this plan to the contrary, as a condition to participation in the Plan, each Participant must be enrolled in, paying for, and participating in (i) all parts of Medicare for which such Participant is eligible and for which Medicare would be primary if enrolled therein, except for Medicare Part D relating to prescription drug coverage, and (ii) the International Plan (if eligible).

ARTICLE 4 BENEFITS

4.1 **Covered Benefits**. Subject to the limitations in this Plan (including but not limited to the loyalty conditions set forth in Article 8 below), this Plan provides the benefits described below. Monthly Contributions for participation in this Plan, the International Plan, Medicare, or any other health plan are not considered "services", and are therefore are not Covered Benefits under this Plan.

(a) Active Participants (Medical Services and Preventive Care) -

Medical Services - After the Annual Deductible has been met, 100% payment of Covered Health Services not paid under the International Plan or Medicare minus the amount of Coinsurance, until the Active Participant reaches the Annual Out-of-Pocket Maximum, at which time coverage is 100% of Covered Health Services (or 100% of Covered Health Services not paid under the International Plan).

Preventive Care - Preventive Care is covered at 100%, not subject to the Annual Deductible or Coinsurance.

(b) Active Participants (Dental Services and Vision Services) -
100% payment, through reimbursement or otherwise, of all Dental Services and Vision Services not paid under the Active Participant's (i) Medicare, or (ii) International Plan, provided expenses for such services would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not.

(c) Retired Participants
100% payment, through reimbursement or otherwise, of all Medical, Dental, Vision and Preventive services not paid under the Retired Participant's Medicare, provided expenses for such services would qualify as deductible medical expenses for federal income tax purposes, whether deducted or not.

4.2 Priority of Paying Covered Claims. Claims for benefits will be applied against the various health plans, as applicable, and coordinated with Medicare in the following order:

(1) Medicare, to the extent the Participant is eligible therefore and such claim is actually paid by Medicare,
(2) International Plan, if applicable,
(2) CarePlus, if elected,
(3) Long Term Care Plan, if elected,
(4) this Plan.

ARTICLE 5 TERMINATION OF PARTICIPATION

5.1 Termination of Participation. Participation will cease on the last day of the month in which one of the following conditions occurs:

(1) A Participant ceases to meet the definition of a Dependent (as set forth in Section 2.13 of this Plan) for any reason, in which case participation ceases for such Participant;

(2) A Participant eligible to enroll in Medicare is no longer a participant in all parts of Medicare for which such Participant is eligible to enroll and for which Medicare would be primary if enrolled therein, except for Medicare Part D relating to prescription drug coverage, in which case participation ceases for such Participant;

(3) The Active Employee Participant's termination of employment for reasons other than Death, Disability, or Retirement by an individual who meets the applicable requirements of Section 3.2 in order to qualify for Plan benefits in Retirement, in which case participation ceases for the Participant and his/her Dependent(s);

(4) The demotion or designation of an Active Employee Participant so as to no longer be eligible to participate in the Plan, in which case participation ceases for the Participant and his/her Dependent(s);

(5) The Active Employee Participant (or Retired Employee Participant) participates in an activity that constitutes engaging in competitive activity with AT&T or engaging in conduct disloyal to AT&T under Article 8, in which case participation ceases for the Active Employee Participant (or Retired Employee Participant) and his/her Dependent(s); or

(6) Discontinuance of the Plan by AT&T, or, with respect to a Subsidiary's Active Employee Participants (or Retired Employee Participants), such Subsidiary's failure to make the benefits hereunder available to Active Employee Participants employed by it (or its Retired Employee Participants).

Death. In the event of the Active Employee Participant's (or Retired Employee's Participant's) death, his Dependents may continue participation in this Plan as follows:

(1) In the event of the death of a Retired Employee Participant such Retired Employee Participant's Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(c) of the Plan, for so long as such Dependents would have otherwise been eligible to participate under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.

(2) In the event of an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided under Article 3.2, who was Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's surviving Dependents may continue participation in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for so long as such Dependents would have otherwise been eligible for participation under the terms of the AT&T Medical Program, are paying any applicable contributions for this Plan as provided in Article 7, and are participating in Medicare if eligible. If a surviving spouse of such deceased Active Employee Participant otherwise eligible for participation in the Plan remarries, his/her participation and the participation of any otherwise eligible Dependents will cease with the effective date of his/ her marriage.

(3) In the event of (i) an in-service death of an Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 or (ii) an in-service death of an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but the individual was not Retirement eligible, within the meaning of Section 2.30, at the time of death, such Active Employee Participant's Dependent(s) may continue participation in this Plan, eligible for the Covered Benefits described in Sections 4.1(a) and (b), for a 36-month period commencing the month following the month in which such Active Employee Participant dies as long as such Dependent(s) would have otherwise been eligible for participation under the terms of the AT&T Medical Program and subject to the payment of Active Participant Contributions for the first 12 months and payment of Active COBRA Contributions for the remaining 24 months, as provided by Articles 7 and 10.1. If the Active Employee Participant's Dependent(s) are eligible for COBRA, they will automatically be enrolled in COBRA so that there is no lapse in coverage, and this 36-month coverage will be integrated and run concurrently with COBRA coverage.

ARTICLE 6 DISABILITY

6.1 **Disability**. With respect to any Active Employee Participant who commences receipt of short term or long term disability benefits under the Officer Disability Plan, participation under this Plan will be as follows:

(1) The Participant will continue to participate in this Plan, eligible for the Covered Benefits described in Section 4.1(a) and (b), for as long as he/she receives short term disability benefits under the Officer Disability Plan and pays the applicable contributions for this Plan as provided by Article 7.

(2) An Active Employee Participant not eligible to participate in the Plan in Retirement as provided in Article 3.2 who commences long term disability benefits under the Officer Disability Plan or an Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 but who is not Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will cease participation in this Plan (along with his/her Dependents) effective as of the last day of the calendar month in which such long term disability benefits commence, unless such benefits commence on the first day of a calendar month, in which case participation in this Plan shall cease effective as of the last day of the prior month.

(3) An Active Employee Participant eligible to participate in the Plan in Retirement as provided in Article 3.2 ,who is Retirement eligible, within the meaning of Section 2.30, at the time long term disability benefits under the Officer Disability Plan commence, will be eligible to continue participation in this Plan on the same terms and conditions that participation would be available to such Participant in Retirement, subject to the payment of applicable contributions for this Plan as provided by Article 7, regardless of his/her continued receipt of long term disability benefits under the Officer Disability Plan.

ARTICLE 7 COSTS

7.1 **Provision of Benefits under the Plan**. Except as provided below in this Article 7 with respect to required Monthly Contributions or with respect to any required Coinsurance, the benefits available to Participants under this Plan shall be provided through an insurance policy maintained by AT&T.

7.2 **Active Participant Contributions**. An Active Participant electing to participate in the Plan will pay Monthly Contributions to participate in the Plan while in active service, while on Leave of Absence or while receiving short term disability benefits under the Officer Disability Plan. The Monthly Contribution for participation may change annually, effective at the beginning of each Plan Year. Contributions to be made by Active Participants electing to participate in the Plan shall be set annually by the SEVP-HR, determined in the SEVP-HR's sole and absolute discretion. The SEVP-HR may adopt

tiered rates for similarly situated groups of Participants based on factors such as the number of Dependents covered or Medicare eligibility. Notwithstanding the foregoing, required Monthly Contributions for Executive Officers shall be approved by the Committee.

7.3 **Retired Participant Contributions**. Retired Participants who elect to participate will pay Monthly Contributions to participate in the Plan. The Monthly Contribution for participation may change annually, effective at the beginning of each Plan Year. Contributions to be made by Retired Participants who elect to participate shall be set annually by the SEVP-HR (in his/her sole and absolute discretion), to the extent their contributions have not previously been provided for in a separate agreement.

7.4 **Survivor Contributions.** Upon the death of a Participant, the Participant's Dependents shall be required to pay Monthly Contributions to participate in the Plan. The Monthly Contributions shall be set annually by the SEVP-HR, in the SEVP-HR's sole and absolute discretion. Any changes to the Monthly Contributions shall be effective at the beginning of each Plan Year.

7.5 **Contributions for Participants on Disability**. Participants continuing benefits while on Disability shall be required to pay Monthly Contributions to participate in the Plan. The Monthly Contributions shall be set annually by the SEVP-HR, determined in the SEVP-HR's sole and absolute discretion. Any changes to the Monthly Contributions shall be effective at the beginning of each Plan Year.

ARTICLE 8 LOYALTY CONDITIONS

8.1 Participants acknowledge that no coverage and benefits would be provided under this Plan on and after January 1, 2010 but for the loyalty conditions and covenants set forth in this Article, and that the conditions and covenants herein are a material inducement to AT&T's willingness to sponsor the Plan and to offer Plan coverage and benefits for the Participants on or after January 1, 2010. Accordingly, as a condition of receiving coverage and any Plan benefits on or after January 1, 2010, each Participant is deemed to agree that he/she shall not, without obtaining the written consent of the Plan Administrator in advance, participate in activities that constitute engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as those terms are defined in this Section. Further and notwithstanding any other provision of this Plan, all coverage and benefits under this Plan on and after January 1, 2010 with respect to a Participant and his or her Dependents shall be subject in their entirety to the enforcement provisions of this Section if the Participant, without the Plan Administrator's consent, participates in an activity that constitutes engaging in competition with AT&T or engaging in conduct disloyal to AT&T, as defined below. The provisions of this Article 8 as in effect immediately before such date shall be applicable to Participants who retire before January 1, 2010.

8.2 **Definitions**. For purposes of this Article and of the Plan generally

(1) an "Employer Business" shall mean AT&T, any Subsidiary, or any business in which AT&T or a Subsidiary or an affiliated company of AT&T has a substantial ownership or joint venture interest;

(2) "engaging in competition with AT&T" shall mean, while employed by an Employer Business or within two (2) years after the Participant's

termination of employment, engaging by the Participant in any business or activity in all or any portion of the same geographical market where the same or substantially similar business or activity is being carried on by an Employer Business. “Engaging in competition with AT&T” shall not include owning a nonsubstantial publicly traded interest as a shareholder in a business that competes with an Employer Business. “Engaging in competition with AT&T” shall include representing or providing consulting services to, or being an employee or director of, any person or entity that is engaged in competition with any Employer Business or that takes a position adverse to any Employer Business.

(3) “engaging in conduct disloyal to AT&T” means, while employed by an Employer Business or within two (2) years after the Participant’s termination of employment, (i) soliciting for employment or hire, whether as an employee or as an independent contractor, for any business in competition with an Employer Business, any person employed by AT&T or its affiliates during the one (1) year prior to the termination of the Participant’s employment, whether or not acceptance of such position would constitute a breach of such person’s contractual obligations to AT&T and its affiliates; (ii) soliciting, encouraging, or inducing any vendor or supplier with which Participant had business contact on behalf of any Employer Business during the two (2) years prior to the termination of the Participant’s employment, for any reason to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with AT&T or its affiliate; or (iii) soliciting, encouraging, or inducing any customer or active prospective customer with whom Participant had business contact, whether in person or by other media, on behalf of any Employer Business during the two (2) years prior to the termination of Participant’s employment for any reason (“Customer”), to terminate, discontinue, renegotiate, reduce, or otherwise cease or modify its relationship with any Employer Business, or to purchase competing goods or services from a business competing with any Employer Business, or accepting or servicing business from such Customer on behalf of himself or any other business. “Engaging in conduct disloyal to AT&T” also means, disclosing Confidential Information to any third party or using Confidential Information, other than for an Employer Business, or failing to return any Confidential Information to the Employer Business following termination of employment.

(4) “Confidential Information” shall mean all information belonging to, or otherwise relating to, an Employer Business, which is not generally known, regardless of the manner in which it is stored or conveyed to the Participant, and which the Employer Business has taken reasonable measures under the circumstances to protect from unauthorized use or disclosure. Confidential Information includes trade secrets as well as other proprietary knowledge, information, know-how, and non-public intellectual property rights, including unpublished or pending patent applications and all related patent rights, formulae, processes, discoveries, improvements, ideas, conceptions, compilations of data, and data, whether or not patentable or copyrightable and whether or not it has been conceived, originated, discovered, or developed in whole or in part by the Participant. For example, Confidential Information includes, but is not limited to, information concerning the Employer Business’ business plans, budgets, operations, products, strategies, marketing, sales, inventions, designs, costs, legal strategies, finances, employees, customers, prospective customers, licensees, or licensors; information received from third parties under confidential conditions; or other valuable financial, commercial, business, technical or marketing information concerning the Employer

Business, or any of the products or services made, developed or sold by the Employer Business. Confidential Information does not include information that (i) was generally known to the public at the time of disclosure; (ii) was lawfully received by the Participant from a third party; (iii) was known to the Participant prior to receipt from the Employer Business; or (iv) was independently developed by the Participant or independent third parties; in each of the foregoing circumstances, this exception applies only if such public knowledge or possession by an independent third party was without breach by the Participant or any third party of any obligation of confidentiality or non-use, including but not limited to the obligations and restrictions set forth in this Plan.

8.3 **Forfeiture of Benefits**. Subject to the provisions of Section 1001(5) of the Affordable Care Act, coverage and benefits shall be forfeited and shall not be provided under this Plan for any period as to which the Plan Administrator determines that, within the time period and without the written consent specified, Participant has been either engaging in competition with AT&T or engaging in conduct disloyal to AT&T.

8.4 **Equitable Relief**. The parties recognize that any Participant's breach of any of the covenants in this Article 8 will cause irreparable injury to AT&T, will represent a failure of the consideration under which AT&T (in its capacity as creator and sponsor of the Plan) agreed to provide the Participant with the opportunity to receive Plan coverage and benefits, and that monetary damages would not provide AT&T with an adequate or complete remedy that would warrant AT&T's continued sponsorship of the Plan and payment of Plan benefits for all Participants. Accordingly, in the event of a Participant's actual or threatened breach of the covenants in this Article, the Plan Administrator, in addition to all other rights and acting as a fiduciary under ERISA on behalf of all Participants, shall have a fiduciary duty (in order to assure that AT&T receives fair and promised consideration for its continued Plan sponsorship and funding) to seek an injunction restraining the Participant from breaching the covenants in this Article 8. In addition, AT&T shall pay for any Plan expenses that the Plan Administrator incurs hereunder, and shall be entitled to recover from the Participant its reasonable attorneys' fees and costs incurred in obtaining such injunctive remedies. To enforce its repayment rights with respect to a Participant, the Plan shall have a first priority, equitable lien on all Plan benefits provided to or for the Participant and his or her Dependents. In the event the Plan Administrator succeeds in enforcing the terms of this Article through a written settlement with the Participant or a court order granting an injunction hereunder, the Participant shall be entitled to collect Plan benefits collect Plan benefits prospectively, if the Participant is otherwise entitled to such benefits, net of any fees and costs assessed pursuant hereto (which fees and costs shall be paid to AT&T as a repayment on behalf of the Participant), provided that the Participant complies with said settlement or injunction.

8.5 **Uniform Enforcement**. In recognition of AT&T's need for nationally uniform standards for the Plan administration, it is an absolute condition in consideration of any Participant's accrual or receipt of benefits under the Plan after January 1, 2010 that each and all of the following conditions apply to all Participants and to any benefits that are paid or are payable under the Plan:

(1) ERISA shall control all issues and controversies hereunder, and the Committee shall serve for purposes hereof as a "fiduciary" of the Plan, and as its "named fiduciary" within the meaning of ERISA.

(2) All litigation between the parties relating to this Article shall occur in federal court, which shall have exclusive jurisdiction, any such litigation shall be held in the United States District Court for the Northern District of Texas, and the only remedies available with respect to the Plan shall be those provided under ERISA.

(3) If the Plan Administrator determines in its sole discretion either (I) that AT&T or its affiliate that employed the Participant terminated the Participant's employment for cause, or (II) that equitable relief enforcing the Participant's covenants under this Article 8 is either not reasonably available, not ordered by a court of competent jurisdiction, or circumvented because the Participant has sued in state court, or has otherwise sought remedies not available under ERISA, then in any and all of such instances the Participant shall not be entitled to collect any Plan benefits, and if any Plan benefits have been paid to the, the Participant shall immediately repay all Plan benefits to the Plan (with such repayments being used within such year for increased benefits for other Participants in any manner determined in the Plan Administrator's discretion) upon written demand from the Plan Administrator. Furthermore, the Participant shall hold AT&T and its affiliates harmless from any loss, expense, or damage that may arise from any of the conduct described in clauses (I) and (II) hereof.

ARTICLE 9 MISCELLANEOUS

9.1 **Administration**. The Plan Administrator is the named fiduciary of the Plan and has the power and duty to do all things necessary to carry out the terms of the Plan. The Plan Administrator has the sole and absolute discretion to interpret the provisions of the Plan, to make findings of fact, to determine the rights and status of Participants and other under the Plan, to determine which expenses and benefits qualify as Covered Health Services or Covered Benefits, to make all benefit determinations under the Plan, to decide disputes under the Plan and to delegate all or a part of this discretion to third parties and insurers. To the fullest extent permitted by law, such interpretations, findings, determinations and decisions shall be final, binding and conclusive on all persons for all purposes of the Plan. The Plan Administrator may delegate any or all of its authority and responsibility under the Plan to other individuals, committees, third party administrators, claims administrators or insurers for any purpose, including, but not limited to the processing of benefits and claims related thereto. In carrying out these functions, these individuals or entities have been delegated responsibility and discretion for interpreting the provisions of the Plan, making findings of fact, determining the rights and status of Participants and others under the Plan, and deciding disputes under the Plan and such interpretations, findings, determinations and decisions shall be final, binding and conclusive on all persons for all purposes of the Plan.

9.2 **Amendments and Termination**. This Plan may be modified or terminated at any time in accordance with the provisions of AT&T's Schedule of Authorizations.

9.3 **Newborns' and Mothers' Health Protection Act of 1996**. To the extent this Plan provides benefits for hospital lengths of stay in connection with childbirth, the Plan will cover the minimum length of stay required for deliveries (i.e., a 48-hour hospital stay after a vaginal delivery or a 96-hour stay following a delivery by Cesarean section.) The mother's or newborn's attending physician, after consulting with the mother, may discharge the mother or her newborn earlier than the minimum length of stay otherwise required by law. Such coverage shall be subject to all other provisions of this Plan.

9.4 **Women's Health and Cancer Rights Act of 1998**. To the extent this Plan provides benefits for mastectomies, it will provide, for an individual who is receiving benefits in connection with a mastectomy and who elects breast reconstruction in connection with such mastectomy, coverage for reconstruction on the breast on which the mastectomy was performed, surgery and reconstruction on the other breast to give a symmetrical appearance, and prosthesis and coverage for physical complications of all stages of the mastectomy, including lymphedemas. Such coverage shall be subject to all other provisions of this Plan.

9.5 **Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008**. To the extent this Plan provides mental health benefits or substance use disorder benefits it will not place annual or lifetime maximums for such benefits that are lower than the annual and lifetime maximums for physical health benefits. In addition, the financial requirements (e.g., deductibles and co-payments) and treatment limitations (e.g., number of visits or days of coverage) that apply to mental health benefits or substance use disorder benefits will not be more restrictive than the predominant financial requirements or treatment limitations that apply to substantially all medical/surgical benefits; mental health benefits and substance use disorder benefits will not be subject to any separate cost sharing requirements or treatment limitations that only apply to such benefits; if the Plan provides for out of network medical/surgical or substance use disorder benefits, it will provide for out of network mental health and substance use disorder benefits and standards for medical necessity determinations and reasons for any denial of benefits relating to mental health benefits and substance use disorder benefits will be made available upon request to plan participants. Such coverage shall be subject to all other provisions of this Plan.

9.6 **Continuation of Coverage During Family or Medical Leave**. During any period which an Active Employee Participant is on a family or medical leave as defined in the Family or Medical Leave Act, any benefit elections in force for such Participant shall remain in effect. While the Participant is on paid leave, contributions shall continue. If the Participant is on an unpaid leave, the Participant may elect to prepay required contributions on a pre-tax basis before the commencement of such unpaid leave. Alternatively, the Participant may elect to make such payments on an after-tax basis monthly in accordance with an arrangement that the Plan Administrator shall provide. If coverage is not continued during the entire period of the family or medical leave because the Participant declines to pay the premium, the coverage must be reinstated upon reemployment with no exclusions or waiting periods, notwithstanding any other provision

of this Plan to the contrary. If the Participant does not return to work upon completion of the leave, the Participant must pay the full cost of any health care coverage that was continued on his/her behalf during the leave. These rules apply to the COBRA eligible programs.

9.7 Rights While on Military Leave. Pursuant to the provisions of the Uniformed Services Employment and Reemployment Rights Act of 1994, an Active Employee Participant on military leave will be considered to be on a Leave of Absence and will be entitled during the leave to the health and welfare benefits that would be made available to other similarly situated employees if they were on a Leave of Absence. This entitlement will end if the individual provides written notice of intent not to return to work following the completion of the military leave. The individual shall have the right to continue his/her coverage, including any Dependent coverage, for the lesser of the length of the leave or 18 months. If the military leave is for a period of 31 days or more, the individual may be required to pay 102 percent of the total premium (determined in the same manner as a COBRA continuation coverage premium). If coverage is not continued during the entire period of the military leave because the individual declines to pay the premium or the leave extends beyond 18 months, the coverage must be reinstated upon reemployment with no pre-existing condition exclusions (other than for service-related illnesses or injuries) or waiting periods (other than those applicable to all Eligible Employees).

9.8 Qualified Medical Child Support Orders. The Plan will comply with any Qualified Medical Child Support Order issued by a court of competent jurisdiction or administrative body that requires the Plan to provide medical coverage to a Dependent child of an Active Employee or Retired Employee Participant. The Plan Administrator will establish reasonable procedures for determining whether a court order or administrative decree requiring medical coverage for a Dependent child meets the requirements for a Qualified Medical Child Support Order. The cost of coverage or any additional cost of such coverage, if any, shall be borne by the Participant.

9.9 Right of Recovery. If the Plan has made an erroneous or excess payment to any Participant, the Plan Administrator shall be entitled to recover such excess from the individual or entity to whom such payments were made. The recovery of such overpayment may be made by offsetting the amount of any other benefit or amount payable by the amount of the overpayment under the Plan.

ARTICLE 10 COBRA

10.1 Continuation of Coverage Under COBRA. Participants shall have all COBRA continuation rights required by federal law and all conversion rights. COBRA continuation coverage shall be continued as provided in this Article 10.

10.2 COBRA Continuation Coverage for Terminated Participants. A covered Active Employee Participant may elect COBRA continuation coverage, at his/her own expense, if his participation under this Plan would terminate as a result of one of the following Qualifying Events: an Employee’s termination of employment or reduction of hours with an Employer.

10.3 COBRA Continuation Coverage for Dependents. A Qualified Dependent may elect COBRA continuation coverage, at his/her own expense, if his/her participation under this Plan would terminate as a result of a Qualifying Event.

10.4 Period of Continuation Coverage for Covered Participants. A covered Active Employee Participant who qualifies for COBRA continuation coverage as a result of a Participant's termination of employment or reduction in hours of employment described in Subsection 10.2 may elect COBRA continuation coverage for up to 18 months measured from the date of the Qualifying Event.

Coverage under this Subsection 10.4 may not continue beyond the:

(1) date on which the Active Employee Participant's Employer ceases to maintain this Plan;
(2) last day of the month for which premium payments have been made with respect to this Plan, if the individual fails to make premium payments on time, in accordance with Subsection 10.6;
(3) date the covered Active Employee Participant becomes entitled to Medicare; or
(4) date the covered Participant is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under the COBRA eligible program for which the COBRA election was made.

10.5 Period of COBRA Continuation Coverage for Dependents. If a Qualified Dependent elects COBRA continuation coverage under a COBRA eligible program as a result of the an Active Employee Participant's termination of employment as described in Subsection 10.2, continuation coverage may be continued for up to 18 months measured from the date of the Qualifying Event. COBRA continuation coverage for all other Qualifying Events may continue for up to 36 months.

Continuation coverage under this Subsection 10.5 with respect to a COBRA eligible program may not continue beyond the date:

(1) on which premium payments have not been made, in accordance with Subsection 10.6 below;
(2) the Qualified Dependent becomes entitled to Medicare;
(3) on which the Employer ceases to maintain this Plan; or
(4) the Qualified Dependent is no longer subject to a pre-existing condition exclusion under the Participant's other coverage or new employer plan for the type of coverage available under this Plan.

10.6 Contribution Requirements for COBRA Continuation Coverage. Covered Participants and Qualified Dependents who elect COBRA continuation coverage as a result of a Qualifying Event will be required to pay continuation coverage payments. Continuation coverage payments are the payments required for COBRA continuation coverage that is an amount equal to a reasonable estimate of the cost to this Plan of providing coverage for all covered Participants at the time of the Qualifying Event plus a 2% administrative expense. In the case of a disabled individual who receives an additional 11-month extended coverage under COBRA, the Employer may assess up to 150% of the cost for this extended coverage period. Such cost shall be determined on an actuarial basis and take into account such factors as the Secretary of the Treasury may prescribe in regulations.

Covered Participants and Qualified Dependents must make the continuation coverage payment prior to the first day of the month in which such coverage will take effect. However, a covered Participant or Qualified Dependent has 45 days from the date of an affirmative election to pay the continuation coverage payment for the first month's payment and the cost for the period between the date medical coverage would otherwise have terminated due to the Qualifying Event and the date the covered Participant and/or Qualified Dependent actually elects COBRA continuation coverage.

The covered Participant and/or Qualified Dependent shall have a 30-day grace period to make the continuation coverage payments due thereafter. Continuation coverage payments must be postmarked on or before the completion of the 30-day grace period. If continuation coverage payments are not made on a timely basis, COBRA continuation coverage will terminate as of the last day of the month for which timely premiums were made. The 30-day grace period shall not apply to the 45-day period for the first month’s payment of COBRA premiums as set out in the section above.

If payment is received that is significantly less than the required continuation coverage payment, then continuation coverage will terminate as of the last day of the month for which premiums were paid. A payment is considered significantly less than the amount due if it is greater than the lesser of $50 or 10% of the required continuation coverage payment. Upon receipt of a continuation coverage payment that is insignificantly less than the required amount, the Plan Administrator must notify the covered Participant or Qualified Dependent of the amount of the shortfall and provide them with an additional 30-day grace period from the date of the notice for this payment only.

10.7 Limitation on Participant's Rights to COBRA Continuation Coverage.

(1) If a Qualified Dependent loses, or will lose medical coverage under this Plan as a result of divorce, legal separation, entitlement to Medicare, or ceasing to be a Dependent, such Qualified Dependent is responsible for notifying the Plan Administrator in writing within 60 days of the Qualifying Event. Failure to make timely notification will terminate the Qualified Dependent's rights to COBRA continuation coverage under this Article.

(2) A Participant must complete and return the required enrollment materials within 60 days from the later of (a) the date of loss of coverage, or (b) the date the Plan Administrator sends notice of eligibility for COBRA continuation coverage. Failure to enroll for COBRA continuation coverage during this 60-day period will terminate all rights to COBRA continuation coverage under this Article. An affirmative election of COBRA continuation coverage by a Participant or his/her spouse shall be deemed to be an election for that Participant's Dependent(s) who would otherwise lose coverage under the Plan.

10.8 Subsequent Qualifying Event. If a second Qualifying Event occurs during an 18-month extension explained above, coverage may be continued for a maximum of 36 months from the date of the first Qualifying Event. In the event the Dependent loses coverage due to a Qualifying Event and after such date the Participant becomes entitled to Medicare, the Dependent shall have available up to 36 months of coverage measured from the date of the Qualifying Event that causes the loss of coverage. If the Participant was entitled to Medicare prior to the Qualifying Event, the Dependent shall have up to 36 months of coverage measured from the date of entitlement to Medicare.

10.9 Extension of COBRA Continuation Period for Disabled Individuals. The period of continuation shall be extended to 29 months in total (measured from the date of the Qualifying Event) in the event the individual is disabled as determined by the Social Security laws within 60 days of the Qualifying Event. The individual must provide evidence to the Plan Administrator of such Social Security determination prior to the earlier of 60 days after the date of the Social Security determination, or the expiration of the initial 18 months of COBRA continuation coverage. In such event, the Employer may charge the individual up to 150% of the COBRA cost of the coverage.

ARTICLE 11 PRIVACY OF MEDICAL INFORMATION

11.1 Definitions. For purposes of this Article 11, the following defined terms shall have the meaning assigned to such terms in this subsection:

(1) “Business Associate” shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103;

(2) “Health Care Operations” shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501;

(3) “HIPAA” shall mean Parts 160 (“General Administrative Requirements”) and 164 (“Security and Privacy”) of Title 45 of the Code of Federal Regulations as such parts are amended from time to time;

(4) “Payment” shall have the meaning assigned to such phrase at 45 C.F.R § 160.103;

(5) “Protected Health Information” or “PHI” shall have the meaning assigned to such phrase at 45 C.F.R. § 160.103; and

(6) "Treatment" shall have the meaning assigned to such phrase at 45 C.F.R. § 164.501.

11.2 Privacy Provisions Relating to Protected Health Information ("PHI"). The Plan and its Business Associates shall use and disclose PHI to the extent permitted by, and in accordance with, HIPAA, for purposes of providing benefits under the Plan and for purposes of administering the plan, including, by way of illustration and not by way of limitation, for purposes of Treatment, Payment, and Health Care Operations.

11.3 Disclosure of De-Identified or Summary Health Information. The HIPAA Plan, or, with respect to the HIPAA Plan, a health insurance issuer, may disclose summary health information (as that phrase is defined at 45 C.F.R. § 160.5049a)) to the Plan Sponsor of the HIPAA Plan (and its affiliates) if such entity requests such information for the purpose of:

(1) Obtaining premium bids from health plans for providing health insurance coverage under the HIPAA Plan;

(2) Modifying, amending or terminating the group health benefits under the HIPAA Plan.

In addition, the HIPAA Plan or a health insurance insurer with respect to the HIPAA Plan may disclose to the Plan Sponsor of the HIPAA Plan (or its affiliates) information on whether an individual is participating in the group health benefits provided by the HIPAA Plan or is enrolled in, or has ceased enrollment with health insurance offered by the HIPAA Plan.

11.4 The HIPAA Plan Will Use and Disclose PHI as Required by Law or as Permitted by the Authorization of the Participant or Beneficiary.

Upon submission of an authorization signed by a Participant, beneficiary, subscriber or personal representative that meets HIPAA requirements, the HIPAA Plan will disclose PHI.

In addition, PHI will be disclosed to the extent permitted or required by law, without the submission of an authorization form.

11.5 Disclosure of PHI to the Plan Sponsor. The HIPAA Plan will disclose information to the Plan Sponsor only upon certification from the Plan Sponsor that the HIPAA Plan documents have been amended to incorporate the assurances provided below.

The Plan Sponsor agrees to:

(1) not use or further disclose PHI other than as permitted or required by the HIPAA Plan document or as required by law;

(2) ensure that any affiliates or agents, including a subcontractor, to whom the Plan Sponsor provides PHI received from the HIPAA Plan, agrees to the same restrictions and conditions that apply to the Plan Sponsor with respect to such PHI;

(3) not use or disclose PHI for employment-related actions and decisions unless authorized by the individual to whom the PHI relates;

(4) not use or disclose PHI in connection with any other benefits or employee benefit plan of the Plan Sponsor or its affiliates unless permitted by the Plan or authorized by an individual to whom the PHI relates;

(5) report to the Plan any PHI use or disclosure that is inconsistent with the uses or disclosures provided for of which it becomes aware;

(6) make PHI available to an individual in accordance with HIPAA's access rules;

(7) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(8) make available the information required to provide an accounting of disclosures;

(9) make internal practices, books and records relating to the use and disclosure of PHI received from the HIPAA Plan available to the Secretary of the United States Department of Health and Human Resources for purposes of determining the Plan's compliance with HIPAA; and

(10) if feasible, return or destroy all PHI received from the HIPAA Plan that the Plan Sponsor still maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction infeasible).

11.6 Separation Between the Plan Sponsor and the HIPAA Plan. In accordance with HIPAA, only the following employees and Business Associate personnel shall be given access to PHI:

(1) employees of the AT&T Benefits and/or AT&T Executive Compensation organizations responsible for administering group health plan benefits under the HIPAA Plan, including those employees whose functions in the regular course of business include Payment, Health Care Operations or other matters pertaining to the health care programs under a HIPAA Plan;

(2) employees who supervise the work of the employees described in (1), above;

(3) support personnel, including other employees outside of the AT&T Benefits or AT&T Executive Compensation organizations whose duties require them to rule on health plan-related appeals or perform functions concerning the HIPAA Plan;

(4) investigatory personnel to the limited extent that such PHI is necessary to conduct investigations of possible fraud;

(5) outside and in-house legal counsel providing counsel to the HIPAA Plan;

(6) consultants providing advice concerning the administration of the HIPAA Plan; and

(7) the employees of Business Associates charged with providing services to the HIPAA Plan.

The persons identified above shall have access to and use PHI to the extent that such access and use is necessary for the administration of group health benefits under a HIPAA Plan. If these persons do not comply with this Plan document, the Plan Sponsor shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

11.7 Enforcement.

Enforcement of this Article 11 shall be as provided for by HIPAA. In particular, participants and beneficiaries are not authorized to sue with regard to purported breaches of this Article 11 except as explicitly permitted by HIPAA.

ARTICLE 12 CLAIM AND APPEAL PROCESS

12.1 Claims for Benefits under the Plan. – See Appendix B.

12.2 Claims Related to Basic Eligibility for Coverage under the Plan and Claims Related to the Article 8 Loyalty Conditions.

(a) Claims. A person who believes that he or she is being denied a benefit to which he or she is entitled under this Plan (hereinafter referred to as a "Claimant") based on a claim for basic eligibility for coverage under the Plan or a claim related to the Article 8 Loyalty Conditions may file a written request for such benefit with the Executive Compensation Administration Department, setting forth his or her claim. The request must be addressed to the AT&T Executive Compensation Administration Department at its then principal place of business.

(b) Claim Decision. Upon receipt of a claim, the AT&T Executive Compensation Administration Department shall review the claim and provide the Claimant with a written notice of its decision within a reasonable period of time, not to exceed ninety (90) days, after the claim is received. If the AT&T Executive Compensation Administration Department determines that special circumstances require an extension of time beyond the

initial ninety (90)- day claim review period, the AT&T Executive Compensation Administration Department shall notify the Claimant in writing within the initial ninety (90)-day period and explain the special circumstances that require the extension and state the date by which the AT&T Executive Compensation Administration Department expects to render its decision on the claim. If this notice is provided, the AT&T Executive Compensation Administration Department may take up to an additional ninety (90) days (for a total of one hundred eighty (180) days after receipt of the claim) to render its decision on the claim.

If the claim is denied by the AT&T Executive Compensation Administration Department, in whole or in part, the AT&T Executive Compensation Administration Department shall provide a written decision using language calculated to be understood by the Claimant and setting forth: (i) the specific reason or reasons for such denial; (ii) specific references to pertinent provisions of this Plan on which such denial is based; (iii) a description of any additional material or information necessary for the Claimant to perfect his or her claim and an explanation of why such material or such information is necessary; (iv) a description of the Plan's procedures for review of denied claims and the steps to be taken if the Claimant wishes to submit the claim for review; (v) the time limits for requesting a review of a denied claim under this section and for conducting the review under this section ; and (vi) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA if the claim is denied following review under this section.

(c) Request for Review. Within sixty (60) days after the receipt by the Claimant of the written decision on the claim provided for in this section, the Claimant may request in writing that the Plan Administrator review the determination of the AT&T Executive Compensation Administration Department. Such request must be addressed to the Plan Administrator at the address provided in the written decision regarding the claim. To assist the Claimant in deciding whether to request a review of a denied claim or in preparing a request for review of a denied claim, a Claimant shall be provided, upon written request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim. The Claimant or his or her duly authorized representative may, but need not, submit a statement of the issues and comments in writing, as well as other documents, records or other information relating to the claim for consideration by the Committee. If the Claimant does not request a review by the Plan Administrator of the AT&T Executive Compensation Administration Department's decision within such sixty (60)-day period, the Claimant shall be barred and estopped from challenging the determination of the AT&T Executive Compensation Administration Department.

(d) Review of Decision. Within sixty (60) days after the Plan Administrator's receipt of a request for review, the Plan Administrator will review the decision of the AT&T Executive Compensation Administration Department. If the Plan Administrator determines that special circumstances require an extension of time beyond the initial sixty (60)-day review period, the Plan Administrator shall notify the Claimant in writing within the initial sixty (60)-day period and explain the special circumstances that require the extension and state the date by which the Plan Administrator expects to render its decision on the review of the claim. If this notice is provided, the Plan Administrator may take up to an additional sixty (60) days (for a total of one hundred twenty (120) days after receipt of the request for review) to render its decision on the review of the claim.

During its review of the claim, the Plan Administrator shall:

(1) Take into account all comments, documents, records, and other information submitted by the Claimant relating to the claim, without regard to whether such information was submitted or considered in the initial review of the claim conducted pursuant to this section;

(2) Follow reasonable procedures to verify that its benefit determination is made in accordance with the applicable Plan documents; and

(3) Follow reasonable procedures to ensure that the applicable Plan provisions are applied to the Participant to whom the claim relates in a manner consistent with how such provisions have been applied to other similarly-situated Participants.

After considering all materials presented by the Claimant, the Plan Administrator will render a decision, written in a manner designed to be understood by the Claimant. If the Plan Administrator denies the claim on review, the written decision will include (i) the specific reasons for the decision; (ii) specific references to the pertinent provisions of this Plan on which the decision is based; (iii) a statement that the Claimant is entitled to receive, upon request to the Plan Administrator and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim; and (iv) a statement of the Claimant's right to bring a civil action under Section 502(a) of ERISA.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

Appendix A

AT&T Health Plan
2026 Monthly Contributions, Annual Deductible, Coinsurance Percentages and Annual Out-of-Pocket Maximum

Active Participants

Monthly Contributions	Individual - $311 Individual + Spouse - $509 Individual + 1 or More Children - $335 Individual + Spouse + 1 or More Children - $793
Annual Deductible	Individual - $1,750 All other tiers - $3,500
Coinsurance Percentage	10% after the Annual Deductible is met. Coinsurance applies until the Annual Out-of-Pocket Maximum is reached.
Annual Out-of-Pocket Maximum	Individual - $7,050 All other tiers- $14,100 (individual amount of $7,050)

Retired Participants – Monthly Contributions

Retired Prior to August 31, 1992 and Surviving Spouses	Individual - $330 Individual + Spouse - $330 Individual + 2 or More - $330	
Retired on or after September 1, 1992 and Surviving Spouses *Note: The Plan Administrator shall maintain records governing whether a Retired Participant is in Class A, B, C or D.*	Class A	Individual - $1,001 Individual + Spouse - $1,603 Individual + 1 or More Children - $1,001 Individual + Spouse + 1 or More Children - $1,781
	Class B	Individual - $1,192 Individual + Spouse - $1,790 Individual + 1 or More Children - $1,192 Individual + Spouse + 1 or More Children - $2,171
	Class C	Individual - $1,481 Individual + Spouse - $2,074 Individual + 1 or More Children - $1,481 Individual + Spouse + 1 or More Children - $2,636
	Class D	Individual - $2,066 Individual + Spouse - $3,100 Individual + 1 or More Children - $2,104 Individual + Spouse + 1 or More Children - $3,662

COBRA Continuation Coverage – Monthly Contributions

Active COBRA	Individual - $3,241 Individual + Spouse - $6,640 Individual + 1 or More Children - $5,266Individual + Spouse + 1 or More Children - $9,499
Retired Prior to August 31, 1992 and Surviving Spouses COBRA	Individual - $2,850 Individual + 1 - $5,565 Individual + 2 or More - $7,991
Retired on or after September 1, 1992 and Surviving Spouses COBRA	Individual - $2,752 Individual + Spouse - $5,640 Individual + 1 or More Children - $4,473 Individual + Spouse + 1 or More Children - $ 8,068

APPENDIX B

CLAIMS PROCEDURE APPLICABLE TO CLAIMS FOR BENEFITS UNDER THE PLAN

Claim for Benefits Procedures

You, your covered dependents or a duly authorized person has the right under ERISA and the Plan to file a written claim for benefits under the Plan. The following describes the procedures used by the Plan to process claims for benefits, along with your rights and responsibilities. These procedures were designed to comply with the rules of the Department of Labor (DOL) concerning claims for Benefits. It is important that you follow these procedures to make sure that you receive full benefits under the Plan.

The Plan is an ERISA plan, and you may file suit in federal court if you are denied benefits you believe are due you under the Plan. However, you must complete the full claims and appeal process offered under the Plan before filing a lawsuit.

Filing a Claim for Benefits

When filing a claim for benefits, you should file the claim with the Claims Administrator. The Claims Administrator is the third party to whom claims and appeal responsibility has been delegated as permitted under Section 9.1 of the Plan.

The following are not considered claims for benefits under the Plan:

- A claim related to basic eligibility for coverage under the Plan (See Section 12.2 of the Plan).
- A claim related to the Loyalty Conditions contained in Article 8 of the Plan (See Section 12.2 of the Plan).

Claim Filing Limits

A request for payment of benefits must be submitted within one year after the date of service or the date the prescription was provided.

Required Information

When you request payment of benefits from the Plan, you must provide certain information as requested by the Claims Administrator.

Benefit Determinations

Post-Service Claims

Post-service claims are those claims that are filed for payment of benefits after medical care has been received. If your post-service claim is denied, you will receive a written notice from the Claims Administrator within 30 days of receipt of the claim, as long as all needed information identified above and any other information that the Claims Administrator may request in connection with services rendered to you was provided with the claim. The Claims Administrator will notify you within this 30-day period if additional information is needed to process the Claim and may request a one-time extension not longer than 15 days and pend your Claim until all information is received.

Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame and the claim is denied, the claims Administrator will notify you of the denial within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied.

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Pre-Service Claims

Pre-service claims are those claims that require notification or approval prior to receiving medical care or require notification within a specified time period after service begins as required under the Plan provisions. If your claim is a pre-service claim and is submitted properly with all needed information, you will receive written notice of the claim decision from the Claims Administrator within 15 days of receipt of the claim. If you file a pre-service claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within five days after the pre-service claim is received. If additional information is needed to process the pre-service claim, the Claims Administrator will notify you of the information needed within 15 days after the claim was received and may request a one-time extension not longer than 15 days and pend your claim until all information is received. Once notified of the extension, you then have 45 days to provide this information. If all of the needed information is received within the 45-day time frame, the Claims Administrator will notify you of the determination within 15 days after the information is received. If you don't provide the needed information within the 45-day period, your claim will be denied. A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Urgent Care Claims That Require Immediate Action

Urgent care claims are those claims that require notification or approval prior to receiving medical care in which a delay in treatment could seriously jeopardize your life or health or the ability to regain maximum function or, in the opinion of a physician with knowledge of your medical condition, could cause severe pain. In these situations:

- You will receive notice of the benefit determination in writing or electronically within 72 hours after the Claims Administrator receives all necessary information, taking into account the seriousness of your condition.
- Notice of denial may be oral with a written or electronic confirmation to follow within three days.

If you filed an urgent claim improperly, the Claims Administrator will notify you of the improper filing and how to correct it within 24 hours after the urgent claim was received. If additional information is needed to process the claim, the Claims Administrator will notify you of the information needed within 24 hours after the claim was received. You then have 48 hours to provide the requested information.

You will be notified of a determination no later than 48 hours after either:

- The Claims Administrator's receipt of the requested information.
- The end of the 48-hour period within which you were to provide the additional information, if the information is not received within that time.

A denial notice will explain the reason for denial, refer to the part of the Plan on which the denial is based, and provide the claim appeal procedures.

Concurrent Care Claims

If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and your request to extend the treatment is an urgent care claim as defined above, your request will be decided within 24 hours, provided your request is made at least 24 hours prior to the end of the approved treatment. The Claims Administrator will make a determination on your request for the extended treatment within 24 hours from receipt of your request.

If your request for extended treatment is not made at least 24 hours prior to the end of the approved treatment, the request will be treated as an urgent care claim and decided according to the time frames described above. If an ongoing course of treatment was previously approved for a specific period of time or number of treatments, and you request to extend treatment in a non-urgent circumstance, your request will be considered a new claim and decided according to post-service or pre-service timeframes, whichever applies.

How to Appeal a Claim Decision

If you disagree with a pre-service or post-service claim determination after following the above steps, you can contact the applicable Claims Administrator in writing to formally request an appeal. Your first appeal request must be submitted to the Claims Administrator within 180 days after you receive the Claim denial.

Appeal Process

A qualified individual who was not involved in the decision being appealed will be appointed to decide the appeal. The Claims Administrator may consult with, or seek the participation of, medical experts as part of the appeal resolution process. You must consent to this referral and the sharing of pertinent medical claim information. Upon written request and free of charge you have the right to reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.

Appeals Determinations

Pre-Service and Post-Service Claim Appeals

You will be provided written or electronic notification of the decision on your appeal as follows:

- For appeals of pre-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for appeal of a denied Claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 15 days from receipt of a request for review of the first-level appeal decision.
- For appeals of post-service claims, the first-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for appeal of a denied claim. The second-level appeal will be conducted and you will be notified by the Claims Administrator of the decision within 30 days from receipt of a request for review of the first-level appeal decision.
- For procedures associated with urgent Claims, refer to the following "Urgent Claim Appeals That Require Immediate Action" section.
- If you are not satisfied with the first-level appeal decision of the Claims Administrator, you have the right to request a second-level appeal from the Claims Administrator. Your second level appeal request must be submitted to the Claims Administrator in writing within 60 days from receipt of the first-level appeal decision.
- For pre-service and post-service claim appeals, the Plan Administrator has delegated to the Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

Please note that the Claims Administrator's decision is based only on whether or not benefits are available under the Plan for the proposed treatment or procedure. The determination as to whether the pending health service is necessary or appropriate is between you and your physician.

Urgent Claim Appeals That Require Immediate Action

Your appeal may require immediate action if a delay in treatment could significantly increase the risk to your health or the ability to regain maximum function or cause severe pain.

In these urgent situations, the appeal does not need to be submitted in writing. You or your physician should call the Claims Administrator as soon as possible. The Claims Administrator will provide you with a written or electronic determination within 72 hours following receipt by the Claims Administrator of your request for review of the determination taking into account the seriousness of your condition.

For urgent claim appeals, the Plan Administrator has delegated to the applicable Claims Administrator the exclusive right to interpret and administer the provisions of the Plan. The Claims Administrator's decisions are conclusive and binding.

In any case, a Participant or Beneficiary may have further rights under ERISA. The Plan provisions require that Participants or Beneficiary pursue and exhaust all claim and appeal rights described in this section before they seek any other legal recourse regarding claims for benefits.

APPENDIX C

DISCLOSURE OF GRANDFATHERED STATUS

MODEL NOTICE

AT&T, as plan sponsor, believes this Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the “Affordable Care Act”). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections of the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at P.O. Box 30558, Salt Lake City, Utah 84130-0558**.** You may also contact the Employee Benefits Security Administration, U.S. Department of labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

APPENDIX D

Notwithstanding the provisions and limitations of Section 2.15 of the Plan, the following Officers shall be included in the term “Eligible Employee” and shall be eligible to participate in the Plan (along with any Dependents) subject to all applicable provisions of the Plan:

Name	Title	Effective Date of Participation
David McAtee	Senior Executive Vice President & General Counsel	February 1, 2018

Exhibit 31.1

CERTIFICATION

I, John T. Stankey, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

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(s) 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(s) 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.

Date: July 24, 2025

/s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

Exhibit 31.2

CERTIFICATION

I, Pascal Desroches, certify that:

1. I have reviewed this report on Form 10-Q of AT&T Inc.;

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(s) 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(s) 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.

Date: July 24, 2025

/s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

Certification of Periodic Financial Reports

Pursuant to 18 U.S.C. Section 1350, each of the undersigned officers of AT&T Inc. (the "Company") hereby certifies that the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

July 24, 2025

By: /s/ John T. Stankey
John T. Stankey
Chairman of the Board,
Chief Executive Officer and President

July 24, 2025

By: /s/ Pascal Desroches
Pascal Desroches
Senior Executive Vice President
and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document. This certification shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Exchange Act") or otherwise subject to liability under that section. This certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act except to the extent this Exhibit 32 is expressly and specifically incorporated by reference in any such filing. A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AT&T Inc. and will be retained by AT&T Inc. and furnished to the Securities and Exchange Commission or its staff upon request.