

Goldman Sachs U.S. Financial Services Conference 2017

Andy Cecere
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December 5, 2017

Forward-looking Statements and Additional Information

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

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

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

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



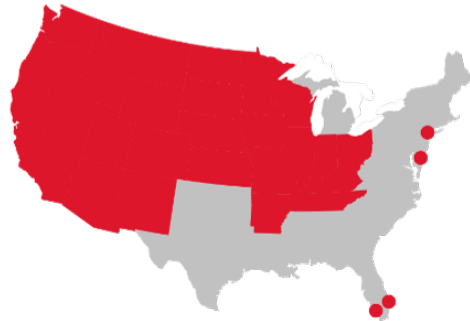
U.S. Bancorp Overview

NYSE Traded USB
Founded 1863
Market Value \$91B

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

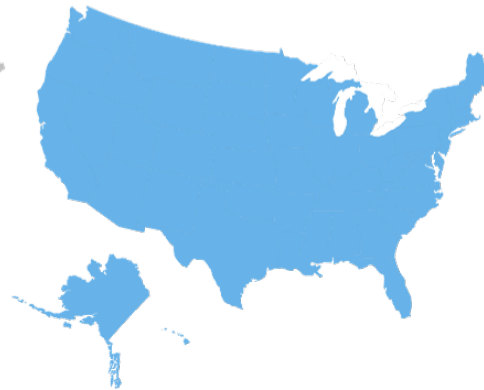
Regional

**Consumer & Business Banking
and Wealth Management**



National

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



International

Payments and Securities Services



Our Position in the Industry

Assets

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

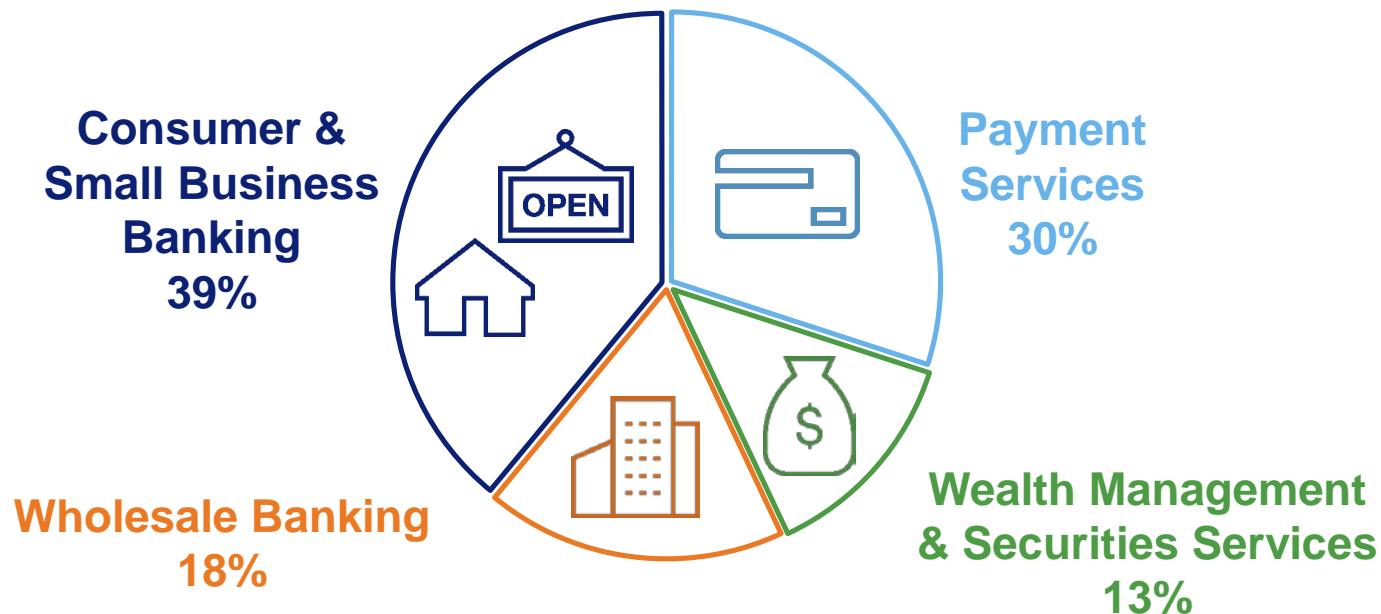
Deposits

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

Market Value

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

Our Businesses



CSBB:

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

Wholesale:

Corporate Banking, Commercial Banking and Commercial Real Estate

Payments:

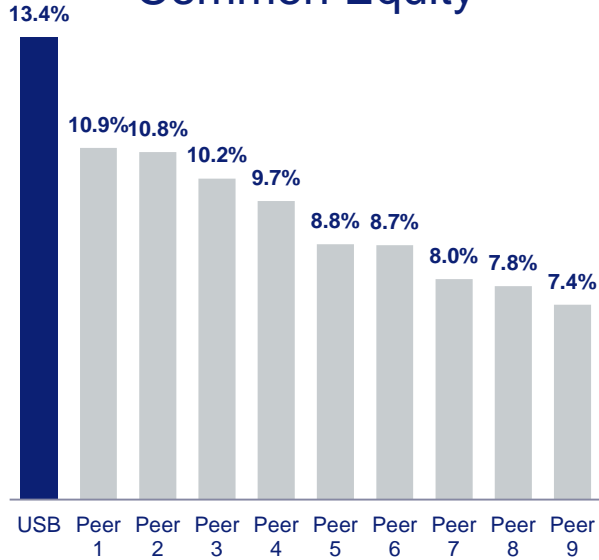
Retail Payment Solutions, Global Merchant Acquiring and Corporate Payment Systems

WMSS:

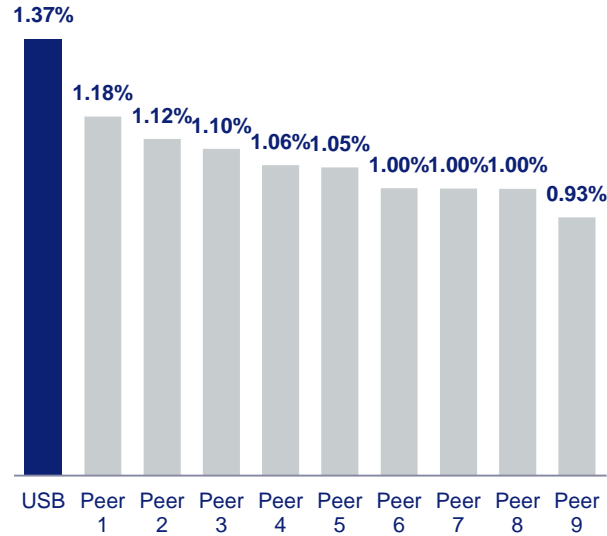
Wealth Management, Asset Management, Corporate Trust, Fund Services and Custody

Our Financial Performance

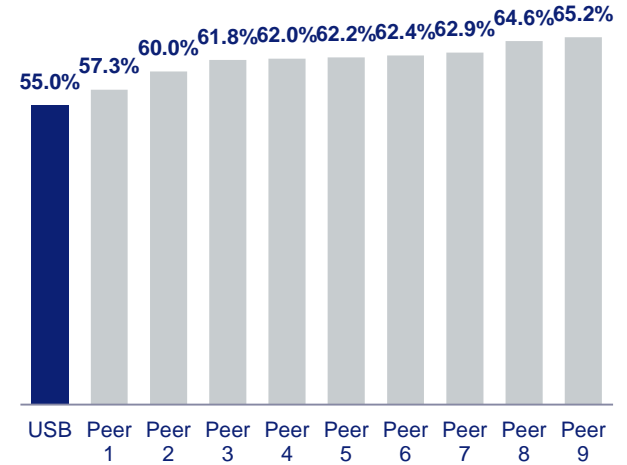
Return on Average Common Equity



Return on Average Assets



Efficiency Ratio*



3Q17 YTD

Source: company reports; peers include: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

* Non-GAAP, see slide 17 for calculation

Our Strategic Priorities

1) One U.S. Bank initiative: putting the customer in the center

2) Leveraging **technology and innovation** to drive growth and efficiency

3) A relentless focus on optimization



one U.S. Bank



Our Approach to Technology and Innovation

We are investing in technology and innovation that will **enhance the customer experience, create value and drive growth.**



Improve the
customer experience







Create value
for the customer






Drive growth
for the bank

Innovation Across Our Businesses




The **foundational capabilities** that span each of our businesses:

-  Big Data and analytics
-  Artificial intelligence and machine learning
-  Fintech engagement
-  APIs and developer portals




Consumer & Small Business Banking

-  Omnichannel delivery
-  Digital banking tools
-  Optimization of branch delivery




Payment Services

-  Real-time payments
-  Location-based services
-  Information-rich transactions

Wholesale Banking

-  Distributed ledger
-  Virtual payments
-  Real-time payments

Wealth Management & Securities Services

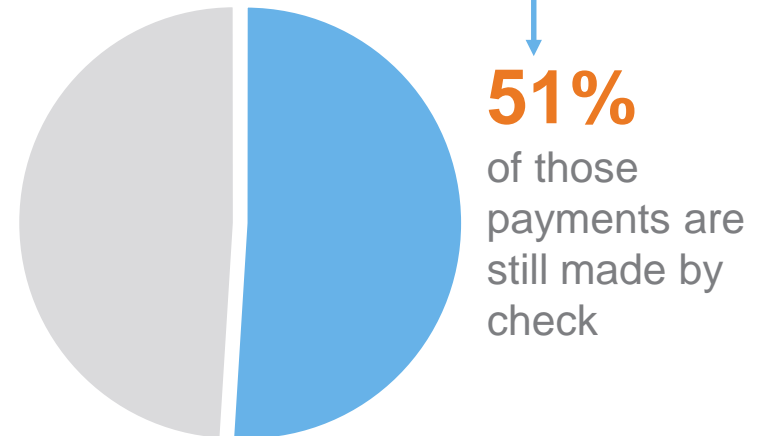
-  Auto-investing
-  Data delivery
-  Client portals

The Evolution of Digital Payments

Digitization is re-shaping the banking industry, and there is significant **opportunity in the digital payments space.**



In the U.S. alone, the B2B payments market represents an estimated **\$12 trillion**

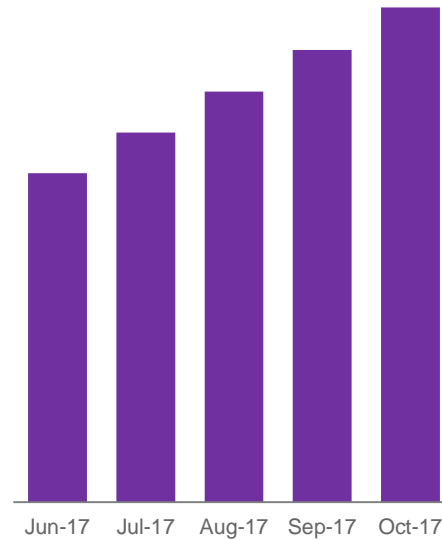


Digital Payments: P2P

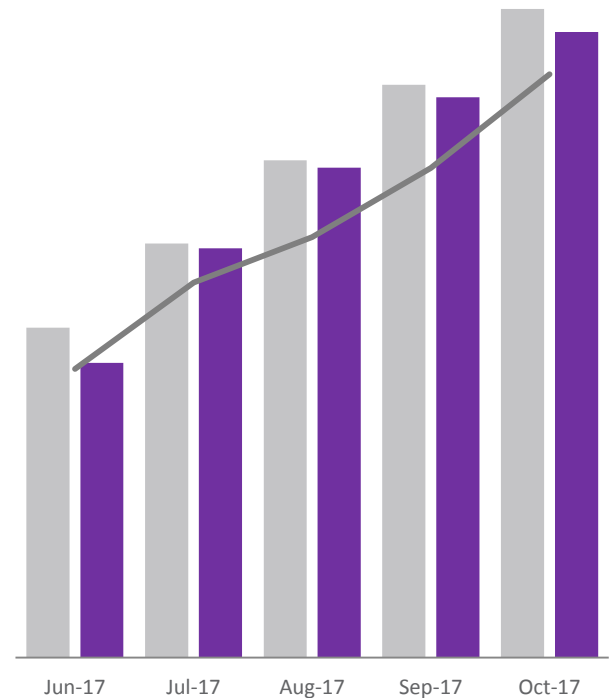
Digital payments adoption and usage continue to **grow at a steady pace.**



of USB customers enrolled in Zelle **up 50%** in four months



USB's total # of Zelle transactions **up 104%** in four months



Receive transactions Send transactions Total \$ volume

Digital Payments: B2B

The **B2B payments market is large and growing**, representing revenue opportunities for players in this space.

Delivering **innovative payment solutions** that best serve our clients:

Virtual Pay

- Real-time payments; 24/7
- Fastest growing Corporate Payment Systems product at ~20% annually
- Volume surpassing corporate T&E spend

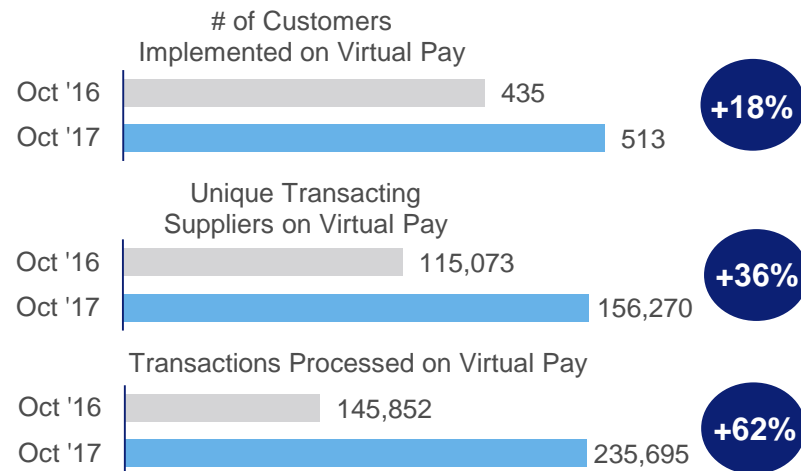
Supplier Prefer Pay

- Provides seamless end-to-end supplier enrollment and payments origination
- Suited for clients across all industry segments
- Simplifies migration to electronic payments
- Optimizes clients' working capital
- Growing at a 24% ACH enrollment rate



80%

of companies plan to transition to electronic payments



Digital Payments: B2B

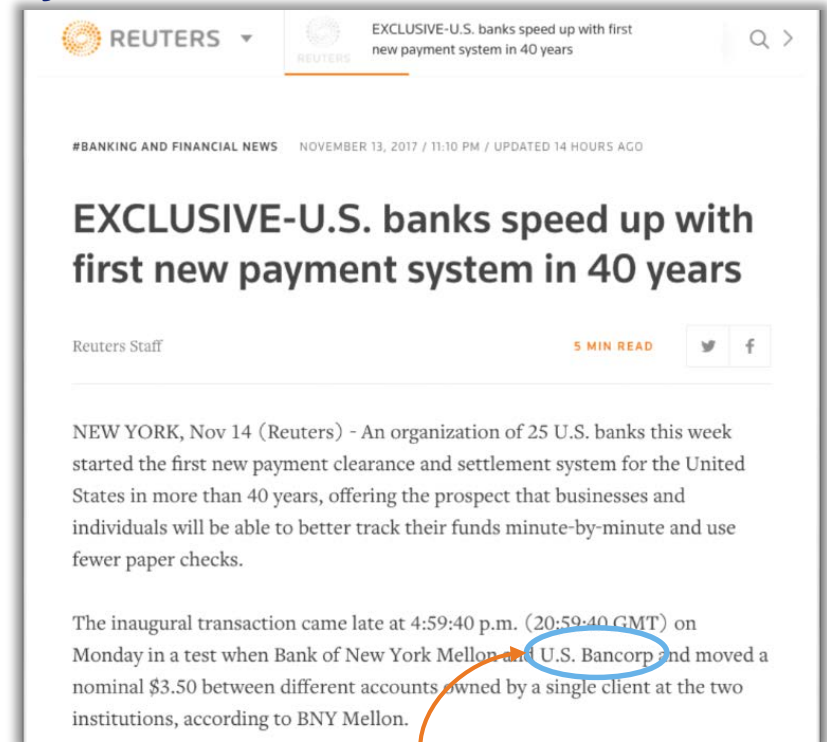
The Clearing House[®] launch of RTP[®], its real-time payments system, begins the **next leg of the digital payments journey.**

RTP:

- Features **rich data** capabilities
- Lowers processing costs
- Adds value for both the sender and receiver
- Will enable future product development



* Data-rich messaging adds value as payments evolve from financial transactions to **information transactions**



USB participated in the **first ever** RTP transaction!

Wrap-up

- The way banking is delivered is fundamentally changing, led by the digital revolution and real-time payments
- We are investing in those technologies and innovations that lay the foundation for the long-term
- Data-rich payment streams offer opportunities to add value, enhance the customer experience and grow revenues



4Q17 Guidance

- Loan growth
- Net interest margin
- Fee income
- Expenses
- Credit quality





Appendix

Non-GAAP Financial Measures

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

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

Non-GAAP Financial Measures

(\$ in millions)

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

Percent of Total Company

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

Percent of Total Company excl. Treasury and Corporate Support

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

