U.S. Bancorp
4Q19 Earnings Conference Call

January 15, 2020

usbancorp

Forward-looking Statements and Additional Information

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

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

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2018, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. In addition, factors other than these risks also could adversely affect U.S. Bancorp's results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

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

4Q19 Highlights

Income Statement $ in millions, except EPS	4Q19	change vs. 3Q19	 4Q18
Net interest income*	**$3,231**	(2.3) %	(3.0) %
Noninterest income	**2,436**	(6.8)	(2.5)
Reported net income	**1,486**	(22.1)	(19.9)
Diluted EPS	**$0.90**	(21.7) %	(17.7) %

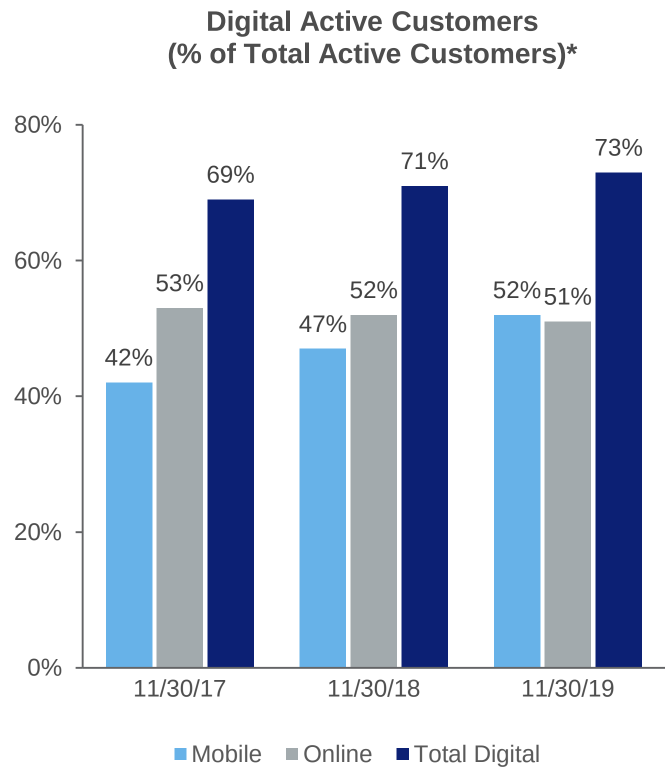
Balance Sheet $ in billions	4Q19	change vs. 3Q19	 4Q18
Average earning assets	**$439.8**	0.9 %	4.6 %
Average total loans	**294.9**	0.8	3.9
Average total deposits	**356.5**	1.9	6.6

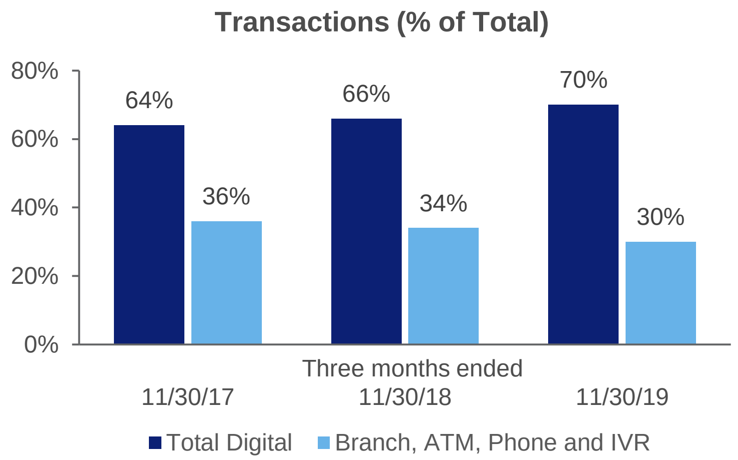
Credit Quality $ in millions	4Q19	change vs. 3Q19	 4Q18
Nonperforming assets	**$829**	(15.3) %	(16.2) %
NPA ratio	**0.28 %**	(5 bps)	(6 bps)
Net charge-off ratio	**0.52 %**	4 bps	3 bps

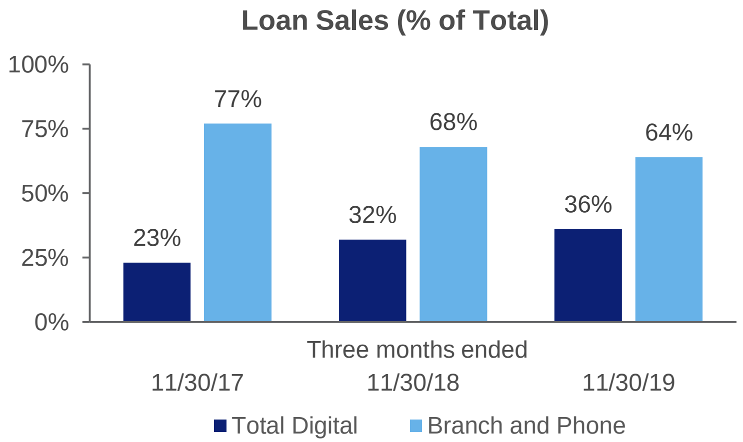
Capital	4Q19	change vs. 3Q19	 4Q18
CET1 capital ratio	**9.1 %**	(50 bps)	0 bps
Book value per share	**$29.90**	(1.2) %	6.7 %
Earnings returned (millions)	**$2,947**		

* Taxable-equivalent basis; see slide 26 for calculation

Digital Engagement Trends

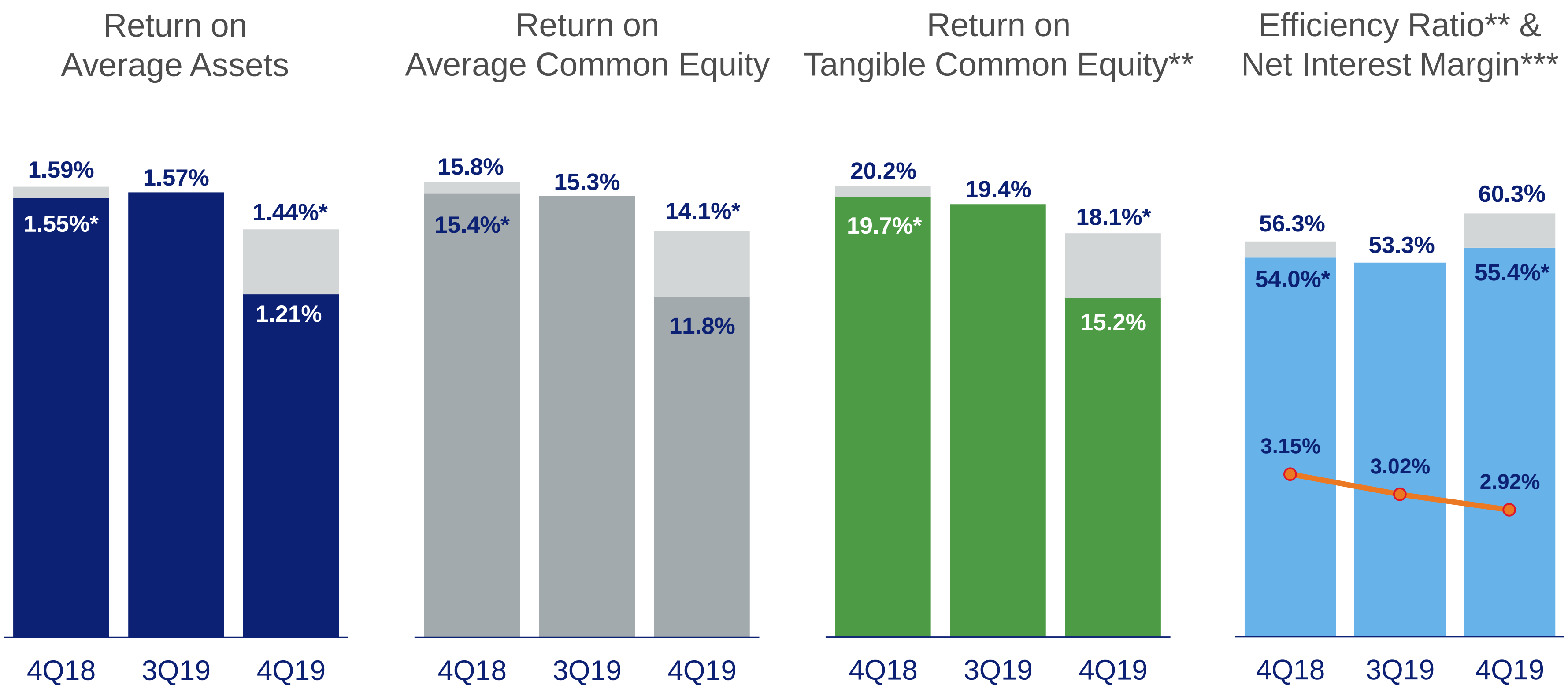






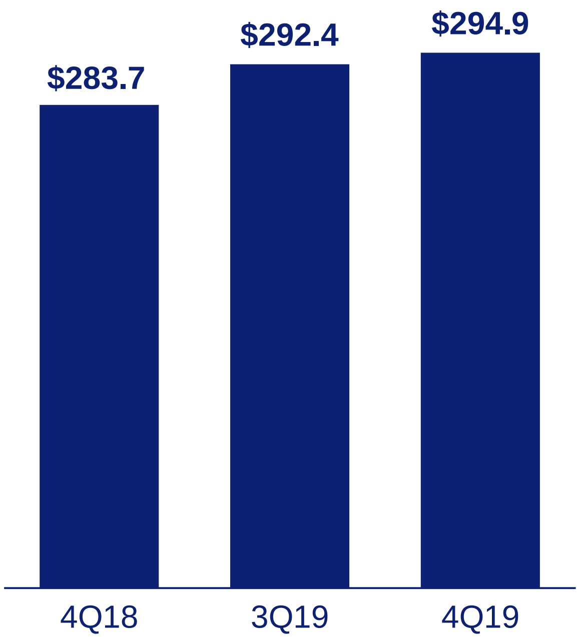
* Represents core Consumer Banking customers active in at least one channel in the previous 90 days
Total Digital includes both online and mobile platforms

Performance Ratios



* Excluding notable items; see slides 26 and 27 for calculations
** Non-GAAP; see slides 26 and 27 for calculations
*** Net interest margin on a taxable-equivalent basis

Average Loans



+0.8% linked quarter

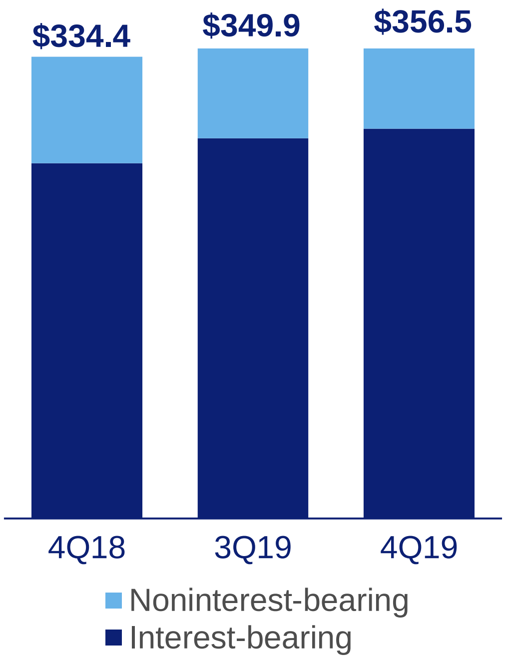
+3.9% year-over-year

(Three months ended 12/31/19)	Avg. Balances	Change vs. 3Q19	Change vs. 4Q18
Commercial	$103.9	0.2 %	3.4 %
Commercial Real Estate	39.8	1.9	(1.1)
Residential Mortgages	69.9	1.9	8.4
Credit Card	24.1	1.8	7.6
Retail	57.2	(0.5)	1.9
Total loans	**$294.9**	**0.8 %**	**3.9 %**

- On a linked quarter basis, average total loan growth was driven by growth in residential mortgages, total commercial real estate loans, and credit card loans.
- On a year-over-year basis, growth in average total loans was primarily driven by growth in residential mortgages, total commercial loans, credit card loans, and total other retail loans.

$ in billions

Average Deposits



+1.9% linked quarter

+6.6% year-over-year

Interest-bearing Deposits

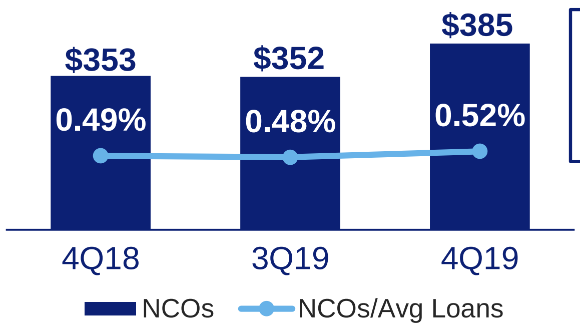
(Three months ended 12/31/19)	Average Balances	Change vs. 3Q19	Change vs. 4Q18	Rates	Change vs. 3Q19
Money market savings	$116.6	1.9 %	17.1 %	1.29 %	(0.26) %
Interest checking	75.6	4.9	6.4	0.29	(0.02)
Savings accounts	46.9	1.3	5.4	0.26	0.01
Time deposits	43.0	1.2	2.3	1.73	(0.24)
Total interest-bearing deposits	**$282.1**	**2.5 %**	**9.7 %**	**0.92 %**	**(0.15) %**

- Average noninterest-bearing (NIB) deposits decreased on a linked quarter basis. On a year-over-year basis, average NIB deposits decreased primarily due to the migration of balances to interest-bearing deposits and the continued deployment by customers of business deposits within Corporate and Commercial Banking.
- Average total savings deposits (which include money market, interest checking and savings accounts) grew on both a linked quarter and year-over-year basis, primarily due to increases in Wealth Management and Investment Services, Corporate and Commercial Banking, and Consumer and Business Banking.
- Average time deposits, which are managed based on funding needs, relative pricing and liquidity characteristics, increased on both a linked quarter and year-over-year basis. Year-over-year growth, in part, reflects consumer deposit migration as customers seek higher yields.

$ in billions

Credit Quality

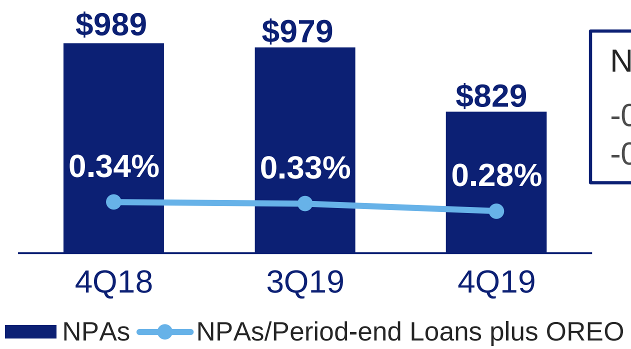
Net Charge-offs



NCO Ratio

+4 bps QoQ
+3 bps YoY

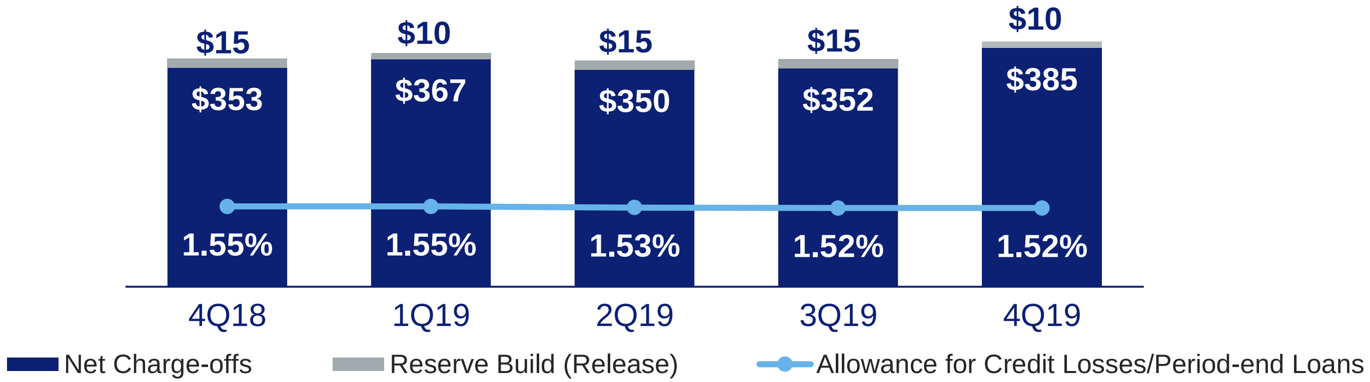
Nonperforming Assets



NPAs

-0.05% QoQ
-0.06% YoY

Provision for Credit Losses



$ in millions

Earnings Summary

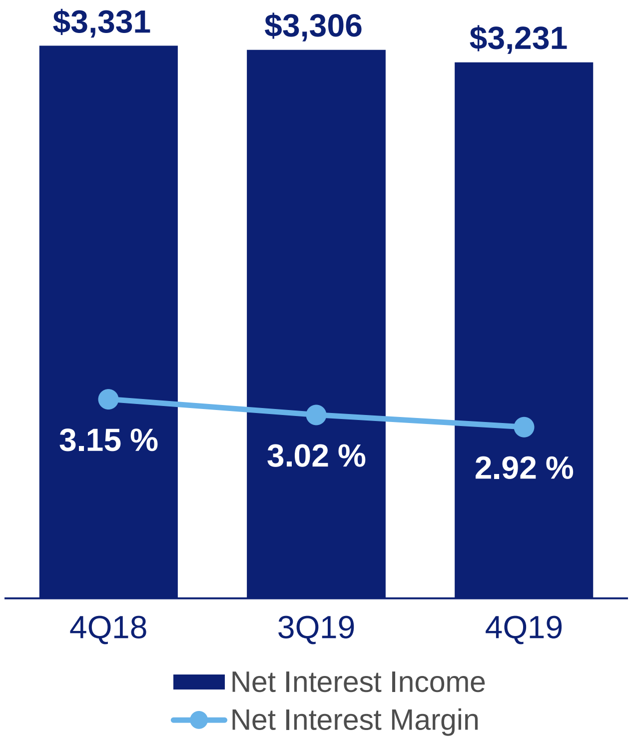
$ and shares in millions, except EPS	4Q19	4Q18	Reported % Change	Notable Items 4Q19	Notable Items 4Q18	Excluding Notable Items % Change
Net Interest Income	$3,207	$3,303	(2.9)	$ -	$ -	(2.9)
Taxable-equivalent Adjustment	24	28	(14.3)	-	-	(14.3)
Net Interest Income (taxable-equivalent basis)	3,231	3,331	(3.0)	-	-	(3.0)
Noninterest Income	2,436	2,498	(2.5)	(140)	76	6.4
Net Revenue	**5,667**	**5,829**	(2.8)	(140)	76	0.9
Noninterest Expense	3,401	3,280	3.7	200	174	3.1
Operating Income	**2,266**	**2,549**	(11.1)	**(340)**	**(98)**	(1.5)
Net Charge-offs	385	353	9.1	-	-	9.1
Excess Provision	10	15	(33.3)	-	-	(33.3)
Income Before Taxes	**1,871**	**2,181**	(14.2)	**(340)**	**(98)**	(3.0)
Applicable Income Taxes	378	319	18.5	(68)	(140)	(2.8)
Net Income	**1,493**	**1,862**	(19.8)	**(272)**	**42**	(3.0)
Noncontrolling Interests	(7)	(6)	(16.7)	-	3	22.2
Net Income to Company	**1,486**	**1,856**	(19.9)	**(272)**	**45**	(2.9)
Preferred Dividends/Other	78	79	(1.3)	-	-	(1.3)
Net Income to Common	**$1,408**	**$1,777**	(20.8)	**($272)**	**$45**	(3.0)
Diluted EPS	$0.90	$1.10	(18.2)	($0.18)	$0.03	0.9
Average Diluted Shares	1,558	1,618	(3.7)	-	-	(3.7)

Notable Items

$ in millions, except per share

	4Q19	4Q18
Gain on sale of ATM business	$ -	$340
Acquired impairment	-	(230)
Other asset impairments	-	(34)
Visa derivative liability charge	(140)	-
Total noninterest income	**(140)**	**76**
Severance charges	158	63
Other accruals and charges	42	111
Total noninterest expense	**200**	**174**
Income before taxes	**(340)**	**(98)**
Tax expense (benefit) on notable items	(68)	(20)
Deferred taxes	-	(120)
Total tax benefit	**(68)**	**(140)**
Net income	**(272)**	**42**
Noncontrolling interest	-	3
Net income applicable to U.S. Bancorp	**($272)**	**$45**
Diluted EPS impact	**($0.18)**	**$0.03**

Net Interest Income



-2.3% linked quarter

-3.0% year-over-year

Linked Quarter

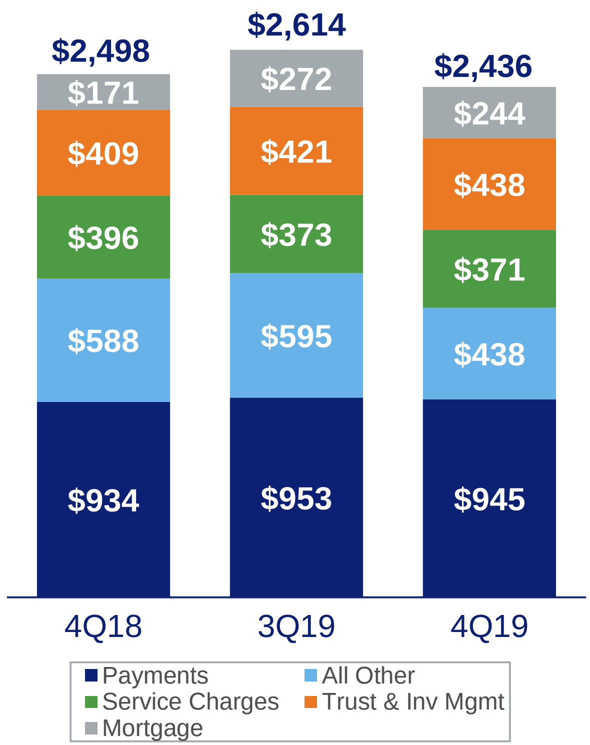
- Net interest income decreased, primarily driven by declining short-term interest rates, higher premium amortization in the investment securities portfolio, and the mix of earning assets.
- The net interest margin declined, primarily due to continued yield curve compression, premium amortization in the investment securities portfolio, and earning asset mix.

Year-over-Year

- Net interest income decreased, principally driven by the impact of lower interest rates and a flatter yield curve in addition to deposit and funding mix, partially offset by higher yields on reinvestment of securities and loan growth.
- The net interest margin declined, primarily due to the impact of lower interest rates on the yield curve in addition to deposit and funding mix.

$ in millions
Net interest income on a taxable-equivalent basis; see slide 26 for calculation

Noninterest Income



-6.8% linked quarter

-1.5% excluding notable items

-2.5% year-over-year

+6.4% excluding notable items

Linked Quarter

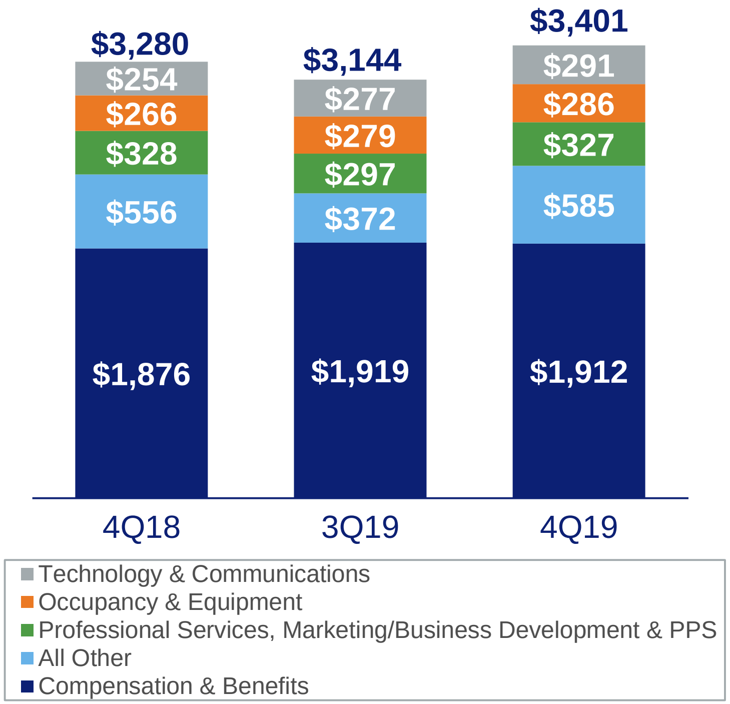
- Payment services revenue declined slightly, driven by lower corporate payment products revenue due to seasonally lower sales volumes, partially offset by higher credit and debit card revenue due to seasonally higher sales volumes and higher fees.
- Mortgage banking revenue declined, reflecting seasonally lower volumes and an unfavorable change in the valuation of mortgage servicing rights, net of hedging activities.
- Commercial products revenue declined, driven by a seasonal reduction in corporate bond fees and trading income.

Year-over-Year

- Payment services revenue growth reflects higher merchant processing services driven by higher sales volumes and merchant fees.
- Trust and investment management fee revenue increase driven by business growth and favorable market conditions.
- Mortgage banking revenue growth reflects higher mortgage production and gain on sale margins.
- Other noninterest income decreased primarily due to a charge related to previously sold Visa shares.

$ in millions
Payments = credit and debit card, corporate payment products and merchant processing
Service charges = deposit service charges and treasury management
All other = commercial products, investment products fees, securities gains (losses) and other

Noninterest Expense



+8.2% linked quarter

+1.8% excluding notable items

+3.7% year-over-year

+3.1% excluding notable items

Linked Quarter

- Employee benefits expense decreased, driven by seasonally lower payroll taxes.
- Technology and communications expense increased, driven by capital expenditures to support business growth.

Year-over-Year

- Compensation expense increased, driven by the impact of hiring to support business growth, merit increases, and higher variable compensation related to business production in mortgage banking.
- Employee benefits expense increased, primarily due to higher medical costs.
- Technology and communications expense increased to support business growth.

$ in millions

PPS = postage, printing and supplies

Capital Position

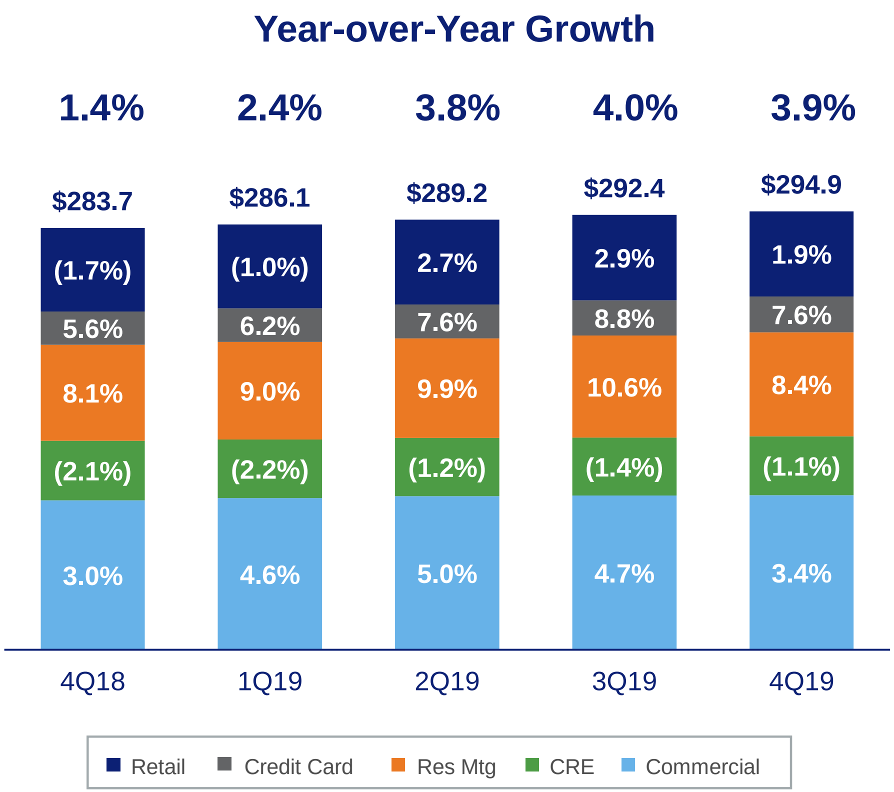
$ in billions	4Q19	3Q19	2Q19	1Q19	4Q18
Total U.S. Bancorp shareholders' equity	$51.9	$53.5	$52.9	$52.1	$51.0
Basel III Standardized Approach					
Common equity tier 1 capital ratio	9.1%	9.6%	9.5%	9.3%	9.1%
Tier 1 capital ratio	10.7%	11.2%	11.0%	10.9%	10.7%
Total risk-based capital ratio	12.7%	13.2%	13.0%	12.8%	12.6%
Leverage ratio	8.8%	9.3%	9.3%	9.2%	9.0%
Basel III Advanced Approaches					
Common equity tier 1 capital ratio	11.9%	12.6%	12.3%	12.0%	11.8%
Tangible common equity to tangible assets*	7.5%	8.0%	7.9%	7.9%	7.8%
Tangible common equity to risk-weighted assets*	9.3%	9.7%	9.7%	9.5%	9.4%

* Non-GAAP; see slide 28 for calculations

Appendix

Average Loans

Average Loans ($bn)



Key Points

vs. 4Q18

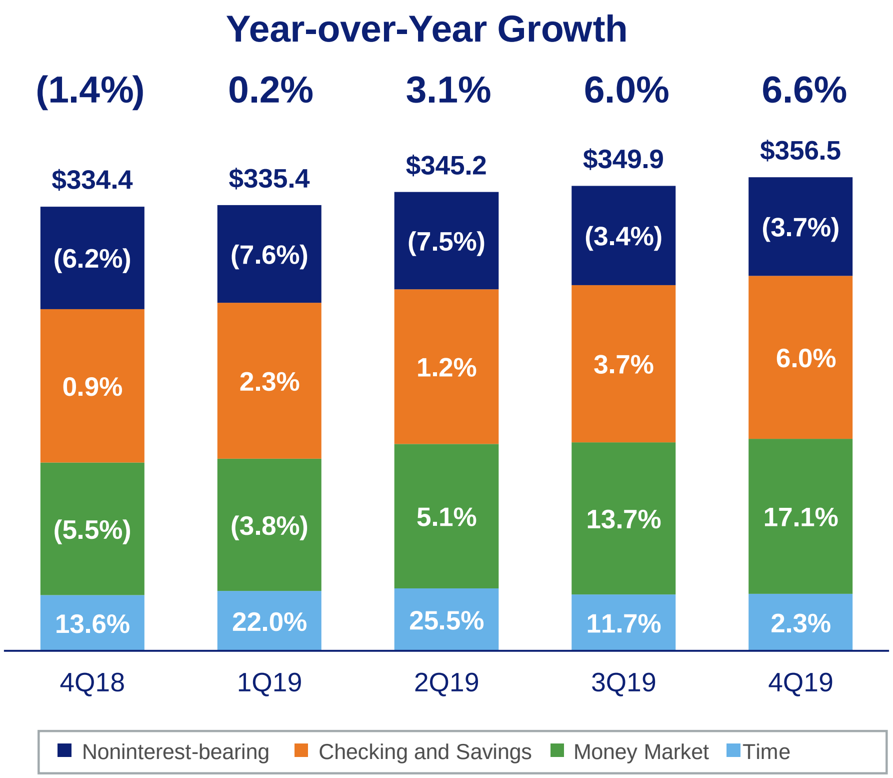
- Average total loans increased by $11.2 billion, or 3.9%
- Average residential mortgage loans increased by $5.4 billion, or 8.4%
- Average commercial loans increased by $3.4 billion, or 3.4%
- Average credit card loans increased by $1.7 billion, or 7.6%
- Average retail loans increased by $1.1 billion, or 1.9%
- Average commercial real estate loans decreased by $0.4 billion, or 1.1%

vs. 3Q19

- Average total loans increased by $2.4 billion, or 0.8%
- Average residential mortgage loans increased by $1.3 billion, or 1.9%
- Average credit card loans increased by $0.4 billion, or 1.8%

Average Deposits

Average Deposits ($bn)



Key Points

vs. 4Q18

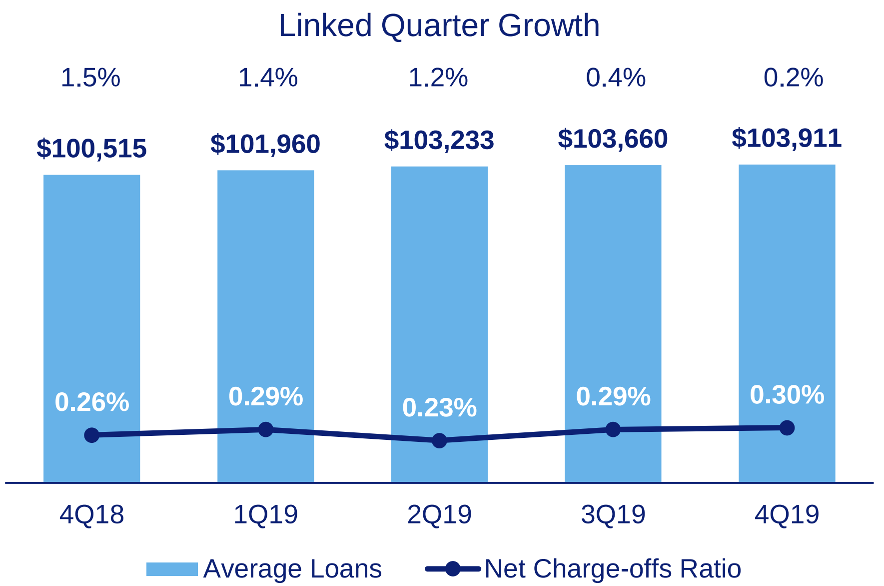
- Average total deposits increased by $22.1 billion, or 6.6%
- Average low-cost deposits (NIB, interest checking, savings and money market) increased by $21.1 billion, or 7.2%

vs. 3Q19

- Average total deposits increased by $6.5 billion, or 1.9%
- Average low-cost deposits (NIB, interest checking, savings and money market) increased by $6.0 billion, or 2.0%

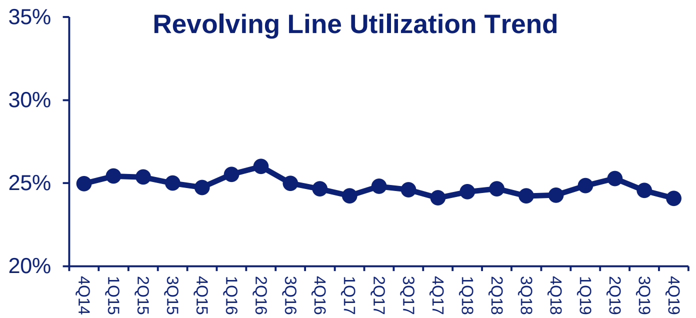
Credit Quality – Commercial

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$100,515	$103,660	$103,911
30-89 Delinquencies	0.31%	0.43%	0.30%
90+ Delinquencies	0.07%	0.10%	0.08%
Nonperforming Loans	0.20%	0.30%	0.20%

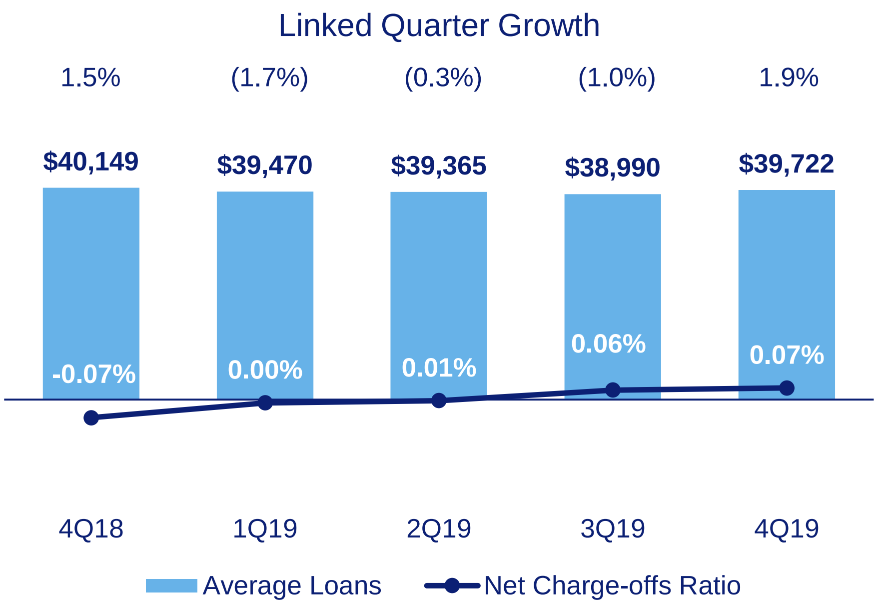


Key Points

- Linked quarter growth was modest at 0.2% and year-over-year growth was 3.4%
- Net charge-offs remained relatively stable on a linked quarter basis

Credit Quality – Commercial Real Estate

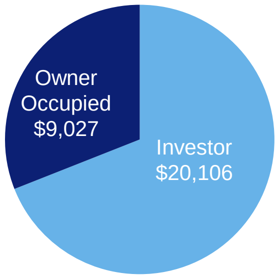
Average Loans ($mm) and Net Charge-offs Ratio



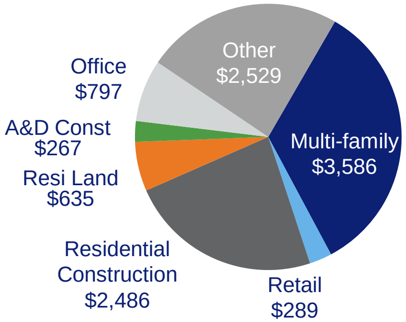
Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$40,149	$ 38,990	$39,722
30-89 Delinquencies	0.18%	0.13%	0.09%
90+ Delinquencies	0.00%	0.01%	0.01%
Nonperforming Loans	0.29%	0.23%	0.21%
Performing TDRs*	$164	$145	$160

CRE Mortgage



CRE Construction



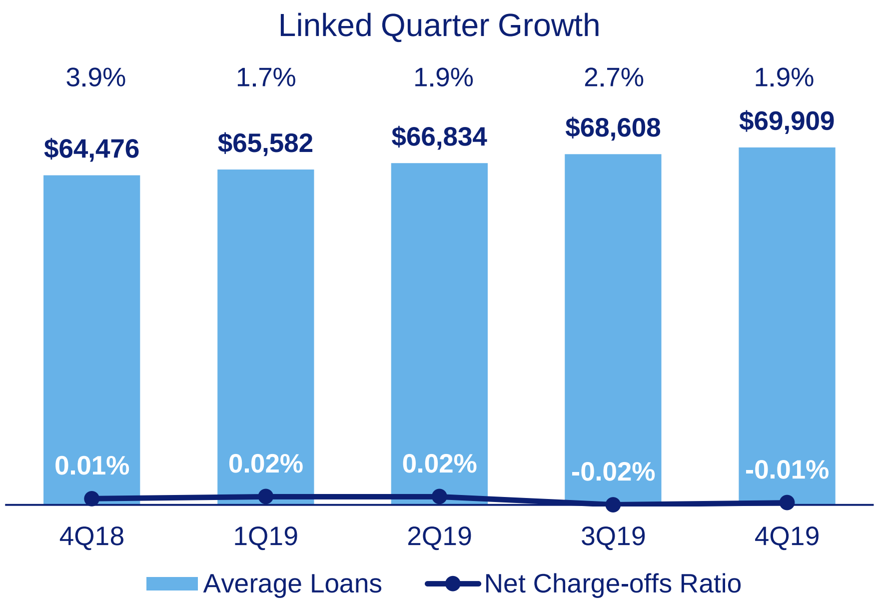
Key Points

- Average loans increased by 1.9% on a linked quarter basis, however, decreased year-over-year due to high market liquidity resulting in continued early payoffs
- Credit quality remains strong and stable; nonperforming loans remain low

* TDR = troubled debt restructuring

Credit Quality – Residential Mortgage

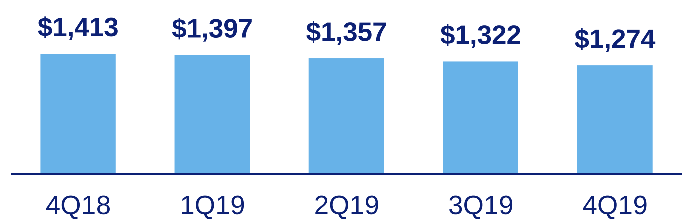
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$64,476	$ 68,608	$69,909
30-89 Delinquencies	0.27%	0.24%	0.22%
90+ Delinquencies	0.18%	0.17%	0.17%
Nonperforming Loans	0.46%	0.36%	0.34%

Residential Mortgage Performing TDRs*



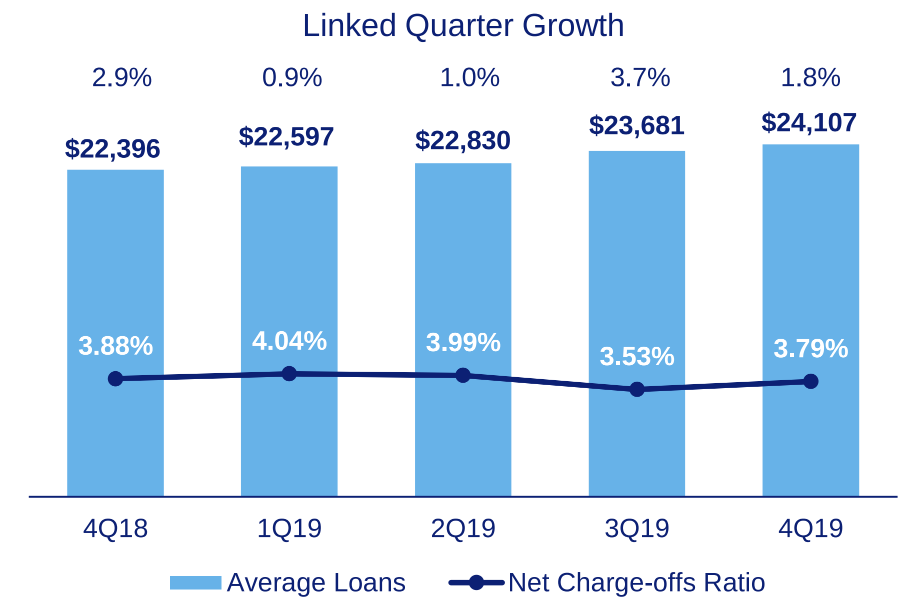
Key Points

- Originations continued to be high credit quality (weighted average FICO of 764, weighted average LTV of 70%)
- More than 94% of balances have been originated since the beginning of 2009; the origination quality metrics and performance to date have significantly outperformed prior vintages with similar seasoning

* Excludes GNMA loans, whose repayments are insured by the FHA or guaranteed by the Department of VA ($1,622 million in 4Q19)

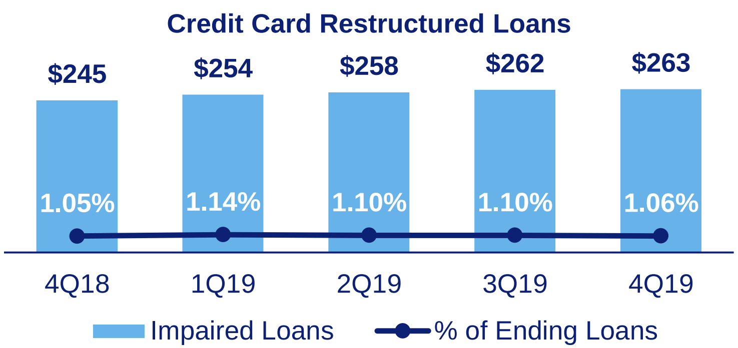
Credit Quality – Credit Card

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$22,396	$ 23,681	$24,107
30-89 Delinquencies	1.39%	1.33%	1.30%
90+ Delinquencies	1.25%	1.16%	1.23%
Nonperforming Loans	0.00%	0.00%	0.00%

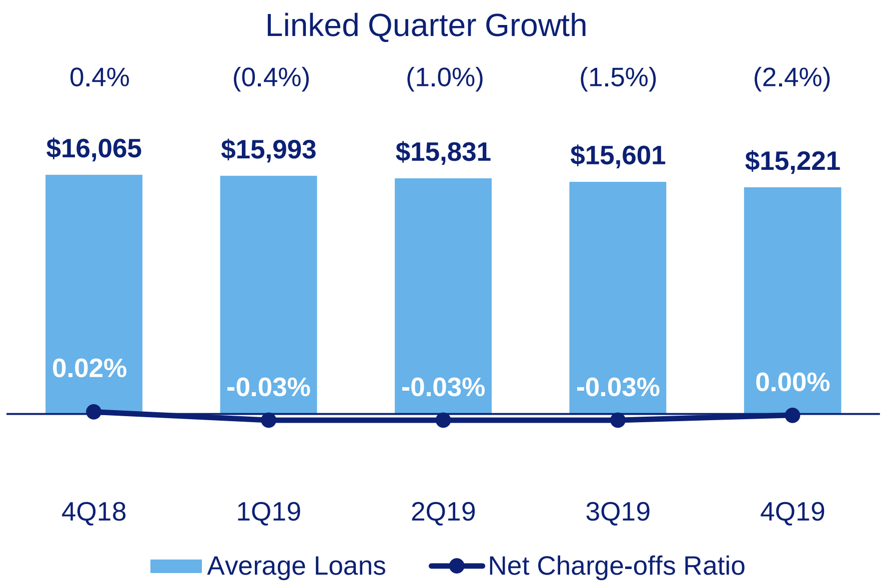


Key Points

- Year-over-year average loan growth of 7.6% was driven by origination of new accounts and portfolio acquisitions
- Weighted average FICO on new originations remained strong at 775
- Year-over-year delinquency was stable and charge-offs were favorably driven by stronger collection results

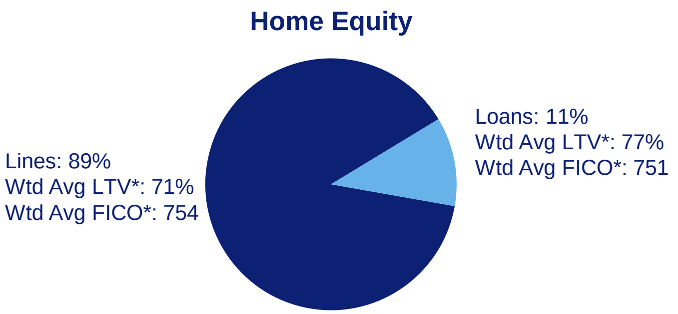
Credit Quality – Home Equity

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$16,065	$15,601	$15,221
30-89 Delinquencies	0.56%	0.55%	0.51%
90+ Delinquencies	0.35%	0.34%	0.32%
Nonperforming Loans	0.90%	0.75%	0.77%



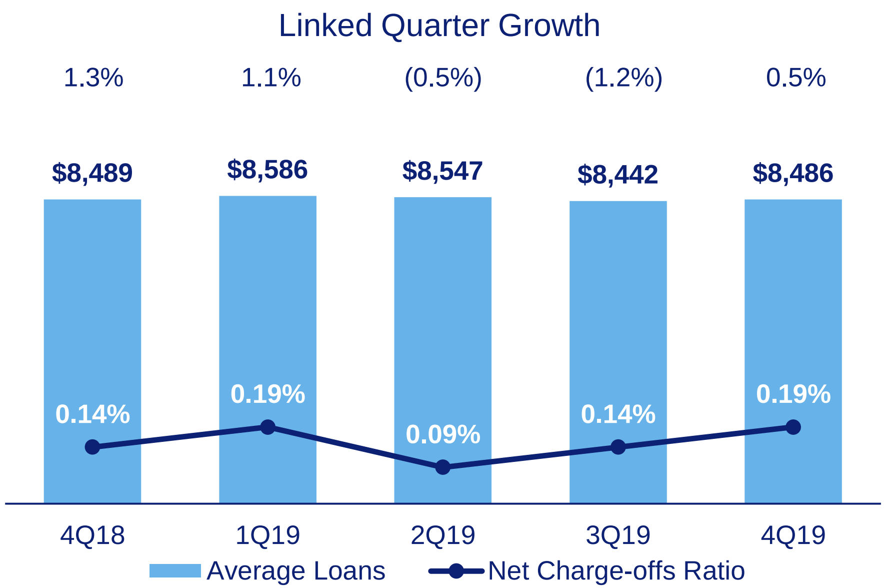
*LTV and FICO at origination

Key Points

- High-quality originations (weighted average FICO on commitments of 783, weighted average CLTV of 67%) were originated primarily through the retail branch network to existing bank customers on their primary residences
- Net charge-offs were stable year-over-year with strong recoveries due to continued strength in home values

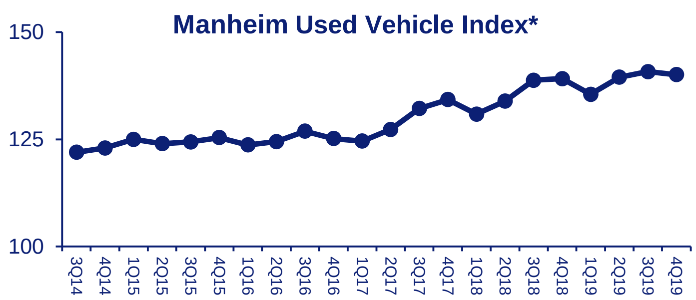
Credit Quality – Retail Leasing

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$8,489	$8,442	$8,486
30-89 Delinquencies	0.43%	0.48%	0.53%
90+ Delinquencies	0.04%	0.05%	0.05%
Nonperforming Loans	0.14%	0.14%	0.15%



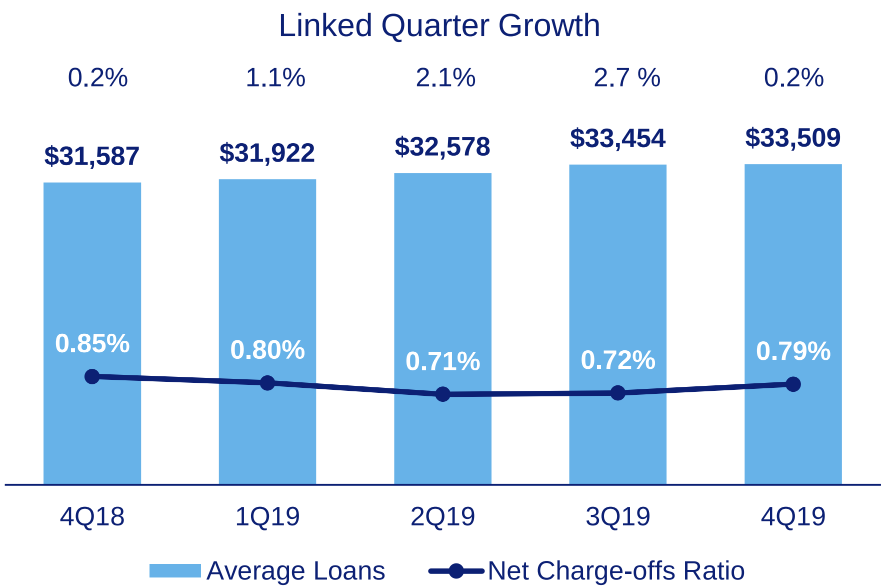
Key Points

- Continued high-quality originations during 4Q19 (weighted average FICO of 782)
- Delinquencies and net charge-offs remained at low levels

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

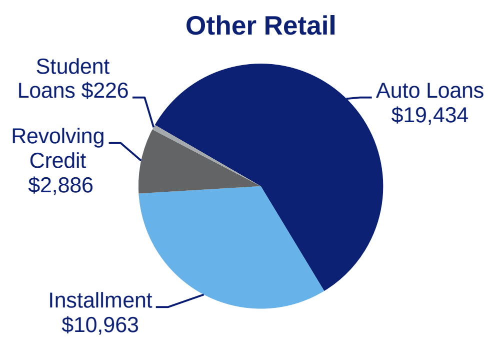
Credit Quality – Other Retail

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$31,587	$33,454	$33,509
30-89 Delinquencies	0.87%	0.78%	0.81%
90+ Delinquencies	0.15%	0.14%	0.13%
Nonperforming Loans	0.13%	0.13%	0.11%

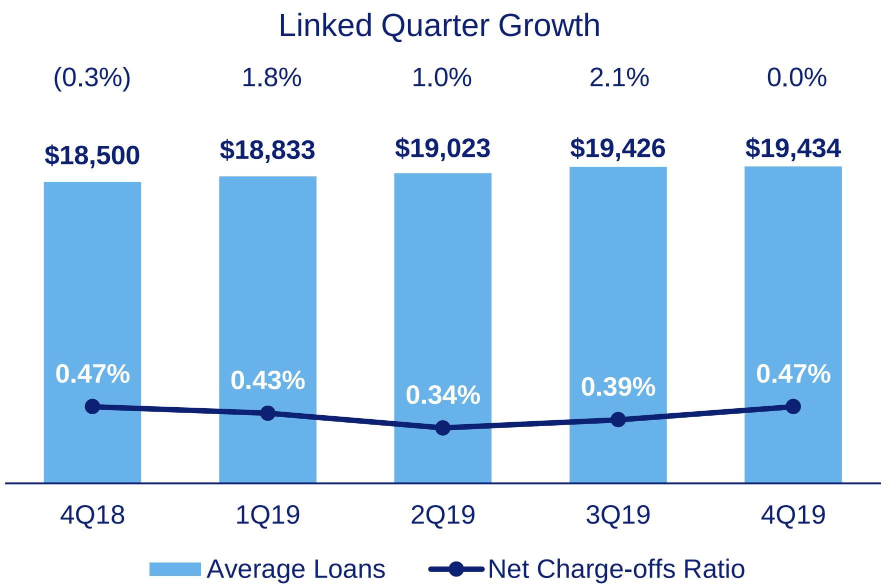


Key Points

- Loan growth continues to be driven by auto and installment loans
- Net charge-offs, delinquencies and nonperforming loans were all relatively stable

Credit Quality – Auto Loans

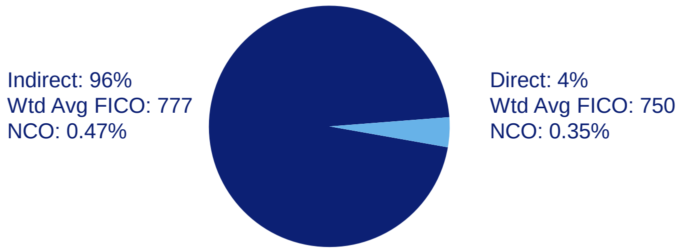
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q18	3Q19	4Q19
Average Loans	$18,500	$19,426	$19,434
30-89 Delinquencies	1.04%	1.04%	1.06%
90+ Delinquencies	0.09%	0.11%	0.10%
Nonperforming Loans	0.14%	0.17%	0.15%

Indirect and Direct Channel



Key Points

- Loan growth continues to be driven by high quality originations in the indirect channel (weighted average FICO of 784)
- Net charge-offs, delinquencies and nonperforming loans were all relatively stable

Auto loans are included in Other Retail category

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended December 31, 2019	September 30, 2019	December 31, 2018
Net interest income	$3,207	$3,281	$3,303
Taxable-equivalent adjustment (2)	24	25	28
Net interest income, on a taxable-equivalent basis	3,231	3,306	3,331
Net interest income, on a taxable-equivalent basis (as calculated above)	3,231	3,306	3,331
Noninterest income	2,436	2,614	2,498
Less: Securities gains (losses), net	26	25	5
Total net revenue, excluding net securities gains (losses) (a)	5,641	5,895	5,824
Noninterest expense (b)	3,401	3,144	3,280
Efficiency ratio (b)/(a)	60.3 %	53.3 %	56.3 %
Total net revenue, excluding net securities gains (losses) (as calculated above)	5,641		$5,824
Less: Notable items (3)	(140)		76
Total net revenue, excluding net securities gains (losses) and notable items (c)	5,781		5,748
Noninterest expense	3,401		3,280
Less: Notable items (4)	200		174
Noninterest expense, excluding notable items (d)	3,201		3,106
Efficiency ratio, excluding notable items (d)/(c)	55.4 %		54.0 %
Net income attributable to U.S. Bancorp	1,486		$1,856
Less: Notable items (5)	(272)		45
Net income attributable to U.S. Bancorp, excluding notable items	1,758		1,811
Annualized net income attributable to U.S. Bancorp, excluding notable items (e)	6,975		7,185
Average assets (f)	485,853		462,276
Return on average assets, excluding notable items (e)/(f)	1.44 %		1.55 %
Net income applicable to U.S. Bancorp common shareholders	1,408		$1,777
Less: Notable items (5)	(272)		45
Net income applicable to U.S. Bancorp common shareholders, excluding notable items	1,680		1,732
Annualized net income applicable to U.S. Bancorp common shareholders, excluding notable items (g)	6,665		6,872
Average common equity (h)	47,163		44,756
Return on average common equity, excluding notable items (g)/(h)	14.1 %		15.4 %

(2), (3), (4), (5) – see slide 29 for corresponding notes

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended December 31, 2019	Three Months Ended September 30, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019
Net income applicable to U.S. Bancorp common shareholders	$1,408	$1,821	$1,777	6,583
Intangibles amortization (net-of-tax)	35	33	32	133
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,443	1,854	1,809	6,716
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (a)	5,725	7,356	7,177	6,716
Average total equity	53,777	53,921	51,370	53,252
Average preferred stock	(5,984)	(5,984)	(5,984)	(5,984)
Average noncontrolling interests	(630)	(629)	(630)	(629)
Average goodwill (net of deferred tax liability) (1)	(8,796)	(8,725)	(8,574)	(8,742)
Average intangible assets, other than mortgage servicing rights	(683)	(689)	(605)	(681)
Average tangible common equity (b)	37,684	37,894	35,577	37,216
Return on tangible common equity (a)/(b)	15.2 %	19.4 %	20.2 %	18.0 %
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (as calculated above)	$1,443		$1,809	6,716
Less: Notable items (5)	(272)		45	(272)
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items	1,715		1,764	6,988
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items (c)	6,804		6,998	6,988
Average tangible common equity (as calculated above) (d)	37,684		35,577	37,216
Return on tangible common equity, excluding notable items (c)/(d)	18.1 %		19.7 %	18.8 %

(1), (5) – see slide 29 for corresponding notes

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	December 31, 2019		September 30, 2019		June 30, 2019		March 31, 2019		December 31, 2018	
Total equity	$52,483		$54,147		$53,540		$52,686		$51,657	
Preferred stock	(5,984)		(5,984)		(5,984)		(5,984)		(5,984)	
Noncontrolling interests	(630)		(630)		(627)		(629)		(628)	
Goodwill (net of deferred tax liability) (1)	(8,788)		(8,781)		(8,708)		(8,716)		(8,549)	
Intangible assets, other than mortgage servicing rights	(677)		(687)		(703)		(685)		(601)	
Tangible common equity (a)	36,404		38,065		37,518		36,672		35,895	
Total assets	495,426		487,671		481,719		475,775		467,374	
Goodwill (net of deferred tax liability) (1)	(8,788)		(8,781)		(8,708)		(8,716)		(8,549)	
Intangible assets, other than mortgage servicing rights	(677)		(687)		(703)		(685)		(601)	
Tangible assets (b)	485,961		478,203		472,308		466,374		458,224	
Risk-weighted assets, determined in accordance with the Basel III standardized approach (c)	391,269	*	390,622		388,709		384,394		381,661	
Ratios *										
Tangible common equity to tangible assets (a)/(b)	7.5	%	8.0	%	7.9	%	7.9	%	7.8	%
Tangible common equity to risk-weighted assets (a)/(c)	9.3		9.7		9.7		9.5		9.4	

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.
(1) – see slide 29 for corresponding note

Notes

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

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

(3) Notable items related to noninterest income for the three months ended December 31, 2019 include: $140 million derivative liability charge related to previously sold Visa shares. Notable items related to noninterest income for the three months ended December 31, 2018 include: $340 million gain on sale of ATM servicing business and $264 million of asset impairments.

(4) Notable items related to noninterest expense for the three months ended December 31, 2019 include: $200 million of severance charges and asset impairments. Notable items related to noninterest expense for the three months ended December 31, 2018 include: $174 million of severance charges and legal accruals.

(5) Notable items for the three months ended December 31, 2019 include: $112 million (after-tax) derivative liability charge related to previously sold Visa shares and $160 million (after-tax) of severance charges and asset impairments. Notable items for the three months ended December 31, 2018 include: $271 million (after-tax) gain on sale of ATM servicing business, $210 million (after-tax) of asset impairments, $139 million (after-tax) of severance charges and legal accruals, $120 million reduction in income tax expense due to tax reform legislation estimate changes and $3 million noncontrolling interest adjustment.

U.S. Bancorp
4Q19 Earnings Conference Call

January 15, 2020