

BancAnalysts Association of Boston Conference 2017

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November 3, 2017

Forward-looking Statements and Additional Information

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

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

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2016, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. However, factors other than these also could adversely affect U.S. Bancorp's results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

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



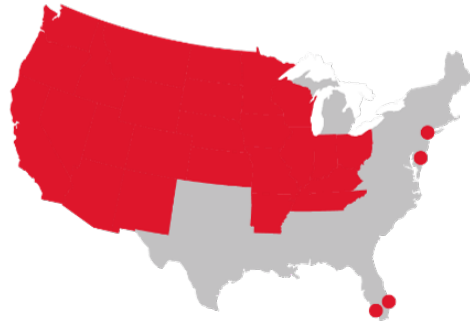
U.S. Bancorp Overview

NYSE Traded USB
Founded 1863
Market Value \$91B

Assets \$459B
Deposits \$343B
Loans \$279B

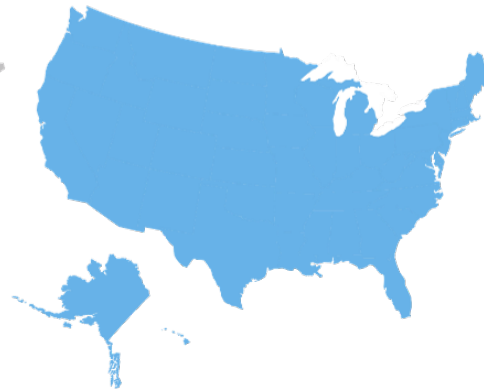
Regional

**Consumer & Business Banking
and Wealth Management**



National

**Wholesale Banking
and Wealth Management
& Securities Services**



International

Payments and Securities Services



Our Position in the Industry

Assets

U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$2,563
2	Bank of America	2,284
3	Wells Fargo	1,935
4	Citigroup	1,889
5	U.S. Bancorp	459
6	PNC	375
7	BB&T	220
8	SunTrust	208
9	Fifth Third	142
10	KeyCorp	137

Deposits

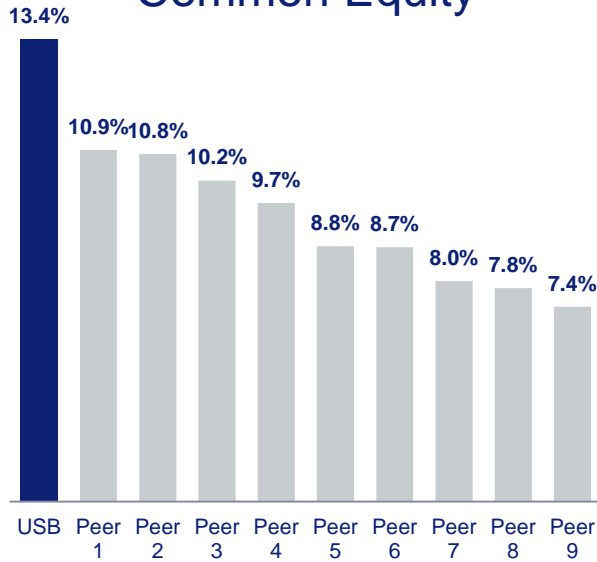
U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$1,439
2	Wells Fargo	1,307
3	Bank of America	1,284
4	Citigroup	964
5	U.S. Bancorp	343
6	PNC	261
7	SunTrust	163
8	BB&T	156
9	KeyCorp	103
10	Fifth Third	101

Market Value

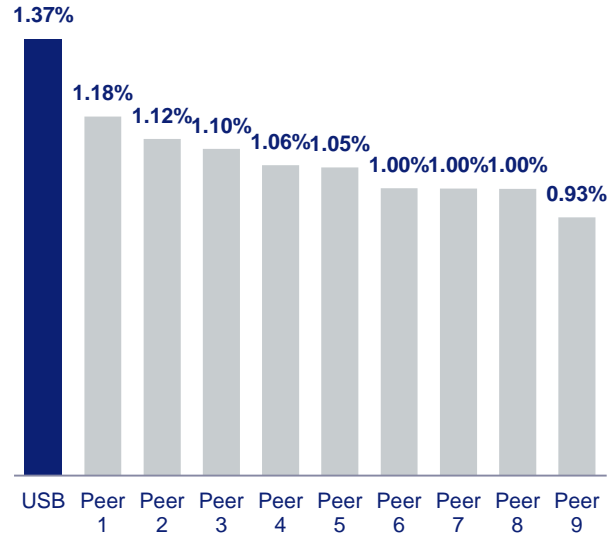
U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$355
2	Bank of America	292
3	Wells Fargo	275
4	Citigroup	202
5	U.S. Bancorp	91
6	PNC	66
7	BB&T	38
8	SunTrust	29
9	Fifth Third	20
10	KeyCorp	20

Our Financial Performance

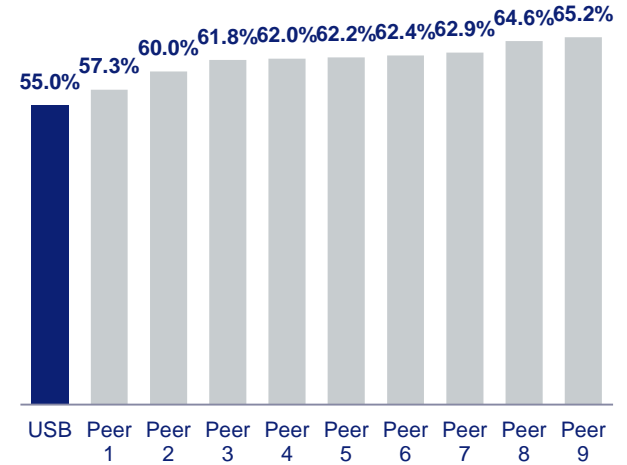
Return on Average Common Equity



Return on Average Assets



Efficiency Ratio*



Our Businesses



CSBB:

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

Wholesale:

Corporate Banking, Commercial Banking and Commercial Real Estate

Payments:

Retail Payment Solutions, Global Merchant Acquiring and Corporate Payment Systems

WMSS:

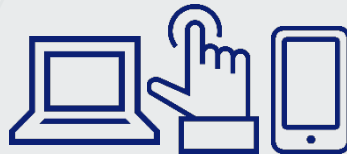
Wealth Management, Asset Management, Corporate Trust, Fund Services and Custody

Our Strategic Priorities

- 1) **One U.S. Bank** initiative: putting the customer in the center
- 2) Leveraging **technology and innovation** to drive growth and efficiency
- 3) A relentless focus on **optimization**

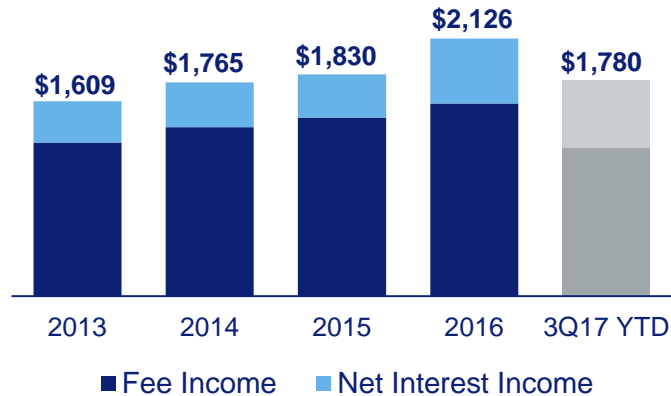


one U.S. Bank

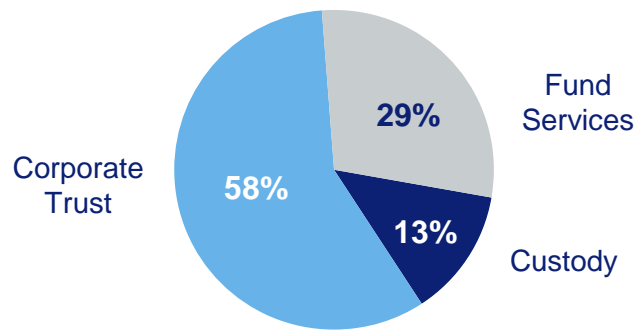


Wealth Management and Securities Services

Total WMSS Revenue



Securities Services Revenue Breakdown by Business



WMSS Financial Highlights

3Q17 YTD	
Net interest income	\$558
Noninterest income	\$1,222
Total revenue	\$1,780
Noninterest expense	\$1,209
Net income	\$363
Fee income ratio	68.7%
Efficiency ratio	67.9%
three months ended 9/30/17	
Average total deposits	\$71,362
Average total loans	\$8,595
AUM as of 8/31/17, AUA as of 6/30/17	
AUM (\$ in billions)	\$149.8
AUA (\$ in billions)	\$5,878.4

Securities Services

Corporate Trust

- Services provided in support of debt issuance
- Business built organically and through 21 acquisitions
- Clients include corporations, municipalities, credit asset managers and structured debt sponsors
- Significant deposit and money fund asset gathering

Fund Services

- Services provided to pooled investment vehicles
- Business built organically and through acquisitions
- Clients include asset managers, hedge fund managers and private equity players
- Opportunities for securities lending, FX and credit

Custody

- Services provided include custody and safeguarding of investment assets
- Clients include corporations, municipalities, asset managers, endowments, insurance companies and foundations
- Sold with Fund Services and Corporate Trust



Securities Services: An Attractive Business

The market

- Robust long-term secular growth trends
- Good economics
- Stable risk and competitive profile

Our position

- High barriers to entry
- Scale efficiencies
- Segment focus
- Leader in service quality and reputation
- Advantage of U.S. Bank ownership

Our strategy

- Delivering One U.S. Bank
- Leveraging technology and innovation
- Operational optimization



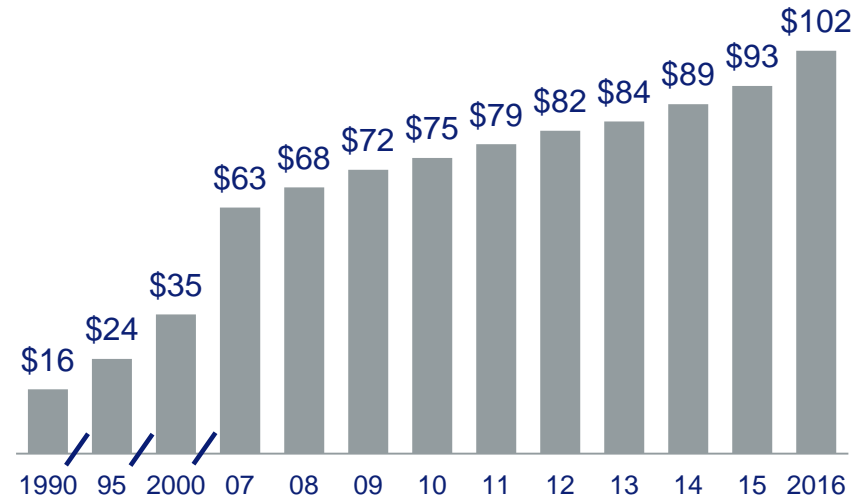
Collectively position us to
**drive revenue growth
and returns**

The Market: Long-term Secular Growth Trends

Global equity
8.2% CAGR



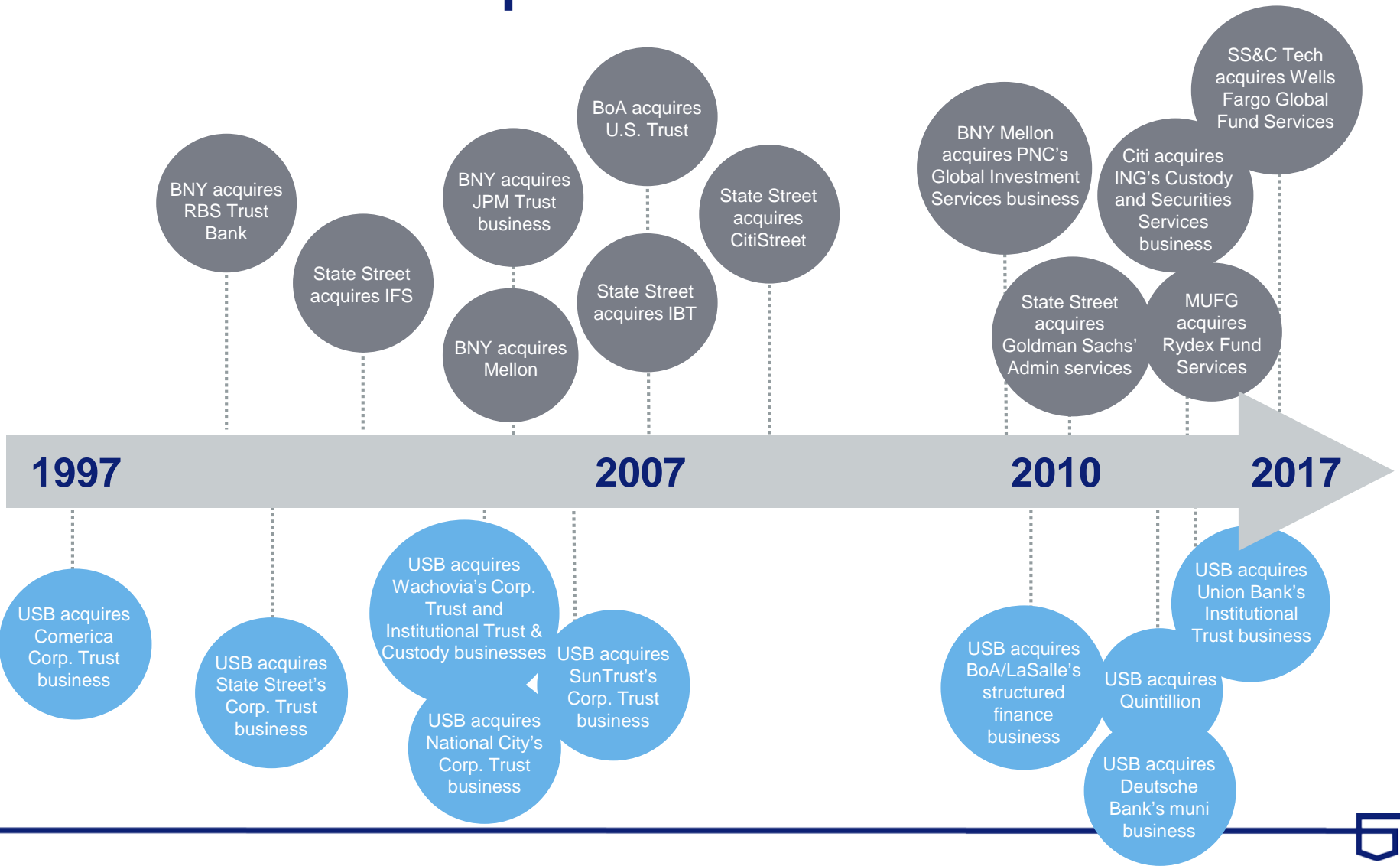
Global debt securities*
7.3% CAGR



Demographics, technology and globalization will drive continued growth in capital markets that will fuel growth in the Securities Services industry.

Source: McKinsey global banking pools
\$ in trillions, end of period, constant 2016 exchange rates
* Does not include loans

The Market: Competitive Profile

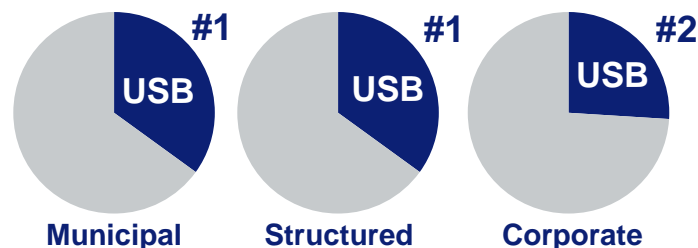


Our Position

- Scale efficiencies in a market with few players and high barriers to entry
- Focus on micro-segments where we can add value
- Service quality and reputation
- Advantage of U.S. Bank ownership
 - Customer base
 - Product set
 - Sales force
 - Funding advantage



Corporate Trust
market share position



Recognized for our
service quality and reputation



Our Strategy: Delivering One U.S. Bank

one U.S. Bank

We put our customers at the center of everything we do, and we work together across business lines to build **deeper, more profitable relationships.**

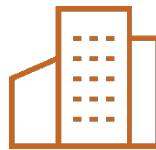
**Consumer &
Small Business
Banking**



**Payment
Services**



**Wholesale
Banking**

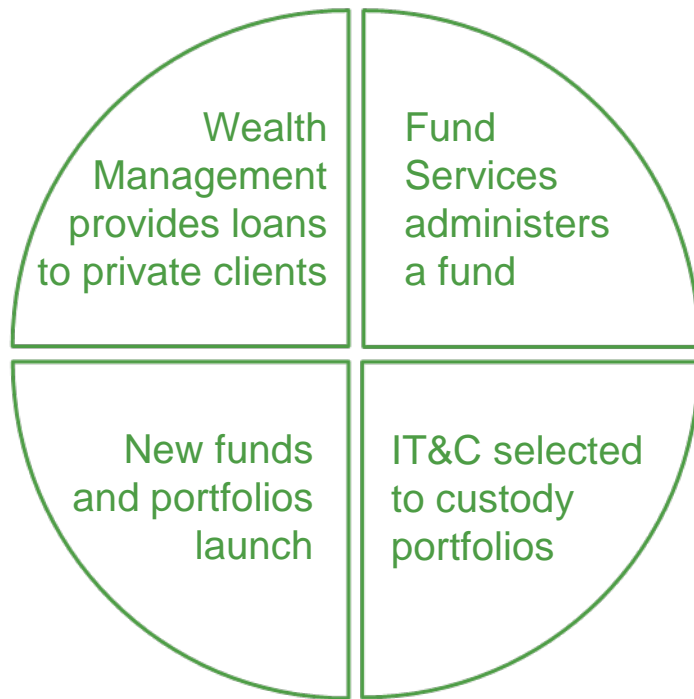


**Wealth
Management &
Securities Services**

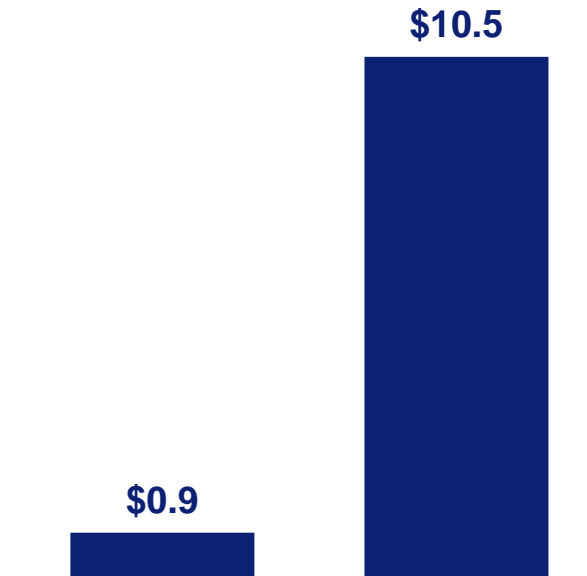


Our Strategy: Delivering One U.S. Bank

Case 1: Registered Investment Advisor

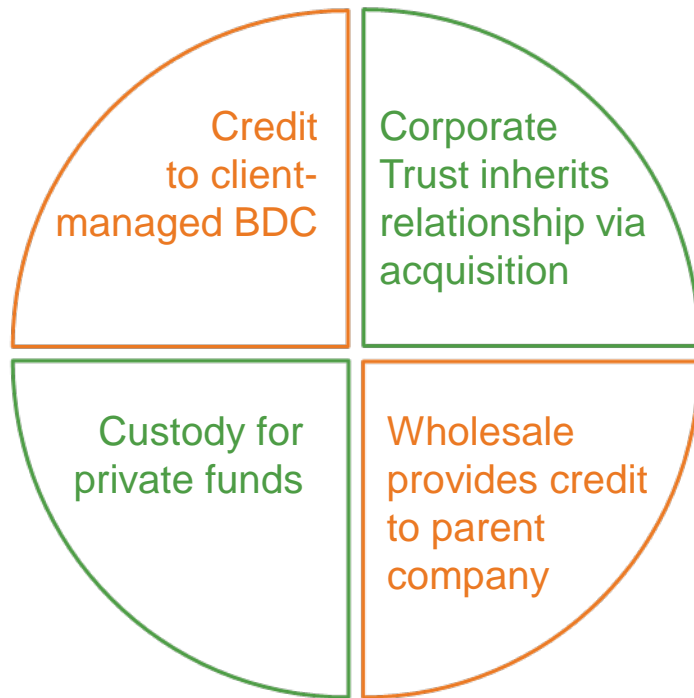


12x revenue growth

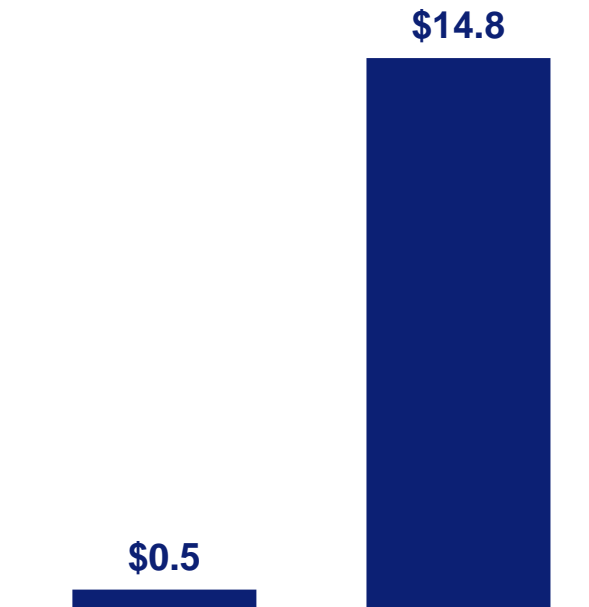


Our Strategy: Delivering One U.S. Bank

Case 2: Global Asset Manager



30x revenue growth



Our Strategy: Leveraging Technology & Innovation



OCR & Natural Language Processing

- Ingest documents
- Digitize document text
- Parse data
- Upload for processing



Machine Learning

- Monitor system health
- Deploy for tech process automation (DevOps)
- Streamline doc review



Advanced Process Automation

- Replace human action
- Utilize “bots” to move data and execute user processes in systems



Autonomous Computing

- Adopt Distributed Ledger (Blockchain)
- Leverage smart contracts for legal and compliance

Implemented:

- OCR for millions of standardized notices & forms received from third parties
- Machine learning applications using algorithms to monitor systems trends, identify anomalies and expedite resolution on key systems

Proof of Concepts:

- NLP for custody collateral documents and deal documents
- Advanced process automation candidate suitability analysis underway to begin pilots
- Distributed Ledger in syndicated loan market (CLOs)



Our Strategy: Leveraging Technology & Innovation

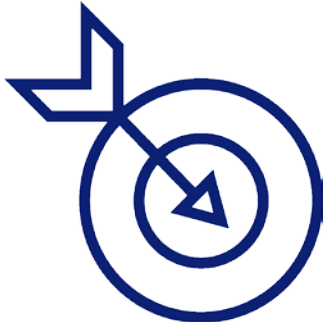
Pivot: The Future Is Now

Smart analytics and trade processing make client interactions more efficient and secure

Institutional clients use Pivot to replace existing platforms and processes. Trading capabilities available today **can cut 30 minutes or more** off of scenario analysis and trade initiation.



Our Strategy: Optimizing Our Client Approach



Targeting segments where we can **add value**

The business

Corporate Trust

Fund Services

Custody

Our sweet spot

Corporate, munis, structured, credit managers

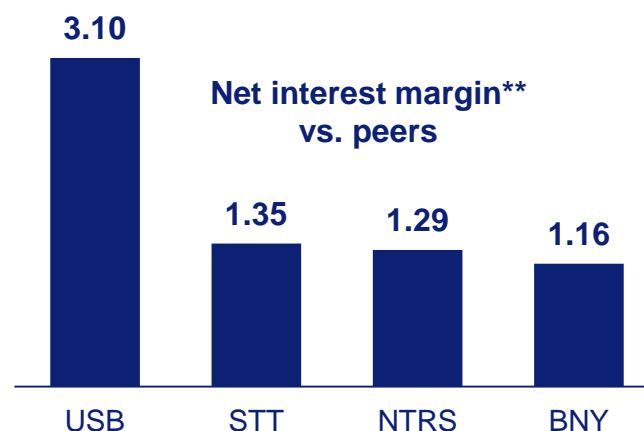
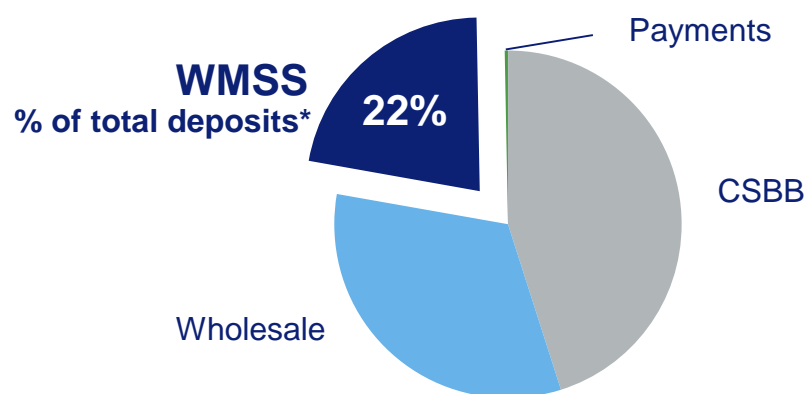
U.S.-based complex boutiques

Mid-market clients



Our Strategy: Optimizing the Economics

Securities Services is a **significant deposit-gathering business**, which supports our **funding advantage**.

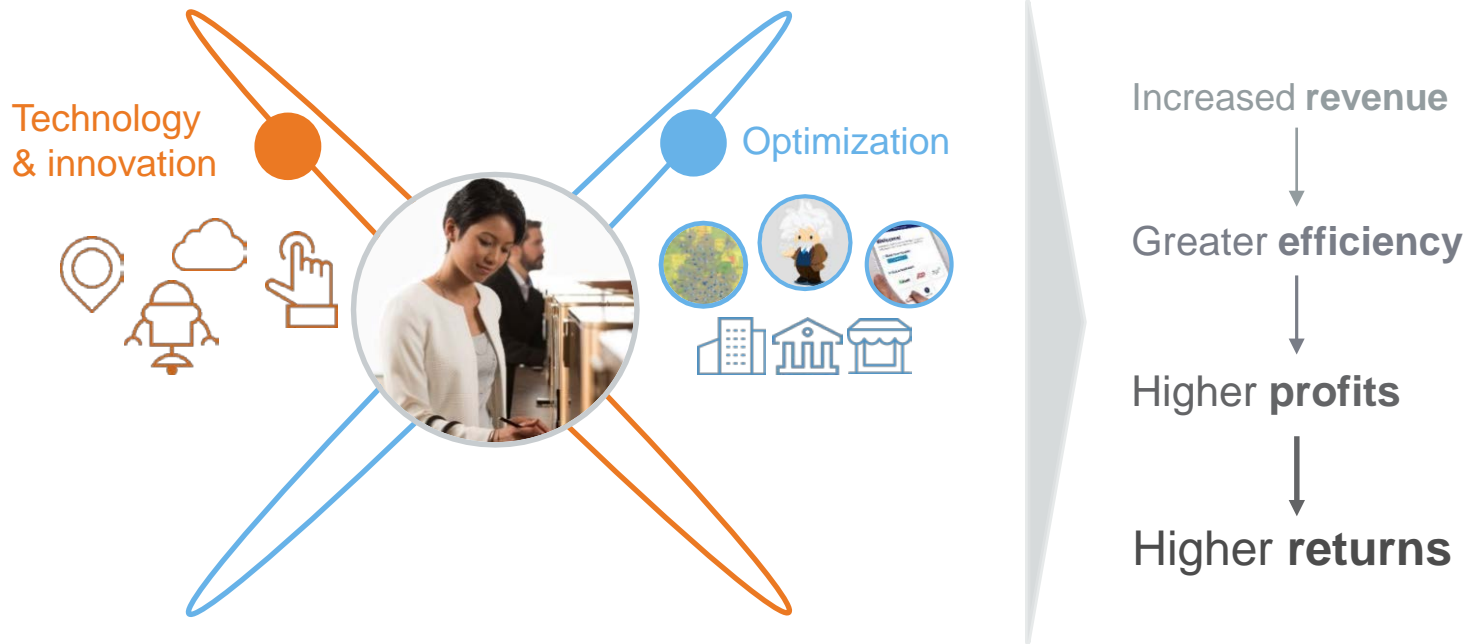


Holding Company	Moody's		S&P		Fitch		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
U.S. Bancorp	A1	s	A+	s	AA	s	AA	s
Bank of New York Mellon Corp.	A1	s	A	s	AA-	s	AAL	s
State Street Corp.	A1	s	A	s	AA-	s	AAL	s
Northern Trust Corp.	A2	s	A+	s	AA-	s	AAL	s

* 3Q17 YTD, average balances

** 3Q17 taxable-equivalent basis; Source: company reports
Debt ratings as of 10/24/17

Bringing it All Together



We are **well-positioned in an attractive industry**,
and we are committed to a strategy that will **deliver improving returns.**





Appendix

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Nine months ended September 30, 2017
Net interest income	\$9,097
Taxable-equivalent adjustment (1)	152
Net interest income, on a taxable-equivalent basis	9,249
Net interest income, on a taxable-equivalent basis (as calculated above)	9,249
Noninterest income	7,170
Less: Securities gains (losses), net	47
Total net revenue, excluding net securities gains (losses) (a)	16,372
Noninterest expense (b)	9,006
Efficiency ratio (b)/(a)	55.0 %

(1) Utilizes a tax rate of 35 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes

Non-GAAP Financial Measures

(\$ in millions)	<u>Net Revenue</u>
<u>Line of Business Financial Performance</u>	<u>3Q17 YTD</u>
Wholesale Banking and Commercial Real Estate	\$ 2,500
Consumer and Small Business Banking	5,626
Wealth Management and Securities Services	1,780
Payment Services	4,339
Treasury and Corporate Support	2,174
Total Company	16,419
Less Treasury and Corporate Support	2,174
Total Company excl. Treasury and Corporate Support	\$ 14,245

Percent of Total Company

Wholesale Banking and Commercial Real Estate	16%
Consumer and Small Business Banking	34%
Wealth Management and Securities Services	11%
Payment Services	26%
Treasury and Corporate Support	13%
Total	100%

Percent of Total Company excl. Treasury and Corporate Support

Wholesale Banking and Commercial Real Estate	18%
Consumer and Small Business Banking	39%
Wealth Management and Securities Services	13%
Payment Services	30%
Total Company excl. Treasury and Corporate Support	100%

