Regulatory Capital Pillar 3 Disclosures

December 31, 2018

Table of Contents

Background 1
Overview 1
Corporate Governance 1
Internal Capital Adequacy Assessment Process (ICAAP) 2
Regulatory Capital Adequacy Ratios 3
Table 1 Regulatory Capital Ratios 3
Capital Conservation Buffer 4
Table 2 Non-GAAP Capital Ratios 4
Table 3 Supplementary Leverage Ratio 5
Advanced Approaches Risk-Weighted Assets 5
Credit Risk: Advanced Internal Ratings based ("IRB") Portfolios 6
Wholesale Category 6
Retail Category 7
Advanced IRB Disclosures 7
Analysis of Actual Losses by Advanced Approaches Category 9
Credit Risk Mitigation 10
Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions and Eligible Margin Loans 11
Securitization 12
Equity Securities Not Subject to Market Risk Rule 13
Other Assets 14
Market Risk 15
Operational Risk 15
Operational Risk Data and Assessment 15
Operational Risk Capital Quantification and Allocation 15
Credit Risk: General Disclosures 16

Appendix A – Disclosure Matrix A1

BACKGROUND

Basel III regulatory capital rules for large and internationally active banks established the definition of regulatory capital elements and minimum capital ratios, regulatory capital buffers above those minimums, a common equity tier 1 ratio, a supplementary leverage ratio and the rules for calculating risk-weighted assets. Basel III includes two comprehensive methodologies for calculating risk-weighted assets: a general standardized approach and more risk-sensitive advanced approaches. The regulatory capital requirements effective for U.S. Bancorp (the "Company") follow Basel III. Certain minimum capital requirements of Basel III are subject to transition periods, to full implementation by January 1, 2019.

Basel III advanced approaches has three components ("Pillars"): minimum capital requirements, supervisory review and market discipline.

> Pillar 1 – Minimum capital requirement: Addresses regulatory capital calculations for three major components of risk exposure: credit risk, operational risk, and market risk. The capital computations under Pillar 1 are intended to be more risk-sensitive than those under the standardized approach and are largely statistically based.
>
> Pillar 2 – Supervisory review: Defines the regulatory response to Pillar 1, including expectations for an Internal Capital Adequacy Assessment Process ("ICAAP").
>
> Pillar 3 – Market discipline: Establishes disclosure requirements intended to provide market participants information regarding capital adequacy of an institution, including additional information about the data underlying the Pillar 1 measurements.

Banking institutions with total assets greater than $250 billion are required to develop the systems, processes and controls to report under Basel III advanced approaches measurements.

OVERVIEW

This document, and certain of the Company's public filings, present the Pillar 3 Disclosures in compliance with Basel III as described in Section 173-Disclosures by certain advanced approaches institutions: Capital Adequacy—Basel III Final Rule (the "Rule"). The Company's 2018 Annual Report on Form 10-K ("Annual Report") filed with the Securities and Exchange Commission contains management's discussion of the overall corporate risk profile of the Company and related management strategies. These Pillar 3 Disclosures should be read in conjunction with the Annual Report, the Consolidated Financial Statements for Bank Holding Companies - FR Y-9C, and the Risk-Based Capital Reporting for Institutions Subject to the Capital Adequacy – Federal Financial Institution Examination Council (FFIEC) 101 Schedules. The Company's Pillar 3 Disclosures Matrix (see Appendix A) specifies where all disclosures required by the Rule are located. The Pillar 3 Disclosures have not been audited by the Company's external auditors.

The Rule applies only to the consolidated Company, with the exception that every depository subsidiary must disclose capital ratios.

CORPORATE GOVERNANCE

Managing risks is an essential part of successfully operating a financial services company. The Company's Board of Directors has approved a risk management framework which establishes governance and risk management requirements for all risk-taking activities. This framework includes Company and business line risk appetite statements which set boundaries for the types and amount of risk that may be undertaken in pursuing business objectives and initiatives. The Board of Directors, through its Risk Management and Capital Planning Committees, oversees performance relative to the risk management framework, risk appetite statements, and other policy requirements including an annual review of the effectiveness of the Basel Program.

The Executive Risk Committee ("ERC"), which is chaired by the Chief Risk Officer and includes the Chief Executive Officer and other members of the executive management team, oversees execution against the risk management framework and risk appetite statements. The ERC focuses on current and emerging risks, including

strategic and reputational risks, by directing timely and comprehensive actions. Senior operating committees have also been established, each responsible for overseeing a specified category of risk.

The Company's most prominent risk exposures are credit, interest rate, market, liquidity, operational, compliance, strategic, and reputational risk. Credit risk is the risk of not collecting the interest and/or the principal balance of a loan, investment or derivative contract when it is due. Interest rate risk is the potential reduction of net interest income or market valuations as a result of changes in interest rates. Market risk arises from fluctuations in interest rates, foreign exchange rates, and security prices that may result in changes in the values of financial instruments, such as trading and available-for-sale securities, mortgage loans held for sale, mortgage servicing rights ("MSRs") and derivatives that are accounted for on a fair value basis. Liquidity risk is the possible inability to fund obligations or new business at a reasonable cost and in a timely manner. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events including the risk of loss resulting from breaches in data security. Operational risk can also include failures by third parties with which the Company does business. Compliance risk is the risk that customers may suffer economic loss or other injury, or the risk that the Company may suffer legal or regulatory sanctions, material financial loss, or loss to reputation through failure to comply with laws, regulations, rules, standards of good practice, and codes of conduct. Strategic risk is the risk to current or projected financial condition arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and operating environment. Reputational risk is the risk to current or anticipated earnings, capital, or franchise or enterprise value arising from negative public opinion. This risk may impair the Company's competitiveness by affecting its ability to establish new relationships or services, or continue servicing existing relationships. In addition to the risks identified above, other risk factors exist that may impact the Company. Refer to "Risk Factors" in the Annual Report for a detailed discussion of these factors.

The Company's Board of Directors and management-level governance committees are supported by a "three lines of defense" model for establishing effective checks and balances. The first line of defense, the business lines, manages risks in conformity with established limits and policy requirements. In turn, business leaders and their risk officers establish programs to ensure conformity with these limits and policy requirements. The second line of defense, which is primarily aligned to the Chief Risk Officer's organization but also includes policy and oversight activities of corporate support functions, translates risk appetite and strategy into actionable risk limits and policies. The second line of defense monitors first line of defense conformity with limits and policies, and provides reporting and escalation of emerging risks and other concerns to senior management and the Risk Management Committee of the Board of Directors. The third line of defense, internal audit, is responsible for providing the Audit Committee of the Board of Directors and senior management with independent assessment and assurance regarding the effectiveness of the Company's governance, risk management, and control processes.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (ICAAP)

The Company's ICAAP is a component of its Basel Program. The Company manages its capital to multiple minimum thresholds and measures that are consistent with the Company's strategic objectives, business model and capital plan. Expectations of internal and external stakeholders are integral and the capital goals and targets are calibrated considering internally-developed models that ensure adequate coverage for all material quantitative and qualitative risks, minimum regulatory requirements, supervisory stress testing expectations and rating agency and counterparty perspectives.

The Company is committed to managing capital to maintain strong protection for depositors and creditors, and for maximum shareholder benefit in order to achieve the Company's broader goals, which are as follows:

- Ensure the Company's safety and soundness;
- Maintain access to the debt and capital markets so the Company may continue to provide exceptional service to its customers and fulfill, without interruption, its obligations as a credit intermediary;
- Serve as a source of managerial and financial strength to its subsidiaries; and
- Ensure that the Company continues to be in a position to conduct its business in an environment of economic or financial stress.

The Company's ICAAP, the identification of material risks and how those material risks inform capital adequacy, is conducted via the Company's stress testing program. Through this process the Company's material risks, informed

by the risk identification process, are critical to the scenario design process and the development of the Company's internal stress scenario. The results of these forward looking scenarios inform the Company's regulatory and internally defined capital adequacy relative to the Company's risk profile and risk appetite.

REGULATORY CAPITAL ADEQUACY RATIOS

The Company also manages its capital to exceed regulatory capital requirements for well-capitalized financial institutions. The Company's applicable capital requirement for regulatory and supervisory purposes is based upon the lower of the ratios determined under the standardized approach or the advanced approaches.

Banking regulators define capital requirements for banks and financial services holding companies expressed in the form of a common equity tier 1 capital ratio, a tier 1 capital ratio, a total risk-based capital ratio, a leverage ratio and for advanced approaches banking organizations a supplementary leverage ratio. The current minimum required levels including the capital buffer for these ratios are 6.375 percent, 7.875 percent, 9.875 percent, 4.0 percent and 3.0 percent, respectively, while the requirements for an insured depository institution to be considered "well-capitalized" are 6.5 percent, 8.0 percent, 10.0 percent, 5.0 percent and 3.0 percent, respectively. Using the standardized approach rule, which produces a lower ratio for the Company than the advanced approaches, the common equity tier 1 ratio was 9.1 percent at December 31, 2018 — above the Company's targeted ratio of 8.5 percent.

A summary of the capital ratios under both the standardized and advanced approaches is shown in Table 1. Risk-weighted assets calculated under the advanced approaches are lower than the standardized approach primarily because the advanced approaches methodology applies a lower overall risk weight to the loans and leases in the Company's portfolios. This reduction in risk-weighted assets is partially offset by the inclusion of operational risk impact under advanced approaches, which is not included in the standardized approach.

Table 1 Regulatory Capital Ratios

	Basel III - Standardized Approach Risk-Based Capital Ratios		Basel III - Advanced Approaches Risk-Based Capital Ratios	
(Dollars in Millions, Unaudited)	December 31, 2018 (a)	December 31, 2017	December 31, 2018 (a)	December 31, 2017
U.S. Bancorp				
Common Equity Tier 1 capital	$34,724	$34,369	$34,724	$34,369
Tier 1 capital	40,741	39,806	40,741	39,806
Total risk-based capital	48,178	47,503	45,136	44,477
Common Equity Tier 1 capital as a percent of risk-weighted assets	9.1 %	9.3 %	11.8 %	12.0 %
Tier 1 capital as a percent of risk-weighted assets	10.7 %	10.8 %	13.8 %	13.9 %
Tier 1 risk-based capital as a percent of adjusted quarterly average assets (leverage ratio)	9.0 %	8.9 %		
Tier 1 risk-based capital as a percent of total on and off balance sheet average exposures (supplementary leverage ratio)			7.2 %	7.2 %
Total risk-based capital as a percent of risk-weighted assets	12.6 %	12.9 %	15.3 %	15.5 %
Risk-Weighted Assets	$381,661	$367,771	$295,002	$287,211
Bank Subsidiary				
U.S. Bank National Association				
Common Equity Tier 1 capital	$38,318	$37,586	$38,318	$37,586
Tier 1 capital	38,351	37,701	38,351	37,701
Total risk-based capital	45,960	45,466	42,883	42,414
Common Equity Tier 1 capital as a percent of risk-weighted assets	10.2 %	10.4 %	13.3 %	13.3 %
Tier 1 capital as a percent of risk-weighted assets	10.2 %	10.4 %	13.3 %	13.4 %
Tier 1 risk-based capital as a percent of adjusted quarterly average assets (leverage ratio)	8.6 %	8.6 %		
Tier 1 risk-based capital as a percent of total on and off balance sheet average exposures (suupplementary leverage ratio)			6.9 %	6.9 %
Total risk-based capital as a percent of risk-weighted assets	12.3 %	12.6 %	14.9 %	15.1 %
Risk-Weighted Assets	$374,298	$361,973	$287,897	$281,659

The Company's total shareholders' equity was $51.0 billion at December 31, 2018, compared with $49.0 billion at December 31, 2017. The increase was primarily the result of corporate earnings and a change in unrealized gains and losses on available-for-sale investment securities included in other comprehensive income, partially offset by dividends and common share repurchases. In compliance with the Rule, the Company reviewed the aggregate amount of surplus capital of insurance subsidiaries included in the regulatory capital of the consolidated group and has determined that it was not material. Refer to "Management's Discussion and Analysis—Capital Management" in the Annual Report for further discussion on capital management.

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy. These measures are viewed by management as useful additional methods of reflecting the level of capital available to withstand unexpected 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 measures differ from the currently effective capital ratios defined by current banking regulations principally in that the numerator excludes trust preferred securities and preferred stock, the nature and extent of which varies among different financial services companies. These measures are not defined in generally accepted accounting principles ("GAAP") or are not currently effective or defined in federal banking regulations. As a result, these measures disclosed by the Company may be considered non-GAAP financial measures.

Capital Conservation Buffer

Basel III established a capital conservation buffer applicable to all U.S. banking organizations subject to advanced approaches. The calculation of the capital conservation buffer is based on a comparison of each of the following three risk-based capital ratios and the stated minimum required ratios for each, with the reportable capital conservation buffer being the smallest of the three differences:

- common equity tier 1 capital ratio minus the minimum common equity tier 1 capital ratio;
- tier 1 capital ratio minus the minimum tier 1 capital ratio; and
- total capital ratio minus the minimum total capital ratio.

The capital conservation buffer implementation continues to be subject to a transition period. The minimum ratio for 2018 is 1.875 percent increasing to a 2.50 percent fully phased in ratio in 2019. At December 31, 2018, the Company has a common equity tier one capital conservation buffer ratio of 4.6 percent which is above the minimum and has retained income eligible for distribution of $1.9 billion; therefore, the Company would not be subject to any limitations on distributions and discretionary bonus payments.

In addition, Basel III also introduced a potential countercyclical capital buffer of up to 2.5 percent. A countercyclical capital buffer would be invoked upon a determination by the U.S. banking agencies and would be in addition to the capital conservation buffer. Currently, the countercyclical capital buffer amount for banks domiciled in the United States is zero.

Table 2 Non-GAAP Capital Ratios

(Unaudited)	December 31, 2018	December 31, 2017
Tangible common equity to tangible assets	7.8 %	7.6 %
Tangible common equity to risk-weighted assets	9.4	9.4
Common equity tier 1 capital to risk-weighted assets for the Basel III Standardized Approach (a)		9.1
Common equity tier 1 capital to risk-weighted assets for the Basel III Advanced Approaches (a)		11.6

(a) Effective Janaury 1, 2018 current capital ratios reflect the full implmementation of Basel III as transitional phases ended December 31, 2017

Refer to "Management's Discussion and Analysis—Non-GAAP Financial Measures" in the Annual Report for further discussion on the non-GAAP capital ratios.

Table 3 Supplementary Leverage Ratio

Advanced approaches banks are required to report the Supplementary Leverage Ratio (SLR) defined as tier 1 capital divided by the total leverage exposure which includes both on- and off-balance sheet exposures. Beginning January 1, 2018, the Company is required to meet a 3.0 percent SLR requirement. At December 31, 2018, the Company's and subsidiary bank's SLR exceeded the requirement with ratios of 7.2 percent and 6.9 percent, respectively. This is compared to 7.2 percent and 6.9 percent, respectively, at December 31, 2017.

(Dollars in millions, Unaudited)	US Bancorp December 31, 2018	US Bank NA December 31, 2018
Summary Comparison of Accounting Assets and Total Leverage Exposure		
Total Consolidated Assets as reported in published financial statements	$464,285	$455,948
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consideration	-	-
Adjustments for fiduciary assets recongnized on balance sheet but excluded from total leverage exposure.	-	-
Adjustment for derivative exposures.	10,553	10,478
Adjustment for repo-style transactions.	1,476	0
Adjustment for off-balance sheet exposures (credit equivalent)	103,582	103,558
Other adjustments	(13,952)	(11,575)
Total Leverage Exposure	565,944	558,409
Supplementary Leverage Ratio		
On-balance sheet exposures		
On-balance sheet assets (excluding on-balance sheet assets for repo-style transactions and derivative exposures, but including cash collateral received in derivative transactions)	460,544	453,673
LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive value)	10,211	9,300
Total on-balance sheet exposures	450,333	444,373
Derivative exposures		
Replacement cost for derivative exposures (net of cash variation margin)	994	992
Add-on amounts for potential future exposure (PFE) for derivatives exposures.	4,575	4,502
Gross-up for cash collateral posted if deducted from the on-balance sheet assets, except for cash variation margin.	38	38
LESS: Deductions of receivable assets for cash variation margin posted in derivatives transactions, if included in on-balance sheet assets (report as a positive value)	-	-
LESS: Exempted CCP leg of client-cleared transactions (report as a positive value).	-	-
Effective notional principal amount of sold credit protection.	4,946	4,946
LESS: Effective notional principal amount offsets and PFE adjustments for sold credit protection (report as a positive value).	-	-
Total derivative exposures	10,553	10,478
Repo-style transactions		
On-balance sheet assets for repo-style transactions, except include the gross value of receivables fro reverse repurchase transactions.	1,442	0
LESS: Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions under netting agreements (report as a positive value)	-	-
Counterparty credit risk for all repo-style transactions.	34	-
Exposure for repo-style transactions where a banking organization acts as an agent	-	-
Total exposures for repo-style transactions	1,476	0
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amounts.	333,148	333,121
LESS: Adjustments for conversion to credit equivalent amounts	229,566	229,563
Off-balance sheet exposures	103,582	103,558
Capital and total leverage exposures		
Tier 1 Capital.	40,741	38,351
Total leverage exposure	565,944	558,409
Supplementary Leverage Ratio		
Supplementary Leverage Ratio.	7.2%	6.9%

ADVANCED APPROACHES RISK-WEIGHTED ASSETS

Risk-weighted assets represent an institution's assets and off-balance sheet exposures, weighted according to the risk associated with each exposure category. The risk-weighted asset calculation is used in determining the institution's capital requirement.

Under the advanced approaches, the risk-weighted assets are segmented into credit risk, market risk and operational risk. For each of these categories, institutions are required to develop their own empirical model to quantify required capital for each type of risk. By comparison, the standardized approach assigns each credit exposure category to a predefined risk weight classification.

The Company reports its advanced approaches risk-weighted assets using specific categories defined in the Rule. This format, which aligns with the U.S. banking regulators' FFIEC 101 Schedules, requires certain reclassifications from categories reported in the Annual Report. The wholesale credit risk category consists of most exposures in the commercial and commercial real estate loan classes except that certain small business exposures are reclassified to the retail credit risk category. In addition, credit risk due to debt securities, certain other assets, unused loan

commitments, other off-balance sheet commitments and Over-the-Counter ("OTC") derivatives are included in the wholesale credit risk category. The retail credit risk category consists of loan and unused commitment exposures in the residential mortgages, credit card, and other retail loan classes as well as certain small business exposures in the commercial loan class. Exposures covered by loss sharing agreements with the Federal Deposit Insurance Corporation ("FDIC") are included in the respective wholesale and retail credit risk categories and not reported in a separate line as in the Annual Report.

Advanced approaches risk-weighted assets were 295.0 billion at December 31, 2018, compared with $287.2 billion at December 31, 2017. The increase in risk weighted assets was primarily the result of the implementation of the fully phased in rule requirements which increased the risk weight for mortgage servicing rights and deferred tax assets not deducted from capital to 250% from 100% effective January 1, 2018. Operational risk assets increased as a result of the addition of new internal and external losses in the model. The increases were offset by decreases in wholesale credit risk due to the implementation of a revised model with updated Loss Given Default rates resulting from updated reference data and improved credit quality on retail exposures.

Table 4 Risk-Weighted Assets

(Dollars in Millions, Unaudited)	December 31, 2018	December 31, 2017	$ Change	Percent Change
Credit risk				
Wholesale	$101,448	$103,766	($2,318)	(2.2) %
Retail	76,921	79,547	(2,626)	(3.3)
Securitization	366	487	(121)	(24.8)
Cleared Transactions	68	44	24	54.5
Equity	9,652	9,039	613	6.8
Other assets	30,044	23,818	6,226	26.1
Total Credit Risk (unscaled)	218,499	216,701	1,798	0.8
Scaling Factor	13,110	13,002	108	0.8
Total Credit Risk (scaled)	231,609	229,703	1,906	0.8
Credit Valuation Adjustment	1,502	2,052	(550)	(26.8)
Market risk	1,769	1,688	81	4.8
Operational risk	60,163	53,913	6,250	11.6
Assets subject to general risk-based capital requirements	285	16	269	1,681.3
Excess eligible credit reserves not in tier 2 capital	(326)	(161)	(165)	102.5
Total risk-weighted assets under Advanced Approaches	$295,002	$287,211	$7,791	2.7 %

CREDIT RISK: ADVANCED INTERNAL RATINGS BASED ("IRB") PORTFOLIOS

The Company follows the IRB approach to calculate the credit component of advanced approaches risk-weighted assets. The IRB approach relies on the Company's estimates of Probability of Default (PD), Loss Given Default (LGD), Exposure at Default (EAD) and maturity. These measures are used to calculate risk-weighted assets and are also used as inputs into risk management and business processes such as pricing, capital allocation, risk-adjusted performance measures and the ICAAP.

Wholesale Category The wholesale category includes commercial loan portfolios and certain investment securities managed and risk rated on an individual basis. Types of exposure include commercial and industrial loans, commercial leases, commercial real estate loans, corporate bonds, treasury, agency and municipal securities, and certain asset- and mortgage-backed securities.

The Company's internal ratings system for wholesale exposures is used to measure the credit quality of an individual commercial exposure. It contains two components: PD (an assessment of the likelihood of default for each borrower); and LGD (an assessment of the severity of loss given a default for each credit facility). Each borrower is assigned a risk rating which is associated with a distinct PD rate. Risk ratings are assigned using a combination of quantitative and qualitative inputs reflecting management's assessment of the risk of default for each borrower. The Company uses a borrower level risk rating scale of nine grades. The Company uses the Basel III wholesale definition of default, which states that a borrower is in default if any exposure to the borrower is 90 or more days past due, incurs a charge-off, or is placed on nonaccrual status. Each facility is assigned an LGD segment based on its structure and/or collateral type. LGD segments are determined based on management's assessment of exposures with similar loss given default characteristics. The EAD is equal to the ending balance amount of each exposure. For exposures with an unfunded line amount, EAD is calculated by applying a percentage to the unfunded amount to estimate net additions to the ending balance amount.

The Company's past experience is used to estimate PD, LGD and EAD. The Wholesale PD model contains at least five years of default history, while the LGD and EAD models contain at least seven years of default history. All default history contains a mix of economic conditions (including economic downturn conditions). The Company's methods primarily rely on internal data to estimate and validate each risk parameter for loan portfolios. When

internal data is of limited quantity or quality, external data may be used. External ratings are used, but not solely relied on, for investment portfolio products. Pre-purchase due diligence of investment portfolio products analyzes factors beyond rating agency results such as additional credit and spread analysis. Statistical tests used to validate the accuracy and reliability of the advanced approaches metrics include, but are not limited to, stability analysis, benchmarking and back testing.

Retail Category The Company's internal rating system for the retail category group's exposures into the appropriate retail subcategories (i.e. residential mortgage exposures, qualifying revolving exposures and other retail exposures) and further groups the exposures in each retail subcategory into separate segments with homogeneous risk characteristics. PDs and LGDs are assigned to each segment.

The types of exposures in the residential mortgage subcategory include 1-4 family residential mortgages and home equity products. The qualifying revolving subcategory includes unsecured consumer lines of credit, primarily consumer credit cards. The other retail subcategory includes other consumer and small business exposures. Consumer exposures include auto loans, retail leases, student loans, and all other consumer loans that do not meet the definition of a residential mortgage or qualifying revolving exposures. Small business exposures include commercial borrowers with an aggregate exposure less than or equal to $1 million that are not rated and/or managed in a manner consistent with wholesale exposures.

The Company's methods for determining risk-weighted assets on retail exposures primarily rely on internal data to estimate and validate PD, LGD, and EAD parameters. When internal data is insufficient, external data may be used. The Company groups its retail exposures into segments with homogeneous risk characteristics. For the majority of its retail exposures, the Company uses various regression techniques to classify each exposure into pools of PD segments. In addition, the Company group's retail exposures into PD segments based on homogeneous risk characteristics, such as product, delinquency, loan-to-value, or risk score. Estimates for LGD and EAD are segmented by homogeneous risk characteristics such as loan-to-value, product, lien position, and utilization. The segmentation by risk characteristics is determined using various statistical classification techniques in combination with management's assessment of the risks inherent in each product. The assumptions used in the derivation of these variables are the same as those embedded in the IRB guidance, notably that past experience is used to estimate each risk parameter. The retail PD, LGD, and EAD models include at least five years of default history that contains a mix of economic conditions (including economic downturn conditions). The Company uses the Basel III Retail IRB definition of default. The IRB guidance defines a residential mortgage or credit card exposure as being in default if the account is 180 or more days past due or incurs a charge-off. Any other retail exposure is in default if the account is 120 or more days past due or incurs a charge-off.

Control mechanisms related to the general credit rating systems are addressed in the "Credit Risk: General Disclosures" section below and the "Corporate Risk Profile" section of the "Management's Discussion and Analysis" section of the Annual Report.

Advanced IRB Disclosures Tables 5-7 disclose Basel III metrics (e.g., PD, LGD, and EAD) and are formatted to conform to the FFIEC 101 Schedules, which report risk-based capital for institutions subject to Basel III advanced approaches. Credit risk due to loans, debt securities, certain other assets, unused loan commitments, other off-balance sheet commitments and OTC derivatives are combined in these tables. Therefore, totals from Tables 5-7 will not agree with totals from Tables 11, 12 and 14, which include only loans, contractual commitments to extend credit and letters of credit.

Table 5 Wholesale and Retail Exposures by Probability of Default Grade Ranges

	December 31, 2018							
(Dollars in Millions, Unaudited)	Balance Sheet Amount	Total Undrawn Amount	Total EAD	Undrawn EAD	Undrawn Weighted Average EAD	Weighted Average LGD	Risk Weighted Assets (a)	Exposure-Weighted Average Risk Weight (a)
Wholesale								
0.00 to < 0.50	$196,383	$114,651	$231,411	$35,028	30.55 %	25.10 %	$41,875	18.10 %
0.50 to < 2.50	45,668	37,450	55,842	10,174	27.17	42.54	49,768	89.12
2.50 to < 10.00	4,339	3,535	4,908	569	16.10	39.61	6,115	124.59
10.00 to < 100.00	1,508	799	1,695	187	23.40	38.76	3,185	187.91
100.00 (default) (b)	391	71	435	44	61.97	-	424	97.47
Total (c)	248,289	156,506	294,291	46,002	29.39	28.70	101,367	34.44
Retail								
Residential mortgage								
0.00 to < 0.50	72,201	24,190	82,295	10,094	41.73	58.02	9,936	12.07
0.50 to < 2.50	7,345	143	7,399	54	37.76	58.36	5,478	74.04
2.50 to < 10.00	1,429	33	1,441	12	36.36	47.21	2,125	147.47
10.00 to < 100.00	1,888	39	1,921	33	84.62	30.90	2,876	149.71
100.00 (default) (b)	2,283	7	2,284	1	14.29	-	1,317	57.66
Total	85,146	24,412	95,340	10,194	41.76	55.94	21,732	22.79
Qualifying revolving								
0.00 to < 0.50	6,985	107,377	59,001	52,016	48.44	96.08	3,615	6.13
0.50 to < 2.50	9,460	10,732	14,494	5,034	46.91	95.99	5,893	40.66
2.50 to < 10.00	7,019	1,432	7,882	863	60.27	95.99	8,483	107.62
10.00 to < 100.00	1,532	72	1,606	74	102.78	96.09	3,779	235.31
100.00 (default) (b)	-	-	-	-	-	-	-	-
Total	24,996	119,613	82,983	57,987	48.48	96.06	21,770	26.23
Other retail								
0.00 to < 0.50	22,991	22,089	34,990	11,999	54.32	69.80	8,789	25.12
0.50 to < 2.50	24,796	5,198	28,447	3,651	70.24	66.35	17,940	63.06
2.50 to < 10.00	4,215	251	4,475	260	103.59	72.92	4,843	108.22
10.00 to < 100.00	1,024	112	1,086	62	55.36	76.20	1,779	163.81
100.00 (default) (b)	87	1	87	-	-	-	68	78.16
Total	53,113	27,651	69,085	15,972	57.76	68.58	33,419	48.37
Total Retail	163,255	171,676	247,408	84,153	49.02	72.93	76,921	31.09
Total Wholesale and Retail	$411,544	$328,182	$541,699	$130,155	39.66 %	48.90 %	$178,288	32.91 %

(a) All risk-weighted amounts are presented before applying the "scaling factor" (multiplier) of 1.06.

(b) *The risk-weight percent for exposures in default is generally 100%, except for defaulted loans with certain guarantees (e.g. by the U.S. government) which are assigned a lower risk-weight percent, in accordance with the rules for advanced approaches.*

(c) Excludes eligible margin loans of $27 million risk-weighted at 300% at December 31, 2018

(Dollars in Millions, Unaudited)	Balance Sheet Amount	Total Undrawn Amount	Total EAD	Undrawn EAD	Undrawn Weighted Average EAD	Weighted Average LGD	Risk Weighted Assets (a)	Exposure-Weighted Average Risk Weight (a)
	December 31, 2017							
Wholesale								
0.00 to < 0.50.	$195,667	$110,113	$228,947	$33,280	30.22 %	25.93 %	$42,595	18.60 %
0.50 to < 2.50.	42,450	37,559	52,633	10,183	27.11	43.46	47,678	90.59
2.50 to < 10.00.	5,992	4,170	6,756	764	18.32	40.22	8,545	126.48
10.00 to < 100.00.	1,710	1,531	2,057	347	22.66	43.43	4,280	208.07
100.00 (default) (b).	493	115	610	117	101.74	-	601	98.52
Total (c)	246,312	153,488	291,003	44,691	29.12	29.50	103,699	35.64
Retail								
Residential mortgage								
0.00 to < 0.50.	67,142	23,822	77,075	9,933	41.70	59.20	9,470	12.29
0.50 to < 2.50.	10,323	197	10,418	95	48.22	47.21	6,382	61.26
2.50 to < 10.00.	2,115	31	2,124	9	29.03	48.60	3,124	147.08
10.00 to < 100.00.	2,138	49	2,179	41	83.67	31.37	3,268	149.98
100.00 (default) (b).	2,331	7	2,332	1	14.29	-	1,373	58.88
Total	84,049	24,106	94,128	10,079	41.81	55.53	23,617	25.09
Qualifying revolving								
0.00 to < 0.50.	6,238	102,372	56,990	50,752	49.58	96.10	3,603	6.32
0.50 to < 2.50.	9,038	12,304	14,808	5,770	46.90	96.00	5,797	39.15
2.50 to < 10.00.	7,398	1,519	8,312	914	60.17	96.00	9,088	109.34
10.00 to < 100.00.	1,547	71	1,623	76	107.04	96.11	3,830	235.98
100.00 (default) (b).	-	-	-	-	-	-	-	-
Total	24,221	116,266	81,733	57,512	49.47	96.07	22,318	27.31
Other retail								
0.00 to < 0.50.	22,248	19,659	33,174	10,926	55.58	68.97	8,534	25.72
0.50 to < 2.50.	24,936	5,421	28,630	3,694	68.14	66.21	17,930	62.63
2.50 to < 10.00.	6,165	258	6,429	264	102.33	55.36	5,274	82.03
10.00 to < 100.00.	1,042	103	1,099	57	55.34	75.83	1,787	162.60
100.00 (default) (b).	142	2	142	-	-	-	87	61.27
Total	54,533	25,443	69,474	14,941	58.72	66.53	33,612	48.38
Total Retail	162,803	165,815	245,335	82,532	49.77	72.15	79,547	32.42
Total Wholesale and Retail	$409,115	$319,303	$536,338	$127,223	39.84 %	49.01 %	$183,246	34.17 %

(a) All risk-weighted amounts are presented before applying the "scaling factor" (multiplier) of 1.06.

(b) The risk-weight percent for exposures in default is generally 100%, except for defaulted loans with certain guarantees (e.g. by the U.S. government) which are assigned a lower risk-weight percent, in accordance with the rules for advanced approaches.

(c) Excludes eligible margin loans of $22 million risk-weighted at 300% at December 31, 2017

Analysis of Actual Losses by Advanced Approaches Category Table 6 details actual losses by advanced approaches category. Actual losses, which consist of net charge-offs and credit-related derivative and securities losses, were $1,353 million for the year ending December 31, 2018, compared with $1,330 million for the year ending December 31, 2017. The ratio of annualized actual losses to EAD was .25 percent for the year ended December 31, 2018 on an annualized basis, compared with .25 percent for the year ended December 31, 2017. The year-over-year increase in total net charge-offs reflected higher losses on credit card and other retail offset by lower commercial loans and residential mortgage net charge-offs. Refer to the Annual Report for more detail on net charge-offs.

Table 6 Actual Losses by Basel Category

(Dollars in Millions, Unaudited)	Three Months Ended December 31, 2018 Amount	2018 Percent of EAD (a)	2017 Amount	2017 Percent of EAD (a)	Year Ended December 31, 2018 Amount	2018 Percent of EAD (a)	2017 Amount	2017 Percent of EAD (a)
Wholesale (b)	$7	.01 %	($1)	(.00) %	$23	.01 %	$80	.03 %
Residential mortgage	3	.01	8	.03	14	.01	32	.03
Qualifying revolving	236	1.13	223	1.08	915	1.10	859	1.05
Other retail (c).	107	.62	95	.54	402	.58	359	.52
Total wholesale and retail actual losses	$353	.26 %	$325	.24 %	$1,354	.25 %	$1,330	.25 %

(a) Percent of EAD is the annualized losses divided by the ending EAD.
(b) There were no derivative and securities credit losses included in the wholesale category for the year ending December 31, 2018 or Year ending December 31, 2017.
(c) Other Retail equals total net charge offs less from Wholesale, Residential Mortgages, and Qualified Revolving per Basel Reporting Categories

The Company's actual annual losses are expected to approximate the Expected Credit Loss ("ECL") on average, over time; however, there are some differences between the two measures. ECL is the expected value of future economic loss over a one-year time horizon, applying various downturn factors. ECL is calculated using long-term average PD, downturn LGD and downturn EAD. LGD is based on the concept of "economic loss" including the

time value of money for recoveries and collection costs, while the actual losses represent accounting losses. For portfolios that are 100 percent risk-weighted (including retail lease residuals and immaterial exposures), the Rule assumes zero ECL, though actual losses do occur. Given the number of differences between the concept of ECL and the actual accounting loss, the estimates may not approximate the actual loss experience in any particular period. Table 7 provides ECL and actual loss information by Basel III advanced approaches category.

Table 7 Risk Parameter Analysis

(Dollars in Millions, Unaudited)	Expected Credit Loss	Actual Loss (a)
Wholesale	$521	$71
Residential mortgage	343	109
Qualifying revolving	1,195	800
Other retail	657	312
Total	$2,716	$1,292

(a) Actual losses are annualized averages calculated from data for the 20 quarters ended December 31, 2018

Credit Risk Mitigation The Company's approach in underwriting is to grant credit on the basis of capacity to repay rather than place primary reliance on credit risk mitigation. Mitigation is nevertheless an important aspect of effective risk management. Various risk mitigation techniques are used by the Company, including collateral, guarantees and, to a limited extent, credit derivatives.

The Company has a quantification process that takes into account the risk-reducing effects of collateral in support of exposures when quantifying the LGD. Examples of collateral that impact the Company's LGD estimate include, but are not limited to, cash, working capital, depreciable assets and real estate. Collateral and facility structure are used to determine LGD segments. LGD segments vary by exposure due to the severity of the loss. Unsecured exposures generally result in larger losses and secured exposures generally result in smaller losses.

Third party guarantees are taken from business entities and individuals. The Company takes into account the risk reducing effects of eligible guarantees by applying the PD substitution approach. The PD substitution approach uses the PD of the guarantor where it is more favorable than the PD of the obligor.

The Company may use credit default swaps ("CDS") to manage the credit risk of certain large wholesale loan exposures, with the goal of reducing concentrations in individual names. CDS are subject to credit risk associated with counterparties to the contracts. Credit risk associated with CDS is measured by the Company based on the probability of counterparty default. The risk reducing effects of CDS are considered when quantifying PD segments. The rule allows that a PD substitution approach can be applied where the PD of the obligor is substituted by the PD of the protection provider.

Credit risk mitigants are valued to monitor and ensure that they will continue to provide the secure repayment source anticipated at the time they were taken. Company policy prescribes the frequency of valuation based on the volatility of the collateral. Valuation methods range from the use of market indices to individual professional inspection.

Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions and Eligible Margin Loans
Counterparty exposure arises from OTC derivatives, repurchase agreements, securities lending and borrowing and other similar products and activities. The amount of this exposure depends on the value of underlying market factors (e.g. interest rates and foreign exchange rates), which can be volatile and uncertain in nature.

The Company reduces its counterparty exposure related to derivative contracts by centrally clearing all eligible derivatives. All other credit exposure is approved either on a transaction level basis, or under credit limits supporting bilateral trades governed by appropriate master trading agreements. The primary element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. The Company's risk assessment procedures consider both the credit worthiness of the counterparty and the risks related to the specific type of credit facility or exposure. The Company manages the credit risk of its derivative positions by diversifying its positions among various counterparties, entering into master netting arrangements where possible with its counterparties, requiring collateral and, in certain cases, though insignificant, transferring the counterparty credit risk related to interest rate swaps to third parties through the use of risk participation arrangements. Credit exposures are monitored daily for counterparties with an established Credit Support Annex ("CSA"), to assure collateral levels are appropriately sized to cover risk, and prior to execution of an initial trade for any counterparty to ensure it does not exceed the approved credit limit for each counterparty.

The Company uses the IRB Capital formula for wholesale exposures to determine risk-weighted assets and capital requirements for counterparty risk. EAD is calculated for each counterparty that has an International Swaps and Derivatives Association ("ISDA") Master Agreement with the Company using the collateral haircut approach in the current exposure methodology.

For further information on counterparty credit risk, refer to the "Use of Derivatives to Manage Interest Rate and Other Risks" subsection in the "Management's Discussion and Analysis" section of the Annual Report.

Wrong-way risk The Rule requires banks using the Internal Models Methodology ("IMM") to identify, monitor and control wrong-way risk. Wrong-way risk occurs when exposure to a counterparty is adversely correlated with the credit quality of that counterparty. The Company does not utilize the IMM for the purposes of quantifying counterparty credit risk and does not engage in transactions that involve material wrong-way risk.

Collateral To calculate a counterparty's net risk position for counterparty credit risk, the Company revalues all financial instruments and associated collateral positions on a daily basis. Collateral positions are monitored by a dedicated group that manages a process to ensure that calls for collateral and exposure reductions are made promptly. Processes exist for the resolution of trades where the level of collateral is disputed or the collateral sought is not received.

Eligible collateral types are documented by a CSA to the ISDA Master Agreement and are controlled under the Company's general credit policies. A valuation haircut policy reflects the fact that collateral may fall in value between the date the collateral is called and the date of liquidation or enforcement. In practice, all of the Company's collateral held as credit risk mitigation under a CSA is either cash or U.S. government securities.

Credit ratings downgrade Certain credit support annexes to master arrangements provide for rating dependent triggers, where additional collateral has to be pledged if a party's rating is downgraded. The Company also enters into master arrangements that provide for an additional termination event upon a party's rating downgrade.

The Company analyzes and monitors its potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis. At December 31, 2018, the additional collateral required to be posted for a three-notch downgrade of U.S. Bank National Association would be $19.9 million. No additional collateral would be required for a three-notch downgrade of its parent company, U.S. Bancorp.

The following table summarizes the netting and collateral positions of the Company's derivatives and securities financing transactions ("SFT") using the Current Exposure Method. As defined by the Rule, the gross current credit exposure is calculated as the greater of the positive mark-to-market of the derivative or zero (asset derivatives).

Table 8 General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans

(Dollars in Millions, Unaudited)	December 31, 2018	December 31, 2017
Derivatives		
Gross positive fair value	$2,010	$2,482
Netting benefit (a)	(942)	(652)
Net derivatives credit exposure	$1,068	$1,830
Securities financing transactions		
Gross positive fair value	$4,900	$3,814
Collateral held for risk mitigation (b)	(3,666)	(2,912)
Excess collateral (c)	65	85
Net SFT credit exposure	$1,299	$987

(a) Represents netting of derivative asset and liability balances, and related collateral, with the same counterparty subject to master netting agreements.
(b) All collateral is either cash or money market investments.
(c) Certain counterparties have provided collateral in excess of the fair value of the related contracts.

The distribution of gross current credit exposure is shown below:

(Dollars in Millions, Unaudited)	December 31, 2018		December 31, 2017	
Derivatives	Gross Current Credit Exposure	Exposure at Default (a)	Gross Current Credit Exposure	Exposure at Default (a)
Credit derivatives (b)	$1	$479	$ -	$354
Derivatives	1,225	4,649	1,639	3,324
Foreign exchange forwards and options	739	1,487	740	1,821
Mortgage derivatives	45	62	103	25
Total derivative gross current credit exposure (c)	$2,010	$6,677	$2,482	$5,524
Securities financing transactions				
Repo-Style Transactions	$4,873	$476	$3,792	$347
Eligible margin loans	27	27	22	22
Total SFT gross current credit exposure (c)	$4,900	$503	$3,814	$369

(a) In addition to the current fair value for asset derivatives, EAD includes amounts for the potential future exposure which is calculated on both asset and liability derivatives.
(b) Credit derivatives have a notional amount of $2.3 billion for asset derivatives and $4.9 billion for liability derivatives at December 31, 2018, and $1.6 billion for asset derivatives and $3.8 billion for liability derivatives at December 31, 2017.
(c) The gross positive fair value of derivative contracts averaged $1.9 billion for the fourth quarter of 2018 and $2.7 billion for the fourth quarter of 2017. The gross positive fair value of SFT contracts averaged $3.6 billion for the fourth quarter of 2018 and $3.8 billion for the fourth quarter of 2017.

Securitization The disclosures in this section refer to securitizations held in the banking book and the regulatory capital on these exposures calculated according to the Rule. A participant in the securitization market is typically an originator, investor, or sponsor. The Company's primary securitization-related activity is investing in products created by third parties and entering into secured lending transactions with clients. Securitization exposures held in the banking book include traditional non-government or non-agency guaranteed ABS and MBS securitizations, loans, lines of credit, and liquidity facilities. The Company is not applying any credit risk mitigation to its securitization exposures and doesn't have exposure to securitization guarantors. The Company does not have any synthetic securitization exposure and does not act as a sponsor.

The Company calculates the regulatory capital requirement for securitization exposures in accordance with the hierarchy of approaches prescribed in the Rule. The Company utilizes the Simplified Supervisory Formula Approach ("SSFA") to determine risk-weighted assets for the majority of its securitization exposures. The SSFA framework considers the Company's seniority in the securitization structure and risk factors inherent in the underlying assets.

As presented in Table 9 below, the Company's total securitization exposures at December 31, 2018, were $0.9 billion compared to $1.1 billion at December 31, 2017.

Table 9 Securitizations

Securitizations by exposure type are shown below (a):

(Dollars in Millions, Unaudited)	December 31, 2018 On Balance Sheet Exposure	Off Balance Sheet Exposure	Total Exposure	December 31, 2017 On Balance Sheet Exposure	Off Balance Sheet Exposure	Total Exposure
Mortgage-backed securities.	$ -	$ -	$ -	$ -	$ -	$ -
Asset-backed securities.	410	-	410	426	-	426
Other (b).	300	225	525	351	357	708
Total securitization exposure.	$710	$225	$935	$777	$357	$1,134

Securitizations by capital treatment and underlying exposure type are shown below (a):

(Dollars in Millions, Unaudited)	December 31, 2018 Notional Amount	SFA Risk Weighted Assets	SSFA Risk Weighted Assets	1250% Risk Weighted	December 31, 2017 Notional Amount	SFA Risk Weighted Assets	SSFA Risk Weighted Assets	1250% Risk Weighted
Mortgage-backed securities	$ -	$ -	$ -	$ -	$ -	$ -	$1	$ -
Asset-backed securities	410	-	90	-	426	-	95	-
Other (b)	525	-	127	149	708	24	180	187
Total securitization exposure	$935	$0	$217	$149	$1,134	$24	$276	$187

Securitizations by capital treatment and risk-weight bands are summarized below (a):

(Dollars in Millions, Unaudited)	December 31, 2018 Notional Amount	SFA Risk Weighted Assets	SSFA Risk Weighted Assets	1250% Risk Weighted	Capital impact of RWA (c)	December 31, 2017 Notional Amount	SFA Risk Weighted Assets	SSFA Risk Weighted Assets	1250% Risk Weighted	Capital impact of RWA (c)
Securitizations										
Zero to 250% risk weighting	$920	$ -	$206	$ -	$16	$1,115	$24	$251	$ -	$22
251% to 500% risk weighting	3	-	9	-	1	3	-	12	-	1
501% to 1250% risk weighting	12	-	2	149	12	16	-	13	187	16
Resecuritizations										
Zero to 250% risk weighting	-	-	-	-	-	-	-	-	-	-
251% to 500% risk weighting	-	-	-	-	-	-	-	-	-	-
501% to 1250% risk weighting	-	-	-	-	-	-	-	-	-	-
Total securitization exposures	$935	$0	$217	$149	$29	$1,134	$24	$276	$187	$39

(a) Table related to the Company as an investor/originator in the securitization.

(b) Includes loans, lines of credit, and liquidity facilities.

(c) The capital impact of RWA is calculated by multiplying risk weighted assets by the minimum total risk-based capital ratio of 8%.

Equity Securities Not Subject to Market Risk Rule The Company has total equity exposures of approximately $15.6 billion, with $10.3 billion in individual equities and $5.3 billion in equity funds at December 31, 2018. The majority of the individual investments are related to the Company's community reinvestment activities, including tax-advantaged investments made through U.S. Bancorp Community Development Corporation. The Company uses the Simple Risk-Weight Approach for its individual equity securities.

Equity exposures in investment funds consist of Bank Owned Life Insurance ("BOLI"), private equity, money market and other equity funds. The Company uses the Full Look-Through Approach for BOLI assets in separate and hybrid accounts. Investment guidelines specify objectives and constraints for separate and hybrid account BOLI investment funds, requirements and duration parameters. In compliance with these guidelines, underlying investment exposures include Treasury, agency, asset-backed, and mortgage-backed securities and corporate notes and bonds.

Non-marketable equity securities are generally recorded either at historical cost or using the equity method. Details of the Company's accounting policy for equity investments and the valuation of financial instruments are provided in Note 1—Significant Accounting Policies in the Annual Report.

Marketable equity securities are generally recorded as available-for-sale and carried at fair value with unrealized net gains or losses reported within other comprehensive income (loss) in shareholders' equity. For regulatory capital purposes unrealized gains are excluded from tier 1 capital.

Equity securities maintained in the trading account are reported at fair value. At December 31, 2018, the Company does not have material equity exposure in the trading account. Changes in fair value are recorded in earnings.

Realized gains arising from the sales and liquidations of equity securities were $302.5 million for the year ended December 31, 2018. The realized gains include gains related to the sale of shares of Visa Class B common stock.

Table 10 summarizes the Company's equity securities not subject to the market risk rule. Latent revaluation gains/losses are unrealized gains/losses on nonpublic equity securities recorded at cost; these latent revaluation gains/losses are not recognized in the Company's financial statements. Latent revaluation gains of $454.6 million and $ 656.4 million were related to Visa Class B Common and Visa Series B Preferred Stock at December 31, 2018 and December 31, 2017, respectively. The Visa shares are subject to transfer restrictions, are not marketable and are recorded at cost. Refer to the Annual Report for further detail.

Table 10 Equity Securities Not Subject to Market Risk Rule

	December 31, 2018			December 31, 2017		
(Dollars In Millions, Unaudited)	Nonpublic	Public	Total	Nonpublic	Public	Total
Amortized cost	$15,607	$36	$15,643	$14,826	$22	$14,848
Unrealized gains/losses	-	-	-	-	-	-
Latent revaluation gains/losses (a)	464	-	464	665	-	665
Fair value	$16,071	$36	$16,107	$15,491	$22	$15,513
Unrealized gains/losses included in risk-based capital	$ -	$ -	$ -	$ -	$ -	$ -

(a) Represents unrealized gains (losses) on nonpublic equity securities recorded at cost. The unrealized gains (losses) are not recognized either in the balance sheet or through earnings.

The capital requirements of equity securities are shown below:

	December 31, 2018			December 31, 2017		
(Dollars In Millions, Unaudited)	Exposure	Risk Weighted Assets	Capital impact of RWA	Exposure	Risk Weighted Assets	Capital impact of RWA
0%	$443	$ -	$ -	$443	$ -	$ -
20%	805	161	13	597	119	10
100%	9,084	9,084	727	8,554	8,554	684
250%	2	5	-			-
Full look-through approach	5,309	402	32	5,254	366	29
Total capital requirements for equity securities	$15,643	$9,652	$772	$14,848	$9,039	$723

Other Assets The Company classifies certain exposures as assets not included in a defined exposure category, such as cash (risk weighted at zero percent); cash items in process of collection ("float") and residual value of retail leases along with certain other assets that do not meet the definition of a wholesale, retail, securitization, or equity exposure (generally risk-weighted at 100 percent with the exception of float which is risk-weighted at 20 percent). Also, mortgage servicing rights and deferred tax assets not deducted from capital receive 250% risk weight. Assets not included in a defined exposure category increased due in part to increases in retail lease residual balances resulting in assets not included in a defined category balance of $16.6 billion (related risk-weighted assets of $26.9 billion) at December 31, 2018, compared with $24.9 billion (related risk-weighted assets of $20.9 billion) at December 31, 2017.

The Rule also provides a category for non-material exposures which are risk-weighted at 100 percent of the carrying value of on-balance sheet exposures or 100 percent of the notional or EAD amount of off-balance sheet exposures. The Company has designated exposures as non-material when required information for the respective advanced approach is not available or is not cost beneficial to obtain. Larger portfolios within the non-material classification are certain merchant processing, ATM network, mortgage servicing, syndication and other tax-advantaged project receivables, in-process accounts and overdrafts. Risk-weighted assets related to non-material portfolios increased to $3.2 billion at December 31, 2018 compared to $2.9 billion at December 31, 2017.

MARKET RISK

In addition to interest rate risk, the Company is exposed to other forms of market risk, including: 1) trading activities which support customers' strategies to manage their own foreign currency, interest rate risk and funding activities; 2) hedging activities related to mortgage loans held for sale and MSRs; and 3) valuation of the Company's investment portfolio. Market risk risk-weighted assets for trading activities remained stable at $1.8 billion at December 31, 2018 compared to $1.7 billion at December 31, 2017. Refer to the "Market Risk Management" section of the "Management's Discussion and Analysis" section of the Annual Report for further discussion of market risk associated with client related trading and mortgage hedging.

OPERATIONAL RISK

Operational Risk Data and Assessment Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, or systems, or from external events. Operational risk is assessed through analyzing the four key data elements in the Rule: 1) internal operational loss data, 2) external operational loss data from other banking institutions, 3) scenario analysis and 4) business environment and internal control factors ("BEICFs"). The Company's Operational Risk Data and Assessment System uses a number of enterprise-wide tools for identification and recording of the operational risk related losses, loss scenarios and key risk indicators that comprise the above four data elements and are used for the management, measurement, monitoring and reporting of operational risk.

Other elements that may be used for assessing operational risk are data related to insurance and reserves. Insurance is purchased in order to protect the Company against unexpected and substantial unforeseeable losses, transferring some operational risks to third party insurance companies. Insurance is one component of the Company's risk management strategy; however, insurance contracts are not used by the Company to reduce operational risk capital requirements. Reserves are recorded for operational risk related events for which a loss is probable. The Company considers such reserves as internal loss data in its capital quantification processes.

Operational Risk Capital Quantification and Allocation The Company's Operational Risk Quantification System ("ORQS") generates risk exposure estimates using the above data elements in accordance with the Rule. The particular methods by which the Company's ORQS combines the Operational Risk Data and Assessment System data elements to calculate risk exposure estimates are described in the following discussion:

Incorporating External Data The Company's ORQS uses external loss event data beyond a high dollar threshold to supplement the information contained in the Company's own internal loss data. The combined internal and external data are used as inputs to a statistical model based on the Loss Distribution Approach. The addition of external data enhances loss distribution estimates, but may also indicate potential losses to which the Company is exposed but has not yet experienced. The procedure to include external data includes both quantitative and qualitative methodologies to determine which external data are relevant to the Company. The Company scales the external data to adjust the external risk profile to be more in line with the internal risk profile. The Company does not include external data for losses below the high dollar threshold as it has sufficient data to model these smaller losses.

Loss Distribution Approach ("LDA") The Company partitions the high-severity loss data into a number of units of measure which are data clusters based on event categories under operational risk (such as external/internal fraud, damage to physical assets, employment practices and workplace safety) and business lines. The loss distributions for each high-severity unit of measure are modeled separately using the collective risk model version of the LDA. For each high-severity unit of measure, a loss event frequency distribution and a loss event severity distribution are estimated and the two estimated distributions are combined to form the annual loss distribution estimate. For low-severity events the loss distribution is directly modeled, unlike the LDA model.

Aggregation and Allocation The 99.9th percentiles of each loss distribution are summed to provide an estimate of operational risk capital. At present the Company does not incorporate any benefit for diversification. Also, the Company does not incorporate the effects of insurance or other risk mitigants. Scenarios and BEICFs are used to judgmentally assess adequacy of the LDA based capital estimates. Capital demand may be increased based on these assessments; however, capital is not adjusted downward.

Operational risk capital requirements were $4.8 billion (related risk-weighted assets of $60.2 billion) at December 31, 2018, an increase compared to a capital requirement of $4.3 billion (related risk-weighted assets of $53.9 billion) at December 31, 2017.

CREDIT RISK: GENERAL DISCLOSURES

The Company's strategy for credit risk management includes well-defined, centralized credit policies, uniform underwriting criteria, and ongoing risk monitoring and review processes for all commercial and consumer credit exposures. The strategy also emphasizes diversification on an industry, geographic and customer level, regular credit examinations and management reviews of loans exhibiting deterioration of credit quality. The Company's credit risk management strategy, including its rating system, is subject to an independent review function to ensure the control mechanisms are operating as intended. For further detail on the Company's general credit risk management, see the "Credit Risk Management" section of "Management's Discussion and Analysis" in the Annual Report.

Disclosures included in this Credit Risk: General Disclosures are presented under the interpretation that the Rule's definition of "major types of credit exposures" corresponds to the definition in the Company's Annual Report. The tables report balance sheet classifications consistent with the Annual Report. Loans and commitments covered by loss sharing agreements with the FDIC are noted as "Covered commitments," "Covered loans" or "Covered" on the tables that follow. Credit risk associated with loans, debt securities, commitments to extend credit and letters of credit are presented in this section. Credit risk associated with other off-balance sheet commitments and OTC derivatives are presented in other tables which is consistent with the Company's disclosures in the Annual Report. See the Company's Pillar 3 Disclosures Matrix for the location of other off-balance sheet credit risk disclosures.

The Company categorizes its loan portfolio into three segments, which is the level at which it develops and documents a systematic methodology to determine the allowance for credit losses. The Company's three loan portfolio segments are commercial lending, consumer lending and covered loans. Except with respect to covered loans, the Company further disaggregates its loans into various classes based on their underlying risk characteristics. The two classes within the commercial lending segment are commercial and commercial real estate loans. The three classes within the consumer lending segment are residential mortgages, credit card loans and other retail loans. Trends in delinquency and nonperforming ratios are an indicator, among other considerations, of credit risk within the Company's loan portfolios.

Table 11 provides industry distribution by major types of credit exposure. The credit exposure includes loans, contractual commitments to extend credit and letters of credit. This differs from the industry distribution by major types of credit exposure disclosed in the Company's Annual Report, which includes only loans.

Table 11 Credit Exposure by Industry (a)

	December 31, 2018		December 31, 2017	
(Dollars in Millions, Unaudited)	Total Commitments	Percent of Total	Total Commitments	Percent of Total
Commercial				
Manufacturing	$44,090	16.7 %	$42,660	16.8 %
Finance and insurance	31,737	12.1	28,195	11.1
Real estate, rental and leasing	24,381	9.3	24,095	9.5
Retail trade	19,765	7.5	21,315	8.4
Wholesale trade	18,681	7.1	16,581	6.5
Public administration	12,026	4.6	12,518	4.9
Health care and social assistance	11,223	4.3	11,734	4.6
Utilities	11,364	4.3	10,333	4.1
Information	8,859	3.4	8,695	3.4
Professional, scientific and technical services	8,437	3.2	8,255	3.2
Transport and storage	9,384	3.6	8,387	3.3
Mining	6,015	2.3	6,137	2.4
Educational services	6,361	2.4	6,564	2.6
Arts, entertainment and recreation	7,565	2.9	6,593	2.6
Other services	2,899	1.1	2,861	1.1
Agriculture, forestry, fishing and hunting	2,230	.8	2,427	1.0
Other	38,299	14.4	36,898	14.5
Total commercial	263,316	100.0	254,248	100.0
Commercial real estate				
Business owner occupied	10,407	20.9	10,716	21.2
Commercial property				
Industrial	2,341	4.7	2,033	4.0
Office	6,559	13.2	6,101	12.1
Retail	4,466	9.0	4,762	9.4
Other commercial	4,419	8.9	4,780	9.4
Homebuilders	5,312	10.6	4,932	9.8
Multi-family	11,942	23.9	12,675	25.0
Hotel/motel	4,086	8.2	4,312	8.5
Health care facilities	303	.6	297	.6
Total commercial real estate	49,835	100.0	50,608	100.0
Residential mortgages	65,248	100.0	60,002	100.0
Credit card	134,070	100.0	128,465	100.0
Other retail				
Retail leasing	8,546	9.1	7,988	8.4
Home equity and second mortgages	39,345	41.8	39,183	41.4
Other retail	46,296	49.1	47,460	50.2
Total other retail	94,187	100.0	94,631	100.0
Total commitments, excluding covered	606,656	100.0	587,954	99.5
Covered commitments (b)	-	-	3,247	.5
Total commitments	$606,656	100.0 %	$591,201	100.0 %

(a) Net of participations sold.

(b) During Q4 2018, the majority of the Company's covered loans were sold or the loss share coverage expired. As of December 31, 2018, any remaining covered loan balances are included in the portfolio type they would have otherwise been included in had the loss share coverage not been in place.

Table 12 provides the geographic distribution of major types of credit exposure. The credit exposure includes loans, contractual commitments to extend credit and letters of credit. This differs from the geographic distribution by major types of credit exposure disclosed in the Company's Annual Report, which includes only loans.

Table 12 Credit Exposure by Geography (a)

	December 31, 2018		December 31, 2017	
(Dollars in Millions, Unaudited)	Total Commitments	Percent of Total	Total Commitments	Percent of Total
Commercial				
California	$32,614	12.4 %	$31,609	12.4 %
Colorado	8,825	3.3	8,647	3.4
Illinois	13,442	5.1	13,167	5.2
Minnesota	17,340	6.6	17,524	6.9
Missouri	8,890	3.4	9,119	3.6
Ohio	11,353	4.3	10,459	4.1
Oregon	5,426	2.1	5,277	2.1
Washington	9,386	3.5	9,779	3.8
Wisconsin	9,306	3.5	9,036	3.6
Iowa, Kansas, Nebraska, North Dakota, South Dakota	12,369	4.7	12,305	4.8
Arkansas, Indiana, Kentucky, Tennessee	13,402	5.1	12,907	5.1
Idaho, Montana, Wyoming	3,125	1.2	3,009	1.2
Arizona, Nevada, New Mexico, Utah	9,114	3.5	8,561	3.4
Total banking region	154,592	58.7	151,399	59.6
Outside the Company's banking region				
Florida, Michigan, New York, Pennsylvania, Texas	52,282	19.9	49,388	19.4
All other states	56,442	21.4	53,461	21.0
Total outside the Company's banking region	108,724	41.3	102,849	40.4
Total commercial	263,316	100.0	254,248	100.0
Commercial real estate				
California	12,462	25.0	12,482	24.7
Colorado	2,526	5.1	2,563	5.1
Illinois	1,736	3.5	1,770	3.5
Minnesota	2,323	4.7	2,416	4.8
Missouri	1,342	2.7	1,550	3.1
Ohio	1,410	2.8	1,614	3.2
Oregon	2,099	4.2	2,084	4.1
Washington	3,932	7.9	4,272	8.3
Wisconsin	2,071	4.2	2,149	4.2
Iowa, Kansas, Nebraska, North Dakota, South Dakota	2,314	4.6	2,439	4.8
Arkansas, Indiana, Kentucky, Tennessee	2,752	5.5	2,406	4.8
Idaho, Montana, Wyoming	1,131	2.3	1,261	2.5
Arizona, Nevada, New Mexico, Utah	4,101	8.2	3,871	7.6
Total banking region	40,199	80.7	40,877	80.7
Outside the Company's banking region				
Florida, Michigan, New York, Pennsylvania, Texas	5,229	10.5	5,247	10.4
All other states	4,407	8.8	4,484	8.9
Total outside the Company's banking region	9,636	19.3	9,731	19.3
Total commercial real estate	$49,835	100.0 %	$50,608	100.0 %

(a) Net of participations sold.

Table 12 Credit Exposure by Geography Continued (a)

(Dollars in Millions, Unaudited)	December 31, 2018 Total Commitments	December 31, 2018 Percent of Total		December 31, 2017 Total Commitments	December 31, 2017 Percent of Total	
Residential mortgages						
California	$20,177	30.9	%	$16,915	28.2	%
Colorado	3,587	5.5		3,380	5.6	
Illinois	3,301	5.1		3,109	5.2	
Minnesota	4,322	6.6		4,247	7.1	
Missouri	1,710	2.6		1,748	2.9	
Ohio	2,062	3.2		2,145	3.6	
Oregon	2,427	3.7		2,413	4.0	
Washington	3,702	5.7		3,406	5.7	
Wisconsin	1,527	2.3		1,526	2.5	
Iowa, Kansas, Nebraska, North Dakota, South Dakota	2,055	3.2		2,086	3.5	
Arkansas, Indiana, Kentucky, Tennessee	3,170	4.9		3,166	5.3	
Idaho, Montana, Wyoming	1,326	2.0		1,294	2.1	
Arizona, Nevada, New Mexico, Utah	4,851	7.4		4,490	7.5	
Total banking region	54,217	83.1		49,925	83.2	
Outside the Company's banking region						
Florida, Michigan, New York, Pennsylvania, Texas	4,744	7.3		4,448	7.4	
All other states	6,287	9.6		5,629	9.4	
Total outside the Company's banking region	11,031	16.9		10,077	16.8	
Total residential mortgages	65,248	100.0		60,002	100.0	
Credit card						
California	14,569	10.9		14,082	11.0	
Colorado	5,012	3.7		4,797	3.7	
Illinois	6,797	5.1		6,455	5.0	
Minnesota	7,407	5.5		7,238	5.6	
Missouri	3,979	3.0		3,820	3.0	
Ohio	6,517	4.8		6,291	4.9	
Oregon	4,113	3.1		4,027	3.2	
Washington	5,203	3.9		5,060	3.9	
Wisconsin	7,039	5.2		6,767	5.3	
Iowa, Kansas, Nebraska, North Dakota, South Dakota	6,543	4.9		6,302	4.9	
Arkansas, Indiana, Kentucky, Tennessee	9,125	6.8		8,782	6.8	
Idaho, Montana, Wyoming	2,285	1.7		2,230	1.7	
Arizona, Nevada, New Mexico, Utah	6,292	4.7		5,899	4.6	
Total banking region	84,881	63.3		81,750	63.6	
Outside the Company's banking region						
Florida, Michigan, New York, Pennsylvania, Texas	25,684	19.2		24,543	19.1	
All other states	23,505	17.5		22,172	17.3	
Total outside the Company's banking region	49,189	36.7		46,715	36.4	
Total credit card	134,070	100.0		128,465	100.0	
Retail loans						
California	17,611	18.7		16,430	17.4	
Colorado	5,125	5.4		5,205	5.5	
Illinois	5,125	5.4		5,429	5.7	
Minnesota	8,513	9.0		8,950	9.5	
Missouri	3,726	4.0		3,962	4.2	
Ohio	4,315	4.6		4,465	4.7	
Oregon	3,887	4.1		3,888	4.1	
Washington	4,513	4.8		4,319	4.6	
Wisconsin	2,753	2.9		2,931	3.1	
Iowa, Kansas, Nebraska, North Dakota, South Dakota	4,336	4.6		4,586	4.8	
Arkansas, Indiana, Kentucky, Tennessee	4,510	4.8		4,572	4.8	
Idaho, Montana, Wyoming	2,208	2.4		2,210	2.3	
Arizona, Nevada, New Mexico, Utah	4,695	5.0		4,594	4.9	
Total banking region	71,317	75.7		71,541	75.6	
Outside the Company's banking region						
Florida, Michigan, New York, Pennsylvania, Texas	12,572	13.4		12,434	13.1	
All other states	10,298	10.9		10,656	11.3	
Total outside the Company's banking region	22,870	24.3		23,090	24.4	
Total retail loans	94,187	100.0		94,631	100.0	
Total commitments (excluding covered)	606,656	100.0		587,954	99.5	
Covered commitments (b)	-	-		3,247	.5	
Total commitments	$606,656	100.0	%	$591,201	100.0	%

(a) Net of participations sold.

(b) During Q4 2018, the majority of the Company's covered loans were sold or the loss share coverage expired. As of December 31, 2018, any remaining covered loan balances are included in the portfolio type and geography location they would have otherwise been included in had the loss share coverage not been in place.

The Company's investment securities portfolio includes U.S. Treasury and agencies, agency mortgage-backed securities, and obligations of state and political subdivisions (municipal securities). The most important feature management relies on when assessing credit risk for U.S. Treasury and agencies and agency mortgage-backed securities is the guarantee of the federal government or its agencies. Geography is one of the factors the Company considers in managing its investment in municipal securities. Table 13 shows that the Company's municipal securities are distributed throughout the major regions of the United States.

Table 13 Municipal Securities by Geography

(Dollars in Millions, Unaudited)	December 31, 2018 Amount	December 31, 2018 Percent of Total	December 31, 2017 Amount	December 31, 2017 Percent of Total
Municipal securities				
Southeast	$1,818	27.1 %	$1,585	24.9 %
West	1,684	25.1	1,649	25.9
Northeast	1,557	23.2	1,508	23.7
Southwest	931	13.9	977	15.4
Midwest	717	10.7	645	10.1
Multi-state	-	-	-	-
Total municipal securities	$6,707	100.0 %	$6,364	100.0 %

Table 14 provides a maturity distribution by loan category for loans, contractual commitments to extend credit and letters of credit. The contractual amounts of commitments to extend credit and letters of credit represent the Company's maximum exposure to credit loss, in the event of default by the borrower if the borrower were to fully draw against the commitment. The Company manages this credit risk by using the same credit policies it applies to loans. Management assesses the borrower's credit worthiness to determine the necessary collateral, which may include marketable securities, receivables, inventory, equipment and real estate. Refer to the Annual Report for further details.

Table 14 Credit Risk and Maturity by Exposure Type

Loan maturity distribution by loan category:

	December 31, 2018				December 31, 2017			
(Dollars in Millions, Unaudited)	One Year or Less	Over One Through Five Years	Over Five Years	Total	One Year or Less	Over One Through Five Years	Over Five Years	Total
Commercial	$38,934	$59,128	$4,382	$102,444	$34,858	$57,132	$5,571	$97,561
Commercial real estate	11,298	21,552	6,689	39,539	11,402	22,117	6,944	40,463
Residential mortgages	2,703	9,643	52,688	65,034	2,578	8,670	48,535	59,783
Retail credit card	23,363	-	-	23,363	22,180	-	-	22,180
Other Retail	11,364	31,016	14,050	56,430	10,529	32,285	14,510	57,324
Covered	-	-	-	-	373	470	2,278	3,121
Total loans	$87,662	$121,339	$77,809	$286,810	$81,920	$120,674	$77,838	$280,432

The ending and average contract (notional) amounts of unfunded commitments to extend credit and letters of credit, excluding those commitments considered derivatives, are shown below. Since the Company expects many of the commitments to expire without being drawn, total commitment amounts do not necessarily represent the Company's future liquidity requirements.

Unfunded Commitment maturity distribution by loan category:

(Dollars in Millions, Unaudited)	December 31, 2018				December 31, 2017			
	Ending Balance				Ending Balance			
	One Year or Less	Greater Than One Year	Total	Average Balance	One Year or Less	Greater Than One Year	Total	Average Balance
Unfunded commitments to extend credit (a)								
Commercial and commercial real estate	$30,516	$101,975	$132,491	$132,772	$28,903	$100,648	$129,551	$128,310
Corporate and purchasing cards (b)	26,931	-	26,931	26,487	26,002	-	26,002	25,465
Residential mortgages	211	3	214	258	216	3	219	268
Retail credit card (b)	110,707	-	110,707	110,870	106,285	-	106,285	106,473
Other retail	13,634	24,123	37,757	37,700	13,707	23,600	37,307	37,384
Covered	-	-	-	-	-	126	126	138
Total unused loan commitments	181,999	126,101	308,100	308,087	175,113	124,377	299,490	298,038
Other non-loan related unused commitments	6,229	-	6,229	6,304	5,672	-	5,672	5,731
Total commitments to extend credit	$188,228	$126,101	$314,329	$314,391	$180,785	$124,377	$305,162	$303,769
Letters of credit (a)								
Standby	$5,501	$5,805	$11,306	$11,066	$4,891	$5,966	$10,857	$10,860
Commercial	412	28	440	429	398	24	422	404

(a) Net of participations sold.

(b) Primarily cancelable at the Company's discretion.

Table 15 provides industry detail of the past due and nonperforming loans for each class within the commercial lending segment and further loan type breakout within the other retail class. As economic conditions continue to slowly improve, the Company has seen improvement in past due and nonperforming loans across most loan classes. Refer to the Annual Report for further details.

Table 15 Past Due and Nonperforming Loans by Industry

Industry Group (Dollars in Millions, Unaudited)	December 31, 2018									
	Accruing Loans				Nonaccrual Loans					
	30-89 Days Past Due		90 or More Days Past Due		Less than 90 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
Commercial										
Manufacturing	$39	.26 %	$2	.01 %	$43	.29 %	$15	.10 %	$58	.39 %
Finance and insurance	13	.13	-	-	4	.04	1	.01	5	.05
Real estate, rental and leasing	6	.05	-	-	2	.02	-	-	2	.02
Retail trade	5	.06	1	.01	5	.06	1	.01	6	.07
Wholesale trade	17	.20	-	-	10	.12	1	.01	11	.13
Public administration	70	1.47	5	.10	1	.02	-	-	1	.02
Health care and social assistance	24	.42	-	-	8	.14	3	.05	11	.19
Utilities	1	.04	-	-	-	-	-	-	-	-
Information	8	.22	-	-	6	.17	1	.03	7	.20
Professional, scientific and technical services	14	.42	1	.03	3	.09	2	.06	5	.15
Transport and storage	6	.17	-	-	13	.36	1	.03	14	.39
Mining	-	-	-	-	64	3.91	-	-	64	3.91
Educational services	9	.29	-	-	2	.06	-	-	2	.06
Arts, entertainment and recreation	2	.05	-	-	1	.02	-	-	1	.02
Other services	6	.35	-	-	3	.18	2	.12	5	.30
Agriculture, forestry, fishing and hunting	6	.49	-	-	2	.16	3	.24	5	.40
Other	96	.76	60	.47	9	.07	3	.02	12	.09
Total commercial	**322**	**.31**	**69**	**.07**	**176**	**.17**	**33**	**.03**	**209**	**.20**
Commercial real estate										
Business owner occupied	24	.25	-	-	42	.43	7	.07	49	.50
Commercial property										
Industrial	1	.06	-	-	1	.06	-	-	1	.06
Office	4	.07	-	-	2	.04	-	-	2	.04
Retail	22	.53	-	-	6	.14	-	-	6	.14
Other	5	.15	-	-	2	.06	2	.06	4	.12
Homebuilders	-	-	-	-	-	-	-	-	-	-
Multi-family	4	.05	-	-	45	.52	5	.06	50	.58
Hotel/motel	10	.28	-	-	1	.03	-	-	1	.03
Healthcare	-	-	-	-	2	.67	-	-	2	.67
Total commercial real estate	**70**	**.18**	**0**	**-**	**101**	**.25**	**14**	**.04**	**115**	**.29**
Residential mortgages	**181**	**.27**	**114**	**.18**	**106**	**.17**	**190**	**.29**	**296**	**.46**
Credit card	**324**	**1.39**	**293**	**1.25**	**-**	**-**	**-**	**-**	**-**	**-**
Other retail										
Retail leasing	37	.43	3	.04	12	.14	-	-	12	.14
Home equity and second mortgages	90	.56	57	.35	51	.32	94	.58	145	.90
Other retail	276	.87	48	.15	37	.12	3	.01	40	.13
Total other retail	**403**	**.71**	**108**	**.19**	**100**	**.18**	**97**	**.17**	**197**	**.35**
Total, excluding covered	**1,300**	**.45 %**	**584**	**.20 %**	**483**	**.16 %**	**334**	**.12 %**	**817**	**.28 %**
Covered (a)	-	-	-	-	-	-	-	-	-	-
Total	**$1,300**	**.45 %**	**$584**	**.20 %**	**$483**	**.16 %**	**$334**	**.12 %**	**$817**	**.28 %**

(a) During Q4 2018, the majority of the Company's covered loans were sold or the loss share coverage expired. As of December 31, 2018, any remaining covered loan balances are included in the portfolio type they would have otherwise been included in had the loss share coverage not been in place.

Impaired loans include all nonaccrual and troubled debt restructured (“TDR”) loans. The past due and nonperforming loan tables include $385 million of TDRs that are not performing in accordance with the modified terms in nonperforming loans. In addition, performing TDRs that are past due are reported according to contractual delinquency. Performing TDRs of $87 million are included in 90 days past due, and performing TDRs of $105 million are included in 30-89 days past due. The past due and nonperforming loan tables above exclude approximately $2.0 billion of TDRs that are considered current with the modified terms. See the Company's Annual Report for more information on TDRs and nonperforming loans.

Table 15 Past Due and Nonperforming Loans by Industry Continued

	December 31, 2017									
	Accruing Loans				Nonaccrual Loans					
	30-89 Days Past Due		90 or More Days Past Due		Less than 90 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
Industry Group (Dollars in Millions, Unaudited)	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
Commercial										
Manufacturing	$48	.33 %	$1	.01 %	$31	.21 %	$14	.10 %	$45	.31 %
Finance and insurance	6	.07	-	-	1	.01	-	-	1	.01
Wholesale trade	6	.08	-	-	23	.32	1	.01	24	.33
Retail trade	8	.09	1	.01	8	.09	1	.01	9	.10
Real estate, rental and leasing	6	.05	-	-	1	.01	1	.01	2	.02
Public administration	35	.68	1	.02	1	.02	-	-	1	.02
Health care and social assistance	19	.29	-	-	7	.11	2	.03	9	.14
Utilities	1	.05	-	-	-	-	-	-	-	-
Mining	1	.06	-	-	70	4.40	7	.44	77	4.84
Information	4	.12	-	-	-	-	1	.03	1	.03
Professional, scientific and technical services	15	.43	1	.03	24	.68	1	.03	25	.71
Transport and storage	5	.16	-	-	3	.10	2	.06	5	.16
Educational services	10	.29	-	-	2	.06	1	.03	3	.09
Arts, entertainment and recreation	2	.05	-	-	1	.03	-	-	1	.03
Other services	6	.35	-	-	2	.12	1	.06	3	.18
Agriculture, forestry, fishing and hunting	3	.21	-	-	34	2.38	1	.07	35	2.45
Other	75	.77	53	.54	5	.05	3	.03	8	.08
Total commercial	**250**	**.26**	**57**	**.06**	**213**	**.22**	**36**	**.04**	**249**	**.26**
Commercial real estate										
Business owner occupied	20	.20	1	.01	41	.40	7	.07	48	.47
Commercial property										
Industrial	1	.06	-	-	1	.06	-	-	1	.06
Office	3	.06	-	-	8	.16	2	.04	10	.20
Retail	5	.11	-	-	6	.14	29	.64	35	.78
Other	3	.08	3	.08	4	.10	30	.80	34	.90
Homebuilders	1	.04	-	-	1	.04	-	-	1	.04
Multi-family	3	.03	2	.02	7	.08	3	.03	10	.11
Hotel/motel	-	-	-	-	1	.03	-	-	1	.03
Healthcare	-	-	-	-	2	.75	-	-	2	.75
Total commercial real estate	**36**	**.09**	**6**	**.01**	**71**	**.17**	**71**	**.18**	**142**	**.35**
Residential mortgages	**198**	**.33**	**130**	**.22**	**206**	**.35**	**236**	**.39**	**442**	**.74**
Credit card	**302**	**1.37**	**284**	**1.28**	**1**	**.00**	**-**	**-**	**1**	**.00**
Other retail										
Retail leasing	33	.41	2	.03	8	.10	-	-	8	.10
Home equity and second mortgages	78	.48	45	.28	54	.33	72	.44	126	.77
Other retail	265	.80	48	.15	31	.09	3	.01	34	.10
Total other retail	**376**	**.66**	**95**	**.17**	**93**	**.16**	**75**	**.13**	**168**	**.29**
Total, excluding covered	**1,162**	**.42 %**	**572**	**.21 %**	**584**	**.21 %**	**418**	**.15 %**	**1,002**	**.36 %**
Covered	50	1.61	148	4.74	3	.10	3	.09	6	.19
Total	**$1,212**	**.43 %**	**$720**	**.26 %**	**$587**	**.21 %**	**$421**	**.15 %**	**$1,008**	**.36 %**

In addition to industry, the Company uses the geography of the borrower's business or property location in the case of real estate secured loans, among other key risk characteristics, to determine estimates about the likelihood of default by the borrowers and the severity of loss in the event of default. Table 16 provides geographic detail on past due and nonperforming loans.

Table 16 Past Due and Nonperforming Loans by Geography

	December 31, 2018									
	Accruing Loans				Nonaccrual Loans					
	30-89 Days Past Due		90 or More Days Past Due		Less Than 90 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
(Dollars in Millions, Unaudited)	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
California	$218	.39 %	$76	.14 %	$45	.09 %	$36	.06 %	$81	.15 %
Colorado	41	.33	21	.17	18	.15 %	9	.07	27	.22
Illinois	89	.62	40	.28	30	.21 %	26	.18	56	.39
Minnesota	50	.27	25	.13	16	.08 %	14	.08	30	.16
Missouri	41	.46	24	.27	24	.28 %	11	.12	35	.40
Ohio	53	.44	30	.25	18	.15 %	18	.15	36	.30
Oregon	25	.29	17	.20	17	.20 %	10	.12	27	.32
Washington	37	.28	17	.13	10	.07 %	13	.10	23	.17
Wisconsin	35	.37	19	.20	15	.16 %	21	.22	36	.38
Iowa, Kansas, Nebraska North Dakota, South Dakota	54	.43	25	.20	29	.23 %	27	.21	56	.44
Arkansas, Indiana, Kentucky, Tennessee	108	.71	45	.29	29	.19 %	24	.16	53	.35
Idaho, Montana, Wyoming	14	.29	9	.19	3	.07 %	5	.10	8	.17
Arizona, Nevada, New Mexico, Utah.	75	.46	41	.25	16	.09 %	19	.12	35	.21
Total banking region	840	.41	389	.19	270	.13	233	.12	$503	.25
Outside the Company's banking region										
Florida, Michigan, New York, Pennsylvania, Texas	241	.57	104	.24	154	.36 %	45	.11	199	.47
All other states	219	.52	91	.22	59	.14 %	56	.13	115	.27
Total, excluding covered	1,300	.45	584	.20	483	.16	334	.12	817	.28
Covered (a)	0	-	0	-	0	- %	0	-	0	-
Total	$1,300	.45 %	$584	.20 %	$483	.16 %	$334	.12 %	$817	.28 %

(a) During Q4 2018, the majority of the Company's covered loans were sold or the loss share coverage expired. As of December 31, 2018, any remaining covered loan balances are included in the portfolio type and geography location they would have otherwise been included in had the loss share coverage not been in place.

	December 31, 2017									
	Accruing Loans				Nonaccrual Loans					
	30-89 Days Past Due		90 or More Days Past Due		Less Than 90 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
(Dollars in Millions, Unaudited)	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
California	$154	.30 %	$76	.15 %	$75	.15 %	$70	.13 %	$145	.28 %
Colorado	34	.28	21	.17	23	.19 %	10	.08	33	.27
Illinois	75	.53	39	.27	52	.37 %	26	.18	78	.55
Minnesota	41	.22	27	.15	23	.12 %	15	.08	38	.20
Missouri	44	.46	22	.23	19	.20 %	14	.15	33	.35
Ohio	58	.49	29	.24	23	.19 %	20	.17	43	.36
Oregon	27	.32	16	.19	11	.13 %	17	.20	28	.33
Washington	33	.25	17	.13	18	.14 %	19	.14	37	.28
Wisconsin	36	.37	17	.18	23	.24 %	20	.21	43	.45
Iowa, Kansas, Nebraska North Dakota, South Dakota	41	.32	25	.20	21	.17 %	13	.10	34	.27
Arkansas, Indiana, Kentucky, Tennessee	76	.51	40	.27	36	.24 %	26	.17	62	.41
Idaho, Montana, Wyoming	20	.39	10	.20	39	.76 %	5	.10	44	.86
Arizona, Nevada, New Mexico, Utah.	66	.43	43	.28	32	.20 %	23	.15	55	.35
Total banking region	705	.36	382	.19	395	.20	278	.14	$673	.34
Outside the Company's banking region										
Florida, Michigan, New York, Pennsylvania, Texas	261	.65	109	.27	129	.32 %	84	.21	213	.53
All other states	196	.50	81	.21	60	.16 %	56	.14	116	.30
Total, excluding covered	1,162	.42	572	.21	584	.21	418	.15	1,002	.36
Covered	50	1.61	148	4.74	3	.09 %	3	.10	6	.19
Total	$1,212	.43 %	$720	.26 %	$587	.21 %	$421	.15 %	$1,008	.36 %

Table 17 shows the amount of the allowance for credit losses by loan portfolio class. Although the Company determines the amount of each element of the allowance separately and considers this process to be an important credit management tool, the entire allowance for credit losses is available for the entire loan portfolio. The actual amount of losses incurred can vary significantly from the estimated amounts.

Several factors are considered when evaluating the Company's allowance for credit losses, including the risk profile of the Company's loan portfolios, loan net charge-offs during the period, the level of nonperforming assets, the amount of accruing loans 90 or more days past due, delinquency ratios and changes in TDR loan balances. Management also considers the uncertainty related to certain industry sectors and the extent of credit exposure to specific borrowers within the portfolio. In addition, concentration risks associated with commercial real estate and the mix of loans, including credit cards and residential mortgage balances, and their relative credit risks, are evaluated. Finally, the Company considers current economic conditions that might impact the portfolio. Management determines the allowance that is required for specific loan categories based on relative risk characteristics of the loan portfolio. On an ongoing basis, management evaluates its methods for determining the allowance for each element of the portfolio and makes enhancements considered appropriate. Refer to "Management's Discussion and Analysis--Analysis and Determination of the Allowance for Credit Losses" in the Annual Report for further discussion on the evaluation of the allowance for credit losses.

Table 17 Elements of the Allowance for Credit Losses

	December 31, 2018		December 31, 2017	
(Dollars in Millions, Unaudited)	Amount	Percent of Ending Loans	Amount	Percent of Ending Loans
Commercial	$1,454	1.42 %	$1,373	1.41 %
Commercial real estate	800	2.02	830	2.05
Residential mortgages	455	.70	449	.75
Credit card	1,102	4.72	1,056	4.76
Other retail	630	1.12	678	1.18
Covered loans (a)	-	-	31	.99
Total allowance for credit losses	$4,441	1.55 %	$4,417	1.58 %

(a) During Q4 2018, the majority of the Company's covered loans were sold or the loss share coverage expired. As of December 31, 2018, any remaining covered loan balances are included in the portfolio type they would have otherwise been included in had the loss share coverage not been in place.

FORWARD-LOOKING STATEMENTS

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

This Pillar 3 Disclosures document contains forward-looking statements about the Company. 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 the Company.

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 the Company'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 the Company in substantial and unpredictable ways. The Company'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 Unites 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 the Company's Annual Report 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. However, factors other than these also could adversely affect the Company'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 the Company undertakes no obligation to update them in light of new information or future events.

Appendix A

U.S. Bancorp Basel Capital Pillar 3 Disclosures Matrix
As of December 31, 2018

In compliance with the Section-173 Disclosure Requirements by certain advanced approaches institutions: Advanced Capital Adequacy Framework--Basel Final Rule, U.S. Bancorp the ("Company" or "USB") has provided the following summary of the required disclosure locations. All documents referenced are as of December 31, 2018. All documents referenced can be found at usbank.com.

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Scope of Application				
Qualitative: (a)	The name of the top corporate entity in the group to which the Risk-Based Capital Standards apply:	***Basel Pillar 3 Disclosures (Unaudited):*** Overview	1	
(b)	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) that are fully consolidated; (2) that are deconsolidated and deducted from total capital; (3) for which the total capital requirement is deducted; and (4) that are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	Not applicable. The Company does not have differences in the basis of consolidation for accounting and regulatory purposes.	None	None
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	***2018 Annual Report (Audited):*** Note 23--U.S. Bancorp (Parent Company) Consolidated Balance Sheet		2018 Annual Report pg 135-137
Quantitative: (d)	The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the regulatory capital of the consolidated group.	***Basel Pillar 3 Disclosures (Unaudited):*** Regulatory Based Capital Adequacy Ratios	3-4	***FFIEC 101*** USB Schedule A
(e)	The aggregate amount by which actual regulatory capital is less than the minimum regulatory capital requirement in all subsidiaries with regulatory capital requirements and the name(s) of the subsidiaries with such deficiencies.	None.	None	None
Capital Structure				
Qualitative: (a)	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	***2018 Annual Report (Audited):*** MD&A Capital Management Note 13--Long-Term Debt Note 14--Shareholders' Equity Note 15--Earnings per Share		2018 Annual Report pg 58-59 pg 103 pg 104-108 pg 109
Quantitative: (b)	The amount of tier 1 capital, with separate disclosure of: (1) common stock/surplus; (2) retained earnings; (3) Common Equity minority interest (4) AOCI (net of tax) and other reserves (5) Regulatory adjustments and deductions made to common equity tier 1 capital.	***FFIEC 101 (Unaudited):*** USB Schedule A Advanced Risk-Based Capital		***FFIEC 101*** USB Schedule A
(c)	The amount of tier 1 capital, with separate disclosure of: (1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	***FFIEC 101 (Unaudited):*** USB Schedule A Advanced Risk-Based Capital ***2018 Annual Report (Audited):*** Consolidated Balance Sheet		***FFIEC 101*** USB Schedule A ***2018 Annual Report*** pg 75
(d)	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	***FFIEC 101 (Unaudited):*** USB Schedule A Advanced Risk-Based Capital		***FFIEC 101*** USB Schedule A
Capital Adequacy				
Qualitative: (a)	A summary discussion of the bank holding company's approach to assessing the adequacy of its capital to support current and future activities.	***2018 Annual Report (Audited):*** MD&A Capital Management MD&A Non-GAAP Financial Measures Note 14--Shareholders' Equity ***Basel Pillar 3 Disclosures (Unaudited):*** Internal Capital Adequacy Assessment Process ("ICAAP")	2-3	2018 Annual Report pg 58-59 pg 66-67 pg 104-108
Quantitative: (b)	Risk-weighted assets for credit risk from: (1) Wholesale exposures; (2) Residential mortgage exposures; (3) Qualifying revolving exposures; (4) Other retail exposures; (5) Securitization exposures; (6) Equity exposures: (7) Equity exposures subject to the simple risk weight approach; and (8) Equity exposures subject to the internal models approach.	***FFIEC 101 (Unaudited):*** USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes.		***FFIEC 101*** USB Schedule B
(c)	Standardized market risk-weighted assets and advanced market risk-weighted assets as calculated under subpart F of this part: (1) Standardized approach for specific risk; and (2) Internal models approach for specific risk.	***FFIEC 101 (Unaudited):*** USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes		***FFIEC 101*** USB Schedule B
(d)	Risk-weighted assets for operational risk.	***FFIEC 101 (Unaudited):*** USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes		***FFIEC 101*** USB Schedule B
(e)	Common Equity tier 1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each Depository Institution subsidiary.	***FFIEC 101 (Unaudited):*** Schedule A Advanced Risk-Based Capital and Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes for the following legal entities: U.S. Bancorp U.S. Bank National Association (Cincinnati, OH) Basel Pillar 3 Disclosures (Unaudited): ***Basel Pillar 3 Disclosures (Unaudited):*** Table 1-- Regulatory Capital Ratios	3	***FFIEC 101*** USB Schedule A & B USBNA Schedule A & B
(f)	Total Risk Weighted Assets	***FFIEC 101 (Unaudited):*** USB Schedule B Summary Risk-Weighted Asset Information for Banks Approved to Use Advanced Internal Ratings-Based and Advanced Measurement Approaches for Regulatory Capital Purposes ***Basel Pillar 3 Disclosures (Unaudited):*** Table 4 Risk Weighted Assets	6	***FFIEC 101*** USB Schedule A & B

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Capital Conservation and Countercyclical Capital Buffers				
Qualitative: (a)	The bank holding company must publicly disclose the geographic breakdown of its private sector credit exposures used in the calculation of the countercyclical capital buffer.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 12--Credit Exposure by Geography	18-19	
Quantitative: (b)	At least quarterly, the bank holding company must calculate and publicly disclose the capital conservation buffer and the countercyclical capital buffer as described under §.11 of subpart B.	***Basel Pillar 3 Disclosures (Unaudited):*** Capital Conservation Buffer	4	***FFIEC 101*** USB Schedule A
(c)	At least quarterly, the bank holding company must calculate and publicly disclose the buffer retained income of the bank holding company.	***Basel Pillar 3 Disclosures (Unaudited):*** Capital Conservation Buffer	4	
(d)	At least quarterly, the bank holding company must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer and the countercyclical capital buffer framework described under §.11 of subpart B, including the maximum payout amount for the quarter.	***Basel Pillar 3 Disclosures (Unaudited):*** Capital Conservation Buffer	4	
General Qualitative Disclosure Requirement				
	For each separate risk area described in tables 5 through 12, the bank holding company must describe its risk management objectives and policies, including: (1) Strategies and processes; (2) The structure and organization of the relevant risk management function; (3) The scope and nature of risk reporting and/or measurement systems; (4) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.	***2018 Annual Report (Audited):*** • MD&A--Balance Sheet Analysis • MD&A--Corporate Risk Profile • Note 1--Significant Accounting Policies • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 7--Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities • Note 19--Derivative Instruments • Note 21--Fair Values of Assets and Liabilities • Note 22--Guarantees and Contingent Liabilities ***usbank.com Website*** • Corporate Governance		2018 Annual Report pg 29-38 pg 38-59 pg 80-87 pg 89-90 pg 91-97 pg 98-99 pg 118-122 pg 125-131 pg 131-135 http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-govboard
Credit Risk - General Disclosures				
Qualitative: (a)	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 7) including: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes). (5) Description of the methodology that the entity uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the bank's credit risk management policy	***2018 Annual Report (Audited):*** • MD&A--Balance Sheet Analysis • MD&A--Corporate Risk Profile • Note 1--Significant Accounting Policies • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 22--Guarantees and Contingent Liabilities ***Credit Risk: General Disclosures***	16-25	2018 Annual Report pg 29-38 pg 38-59 pg 80-87 pg 89-90 pg 91-97 pg 131-135
Quantitative: (b)	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, bank holding companys could use categories similar to that used for financial statement purposes. Such categories might include, for instance: (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and (3) OTC derivatives.	***2018 Annual Report (Audited):*** • Note 5--Loans and Allowance for Credit Losses • Consolidated Daily Average Balance Sheet and Related Yields and Rates FR Y-9C (Unaudited): • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items ***Basel Pillar 3 Disclosures (Unaudited):*** Table 8--General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans Table 14--Credit Risk and Maturity by Exposure Type	12 20-21	2018 Annual Report pg 91-97 pg 142-143 FR Y-9C pg 16-18 pg 28-31
(c)	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 12--Credit Exposure by Geography Table 13--Municipal Securities by Geography	18-19 20	
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	***FR Y-9C (Unaudited):*** • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items ***Basel Pillar 3 Disclosures (Unaudited):*** Table 11--Credit Exposure by Industry	17	***FR Y-9C*** pg 16-18a pg 29-32
(e)	By major industry or counterparty type: (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the entity's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and (6) Charge-offs during the period.	***2018 Annual Report (Audited):2018 Annual Report*** • Analysis and Determination of the Allowance for Credit Losses ***Basel Pillar 3 Disclosures (Unaudited):*** Table 15--Past Due and Nonperforming Loan Portfolio By Industry ***Basel Pillar 3 Disclosures (Unaudited):*** Table 15--Past Due and Nonperforming Loan Portfolio By Industry ***Basel Pillar 3 Disclosures (Unaudited):*** Table 17--Elements of the Allowance for Credit Losses ***2018 Annual Report (Audited):*** • Table 18--Summary of Allowance for Credit Losses	21-22 21-22 24	***2018 Annual Report*** pg 48 ***2018 Annual Report*** pg 49
(f)	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 16--Past Due and Nonperforming Loans by Geography Allowance by geography is not practical or meaningful to disclose since management does not use this information to allocate general or specific allowance components.	23	
(g)	Reconciliation of changes in the allowances for loan and lease losses.	***2018 Annual Report (Audited):*** • Table 18--Summary of Allowance for Credit Losses		***2018 Annual Report*** pg 49
(h)	Remaining contractual maturity breakdown (for example, one year or less) of the whole portfolio, broken down by major types of credit exposure.	***FR Y-9C (Unaudited):*** • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items ***Basel Pillar 3 Disclosures (Unaudited):*** Table 14--Credit Risk and Maturity by Exposure Type	20-21	***FR Y-9C*** pg 16-18a pg 29-32

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Credit Risk - Disclosures for Portfolios Subject to IRB Risk-Based Capital Formulas				
Qualitative: (a)	Explanation and review of the: (1) Structure of internal rating systems and if the national bank or Federal savings association considers external ratings, the relation between internal and external ratings; (2) Use of risk parameter estimates other than for regulatory capital purposes; (3) Process for managing and recognizing credit risk mitigation (see table 8); and (4) Control mechanisms for the rating system, including discussion of independence, accountability, and rating systems review.	***Basel Pillar 3 Disclosures (Unaudited):*** Credit Risk: Advanced IRB Portfolios Credit Risk: General Disclosures	6-14 16-25	
(b)	Description of the internal ratings process, provided separately for the following: (1) Wholesale category (2) Retail subcategories; (i) Residential mortgage exposures; (ii) Qualifying revolving exposures; and (iii) Other retail exposures For each category and subcategory the description should include: (A) The types of exposure included in the category/subcategories; and (B) The definitions, methods and data for estimation and validation of PD, LGD, and EAD, including assumptions employed in the derivation of these variables.	***Basel Pillar 3 Disclosures (Unaudited):*** Credit Risk: Advanced IRB Portfolios	6-14	
Quantitative: (c)	(1) For wholesale exposures, present the following information across a sufficient number of PD grades (including default) to allow for a meaningful differentiation of credit risk: (i) Total EAD; (ii) Exposure-weighted average LGD (percentage); (iii) Exposure-weighted average risk weight; and (iv) Amount of undrawn commitments and exposure-weighted average EAD including average drawdowns prior to default for wholesale exposures; (2) For each retail subcategory, present the disclosures outlined above across a sufficient number of segments to allow for a meaningful differentiation of credit risk.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 5--Wholesale and Retail Exposures by Probability of Default Grades	8-9	
(d)	Actual losses in the preceding period for each category and subcategory and how this differs from past experience. A discussion of the factors that impacted the loss experience in the preceding period – for example, has the bank holding company experienced higher than average default rates, loss rates or EADs.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 6--Actual Losses by Basel Category	9	
(e)	Bank holding company's estimates compared against actual outcomes over a longer period. At a minimum, this should include information on estimates of losses against actual losses in the wholesale category and each retail subcategory over a period sufficient to allow for a meaningful assessment of the performance of the internal rating processes for each category/subcategory. Where appropriate, the bank holding company should further decompose this to provide analysis of PD, LGD, and EAD outcomes against estimates provided in the quantitative risk assessment disclosures above.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 7--Risk Parameter Analysis (Building to a 5 Year Average)	10	
General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans				
Qualitative: (a)	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including: (1) Discussion of methodology used to assign economic capital and credit limits for counterparty credit exposures; (2) Discussion of policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) Discussion of the primary types of collateral taken; (4) Discussion of policies with respect to wrong-way risk exposures; and (5) Discussion of the impact of the amount of collateral the bank holding company would have to provide if the bank holding company were to receive a credit rating downgrade.	***2018 Annual Report (Audited):*** • MD&A Use of Derivatives to Manage Interest Rate and Other Risks (Unaudited) • Note 1--Significant Accounting Policies (Audited) • Note 19--Derivative Instruments (Audited) • Note 20--Netting Arrangements for Certina Financial Instruments (Audited) • Note 21--Fair Values of Assets and Liabilities (Audited) ***Basel Pillar 3 Disclosures (Unaudited):*** Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans	11	2018 Annual Report pg 52-53 pg 80-87 pg 118-122 pg 123-125 pg 125-131
Quantitative: (b)	Gross positive fair value of contracts, netting benefits, netted current credit exposure, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure. Also report measures for EAD used for regulatory capital for these transactions, the notional value of credit derivative hedges purchased for counterparty credit risk protection, and, for bank holding companies not using the internal models methodology in section 32(d) of this rule, the distribution of current credit exposure by types of credit exposure.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 8--General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans	12	
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the bank holding company's own credit portfolio and for its intermediation activities, including the distribution of the credit derivative products used, broken down further by protection bought and sold within each product group.	***2018 Annual Report (Audited):*** • Note 19--Derivative Instruments ***FR Y-9C (Unaudited):*** • Schedule HC-L - Derivatives and Off-Balance-Sheet Items		***2018 Annual Report*** pg 118-122 ***FR Y-9C*** pg 28-31
(d)	The estimate of Alpha if the Bank has received approval to estimate Alpha	***N/A***	N/A	
Credit Risk Mitigation				
Qualitative: (a)	The general qualitative disclosure requirement with respect to credit risk mitigation including: (1) policies and processes for, and an indication of the extent to which the bank holding company uses, on-and-off-balance sheet netting; (2) policies and processes for collateral valuation and management; (3) a description of the main types of collateral taken by the bank holding company; (4) the main types of guarantors/credit derivative counterparties and their creditworthiness; and (5) information about (market or credit) risk concentrations within the mitigation taken.	***2018 Annual Report (Audited):*** • MD&A--Corporate Risk Profile • Note 1--Significant Accounting Policies • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 19--Derivative Instruments • Note 20--Netting Arrangements for Certina Financial Instruments • Note 21--Fair Values of Assets and Liabilities ***Basel Pillar 3 Disclosures (Unaudited):*** ***Credit Risk Mitigation***	10	2018 Annual Report pg 38-59 pg 80-87 pg 89-90 pg 91-97 pg 118-122 pg 123-125 pg 125-131
Quantitative: (b)	For each separately disclosed portfolio, the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees/credit derivatives .	***Basel Pillar 3 Disclosures (Unaudited):*** Credit Risk Mitigation	10	

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Securitization				
Qualitative: (a)	The general qualitative disclosure requirement with respect to securitization (including synthetic securitizations), including a discussion of: (1) The bank holding company's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the bank holding company to other entities and including the type of risks assumed and retained with resecuritization activity; (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; (3) The roles played by the bank holding company in the securitization process and an indication of the extent of thebank holding company's involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The bank holding company's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the bank holding company follows for its securitization exposures including the type of securitization exposure to which each approach applies.	***2018 Annual Report (Audited):*** • MD&A Corporate Risk Profile (Off-Balance Sheet Arrangements) ***Basel Pillar 3 Disclosures (Unaudited):*** Securitization	12-13	2018 Annual Report pg 38-59
(b)	A list of: (1) The type of securitization SPEs that the bank holding company, as sponsor, uses to securitize third-party exposures. The bank holding company must indicate whether it has exposure to these SPEs , either on- or off- balance sheet; and (2) Affiliated entities: (i) That the bank holding company manages or advises; and (ii) That invest either in the securitization exposures that the bank holding company has securitized or in securitization SPEs that the bank holding company sponsors.	***Basel Pillar 3 Disclosures (Unaudited):*** Securitization	12-13	
(c)	Summary of the bank holding company's accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions and inputs applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions and inputs from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart E of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the bank holding company to provide financial support for securitized assets.	***Basel Pillar 3 Disclosures (Unaudited):*** Securitization	12-13	
(d)	An explanation of significant changes to any of the quantitative information set forth below since the last reporting period.	***Basel Pillar 3 Disclosures (Unaudited):*** Securitization	12-13	
Quantitative: (e)	The total outstanding exposures securitized by the bank holding company in securitizations that meet the operational criteria in §.141 (categorized into traditional/synthetic), by underlying exposure type separately for securitizations of third-party exposures for which the bank acts only as sponsor.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(f)	For exposures securitized by the bank holding company in securitizations that meet the operational criteria in §.141: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; and (2) Losses recognized by the bank holding company during the current period categorized by exposure type.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(g)	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(h)	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g. SA, SFA, or SSFA). (2) Aggregate amount disclosed separately by type of underlying exposure in the pool of any: (i) After-tax gain-on-sale on a securitization that has been deducted from common equity tier 1 capital: And (ii) Credit-enhancing interest-only strip that is assigned a 1,250 percent risk weight.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(j)	Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by asset type.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
(k)	Aggregate amount of resecuritization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 9-- Securitization	13	
Operational Risk				
Qualitative: (a)	The general qualitative disclosure requirement for operational risk.	***2018 Annual Report (Audited):*** MD&A--Operational Risk Management		2018 Annual Report pg 51
(b)	Description of the AMA, including a discussion of relevant internal and external factors considered in the bank holding company's measurement approach.	***Basel Pillar 3 Disclosures (Unaudited):*** Operational Risk	15	
(c)	A description of the use of insurance for the purpose of mitigating operational risk.	***Basel Pillar 3 Disclosures (Unaudited):*** Operational Risk	15	

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Equities Not Subject to Market Risk Rule				
Qualitative: (a)	The general qualitative disclosure requirement with respect to equity risk, including: (1) differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) discussion of important policies covering the valuation of and accounting for equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	***2018 Annual Report (Audited):*** Note 1--Significant Accounting Policies Note 7--Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities ***Basel Pillar 3 Disclosures (Unaudited):*** Equity Securities Not Subject to Market Risk Rule	13-14	2018 Annual Report pg 80-87 pg 98-99
Quantitative: (b)	Carrying value disclosed in the balance sheet of investments, as well as the fair value of those investments	***Basel Pillar 3 Disclosures (Unaudited):*** Table 10--Equity Securities Not Subject to Market Risk Rule	13-14	
(c)	The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non-publicly traded.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 10--Equity Securities Not Subject to Market Risk Rule	13-14	
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 10--Equity Securities Not Subject to Market Risk Rule	13-14	
(e)	(1) Total unrealized gains (losses) (2) Total latent revaluation gains (losses) (3) Any amounts of the above included in tier 1 and/or tier 2 capital.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 10--Equity Securities Not Subject to Market Risk Rule	13-14	
(f)	Capital requirements broken down by appropriate equity groupings, consistent with the bank holding company's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	***Basel Pillar 3 Disclosures (Unaudited):*** Table 10--Equity Securities Not Subject to Market Risk Rule	13-14	
Interest Rate Risk for Non-trading Activities				
Qualitative: (a)	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	***2018 Annual Report (Audited):*** • MD&A--Interest Rate Risk Management, Net Interest Income Simulation Analysis, and Market Value of Equity Modeling		*2018 Annual Report* pg 52
Quantitative: (b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, broken down by currency (as appropriate).	***2018 Annual Report (Audited):*** • MD&A--Interest Rate Risk Management, Net Interest Income Simulation Analysis, and Market Value of Equity Modeling		*2018 Annual Report* pg 52
Supplementary Leverage Ratio				
Quantitative	(1) Summarize the differences between total consolidated accounting assets and the calculation of total leverage exposure. (2) Provide components of th total leverage exposure	***Basel Pillar 3 Disclosures (Unaudited):*** Table 3-- Supplementary Leverage Ratio	5	***FFIEC 101*** USB Schedule A USBNA Schedule A