



News Release

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U.S. BANCORP REPORTS RECORD REVENUE AND NET INCOME FOR THE SECOND QUARTER OF 2016

Record Earnings Per Diluted Common Share of \$0.83
Return on average assets of 1.43 percent and average common equity of 13.8 percent
Returned 77 percent of second quarter earnings to shareholders

MINNEAPOLIS, July 15, 2016 -- U.S. Bancorp (NYSE: USB) today reported net income of \$1,522 million for the second quarter of 2016, or \$0.83 per diluted common share, compared with \$1,483 million, or \$0.80 per diluted common share, in the second quarter of 2015. The second quarter of 2016 included notable items related to equity investments, legal and regulatory matters and charitable contributions that, combined, increased diluted earnings per common share by \$0.01.

Highlights for the second quarter of 2016 included:

- Industry-leading return on average assets of 1.43 percent, return on average common equity of 13.8 percent and efficiency ratio of 54.9 percent (54.0 percent excluding notable items)
- Record revenue, net income and diluted earnings per common share for the second quarter of 2016 both as reported and excluding notable items
- Returned 77 percent of second quarter earnings to shareholders through dividends and share buybacks
- Average total loans grew 1.6 percent on a linked quarter basis and 8.1 percent over the second quarter of 2015 (6.5 percent year-over-year, excluding the credit card portfolio acquisition at the end of the fourth quarter of 2015 and student loans, which were carried in held for sale in the second quarter of 2015)
- Average total deposits grew 3.9 percent on a linked quarter basis and 7.6 percent over the second quarter of 2015
- Net interest income grew 0.3 percent on a linked quarter basis and 4.5 percent year-over-year
 - Average earnings assets grew 1.9 percent on a linked quarter basis and 5.2 percent year-over-year

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- Net interest margin of 3.02 percent for the second quarter of 2016 was down 4 basis points from 3.06 percent in the first quarter of 2016 and down 1 basis point from 3.03 percent in the second quarter of 2015
- Payments-related fee revenue grew 8.8 percent linked quarter and 4.9 percent year-over-year, driven by an increase in credit and debit card revenue, including the impact of recent portfolio acquisitions, as well as an increase in corporate payment products revenue
- Credit quality was relatively stable
 - Nonperforming assets decreased 2.7 percent on a linked quarter basis
 - Commercial nonperforming assets within the energy portfolio decreased \$54 million linked quarter
 - Reserves for energy portfolio commercial loans were 8.8 percent of outstanding balances at June 30, 2016, compared with 9.1 percent at March 31, 2016
- Strong capital position. At June 30, 2016, the estimated common equity tier 1 capital to risk-weighted assets ratio was 9.3 percent using the Basel III fully implemented standardized approach and was 12.0 percent using the Basel III fully implemented advanced approaches method

EARNINGS SUMMARY								Table 1
(\$ in millions, except per-share data)								
	2Q	1Q	2Q	Percent	Percent			
	2016	2016	2015	Change	Change	YTD	YTD	Percent
				2Q16 vs	2Q16 vs	2016	2015	Change
				1Q16	2Q15			
Net income attributable to U.S. Bancorp	\$1,522	\$1,386	\$1,483	9.8	2.6	\$2,908	\$2,914	(.2)
Diluted earnings per common share	\$.83	\$.76	\$.80	9.2	3.8	\$1.59	\$1.56	1.9
Return on average assets (%)	1.43	1.32	1.46			1.38	1.45	
Return on average common equity (%)	13.8	13.0	14.3			13.4	14.2	
Net interest margin (%)	3.02	3.06	3.03			3.04	3.05	
Efficiency ratio (%) (a)	54.9	54.6	53.2			54.8	53.7	
Tangible efficiency ratio (%) (a)	54.1	53.7	52.3			53.9	52.9	
Dividends declared per common share	\$.255	\$.255	\$.255	--	--	\$.510	\$.500	2.0
Book value per common share (period end)	\$24.37	\$23.82	\$22.51	2.3	8.3			

(a) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), and for tangible efficiency ratio, intangible amortization.

Net income attributable to U.S. Bancorp was \$1,522 million for the second quarter of 2016, 2.6 percent higher than the \$1,483 million for the second quarter of 2015, and 9.8 percent higher than the \$1,386 million for the first quarter of 2016. Diluted earnings per common share were \$0.83 in the second quarter of 2016, \$0.03 higher than the second quarter of 2015 and \$0.07 higher than the \$0.76 reported for the first quarter of 2016. The second quarter of 2016 included \$0.01 in notable items, including \$180 million of equity investment income, primarily the result of our membership in Visa Europe Limited (“Visa Europe”) which was sold to Visa, Inc. on June 21, 2016, and \$110 million in accruals related to legal and regulatory matters along with a \$40 million charitable contribution. Excluding the notable items, the increase in net income year-over-year was primarily due to an increase in net interest income of 4.5 percent, mainly a result of strong loan growth, and higher noninterest income of 4.4 percent, driven by growth in credit and debit card revenue, commercial products revenue, and trust and investment management fees. This increase was partially offset by higher noninterest expense related to merit increases and higher variable compensation expense, increased compliance costs, which peaked in the second quarter 2016, and higher marketing expense as a result of brand investment. Excluding the notable items, the increase in net income on a linked quarter basis was principally due to total net revenue growth of 4.6 percent reflecting typical seasonality in certain lines of businesses, including payments, mortgage banking and deposit services, partially offset by higher noninterest expense of 3.4 percent related to increased compliance costs and marketing expense.

U.S. Bancorp Chairman and Chief Executive Officer Richard K. Davis said, “U.S. Bancorp reported strong second quarter results, delivering record revenue and net income in an economy that continues to be challenged by global concerns and low interest rates. Despite these economic headwinds we continued to effectively execute on our strategy to be the most trusted choice and to unify the customer experience. The second quarter was a record quarter for us as we once again delivered industry-leading returns, steady loan growth and strength in our fee-based businesses. Steady loan growth, demonstrated by continued strength in commercial loans and momentum in consumer loans, led to increased net interest income despite a decline in net interest margin. Growth in our fee revenue continued across many of our fee-based businesses, including our payments business lines. We also reported strong results in our capital markets business as we were positioned well to provide products and services to our customers as they navigated through the recent market volatility. And we managed our capital effectively, delivering 77 percent of our second quarter earnings back to shareholders through dividends and share buybacks. During the quarter, we were pleased to receive the Federal Reserve’s non-objection to our capital plan, allowing us once again to return value to our shareholders by increasing our annual common dividend by 9.8 percent in the third quarter of 2016. We also

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made important investments in our vision for the future, including investments in the U.S. Bank brand that will help us more effectively articulate our compelling story to customers in order to generate long-term growth.

“The strength of our company continues to be driven by the commitment of our employees. Through their hard work and dedication, we continue to deliver consistent, predictable and repeatable industry-leading financial results. We remain well positioned to provide the right products and services to our customers so that they may achieve their financial objectives as we continue to create value for our shareholders.”

INCOME STATEMENT HIGHLIGHTS								Table 2
(Taxable-equivalent basis, \$ in millions, except per-share data)			Percent Change	Percent Change				
	2Q 2016	1Q 2016	2Q 2015	2Q16 vs 1Q16	2Q16 vs 2Q15	YTD 2016	YTD 2015	Percent Change
Net interest income	\$2,896	\$2,888	\$2,770	.3	4.5	\$5,784	\$5,522	4.7
Noninterest income	2,552	2,149	2,272	18.8	12.3	4,701	4,426	6.2
Total net revenue	5,448	5,037	5,042	8.2	8.1	10,485	9,948	5.4
Noninterest expense	2,992	2,749	2,682	8.8	11.6	5,741	5,347	7.4
Income before provision and taxes	2,456	2,288	2,360	7.3	4.1	4,744	4,601	3.1
Provision for credit losses	327	330	281	(.9)	16.4	657	545	20.6
Income before taxes	2,129	1,958	2,079	8.7	2.4	4,087	4,056	.8
Taxable-equivalent adjustment	51	53	54	(3.8)	(5.6)	104	108	(3.7)
Applicable income taxes	542	504	528	7.5	2.7	1,046	1,007	3.9
Net income	1,536	1,401	1,497	9.6	2.6	2,937	2,941	(.1)
Net (income) loss attributable to noncontrolling interests	(14)	(15)	(14)	6.7	--	(29)	(27)	(7.4)
Net income attributable to U.S. Bancorp	\$1,522	\$1,386	\$1,483	9.8	2.6	\$2,908	\$2,914	(.2)
Net income applicable to U.S. Bancorp common shareholders	\$1,435	\$1,329	\$1,417	8.0	1.3	\$2,764	\$2,782	(.6)
Diluted earnings per common share	\$.83	\$.76	\$.80	9.2	3.8	\$1.59	\$1.56	1.9

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NET INTEREST INCOME								Table 3
(Taxable-equivalent basis; \$ in millions)								
	2Q 2016	1Q 2016	2Q 2015	Change 2Q16 vs 1Q16	Change 2Q16 vs 2Q15	YTD 2016	YTD 2015	Change
Components of net interest income								
Income on earning assets	\$3,305	\$3,275	\$3,123	\$30	\$182	\$6,580	\$6,239	\$341
Expense on interest-bearing liabilities	409	387	353	22	56	796	717	79
Net interest income	\$2,896	\$2,888	\$2,770	\$8	\$126	\$5,784	\$5,522	\$262
Average yields and rates paid								
Earning assets yield	3.44%	3.48%	3.42%	(.04)%	.02%	3.46%	3.45%	.01%
Rate paid on interest-bearing liabilities	.58	.56	.52	.02	.06	.57	.54	.03
Gross interest margin	2.86%	2.92%	2.90%	(.06)%	(.04)%	2.89%	2.91%	(.02)%
Net interest margin	3.02%	3.06%	3.03%	(.04)%	(.01)%	3.04%	3.05%	(.01)%
Average balances								
Investment securities (a)	\$107,132	\$106,031	\$102,391	\$1,101	\$4,741	\$106,581	\$101,556	\$5,025
Loans	266,582	262,281	246,560	4,301	20,022	264,432	247,251	17,181
Earning assets	385,368	378,208	366,428	7,160	18,940	381,788	363,650	18,138
Interest-bearing liabilities	285,796	279,516	270,573	6,280	15,223	282,656	269,235	13,421
(a) Excludes unrealized gain (loss)								

Net Interest Income

Net interest income on a taxable-equivalent basis in the second quarter of 2016 was \$2,896 million, an increase of \$126 million (4.5 percent) over the second quarter of 2015. The increase was driven by loan growth and higher rates, partially offset by the loan portfolio mix. Average earning assets were \$18.9 billion (5.2 percent) higher than the second quarter of 2015, driven by increases of \$20.0 billion (8.1 percent) in average total loans and \$4.7 billion (4.6 percent) in average investment securities. Net interest income increased \$8 million (0.3 percent) on a linked quarter basis, primarily due to growth in average total loans, partially offset by the loan portfolio mix and higher funding costs. Average total loans were \$4.3 billion (1.6 percent) higher on a linked quarter basis.

The net interest margin in the second quarter of 2016 was 3.02 percent, compared with 3.03 percent in the second quarter of 2015, and 3.06 percent in the first quarter of 2016. The decrease in the net interest margin on a year-over-year basis was principally due to securities purchases at lower average rates and lower reinvestment rates on maturing securities, partially offset by higher rates on new loans. On a linked quarter

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basis, the decrease in net interest margin primarily reflected the loan portfolio mix as well as lower average rates on new securities purchases and lower reinvestment rates on maturing securities.

Investment Securities

Average investment securities in the second quarter of 2016 were \$4.7 billion (4.6 percent) higher year-over-year and \$1.1 billion (1.0 percent) higher than the prior quarter. These increases were primarily due to purchases of U.S. Treasury and U.S. government agency-backed securities, net of prepayments and maturities, to support regulatory liquidity coverage ratio requirements.

AVERAGE LOANS								Table 4
(\$ in millions)								
	2Q	1Q	2Q	Percent	Percent	YTD	YTD	Percent
	2016	2016	2015	Change	Change	2016	2015	Change
				2Q16 vs	2Q16 vs			
				1Q16	2Q15			
Commercial	\$86,899	\$84,582	\$77,932	2.7	11.5	\$85,741	\$77,062	11.3
Lease financing	5,255	5,238	5,321	.3	(1.2)	5,246	5,323	(1.4)
Total commercial	92,154	89,820	83,253	2.6	10.7	90,987	82,385	10.4
Commercial mortgages	31,950	31,836	32,499	.4	(1.7)	31,893	32,807	(2.8)
Construction and development	11,038	10,565	9,947	4.5	11.0	10,801	9,751	10.8
Total commercial real estate	42,988	42,401	42,446	1.4	1.3	42,694	42,558	.3
Residential mortgages	55,501	54,208	51,114	2.4	8.6	54,854	51,269	7.0
Credit card	20,140	20,244	17,613	(.5)	14.3	20,192	17,718	14.0
Retail leasing	5,326	5,179	5,696	2.8	(6.5)	5,253	5,756	(8.7)
Home equity and second mortgages	16,394	16,368	15,958	.2	2.7	16,381	15,928	2.8
Other	29,748	29,550	25,415	.7	17.0	29,649	26,504	11.9
Total other retail	51,468	51,097	47,069	.7	9.3	51,283	48,188	6.4
Total loans, excluding covered loans	262,251	257,770	241,495	1.7	8.6	260,010	242,118	7.4
Covered loans	4,331	4,511	5,065	(4.0)	(14.5)	4,422	5,133	(13.9)
Total loans	\$266,582	\$262,281	\$246,560	1.6	8.1	\$264,432	\$247,251	6.9

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Loans

Average total loans were \$20.0 billion (8.1 percent) higher in the second quarter of 2016 than the second quarter of 2015 (6.5 percent excluding student loans and the credit card portfolio acquisition). The increase was driven by growth in total commercial loans (10.7 percent), residential mortgages (8.6 percent), and credit card loans (14.3 percent, 5.8 percent excluding the credit card portfolio acquisition), and total other retail loans (9.3 percent, 4.1 percent excluding student loans). These increases were partially offset by a decline in the run-off covered loans portfolio (14.5 percent). Average total loans were \$4.3 billion (1.6 percent) higher in the second quarter of 2016 than the first quarter of 2016. The increase was driven by growth in total commercial loans (2.6 percent), residential mortgages (2.4 percent) and total commercial real estate (1.4 percent).

AVERAGE DEPOSITS								Table 5
(\$ in millions)				Percent Change 2Q16 vs 1Q16	Percent Change 2Q16 vs 2Q15	YTD 2016	YTD 2015	Percent Change
	2Q 2016	1Q 2016	2Q 2015					
Noninterest-bearing deposits	\$79,171	\$78,569	\$77,347	.8	2.4	\$78,870	\$75,937	3.9
Interest-bearing savings deposits								
Interest checking	60,842	57,910	55,205	5.1	10.2	59,376	54,933	8.1
Money market savings	92,904	86,462	79,898	7.5	16.3	89,683	76,910	16.6
Savings accounts	40,258	39,250	37,071	2.6	8.6	39,754	36,555	8.8
Total of savings deposits	194,004	183,622	172,174	5.7	12.7	188,813	168,398	12.1
Time deposits	34,211	33,687	36,223	1.6	(5.6)	33,949	37,787	(10.2)
Total interest-bearing deposits	228,215	217,309	208,397	5.0	9.5	222,762	206,185	8.0
Total deposits	\$307,386	\$295,878	\$285,744	3.9	7.6	\$301,632	\$282,122	6.9

Deposits

Average total deposits for the second quarter of 2016 were \$21.6 billion (7.6 percent) higher than the second quarter of 2015. Average noninterest-bearing deposits increased \$1.8 billion (2.4 percent) year-over-year, mainly in Consumer and Small Business Banking and Wholesale Banking and Commercial Real Estate, partially offset by a decline in Wealth Management and Securities Services. Average total savings deposits were \$21.8 billion (12.7 percent) higher year-over-year, the result of growth across all business lines. Growth in Consumer and Small Business Banking total savings deposits included net new account

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growth of 2.8 percent. Average time deposits were \$2.0 billion (5.6 percent) lower than the prior year quarter. Changes in time deposits are largely related to those deposits managed as an alternative to other funding sources such as wholesale borrowing, based largely on relative pricing and liquidity characteristics.

Average total deposits increased \$11.5 billion (3.9 percent) over the first quarter of 2016. Average noninterest-bearing deposits increased \$602 million (0.8 percent) on a linked quarter basis, mainly due to higher balances in Consumer and Small Business Banking, partially offset by lower balances in Wholesale Banking and Commercial Real Estate. Average total savings deposits increased \$10.4 billion (5.7 percent) reflecting increases across all business lines. Average time deposits, which are managed based on funding needs, relative pricing, and liquidity characteristics increased \$524 million (1.6 percent) on a linked quarter basis.

NONINTEREST INCOME								Table 6
(\$ in millions)								
	2Q	1Q	2Q	Percent	Percent	YTD	YTD	Percent
	2016	2016	2015	Change	Change	2016	2015	Change
				2Q16 vs	2Q16 vs			
				1Q16	2Q15			
Credit and debit card revenue	\$296	\$266	\$266	11.3	11.3	\$562	\$507	10.8
Corporate payment products revenue	181	170	178	6.5	1.7	351	348	.9
Merchant processing services	403	373	395	8.0	2.0	776	754	2.9
ATM processing services	84	80	80	5.0	5.0	164	158	3.8
Trust and investment management fees	358	339	334	5.6	7.2	697	656	6.3
Deposit service charges	179	168	174	6.5	2.9	347	335	3.6
Treasury management fees	147	142	142	3.5	3.5	289	279	3.6
Commercial products revenue	238	197	214	20.8	11.2	435	414	5.1
Mortgage banking revenue	238	187	231	27.3	3.0	425	471	(9.8)
Investment products fees	39	40	48	(2.5)	(18.8)	79	95	(16.8)
Securities gains (losses), net	3	3	--	--	nm	6	--	nm
Other	386	184	210	nm	83.8	570	409	39.4
Total noninterest income	\$2,552	\$2,149	\$2,272	18.8	12.3	\$4,701	\$4,426	6.2

Noninterest Income

Second quarter noninterest income was \$2,552 million, which was \$280 million higher than the second quarter of 2015. Excluding the Visa Europe sale, noninterest income increased 4.4 percent reflecting increases in credit and debit card revenue, trust and investment management fees, and commercial products revenue. Credit and debit card revenue increased \$30 million (11.3 percent) reflecting higher transaction

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volumes including acquired portfolios. Merchant processing services revenue increased \$8 million (2.0 percent). Adjusted for the approximate \$4 million impact of foreign currency rate changes, year-over-year merchant processing services revenue growth would have been approximately 3.0 percent. Trust and investment management fees increased \$24 million (7.2 percent) reflecting lower money market fee waivers. Commercial products revenue increased \$24 million (11.2 percent) driven by higher bond underwriting fees, foreign currency customer activity and other capital markets activity as a result of market volatility.

Noninterest income was \$403 million higher in the second quarter of 2016 than the first quarter of 2016. Excluding the Visa Europe sale, noninterest income increased 10.4 percent reflecting seasonally higher fee-based revenue including credit and debit card revenue, merchant processing services revenue, mortgage banking revenue and deposit service charges. Credit and debit card revenue increased \$30 million (11.3 percent), primarily due to seasonally higher transaction volumes. Merchant processing services revenue increased \$30 million (8.0 percent) as a result of seasonally higher transaction volumes. Mortgage banking revenue increased \$51 million (27.3 percent) mainly due to seasonally higher production volumes. Commercial products revenue increased \$41 million (20.8 percent) primarily due to higher bond underwriting fees, foreign currency customer activity and capital markets volume, partially reflecting market volatility. Trust and investment management fees increased \$19 million (5.6 percent) primarily due to account growth, improved market conditions and lower money market fee waivers. Deposit service charges increased \$11 million (6.5 percent) due to seasonally higher transaction volumes.

NONINTEREST EXPENSE								Table 7
(\$ in millions)								
	2Q	1Q	2Q	Percent	Percent	YTD	YTD	Percent
	2016	2016	2015	Change	Change	2016	2015	Change
				2Q16 vs	2Q16 vs			
				1Q16	2Q15			
Compensation	\$1,277	\$1,249	\$1,196	2.2	6.8	\$2,526	\$2,375	6.4
Employee benefits	278	300	293	(7.3)	(5.1)	578	610	(5.2)
Net occupancy and equipment	243	248	247	(2.0)	(1.6)	491	494	(.6)
Professional services	121	98	106	23.5	14.2	219	183	19.7
Marketing and business development	149	77	96	93.5	55.2	226	166	36.1
Technology and communications	241	233	221	3.4	9.0	474	435	9.0
Postage, printing and supplies	77	79	64	(2.5)	20.3	156	146	6.8
Other intangibles	44	45	43	(2.2)	2.3	89	86	3.5
Other	562	420	416	33.8	35.1	982	852	15.3
Total noninterest expense	\$2,992	\$2,749	\$2,682	8.8	11.6	\$5,741	\$5,347	7.4

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Noninterest Expense

Second quarter noninterest expense was \$2,992 million, which was \$310 million (11.6 percent) higher than the second quarter of 2015. Excluding the notable expense items, noninterest expense increased \$160 million (6.0 percent) related to higher compensation expense, professional services expense, and technology and communications expense, partially offset by lower employee benefits expense. Compensation expense increased \$81 million (6.8 percent), principally due to the impact of merit increases along with higher variable compensation including performance-based incentives. Professional services expense increased \$15 million (14.2 percent) primarily due to compliance-related matters, while technology and communications expense increased \$20 million (9.0 percent) due to acquired card portfolio conversion costs. Excluding the notable charitable contribution, the marketing and business development increase of \$13 million reflected brand advertising. Postage, printing and supplies expense increased \$13 million (20.3 percent) reflecting the impact of a prior year reimbursement from a business partner. Offsetting these increases was lower employee benefits expense of \$15 million (5.1 percent) mainly due to lower pension costs.

Noninterest expense increased \$243 million (8.8 percent) on a linked quarter basis, \$93 million (3.4 percent) excluding the second quarter 2016 notable items, reflecting higher professional services and compensation expenses, partially offset by lower employee benefits expense. Excluding the notable charitable contribution, the marketing and business development expense increase of \$32 million was driven by brand advertising. Professional services expense was \$23 million (23.5 percent) higher compared with the first quarter of 2016 principally due to higher costs for compliance-related matters. Compensation expense increased \$28 million (2.2 percent) due to merit increases and higher variable compensation including performance-based incentives. Partially offsetting these increases was a decrease in employee benefits expense of \$22 million (7.3 percent), driven by seasonally lower payroll tax expense.

Provision for Income Taxes

The provision for income taxes for the second quarter of 2016 resulted in a tax rate on a taxable-equivalent basis of 27.9 percent (effective tax rate of 26.1 percent), compared with 28.0 percent (effective tax rate of 26.1 percent) in the second quarter of 2015, and 28.4 percent (effective tax rate of 26.5 percent) in the first quarter of 2016, reflecting the favorable settlement of certain tax exam matters in the second quarter of 2016.

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ALLOWANCE FOR CREDIT LOSSES								Table 8		
(\$ in millions)	2Q		1Q		4Q		3Q		2Q	
	2016	% (b)	2016	% (b)	2015	% (b)	2015	% (b)	2015	% (b)
Balance, beginning of period	\$4,320		\$4,306		\$4,306		\$4,326		\$4,351	
Net charge-offs										
Commercial	74	.34	78	.37	58	.28	68	.34	39	.20
Lease financing	5	.38	5	.38	5	.38	3	.23	3	.23
Total commercial	79	.34	83	.37	63	.29	71	.33	42	.20
Commercial mortgages	(4)	(.05)	(2)	(.03)	2	.02	--	--	4	.05
Construction and development	4	.15	(3)	(.11)	(2)	(.08)	(11)	(.43)	(3)	(.12)
Total commercial real estate	--	--	(5)	(.05)	--	--	(11)	(.10)	1	.01
Residential mortgages	17	.12	19	.14	16	.12	25	.19	33	.26
Credit card	170	3.39	164	3.26	166	3.50	153	3.38	169	3.85
Retail leasing	2	.15	1	.08	1	.08	2	.14	1	.07
Home equity and second mortgages	(1)	(.02)	2	.05	6	.15	7	.17	11	.28
Other	50	.68	51	.69	53	.71	45	.65	39	.62
Total other retail	51	.40	54	.43	60	.47	54	.44	51	.43
Total net charge-offs, excluding covered loans	317	.49	315	.49	305	.48	292	.47	296	.49
Covered loans	--	--	--	--	--	--	--	--	--	--
Total net charge-offs	317	.48	315	.48	305	.47	292	.46	296	.48
Provision for credit losses	327		330		305		282		281	
Other changes (a)	(1)		(1)		--		(10)		(10)	
Balance, end of period	\$4,329		\$4,320		\$4,306		\$4,306		\$4,326	
Components										
Allowance for loan losses	\$3,806		\$3,853		\$3,863		\$3,965		\$4,013	
Liability for unfunded credit commitments	523		467		443		341		313	
Total allowance for credit losses	\$4,329		\$4,320		\$4,306		\$4,306		\$4,326	
Gross charge-offs	\$407		\$405		\$381		\$372		\$380	
Gross recoveries	\$90		\$90		\$76		\$80		\$84	
Allowance for credit losses as a percentage of										
Period-end loans, excluding covered loans	1.62		1.65		1.67		1.71		1.76	
Nonperforming loans, excluding covered loans	311		302		360		347		348	
Nonperforming assets, excluding covered assets	263		255		288		280		279	
Period-end loans	1.61		1.63		1.65		1.69		1.74	
Nonperforming loans	312		303		361		347		349	
Nonperforming assets	259		251		283		275		274	
(a) Includes net changes in credit losses to be reimbursed by the FDIC and reductions in the allowance for covered loans where the reversal of a previously recorded allowance was offset by an associated decrease in the indemnification asset, and the impact of any loan sales.										
(b) Annualized and calculated on average loan balances										

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Credit Quality

The Company's provision for credit losses for the second quarter of 2016 was \$327 million, which was \$3 million (0.9 percent) lower than the prior quarter and \$46 million (16.4 percent) higher than the second quarter of 2015. Credit quality was relatively stable.

The provision for credit losses was \$10 million higher than net charge-offs in the second quarter of 2016, \$15 million higher than net charge-offs in the first quarter of 2016 and \$15 million lower than net charge-offs in the second quarter of 2015. The reserve build for the second quarter of 2016 was driven by portfolio growth, partially offset by reduced energy portfolio exposures and residential mortgage credit quality improvement. Total net charge-offs in the second quarter of 2016 were \$317 million, compared with \$315 million in the first quarter of 2016, and \$296 million in the second quarter of 2015. Net charge-offs increased \$2 million (0.6 percent) compared with the first quarter of 2016 mainly due to modest increases in construction and development and credit card net charge-offs. Net charge-offs increased \$21 million (7.1 percent) compared with the second quarter of 2015 primarily due to higher commercial loan net charge-offs, partially offset by lower charge-offs related to residential mortgages. The net charge-off ratio was 0.48 percent in the second quarter of 2016, the first quarter of 2016 and in the second quarter of 2015.

The allowance for credit losses was \$4,329 million at June 30, 2016, compared with \$4,320 million at March 31, 2016, and \$4,326 million at June 30, 2015. The ratio of the allowance for credit losses to period-end loans was 1.61 percent at June 30, 2016, compared with 1.63 percent at March 31, 2016, and 1.74 percent at June 30, 2015. The ratio of the allowance for credit losses to nonperforming loans was 312 percent at June 30, 2016, compared with 303 percent at March 31, 2016, and 349 percent at June 30, 2015.

Nonperforming assets were \$1,672 million at June 30, 2016, compared with \$1,719 million at March 31, 2016, and \$1,577 million at June 30, 2015. The ratio of nonperforming assets to loans and other real estate was 0.62 percent at June 30, 2016, compared with 0.65 percent at March 31, 2016, and 0.63 percent at June 30, 2015. The \$95 million (6.0 percent) increase in nonperforming assets on a year-over-year basis was driven by commercial loans within the energy portfolio, partially offset by improvements in the Company's residential and commercial real estate portfolios. The decrease in nonperforming assets on a linked quarter basis of \$47 million (2.7 percent) was driven by improvements in the energy portfolio and in residential mortgages. Accruing loans 90 days or more past due were \$724 million (\$478 million excluding covered loans) at June 30, 2016, compared with \$804 million (\$528 million excluding covered loans) at March 31, 2016, and \$801 million (\$469 million excluding covered loans) at June 30, 2015.

(MORE)

Commercial loans to customers in the energy sector were approximately \$3.0 billion (\$11.3 billion of commitments) at June 30, 2016, compared with \$3.4 billion (\$11.9 billion of commitments) at March 31, 2016. The decline was primarily driven by the completion of our spring borrowing base redeterminations on reserve-based loans within our energy portfolio. During the second quarter 2016, criticized commitments within the energy portfolio decreased by \$509 million while nonperforming loans in the energy portfolio decreased \$54 million. Energy portfolio loans represent 1.1 percent of the Company's total loans outstanding at June 30, 2016, and 1.3 percent at March 31, 2016. At June 30, 2016, the Company had credit reserves of 8.8 percent of total outstanding energy loan balances, compared with 9.1 percent of total outstanding energy loan balances at March 31, 2016.

DELINQUENT LOAN RATIOS AS A PERCENT OF ENDING LOAN BALANCES					Table 9
(Percent)					
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2016	2016	2015	2015	2015
Delinquent loan ratios - 90 days or more past due excluding nonperforming loans					
Commercial	.05	.05	.05	.05	.05
Commercial real estate	.03	.04	.03	.05	.05
Residential mortgages	.27	.31	.33	.33	.30
Credit card	.98	1.10	1.09	1.10	1.03
Other retail	.13	.15	.15	.14	.14
Total loans, excluding covered loans	.18	.20	.21	.20	.19
Covered loans	5.81	6.23	6.31	6.57	6.66
Total loans	.27	.30	.32	.32	.32
Delinquent loan ratios - 90 days or more past due including nonperforming loans					
Commercial	.58	.57	.25	.25	.16
Commercial real estate	.27	.28	.33	.39	.46
Residential mortgages	1.39	1.54	1.66	1.73	1.80
Credit card	1.00	1.14	1.13	1.16	1.12
Other retail	.43	.45	.46	.47	.51
Total loans, excluding covered loans	.70	.75	.67	.70	.70
Covered loans	5.98	6.39	6.48	6.80	6.88
Total loans	.79	.84	.78	.81	.82

ASSET QUALITY		Table 10				
(\$ in millions)						
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	
	2016	2016	2015	2015	2015	
Nonperforming loans						
Commercial	\$450	\$457	\$160	\$157	\$78	
Lease financing	39	16	14	12	12	
Total commercial	489	473	174	169	90	
Commercial mortgages	91	94	92	105	116	
Construction and development	12	10	35	39	59	
Total commercial real estate	103	104	127	144	175	
Residential mortgages	628	677	712	735	769	
Credit card	5	7	9	12	16	
Other retail	157	157	162	171	178	
Total nonperforming loans, excluding covered loans	1,382	1,418	1,184	1,231	1,228	
Covered loans	7	7	8	11	11	
Total nonperforming loans	1,389	1,425	1,192	1,242	1,239	
Other real estate (a)	229	242	280	276	287	
Covered other real estate (a)	34	33	32	31	35	
Other nonperforming assets	20	19	19	18	16	
Total nonperforming assets (b)	\$1,672	\$1,719	\$1,523	\$1,567	\$1,577	
Total nonperforming assets, excluding covered assets	\$1,631	\$1,679	\$1,483	\$1,525	\$1,531	
Accruing loans 90 days or more past due, excluding covered loans	\$478	\$528	\$541	\$510	\$469	
Accruing loans 90 days or more past due	\$724	\$804	\$831	\$825	\$801	
Performing restructured loans, excluding GNMA and covered loans	\$2,676	\$2,735	\$2,766	\$2,746	\$2,815	
Performing restructured GNMA and covered loans	\$1,602	\$1,851	\$1,944	\$2,031	\$2,111	
Nonperforming assets to loans plus ORE, excluding covered assets (%)	.62	.64	.58	.61	.63	
Nonperforming assets to loans plus ORE (%)	.62	.65	.58	.61	.63	
(a) Includes equity investments in entities whose principal assets are other real estate owned.						
(b) Does not include accruing loans 90 days or more past due.						

(MORE)

COMMON SHARES					Table 11
(Millions)	2Q	1Q	4Q	3Q	2Q
	2016	2016	2015	2015	2015
Beginning shares outstanding	1,732	1,745	1,754	1,767	1,780
Shares issued for stock incentive plans, acquisitions and other corporate purposes	2	3	1	3	1
Shares repurchased	(15)	(16)	(10)	(16)	(14)
Ending shares outstanding	1,719	1,732	1,745	1,754	1,767

CAPITAL POSITION					Table 12
(\$ in millions)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2016	2016	2015	2015	2015
Total U.S. Bancorp shareholders' equity	\$47,390	\$46,755	\$46,131	\$45,075	\$44,537
Standardized Approach					
Basel III transitional standardized approach					
Common equity tier 1 capital	\$33,444	\$32,827	\$32,612	\$32,124	\$31,674
Tier 1 capital	39,148	38,532	38,431	37,197	36,748
Total risk-based capital	47,049	45,412	45,313	44,015	43,526
Common equity tier 1 capital ratio	9.5 %	9.5 %	9.6 %	9.6 %	9.5 %
Tier 1 capital ratio	11.1	11.1	11.3	11.1	11.0
Total risk-based capital ratio	13.4	13.1	13.3	13.1	13.1
Leverage ratio	9.3	9.3	9.5	9.3	9.2
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach	9.3	9.2	9.1	9.2	9.2
Advanced Approaches					
Common equity tier 1 capital to risk-weighted assets for the Basel III transitional advanced approaches	12.3	12.3	12.5	13.0	12.9
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches	12.0	11.9	11.9	12.4	12.4
Tangible common equity to tangible assets	7.6	7.7	7.6	7.7	7.5
Tangible common equity to risk-weighted assets	9.3	9.3	9.2	9.3	9.2
Beginning January 1, 2014, the regulatory capital requirements effective for the Company follow Basel III, subject to certain transition provisions from Basel I over the following four years to full implementation by January 1, 2018. Basel III includes two comprehensive methodologies for calculating risk-weighted assets: a general standardized approach and more risk-sensitive advanced approaches, with the Company's capital adequacy being evaluated against the methodology that is most restrictive.					

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Capital Management

Total U.S. Bancorp shareholders' equity was \$47.4 billion at June 30, 2016, compared with \$46.8 billion at March 31, 2016, and \$44.5 billion at June 30, 2015. During the second quarter, the Company returned 77 percent of earnings to shareholders through dividends and share buybacks.

All regulatory ratios continue to be in excess of "well-capitalized" requirements. The estimated common equity tier 1 capital to risk-weighted assets ratio using the Basel III fully implemented standardized approach was 9.3 percent at June 30, 2016, compared with 9.2 percent at March 31, 2016, and at June 30, 2015. The estimated common equity tier 1 capital to risk-weighted assets ratio using the Basel III fully implemented advanced approaches method was 12.0 percent at June 30, 2016, compared with 11.9 percent at March 31, 2016, and 12.4 percent at June 30, 2015.

On Friday, July 15, 2016, at 8:00 a.m. CDT, Richard K. Davis, chairman and chief executive officer, and Kathy Rogers, vice chair and chief financial officer, will host a conference call to review the financial results. The conference call will be available online or by telephone. To access the webcast and presentation, go to www.usbank.com and click on "About U.S. Bank." The "Webcasts & Presentations" link can be found under the Investor/Shareholder information heading, which is at the left side near the bottom of the page. To access the conference call from locations within the United States and Canada, please dial 866-316-1409. Participants calling from outside the United States and Canada, please dial 706-634-9086. The conference ID number for all participants is 8158556. For those unable to participate during the live call, a recording will be available at approximately 11:00 a.m. CDT on Friday, July 15 and be accessible through Friday, July 22 at 11:00 p.m. CDT. To access the recorded message within the United States and Canada, dial 855-859-2056. If calling from outside the United States and Canada, please dial 404-537-3406 to access the recording. The conference ID is 8158556.

Minneapolis-based U.S. Bancorp (NYSE: USB), with \$438 billion in assets as of June 30, 2016, is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. The Company operates 3,122 banking offices in 25 states and 4,923 ATMs and provides a comprehensive line of banking, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at www.usbank.com.

Forward-Looking Statements

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

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

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2015, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. However, factors other than these also could adversely affect U.S. Bancorp's results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

Non-GAAP Financial Measures

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets,
- Tangible common equity to risk-weighted assets,
- Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach, and
- Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches.

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 currently effective capital ratios defined by banking regulations principally in that the numerator includes unrealized gains and losses related to available-for-sale securities and excludes preferred securities, including 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.

There may be limits in the usefulness of these measures to investors. As a result, the Company encourages readers to consider the consolidated financial statements and other financial information contained in this press release in their entirety, and not to rely on any single financial measure. A table follows that shows the Company's calculation of these non-GAAP financial measures.

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(MORE)

U.S. Bancorp

Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2016	2015	2016	2015
Interest Income				
Loans	\$2,664	\$2,463	\$5,308	\$4,956
Loans held for sale	36	65	67	106
Investment securities	523	505	1,040	1,000
Other interest income	29	35	58	67
Total interest income	3,252	3,068	6,473	6,129
Interest Expense				
Deposits	152	113	291	231
Short-term borrowings	66	62	131	123
Long-term debt	189	177	371	361
Total interest expense	407	352	793	715
Net interest income	2,845	2,716	5,680	5,414
Provision for credit losses	327	281	657	545
Net interest income after provision for credit losses	2,518	2,435	5,023	4,869
Noninterest Income				
Credit and debit card revenue	296	266	562	507
Corporate payment products revenue	181	178	351	348
Merchant processing services	403	395	776	754
ATM processing services	84	80	164	158
Trust and investment management fees	358	334	697	656
Deposit service charges	179	174	347	335
Treasury management fees	147	142	289	279
Commercial products revenue	238	214	435	414
Mortgage banking revenue	238	231	425	471
Investment products fees	39	48	79	95
Securities gains (losses), net	3	--	6	--
Other	386	210	570	409
Total noninterest income	2,552	2,272	4,701	4,426
Noninterest Expense				
Compensation	1,277	1,196	2,526	2,375
Employee benefits	278	293	578	610
Net occupancy and equipment	243	247	491	494
Professional services	121	106	219	183
Marketing and business development	149	96	226	166
Technology and communications	241	221	474	435
Postage, printing and supplies	77	64	156	146
Other intangibles	44	43	89	86
Other	562	416	982	852
Total noninterest expense	2,992	2,682	5,741	5,347
Income before income taxes	2,078	2,025	3,983	3,948
Applicable income taxes	542	528	1,046	1,007
Net income	1,536	1,497	2,937	2,941
Net (income) loss attributable to noncontrolling interests	(14)	(14)	(29)	(27)
Net income attributable to U.S. Bancorp	\$1,522	\$1,483	\$2,908	\$2,914
Net income applicable to U.S. Bancorp common shareholders	\$1,435	\$1,417	\$2,764	\$2,782
Earnings per common share	\$.83	\$.80	\$1.60	\$1.57
Diluted earnings per common share	\$.83	\$.80	\$1.59	\$1.56
Dividends declared per common share	\$.255	\$.255	\$.510	\$.500
Average common shares outstanding	1,725	1,771	1,731	1,776
Average diluted common shares outstanding	1,731	1,779	1,737	1,784

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	June 30, 2016	December 31, 2015	June 30, 2015
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	\$14,038	\$11,147	\$17,925
Investment securities			
Held-to-maturity	42,030	43,590	46,233
Available-for-sale	66,490	61,997	57,078
Loans held for sale	4,311	3,184	8,498
Loans			
Commercial	92,514	88,402	84,620
Commercial real estate	43,290	42,137	42,258
Residential mortgages	55,904	53,496	51,337
Credit card	20,571	21,012	17,788
Other retail	52,008	51,206	47,652
Total loans, excluding covered loans	264,287	256,253	243,655
Covered loans	4,234	4,596	4,984
Total loans	268,521	260,849	248,639
Less allowance for loan losses	(3,806)	(3,863)	(4,013)
Net loans	264,715	256,986	244,626
Premises and equipment	2,459	2,513	2,551
Goodwill	9,359	9,361	9,374
Other intangible assets	2,852	3,350	3,225
Other assets	32,209	29,725	29,565
Total assets	\$438,463	\$421,853	\$419,075
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	\$86,572	\$83,766	\$86,189
Interest-bearing	231,018	216,634	210,659
Total deposits	317,590	300,400	296,848
Short-term borrowings	18,433	27,877	27,784
Long-term debt	36,941	32,078	34,141
Other liabilities	17,470	14,681	15,071
Total liabilities	390,434	375,036	373,844
Shareholders' equity			
Preferred stock	5,501	5,501	4,756
Common stock	21	21	21
Capital surplus	8,402	8,376	8,335
Retained earnings	48,269	46,377	44,434
Less treasury stock	(14,241)	(13,125)	(12,144)
Accumulated other comprehensive income (loss)	(562)	(1,019)	(865)
Total U.S. Bancorp shareholders' equity	47,390	46,131	44,537
Noncontrolling interests	639	686	694
Total equity	48,029	46,817	45,231
Total liabilities and equity	\$438,463	\$421,853	\$419,075

U.S. Bancorp

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Total equity	\$48,029	\$47,393	\$46,817	\$45,767	\$45,231
Preferred stock	(5,501)	(5,501)	(5,501)	(4,756)	(4,756)
Noncontrolling interests	(639)	(638)	(686)	(692)	(694)
Goodwill (net of deferred tax liability) (1)	(8,246)	(8,270)	(8,295)	(8,324)	(8,350)
Intangible assets, other than mortgage servicing rights	(796)	(820)	(838)	(779)	(744)
Tangible common equity (a)	32,847	32,164	31,497	31,216	30,687
Tangible common equity (as calculated above)	32,847	32,164	31,497	31,216	30,687
Adjustments (2)	133	99	67	118	125
Common equity tier 1 capital estimated for the Basel III fully implemented standardized and advanced approaches (b)	32,980	32,263	31,564	31,334	30,812
Total assets	438,463	428,638	421,853	415,943	419,075
Goodwill (net of deferred tax liability) (1)	(8,246)	(8,270)	(8,295)	(8,324)	(8,350)
Intangible assets, other than mortgage servicing rights	(796)	(820)	(838)	(779)	(744)
Tangible assets (c)	429,421	419,548	412,720	406,840	409,981
Risk-weighted assets, determined in accordance with prescribed transitional standardized approach regulatory requirements (d)	351,462 *	346,227	341,360	336,227	333,177
Adjustments (3)	3,079 *	3,485	3,892	3,532	3,532
Risk-weighted assets estimated for the Basel III fully implemented standardized approach (e)	354,541 *	349,712	345,252	339,759	336,709
Risk-weighted assets, determined in accordance with prescribed transitional advanced approaches regulatory requirements	271,495 *	267,309	261,668	248,048	245,038
Adjustments (4)	3,283 *	3,707	4,099	3,723	3,721
Risk-weighted assets estimated for the Basel III fully implemented advanced approaches (f)	274,778 *	271,016	265,767	251,771	248,759
Ratios *					
Tangible common equity to tangible assets (a)/(c)	7.6 %	7.7 %	7.6 %	7.7 %	7.5 %
Tangible common equity to risk-weighted assets (a)/(d)	9.3	9.3	9.2	9.3	9.2
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach (b)/(e)	9.3	9.2	9.1	9.2	9.2
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches (b)/(f)	12.0	11.9	11.9	12.4	12.4

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.

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

(2) Includes net losses on cash flow hedges included in accumulated other comprehensive income (loss) and other adjustments.

(3) Includes higher risk-weighting for unfunded loan commitments, investment securities, residential mortgages, mortgage servicing rights and other adjustments.

(4) Primarily reflects higher risk-weighting for mortgage servicing rights.

Supplemental Consolidated Schedules

2Q 2016

U.S. Bancorp

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended			Percent Change v. June 30, 2016	
	June 30, 2016	March 31, 2016	June 30, 2015	March 31, 2016	June 30, 2015
Net interest income (taxable-equivalent basis)	\$2,896	\$2,888	\$2,770	.3 %	4.5 %
Noninterest income	2,552	2,149	2,272	18.8	12.3
Total net revenue	5,448	5,037	5,042	8.2	8.1
Noninterest expense	2,992	2,749	2,682	8.8	11.6
Income before provision and income taxes	2,456	2,288	2,360	7.3	4.1
Provision for credit losses	327	330	281	(.9)	16.4
Income before income taxes	2,129	1,958	2,079	8.7	2.4
Taxable-equivalent adjustment	51	53	54	(3.8)	(5.6)
Applicable income taxes	542	504	528	7.5	2.7
Net income	1,536	1,401	1,497	9.6	2.6
Net (income) loss attributable to noncontrolling interests	(14)	(15)	(14)	6.7	--
Net income attributable to U.S. Bancorp	\$1,522	\$1,386	\$1,483	9.8	2.6
Net income applicable to U.S. Bancorp common shareholders	\$1,435	\$1,329	\$1,417	8.0	1.3
Diluted earnings per common share	\$.83	\$.76	\$.80	9.2	3.8
Revenue per diluted common share (a)	\$3.15	\$2.89	\$2.83	9.0	11.3
Financial Ratios					
Net interest margin (b)	3.02 %	3.06 %	3.03 %		
Interest yield on average loans (b)	4.05	4.09	4.05		
Rate paid on interest-bearing liabilities (b)	.58	.56	.52		
Return on average assets	1.43	1.32	1.46		
Return on average common equity	13.8	13.0	14.3		
Efficiency ratio (c)	54.9	54.6	53.2		
Tangible efficiency ratio (d)	54.1	53.7	52.3		

(a) Computed as the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), divided by average diluted common shares outstanding

(b) On a taxable-equivalent basis

(c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)

(d) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

U.S. Bancorp

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Six Months Ended		Percent Change
	June 30, 2016	June 30, 2015	
Net interest income (taxable-equivalent basis)	\$5,784	\$5,522	4.7 %
Noninterest income	4,701	4,426	6.2
Total net revenue	10,485	9,948	5.4
Noninterest expense	5,741	5,347	7.4
Income before provision and income taxes	4,744	4,601	3.1
Provision for credit losses	657	545	20.6
Income before income taxes	4,087	4,056	.8
Taxable-equivalent adjustment	104	108	(3.7)
Applicable income taxes	1,046	1,007	3.9
Net income	2,937	2,941	(.1)
Net (income) loss attributable to noncontrolling interests	(29)	(27)	(7.4)
Net income attributable to U.S. Bancorp	\$2,908	\$2,914	(.2)
Net income applicable to U.S. Bancorp common shareholders	\$2,764	\$2,782	(.6)
Diluted earnings per common share	\$1.59	\$1.56	1.9
Revenue per diluted common share (a)	\$6.03	\$5.58	8.1
Financial Ratios			
Net interest margin (b)	3.04 %	3.05 %	
Interest yield on average loans (b)	4.07	4.08	
Rate paid on interest-bearing liabilities (b)	.57	.54	
Return on average assets	1.38	1.45	
Return on average common equity	13.4	14.2	
Efficiency ratio (c)	54.8	53.7	
Tangible efficiency ratio (d)	53.9	52.9	

- (a) Computed as the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), divided by average diluted common shares outstanding
- (b) On a taxable-equivalent basis
- (c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)
- (d) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

Quarterly Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Interest Income					
Loans	\$2,664	\$2,644	\$2,583	\$2,520	\$2,463
Loans held for sale	36	31	40	60	65
Investment securities	523	517	499	502	505
Other interest income	29	29	34	35	35
Total interest income	3,252	3,221	3,156	3,117	3,068
Interest Expense					
Deposits	152	139	113	113	113
Short-term borrowings	66	65	56	66	62
Long-term debt	189	182	168	170	177
Total interest expense	407	386	337	349	352
Net interest income	2,845	2,835	2,819	2,768	2,716
Provision for credit losses	327	330	305	282	281
Net interest income after provision for credit losses	2,518	2,505	2,514	2,486	2,435
Noninterest Income					
Credit and debit card revenue	296	266	294	269	266
Corporate payment products revenue	181	170	170	190	178
Merchant processing services	403	373	393	400	395
ATM processing services	84	80	79	81	80
Trust and investment management fees	358	339	336	329	334
Deposit service charges	179	168	182	185	174
Treasury management fees	147	142	139	143	142
Commercial products revenue	238	197	222	231	214
Mortgage banking revenue	238	187	211	224	231
Investment products fees	39	40	44	46	48
Securities gains (losses), net	3	3	1	(1)	--
Other	386	184	269	229	210
Total noninterest income	2,552	2,149	2,340	2,326	2,272
Noninterest Expense					
Compensation	1,277	1,249	1,212	1,225	1,196
Employee benefits	278	300	272	285	293
Net occupancy and equipment	243	248	246	251	247
Professional services	121	98	125	115	106
Marketing and business development	149	77	96	99	96
Technology and communications	241	233	230	222	221
Postage, printing and supplies	77	79	74	77	64
Other intangibles	44	45	46	42	43
Other	562	420	508	459	416
Total noninterest expense	2,992	2,749	2,809	2,775	2,682
Income before income taxes	2,078	1,905	2,045	2,037	2,025
Applicable income taxes	542	504	556	534	528
Net income	1,536	1,401	1,489	1,503	1,497
Net (income) loss attributable to noncontrolling interests	(14)	(15)	(13)	(14)	(14)
Net income attributable to U.S. Bancorp	\$1,522	\$1,386	\$1,476	\$1,489	\$1,483
Net income applicable to U.S. Bancorp common shareholders	\$1,435	\$1,329	\$1,404	\$1,422	\$1,417
Earnings per common share	\$.83	\$.77	\$.80	\$.81	\$.80
Diluted earnings per common share	\$.83	\$.76	\$.80	\$.81	\$.80
Dividends declared per common share	\$.255	\$.255	\$.255	\$.255	\$.255
Average common shares outstanding	1,725	1,737	1,747	1,758	1,771
Average diluted common shares outstanding	1,731	1,743	1,754	1,766	1,779
Financial Ratios					
Net interest margin (a)	3.02 %	3.06 %	3.06 %	3.04 %	3.03 %
Interest yield on average loans (a)	4.05	4.09	4.04	4.04	4.05
Rate paid on interest-bearing liabilities (a)	.58	.56	.50	.52	.52
Return on average assets	1.43	1.32	1.41	1.44	1.46
Return on average common equity	13.8	13.0	13.7	14.1	14.3
Efficiency ratio (b)	54.9	54.6	53.9	53.9	53.2
Tangible efficiency ratio (c)	54.1	53.7	53.0	53.1	52.3

(a) On a taxable-equivalent basis

(b) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)

(c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Assets	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Cash and due from banks	\$14,038	\$10,981	\$11,147	\$10,450	\$17,925
Investment securities					
Held-to-maturity	42,030	42,113	43,590	44,690	46,233
Available-for-sale	66,490	64,912	61,997	60,396	57,078
Loans held for sale	4,311	4,005	3,184	4,472	8,498
Loans					
Commercial	92,514	91,277	88,402	85,539	84,620
Commercial real estate	43,290	42,743	42,137	42,478	42,258
Residential mortgages	55,904	54,955	53,496	52,349	51,337
Credit card	20,571	19,957	21,012	18,583	17,788
Other retail	52,008	51,161	51,206	51,051	47,652
Total loans, excluding covered loans	264,287	260,093	256,253	250,000	243,655
Covered loans	4,234	4,429	4,596	4,791	4,984
Total loans	268,521	264,522	260,849	254,791	248,639
Less allowance for loan losses	(3,806)	(3,853)	(3,863)	(3,965)	(4,013)
Net loans	264,715	260,669	256,986	250,826	244,626
Premises and equipment	2,459	2,486	2,513	2,515	2,551
Goodwill	9,359	9,368	9,361	9,368	9,374
Other intangible assets	2,852	3,042	3,350	3,176	3,225
Other assets	32,209	31,062	29,725	30,050	29,565
Total assets	\$438,463	\$428,638	\$421,853	\$415,943	\$419,075
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	\$86,572	\$80,407	\$83,766	\$83,549	\$86,189
Interest-bearing	231,018	225,941	216,634	211,715	210,659
Total deposits	317,590	306,348	300,400	295,264	296,848
Short-term borrowings	18,433	23,777	27,877	26,915	27,784
Long-term debt	36,941	34,872	32,078	32,504	34,141
Other liabilities	17,470	16,248	14,681	15,493	15,071
Total liabilities	390,434	381,245	375,036	370,176	373,844
Shareholders' equity					
Preferred stock	5,501	5,501	5,501	4,756	4,756
Common stock	21	21	21	21	21
Capital surplus	8,402	8,368	8,376	8,362	8,335
Retained earnings	48,269	47,267	46,377	45,413	44,434
Less treasury stock	(14,241)	(13,658)	(13,125)	(12,756)	(12,144)
Accumulated other comprehensive income (loss)	(562)	(744)	(1,019)	(721)	(865)
Total U.S. Bancorp shareholders' equity	47,390	46,755	46,131	45,075	44,537
Noncontrolling interests	639	638	686	692	694
Total equity	48,029	47,393	46,817	45,767	45,231
Total liabilities and equity	\$438,463	\$428,638	\$421,853	\$415,943	\$419,075

U.S. Bancorp

Consolidated Quarterly Average Balance Sheet

(Dollars in Millions, Unaudited)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Assets					
Investment securities	\$107,132	\$106,031	\$105,536	\$103,943	\$102,391
Loans held for sale	3,796	3,167	4,047	6,835	7,908
Loans					
Commercial					
Commercial	86,899	84,582	81,592	79,486	77,932
Lease financing	5,255	5,238	5,211	5,218	5,321
Total commercial	92,154	89,820	86,803	84,704	83,253
Commercial real estate					
Commercial mortgages	31,950	31,836	31,830	32,083	32,499
Construction and development	11,038	10,565	10,401	10,233	9,947
Total commercial real estate	42,988	42,401	42,231	42,316	42,446
Residential mortgages	55,501	54,208	52,970	51,831	51,114
Credit card	20,140	20,244	18,838	17,944	17,613
Other retail					
Retail leasing	5,326	5,179	5,265	5,480	5,696
Home equity and second mortgages	16,394	16,368	16,241	16,083	15,958
Other	29,748	29,550	29,556	27,286	25,415
Total other retail	51,468	51,097	51,062	48,849	47,069
Total loans, excluding covered loans	262,251	257,770	251,904	245,644	241,495
Covered loans	4,331	4,511	4,788	4,892	5,065
Total loans	266,582	262,281	256,692	250,536	246,560
Other earning assets	7,858	6,729	6,816	7,951	9,569
Total earning assets	385,368	378,208	373,091	369,265	366,428
Allowance for loan losses	(3,863)	(3,864)	(3,972)	(4,031)	(4,051)
Unrealized gain (loss) on investment securities	771	648	540	607	794
Other assets	46,474	46,565	45,463	44,598	44,730
Total assets	\$428,750	\$421,557	\$415,122	\$410,439	\$407,901
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	\$79,171	\$78,569	\$83,894	\$80,940	\$77,347
Interest-bearing deposits					
Interest checking	60,842	57,910	57,109	56,888	55,205
Money market savings	92,904	86,462	82,828	80,338	79,898
Savings accounts	40,258	39,250	37,991	37,480	37,071
Time deposits	34,211	33,687	32,683	34,046	36,223
Total interest-bearing deposits	228,215	217,309	210,611	208,752	208,397
Short-term borrowings	21,103	27,399	27,094	27,525	27,758
Long-term debt	36,478	34,808	32,235	33,202	34,418
Total interest-bearing liabilities	285,796	279,516	269,940	269,479	270,573
Other liabilities	15,961	16,056	14,826	14,463	14,778
Shareholders' equity					
Preferred equity	5,501	5,501	5,072	4,756	4,756
Common equity	41,683	41,237	40,701	40,111	39,758
Total U.S. Bancorp shareholders' equity	47,184	46,738	45,773	44,867	44,514
Noncontrolling interests	638	678	689	690	689
Total equity	47,822	47,416	46,462	45,557	45,203
Total liabilities and equity	\$428,750	\$421,557	\$415,122	\$410,439	\$407,901

U.S. Bancorp

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

For the Three Months Ended June 30,
2016 2015

(Dollars in Millions) (Unaudited)	2016		Yields and Rates	2015		Yields and Rates	% Change Average Balances
	Average Balances	Interest		Average Balances	Interest		
Assets							
Investment securities	\$107,132	\$550	2.05 %	\$102,391	\$535	2.09 %	4.6 %
Loans held for sale	3,796	36	3.79	7,908	65	3.29	(52.0)
Loans (b)							
Commercial	92,154	642	2.80	83,253	566	2.73	10.7
Commercial real estate	42,988	424	3.97	42,446	413	3.90	1.3
Residential mortgages	55,501	517	3.73	51,114	483	3.78	8.6
Credit card	20,140	538	10.73	17,613	471	10.72	14.3
Other retail	51,468	518	4.05	47,069	486	4.14	9.3
Total loans, excluding covered loans	262,251	2,639	4.05	241,495	2,419	4.02	8.6
Covered loans	4,331	51	4.64	5,065	69	5.47	(14.5)
Total loans	266,582	2,690	4.05	246,560	2,488	4.05	8.1
Other earning assets	7,858	29	1.48	9,569	35	1.47	(17.9)
Total earning assets	385,368	3,305	3.44	366,428	3,123	3.42	5.2
Allowance for loan losses	(3,863)			(4,051)			4.6
Unrealized gain (loss) on investment securities	771			794			(2.9)
Other assets	46,474			44,730			3.9
Total assets	<u>\$428,750</u>			<u>\$407,901</u>			5.1
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$79,171			\$77,347			2.4 %
Interest-bearing deposits							
Interest checking	60,842	10	.07	55,205	7	.06	10.2
Money market savings	92,904	82	.36	79,898	47	.23	16.3
Savings accounts	40,258	8	.09	37,071	11	.12	8.6
Time deposits	34,211	52	.60	36,223	48	.54	(5.6)
Total interest-bearing deposits	228,215	152	.27	208,397	113	.22	9.5
Short-term borrowings	21,103	68	1.28	27,758	63	.92	(24.0)
Long-term debt	36,478	189	2.08	34,418	177	2.05	6.0
Total interest-bearing liabilities	285,796	409	.58	270,573	353	.52	5.6
Other liabilities	15,961			14,778			8.0
Shareholders' equity							
Preferred equity	5,501			4,756			15.7
Common equity	41,683			39,758			4.8
Total U.S. Bancorp shareholders' equity	47,184			44,514			6.0
Noncontrolling interests	638			689			(7.4)
Total equity	47,822			45,203			5.8
Total liabilities and equity	<u>\$428,750</u>			<u>\$407,901</u>			5.1
Net interest income		<u>\$2,896</u>			<u>\$2,770</u>		
Gross interest margin			2.86 %			2.90 %	
Gross interest margin without taxable-equivalent increments			2.81			2.84	
Percent of Earning Assets							
Interest income			3.44 %			3.42 %	
Interest expense			.42			.39	
Net interest margin			3.02 %			3.03 %	
Net interest margin without taxable-equivalent increments			2.97 %			2.97 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

For the Three Months Ended
June 30, 2016 March 31, 2016

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	\$107,132	\$550	2.05 %	\$106,031	\$545	2.06 %	1.0 %
Loans held for sale	3,796	36	3.79	3,167	31	3.92	19.9
Loans (b)							
Commercial	92,154	642	2.80	89,820	624	2.79	2.6
Commercial real estate	42,988	424	3.97	42,401	416	3.94	1.4
Residential mortgages	55,501	517	3.73	54,208	509	3.76	2.4
Credit card	20,140	538	10.73	20,244	549	10.91	(.5)
Other retail	51,468	518	4.05	51,097	520	4.09	.7
Total loans, excluding covered loans	262,251	2,639	4.05	257,770	2,618	4.08	1.7
Covered loans	4,331	51	4.64	4,511	52	4.63	(4.0)
Total loans	266,582	2,690	4.05	262,281	2,670	4.09	1.6
Other earning assets	7,858	29	1.48	6,729	29	1.75	16.8
Total earning assets	385,368	3,305	3.44	378,208	3,275	3.48	1.9
Allowance for loan losses	(3,863)			(3,864)			--
Unrealized gain (loss) on investment securities	771			648			19.0
Other assets	46,474			46,565			(.2)
Total assets	\$428,750			\$421,557			1.7
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$79,171			\$78,569			.8 %
Interest-bearing deposits							
Interest checking	60,842	10	.07	57,910	7	.05	5.1
Money market savings	92,904	82	.36	86,462	73	.34	7.5
Savings accounts	40,258	8	.09	39,250	9	.09	2.6
Time deposits	34,211	52	.60	33,687	50	.60	1.6
Total interest-bearing deposits	228,215	152	.27	217,309	139	.26	5.0
Short-term borrowings	21,103	68	1.28	27,399	66	.97	(23.0)
Long-term debt	36,478	189	2.08	34,808	182	2.10	4.8
Total interest-bearing liabilities	285,796	409	.58	279,516	387	.56	2.2
Other liabilities	15,961			16,056			(.6)
Shareholders' equity							
Preferred equity	5,501			5,501			--
Common equity	41,683			41,237			1.1
Total U.S. Bancorp shareholders' equity	47,184			46,738			1.0
Noncontrolling interests	638			678			(5.9)
Total equity	47,822			47,416			.9
Total liabilities and equity	\$428,750			\$421,557			1.7
Net interest income		\$2,896			\$2,888		
Gross interest margin			2.86 %			2.92 %	
Gross interest margin without taxable-equivalent increments			2.81			2.86	
Percent of Earning Assets							
Interest income			3.44 %			3.48 %	
Interest expense			.42			.42	
Net interest margin			3.02 %			3.06 %	
Net interest margin without taxable-equivalent increments			2.97 %			3.00 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

For the Six Months Ended June 30,

2016

2015

(Dollars in Millions) (Unaudited)	2016		Yields and Rates	2015		Yields and Rates	% Change Average Balances
	Average Balances	Interest		Average Balances	Interest		
Assets							
Investment securities	\$106,581	\$1,095	2.05 %	\$101,556	\$1,061	2.09 %	4.9 %
Loans held for sale	3,481	67	3.85	6,133	106	3.45	(43.2)
Loans (b)							
Commercial	90,987	1,266	2.80	82,385	1,122	2.74	10.4
Commercial real estate	42,694	840	3.96	42,558	826	3.91	.3
Residential mortgages	54,854	1,026	3.75	51,269	972	3.80	7.0
Credit card	20,192	1,087	10.82	17,718	946	10.76	14.0
Other retail	51,283	1,038	4.07	48,188	991	4.15	6.4
Total loans, excluding covered loans	260,010	5,257	4.06	242,118	4,857	4.04	7.4
Covered loans	4,422	103	4.64	5,133	148	5.76	(13.9)
Total loans	264,432	5,360	4.07	247,251	5,005	4.08	6.9
Other earning assets	7,294	58	1.60	8,710	67	1.56	(16.3)
Total earning assets	381,788	6,580	3.46	363,650	6,239	3.45	5.0
Allowance for loan losses	(3,864)			(4,070)			5.1
Unrealized gain (loss) on investment securities	709			849			(16.5)
Other assets	46,520			44,456			4.6
Total assets	<u>\$425,153</u>			<u>\$404,885</u>			5.0
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$78,870			\$75,937			3.9 %
Interest-bearing deposits							
Interest checking	59,376	17	.06	54,933	15	.06	8.1
Money market savings	89,683	155	.35	76,910	89	.23	16.6
Savings accounts	39,754	17	.09	36,555	23	.13	8.8
Time deposits	33,949	102	.60	37,787	104	.56	(10.2)
Total interest-bearing deposits	222,762	291	.26	206,185	231	.23	8.0
Short-term borrowings	24,251	134	1.11	28,622	125	.88	(15.3)
Long-term debt	35,643	371	2.09	34,428	361	2.11	3.5
Total interest-bearing liabilities	282,656	796	.57	269,235	717	.54	5.0
Other liabilities	16,008			14,728			8.7
Shareholders' equity							
Preferred equity	5,501			4,756			15.7
Common equity	41,460			39,541			4.9
Total U.S. Bancorp shareholders' equity	46,961			44,297			6.0
Noncontrolling interests	658			688			(4.4)
Total equity	47,619			44,985			5.9
Total liabilities and equity	<u>\$425,153</u>			<u>\$404,885</u>			5.0
Net interest income		<u>\$5,784</u>			<u>\$5,522</u>		
Gross interest margin			2.89 %			2.91 %	
Gross interest margin without taxable-equivalent increments			2.83			2.85	
Percent of Earning Assets							
Interest income			3.46 %			3.45 %	
Interest expense			.42			.40	
Net interest margin			3.04 %			3.05 %	
Net interest margin without taxable-equivalent increments			2.98 %			2.99 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

U.S. Bancorp
Loan Portfolio

	June 30, 2016		March 31, 2016		December 31, 2015		September 30, 2015		June 30, 2015	
(Dollars in Millions, Unaudited)	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Commercial										
Commercial	\$87,179	32.4 %	\$85,986	32.5 %	\$83,116	31.9 %	\$80,313	31.5 %	\$79,323	31.9 %
Lease financing	5,335	2.0	5,291	2.0	5,286	2.0	5,226	2.1	5,297	2.1
Total commercial	92,514	34.4	91,277	34.5	88,402	33.9	85,539	33.6	84,620	34.0
Commercial real estate										
Commercial mortgages	32,129	12.0	31,936	12.1	31,773	12.2	32,089	12.6	32,060	12.9
Construction and development	11,161	4.1	10,807	4.1	10,364	3.9	10,389	4.1	10,198	4.1
Total commercial real estate	43,290	16.1	42,743	16.2	42,137	16.1	42,478	16.7	42,258	17.0
Residential mortgages										
Residential mortgages	42,534	15.8	41,742	15.8	40,425	15.5	39,341	15.4	38,310	15.4
Home equity loans, first liens	13,370	5.0	13,213	5.0	13,071	5.0	13,008	5.1	13,027	5.2
Total residential mortgages	55,904	20.8	54,955	20.8	53,496	20.5	52,349	20.5	51,337	20.6
Credit card	20,571	7.7	19,957	7.5	21,012	8.1	18,583	7.3	17,788	7.2
Other retail										
Retail leasing	5,512	2.1	5,268	2.0	5,232	2.0	5,387	2.1	5,616	2.3
Home equity and second mortgages	16,481	6.1	16,332	6.2	16,384	6.3	16,188	6.3	16,071	6.5
Revolving credit	3,225	1.2	3,220	1.2	3,354	1.3	3,334	1.3	3,289	1.3
Installment	7,567	2.8	7,162	2.7	7,030	2.7	6,949	2.7	6,741	2.7
Automobile	16,799	6.3	16,657	6.3	16,587	6.3	16,484	6.5	15,935	6.4
Student	2,424	.9	2,522	.9	2,619	1.0	2,709	1.1	--	--
Total other retail	52,008	19.4	51,161	19.3	51,206	19.6	51,051	20.0	47,652	19.2
Total loans, excluding covered loans	264,287	98.4	260,093	98.3	256,253	98.2	250,000	98.1	243,655	98.0
Covered loans	4,234	1.6	4,429	1.7	4,596	1.8	4,791	1.9	4,984	2.0
Total loans	\$268,521	100.0 %	\$264,522	100.0 %	\$260,849	100.0 %	\$254,791	100.0 %	\$248,639	100.0 %

U.S. Bancorp

Supplemental Financial Data

(Dollars in Millions, Unaudited)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Book value of intangibles					
Goodwill	\$9,359	\$9,368	\$9,361	\$9,368	\$9,374
Merchant processing contracts	124	128	135	144	154
Core deposit benefits	178	186	194	205	214
Mortgage servicing rights	2,056	2,222	2,512	2,397	2,481
Trust relationships	67	71	75	80	86
Other identified intangibles	427	435	434	350	290
Total	\$12,211	\$12,410	\$12,711	\$12,544	\$12,599
Three Months Ended					
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Amortization of intangibles					
Merchant processing contracts	\$7	\$7	\$9	\$8	\$9
Core deposit benefits	8	9	10	10	10
Trust relationships	4	4	5	6	5
Other identified intangibles	25	25	22	18	19
Total	\$44	\$45	\$46	\$42	\$43

Supplemental Credit Schedules

2Q 2016

U.S. Bancorp
Residential Mortgages

(Dollars in Millions, Unaudited)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Prime Borrowers					
Loans outstanding	\$49,900	\$48,605	\$46,989	\$45,691	\$44,516
Nonperforming loans	457	501	523	540	566
Delinquency Ratios					
30-89 days past due	.24 %	.21 %	.25 %	.29 %	.32 %
90 days or more past due	.23	.27	.30	.30	.27
Nonperforming loans	.92	1.03	1.12	1.18	1.27
Sub-Prime Borrowers					
Loans outstanding	\$1,000	\$1,035	\$1,072	\$1,111	\$1,150
Nonperforming loans	147	152	164	169	176
Delinquency Ratios					
30-89 days past due	2.90 %	2.41 %	3.92 %	3.42 %	3.83 %
90 days or more past due	2.50	2.90	2.52	2.61	2.35
Nonperforming loans	14.70	14.69	15.30	15.21	15.30
Other Borrowers					
Loans outstanding	\$552	\$591	\$625	\$672	\$726
Nonperforming loans	24	24	25	26	27
Delinquency Ratios					
30-89 days past due	1.45 %	1.19 %	1.60 %	1.34 %	1.24 %
90 days or more past due	1.45	1.35	1.12	1.04	1.10
Nonperforming loans	4.35	4.06	4.00	3.87	3.72
Loans Purchased From GNMA Mortgage Pools*					
Loans outstanding	\$4,452	\$4,724	\$4,810	\$4,875	\$4,945

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Prime Borrowers					
Net charge-offs	\$11	\$14	\$11	\$15	\$22
Net charge-off ratio	.09 %	.12 %	.09 %	.13 %	.20 %
Sub-Prime Borrowers					
Net charge-offs	\$3	\$4	\$4	\$8	\$8
Net charge-off ratio	1.19 %	1.54 %	1.46 %	2.82 %	2.76 %
Other Borrowers					
Net charge-offs	\$1	\$1	\$1	\$2	\$2
Net charge-off ratio	.71 %	.67 %	.62 %	1.15 %	1.08 %
Loans Purchased From GNMA Mortgage Pools					
Net charge-offs	\$2	\$--	\$--	\$--	\$1
Net charge-off ratio	.18 %	-- %	-- %	-- %	.08 %

* Past due GNMA loans are excluded from delinquency ratios as their repayments are primarily insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)

June 30, 2016	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average Credit Score		Weighted Average Loan-to-Value	
			At Origination	Updated	At Origination	Updated
PORTFOLIO PROFILE						
Prime Borrowers	\$49,900	89 %	757	783	70 %	60 %
Sub-Prime Borrowers	1,000	2	620	640	87	76
Other Borrowers	552	1	702	710	89	75
Loans Purchased From GNMA Mortgage Pools	4,452	8	*	*	*	*
Total	\$55,904	100 %	754	779	70 %	61 %

Three Months Ended June 30, 2016	Loans Originated	Weighted Average Credit Score	Weighted Average Loan-to-Value
Prime Borrowers	\$4,582	758	69 %
Sub-Prime Borrowers	--	--	--
Other Borrowers	--	--	--
Loans Purchased From GNMA Mortgage Pools	--	*	*
Total	\$4,582	758	69 %

June 30, 2016	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
Prime Borrowers				
California	\$13,862	27.8 %	\$28	.2 %
Minnesota	3,893	7.8	37	1.0
Colorado	3,025	6.1	18	.6
Washington	3,020	6.0	30	1.0
Illinois	2,738	5.5	40	1.5
Other	23,362	46.8	304	1.3
Total	\$49,900	100.0 %	\$457	.9 %
Sub-Prime Borrowers				
Ohio	\$81	8.1 %	\$12	14.8 %
Pennsylvania	67	6.7	11	16.4
Florida	62	6.2	11	17.7
Tennessee	50	5.0	5	10.0
North Carolina	45	4.5	5	11.1
Other	695	69.5	103	14.8
Total	\$1,000	100.0 %	\$147	14.7 %
Other Borrowers				
Ohio	\$47	8.5 %	\$2	4.3 %
Missouri	47	8.5	2	4.3
Minnesota	42	7.6	1	2.4
California	38	6.9	1	2.6
Illinois	35	6.4	2	5.7
Other	343	62.1	16	4.7
Total	\$552	100.0 %	\$24	4.3 %
Loans Purchased From GNMA Mortgage Pools				
Ohio	\$509	11.4 %	\$ --	-- %
Florida	384	8.6	--	--
New York	284	6.4	--	--
Illinois	237	5.3	--	--
Indiana	217	4.9	--	--
Other	2,821	63.4	--	--
Total	\$4,452	100.0 %	\$ --	-- %

* Not applicable.

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Prime Borrowers					
Loans outstanding	\$15,946	\$15,762	\$15,782	\$15,547	\$15,390
Nonperforming loans	111	113	117	127	133
Delinquency Ratios					
30-89 days past due	.32 %	.35 %	.31 %	.30 %	.32 %
90 days or more past due	.21	.23	.23	.22	.23
Nonperforming loans	.70	.72	.74	.82	.87
Sub-Prime Borrowers					
Loans outstanding	\$176	\$186	\$195	\$204	\$215
Nonperforming loans	9	9	9	10	12
Delinquency Ratios					
30-89 days past due	2.27 %	1.61 %	2.56 %	1.96 %	2.79 %
90 days or more past due	.57	1.08	1.03	.98	.93
Nonperforming loans	5.11	4.84	4.62	4.90	5.58
Other Borrowers					
Loans outstanding	\$359	\$384	\$407	\$437	\$466
Nonperforming loans	9	9	10	11	12
Delinquency Ratios					
30-89 days past due	1.39 %	1.30 %	1.23 %	1.37 %	.86 %
90 days or more past due	1.11	1.04	.74	.92	.43
Nonperforming loans	2.51	2.35	2.45	2.52	2.57

	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
Prime Borrowers					
Net charge-offs	\$(2)	\$2	\$4	\$5	\$9
Net charge-off ratio	(.05) %	.05 %	.10 %	.13 %	.24 %
Sub-Prime Borrowers					
Net charge-offs	\$(1)	\$--	\$1	\$1	\$1
Net charge-off ratio	(2.25) %	-- %	2.00 %	1.92 %	1.83 %
Other Borrowers					
Net charge-offs	\$2	\$--	\$1	\$1	\$1
Net charge-off ratio	2.19 %	-- %	.95 %	.89 %	.84 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)

June 30, 2016	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average Credit Score		Weighted Average Loan-to-Value	
			At Origination	Updated	At Origination	Updated
PORTFOLIO PROFILE						
Prime Borrowers	\$15,946	97 %	754	772	72 %	68 %
Sub-Prime Borrowers	176	1	655	676	89	90
Other Borrowers	359	2	694	715	70	63
Total	\$16,481	100 %	752	770	72 %	68 %

Three Months Ended June 30, 2016	Loans Originated	Weighted Average Credit Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Prime Borrowers	\$2,069	766	72 %
Sub-Prime Borrowers	--	--	--
Other Borrowers	--	--	--
Total	\$2,069	766	72 %

June 30, 2016	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES				
Prime Borrowers				
California	\$3,400	21.3 %	\$20	.6 %
Minnesota	2,116	13.3	12	.6
Colorado	1,276	8.0	7	.5
Illinois	1,243	7.8	7	.6
Washington	1,032	6.5	10	1.0
Other	6,879	43.1	55	.8
Total	\$15,946	100.0 %	\$111	.7 %
Sub-Prime Borrowers				
Ohio	\$17	9.6 %	\$1	5.9 %
Minnesota	16	9.1	1	6.3
Missouri	12	6.8	--	--
Washington	10	5.7	1	10.0
Colorado	10	5.7	1	10.0
Other	111	63.1	5	4.5
Total	\$176	100.0 %	\$9	5.1 %
Other Borrowers				
California	\$142	39.6 %	\$6	4.2 %
Minnesota	23	6.4	--	--
Ohio	21	5.8	--	--
Colorado	20	5.6	--	--
Washington	20	5.6	--	--
Other	133	37.0	3	2.3
Total	\$359	100.0 %	\$9	2.5 %