



U.S. Bancorp Reports Second Quarter 2019 Results

- Net revenue of \$5,822 million and net income of \$1,821 million
- Industry leading return on average assets of 1.55% and return on average common equity of 15.0%

2Q19 Key Financial Data

PROFITABILITY METRICS	2Q19	1Q19	2Q18
Return on average assets (%)	1.55	1.49	1.54
Return on average common equity (%)	15.0	14.3	15.3
Return on tangible common equity (%) (a)	19.2	18.4	19.8
Net interest margin (%)	3.13	3.16	3.13
Efficiency ratio (%) (a)	54.3	55.4	54.8

INCOME STATEMENT (b)	2Q19	1Q19	2Q18
Net interest income (taxable-equivalent basis)	\$3,332	\$3,286	\$3,226
Noninterest income	\$2,490	\$2,291	\$2,414
Net income attributable to U.S. Bancorp	\$1,821	\$1,699	\$1,750
Diluted earnings per common share	\$1.09	\$1.00	\$1.02
Dividends declared per common share	\$.37	\$.37	\$.30

BALANCE SHEET (b)	2Q19	1Q19	2Q18
Average total loans	\$289,218	\$286,110	\$278,624
Average total deposits	\$345,232	\$335,366	\$334,822
Net charge-off ratio	.49%	.52%	.48%
Book value per common share (period end)	\$29.63	\$28.81	\$27.02
Basel III standardized CET1 (c)	9.5%	9.3%	9.1%

(a) See Non-GAAP Financial Measures reconciliation on page 16

(b) Dollars in millions, except per share data

(c) CET1 = Common equity tier 1 capital ratio

2Q19 Highlights

- Net income of \$1,821 million and diluted earnings per common share of \$1.09
- Industry leading return on average assets of 1.55% and return on average common equity of 15.0%
- Return on tangible common equity of 19.2%
- Returned 79% of 2Q earnings to shareholders through dividends and share buybacks
- Net interest income grew 3.4% year-over-year (3.3% on a taxable-equivalent basis)
- Total net revenue grew 3.2% year-over-year with positive operating leverage of 1.0% on a year-over-year basis
- Average total loans grew 1.1% on a linked quarter basis and 3.8% (4.5% excluding the impact of loan sales) year-over-year

CEO Commentary

"We delivered strong results this quarter and we feel good about underlying momentum heading into the second half of the year. In the second quarter, we delivered a return on tangible common equity of 19.2% and returned 79% of our earnings through dividends and share buybacks. Despite a more challenging interest rate environment, our loan and deposit trends were healthy and drove good growth in net interest income. Fee income growth was supported by solid results across our payments services, trust, wealth management, and commercial products businesses. Expense growth was well controlled even as we continued to invest in our digital initiatives, and credit quality was stable. We remain focused on creating value for our customers, communities and shareholders and appreciate the efforts of our employees who make it possible."

— Andy Cecere, Chairman, President and CEO, U.S. Bancorp

In the Spotlight

2019 Annual Stress Test and Capital Plan

Based on the 2019 stress test results, which reflect U.S. Bancorp's strong financial profile and ability to withstand adverse economic conditions, the Company's board of directors approved an increase in the Company's quarterly dividend of 13.5% to \$0.42 per common share beginning in the third quarter of 2019, as well as a new share repurchase program effective July 1, 2019.

Recognized for Advancing Gender Parity

The Women's Forum of New York recently announced that U.S. Bancorp will be recognized at its 2019 Breakfast of Corporate Champions for its 35% female board of directors representation, raising the bar and accelerating toward the goal of achieving 50/50 gender parity across all boardrooms by 2025.

U.S. Bank Begins Market Expansion in Charlotte, NC

Expanding our already strong presence in Charlotte, with nearly 800 employees and tens of thousands of customers, the Company began its "digital-first, branch-lite" customer strategy to deepen existing relationships and build a new generation of customers. This represents a part of our Physical Asset Optimization program which includes retail banking expansion in new markets, reinvestment in our existing core retail banking markets, as well as optimizing existing branches in connection with ongoing transformation to digital financial services.

U.S. Bank Leader Named Digital Banker of the Year

American Banker recently named Ankit Bhatt of U.S. Bank its Digital Banker of the Year for his leadership traits and ability to successfully lead teams which build products that put customers first, including the recent complete rebuild and overhaul of the U.S. Bank mobile app.



INCOME STATEMENT HIGHLIGHTS								
(\$ in millions, except per-share data)								
	2Q 2019	1Q 2019	2Q 2018	Percent Change		YTD 2019	YTD 2018	Percent Change
				2Q19 vs 1Q19	2Q19 vs 2Q18			
Net interest income	\$3,305	\$3,259	\$3,197	1.4	3.4	\$6,564	\$6,365	3.1
Taxable-equivalent adjustment	27	27	29	--	(6.9)	54	58	(6.9)
Net interest income (taxable-equivalent basis)	3,332	3,286	3,226	1.4	3.3	6,618	6,423	3.0
Noninterest income	2,490	2,291	2,414	8.7	3.1	4,781	4,686	2.0
Total net revenue	5,822	5,577	5,640	4.4	3.2	11,399	11,109	2.6
Noninterest expense	3,153	3,087	3,085	2.1	2.2	6,240	6,140	1.6
Income before provision and income taxes	2,669	2,490	2,555	7.2	4.5	5,159	4,969	3.8
Provision for credit losses	365	377	327	(3.2)	11.6	742	668	11.1
Income before taxes	2,304	2,113	2,228	9.0	3.4	4,417	4,301	2.7
Income taxes and taxable-equivalent adjustment	476	405	470	17.5	1.3	881	861	2.3
Net income	1,828	1,708	1,758	7.0	4.0	3,536	3,440	2.8
Net (income) loss attributable to noncontrolling interests	(7)	(9)	(8)	22.2	12.5	(16)	(15)	(6.7)
Net income attributable to U.S. Bancorp	\$1,821	\$1,699	\$1,750	7.2	4.1	\$3,520	\$3,425	2.8
Net income applicable to U.S. Bancorp common shareholders	\$1,741	\$1,613	\$1,678	7.9	3.8	\$3,354	\$3,275	2.4
Diluted earnings per common share	\$1.09	\$1.00	\$1.02	9.0	6.9	\$2.10	\$1.98	6.1

Net income attributable to U.S. Bancorp was \$1,821 million for the second quarter of 2019, which was 4.1 percent higher than the second quarter of 2018, and 7.2 percent higher than the first quarter of 2019. Diluted earnings per common share were \$1.09 in the second quarter of 2019, compared with \$1.02 in the second quarter of 2018 and \$1.00 in the first quarter of 2019.

The increase in net income year-over-year was due to total net revenue growth of 3.2 percent partially offset by noninterest expense growth of 2.2 percent. Net interest income increased 3.4 percent (3.3 percent on a taxable-equivalent basis), mainly a result of the impact of loan growth and mix, as well as higher yields on reinvestment of securities, partially offset by the impact of a flatter yield curve, higher rates on deposits and changes in funding mix. Noninterest income increased 3.1 percent compared with a year ago, driven by growth in payment services revenue, trust and investment management fees, commercial products revenue, and other noninterest revenue, partially offset by a decline in deposit service charges. Noninterest expense increased 2.2 percent primarily due to higher personnel expense, and higher technology investment and occupancy costs in support of business growth. Partially offsetting these increases was lower other noninterest expense driven by lower costs related to tax-advantaged projects and FDIC assessment costs.

Net income increased on a linked quarter basis primarily due to an increase in total net revenue of 4.4 percent partially offset by noninterest expense growth of 2.1 percent. The increase in total net revenue reflected higher net interest income of 1.4 percent primarily due to loan growth, an additional day in the second quarter, and higher interest recoveries, partially offset by the impact of a flatter yield curve, higher rates on deposits and changes in funding mix. Noninterest income increased 8.7 percent compared with the first quarter of 2019 driven by seasonally higher payment services revenue as well as higher commercial products revenue, mortgage banking revenue, and trust and investment management fees. Noninterest expense increased 2.1 percent on a linked quarter basis primarily driven by higher marketing and business development expense, compensation expense, technology and communications expense, and other noninterest expense, partially offset by seasonally lower employee benefits expense.



NET INTEREST INCOME								
(Taxable-equivalent basis; \$ in millions)								
	2Q 2019	1Q 2019	2Q 2018	Change		YTD 2019	YTD 2018	Change
				2Q19 vs 1Q19	2Q19 vs 2Q18			
Components of net interest income								
Income on earning assets	\$4,480	\$4,381	\$3,980	\$99	\$500	\$8,861	\$7,802	\$1,059
Expense on interest-bearing liabilities	1,148	1,095	754	53	394	2,243	1,379	864
Net interest income	\$3,332	\$3,286	\$3,226	\$46	\$106	\$6,618	\$6,423	\$195
Average yields and rates paid								
Earning assets yield	4.21%	4.22%	3.86%	(.01)%	.35%	4.21%	3.81%	.40%
Rate paid on interest-bearing liabilities	1.40	1.38	.97	.02	.43	1.39	.89	.50
Gross interest margin	2.81%	2.84%	2.89%	(.03)%	(.08)%	2.82%	2.92%	(.10)%
Net interest margin	3.13%	3.16%	3.13%	(.03)%	-- %	3.14%	3.13%	.01%
Average balances								
Investment securities (a)	\$115,460	\$114,179	\$114,578	\$1,281	\$882	\$114,823	\$114,039	\$784
Loans	289,218	286,110	278,624	3,108	10,594	287,672	279,004	8,668
Earning assets	426,933	419,494	412,676	7,439	14,257	423,234	412,265	10,969
Interest-bearing liabilities	329,743	322,156	312,217	7,587	17,526	325,971	311,917	14,054

(a) Excludes unrealized gain (loss)

Net interest income on a taxable-equivalent basis in the second quarter of 2019 was \$3,332 million, an increase of \$106 million (3.3 percent) over the second quarter of 2018. The increase was principally driven by earning assets growth and higher yields on reinvestment of securities, partially offset by a flatter yield curve, deposit pricing, and funding mix shift. Average earning assets were \$14.3 billion (3.5 percent) higher than the second quarter of 2018, reflecting increases of \$10.6 billion (3.8 percent) in average total loans, \$882 million (0.8 percent) in average investment securities, and \$3.2 billion (19.9 percent) in average other earning assets. Excluding the impact of the fourth quarter of 2018 sale of the majority of the Company's FDIC covered loans, average total loans grew 4.5 percent compared with the second quarter of 2018.

Net interest income on a taxable-equivalent basis increased \$46 million (1.4 percent) on a linked quarter basis primarily driven by earning assets growth, an additional day in the second quarter, and higher interest recoveries. These increases were partially offset by the adverse impact of a flatter yield curve since the first quarter of 2019. Average earning assets were \$7.4 billion (1.8 percent) higher on a linked quarter basis, reflecting increases of \$3.1 billion (1.1 percent) in average total loans and \$1.3 million (1.1 percent) in average investment securities.

The net interest margin in the second quarter of 2019 was 3.13 percent, compared with 3.13 percent in the second quarter of 2018 and 3.16 percent in the first quarter of 2019. Net interest margin was flat year-over-year reflecting the impacts of higher short-term interest rates, the reinvestment of securities, and loan portfolio mix, offset by the adverse impact of the flattening yield curve as well as deposit and funding mix. The decrease in net interest margin on a linked quarter basis was primarily due to changes in the yield curve during the quarter, seasonally lower credit card revolving rates, and higher cash balances, partially offset by higher yields on securities and interest recoveries that are not expected to continue.

Average investment securities in the second quarter of 2019 increased \$882 million (0.8 percent) over the second quarter of 2018 and \$1.3 billion (1.1 percent) over the first quarter of 2019 primarily due to purchases of mortgage-backed securities, net of prepayments and maturities.



AVERAGE LOANS								
(\$ in millions)								
	2Q 2019	1Q 2019	2Q 2018	Percent Change		YTD 2019	YTD 2018	Percent Change
				2Q19 vs 1Q19	2Q19 vs 2Q18			
Commercial	\$97,776	\$96,447	\$92,835	1.4	5.3	\$97,115	\$92,386	5.1
Lease financing	5,457	5,513	5,518	(1.0)	(1.1)	5,485	5,526	(.7)
Total commercial	103,233	101,960	98,353	1.2	5.0	102,600	97,912	4.8
Commercial mortgages	28,465	28,459	28,710	--	(.9)	28,462	28,942	(1.7)
Construction and development	10,900	11,011	11,147	(1.0)	(2.2)	10,955	11,168	(1.9)
Total commercial real estate	39,365	39,470	39,857	(.3)	(1.2)	39,417	40,110	(1.7)
Residential mortgages	66,834	65,582	60,834	1.9	9.9	66,212	60,505	9.4
Credit card	22,830	22,597	21,220	1.0	7.6	22,714	21,252	6.9
Retail leasing	8,547	8,586	8,150	(.5)	4.9	8,566	8,067	6.2
Home equity and second mortgages	15,831	15,993	16,048	(1.0)	(1.4)	15,912	16,121	(1.3)
Other	32,578	31,922	31,265	2.1	4.2	32,251	32,065	.6
Total other retail	56,956	56,501	55,463	.8	2.7	56,729	56,253	.8
Covered loans (a)	--	--	2,897	--	nm	--	2,972	nm
Total loans	\$289,218	\$286,110	\$278,624	1.1	3.8	\$287,672	\$279,004	3.1

(a) During the fourth quarter of 2018, the majority of the Company's covered loans were sold or the loss share coverage expired, with any remaining loan balances reclassified to be included in their respective portfolio category.

Average total loans were \$10.6 billion (3.8 percent) higher than the second quarter of 2018. Excluding the impact of the fourth quarter of 2018 sale of the majority of the Company's FDIC covered loans, average total loans grew 4.5 percent over the prior year quarter. The increase was due to growth in total commercial loans (5.0 percent), residential mortgages (9.9 percent), credit card loans (7.6 percent), and total other retail loans (2.7 percent). These increases were partially offset by decreases in total commercial real estate loans (1.2 percent) given the later stage of the business cycle and the sale of covered loans in the fourth quarter of 2018.

Average total loans were \$3.1 billion (1.1 percent) higher than the first quarter of 2019 primarily driven by growth in total commercial loans (1.2 percent) and residential mortgages (1.9 percent) and seasonal growth in credit card balances.



AVERAGE DEPOSITS								
(\$ in millions)	2Q 2019	1Q 2019	2Q 2018	Percent Change		YTD 2019	YTD 2018	Percent Change
				2Q19 vs 1Q19	2Q19 vs 2Q18			
Noninterest-bearing deposits	\$73,096	\$73,433	\$78,987	(.5)	(7.5)	\$73,263	\$79,234	(7.5)
Interest-bearing savings deposits								
Interest checking	70,433	72,177	69,918	(2.4)	.7	71,301	70,136	1.7
Money market savings	108,633	99,432	103,333	9.3	5.1	104,058	103,350	.7
Savings accounts	45,988	45,216	45,069	1.7	2.0	45,604	44,730	2.0
Total savings deposits	225,054	216,825	218,320	3.8	3.1	220,963	218,216	1.3
Time deposits	47,082	45,108	37,515	4.4	25.5	46,100	37,252	23.8
Total interest-bearing deposits	272,136	261,933	255,835	3.9	6.4	267,063	255,468	4.5
Total deposits	\$345,232	\$335,366	\$334,822	2.9	3.1	\$340,326	\$334,702	1.7

Average total deposits for the second quarter of 2019 were \$10.4 billion (3.1 percent) higher than the second quarter of 2018. Average noninterest-bearing deposits decreased \$5.9 billion (7.5 percent) year-over-year primarily due to balance migration to interest-bearing deposits and the continued deployment by customers of business deposits within Corporate and Commercial Banking and corporate trust balances within Wealth Management and Investment Services. Average total savings deposits were \$6.7 billion (3.1 percent) higher year-over-year driven by Wealth Management and Investment Services, Consumer and Business Banking, and Corporate and Commercial Banking. Average time deposits were \$9.6 billion (25.5 percent) higher than the prior year quarter. Changes in time deposits are driven by growth in consumer deposits related to the migration of balances to higher yielding balances. It was also due to funding decisions based largely on relative pricing and liquidity characteristics.

Average total deposits increased \$9.9 billion (2.9 percent) from the first quarter of 2019. On a linked quarter basis, average noninterest-bearing deposits decreased \$337 million (0.5 percent). Average total savings deposits increased \$8.2 billion (3.8 percent) on a linked quarter basis primarily due to increases in Wealth Management and Investment Services and Consumer and Business Banking. Average time deposits increased \$2.0 billion (4.4 percent) on a linked quarter basis primarily in savings certificates and personal certificates of deposit as customers seek higher yield alternatives.



NONINTEREST INCOME								
(\$ in millions)			Percent Change			YTD 2019	YTD 2018	Percent Change
	2Q 2019	1Q 2019	2Q 2018	2Q19 vs 1Q19	2Q19 vs 2Q18			
Credit and debit card revenue	\$365	\$304	\$351	20.1	4.0	\$669	\$675	(.9)
Corporate payment products revenue	167	162	158	3.1	5.7	329	312	5.4
Merchant processing services	404	378	387	6.9	4.4	782	750	4.3
Trust and investment management fees	415	399	401	4.0	3.5	814	799	1.9
Deposit service charges	227	217	273	4.6	(16.8)	444	534	(16.9)
Treasury management fees	153	146	155	4.8	(1.3)	299	305	(2.0)
Commercial products revenue	249	219	234	13.7	6.4	468	454	3.1
Mortgage banking revenue	189	169	191	11.8	(1.0)	358	375	(4.5)
Investment products fees	47	45	47	4.4	--	92	93	(1.1)
Securities gains (losses), net	17	5	10	nm	70.0	22	15	46.7
Other	257	247	207	4.0	24.2	504	374	34.8
Total noninterest income	\$2,490	\$2,291	\$2,414	8.7	3.1	\$4,781	\$4,686	2.0

Second quarter noninterest income of \$2,490 million was \$76 million (3.1 percent) higher than the second quarter of 2018 driven by growth in payment services revenue, trust and investment management fees, commercial products revenue, and other noninterest revenue, partially offset by a decline in deposit service charges. Payment services revenue increased \$40 million (4.5 percent) due to higher credit and debit card revenue of \$14 million (4.0 percent), an increase in corporate payment products revenue of \$9 million (5.7 percent), and higher merchant processing services revenue of \$17 million (4.4 percent), all driven by higher sales volume. Trust and investment management fees increased \$14 million (3.5 percent) due to business growth and favorable market conditions. Commercial products revenue increased \$15 million (6.4 percent) primarily due to higher corporate bond fees and trading revenue, partially offset by lower syndication fees. Other noninterest income also increased year-over-year primarily due to higher equity investment income, tax-advantaged investment syndication revenue, and transition services agreement revenue associated with the sale of the Company's ATM third-party servicing business in 2018. These increases were partially offset by lower deposit service charges. Deposit service charges decreased \$46 million (16.8 percent) primarily due to the ATM third-party servicing sale in 2018.

Noninterest income was \$199 million (8.7 percent) higher in the second quarter of 2019 compared with the first quarter of 2019 driven by higher payment services revenue, commercial products revenue, mortgage banking revenue and trust and investment management fees. Payment services revenue increased \$92 million (10.9 percent) primarily due to strong consumer spending recovering from significantly lower sales in the first quarter of 2019 and the impact of seasonally higher sales typically expected in the second quarter of the year. Commercial products revenue increased \$30 million (13.7 percent) primarily due to higher corporate bond fees and other capital markets revenue due to more favorable markets and certain merger and acquisition related bond issuances during the second quarter of 2019. Mortgage banking revenue increased \$20 million (11.8 percent) reflecting higher origination and sales volumes, partially offset by an unfavorable change in the valuation of mortgage servicing rights, net of hedging activities. Trust and investment management fees increased \$16 million (4.0 percent) primarily due to business growth and favorable market conditions.



NONINTEREST EXPENSE								
(\$ in millions)	2Q 2019	1Q 2019	2Q 2018	Percent Change		YTD 2019	YTD 2018	Percent Change
				2Q19 vs 1Q19	2Q19 vs 2Q18			
Compensation	\$1,574	\$1,559	\$1,542	1.0	2.1	\$3,133	\$3,065	2.2
Employee benefits	314	333	299	(5.7)	5.0	647	629	2.9
Net occupancy and equipment	281	277	262	1.4	7.3	558	527	5.9
Professional services	106	95	95	11.6	11.6	201	178	12.9
Marketing and business development	111	89	111	24.7	--	200	208	(3.8)
Technology and communications	270	257	242	5.1	11.6	527	477	10.5
Postage, printing and supplies	73	72	80	1.4	(8.8)	145	160	(9.4)
Other intangibles	42	40	40	5.0	5.0	82	79	3.8
Other	382	365	414	4.7	(7.7)	747	817	(8.6)
Total noninterest expense	\$3,153	\$3,087	\$3,085	2.1	2.2	\$6,240	\$6,140	1.6

Second quarter noninterest expense of \$3,153 million was \$68 million (2.2 percent) higher than the second quarter of 2018 primarily due to higher personnel costs, occupancy costs, and technology investment, partially offset by lower other noninterest expense. Compensation expense increased \$32 million (2.1 percent) principally due to the impact of merit increases and hiring to support business growth. Employee benefits expense increased \$15 million (5.0 percent) primarily due to increased medical costs. Technology and communications expense increased \$28 million (11.6 percent) and net occupancy and equipment expense increased \$19 million (7.3) percent to support business growth. Partially offsetting these increases was a decrease in other noninterest expense of \$32 million (7.7 percent) due to lower FDIC assessment costs, driven by the elimination of the surcharge in the fourth quarter of 2018, and lower costs related to tax-advantaged projects.

Noninterest expense increased \$66 million (2.1 percent) on a linked quarter basis due to higher compensation expense of \$15 million (1.0 percent), the impact of seasonal merit increases and an additional day in the second quarter. Professional services expense increased \$11 million (11.6 percent) and marketing and business development expense increased \$22 million (24.7 percent) both due to seasonally higher activity in the second quarter. These increases were partially offset by a seasonal decrease in employee benefits due to higher payroll taxes during the first quarter of the year.

Provision for Income Taxes

The provision for income taxes for the second quarter of 2019 resulted in a tax rate of 20.7 percent on a taxable-equivalent basis (effective tax rate of 19.7 percent), compared with 21.1 percent (effective tax rate of 20.1 percent) in the second quarter of 2018, and 19.2 percent on a taxable-equivalent basis (effective tax rate of 18.1 percent) in the first quarter of 2019.



ALLOWANCE FOR CREDIT LOSSES										
(\$ in millions)	2Q		1Q		4Q		3Q		2Q	
	2019	% (a)	2019	% (a)	2018	% (a)	2018	% (a)	2018	% (a)
Balance, beginning of period	\$4,451		\$4,441		\$4,426		\$4,411		\$4,417	
Net charge-offs										
Commercial	56	.23	71	.30	64	.27	63	.27	54	.23
Lease financing	3	.22	2	.15	3	.22	3	.22	4	.29
Total commercial	59	.23	73	.29	67	.26	66	.26	58	.24
Commercial mortgages	2	.03	--	--	(8)	(.11)	(5)	(.07)	--	--
Construction and development	(1)	(.04)	--	--	1	.04	(4)	(.14)	--	--
Total commercial real estate	1	.01	--	--	(7)	(.07)	(9)	(.09)	--	--
Residential mortgages	4	.02	3	.02	2	.01	4	.03	4	.03
Credit card	227	3.99	225	4.04	219	3.88	206	3.75	210	3.97
Retail leasing	2	.09	4	.19	3	.14	3	.14	3	.15
Home equity and second mortgages	(1)	(.03)	(1)	(.03)	1	.02	(1)	(.02)	(2)	(.05)
Other	58	.71	63	.80	68	.85	59	.74	59	.76
Total other retail	59	.42	66	.47	72	.51	61	.43	60	.43
Total net charge-offs	350	.49	367	.52	353	.49	328	.46	332	.48
Provision for credit losses	365		377		368		343		327	
Other changes	--		--		--		--		(1)	
Balance, end of period	<u>\$4,466</u>		<u>\$4,451</u>		<u>\$4,441</u>		<u>\$4,426</u>		<u>\$4,411</u>	
Components										
Allowance for loan losses	\$4,019		\$3,990		\$3,973		\$3,954		\$3,920	
Liability for unfunded credit commitments	447		461		468		472		491	
Total allowance for credit losses	<u>\$4,466</u>		<u>\$4,451</u>		<u>\$4,441</u>		<u>\$4,426</u>		<u>\$4,411</u>	
Gross charge-offs	\$464		\$473		\$442		\$428		\$437	
Gross recoveries	\$114		\$106		\$89		\$100		\$105	
Allowance for credit losses as a percentage of										
Period-end loans	1.53		1.55		1.55		1.57		1.57	
Nonperforming loans	556		519		544		544		484	
Nonperforming assets	469		443		449		441		404	

(a) Annualized and calculated on average loan balances

Credit quality was relatively stable on a linked quarter and year-over-year basis. The Company's provision for credit losses for the second quarter of 2019 was \$365 million, which was \$12 million (3.2 percent) lower than the prior quarter and \$38 million (11.6 percent) higher than the second quarter of 2018 primarily reflecting loan growth.

Total net charge-offs in the second quarter of 2019 were \$350 million, compared with \$367 million in the first quarter of 2019, and \$332 million in the second quarter of 2018. Net charge-offs decreased \$17 million (4.6 percent) compared with the first quarter of 2019 primarily due to lower total commercial net charge-offs. Net charge-offs increased \$18 million (5.4 percent) compared with the second quarter of 2018 primarily due to higher credit card net charge-offs. The net charge-off ratio was 0.49 percent in the second quarter of 2019, compared with 0.52 percent in the first quarter of 2019 and 0.48 percent in the second quarter of 2018.

The allowance for credit losses was \$4,466 million at June 30, 2019, compared with \$4,451 million at March 31, 2019, and \$4,411 million at June 30, 2018. The ratio of the allowance for credit losses to period-end loans was 1.53 percent at June 30, 2019, compared with 1.55 percent at March 31, 2019, and 1.57 percent at June 30, 2018. The ratio of the allowance for credit losses to nonperforming loans was 556 percent at June 30, 2019, compared with 519 percent at March 31, 2019, and 484 percent at June 30, 2018.

Nonperforming assets were \$953 million at June 30, 2019, compared with \$1,005 million at March 31, 2019, and \$1,091 million at June 30, 2018. The ratio of nonperforming assets to loans and other real estate was 0.33 percent at June 30, 2019, compared with 0.35 percent at March 31, 2019, and 0.39 percent at June 30, 2018. The decrease in nonperforming assets on a linked quarter basis and a year-over-year basis was driven by decreases in nonperforming residential mortgages, total commercial real estate, and other real estate owned. Accruing loans 90 days or more past due were \$752 million at June 30, 2019, compared with \$595 million at March 31, 2019, and \$640 million at June 30, 2018. Commercial loan 90 day delinquencies were elevated this quarter related to one customer that is expected to resolve without a credit loss.

DELINQUENT LOAN RATIOS AS A PERCENT OF ENDING LOAN BALANCES					
(Percent)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2019	2019	2018	2018	2018
Delinquent loan ratios - 90 days or more past due <i>excluding</i> nonperforming loans					
Commercial	.26	.07	.07	.06	.06
Commercial real estate	--	.01	--	.01	.01
Residential mortgages	.17	.18	.18	.19	.18
Credit card	1.14	1.29	1.25	1.18	1.15
Other retail	.17	.19	.19	.17	.16
Covered loans	--	--	--	.86	4.46
Total loans	.26	.21	.20	.20	.23
Delinquent loan ratios - 90 days or more past due <i>including</i> nonperforming loans					
Commercial	.53	.34	.27	.28	.28
Commercial real estate	.24	.33	.29	.27	.27
Residential mortgages	.55	.62	.63	.69	.84
Credit card	1.14	1.29	1.25	1.18	1.15
Other retail	.47	.49	.54	.49	.48
Covered loans	--	--	--	.86	4.68
Total loans	.53	.51	.49	.48	.55



ASSET QUALITY (a)					
(\$ in millions)					
	Jun 30 2019	Mar 31 2019	Dec 31 2018	Sep 30 2018	Jun 30 2018
Nonperforming loans					
Commercial	\$254	\$247	\$186	\$193	\$199
Lease financing	25	24	23	23	25
Total commercial	279	271	209	216	224
Commercial mortgages	81	79	76	77	72
Construction and development	11	48	39	28	32
Total commercial real estate	92	127	115	105	104
Residential mortgages	263	287	296	317	400
Credit card	--	--	--	--	--
Other retail	169	173	197	175	178
Covered loans	--	--	--	--	6
Total nonperforming loans	803	858	817	813	912
Other real estate	88	93	111	100	108
Covered other real estate	--	--	--	19	20
Other nonperforming assets	62	54	61	72	51
Total nonperforming assets	\$953	\$1,005	\$989	\$1,004	\$1,091
Accruing loans 90 days or more past due	\$752	\$595	\$584	\$551	\$640
Performing restructured loans, excluding GNMA	\$2,142	\$2,173	\$2,218	\$2,272	\$2,194
Performing restructured GNMA	\$1,598	\$1,578	\$1,639	\$1,668	\$1,665
Nonperforming assets to loans plus ORE (%)	.33	.35	.34	.36	.39

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



COMMON SHARES					
(Millions)	2Q	1Q	4Q	3Q	2Q
	2019	2019	2018	2018	2018
Beginning shares outstanding	1,599	1,608	1,623	1,636	1,649
Shares issued for stock incentive plans, acquisitions and other corporate purposes	--	3	1	1	--
Shares repurchased	(15)	(12)	(16)	(14)	(13)
Ending shares outstanding	1,584	1,599	1,608	1,623	1,636

CAPITAL POSITION					
(\$ in millions)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2019	2019	2018	2018	2018
Total U.S. Bancorp shareholders' equity	\$52,913	\$52,057	\$51,029	\$50,375	\$49,628
Basel III Standardized Approach					
Common equity tier 1 capital	\$36,909	\$35,732	\$34,724	\$34,097	\$34,161
Tier 1 capital	42,923	41,748	40,741	40,114	39,611
Total risk-based capital	50,370	49,194	48,178	47,531	47,258
Common equity tier 1 capital ratio	9.5 %	9.3 %	9.1 %	9.0 %	9.1 %
Tier 1 capital ratio	11.0	10.9	10.7	10.6	10.5
Total risk-based capital ratio	13.0	12.8	12.6	12.6	12.6
Leverage ratio	9.3	9.2	9.0	9.0	8.9
Basel III Advanced Approaches					
Common equity tier 1 capital ratio	12.3	12.0	11.8	11.8	11.6
Tangible common equity to tangible assets (a)	7.9	7.9	7.8	7.7	7.8
Tangible common equity to risk-weighted assets (a)	9.7	9.5	9.4	9.3	9.3

(a) See Non-GAAP Financial Measures reconciliation on page 16

Total U.S. Bancorp shareholders' equity was \$52.9 billion at June 30, 2019, compared with \$52.1 billion at March 31, 2019, and \$49.6 billion at June 30, 2018. During the second quarter, the Company returned 79 percent of earnings to shareholders through dividends and share buybacks.

All regulatory ratios continue to be in excess of "well-capitalized" requirements. The common equity tier 1 capital to risk-weighted assets ratio using the Basel III standardized approach was 9.5 percent at June 30, 2019, compared with 9.3 percent at March 31, 2019, and 9.1 percent at June 30, 2018. The common equity tier 1 capital to risk-weighted assets ratio using the Basel III advanced approaches method was 12.3 percent at June 30, 2019, compared with 12.0 percent at March 31, 2019, and 11.6 percent at June 30, 2018.



Investor Conference Call

On Wednesday, July 17, 2019, at 8:30 a.m. CDT, Chairman, President and CEO Andy Cecere along with Vice Chairman and Chief Financial Officer Terry Dolan will host a conference call to review the financial results. The conference call will be available online or by telephone. To access the webcast and presentation, visit U.S. Bancorp's website at usbank.com and click on "About US", "Investor Relations" and "Webcasts & Presentations." To access the conference call from locations within the United States and Canada, please dial 866-316-1409. Participants calling from outside the United States and Canada, please dial 706-634-9086. The conference ID number for all participants is 5545338. For those unable to participate during the live call, a recording will be available at approximately 11:00 a.m. CDT on Wednesday, July 17 and will be accessible until Wednesday, July 24 at 11:00 p.m. CDT. To access the recorded message within the United States and Canada, please dial 855-859-2056. If calling from outside the United States and Canada, please dial 404-537-3406 to access the recording. The conference ID is 5545338.

About U.S. Bancorp

U.S. Bancorp, with 74,000 employees and \$482 billion in assets as of June 30, 2019, is the parent company of U.S. Bank, the fifth-largest commercial bank in the United States. The Minneapolis-based bank blends its relationship teams, branches and ATM network with mobile and online tools that allow customers to bank how, when and where they prefer. U.S. Bank is committed to serving its millions of retail, business, wealth management, payment, commercial and corporate, and investment services customers across the country and around the world as a trusted financial partner, a commitment recognized by the Ethisphere Institute naming the bank a 2019 World's Most Ethical Company. Visit U.S. Bank at www.usbank.com or follow on social media to stay up to date with company news.

Forward-looking Statements

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

This press release contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, 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. Deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility. 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, changes to statutes, regulations, or regulatory policies or practices could affect U.S. Bancorp in substantial and unpredictable ways. U.S. Bancorp's results could also be adversely affected by 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 its investment securities; legal and regulatory developments; litigation; increased competition from both banks and non-banks; changes in the level of tariffs and other trade policies of the United States and its global trading partners; changes in customer behavior and preferences; breaches in data security; failures to safeguard personal information; 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, 2018, on file with the Securities and Exchange Commission, including the sections entitled "Corporate Risk Profile" and "Risk Factors" 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. In addition, factors other than these risks also could adversely affect U.S. Bancorp's results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.



Non-GAAP Financial Measures

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets
- Tangible common equity to risk-weighted assets
- Return on tangible common equity

These capital measures are viewed by management as useful additional methods of evaluating the Company's utilization of its capital held and the level of capital available to withstand unexpected negative market or economic conditions. Additionally, presentation of these measures allows investors, analysts and banking regulators to assess the Company's capital position relative to other financial services companies. These capital measures are not defined in generally accepted accounting principles ("GAAP"), or are not defined in banking regulations. As a result, these capital measures disclosed by the Company may be considered non-GAAP financial measures. Management believes this information helps investors assess trends in the Company's capital adequacy.

The Company also discloses net interest income and related ratios and analysis on a taxable-equivalent basis, which may also be considered non-GAAP financial measures. The Company believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison of net interest income arising from taxable and tax-exempt sources. In addition, certain performance measures, including the efficiency ratio and net interest margin utilize net interest income on a taxable-equivalent basis.

There may be limits in the usefulness of these measures to investors. As a result, the Company encourages readers to consider the consolidated financial statements and other financial information contained in this press release in their entirety, and not to rely on any single financial measure. A table follows that shows the Company's calculation of these non-GAAP financial measures.



CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2019	2018	2019	2018
Interest Income				
Loans	\$3,582	\$3,197	\$7,122	\$6,292
Loans held for sale	34	39	59	72
Investment securities	745	653	1,450	1,266
Other interest income	90	59	171	109
Total interest income	4,451	3,948	8,802	7,739
Interest Expense				
Deposits	762	427	1,457	772
Short-term borrowings	91	86	184	161
Long-term debt	293	238	597	441
Total interest expense	1,146	751	2,238	1,374
Net interest income	3,305	3,197	6,564	6,365
Provision for credit losses	365	327	742	668
Net interest income after provision for credit losses	2,940	2,870	5,822	5,697
Noninterest Income				
Credit and debit card revenue	365	351	669	675
Corporate payment products revenue	167	158	329	312
Merchant processing services	404	387	782	750
Trust and investment management fees	415	401	814	799
Deposit service charges	227	273	444	534
Treasury management fees	153	155	299	305
Commercial products revenue	249	234	468	454
Mortgage banking revenue	189	191	358	375
Investment products fees	47	47	92	93
Securities gains (losses), net	17	10	22	15
Other	257	207	504	374
Total noninterest income	2,490	2,414	4,781	4,686
Noninterest Expense				
Compensation	1,574	1,542	3,133	3,065
Employee benefits	314	299	647	629
Net occupancy and equipment	281	262	558	527
Professional services	106	95	201	178
Marketing and business development	111	111	200	208
Technology and communications	270	242	527	477
Postage, printing and supplies	73	80	145	160
Other intangibles	42	40	82	79
Other	382	414	747	817
Total noninterest expense	3,153	3,085	6,240	6,140
Income before income taxes	2,277	2,199	4,363	4,243
Applicable income taxes	449	441	827	803
Net income	1,828	1,758	3,536	3,440
Net (income) loss attributable to noncontrolling interests	(7)	(8)	(16)	(15)
Net income attributable to U.S. Bancorp	\$1,821	\$1,750	\$3,520	\$3,425
Net income applicable to U.S. Bancorp common shareholders	\$1,741	\$1,678	\$3,354	\$3,275
Earnings per common share	\$1.09	\$1.02	\$2.10	\$1.99
Diluted earnings per common share	\$1.09	\$1.02	\$2.10	\$1.98
Dividends declared per common share	\$.37	\$.30	\$.74	\$.60
Average common shares outstanding	1,590	1,642	1,596	1,647
Average diluted common shares outstanding	1,592	1,646	1,599	1,651



CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	June 30, 2019	December 31, 2018	June 30, 2018
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	\$16,932	\$21,453	\$19,021
Investment securities			
Held-to-maturity	46,383	46,050	46,055
Available-for-sale	69,197	66,115	66,347
Loans held for sale	3,819	2,056	3,256
Loans			
Commercial	103,980	102,444	99,357
Commercial real estate	39,334	39,539	39,399
Residential mortgages	67,913	65,034	61,309
Credit card	23,426	23,363	21,566
Other retail	57,375	56,430	55,723
Covered loans	--	--	2,823
Total loans	292,028	286,810	280,177
Less allowance for loan losses	(4,019)	(3,973)	(3,920)
Net loans	288,009	282,837	276,257
Premises and equipment	3,690	2,457	2,431
Goodwill	9,548	9,369	9,425
Other intangible assets	3,161	3,392	3,415
Other assets	40,980	33,645	35,122
Total assets	\$481,719	\$467,374	\$461,329
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	\$76,170	\$81,811	\$82,215
Interest-bearing	277,007	263,664	257,865
Total deposits	353,177	345,475	340,080
Short-term borrowings	15,032	14,139	18,136
Long-term debt	41,008	41,340	37,172
Other liabilities	18,962	14,763	15,684
Total liabilities	428,179	415,717	411,072
Shareholders' equity			
Preferred stock	5,984	5,984	5,419
Common stock	21	21	21
Capital surplus	8,465	8,469	8,468
Retained earnings	61,252	59,065	56,742
Less treasury stock	(21,465)	(20,188)	(18,707)
Accumulated other comprehensive income (loss)	(1,344)	(2,322)	(2,315)
Total U.S. Bancorp shareholders' equity	52,913	51,029	49,628
Noncontrolling interests	627	628	629
Total equity	53,540	51,657	50,257
Total liabilities and equity	\$481,719	\$467,374	\$461,329



NON-GAAP FINANCIAL MEASURES

(Dollars in Millions, Unaudited)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Total equity	\$53,540	\$52,686	\$51,657	\$51,007	\$50,257
Preferred stock	(5,984)	(5,984)	(5,984)	(5,984)	(5,419)
Noncontrolling interests	(627)	(629)	(628)	(632)	(629)
Goodwill (net of deferred tax liability) (1)	(8,708)	(8,716)	(8,549)	(8,682)	(8,585)
Intangible assets, other than mortgage servicing rights	(703)	(685)	(601)	(627)	(571)
Tangible common equity (a)	37,518	36,672	35,895	35,082	35,053
Total assets	481,719	475,775	467,374	464,607	461,329
Goodwill (net of deferred tax liability) (1)	(8,708)	(8,716)	(8,549)	(8,682)	(8,585)
Intangible assets, other than mortgage servicing rights	(703)	(685)	(601)	(627)	(571)
Tangible assets (b)	472,308	466,374	458,224	455,298	452,173
Risk-weighted assets, determined in accordance with the Basel III standardized approach (c)	388,709 *	384,394	381,661	377,713	375,466
Ratios *					
Tangible common equity to tangible assets (a)/(b)	7.9 %	7.9 %	7.8 %	7.7 %	7.8 %
Tangible common equity to risk-weighted assets (a)/(c)	9.7	9.5	9.4	9.3	9.3

	Three Months Ended				
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Net income applicable to U.S. Bancorp common shareholders	\$1,741	\$1,613	\$1,777	\$1,732	\$1,678
Intangibles amortization (net-of-tax)	33	32	32	32	32
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,774	1,645	1,809	1,764	1,710
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (d)	7,115	6,671	7,177	6,998	6,859
Average total equity	53,066	52,218	51,370	50,768	49,950
Average preferred stock	(5,984)	(5,984)	(5,984)	(5,714)	(5,419)
Average noncontrolling interests	(628)	(629)	(630)	(630)	(628)
Average goodwill (net of deferred tax liability) (1)	(8,715)	(8,732)	(8,574)	(8,620)	(8,602)
Average intangible assets, other than mortgage servicing rights	(681)	(671)	(605)	(584)	(588)
Average tangible common equity (e)	37,058	36,202	35,577	35,220	34,713
Return on tangible common equity (d)/(e)	19.2 %	18.4 %	20.2 %	19.9 %	19.8 %

	Three Months Ended					Six Months Ended	
	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	June 30, 2019	June 30, 2018
Net interest income	\$3,305	\$3,259	\$3,303	\$3,251	\$3,197	\$6,564	\$6,365
Taxable-equivalent adjustment (2)	27	27	28	30	29	54	58
Net interest income, on a taxable-equivalent basis	3,332	3,286	3,331	3,281	3,226	6,618	6,423
Net interest income, on a taxable-equivalent basis (as calculated above)	3,332	3,286	3,331	3,281	3,226	6,618	6,423
Noninterest income	2,490	2,291	2,498	2,418	2,414	4,781	4,686
Less: Securities gains (losses), net	17	5	5	10	10	22	15
Total net revenue, excluding net securities gains (losses) (f)	5,805	5,572	5,824	5,689	5,630	11,377	11,094
Noninterest expense (g)	3,153	3,087	3,280	3,044	3,085	6,240	6,140
Less: Intangible amortization	42	40	41	41	40	82	79
Noninterest expense, excluding intangible amortization (h)	3,111	3,047	3,239	3,003	3,045	6,158	6,061
Efficiency ratio (g)/(f)	54.3 %	55.4 %	56.3 %	53.5 %	54.8 %	54.8 %	55.3 %
Tangible efficiency ratio (h)/(f)	53.6	54.7	55.6	52.8	54.1	54.1	54.6

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.

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

(2) Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.

**Supplemental
Consolidated
Schedules**
2Q 2019



QUARTERLY CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Interest Income					
Loans	\$3,582	\$3,540	\$3,475	\$3,353	\$3,197
Loans held for sale	34	25	57	36	39
Investment securities	745	705	689	661	653
Other interest income	90	81	90	73	59
Total interest income	4,451	4,351	4,311	4,123	3,948
Interest Expense					
Deposits	762	695	606	491	427
Short-term borrowings	91	93	113	104	86
Long-term debt	293	304	289	277	238
Total interest expense	1,146	1,092	1,008	872	751
Net interest income	3,305	3,259	3,303	3,251	3,197
Provision for credit losses	365	377	368	343	327
Net interest income after provision for credit losses	2,940	2,882	2,935	2,908	2,870
Noninterest Income					
Credit and debit card revenue	365	304	382	344	351
Corporate payment products revenue	167	162	163	169	158
Merchant processing services	404	378	389	392	387
Trust and investment management fees	415	399	409	411	401
Deposit service charges	227	217	253	283	273
Treasury management fees	153	146	143	146	155
Commercial products revenue	249	219	225	216	234
Mortgage banking revenue	189	169	171	174	191
Investment products fees	47	45	48	47	47
Securities gains (losses), net	17	5	5	10	10
Other	257	247	310	226	207
Total noninterest income	2,490	2,291	2,498	2,418	2,414
Noninterest Expense					
Compensation	1,574	1,559	1,568	1,529	1,542
Employee benefits	314	333	308	294	299
Net occupancy and equipment	281	277	266	270	262
Professional services	106	95	133	96	95
Marketing and business development	111	89	115	106	111
Technology and communications	270	257	254	247	242
Postage, printing and supplies	73	72	80	84	80
Other intangibles	42	40	41	41	40
Other	382	365	515	377	414
Total noninterest expense	3,153	3,087	3,280	3,044	3,085
Income before income taxes	2,277	2,086	2,153	2,282	2,199
Applicable income taxes	449	378	291	460	441
Net income	1,828	1,708	1,862	1,822	1,758
Net (income) loss attributable to noncontrolling interests	(7)	(9)	(6)	(7)	(8)
Net income attributable to U.S. Bancorp	\$1,821	\$1,699	\$1,856	\$1,815	\$1,750
Net income applicable to U.S. Bancorp common shareholders	\$1,741	\$1,613	\$1,777	\$1,732	\$1,678
Earnings per common share	\$1.09	\$1.01	\$1.10	\$1.06	\$1.02
Diluted earnings per common share	\$1.09	\$1.00	\$1.10	\$1.06	\$1.02
Dividends declared per common share	\$0.37	\$0.37	\$0.37	\$0.37	\$0.30
Average common shares outstanding	1,590	1,602	1,615	1,629	1,642
Average diluted common shares outstanding	1,592	1,605	1,618	1,633	1,646
Financial Ratios					
Net interest margin (taxable-equivalent basis)	3.13 %	3.16 %	3.15 %	3.15 %	3.13 %
Return on average assets	1.55	1.49	1.59	1.58	1.54
Return on average common equity	15.0	14.3	15.8	15.5	15.3
Efficiency ratio	54.3	55.4	56.3	53.5	54.8
Tangible efficiency ratio	53.6	54.7	55.6	52.8	54.1



CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Assets	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Cash and due from banks	\$16,932	\$18,115	\$21,453	\$20,082	\$19,021
Investment securities					
Held-to-maturity	46,383	46,285	46,050	46,046	46,055
Available-for-sale	69,197	68,113	66,115	64,912	66,347
Loans held for sale	3,819	2,725	2,056	4,533	3,256
Loans					
Commercial	103,980	103,069	102,444	99,273	99,357
Commercial real estate	39,334	39,421	39,539	39,966	39,399
Residential mortgages	67,913	66,243	65,034	62,904	61,309
Credit card	23,426	22,268	23,363	21,869	21,566
Other retail	57,375	56,698	56,430	56,049	55,723
Covered loans	--	--	--	1,400	2,823
Total loans	292,028	287,699	286,810	281,461	280,177
Less allowance for loan losses	(4,019)	(3,990)	(3,973)	(3,954)	(3,920)
Net loans	288,009	283,709	282,837	277,507	276,257
Premises and equipment	3,690	3,686	2,457	2,438	2,431
Goodwill	9,548	9,547	9,369	9,530	9,425
Other intangible assets	3,161	3,341	3,392	3,544	3,415
Other assets	40,980	40,254	33,645	36,015	35,122
Total assets	\$481,719	\$475,775	\$467,374	\$464,607	\$461,329
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	\$76,170	\$74,587	\$81,811	\$77,146	\$82,215
Interest-bearing	277,007	273,500	263,664	254,032	257,865
Total deposits	353,177	348,087	345,475	331,178	340,080
Short-term borrowings	15,032	15,396	14,139	23,868	18,136
Long-term debt	41,008	40,680	41,340	40,894	37,172
Other liabilities	18,962	18,926	14,763	17,660	15,684
Total liabilities	428,179	423,089	415,717	413,600	411,072
Shareholders' equity					
Preferred stock	5,984	5,984	5,984	5,984	5,419
Common stock	21	21	21	21	21
Capital surplus	8,465	8,432	8,469	8,479	8,468
Retained earnings	61,252	60,092	59,065	57,878	56,742
Less treasury stock	(21,465)	(20,699)	(20,188)	(19,414)	(18,707)
Accumulated other comprehensive income (loss)	(1,344)	(1,773)	(2,322)	(2,573)	(2,315)
Total U.S. Bancorp shareholders' equity	52,913	52,057	51,029	50,375	49,628
Noncontrolling interests	627	629	628	632	629
Total equity	53,540	52,686	51,657	51,007	50,257
Total liabilities and equity	\$481,719	\$475,775	\$467,374	\$464,607	\$461,329



CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET

(Dollars in Millions, Unaudited)	June 30, 2019	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018
Assets					
Investment securities	\$115,460	\$114,179	\$114,138	\$113,547	\$114,578
Loans held for sale	3,162	2,132	3,134	3,109	3,545
Loans					
Commercial					
Commercial	97,776	96,447	95,025	93,541	92,835
Lease financing	5,457	5,513	5,490	5,507	5,518
Total commercial	103,233	101,960	100,515	99,048	98,353
Commercial real estate					
Commercial mortgages	28,465	28,459	28,930	28,362	28,710
Construction and development	10,900	11,011	11,219	11,180	11,147
Total commercial real estate	39,365	39,470	40,149	39,542	39,857
Residential mortgages	66,834	65,582	64,476	62,042	60,834
Credit card	22,830	22,597	22,396	21,774	21,220
Other retail					
Retail leasing	8,547	8,586	8,489	8,383	8,150
Home equity and second mortgages	15,831	15,993	16,065	16,000	16,048
Other	32,578	31,922	31,587	31,520	31,265
Total other retail	56,956	56,501	56,141	55,903	55,463
Covered loans	--	--	--	2,756	2,897
Total loans	289,218	286,110	283,677	281,065	278,624
Other earning assets	19,093	17,073	19,523	17,456	15,929
Total earning assets	426,933	419,494	420,472	415,177	412,676
Allowance for loan losses	(4,011)	(3,982)	(3,966)	(3,930)	(3,929)
Unrealized gain (loss) on investment securities	(288)	(1,043)	(2,009)	(1,686)	(1,654)
Other assets	48,964	48,930	47,779	47,355	47,396
Total assets	\$471,598	\$463,399	\$462,276	\$456,916	\$454,489
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	\$73,096	\$73,433	\$77,160	\$77,192	\$78,987
Interest-bearing deposits					
Interest checking	70,433	72,177	71,013	69,330	69,918
Money market savings	108,633	99,432	99,594	100,688	103,333
Savings accounts	45,988	45,216	44,544	44,848	45,069
Time deposits	47,082	45,108	42,054	38,063	37,515
Total interest-bearing deposits	272,136	261,933	257,205	252,929	255,835
Short-term borrowings	17,169	18,368	21,520	22,186	20,602
Long-term debt	40,438	41,855	40,564	39,701	35,780
Total interest-bearing liabilities	329,743	322,156	319,289	314,816	312,217
Other liabilities	15,693	15,592	14,457	14,140	13,335
Shareholders' equity					
Preferred equity	5,984	5,984	5,984	5,714	5,419
Common equity	46,454	45,605	44,756	44,424	43,903
Total U.S. Bancorp shareholders' equity	52,438	51,589	50,740	50,138	49,322
Noncontrolling interests	628	629	630	630	628
Total equity	53,066	52,218	51,370	50,768	49,950
Total liabilities and equity	\$471,598	\$463,399	\$462,276	\$456,916	\$454,489



CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

For the Three Months Ended June 30,
2019 2018

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	\$115,460	\$759	2.63 %	\$114,578	\$667	2.33 %	.8 %
Loans held for sale	3,162	34	4.30	3,545	39	4.39	(10.8)
Loans (b)							
Commercial	103,233	1,099	4.27	98,353	939	3.83	5.0
Commercial real estate	39,365	512	5.22	39,857	459	4.61	(1.2)
Residential mortgages	66,834	661	3.96	60,834	568	3.74	9.9
Credit card	22,830	646	11.36	21,220	610	11.53	7.6
Other retail	56,956	678	4.78	55,463	593	4.29	2.7
Covered	--	--	--	2,897	45	6.22	*
Total loans	<u>289,218</u>	<u>3,596</u>	4.99	<u>278,624</u>	<u>3,214</u>	4.62	3.8
Other earning assets	19,093	91	1.90	15,929	60	1.51	19.9
Total earning assets	<u>426,933</u>	<u>4,480</u>	4.21	<u>412,676</u>	<u>3,980</u>	3.86	3.5
Allowance for loan losses	(4,011)			(3,929)			(2.1)
Unrealized gain (loss) on investment securities	(288)			(1,654)			82.6
Other assets	48,964			47,396			3.3
Total assets	<u>\$471,598</u>			<u>\$454,489</u>			3.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$73,096			\$78,987			(7.5) %
Interest-bearing deposits							
Interest checking	70,433	53	.30	69,918	32	.18	.7
Money market savings	108,633	435	1.61	103,333	253	.98	5.1
Savings accounts	45,988	26	.23	45,069	12	.11	2.0
Time deposits	47,082	248	2.12	37,515	130	1.39	25.5
Total interest-bearing deposits	<u>272,136</u>	<u>762</u>	1.12	<u>255,835</u>	<u>427</u>	.67	6.4
Short-term borrowings	17,169	93	2.16	20,602	89	1.73	(16.7)
Long-term debt	40,438	293	2.91	35,780	238	2.67	13.0
Total interest-bearing liabilities	<u>329,743</u>	<u>1,148</u>	1.40	<u>312,217</u>	<u>754</u>	.97	5.6
Other liabilities	15,693			13,335			17.7
Shareholders' equity							
Preferred equity	5,984			5,419			10.4
Common equity	46,454			43,903			5.8
Total U.S. Bancorp shareholders' equity	<u>52,438</u>			<u>49,322</u>			6.3
Noncontrolling interests	628			628			--
Total equity	<u>53,066</u>			<u>49,950</u>			6.2
Total liabilities and equity	<u>\$471,598</u>			<u>\$454,489</u>			3.8
Net interest income		<u>\$3,332</u>			<u>\$3,226</u>		
Gross interest margin			2.81 %			2.89 %	
Gross interest margin without taxable-equivalent increments			<u>2.78</u>			<u>2.86</u>	
Percent of Earning Assets							
Interest income			4.21 %			3.86 %	
Interest expense			1.08			.73	
Net interest margin			<u>3.13 %</u>			<u>3.13 %</u>	
Net interest margin without taxable-equivalent increments			3.10 %			3.10 %	

* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.



CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

(Dollars in Millions) (Unaudited)	For the Three Months Ended						% Change Average Balances
	June 30, 2019			March 31, 2019			
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
Assets							
Investment securities	\$115,460	\$759	2.63 %	\$114,179	\$720	2.52 %	1.1 %
Loans held for sale	3,162	34	4.30	2,132	25	4.73	48.3
Loans (b)							
Commercial	103,233	1,099	4.27	101,960	1,076	4.28	1.2
Commercial real estate	39,365	512	5.22	39,470	489	5.03	(.3)
Residential mortgages	66,834	661	3.96	65,582	654	4.00	1.9
Credit card	22,830	646	11.36	22,597	671	12.04	1.0
Other retail	56,956	678	4.78	56,501	665	4.77	.8
Total loans	<u>289,218</u>	<u>3,596</u>	4.99	<u>286,110</u>	<u>3,555</u>	5.03	1.1
Other earning assets	19,093	91	1.90	17,073	81	1.93	11.8
Total earning assets	<u>426,933</u>	<u>4,480</u>	4.21	<u>419,494</u>	<u>4,381</u>	4.22	1.8
Allowance for loan losses	(4,011)			(3,982)			(.7)
Unrealized gain (loss) on investment securities	(288)			(1,043)			72.4
Other assets	48,964			48,930			.1
Total assets	<u>\$471,598</u>			<u>\$463,399</u>			1.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$73,096			\$73,433			(.5) %
Interest-bearing deposits							
Interest checking	70,433	53	.30	72,177	62	.35	(2.4)
Money market savings	108,633	435	1.61	99,432	375	1.53	9.3
Savings accounts	45,988	26	.23	45,216	24	.21	1.7
Time deposits	47,082	248	2.12	45,108	234	2.10	4.4
Total interest-bearing deposits	<u>272,136</u>	<u>762</u>	1.12	<u>261,933</u>	<u>695</u>	1.08	3.9
Short-term borrowings	17,169	93	2.16	18,368	96	2.12	(6.5)
Long-term debt	40,438	293	2.91	41,855	304	2.94	(3.4)
Total interest-bearing liabilities	<u>329,743</u>	<u>1,148</u>	1.40	<u>322,156</u>	<u>1,095</u>	1.38	2.4
Other liabilities	15,693			15,592			.6
Shareholders' equity							
Preferred equity	5,984			5,984			--
Common equity	46,454			45,605			1.9
Total U.S. Bancorp shareholders' equity	<u>52,438</u>			<u>51,589</u>			1.6
Noncontrolling interests	628			629			(.2)
Total equity	<u>53,066</u>			<u>52,218</u>			1.6
Total liabilities and equity	<u>\$471,598</u>			<u>\$463,399</u>			1.8
Net interest income		<u>\$3,332</u>			<u>\$3,286</u>		
Gross interest margin			2.81 %			2.84 %	
Gross interest margin without taxable-equivalent increments			<u>2.78</u>			<u>2.81</u>	
Percent of Earning Assets							
Interest income			4.21 %			4.22 %	
Interest expense			1.08			1.06	
Net interest margin			<u>3.13 %</u>			<u>3.16 %</u>	
Net interest margin without taxable-equivalent increments			3.10 %			3.13 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.



CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

For the Six Months Ended June 30,
2019 2018

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	\$114,823	\$1,479	2.58 %	\$114,039	\$1,294	2.27 %	.7 %
Loans held for sale	2,650	59	4.47	3,341	72	4.30	(20.7)
Loans (b)							
Commercial	102,600	2,175	4.27	97,912	1,799	3.70	4.8
Commercial real estate	39,417	1,001	5.12	40,110	899	4.52	(1.7)
Residential mortgages	66,212	1,315	3.98	60,505	1,126	3.73	9.4
Credit card	22,714	1,317	11.69	21,252	1,226	11.63	6.9
Other retail	56,729	1,343	4.77	56,253	1,186	4.25	.8
Covered	--	--	--	2,972	90	6.03	*
Total loans	<u>287,672</u>	<u>7,151</u>	5.01	<u>279,004</u>	<u>6,326</u>	4.57	3.1
Other earning assets	18,089	172	1.91	15,881	110	1.39	13.9
Total earning assets	<u>423,234</u>	<u>8,861</u>	4.21	<u>412,265</u>	<u>7,802</u>	3.81	2.7
Allowance for loan losses	(3,997)			(3,931)			(1.7)
Unrealized gain (loss) on investment securities	(664)			(1,450)			54.2
Other assets	48,948			47,505			3.0
Total assets	<u>\$467,521</u>			<u>\$454,389</u>			2.9
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$73,263			\$79,234			(7.5) %
Interest-bearing deposits							
Interest checking	71,301	115	.32	70,136	58	.17	1.7
Money market savings	104,058	810	1.57	103,350	458	.89	.7
Savings accounts	45,604	50	.22	44,730	20	.09	2.0
Time deposits	46,100	482	2.11	37,252	236	1.27	23.8
Total interest-bearing deposits	<u>267,063</u>	<u>1,457</u>	1.10	<u>255,468</u>	<u>772</u>	.61	4.5
Short-term borrowings	17,765	189	2.14	21,726	166	1.54	(18.2)
Long-term debt	41,143	597	2.92	34,723	441	2.56	18.5
Total interest-bearing liabilities	<u>325,971</u>	<u>2,243</u>	1.39	<u>311,917</u>	<u>1,379</u>	.89	4.5
Other liabilities	15,643			13,536			15.6
Shareholders' equity							
Preferred equity	5,984			5,419			10.4
Common equity	46,032			43,656			5.4
Total U.S. Bancorp shareholders' equity	<u>52,016</u>			<u>49,075</u>			6.0
Noncontrolling interests	628			627			.2
Total equity	<u>52,644</u>			<u>49,702</u>			5.9
Total liabilities and equity	<u>\$467,521</u>			<u>\$454,389</u>			2.9
Net interest income		<u>\$6,618</u>			<u>\$6,423</u>		
Gross interest margin			2.82 %			2.92 %	
Gross interest margin without taxable-equivalent increments			<u>2.79</u>			<u>2.89</u>	
Percent of Earning Assets							
Interest income			4.21 %			3.81 %	
Interest expense			1.07			.68	
Net interest margin			<u>3.14 %</u>			<u>3.13 %</u>	
Net interest margin without taxable-equivalent increments			3.11 %			3.10 %	

* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.



LOAN PORTFOLIO

(Dollars in Millions, Unaudited)	June 30, 2019		March 31, 2019		December 31, 2018		September 30, 2018		June 30, 2018	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Commercial										
Commercial	\$98,444	33.7 %	\$97,552	33.9 %	\$96,849	33.8 %	\$93,692	33.3 %	\$93,786	33.5 %
Lease financing	5,536	1.9	5,517	1.9	5,595	1.9	5,581	2.0	5,571	2.0
Total commercial	103,980	35.6	103,069	35.8	102,444	35.7	99,273	35.3	99,357	35.5
Commercial real estate										
Commercial mortgages	28,449	9.8	28,416	9.9	28,596	10.0	28,633	10.2	28,187	10.0
Construction and development	10,885	3.7	11,005	3.8	10,943	3.8	11,333	4.0	11,212	4.0
Total commercial real estate	39,334	13.5	39,421	13.7	39,539	13.8	39,966	14.2	39,399	14.0
Residential mortgages										
Residential mortgages	56,557	19.4	54,552	18.9	53,034	18.5	50,614	18.0	48,682	17.4
Home equity loans, first liens	11,356	3.9	11,691	4.1	12,000	4.2	12,290	4.3	12,627	4.5
Total residential mortgages	67,913	23.3	66,243	23.0	65,034	22.7	62,904	22.3	61,309	21.9
Credit card	23,426	8.0	22,268	7.8	23,363	8.1	21,869	7.8	21,566	7.7
Other retail										
Retail leasing	8,467	2.9	8,612	3.0	8,546	3.0	8,447	3.0	8,253	3.0
Home equity and second mortgages	15,780	5.4	15,883	5.5	16,122	5.6	15,966	5.7	16,083	5.7
Revolving credit	2,942	1.0	2,934	1.0	3,088	1.1	3,129	1.1	3,144	1.1
Installment	10,711	3.6	10,030	3.5	9,676	3.4	9,666	3.4	9,363	3.4
Automobile	19,227	6.6	18,976	6.6	18,719	6.5	18,547	6.6	18,567	6.6
Student	248	.1	263	.1	279	.1	294	.1	313	.1
Total other retail	57,375	19.6	56,698	19.7	56,430	19.7	56,049	19.9	55,723	19.9
Covered loans	--	--	--	--	--	--	1,400	.5	2,823	1.0
Total loans	\$292,028	100.0 %	\$287,699	100.0 %	\$286,810	100.0 %	\$281,461	100.0 %	\$280,177	100.0 %