

Barclays Americas Select Franchise Conference 2019

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May 14, 2019

Forward-looking Statements and Additional Information

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

Today's 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 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 "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. 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.

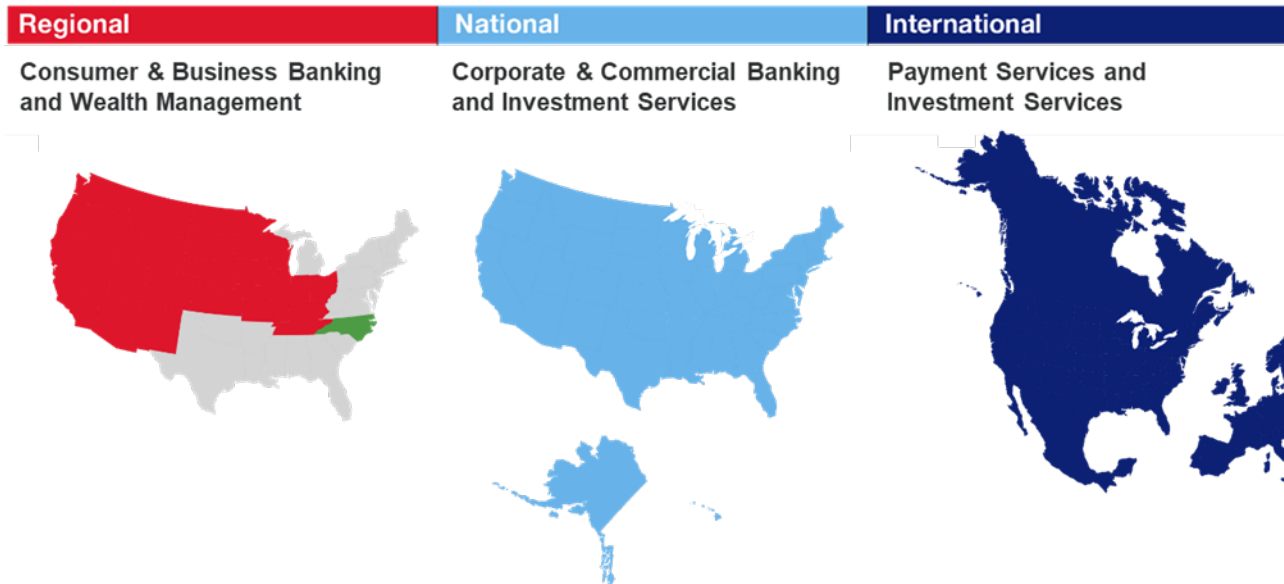
This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The calculations of these measures are provided in the Appendix. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable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



U.S. Bancorp

NYSE Traded **USB**
Founded **1863**
Market Value **\$85B**

Assets **\$476B**
Deposits **\$348B**
Loans **\$288B**



Our Advantaged Position

Assets

Deposits

Market Value

| Rank | Company | \$ in billions | Rank | Company | \$ in billions | Rank | Company | \$ in billions |
|----------|---------------------|----------------|----------|---------------------|----------------|----------|---------------------|----------------|
| 1 | J.P. Morgan | \$2,737 | 1 | J.P. Morgan | \$1,493 | 1 | J.P. Morgan | \$373 |
| 2 | Bank of America | 2,377 | 2 | Bank of America | 1,379 | 2 | Bank of America | 290 |
| 3 | Citigroup | 1,958 | 3 | Wells Fargo | 1,264 | 3 | Wells Fargo | 218 |
| 4 | Wells Fargo | 1,888 | 4 | Citigroup | 1,030 | 4 | Citigroup | 163 |
| 5 | U.S. Bancorp | 476 | 5 | U.S. Bancorp | 348 | 5 | U.S. Bancorp | 85 |
| 6 | PNC | 393 | 6 | PNC | 271 | 6 | PNC | 62 |
| 7 | BB&T | 228 | 7 | SunTrust | 162 | 7 | BB&T | 39 |
| 8 | SunTrust | 220 | 8 | BB&T | 160 | 8 | SunTrust | 29 |
| 9 | Fifth Third | 168 | 9 | Fifth Third | 124 | 9 | Fifth Third | 21 |
| 10 | KeyCorp | 142 | 10 | KeyCorp | 108 | 10 | KeyCorp | 18 |

Source: company reports and Bloomberg
Assets and deposits as of 3/31/19, market value as of 5/6/19

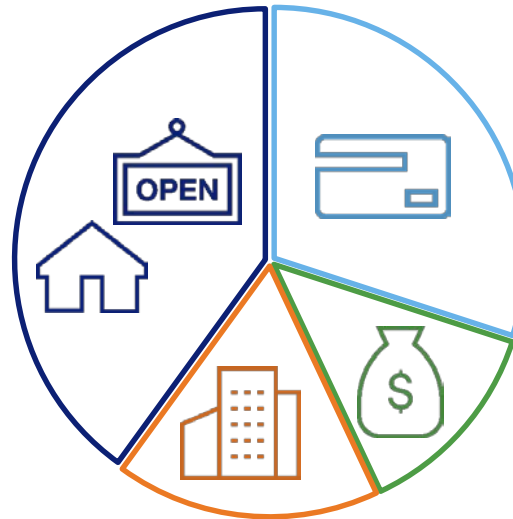
Our Businesses

Consumer & Business Banking, 40%

Branch banking, small business banking, consumer lending, mortgage banking and omnichannel delivery

Corporate & Commercial Banking, 18%

Corporate banking, commercial banking and commercial real estate



Payment Services, 29%

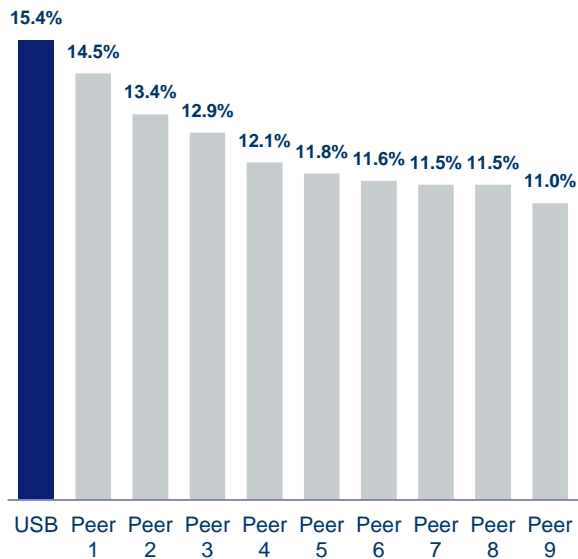
Retail payment solutions, global merchant acquiring and corporate payment systems

Wealth Management & Investment Services, 13%

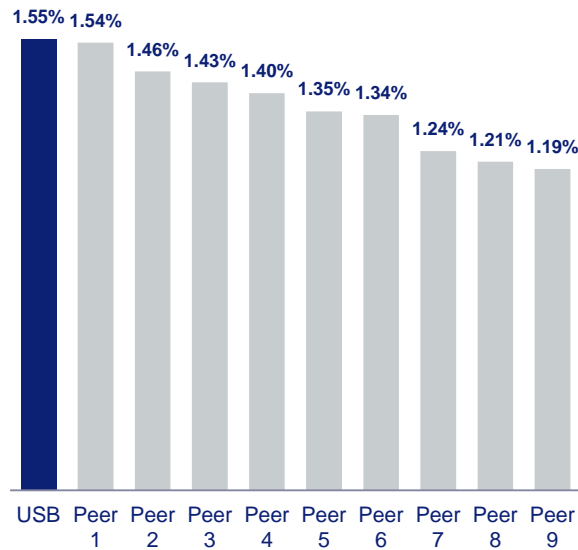
Wealth management, asset management, global corporate trust and custody, and fund services

Our Financial Performance

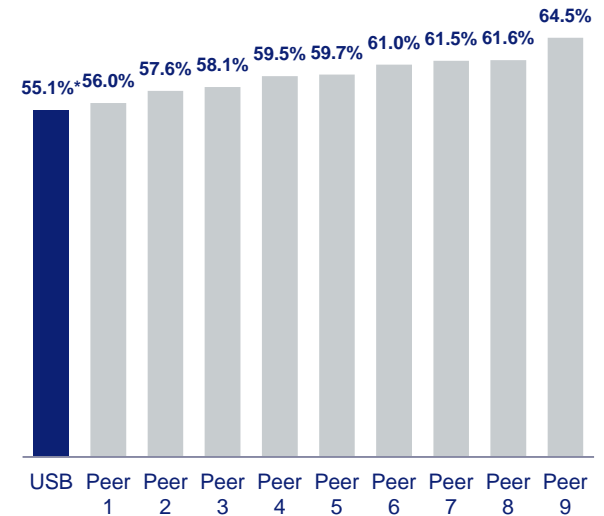
Return on Average Common Equity



Return on Average Assets



Efficiency Ratio



Full year 2018

Source: company reports; peer banks include: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

* Non-GAAP, see slide 20 for USB calculation

Our Strategy

- Building on our ethical culture
 - Safeguarding our customers' information
 - Maintaining our financial discipline
-
- Breaking down silos
 - Taking a holistic view of the customer
 - Creating a seamless customer experience

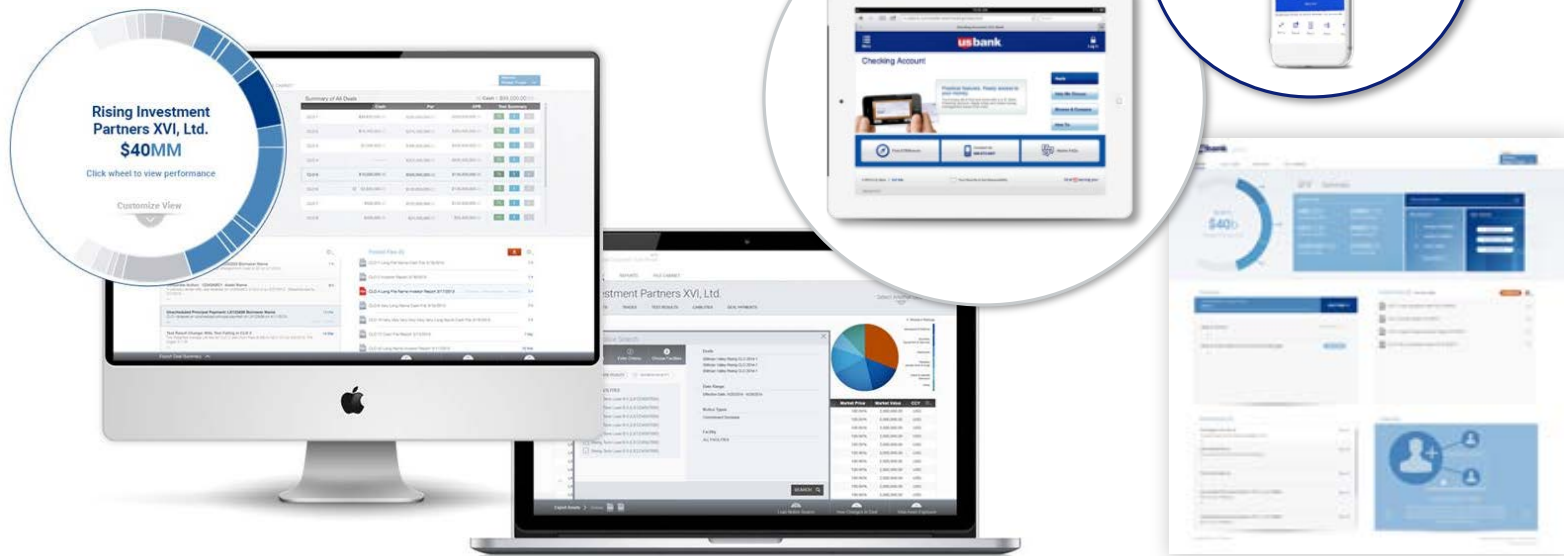


- Adapting to meet customer expectations
 - Embracing change and the future of banking
 - Leveraging technology and innovation
-
- Creating a nimble and agile environment
 - Making it easier to do business with us
 - Optimizing everything

How We Execute

We strive to improve the experience and add value for our customers at every touchpoint, delivering the **choice, convenience, control and insights** they desire by:

- Putting the customer in the center
- Strategically investing in technology
- Driving innovation across the company



Empowering Our Corporate Clients

Pivot, our custom portal built for Corporate Trust, Fund Services and Custody clients, **streamlines operations** and supports a variety of complex business needs, all in one elegant solution.



Pivot features:

Data analytics

- Embedded Tableau visualizations provide portfolio insights at a glance

Real-time cash and trades

- Reimagined design provides real-time data and straight-through processing

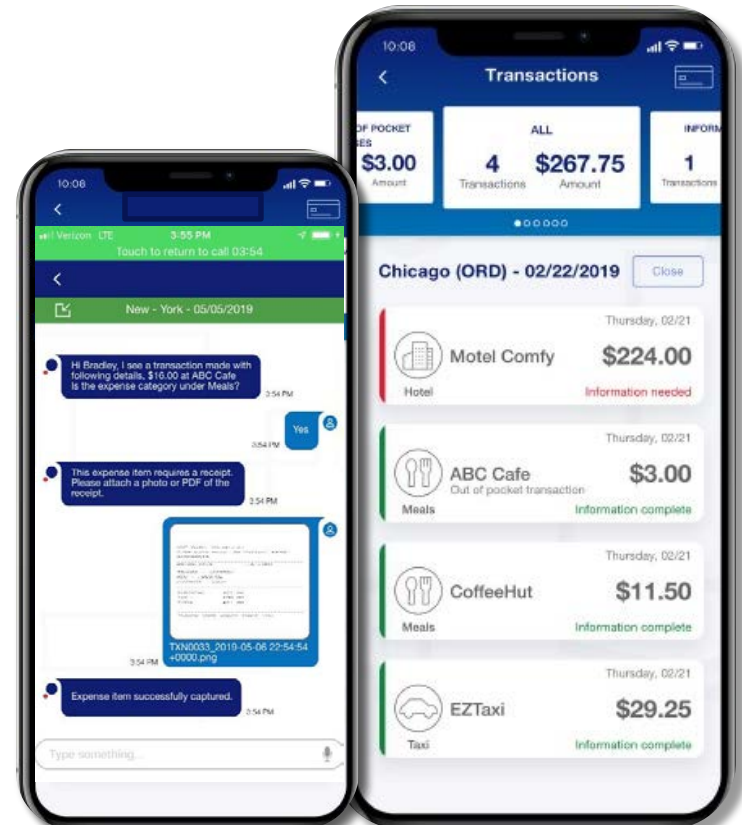
Mobile

- Leveraged fintech partnership to “mobilize” web without additional coding

Advancing Corporate Payments

In an industry first, our Expense Wizard platform leverages virtual card, artificial intelligence and chatbot technology to **address a new category of business spend**.

- Today, non-employees and infrequent travelers rely on personal cards for their business spend
- In real time, Expense Wizard pushes virtual cards to business travelers' mobile wallets, reducing their reliance on personal cards
- Companies using Expense Wizard gain visibility and control by leveraging their business card
- **Chatbot and artificial intelligence technology** work behind the scenes to automatically build the expense report



Funding Small Businesses Faster

We developed an end-to-end digital application to **simplify and transform** the way our customers fund their small businesses.

Business process impacts

- Reduced the number of application fields by **>70%**
- **More than doubled** the rate of applications approved with no underwriter review

Technology impacts

- Dashboard provides customers with visibility into their application status
- Digital document upload eliminates paper and saves time
- Branch visits are no longer required; all steps in the lending process can be completed digitally

The entire lending process can now be completed same day, often **within an hour or less.**



The products we offer through our digital lending platform account for **more than half** of our total small business lending application volume.

Streamlining Mortgage Lending

We **reimagined the home buying experience**, streamlining our mortgage application process through a combination of a fintech partnership and internally developed solutions.

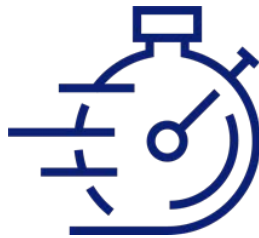
Pre-filled customer information

Loan decision within minutes of application submission

Proactive communications and automated follow-ups

Ease of document upload

eConsent for electronic loan document delivery and eSignature capabilities



- **Improved customer experience**
- **Substantial time savings** for our Mortgage Loan Officers
- **Faster time-to-closing**

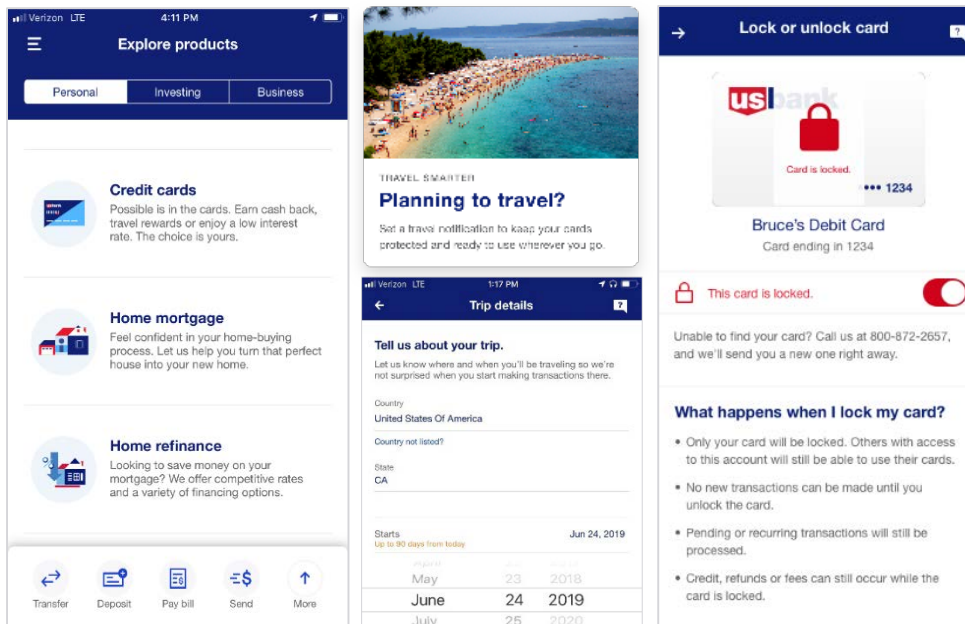


The screenshot displays the US Bank mortgage application interface, divided into three main sections:

- Erin - Income:** A form titled "Erin - Income" with the instruction "Select the current type of income you'd like to add." It features a grid of icons for "Employment", "Independent Contractor", "Military Pay", "Rental", "Social Security", "Pension", "Business / Self Employment", and "Other". Below the grid are two radio button options: "What types of income do I have?" and "What income should I include?". A button at the bottom reads "I don't have any income".
- Erin - Additional Questions:** A form titled "Erin - Additional Questions" with the question "Have you been employed anywhere else over the past two years?". Below the question is a text input field for "Start Date" with the value "01/01/2000". A button labeled "Add an employer" is visible.
- Erin - Tax Transcripts:** A form titled "Erin - Tax Transcripts" with the heading "Review and Sign". It includes an illustration of a tablet and a pen, and the text "Erin, we'll need your signatures to request tax transcripts." A large blue "Sign" button is at the bottom.

Reimagining Mobile Banking

Our **completely redesigned** mobile app features a competitive set of service and sales functionalities, making mobile banking simpler than ever.



Our new app:

- Features a comprehensive suite of consumer and small business products
- Offers personalized insights and proactively addresses customer needs using artificial intelligence
- Provides in-context help to alleviate pain points
- Gives customers greater ability to manage accounts with enhanced card controls

Adapting Our Delivery Model

As we continually enhance our products and capabilities to better serve our customers, we must also enhance **the way we deliver** those products and capabilities.



Our **physical asset optimization** initiative is focused on:



Selectively entering new markets with a branch-lite physical presence

Relocating and redesigning branches in our existing markets

Closing offices where appropriate and optimizing square footage



Optimizing Our Existing Branch Network

As we accelerate the **transformation of our distribution network**, we aim to deliver the branch model that best serves our customers' evolving preferences.



Expanding Our Physical Presence

We will **selectively expand** into new markets, leveraging:

- Single-product customer relationships outside our existing branch footprint
- Enhanced digital capabilities
- Branch-lite physical presence
- The strengths and capabilities of all of USB's major lines of business

What we look for in a new retail market:



USB presence in the market

- Significant number of single-product customers with credit relationships
- Opportunity to leverage other in-market USB businesses



Attractive demographics and a growing population

- Population growth above the national average
- High concentration of customers in our priority demographic segments



Opportunity to capture deposit share

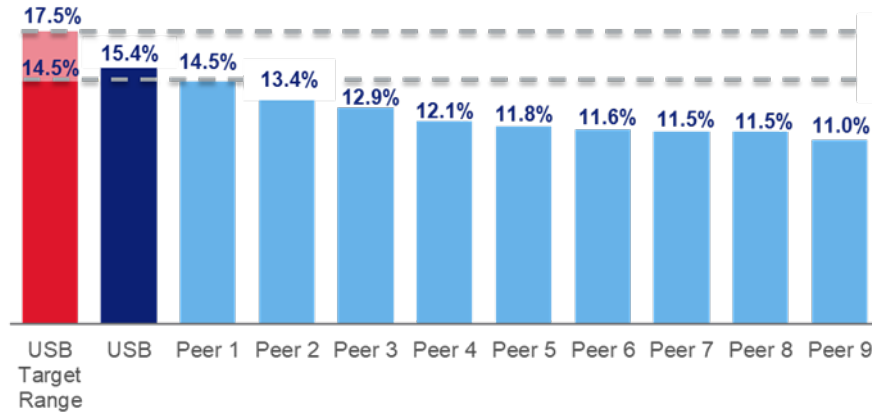
- Consumer deposit growth outpacing GDP growth



“U.S. Bank announces Charlotte expansion”

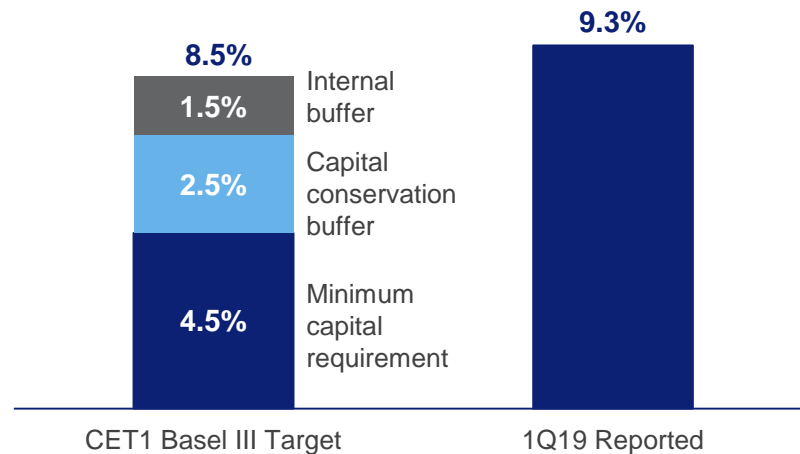
Driving Growth and Returns

Industry-leading Returns 2018 ROACE vs Peers



Drivers of improving returns:

- Net interest income
- Noninterest income
- Positive operating leverage
- Capital management





Appendix

Non-GAAP Financial Measures

(\$ in millions)

| Line of Business Financial Performance | Net Revenue FY 2018 |
|---|------------------------|
| Corporate and Commercial Banking | \$ 3,782 |
| Consumer and Business Banking | 8,466 |
| Wealth Management and Investment Services | 2,870 |
| Payment Services | 6,046 |
| Treasury and Corporate Support | 1,473 |
| Total Company | 22,637 |
| Less Treasury and Corporate Support | 1,473 |
| Total Company excl. Treasury and Corporate Support | \$ 21,164 |

Percent of Total Company

| | |
|---|------|
| Corporate and Commercial Banking | 17% |
| Consumer and Business Banking | 37% |
| Wealth Management and Investment Services | 13% |
| Payment Services | 27% |
| Treasury and Corporate Support | 6% |
| Total | 100% |

Percent of Total Company excl. Treasury and Corporate Support

| | |
|---|-------------|
| Corporate and Commercial Banking | 18% |
| Consumer and Business Banking | 40% |
| Wealth Management and Investment Services | 13% |
| Payment Services | 29% |
| Total Company excl. Treasury and Corporate Support | 100% |

Non-GAAP Financial Measures

| (Dollars in Millions, Unaudited) | Year ended December 31, 2018 |
|--|---------------------------------|
| Net interest income | \$12,919 |
| Taxable-equivalent adjustment (1) | 116 |
| Net interest income, on a taxable-equivalent basis | <u>13,035</u> |
| Net interest income, on a taxable-equivalent basis (as calculated above) | 13,035 |
| Noninterest income | 9,602 |
| Less: Securities gains (losses), net | 30 |
| Total net revenue, excluding net securities gains (losses) (a) | <u>22,607</u> |
| Noninterest expense (b) | 12,464 |
| Efficiency ratio (b)/(a) | 55.1 % |

(1) 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.