



Credit Suisse 2016 Financial Services Forum

Kathy Rogers

Vice Chairman and Chief Financial Officer

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Vice Chairman, Chief Risk Officer

February 9, 2016

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The following information appears in accordance with the Private Securities Litigation Reform Act of 1995:

This presentation contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. A reversal or slowing of the current economic recovery or another severe contraction could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a downturn in the residential real estate markets, could cause credit losses and deterioration in asset values. In addition, U.S. Bancorp's business and financial performance is likely to be negatively impacted by recently enacted and future legislation and regulation. U.S. Bancorp's results could also be adversely affected by deterioration in general business and economic conditions; changes in interest rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in its investment securities portfolio; legal and regulatory developments; litigation; increased competition from both banks and non-banks; changes in customer behavior and preferences; breaches in data security; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputational risk.

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2014, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. Forward-looking statements speak only as of the date they are made, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The calculations of these measures are provided within or in the appendix of the presentation. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

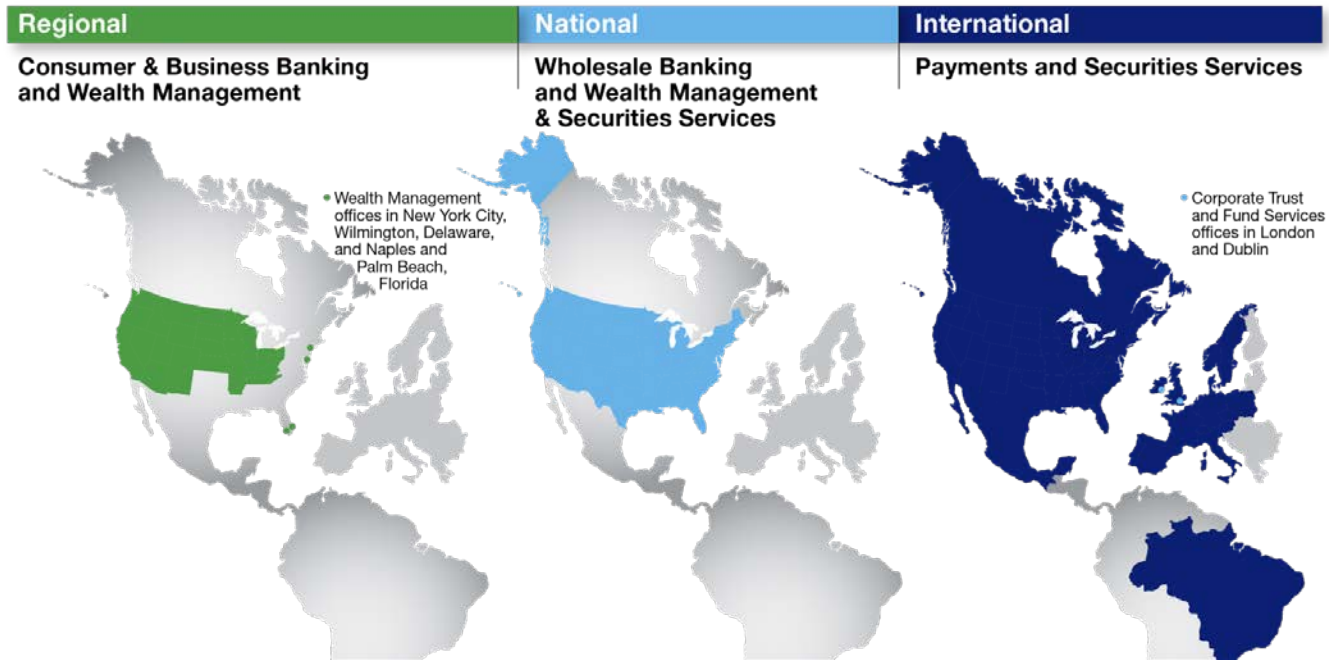


Agenda

- Company Overview
- Value Creation
- Credit Update
- Interest Rates
- 1Q16 Update

U.S. Bancorp 4Q15 Dimensions

NYSE Traded	USB	Branches	3,133	Assets	\$422B
Founded	1863	ATMs	4,936	Deposits	\$300B
Market Value	\$70B	Customers	18.5M	Loans	\$261B



Industry Position

Assets

U.S. Rank	Company	\$ Billions
1	J.P. Morgan	2,352
2	Bank of America	2,144
3	Wells Fargo	1,788
4	Citigroup	1,731
5	U.S. Bancorp	422
6	PNC	358
7	BB&T	210
8	SunTrust	191
9	Fifth Third	141
10	Regions	126

Deposits

U.S. Rank	Company	\$ Billions
1	J.P. Morgan	1,280
2	Wells Fargo	1,223
3	Bank of America	1,197
4	Citigroup	908
5	U.S. Bancorp	300
6	PNC	249
7	SunTrust	150
8	BB&T	149
9	Fifth Third	103
10	Regions	98

Market Value

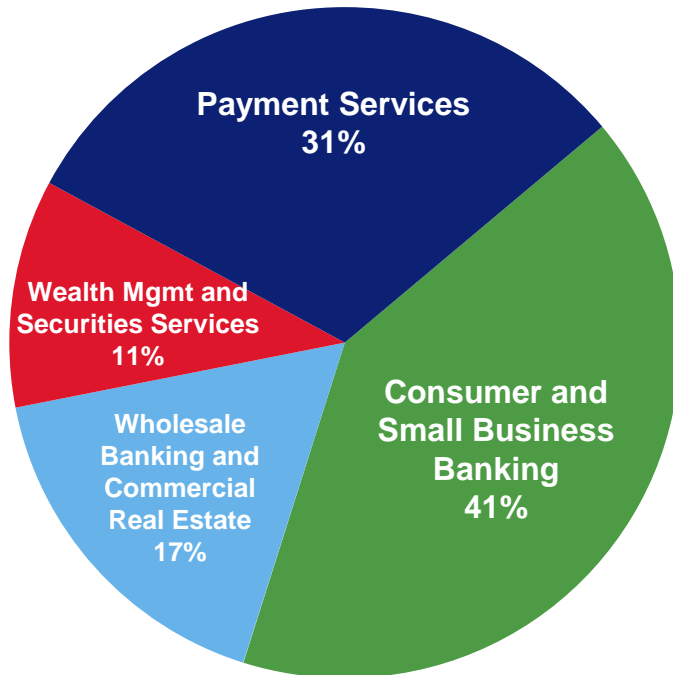
U.S. Rank	Company	\$ Billions
1	Wells Fargo	244
2	J.P. Morgan	213
3	Bank of America	134
4	Citigroup	118
5	U.S. Bancorp	70
6	PNC	42
7	BB&T	25
8	SunTrust	17
9	Fifth Third	12
10	Regions	10

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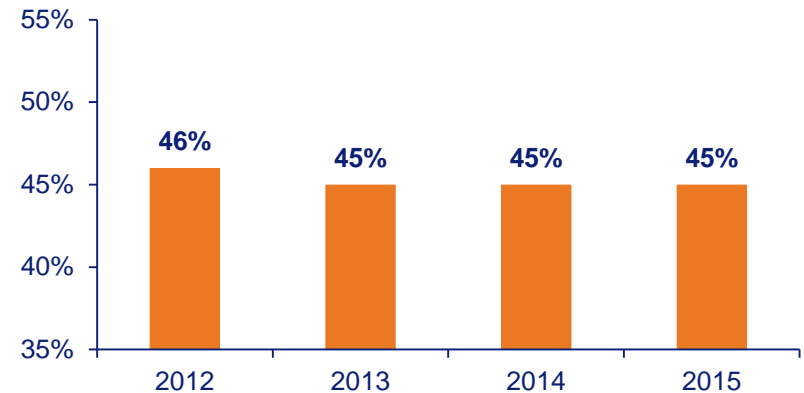
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Revenue Diversification

Revenue Mix By Business Line



Fee Income / Total Revenue



Revenue Advantages

- High return/capital efficient businesses:
 - Corporate Trust
 - Merchant Services
 - Fund Services
 - Treasury Management
- Consistent, predictable businesses

Best in Class Debt Rating

USB is highest rated peer bank across all rating agencies

- Funding advantage
- Competitive advantages

- Pricing
- Flight-to-quality
- Sales Force Confidence

	Moody's		S&P		Fitch		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
USB	A1	s	A+	s	AA	s	AA	s
WFC	A2	s	A	s	AA-	s	AA	s
BBT	A2	s	A-	s	A+	s	A (high)	s
JPM	A3	s	A-	s	A+	s	A (high)	op
PNC	A3	s	A-	s	A+	s	A (high)	s
BAC	Baa1	s	BBB+	s	A	s	A (low)	op
FITB	Baa1	s	BBB+	s	A	s	A (low)	s
STI	Baa1	s	BBB+	s	A-	s	A (low)	s
KEY	Baa1	wn	BBB+	on	A-	on	BBB (high)	s
RF	Baa3	s	BBB	s	BBB	s	BBB	op

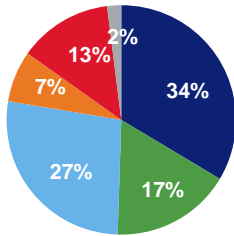
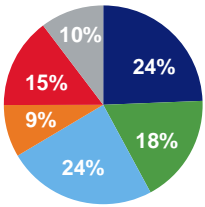
op=outlook positive
on=outlook negative
s=outlook stable
wn=watch negative
wp=watch positive

Achieving Growth

Average Loans

2010 Avg Loans
\$193 billion

2015 Avg Loans
\$250 billion



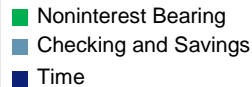
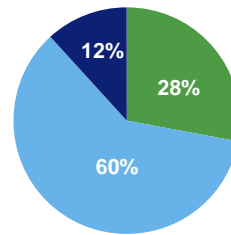
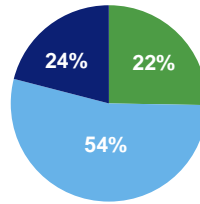
USB +30%

Peer Median +15%

Average Deposits

2010 Avg Deposits \$185 billion

2015 Avg Deposits \$287 Billion



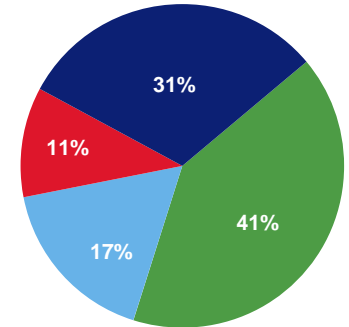
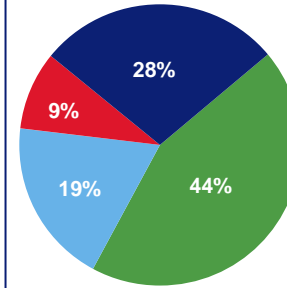
USB +55%

Peer Median +24%

Total Revenue

2010 Revenue
\$18.1 billion

2015 Revenue
\$20.3 billion

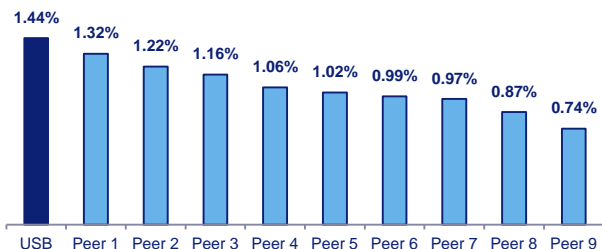


USB +12%

Peer Median -5%

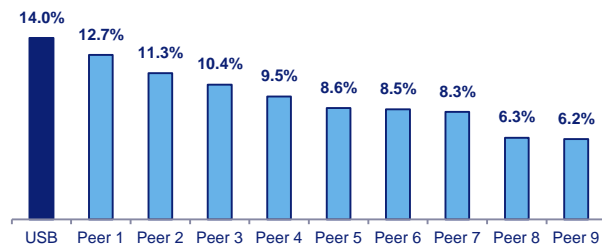
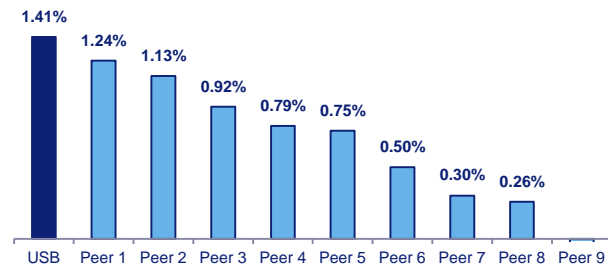
Performance vs. Peers

2015

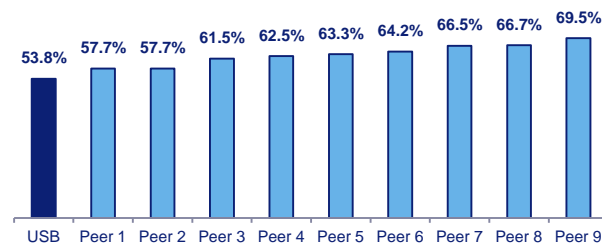
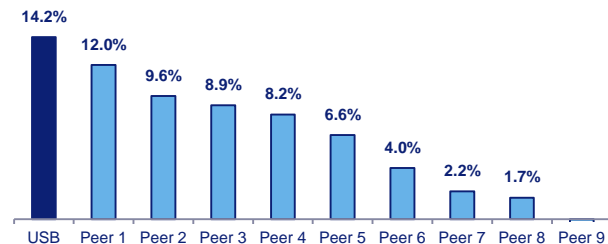


Return on Average Assets

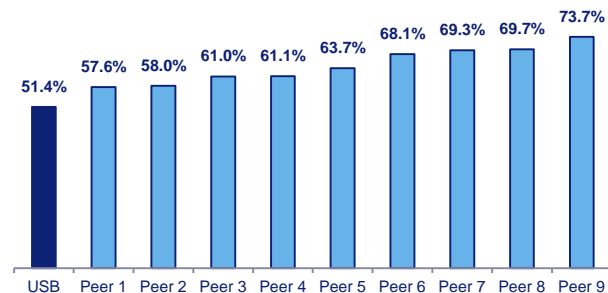
Since 1Q08



Return on Average Common Equity



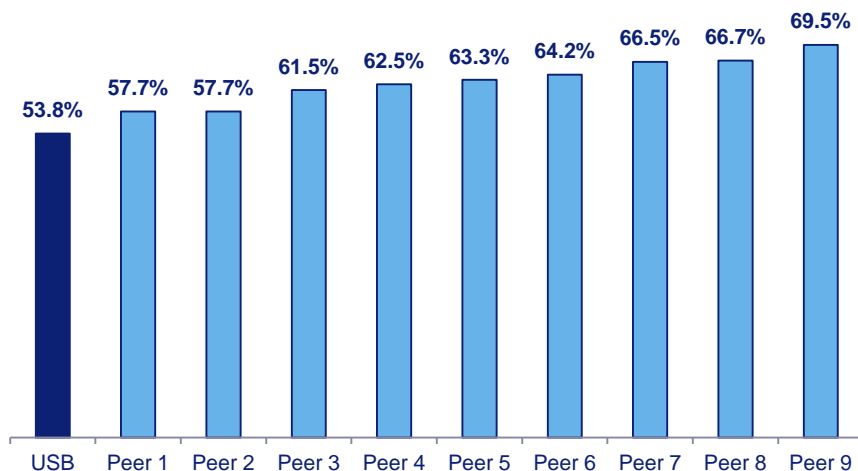
Efficiency Ratio



Source: SNL and company reports; Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC
 Efficiency ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)

Efficiency

2015 Efficiency Ratio

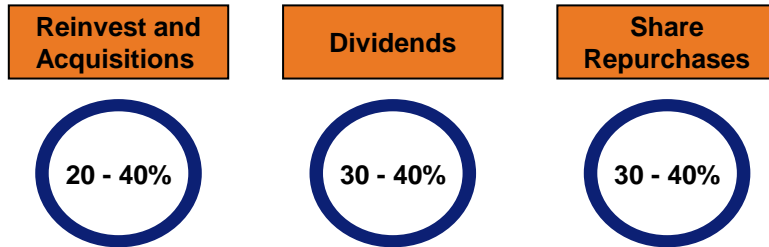


Sources of Competitive Advantage

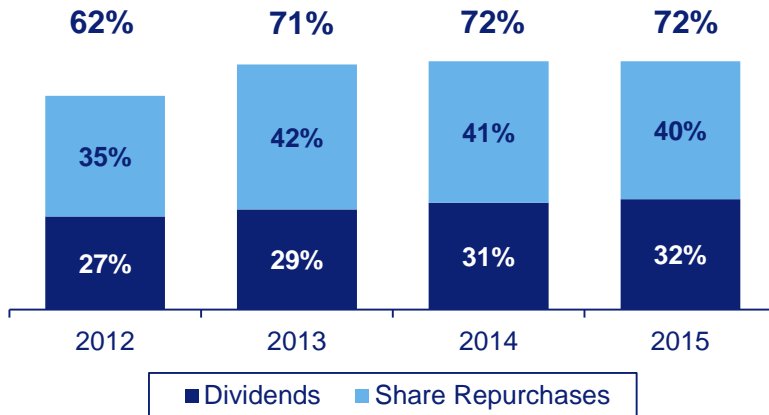
- Single processing platforms
- Full consolidation of acquisitions
- Operating scale in all significant businesses
- Business line monthly review process
- Prudent expense management

Capital Management

Earnings Distribution Target



Payout Ratio



Capital Actions

- Annual dividend increased from \$0.98 to \$1.02 per share in 2Q15, a 4.1% increase
- Five-quarter authorization to repurchase up to \$3.0 billion of outstanding stock effective April 1, 2015
- CET1* at 9.1% in 4Q15, above target of 8.0%

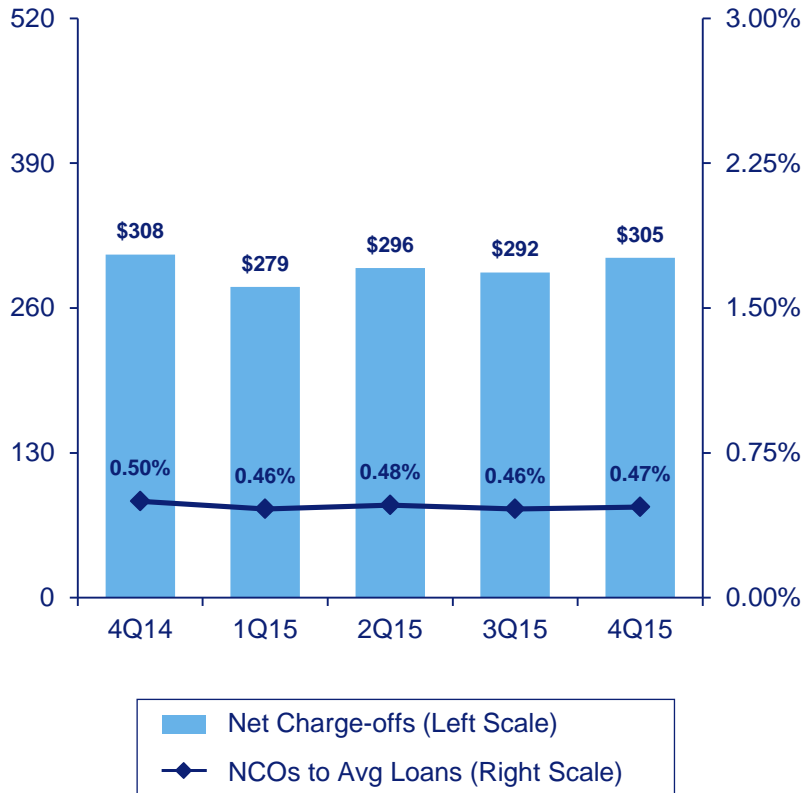
* Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach

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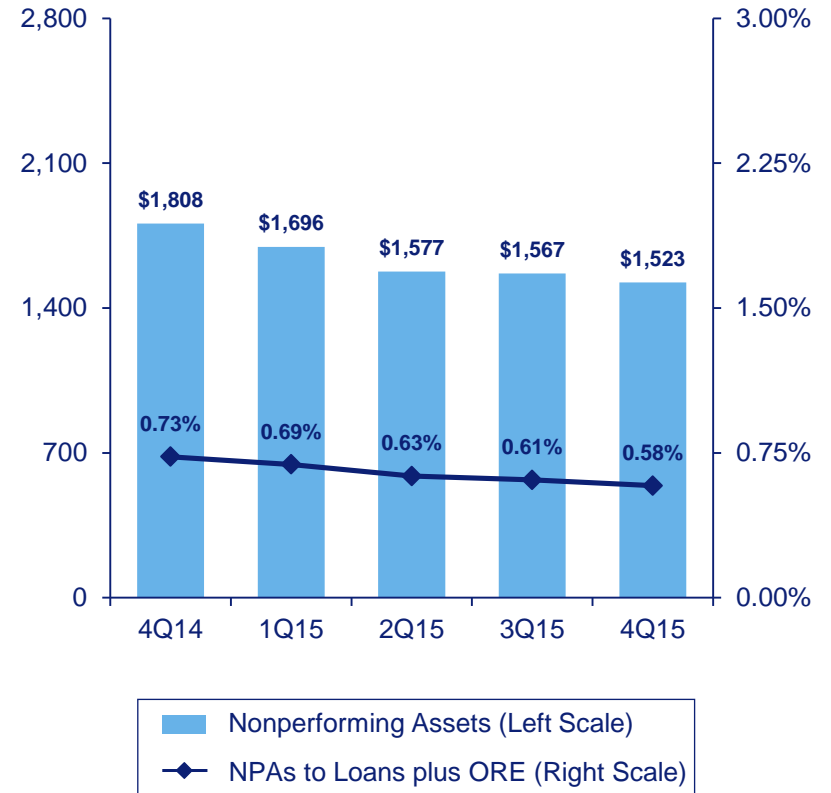
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Credit Quality

Net Charge-offs



Nonperforming Assets



Credit Update - Energy Overview

Wholesale energy loans of \$3.2 billion; 1.2% of total loans

- Most directly impacted are the exploration and production loans which make up about half of the total energy portfolio
 - Largely secured by borrowing bases
 - Monitored and adjusted relative to market conditions
- Reserve for energy loans is 5.4% of total energy loans
 - Reserve levels assume oil prices stay at depressed levels for the near future

Loans outstanding in energy-related markets represent 1.8% of total loans

- Principally commercial real estate loans to long-standing, well-financed relationships
- No evidence that job losses in energy-related markets are adversely impacting our consumer portfolio

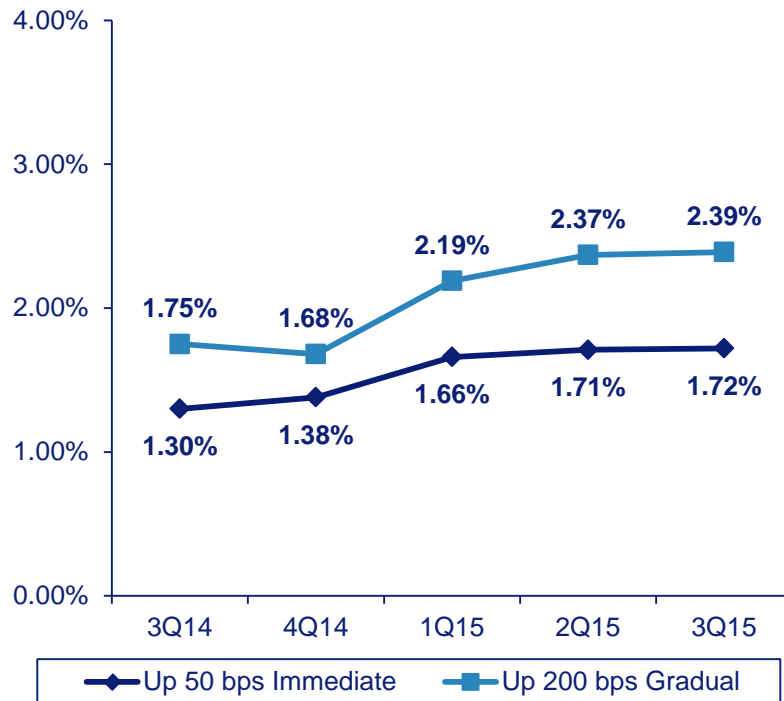


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Asset Sensitive Balance Sheet

Sensitivity of Net Interest Income



Post Rate Hike

Tailwinds:

- ~50% of earning assets are rate sensitive of which the majority re-price in first 90 days
- Deposit growth remains strong
- Limited deposit re-pricing

Headwinds:

- Lower long-term rates
 - Negative impact on new consumer loan rates
 - Lower reinvestment rate on securities

➔ **1Q16 Impact: Net Interest Margin - relatively stable**

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1Q16 Linked Quarter Update

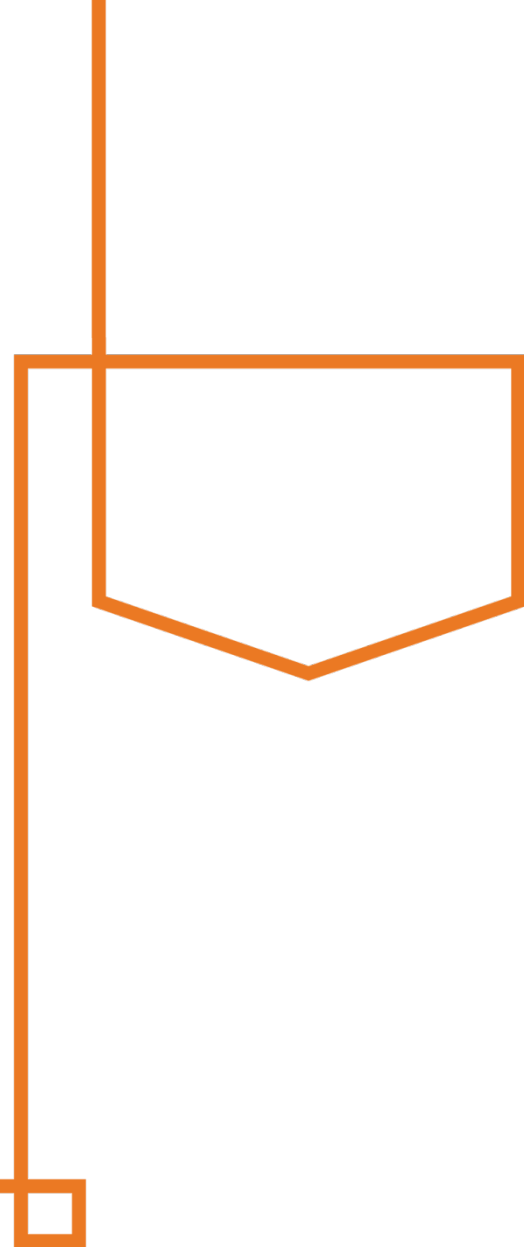
- Loan Growth: 1.0% to 1.5% growth
- Credit Quality: NCOs relatively stable
- Net Interest Margin: Relatively stable
- Noninterest Income: Seasonally lower
- Noninterest Expense: Relatively stable
 - Seasonally higher benefit expense
 - Higher costs related to the 4Q15 card acquisition
 - Higher variable compensation, including a one-time all-employee stock grant announced in January
 - Seasonally lower tax credit amortization
- Tax Rate: 28 – 29%

Market Impact:

- Mortgage fees: If lower rates persist; Lower 10-25%



Appendix



Non-GAAP Financial Measures

Line of Business Financial Performance

\$ in millions	Revenue
<u>Line of Business Financial Performance</u>	2015
Wholesale Banking and Commercial Real Estate	\$ 2,924
Consumer and Small Business Banking	7,114
Wealth Management and Securities Services	1,852
Payment Services	5,301
Treasury and Corporate Support	3,115
Consolidated Company	20,306
Less Treasury and Corporate Support	3,115
Consolidated Company excluding Treasury and Corporate Support	\$ 17,191
<u>Percent of Total</u>	
Wholesale Banking and Commercial Real Estate	15%
Consumer and Small Business Banking	35%
Wealth Management and Securities Services	9%
Payment Services	26%
Treasury and Corporate Support	15%
Total	100%
<u>Percent of Total excluding Treasury and Corporate Support</u>	
Wholesale Banking and Commercial Real Estate	17%
Consumer and Small Business Banking	41%
Wealth Management and Securities Services	11%
Payment Services	31%
Total	100%



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