U.S. Bancorp 3Q16 Earnings Conference Call

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October 19, 2016

usbancorp

Forward-looking Statements and Additional Information

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 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. 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 (which could result, in part, from the United Kingdom's withdrawal from the European Union); 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, 2015, 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. However, factors other than these also could adversely affect U.S. Bancorp's results, and the reader should not consider these factors 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.

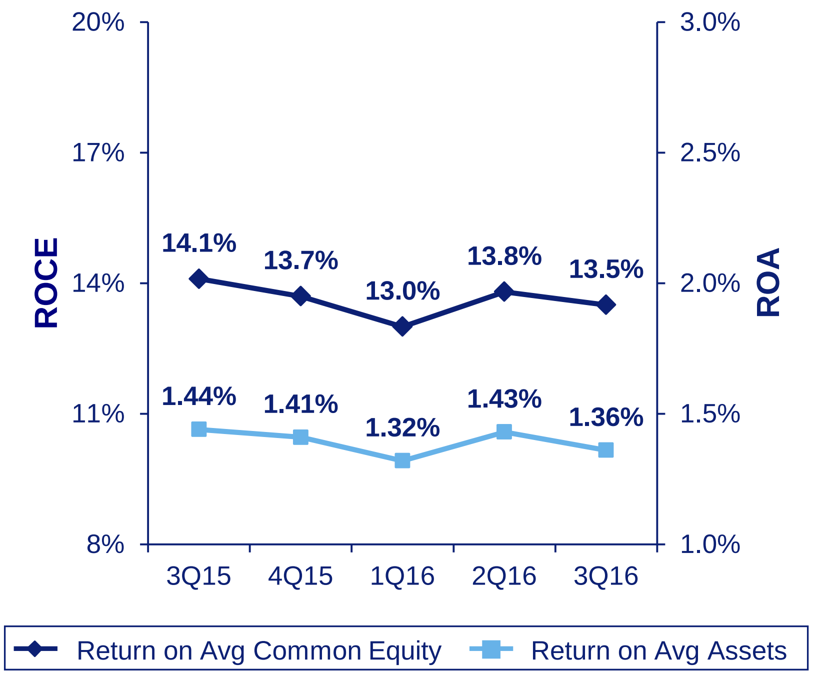
3Q16 Highlights

- Net income of $1.5 billion; $0.84 per diluted common share
- Average loans grew 1.1% vs. 2Q16 and 7.6% vs. 3Q15
  - Loan growth of 6.4% vs. 3Q15 excluding the credit card portfolio acquisition at the end of 4Q15 and student loans which were transferred from held for sale to held for investment in 3Q15
- Average deposits grew 3.6% vs. 2Q16 and 10.0% vs. 3Q15
- Net interest income grew 1.6%* vs. 2Q16 and 4.3%* vs. 3Q15
  - Average earning assets increased 2.2% vs. 2Q16 and 6.6% vs. 3Q15
- Noninterest income increased 5.1% vs. 3Q15
  - Mortgage banking revenue rose 31.9% vs. 2Q16 and 40.2% vs. 3Q15
- Nonperforming assets and net charge-offs decreased slightly on a linked quarter basis
- Returned 79% of earnings to shareholders through dividends and share buybacks

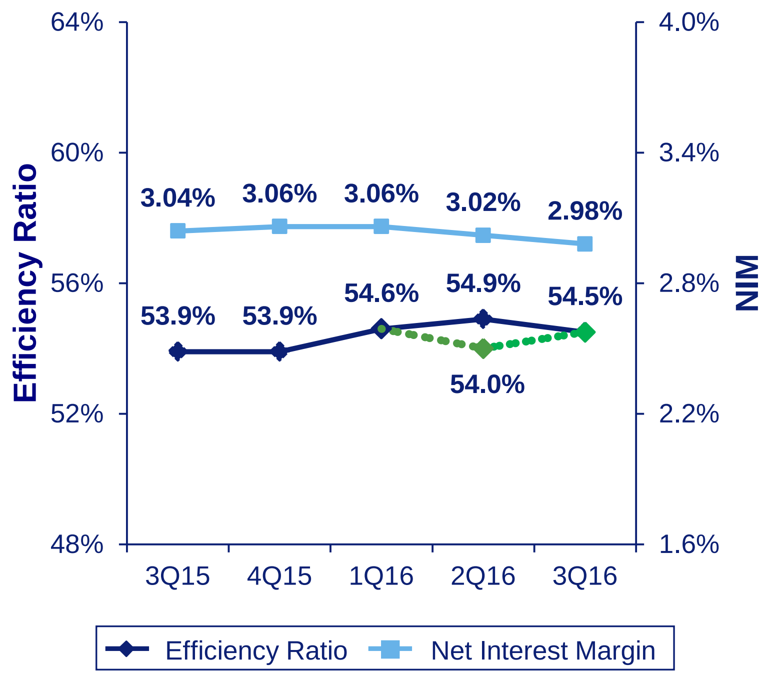
* Taxable equivalent basis; increases of 1.7% and 4.5%, respectively, as reported on a GAAP basis; see slide 24 for reconciliation

Performance Ratios

Return on Average Common Equity and Return on Average Assets



Efficiency Ratio and Net Interest Margin

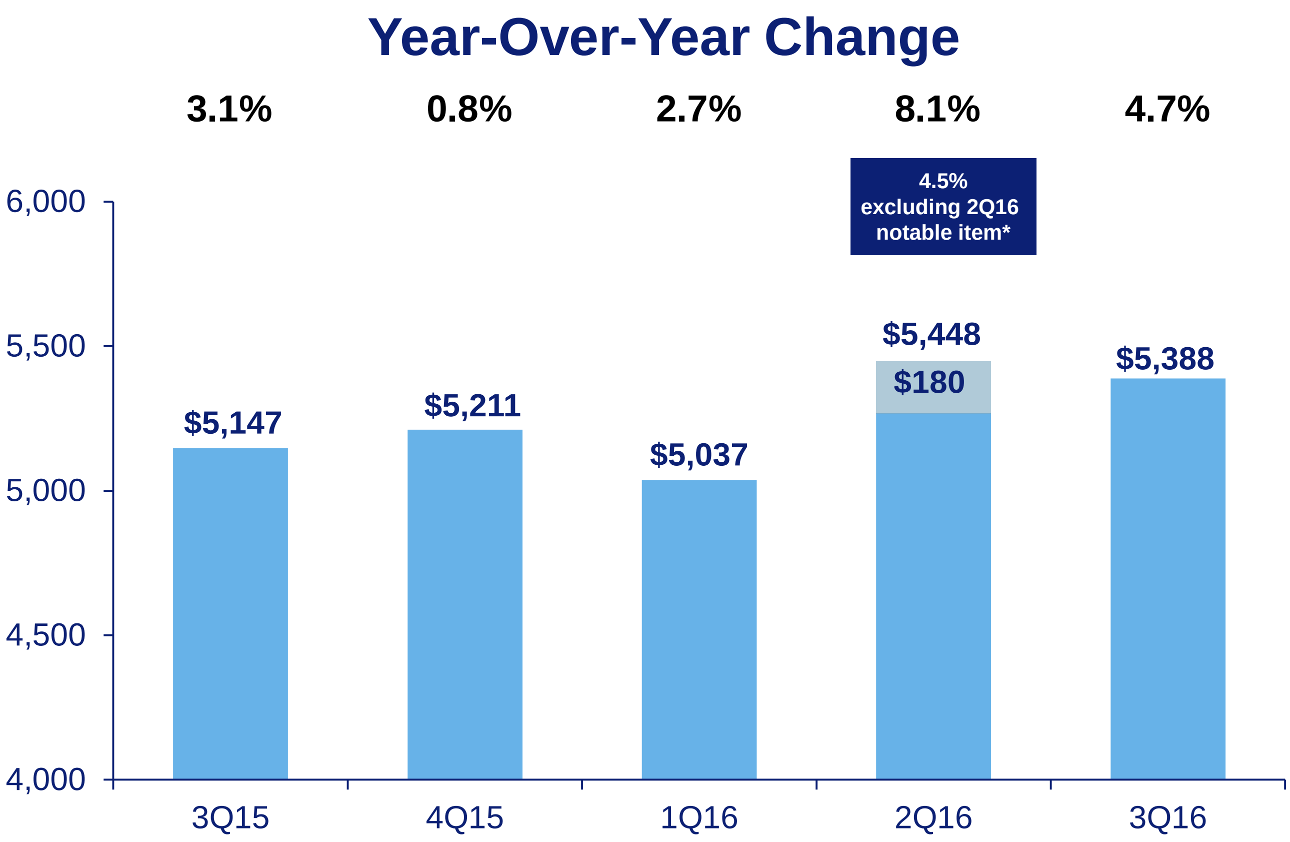


Excludes notable items

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)

Revenue Growth

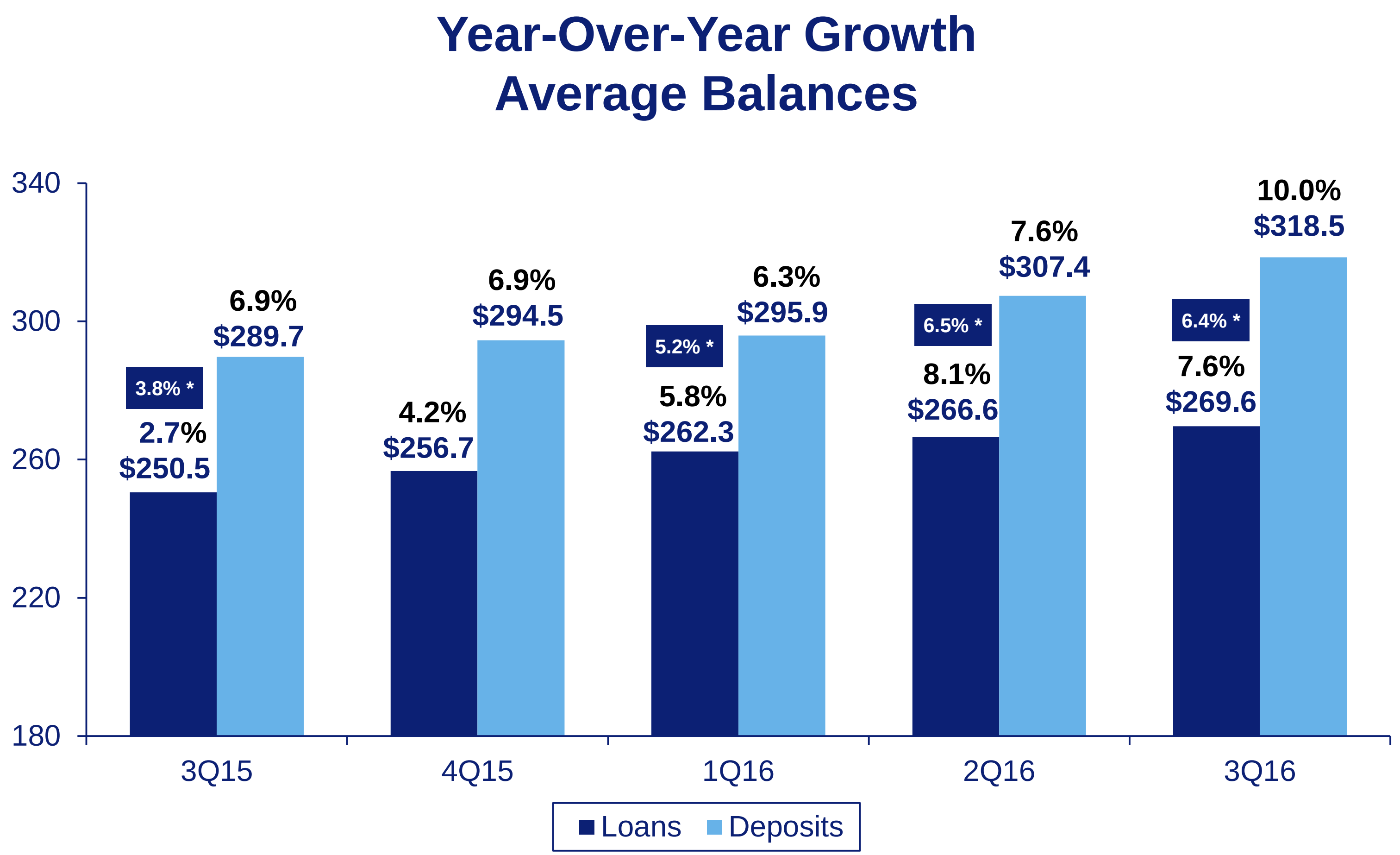
$ in millions



* Notable item: 2Q16 Visa Europe sale gain $180 million

Loan and Deposit Growth

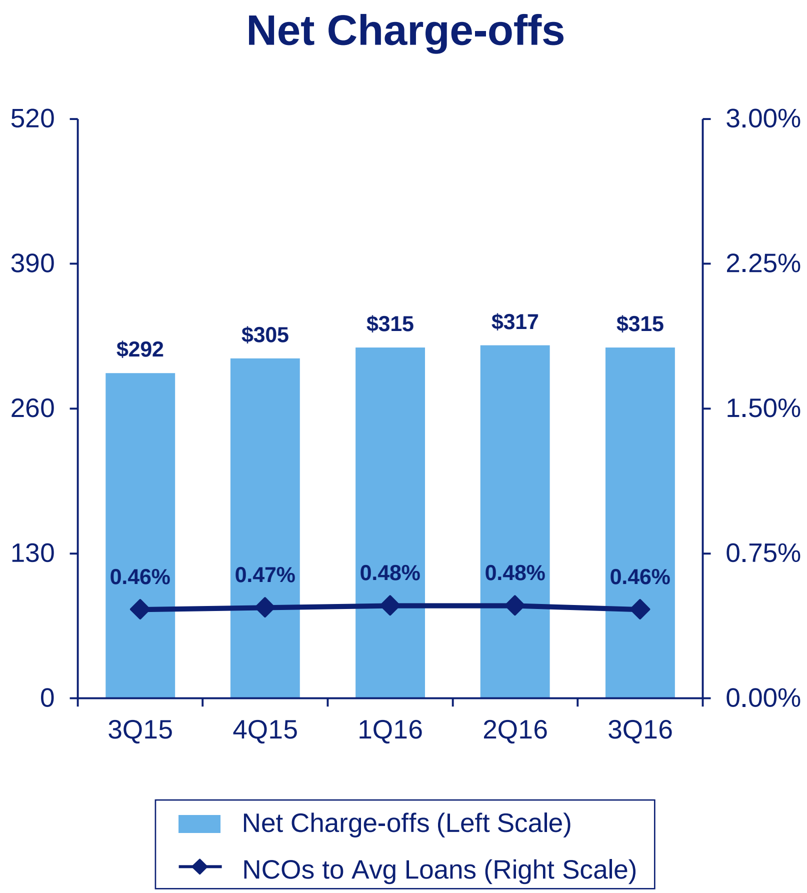
$ in billions

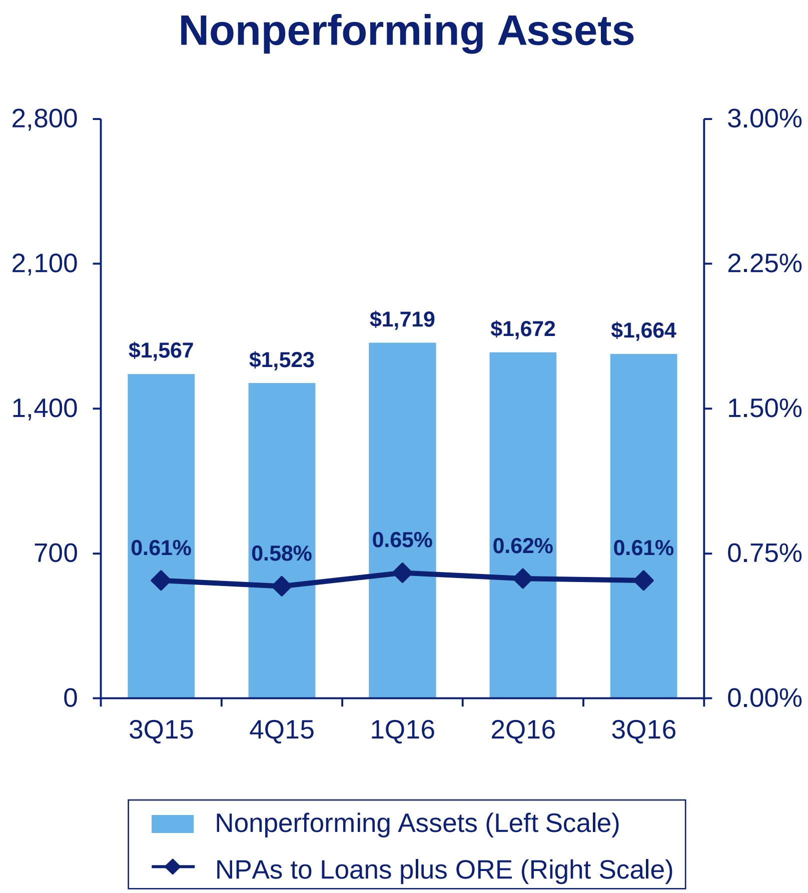


* Adjusted for credit card portfolio acquisition and student loan classification

Credit Quality

$ in millions





Earnings Summary

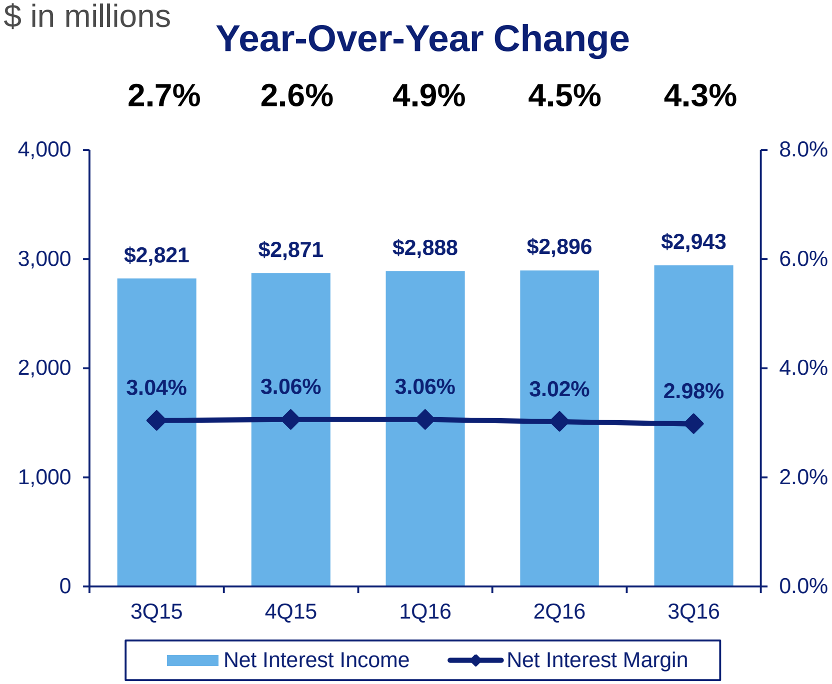
$ and shares in millions, except per-share data

	3Q16	2Q16	3Q15	Reported % B/(W) vs 2Q16	Reported % B/(W) vs 3Q15	Notable Items 2Q16	Excl Notable Items 3Q16 % B/(W) vs 2Q16
Net Interest Income	$ 2,893	$ 2,845	$ 2,768	1.7	4.5	$ -	1.7
Taxable-equivalent Adjustment	50	51	53	(2.0)	(5.7)	-	(2.0)
Net Interest Income (taxable-equivalent basis)	2,943	2,896	2,821	1.6	4.3	-	1.6
Noninterest Income	2,445	2,552	2,326	(4.2)	5.1	180	3.1
Net Revenue	**5,388**	**5,448**	**5,147**	(1.1)	4.7	**180**	2.3
Noninterest Expense	2,931	2,992	2,775	2.0	(5.6)	150	(3.1)
Operating Income	**2,457**	**2,456**	**2,372**	**-**	**3.6**	**30**	1.3
Net Charge-offs	315	317	292	0.6	(7.9)	-	0.6
Excess Provision	10	10	(10)	-	NM	-	-
Income before Taxes	**2,132**	**2,129**	**2,090**	**0.1**	**2.0**	**30**	1.6
Applicable Income Taxes	616	593	587	(3.9)	(4.9)	8	(5.3)
Noncontrolling Interests	(14)	(14)	(14)	-	-	-	-
Net Income	**1,502**	**1,522**	**1,489**	**(1.3)**	**0.9**	**22**	0.1
Preferred Dividends/Other	68	87	67	21.8	(1.5)	-	21.8
NI to Common	**$ 1,434**	**$ 1,435**	**$ 1,422**	**(0.1)**	**0.8**	**$ 22**	1.5
Diluted EPS	$ 0.84	$ 0.83	$ 0.81	1.2	3.7	$0.01	2.4
Average Diluted Shares	1,716	1,731	1,766	0.9	2.8		

Net Interest Income

Net Interest Income

$ in millions



Key Points

vs. 3Q15

- Average earning assets grew $24.5 billion, or 6.6%
- Net interest margin lower 6 bps (2.98% vs. 3.04%)
  - Principally due to increased funding costs and higher average cash balances, along with lower reinvestment rates on investment securities, partially offset by higher rates on new loans

vs. 2Q16

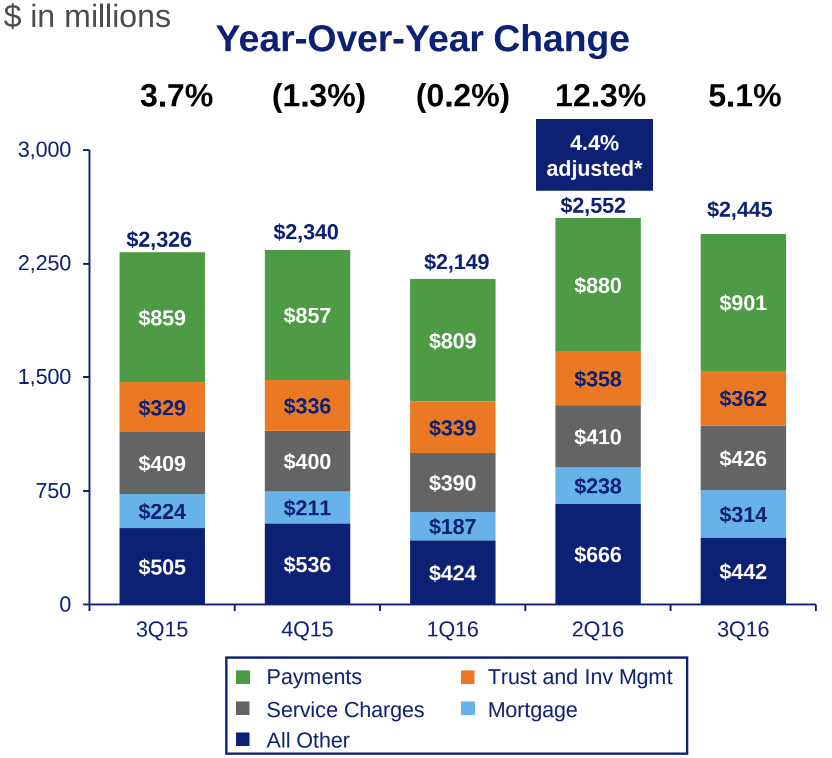
- Average earning assets grew $8.4 billion, or 2.2%
- Net interest margin lower 4 bps (2.98% vs. 3.02%)
  - Primarily reflected higher average cash balances as well as lower reinvestment rates on securities partially offset by LIBOR rate benefit on loans

Taxable-equivalent basis

Noninterest Income

Noninterest Income

$ in millions



Key Points

vs. 3Q15

- Noninterest income increased $119 million, or 5.1%
  - Higher mortgage banking revenue (40.2% increase) driven by higher origination and sales volume in part due to refinancing activities in the marketplace
  - Higher trust and investment management fees (10.0% increase) reflecting lower money market fee waivers along with account growth and improved market conditions
  - Higher credit and debit card revenue (11.2% increase) due to higher transaction volumes, including acquired portfolios
  - Lower commercial products revenue (5.2% decrease) primarily driven by a large syndication transaction in 3Q15

vs. 2Q16

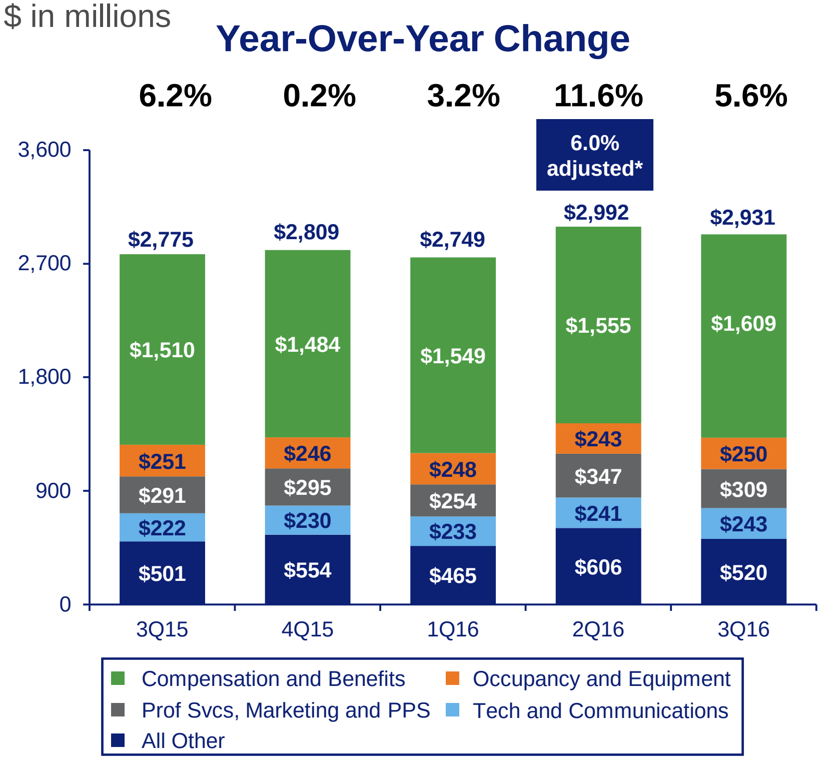
- Noninterest income decreased $107 million, or 4.2% (3.1% increase excluding the 2Q16 Visa Europe gain)
  - Higher mortgage banking revenue (31.9% increase) reflecting higher origination and sales volume and a favorable change in the valuation of mortgage servicing rights, net of hedging activities
  - Higher corporate payment products revenue (5.0% increase) due to seasonally higher transaction volumes
  - Lower commercial products revenue (8.0% decrease) primarily due to higher capital markets volume in 2Q16 given market conditions
  - Lower other income due to the notable item in 2Q16 ($180 million Visa Europe gain); excluding this, other noninterest income was lower (16.5% decrease) primarily due to lower end-of-term gains on auto leases

* Adjusted for notable item: 2Q16 Visa Europe sale gain $180 million
Payments = credit and debit card, corporate payment products and merchant processing
Service charges = deposit service charges, treasury management and ATM processing

Noninterest Expense

Noninterest Expense

$ in millions



Key Points

vs. 3Q15

- Noninterest expense increased $156 million, or 5.6%
  - Higher compensation (8.5% increase) principally due to the impact of hiring decisions to support business growth and compliance programs
  - Higher professional services expense (10.4% increase) primarily due to compliance programs
  - Higher technology and communications expense (9.5% increase) including the impact of capital investments and costs related to acquired card portfolios
  - Higher other noninterest expense (3.5% increase) reflecting the impact of the FDIC surcharge which began 3Q16

vs. 2Q16

- Noninterest expense decreased $61 million, or 2.0% (3.1% increase excluding notable expense items in 2Q16)
  - Higher compensation expense (4.1% increase) due to an additional business day in the quarter compared to 2Q16 and increased staffing
  - Excluding notable items in 2Q16, higher other noninterest expense (5.1% increase) due to seasonally higher costs related to tax-advantaged projects and the impact of the FDIC surcharge and lower marketing and business development expense (6.4% decrease) due to the timing of various marketing programs

* Adjusted for notable items: 2Q16 related to accruals for legal and regulatory matters ($110 million) and charitable contribution ($40 million)

Capital Position

$ in billions

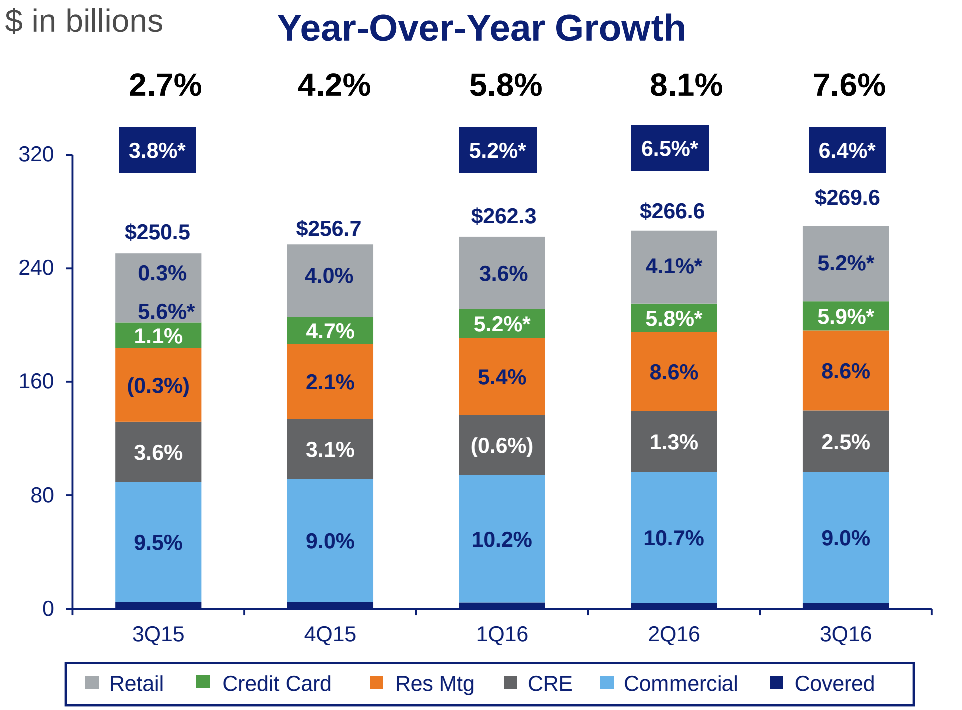
	3Q16	2Q16	1Q16	4Q15	3Q15
Total U.S. Bancorp shareholders' equity	$ 47.8	$ 47.4	$ 46.7	$ 46.1	$ 45.1
Standardized Approach					
Basel III transitional standardized approach					
Common equity tier 1 capital ratio	9.5%	9.5%	9.5%	9.6%	9.6%
Tier 1 capital ratio	11.1%	11.1%	11.1%	11.3%	11.1%
Total risk-based capital ratio	13.3%	13.4%	13.1%	13.3%	13.1%
Leverage ratio	9.2%	9.3%	9.3%	9.5%	9.3%
Common equity tier 1 capital to RWA* estimated for the Basel III fully implemented standardized approach	9.3%	9.3%	9.2%	9.1%	9.2%
Advanced Approaches					
Common equity tier 1 capital to RWA for the Basel III transitional advanced approaches	12.4%	12.3%	12.3%	12.5%	13.0%
Common equity tier 1 capital to RWA estimated for the Basel III fully implemented advanced approaches	12.1%	12.0%	11.9%	11.9%	12.4%
Tangible common equity ratio	7.5%	7.6%	7.7%	7.6%	7.7%
Tangible common equity as a % of RWA	9.3%	9.3%	9.3%	9.2%	9.3%

* RWA = risk-weighted assets,
See slide 24

Appendix

Average Loans

Average Loans



Key Points

vs. 3Q15

- Average total loans increased by $19.1 billion, or 7.6% (6.4% growth excluding student loans and the credit card portfolio acquisition)
- Average total commercial loans increased $7.7 billion, or 9.0%
- Average residential mortgage loans increased $4.5 billion or 8.6%

vs. 2Q16

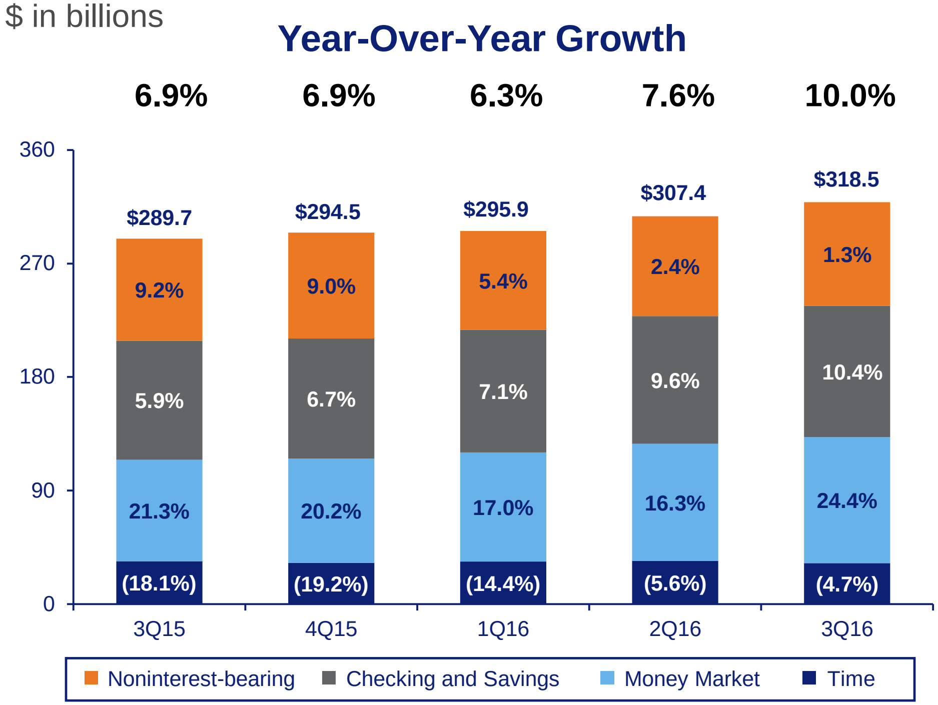
- Average total loans increased by $3.1 billion, or 1.1%
- Average residential mortgage loans increased $0.8 billion or 1.4%
- Average credit card loans increased $0.5 billion or 2.4%

* Excluding student loans, which were transferred to held for sale at the end of 1Q15 and returned to held for investment during 3Q15, and the acquisition of the Fidelity credit card portfolio at the end of 4Q15

Average Deposits

Average Deposits

$ in billions



Key Points

vs. 3Q15

- Average total deposits increased by $28.9 billion, or 10.0%
- Average low-cost deposits (NIB, interest checking, money market and savings) increased by $30.4 billion, or 11.9%

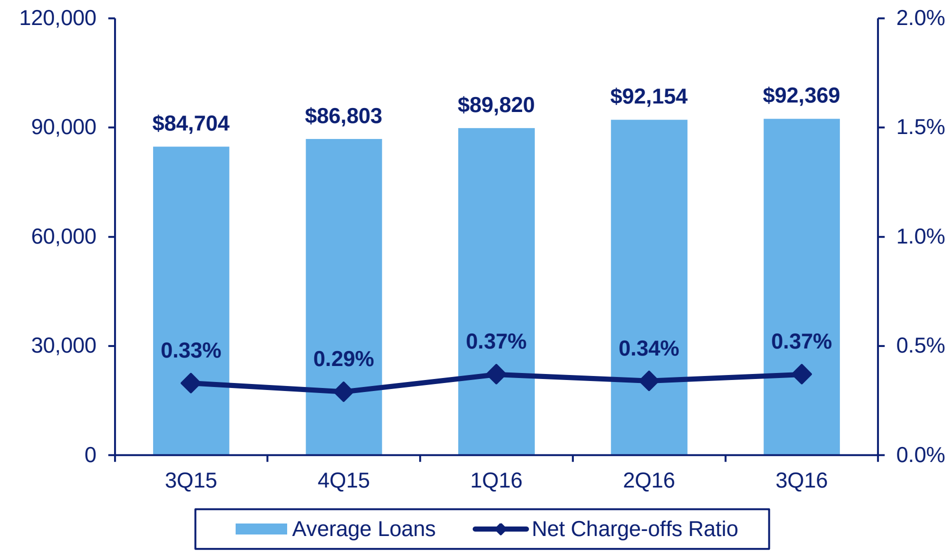
vs. 2Q16

- Average total deposits increased by $11.2 billion, or 3.6%
- Average low-cost deposits increased by $12.9 billion, or 4.7%

Credit Quality – Commercial Loans

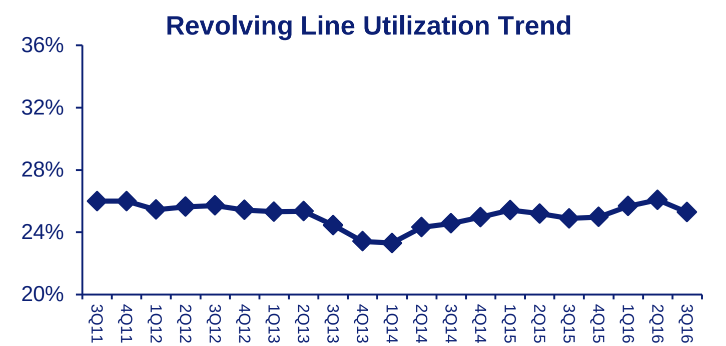
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$84,704	$92,154	$92,369
30-89 Delinquencies	0.24%	0.22%	0.24%
90+ Delinquencies	0.05%	0.05%	0.05%
Nonperforming Loans	0.20%	0.53%	0.55%



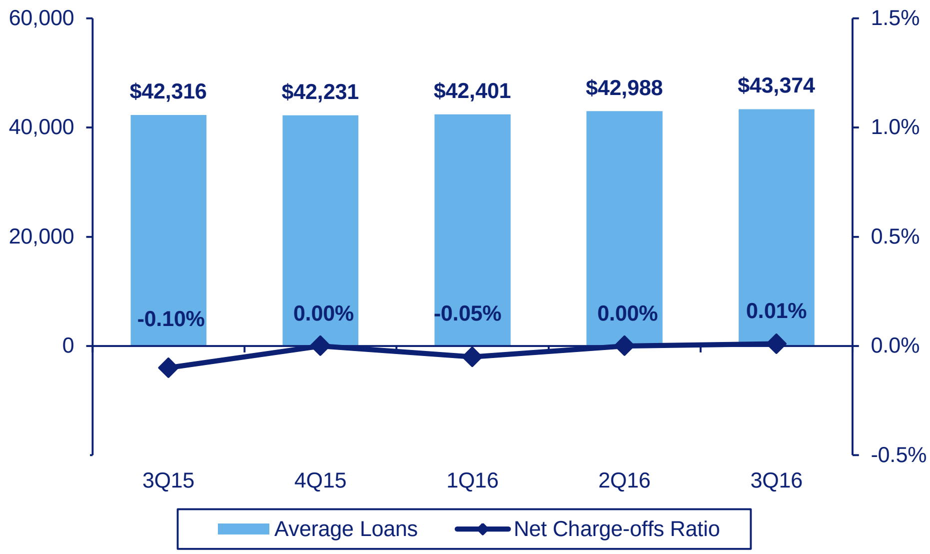
Key Points

- Average year-over-year loan growth of 9.0% demonstrates continued momentum with customers
- Net charge-offs increased slightly on both a year-over-year and linked quarter basis, but remained at historically low levels
- Nonperforming loans increased year-over-year and linked quarter primarily due to weakness in energy
- Line utilization decreased slightly

Credit Quality – Commercial Real Estate

$ in millions

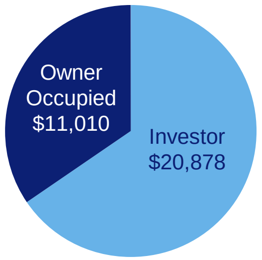
Average Loans and Net Charge-offs Ratios



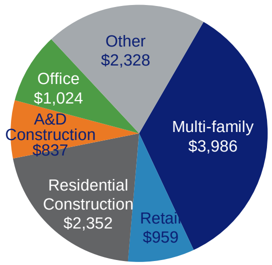
Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$42,316	$42,988	$43,374
30-89 Delinquencies	0.15%	0.11%	0.08%
90+ Delinquencies	0.05%	0.03%	0.02%
Nonperforming Loans	0.34%	0.24%	0.24%
Performing TDRs*	$218	$185	$274

CRE Mortgage



CRE Construction



Key Points

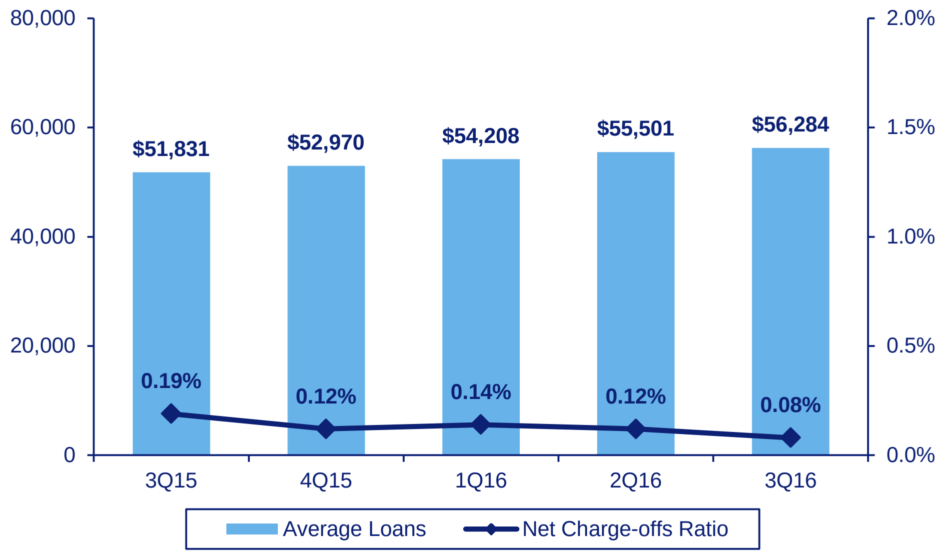
- Average loans increased 2.5% year-over-year
- Nonperforming loans remained stable at historically low levels
- Recoveries within the CRE portfolio continued to offset loan charge-offs, resulting in net losses remaining near zero

* TDR = troubled debt restructuring

Credit Quality – Residential Mortgage

$ in millions

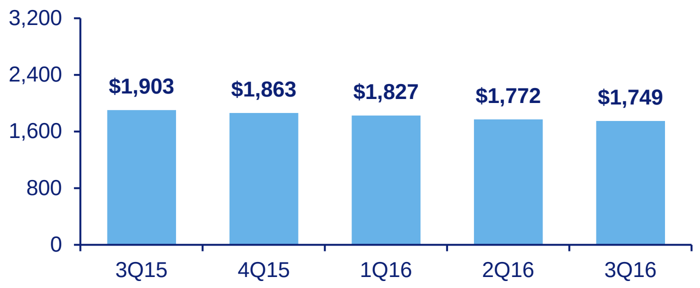
Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$51,831	$55,501	$56,284
30-89 Delinquencies	0.35%	0.28%	0.26%
90+ Delinquencies	0.33%	0.27%	0.28%
Nonperforming Loans	1.40%	1.12%	1.09%

Residential Mortgage Performing TDRs*



*Excludes GNMA loans, whose repayments are insured by the FHA or guaranteed by the Department of VA ($1,344 million in 3Q16)

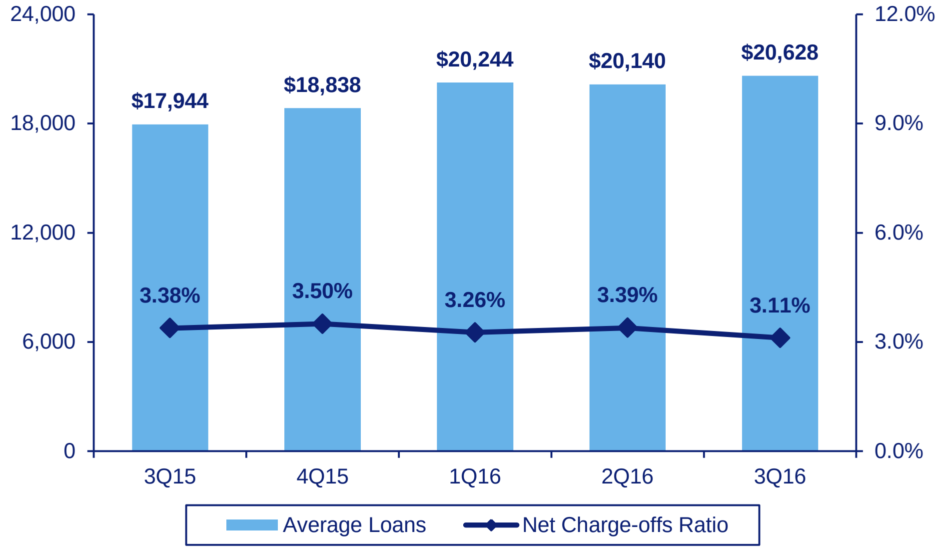
Key Points

- Originations continued to be high credit quality (weighted average FICO 759, weighted average LTV 69%)
- 89% of the balances have been originated since the beginning of 2009; the origination quality metrics and performance to date have significantly outperformed prior vintages with similar seasoning

Credit Quality – Credit Card

$ in millions

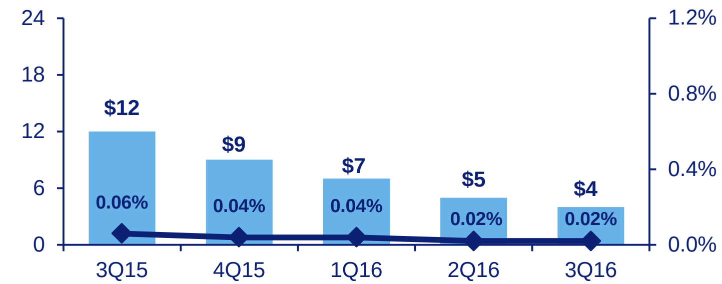
Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$17,944	$20,140	$20,628
30-89 Delinquencies	1.27%	1.15%	1.27%
90+ Delinquencies	1.10%	0.98%	1.11%
Nonperforming Loans	0.06%	0.02%	0.02%

Credit Card Nonperforming Loans



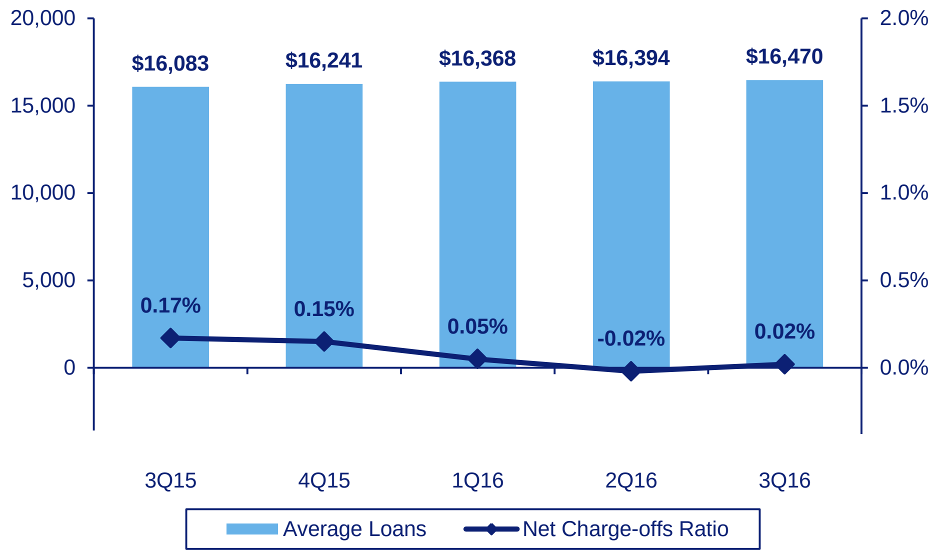
Key Points

- Year-over-year average loan growth of 15% was driven, in part, by the portfolio acquisition at the end of 4Q15
- Origination credit quality remains strong, with a weighted average FICO of 759

Credit Quality – Home Equity

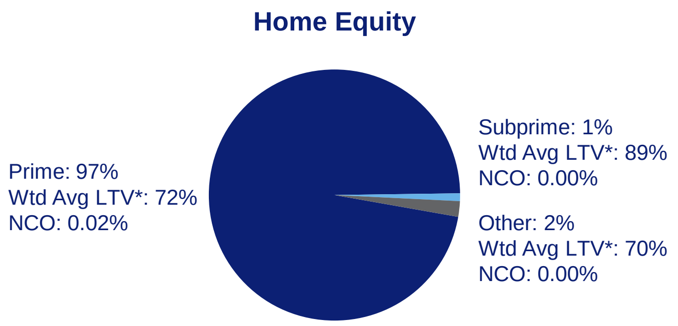
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$16,083	$16,394	$16,470
30-89 Delinquencies	0.36%	0.36%	0.41%
90+ Delinquencies	0.25%	0.24%	0.24%
Nonperforming Loans	0.91%	0.78%	0.75%



*LTV at origination

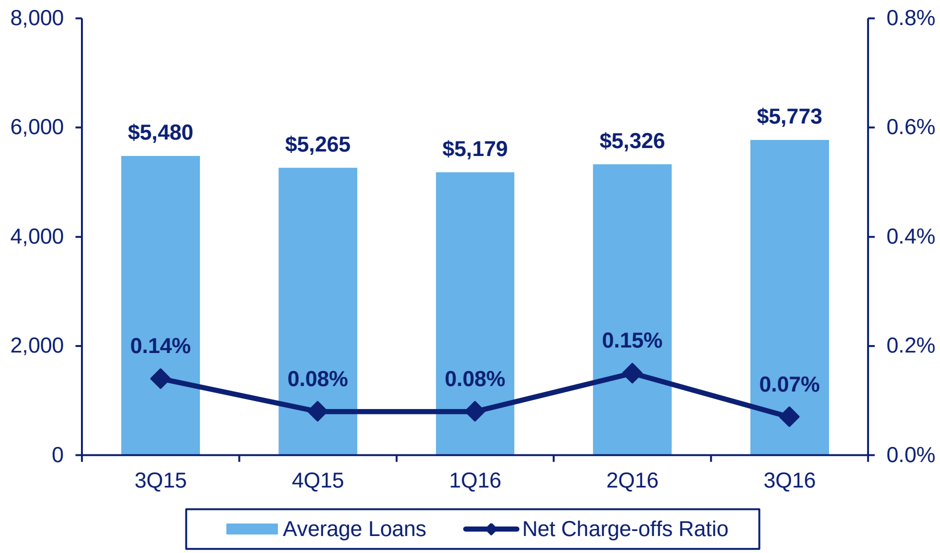
Key Points

- High-quality originations (weighted average FICO on commitments was 766, weighted average CLTV 72%) originated primarily through the retail branch network to existing bank customers on their primary residences
- Net charge-offs declined year-over-year due to strong recoveries.

Credit Quality – Retail Leasing

$ in millions

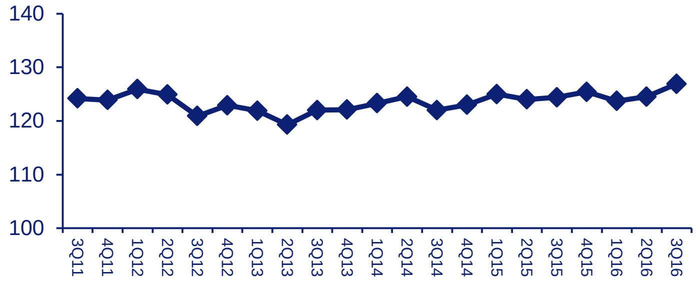
Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$5,480	$5,326	$5,773
30-89 Delinquencies	0.18%	0.18%	0.21%
90+ Delinquencies	0.02%	0.00%	0.00%
Nonperforming Loans	0.04%	0.04%	0.05%

Manheim Used Vehicle Index*



Key Points

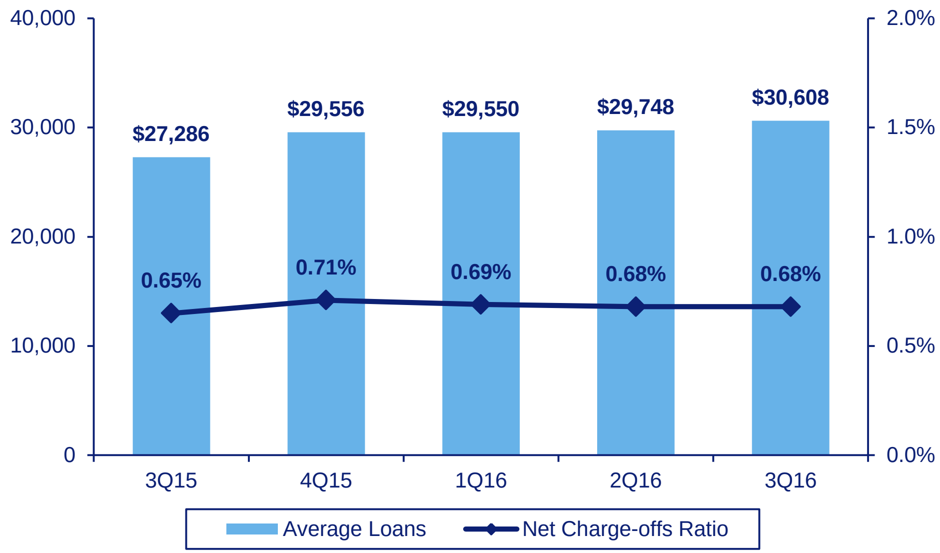
- Continued high-quality originations (weighted average FICO 783) support the portfolio’s stable credit profile
- Delinquencies, nonperforming loans, and net charge-offs remained at very low levels

* Manheim Used Vehicle Value Index source: www.manheimconsulting.com, January 1995 = 100, quarter value = average monthly ending values

Credit Quality – Other Retail

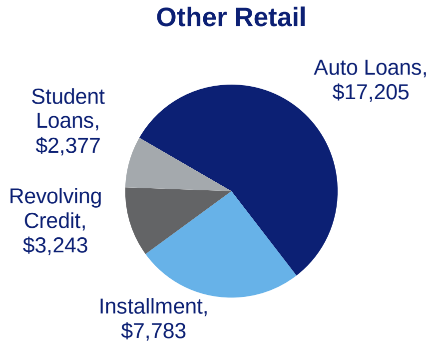
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$27,286	$29,748	$30,608
30-89 Delinquencies	0.46%	0.47%	0.56%
90+ Delinquencies	0.10%	0.10%	0.11%
Nonperforming Loans	0.07%	0.09%	0.08%



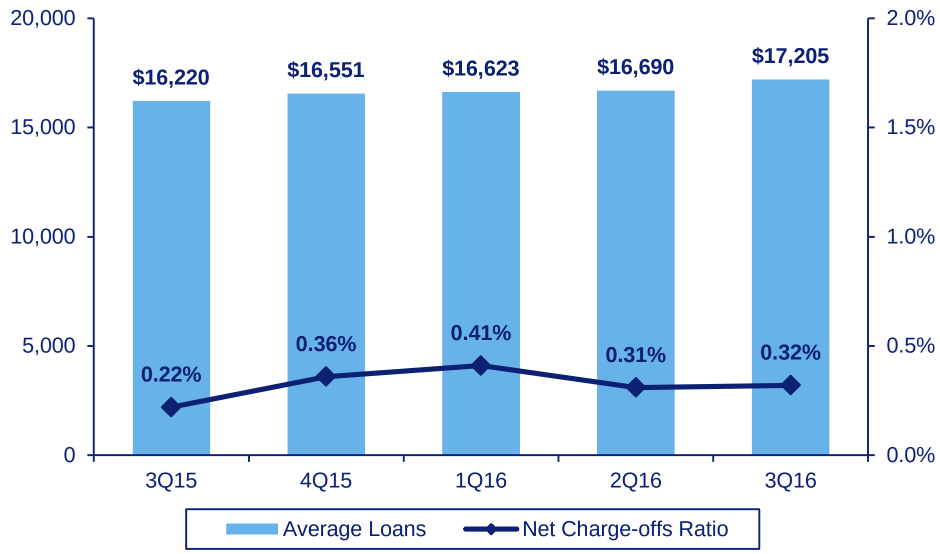
Key Points

- Overall growth continued to be driven by auto loans and installment, which were up 6.1% and 13.4% year-over-year, respectively
- Delinquency rates, nonperforming loans, and net charge-offs remained stable

Credit Quality – Auto Loans

$ in millions

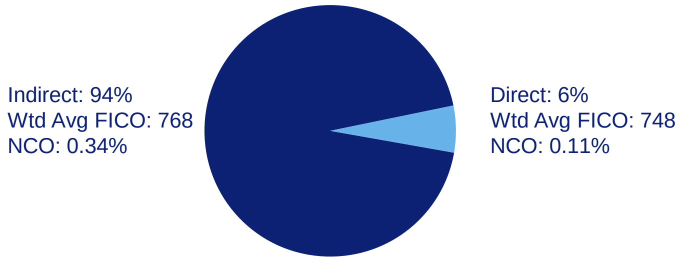
Average Loans and Net Charge-offs Ratios



Key Statistics

	3Q15	2Q16	3Q16
Average Loans	$16,220	$16,690	$17,205
30-89 Delinquencies	0.40%	0.48%	0.59%
90+ Delinquencies	0.02%	0.03%	0.05%
Nonperforming Loans	0.05%	0.08%	0.08%

Indirect and Direct Channel



Key Points

- Continued growth in auto loans driven by high-quality originations in the indirect channel (weighted average FICO 777)
- Net charge-offs stayed relatively flat on a linked quarter basis

Auto loans are included in Other Retail category

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	September 30, 2016		June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015
Total equity	$48,399		$48,029	$47,393	$46,817	$45,767
Preferred stock	(5,501)		(5,501)	(5,501)	(5,501)	(4,756)
Noncontrolling interests	(640)		(639)	(638)	(686)	(692)
Goodwill (net of deferred tax liability) (1)	(8,239)		(8,246)	(8,270)	(8,295)	(8,324)
Intangible assets, other than mortgage servicing rights	(756)		(796)	(820)	(838)	(779)
Tangible common equity (a)	33,263		32,847	32,164	31,497	31,216
Tangible common equity (as calculated above)	33,263		32,847	32,164	31,497	31,216
Adjustments (2)	97		133	99	67	118
Common equity tier 1 capital estimated for the Basel III fully implemented standardized and advanced approaches (b)	33,360		32,980	32,263	31,564	31,334
Total assets	454,134		438,463	428,638	421,853	415,943
Goodwill (net of deferred tax liability) (1)	(8,239)		(8,246)	(8,270)	(8,295)	(8,324)
Intangible assets, other than mortgage servicing rights	(756)		(796)	(820)	(838)	(779)
Tangible assets (c)	445,139		429,421	419,548	412,720	406,840
Risk-weighted assets, determined in accordance with prescribed transitional standardized approach regulatory requirements (d)	356,733	*	351,462	346,227	341,360	336,227
Adjustments (3)	3,165	*	3,079	3,485	3,892	3,532
Risk-weighted assets estimated for the Basel III fully implemented standardized approach (e)	359,898	*	354,541	349,712	345,252	339,759
Risk-weighted assets, determined in accordance with prescribed transitional advanced approaches regulatory requirements	272,832	*	271,495	267,309	261,668	248,048
Adjustments (4)	3,372	*	3,283	3,707	4,099	3,723
Risk-weighted assets estimated for the Basel III fully implemented advanced approaches (f)	276,204	*	274,778	271,016	265,767	251,771
Ratios*						
Tangible common equity to tangible assets (a)/(c)	7.5 %		7.6 %	7.7 %	7.6 %	7.7 %
Tangible common equity to risk-weighted assets (a)/(d)	9.3		9.3	9.3	9.2	9.3
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach (b)/(e)	9.3		9.3	9.2	9.1	9.2
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches (b)/(f)	12.1		12.0	11.9	11.9	12.4

	Three Months Ended			Nine Months Ended	
	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
Net interest income	$2,893	$2,845	$2,768	$8,573	$8,182
Taxable-equivalent adjustment (5)	50	51	53	154	161
Net interest income, on a taxable-equivalent basis	$2,943	$2,896	$2,821	$8,727	$8,343

* 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) Includes net losses on cash flow hedges included in accumulated other comprehensive income (loss) and other adjustments.
(3) Includes higher risk-weighting for unfunded loan commitments, investment securities, residential mortgages, mortgage servicing rights and other adjustments.
(4) Primarily reflects higher risk-weighting for mortgage servicing rights.
(5) Utilizes a tax rate of 35 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.

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