

# **Supplemental Business Line Schedules**

**2Q 2016**

U.S. Bancorp Second Quarter 2016 Business Line Results

July 15, 2016

Page 2

<b>LINE OF BUSINESS FINANCIAL PERFORMANCE (a)</b>									
(\$ in millions)									
<b>Business Line</b>	<b>Net Income Attributable to U.S. Bancorp</b>			<b>Percent Change</b>		<b>Net Income Attributable to U.S. Bancorp</b>			<b>2Q 2016</b>
	<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>2Q16 vs</b>	<b>2Q16 vs</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>	<b>Earnings</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>1Q16</b>	<b>2Q15</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>	<b>Composition</b>
Wholesale Banking and Commercial Real Estate	\$233	\$118	\$235	97.5	(.9)	\$351	\$435	(19.3)	15 %
Consumer and Small Business Banking	343	368	325	(6.8)	5.5	711	684	3.9	22
Wealth Management and Securities Services	100	80	64	25.0	56.3	180	115	56.5	7
Payment Services	328	292	255	12.3	28.6	620	517	19.9	22
Treasury and Corporate Support	518	528	604	(1.9)	(14.2)	1,046	1,163	(10.1)	34
Consolidated Company	<u>\$1,522</u>	<u>\$1,386</u>	<u>\$1,483</u>	9.8	2.6	<u>\$2,908</u>	<u>\$2,914</u>	(.2)	<u>100 %</u>

(a) preliminary data

Lines of Business

The Company's major lines of business are Wholesale Banking and Commercial Real Estate, Consumer and Small Business Banking, Wealth Management and Securities Services, Payment Services, and Treasury and Corporate Support. These operating segments are components of the Company about which financial information is prepared and is evaluated regularly by management in deciding how to allocate resources and assess performance. Noninterest expenses incurred by centrally managed operations or business lines that directly support another business line's operations are charged to the applicable business line based on its utilization of those services, primarily measured by the volume of customer activities, number of employees or other relevant factors. These allocated expenses are reported as net shared services expense within noninterest expense. Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2016, certain organization and methodology changes were made and, accordingly, prior period results were restated and presented on a comparable basis.

U.S. Bancorp Second Quarter 2016 Business Line Results

July 15, 2016

Page 3

<b>WHOLESALE BANKING AND COMMERCIAL REAL ESTATE (a)</b>								
(Taxable-equivalent basis, \$ in millions)								
	2Q 2016	1Q 2016	2Q 2015	Percent Change		YTD 2016	YTD 2015	Percent Change
				2Q16 vs 1Q16	2Q16 vs 2Q15			
<b>Condensed Income Statement</b>								
Net interest income	\$537	\$521	\$487	3.1	10.3	\$1,058	\$967	9.4
Noninterest income	249	206	224	20.9	11.2	455	444	2.5
Securities gains (losses), net	--	--	--	--	--	--	--	--
Total net revenue	786	727	711	8.1	10.5	1,513	1,411	7.2
Noninterest expense	354	340	323	4.1	9.6	694	650	6.8
Other intangibles	1	1	1	--	--	2	2	--
Total noninterest expense	355	341	324	4.1	9.6	696	652	6.7
Income before provision and taxes	431	386	387	11.7	11.4	817	759	7.6
Provision for credit losses	65	201	17	(67.7)	nm	266	74	nm
Income before income taxes	366	185	370	97.8	(1.1)	551	685	(19.6)
Income taxes and taxable-equivalent adjustment	133	67	135	98.5	(1.5)	200	250	(20.0)
Net income	233	118	235	97.5	(.9)	351	435	(19.3)
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$233	\$118	\$235	97.5	(.9)	\$351	\$435	(19.3)
<b>Average Balance Sheet Data</b>								
Loans	\$90,723	\$88,829	\$82,797	2.1	9.6	\$89,774	\$82,385	9.0
Other earning assets	2,242	2,247	2,535	(.2)	(11.6)	2,245	2,365	(5.1)
Goodwill	1,647	1,647	1,647	--	--	1,647	1,647	--
Other intangible assets	17	18	21	(5.6)	(19.0)	18	21	(14.3)
Assets	99,195	97,252	91,670	2.0	8.2	98,223	91,086	7.8
Noninterest-bearing deposits	35,852	36,412	35,324	(1.5)	1.5	36,131	34,903	3.5
Interest-bearing deposits	61,372	54,762	50,085	12.1	22.5	58,068	50,202	15.7
Total deposits	97,224	91,174	85,409	6.6	13.8	94,199	85,105	10.7
Total U.S. Bancorp shareholders' equity	8,900	8,755	8,116	1.7	9.7	8,828	8,083	9.2
(a) preliminary data								

**Wholesale Banking and Commercial Real Estate** offers lending, equipment finance and small-ticket leasing, depository services, treasury management, capital markets, international trade services and other financial services to middle market, large corporate, commercial real estate, financial institution, non-profit and public sector clients. Wholesale Banking and Commercial Real Estate contributed \$233 million of the Company's net income in the second quarter of 2016, compared with \$235 million in the second quarter of 2015. Wholesale Banking and Commercial Real Estate's net income decreased \$2 million (0.9 percent) from the same quarter of 2015 due to increases in the provision for credit losses and total noninterest expense, partially offset by an increase in total net revenue. Total net revenue increased \$75 million (10.5 percent) due to a \$50 million (10.3 percent) increase in net interest income and a \$25 million (11.2 percent) increase in

total noninterest income. Net interest income increased year-over-year primarily due to higher average loan and deposit balances, partially offset by lower rates and fees on loans. The increase in total noninterest income was driven by higher bond underwriting fees, foreign currency customer activity and other capital markets activity, partially offset by higher loan-related charges. Total noninterest expense was \$31 million (9.6 percent) higher compared with a year ago primarily due to an increase in variable costs allocated to manage the business. The provision for credit losses increased \$48 million primarily due to an increase in net charge-offs.

U.S. Bancorp Second Quarter 2016 Business Line Results

July 15, 2016

Page 5

<b>CONSUMER AND SMALL BUSINESS BANKING (a)</b>								
(Taxable-equivalent basis, \$ in millions)								
			<b>Percent Change</b>					
	<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>2Q16 vs</b>	<b>2Q16 vs</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>1Q16</b>	<b>2Q15</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>
<b>Condensed Income Statement</b>								
Net interest income	\$1,179	\$1,167	\$1,141	1.0	3.3	\$2,346	\$2,280	2.9
Noninterest income	638	552	629	15.6	1.4	1,190	1,249	(4.7)
Securities gains (losses), net	--	--	--	--	--	--	--	--
Total net revenue	1,817	1,719	1,770	5.7	2.7	3,536	3,529	.2
Noninterest expense	1,223	1,200	1,198	1.9	2.1	2,423	2,371	2.2
Other intangibles	8	8	10	--	(20.0)	16	20	(20.0)
Total noninterest expense	1,231	1,208	1,208	1.9	1.9	2,439	2,391	2.0
Income before provision and taxes	586	511	562	14.7	4.3	1,097	1,138	(3.6)
Provision for credit losses	47	(67)	51	nm	(7.8)	(20)	63	nm
Income before income taxes	539	578	511	(6.7)	5.5	1,117	1,075	3.9
Income taxes and taxable-equivalent adjustment	196	210	186	(6.7)	5.4	406	391	3.8
Net income	343	368	325	(6.8)	5.5	711	684	3.9
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$343	\$368	\$325	(6.8)	5.5	\$711	\$684	3.9
<b>Average Balance Sheet Data</b>								
Loans	\$137,023	\$134,989	\$128,544	1.5	6.6	\$136,006	\$129,767	4.8
Other earning assets	4,347	3,723	8,689	16.8	(50.0)	4,034	6,901	(41.5)
Goodwill	3,681	3,681	3,681	--	--	3,681	3,681	--
Other intangible assets	2,399	2,513	2,564	(4.5)	(6.4)	2,455	2,529	(2.9)
Assets	151,947	149,325	147,472	1.8	3.0	150,633	146,993	2.5
Noninterest-bearing deposits	27,306	26,274	25,774	3.9	5.9	26,790	25,289	5.9
Interest-bearing deposits	115,146	112,999	109,623	1.9	5.0	114,070	109,015	4.6
Total deposits	142,452	139,273	135,397	2.3	5.2	140,860	134,304	4.9
Total U.S. Bancorp shareholders' equity	11,153	11,084	10,809	.6	3.2	11,119	11,167	(.4)
(a) preliminary data								

**Consumer and Small Business Banking** delivers products and services through banking offices, telephone servicing and sales, on-line services, direct mail, ATM processing and mobile devices, such as mobile phones and tablet computers. It encompasses community banking, metropolitan banking and indirect lending, as well as mortgage banking. Consumer and Small Business Banking contributed \$343 million of the Company's net income in the second quarter of 2016, compared with \$325 million in the second quarter of 2015. Consumer and Small Business Banking's net income increased \$18 million (5.5 percent) from the same quarter of 2015 due to an increase in total net revenue and a decrease in the provision for credit losses, partially offset by an increase in total noninterest expense. Total net revenue increased \$47 million (2.7 percent) due to an increase in net interest income and higher noninterest income. Net interest income was

\$38 million (3.3 percent) higher, primarily due to higher average loan and deposit balances, partially offset by lower loan rates. Noninterest income was \$9 million (1.4 percent) higher, driven by higher mortgage banking revenue, reflecting the impact of higher origination and sales revenue. Total noninterest expense in the second quarter of 2016 increased \$23 million (1.9 percent) over the same quarter of the prior year, primarily due to higher net shared services expense and higher compensation expense, reflecting the impact of merit increases and higher variable compensation, along with higher professional services expense, principally due to compliance-related matters. The provision for credit losses decreased \$4 million (7.8 percent) primarily due to a lower net charge-offs, partially offset by an unfavorable change in the reserve allocation.

<b>WEALTH MANAGEMENT AND SECURITIES SERVICES (a)</b>								
(Taxable-equivalent basis, \$ in millions)								
	2Q 2016	1Q 2016	2Q 2015	Percent Change		YTD 2016	YTD 2015	Percent Change
				2Q16 vs 1Q16	2Q16 vs 2Q15			
<b>Condensed Income Statement</b>								
Net interest income	\$122	\$117	\$82	4.3	48.8	\$239	\$162	47.5
Noninterest income	401	379	374	5.8	7.2	780	732	6.6
Securities gains (losses), net	--	--	--	--	--	--	--	--
Total net revenue	523	496	456	5.4	14.7	1,019	894	14.0
Noninterest expense	359	367	348	(2.2)	3.2	726	701	3.6
Other intangibles	6	6	7	--	(14.3)	12	14	(14.3)
Total noninterest expense	365	373	355	(2.1)	2.8	738	715	3.2
Income before provision and taxes	158	123	101	28.5	56.4	281	179	57.0
Provision for credit losses	1	(2)	1	nm	--	(1)	(1)	--
Income before income taxes	157	125	100	25.6	57.0	282	180	56.7
Income taxes and taxable-equivalent adjustment	57	45	36	26.7	58.3	102	65	56.9
Net income	100	80	64	25.0	56.3	180	115	56.5
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$100	\$80	\$64	25.0	56.3	\$180	\$115	56.5
<b>Average Balance Sheet Data</b>								
Loans	\$7,051	\$7,043	\$6,077	.1	16.0	\$7,048	\$6,020	17.1
Other earning assets	127	126	196	.8	(35.2)	127	200	(36.5)
Goodwill	1,568	1,567	1,567	.1	.1	1,567	1,567	--
Other intangible assets	104	109	129	(4.6)	(19.4)	107	133	(19.5)
Assets	10,005	10,170	8,983	(1.6)	11.4	10,089	9,091	11.0
Noninterest-bearing deposits	13,076	12,875	13,706	1.6	(4.6)	12,976	13,188	(1.6)
Interest-bearing deposits	48,396	45,552	46,243	6.2	4.7	46,975	44,016	6.7
Total deposits	61,472	58,427	59,949	5.2	2.5	59,951	57,204	4.8
Total U.S. Bancorp shareholders' equity	2,381	2,371	2,304	.4	3.3	2,376	2,302	3.2

(a) preliminary data

**Wealth Management and Securities Services** provides private banking, financial advisory services, investment management, retail brokerage services, insurance, trust, custody and fund servicing through five businesses: Wealth Management, Corporate Trust Services, U.S. Bancorp Asset Management, Institutional Trust & Custody and Fund Services. Wealth Management and Securities Services contributed \$100 million of the Company's net income in the second quarter of 2016, compared with \$64 million in the second quarter of 2015. The business line's contribution was \$36 million (56.3 percent) higher than the same quarter of 2015, reflecting an increase in total net revenue, partially offset by an increase in total noninterest expense. Total net revenue increased \$67 million (14.7 percent) year-over-year driven by an increase in net interest income of \$40 million (48.8 percent), principally due to the impact of higher rates on the margin benefit

from deposits, along with a \$27 million (7.2 percent) increase in total noninterest income, reflecting the impact of lower money market fee waivers. Total noninterest expense increased \$10 million (2.8 percent) primarily as a result of higher compensation, reflecting the impact of merit increases and higher variable compensation. The provision for credit losses was flat compared to the prior year quarter.



U.S. Bancorp Second Quarter 2016 Business Line Results

July 15, 2016

Page 9

<b>PAYMENT SERVICES (a)</b>								
(Taxable-equivalent basis, \$ in millions)								
			<b>Percent Change</b>					
	<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>2Q16 vs</b>	<b>2Q16 vs</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>1Q16</b>	<b>2Q15</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>
<b>Condensed Income Statement</b>								
Net interest income	\$513	\$527	\$459	(2.7)	11.8	\$1,040	\$926	12.3
Noninterest income	923	816	850	13.1	8.6	1,739	1,627	6.9
Securities gains (losses), net	--	--	--	--	--	--	--	--
Total net revenue	1,436	1,343	1,309	6.9	9.7	2,779	2,553	8.9
Noninterest expense	664	648	663	2.5	.2	1,312	1,261	4.0
Other intangibles	29	30	25	(3.3)	16.0	59	50	18.0
Total noninterest expense	693	678	688	2.2	.7	1,371	1,311	4.6
Income before provision and taxes	743	665	621	11.7	19.6	1,408	1,242	13.4
Provision for credit losses	215	192	208	12.0	3.4	407	405	.5
Income before income taxes	528	473	413	11.6	27.8	1,001	837	19.6
Income taxes and taxable-equivalent adjustment	192	172	150	11.6	28.0	364	304	19.7
Net income	336	301	263	11.6	27.8	637	533	19.5
Net (income) loss attributable to noncontrolling interests	(8)	(9)	(8)	11.1	--	(17)	(16)	(6.3)
Net income attributable to U.S. Bancorp	\$328	\$292	\$255	12.3	28.6	\$620	\$517	19.9
<b>Average Balance Sheet Data</b>								
Loans	\$28,193	\$27,817	\$25,298	1.4	11.4	\$28,005	\$25,172	11.3
Other earning assets	275	600	353	(54.2)	(22.1)	438	328	33.5
Goodwill	2,472	2,464	2,474	.3	(.1)	2,468	2,478	(.4)
Other intangible assets	506	508	403	(.4)	25.6	507	414	22.5
Assets	33,997	33,999	31,510	--	7.9	33,998	31,250	8.8
Noninterest-bearing deposits	925	961	881	(3.7)	5.0	943	886	6.4
Interest-bearing deposits	97	95	692	2.1	(86.0)	96	684	(86.0)
Total deposits	1,022	1,056	1,573	(3.2)	(35.0)	1,039	1,570	(33.8)
Total U.S. Bancorp shareholders' equity	6,376	6,326	5,817	.8	9.6	6,351	5,799	9.5

(a) preliminary data

**Payment Services** includes consumer and business credit cards, stored-value cards, debit cards, corporate, government and purchasing card services, consumer lines of credit and merchant processing. Payment Services contributed \$328 million of the Company's net income in the second quarter of 2016, compared with \$255 million in the second quarter of 2015. The \$73 million (28.6 percent) increase in the business line's contribution over the prior year was primarily due to an increase in total net revenue. Total net revenue increased \$127 million (9.7 percent) year-over-year. Net interest income increased \$54 million (11.8 percent), primarily due to higher average loan balances and fees. Total noninterest income was \$73 million (8.6 percent) higher year-over-year due to a sale of an equity investment and an increase in credit and debit card revenue on higher transaction volumes. Total noninterest expense increased \$5 million (0.7

percent) over the second quarter of 2015, reflecting higher compensation expense and increased technology and communications expense, which was impacted by card portfolio acquisitions, along with higher net shared services expense, partially offset by the impact of a previously reserved regulatory item in the prior year. The provision for credit losses increased \$7 million (3.4 percent) primarily due to an unfavorable change in the reserve allocation.

<b>TREASURY AND CORPORATE SUPPORT (a)</b>								
(Taxable-equivalent basis, \$ in millions)								
			<b>Percent Change</b>					
	<b>2Q</b>	<b>1Q</b>	<b>2Q</b>	<b>2Q16 vs</b>	<b>2Q16 vs</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>1Q16</b>	<b>2Q15</b>	<b>2016</b>	<b>2015</b>	<b>Change</b>
<b>Condensed Income Statement</b>								
Net interest income	\$545	\$556	\$601	(2.0)	(9.3)	\$1,101	\$1,187	(7.2)
Noninterest income	338	193	195	75.1	73.3	531	374	42.0
Securities gains (losses), net	3	3	--	--	nm	6	--	nm
Total net revenue	886	752	796	17.8	11.3	1,638	1,561	4.9
Noninterest expense	348	149	107	nm	nm	497	278	78.8
Other intangibles	--	--	--	--	--	--	--	--
Total noninterest expense	348	149	107	nm	nm	497	278	78.8
Income before provision and taxes	538	603	689	(10.8)	(21.9)	1,141	1,283	(11.1)
Provision for credit losses	(1)	6	4	nm	nm	5	4	25.0
Income before income taxes	539	597	685	(9.7)	(21.3)	1,136	1,279	(11.2)
Income taxes and taxable-equivalent adjustment	15	63	75	(76.2)	(80.0)	78	105	(25.7)
Net income	524	534	610	(1.9)	(14.1)	1,058	1,174	(9.9)
Net (income) loss attributable to noncontrolling interests	(6)	(6)	(6)	--	--	(12)	(11)	(9.1)
Net income attributable to U.S. Bancorp	\$518	\$528	\$604	(1.9)	(14.2)	\$1,046	\$1,163	(10.1)
<b>Average Balance Sheet Data</b>								
Loans	\$3,592	\$3,603	\$3,844	(.3)	(6.6)	\$3,599	\$3,907	(7.9)
Other earning assets	111,795	109,231	108,095	2.3	3.4	110,512	106,605	3.7
Goodwill	--	--	--	--	--	--	--	--
Other intangible assets	--	--	--	--	--	--	--	--
Assets	133,606	130,811	128,266	2.1	4.2	132,210	126,465	4.5
Noninterest-bearing deposits	2,012	2,047	1,662	(1.7)	21.1	2,030	1,671	21.5
Interest-bearing deposits	3,204	3,901	1,754	(17.9)	82.7	3,553	2,268	56.7
Total deposits	5,216	5,948	3,416	(12.3)	52.7	5,583	3,939	41.7
Total U.S. Bancorp shareholders' equity	18,374	18,202	17,468	.9	5.2	18,287	16,946	7.9
(a) preliminary data								

**Treasury and Corporate Support** includes the Company's investment portfolios, funding, capital management, interest rate risk management, income taxes not allocated to the business lines, including most investments in tax-advantaged projects, and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis. Treasury and Corporate Support recorded net income of \$518 million in the second quarter of 2016, compared with \$604 million in the second quarter of 2015. The decrease in net income of \$86 million (14.2 percent) from the prior year was due to an increase in total noninterest expense, partially offset by an increase in total net revenue. Total noninterest income increased \$146 million (74.9 percent) over the second quarter of last year, mainly due to the Visa Europe sale, while net interest income decreased \$56 million (9.3 percent) from the second quarter of 2015

principally due to the impact of higher rates credited to the business lines on deposits, partially offset by growth in the investment portfolio. Total noninterest expense increased \$241 million principally due to the current year notable items and higher compensation expense, reflecting the impact of merit increases and higher variable compensation, along with higher marketing and business development expense due to brand advertising, partially offset by lower employee benefits expense, driven by lower pension costs. The provision for credit losses was \$5 million lower year-over-year primarily due to lower net charge-offs.

**WHOLESALE BANKING AND COMMERCIAL REAL ESTATE**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>INCOME STATEMENT</b>					
<b>Net Interest Income (taxable-equivalent basis)</b>	\$537	\$521	\$499	\$498	\$487
<b>Noninterest Income</b>					
Credit and debit card revenue	--	--	--	--	--
Corporate payment products revenue	--	--	--	--	--
Merchant processing services	--	--	--	--	--
ATM processing services	--	--	--	--	--
Trust and investment management fees	3	2	1	1	1
Deposit service charges	--	--	--	--	--
Treasury management fees	108	104	101	104	105
Commercial products revenue	104	73	98	102	92
Mortgage banking revenue	--	--	--	--	--
Investment products fees	--	--	--	--	--
Securities gains (losses), net	--	--	--	--	--
Other	34	27	24	16	26
Total noninterest income	249	206	224	223	224
Total net revenue	786	727	723	721	711
<b>Noninterest Expense</b>					
Compensation and employee benefits	136	126	121	128	124
Net occupancy and equipment	11	11	11	11	11
Other intangibles	1	1	1	1	1
Net shared services	142	140	130	131	134
Other	65	63	65	56	54
Total noninterest expense	355	341	328	327	324
Income before provision and income taxes	431	386	395	394	387
<b>Provision for Credit Losses</b>	65	201	83	78	17
Income before income taxes	366	185	312	316	370
Income taxes and taxable-equivalent adjustment	133	67	114	115	135
Net income	233	118	198	201	235
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$233	\$118	\$198	\$201	\$235
<b>FINANCIAL RATIOS</b>					
Return on average assets	.94 %	.49 %	.83 %	.86 %	1.03 %
Net interest margin (taxable-equivalent basis)	2.32	2.30	2.25	2.28	2.29
Efficiency ratio	45.2	46.9	45.4	45.4	45.6

**WHOLESALE BANKING AND COMMERCIAL REAL ESTATE**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Commercial	\$70,782	\$69,353	\$66,614	\$64,771	\$63,329
Commercial real estate	19,932	19,468	19,409	19,540	19,457
Residential mortgages	7	6	7	8	8
Credit card	--	--	--	--	--
Other retail	2	2	2	2	3
Total loans, excluding covered loans	90,723	88,829	86,032	84,321	82,797
Covered loans	--	--	--	--	--
Total loans	90,723	88,829	86,032	84,321	82,797
<b>Other Earning Assets</b>	2,242	2,247	1,997	2,258	2,535
Total earning assets	92,965	91,076	88,029	86,579	85,332
<b>Non-earning Assets</b>					
Goodwill	1,647	1,647	1,647	1,647	1,647
Other intangible assets	17	18	19	20	21
Other non-earning assets	4,566	4,511	4,411	4,256	4,670
Total non-earning assets	6,230	6,176	6,077	5,923	6,338
Total assets	99,195	97,252	94,106	92,502	91,670
<b>Deposits</b>					
Noninterest-bearing deposits	35,852	36,412	37,864	36,674	35,324
Interest checking	8,094	6,855	7,089	7,525	7,480
Savings products	39,894	35,787	30,722	28,821	27,140
Time deposits	13,384	12,120	13,722	13,828	15,465
Total deposits	97,224	91,174	89,397	86,848	85,409
<b>Other Interest-bearing Liabilities</b>	10,385	13,141	13,435	14,286	14,337
<b>Other Noninterest-bearing Liabilities</b>	3,489	3,515	3,083	3,058	3,267
Total liabilities	111,098	107,830	105,915	104,192	103,013
<b>Total U.S. Bancorp shareholders' equity</b>	8,900	8,755	8,393	8,440	8,116
<b>Noncontrolling interests</b>	--	--	--	--	--
<b>Total equity</b>	8,900	8,755	8,393	8,440	8,116
<b>NET INTEREST SPREADS</b>					
Total earning assets	1.64 %	1.67 %	1.72 %	1.82 %	1.87 %
Total assets	1.49	1.51	1.57	1.67	1.70
Total deposits	.55	.52	.47	.41	.38
Total liabilities	.54	.50	.45	.38	.35
<b>CREDIT QUALITY</b>					
<b>Net Charge-offs</b>					
Commercial	\$44	\$44	\$24	\$38	\$4
Commercial real estate	4	(6)	--	(9)	(2)
Residential mortgages	--	--	--	--	--
Credit card	--	--	--	--	--
Other retail	--	--	--	--	--
Total net charge-offs, excluding covered loans	48	38	24	29	2
Covered loans	--	--	--	--	--
Total net charge-offs	\$48	\$38	\$24	\$29	\$2
<b>Net Charge-off Ratios</b>					
Commercial	.25 %	.26 %	.14 %	.23 %	.03 %
Commercial real estate	.08	(.12)	--	(.18)	(.04)
Residential mortgages	--	--	--	--	--
Credit card	--	--	--	--	--
Other retail	--	--	--	--	--
Total net charge-offs, excluding covered loans	.21	.17	.11	.14	.01
Covered loans	--	--	--	--	--
Total net charge-offs	.21 %	.17 %	.11 %	.14 %	.01 %
<b>Nonperforming Assets</b>					
Nonperforming loans, excluding covered loans	\$459	\$434	\$164	\$168	\$111
Covered assets	--	--	--	--	--
Other nonperforming assets	2	4	4	6	7
Total nonperforming assets	\$461	\$438	\$168	\$174	\$118

**WHOLESALE BANKING AND COMMERCIAL REAL ESTATE**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>OTHER INFORMATION</b>					
<b>Average Loan Balances</b>					
Commercial real estate division	\$25,086	\$24,398	\$23,681	\$23,335	\$22,638
Leasing and asset-based lending	17,986	17,968	17,885	17,587	17,650
Specialized industries	17,969	17,507	16,832	16,449	15,885
Middle market	14,603	14,417	13,921	13,780	13,544
National corporate	10,159	9,678	9,203	8,934	8,770
Public, nonprofit and other	4,920	4,861	4,510	4,236	4,310
Total loans, excluding covered loans	<u>\$90,723</u>	<u>\$88,829</u>	<u>\$86,032</u>	<u>\$84,321</u>	<u>\$82,797</u>
Commercial	\$65,601	\$64,192	\$61,481	\$59,634	\$58,093
Lease financing	5,181	5,161	5,133	5,137	5,236
Total commercial	<u>\$70,782</u>	<u>\$69,353</u>	<u>\$66,614</u>	<u>\$64,771</u>	<u>\$63,329</u>
<b>Net Charge-off Ratios</b>					
Commercial	.24 %	.25 %	.12 %	.23 %	.01 %
Lease financing	.39	.31	.39	.23	.23
Total commercial	<u>.25 %</u>	<u>.26 %</u>	<u>.14 %</u>	<u>.23 %</u>	<u>.03 %</u>

**CONSUMER AND SMALL BUSINESS BANKING**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>INCOME STATEMENT</b>					
<b>Net Interest Income (taxable-equivalent basis)</b>	\$1,179	\$1,167	\$1,167	\$1,158	\$1,141
<b>Noninterest Income</b>					
Credit and debit card revenue	4	3	3	3	3
Corporate payment products revenue	--	--	--	--	--
Merchant processing services	--	--	--	--	--
ATM processing services	84	80	79	81	80
Trust and investment management fees	35	32	34	32	34
Deposit service charges	175	166	181	184	173
Treasury management fees	35	34	33	35	33
Commercial products revenue	5	4	5	5	6
Mortgage banking revenue	238	187	211	224	231
Investment products fees	--	--	--	--	--
Securities gains (losses), net	--	--	--	--	--
Other	62	46	62	67	69
Total noninterest income	638	552	608	631	629
Total net revenue	1,817	1,719	1,775	1,789	1,770
<b>Noninterest Expense</b>					
Compensation and employee benefits	535	526	519	532	527
Net occupancy and equipment	145	148	149	149	149
Other intangibles	8	8	10	10	10
Net shared services	266	270	250	252	252
Other	277	256	265	316	270
Total noninterest expense	1,231	1,208	1,193	1,259	1,208
Income before provision and income taxes	586	511	582	530	562
<b>Provision for Credit Losses</b>	47	(67)	31	33	51
Income before income taxes	539	578	551	497	511
Income taxes and taxable-equivalent adjustment	196	210	201	181	186
Net income	343	368	350	316	325
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$343	\$368	\$350	\$316	\$325
<b>FINANCIAL RATIOS</b>					
Return on average assets	.91 %	.99 %	.93 %	.84 %	.88 %
Net interest margin (taxable-equivalent basis)	3.35	3.38	3.35	3.32	3.33
Efficiency ratio	67.7	70.3	67.2	70.4	68.2



**CONSUMER AND SMALL BUSINESS BANKING**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Commercial	\$10,653	\$10,192	\$10,033	\$10,219	\$10,304
Commercial real estate	19,344	19,201	19,017	18,904	18,930
Residential mortgages	53,316	52,126	50,979	49,924	49,337
Credit card	--	--	--	--	--
Other retail	49,414	49,004	48,929	46,716	44,953
Total loans, excluding covered loans	132,727	130,523	128,958	125,763	123,524
Covered loans	4,296	4,466	4,721	4,839	5,020
Total loans	137,023	134,989	133,679	130,602	128,544
<b>Other Earning Assets</b>					
Total earning assets	141,370	138,712	138,340	138,227	137,233
<b>Non-earning Assets</b>					
Goodwill	3,681	3,681	3,681	3,681	3,681
Other intangible assets	2,399	2,513	2,654	2,661	2,564
Other non-earning assets	4,497	4,419	4,122	3,950	3,994
Total non-earning assets	10,577	10,613	10,457	10,292	10,239
Total assets	151,947	149,325	148,797	148,519	147,472
<b>Deposits</b>					
Noninterest-bearing deposits	27,306	26,274	26,983	26,783	25,774
Interest checking	43,572	42,159	40,712	40,016	40,029
Savings products	57,324	56,190	54,927	54,218	53,576
Time deposits	14,250	14,650	14,929	15,439	16,018
Total deposits	142,452	139,273	137,551	136,456	135,397
<b>Other Interest-bearing Liabilities</b>					
	1,798	2,202	2,086	1,918	1,832
<b>Other Noninterest-bearing Liabilities</b>					
	2,994	2,828	2,939	2,825	2,798
Total liabilities	147,244	144,303	142,576	141,199	140,027
<b>Total U.S. Bancorp shareholders' equity</b>	11,153	11,084	10,795	10,690	10,809
<b>Noncontrolling interests</b>	--	--	--	--	--
<b>Total equity</b>	11,153	11,084	10,795	10,690	10,809
<b>NET INTEREST SPREADS</b>					
Total earning assets	2.11 %	2.17 %	2.25 %	2.28 %	2.31 %
Total assets	1.90	1.95	2.03	2.07	2.09
Total deposits	1.22	1.20	1.08	1.04	1.02
Total liabilities	1.19	1.16	1.05	1.00	.98
<b>CREDIT QUALITY</b>					
<b>Net Charge-offs</b>					
Commercial	\$6	\$7	\$11	\$7	\$8
Commercial real estate	(2)	1	--	--	(2)
Residential mortgages	17	19	16	25	33
Credit card	--	--	--	--	--
Other retail	49	51	58	50	47
Total net charge-offs, excluding covered loans	70	78	85	82	86
Covered loans	--	--	--	--	--
Total net charge-offs	\$70	\$78	\$85	\$82	\$86
<b>Net Charge-off Ratios</b>					
Commercial	.23 %	.28 %	.43 %	.27 %	.31 %
Commercial real estate	(.04)	.02	--	--	(.04)
Residential mortgages	.13	.15	.12	.20	.27
Credit card	--	--	--	--	--
Other retail	.40	.42	.47	.42	.42
Total net charge-offs, excluding covered loans	.21	.24	.26	.26	.28
Covered loans	--	--	--	--	--
Total net charge-offs	.21 %	.23 %	.25 %	.25 %	.27 %
<b>Nonperforming Assets</b>					
Nonperforming loans, excluding covered loans	\$877	\$932	\$961	\$979	\$1,023
Covered assets	41	40	40	42	46
Other nonperforming assets	238	246	274	263	262
Total nonperforming assets	\$1,156	\$1,218	\$1,275	\$1,284	\$1,331

**CONSUMER AND SMALL BUSINESS BANKING**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>OTHER INFORMATION</b>					
<b>Other Retail Loan Information</b>					
<b>Average Balances</b>					
Retail leasing	\$5,326	\$5,179	\$5,265	\$5,480	\$5,696
Home equity and second mortgages	15,883	15,838	15,696	15,537	15,404
Other	28,205	27,987	27,968	25,699	23,853
Total other retail	\$49,414	\$49,004	\$48,929	\$46,716	\$44,953
Home equity first lien*	\$13,137	\$12,937	\$12,840	\$12,874	\$12,772
Home equity loans	1,291	1,267	1,256	1,243	1,235
Home equity lines	14,592	14,571	14,440	14,294	14,169
Total home equity	\$29,020	\$28,775	\$28,536	\$28,411	\$28,176
<b>Net Charge-off Ratios</b>					
Retail leasing	.15 %	.08 %	.15 %	.07 %	.07 %
Home equity and second mortgages	--	.05	.18	.18	.31
Other	.67	.69	.70	.65	.57
Total other retail	.40 %	.42 %	.47 %	.42 %	.42 %
<b>Retail Credit Production</b>					
Indirect loan/lease production volume	\$3,646	\$3,039	\$2,750	\$3,271	\$3,457
Direct branch loan/line production volume	3,605	2,968	3,462	3,244	3,662
Other production volume	758	1,066	1,080	1,039	786
Total retail credit production volume	\$8,009	\$7,073	\$7,292	\$7,554	\$7,905
<b>Branch and ATM Data</b>					
# of traditional branches	2,274	2,278	2,279	2,281	2,282
# of instore branches	738	739	742	759	772
# of onsite branches	98	100	100	99	98
# of retirement centers	12	12	12	12	12
Total # of branches	3,122	3,129	3,133	3,151	3,164
# of U.S. Bank ATMs	4,923	4,954	4,936	5,001	5,020
# of ATMs driven	33,125	33,345	33,898	34,658	34,833
<b>Assets Under Management by Asset Category**</b>					
Equity	\$8,426	\$7,760	\$8,538	\$8,247	\$8,904
Fixed income	4,601	4,498	4,545	4,576	4,798
Money market	906	1,024	930	880	825
Other	2,010	2,152	2,102	2,091	2,125
Total	\$15,943	\$15,434	\$16,115	\$15,794	\$16,652

\* Home equity first lien balances are reported within residential mortgages as required by regulatory accounting principles.

\*\* Amounts reported reflect end of month balances reported on a one month lag.

**CONSUMER AND SMALL BUSINESS BANKING**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>Mortgage Banking Division Data</b>					
Mortgage banking revenue					
Origination and sales (a)	\$177	\$121	\$120	\$142	\$161
Loan servicing	187	184	189	182	179
Mortgage servicing rights fair value changes, net of economic hedges (b)	(10)	(22)	5	12	7
Other changes in mortgage servicing rights fair value (c)	(116)	(96)	(103)	(112)	(116)
Total mortgage banking revenue	\$238	\$187	\$211	\$224	\$231
Mortgage production volume	\$13,540	\$10,973	\$11,426	\$13,979	\$13,388
Mortgage application volume	\$19,884	\$16,747	\$13,973	\$17,015	\$18,354
Mortgages serviced for others (d)(e)	\$231,878	\$232,151	\$231,771	\$229,294	\$225,454
Mortgages repurchased and make-whole payments made	\$8	\$9	\$7	\$14	\$9
Realized losses on mortgage repurchases and make-whole payments, net	1	2	1	1	2
Mortgage representation and warranties reserve (d)	26	30	30	37	40
Outstanding repurchase and make-whole requests (d)	7	6	12	12	21

A summary of the Company's mortgage servicing rights and related characteristics by portfolio as of June 30, 2016, was as follows:

(Dollars in Millions)	HFA (f)	Government	Conventional (g)	Total
Servicing portfolio (h)	\$31,017	\$39,333	\$159,099	\$229,449
Fair value	\$344	\$349	\$1,363	\$2,056
Value (bps) (i)	111	89	86	90
Weighted-average servicing fees (bps)	37	34	27	30
Multiple (value/servicing fees)	3.00	2.62	3.19	3.00
Weighted-average note rate	4.43 %	4.04 %	4.07 %	4.11 %
Weighted-average age (in years)	3.0	3.8	3.7	3.6
Weighted-average expected prepayment (constant prepayment rate)	12.6 %	19.0 %	15.2 %	15.5 %
Weighted-average expected life (in years)	6.1	4.4	4.9	5.0
Weighted-average discount rate	11.8 %	11.2 %	9.5 %	10.1 %

(a) Origination and sales revenue recorded based on estimated number of applications that will close.

(b) Represents the net impact of changes in the fair value of mortgage servicing rights related to assumption changes and the derivatives used to economically hedge the mortgage servicing rights fair value changes.

(c) Primarily represents changes due to realization of expected cash flows over time (decay).

(d) Amounts reported reflect end of period balances.

(e) Includes subserviced mortgages with no corresponding mortgage servicing rights asset.

(f) HFA represents Housing Finance Agency division.

(g) Represents loans primarily sold to government-sponsored enterprises.

(h) Represents principal balance of mortgages having corresponding MSR asset.

(i) Value is calculated as fair value divided by the servicing portfolio.

**WEALTH MANAGEMENT AND SECURITIES SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>INCOME STATEMENT</b>					
<b>Net Interest Income (taxable-equivalent basis)</b>	\$122	\$117	\$102	\$90	\$82
<b>Noninterest Income</b>					
Credit and debit card revenue	--	--	--	--	--
Corporate payment products revenue	--	--	--	--	--
Merchant processing services	--	--	--	--	--
ATM processing services	--	--	--	--	--
Trust and investment management fees	320	305	299	295	297
Deposit service charges	3	1	--	--	--
Treasury management fees	3	3	3	3	3
Commercial products revenue	--	--	--	--	--
Mortgage banking revenue	--	--	--	--	--
Investment products fees	39	40	44	46	48
Securities gains (losses), net	--	--	--	--	--
Other	36	30	29	24	26
Total noninterest income	401	379	375	368	374
Total net revenue	523	496	477	458	456
<b>Noninterest Expense</b>					
Compensation and employee benefits	190	193	186	189	181
Net occupancy and equipment	19	20	20	20	20
Other intangibles	6	6	7	7	7
Net shared services	79	81	78	78	79
Other	71	73	80	69	68
Total noninterest expense	365	373	371	363	355
Income before provision and income taxes	158	123	106	95	101
<b>Provision for Credit Losses</b>	1	(2)	--	1	1
Income before income taxes	157	125	106	94	100
Income taxes and taxable-equivalent adjustment	57	45	39	34	36
Net income	100	80	67	60	64
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$100	\$80	\$67	\$60	\$64
<b>FINANCIAL RATIOS</b>					
Return on average assets	4.02 %	3.16 %	2.81 %	2.63 %	2.86 %
Net interest margin (taxable-equivalent basis)	6.84	6.56	5.94	5.57	5.24
Efficiency ratio	69.8	75.2	77.8	79.3	77.9

**WEALTH MANAGEMENT AND SECURITIES SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Commercial	\$2,835	\$2,893	\$2,523	\$2,211	\$2,256
Commercial real estate	517	534	570	570	553
Residential mortgages	2,178	2,076	1,984	1,887	1,756
Credit card	--	--	--	--	--
Other retail	1,521	1,540	1,560	1,545	1,511
Total loans, excluding covered loans	7,051	7,043	6,637	6,213	6,076
Covered loans	--	--	1	1	1
Total loans	7,051	7,043	6,638	6,214	6,077
<b>Other Earning Assets</b>	127	126	172	192	196
Total earning assets	7,178	7,169	6,810	6,406	6,273
<b>Non-earning Assets</b>					
Goodwill	1,568	1,567	1,567	1,567	1,567
Other intangible assets	104	109	116	123	129
Other non-earning assets	1,155	1,325	975	955	1,014
Total non-earning assets	2,827	3,001	2,658	2,645	2,710
Total assets	10,005	10,170	9,468	9,051	8,983
<b>Deposits</b>					
Noninterest-bearing deposits	13,076	12,875	16,207	14,911	13,706
Interest checking	9,136	8,856	8,660	8,697	7,061
Savings products	35,353	33,152	34,587	34,207	35,684
Time deposits	3,907	3,544	3,097	3,774	3,498
Total deposits	61,472	58,427	62,551	61,589	59,949
<b>Other Interest-bearing Liabilities</b>	5,621	7,888	8,539	8,509	8,696
<b>Other Noninterest-bearing Liabilities</b>	844	1,002	638	613	632
Total liabilities	67,937	67,317	71,728	70,711	69,277
<b>Total U.S. Bancorp shareholders' equity</b>	2,381	2,371	2,325	2,304	2,304
<b>Noncontrolling interests</b>	--	--	--	--	--
<b>Total equity</b>	2,381	2,371	2,325	2,304	2,304
<b>NET INTEREST SPREADS</b>					
Total earning assets	1.34 %	1.35 %	1.46 %	1.55 %	1.53 %
Total assets	.72	.67	.80	.79	.80
Total deposits	.59	.56	.48	.42	.39
Total liabilities	.58	.56	.46	.41	.38
<b>CREDIT QUALITY</b>					
<b>Net Charge-offs</b>					
Commercial	\$(1)	\$--	\$--	\$--	\$1
Commercial real estate	--	--	--	--	--
Residential mortgages	--	--	--	--	--
Credit card	--	--	--	--	--
Other retail	(1)	--	(1)	--	--
Total net charge-offs, excluding covered loans	(2)	--	(1)	--	1
Covered loans	--	--	--	--	--
Total net charge-offs	\$(2)	\$--	\$(1)	\$	\$1
<b>Net Charge-off Ratios</b>					
Commercial	(.14) %	-- %	-- %	-- %	.18 %
Commercial real estate	--	--	--	--	--
Residential mortgages	--	--	--	--	--
Credit card	--	--	--	--	--
Other retail	(.26)	--	(.25)	--	--
Total net charge-offs, excluding covered loans	(.11)	--	(.06)	--	.07
Covered loans	--	--	--	--	--
Total net charge-offs	(.11) %	-- %	(.06) %	-- %	.07 %
<b>Nonperforming Assets</b>					
Nonperforming loans, excluding covered loans	\$7	\$8	\$9	\$13	\$12
Covered assets	--	--	--	--	--
Other nonperforming assets	--	--	--	--	--
Total nonperforming assets	\$7	\$8	\$9	\$13	\$12

**WEALTH MANAGEMENT AND SECURITIES SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>OTHER INFORMATION</b>					
<b>Trust and Investment Management Fees</b>					
Wealth management	\$87	\$85	\$86	\$84	\$88
U.S. Bancorp Asset Management	6	6	3	3	2
Institutional trust & custody	40	39	35	36	36
Corporate trust	98	89	89	85	82
Fund services	86	82	83	82	85
Other	3	4	3	5	4
Total	\$320	\$305	\$299	\$295	\$297
<b>Total Net Revenue</b>					
Wealth management	\$182	\$182	\$182	\$178	\$182
U.S. Bancorp Asset Management	6	6	4	5	4
Institutional trust & custody	47	47	41	41	40
Corporate trust	185	161	153	137	129
Fund services	92	89	87	88	91
Other	11	11	10	9	10
Total	\$523	\$496	\$477	\$458	\$456
<b>Assets Under Management by Asset Category*</b>					
Equity	\$31,326	\$28,950	\$31,381	\$30,491	\$32,767
Fixed income	30,956	27,481	26,972	26,364	25,165
Money market	49,985	46,156	47,933	47,618	46,765
Other	5,956	6,075	6,022	5,861	5,831
Total	\$118,223	\$108,662	\$112,308	\$110,334	\$110,528

\* Amounts reported reflect end of month balances reported on a one month lag.

**PAYMENT SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>INCOME STATEMENT</b>					
<b>Net Interest Income (taxable-equivalent basis)</b>	\$513	\$527	\$520	\$484	\$459
<b>Noninterest Income</b>					
Credit and debit card revenue	292	263	291	266	263
Corporate payment products revenue	181	170	170	190	178
Merchant processing services	403	373	393	400	395
ATM processing services	--	--	--	--	--
Trust and investment management fees	--	--	2	1	2
Deposit service charges	1	1	1	1	1
Treasury management fees	--	--	--	--	--
Commercial products revenue	1	1	1	1	1
Mortgage banking revenue	--	--	--	--	--
Investment products fees	--	--	--	--	--
Securities gains (losses), net	--	--	--	--	--
Other	45	8	12	15	10
Total noninterest income	923	816	870	874	850
Total net revenue	1,436	1,343	1,390	1,358	1,309
<b>Noninterest Expense</b>					
Compensation and employee benefits	190	184	185	181	179
Net occupancy and equipment	16	16	15	16	15
Other intangibles	29	30	28	24	25
Net shared services	220	218	219	217	211
Other	238	230	216	223	258
Total noninterest expense	693	678	663	661	688
Income before provision and income taxes	743	665	727	697	621
<b>Provision for Credit Losses</b>	215	192	202	180	208
Income before income taxes	528	473	525	517	413
Income taxes and taxable-equivalent adjustment	192	172	191	188	150
Net income	336	301	334	329	263
Net (income) loss attributable to noncontrolling interests	(8)	(9)	(7)	(8)	(8)
Net income attributable to U.S. Bancorp	\$328	\$292	\$327	\$321	\$255
<b>FINANCIAL RATIOS</b>					
Return on average assets	3.88 %	3.45 %	3.92 %	4.03 %	3.25 %
Net interest margin (taxable-equivalent basis)	7.25	7.46	7.43	7.34	7.18
Efficiency ratio	48.3	50.5	47.7	48.7	52.6

**PAYMENT SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Commercial	\$7,522	\$7,022	\$7,310	\$7,239	\$7,083
Commercial real estate	--	--	--	--	--
Residential mortgages	--	--	--	--	--
Credit card	20,140	20,244	18,838	17,944	17,613
Other retail	531	551	571	586	602
Total loans, excluding covered loans	28,193	27,817	26,719	25,769	25,298
Covered loans	--	--	--	--	--
Total loans	28,193	27,817	26,719	25,769	25,298
<b>Other Earning Assets</b>	275	600	1,039	402	353
Total earning assets	28,468	28,417	27,758	26,171	25,651
<b>Non-earning Assets</b>					
Goodwill	2,472	2,464	2,469	2,476	2,474
Other intangible assets	506	508	436	381	403
Other non-earning assets	2,551	2,610	2,419	2,557	2,982
Total non-earning assets	5,529	5,582	5,324	5,414	5,859
Total assets	33,997	33,999	33,082	31,585	31,510
<b>Deposits</b>					
Noninterest-bearing deposits	925	961	891	851	881
Interest checking	--	--	614	618	602
Savings products	97	95	94	92	90
Time deposits	--	--	--	--	--
Total deposits	1,022	1,056	1,599	1,561	1,573
<b>Other Interest-bearing Liabilities</b>	197	171	171	166	207
<b>Other Noninterest-bearing Liabilities</b>	3,694	3,768	3,464	3,508	3,793
Total liabilities	4,913	4,995	5,234	5,235	5,573
<b>Total U.S. Bancorp shareholders' equity</b>	6,376	6,326	6,044	5,829	5,817
<b>Noncontrolling interests</b>	13	11	11	11	11
<b>Total equity</b>	6,389	6,337	6,055	5,840	5,828
<b>NET INTEREST SPREADS</b>					
Total earning assets	7.64 %	7.81 %	7.73 %	7.82 %	7.62 %
Total assets	6.29	6.44	6.40	6.39	6.11
Total deposits	1.18	1.14	1.24	1.27	1.27
Total liabilities	(2.78)	(2.66)	(2.27)	(3.18)	(2.73)
<b>CREDIT QUALITY</b>					
<b>Net Charge-offs</b>					
Commercial	\$30	\$32	\$28	\$26	\$29
Commercial real estate	--	--	--	--	--
Residential mortgages	--	--	--	--	--
Credit card	170	164	166	153	169
Other retail	3	3	3	4	4
Total net charge-offs, excluding covered loans	203	199	197	183	202
Covered loans	--	--	--	--	--
Total net charge-offs	\$203	\$199	\$197	\$183	\$202
<b>Net Charge-off Ratios</b>					
Commercial	1.60 %	1.83 %	1.52 %	1.42 %	1.64 %
Commercial real estate	--	--	--	--	--
Residential mortgages	--	--	--	--	--
Credit card	3.39	3.26	3.50	3.38	3.85
Other retail	2.27	2.19	2.08	2.71	2.67
Total net charge-offs, excluding covered loans	2.90	2.88	2.93	2.82	3.20
Covered loans	--	--	--	--	--
Total net charge-offs	2.90 %	2.88 %	2.93 %	2.82 %	3.20 %
<b>Nonperforming Assets</b>					
Nonperforming loans, excluding covered loans	\$7	\$10	\$13	\$17	\$22
Covered assets	--	--	--	--	--
Other nonperforming assets	--	--	--	--	--
Total nonperforming assets	\$7	\$10	\$13	\$17	\$22



**PAYMENT SERVICES**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>OTHER INFORMATION</b>					
<b>Total noninterest income</b>					
Retail payment solutions	\$298	\$268	\$296	\$269	\$267
Corporate payment systems	184	174	178	196	184
Global merchant acquiring	441	374	396	409	399
Total	\$923	\$816	\$870	\$874	\$850
<b>Credit Card Charge Volume (Issuing)</b>					
Retail payment solutions	\$21,313	\$19,338	\$18,169	\$17,389	\$17,150
Corporate payment services	14,181	13,193	13,377	14,428	13,688
Total	\$35,494	\$32,531	\$31,546	\$31,817	\$30,838
Merchant volume (acquiring)	\$97,418	\$94,231	\$96,068	\$100,365	\$98,682
# of merchant transactions	1,221,056,251	1,141,437,117	1,182,554,857	1,194,125,224	1,224,552,707
Debit card transaction volume	\$16,208	\$15,636	\$15,968	\$15,480	\$15,508

**TREASURY AND CORPORATE SUPPORT**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>INCOME STATEMENT</b>					
<b>Net Interest Income (taxable-equivalent basis)</b>	\$545	\$556	\$583	\$591	\$601
<b>Noninterest Income</b>					
Credit and debit card revenue	--	--	--	--	--
Corporate payment products revenue	--	--	--	--	--
Merchant processing services	--	--	--	--	--
ATM processing services	--	--	--	--	--
Trust and investment management fees	--	--	--	--	--
Deposit service charges	--	--	--	--	--
Treasury management fees	1	1	2	1	1
Commercial products revenue	128	119	118	123	115
Mortgage banking revenue	--	--	--	--	--
Investment products fees	--	--	--	--	--
Securities gains (losses), net	3	3	1	(1)	--
Other	209	73	142	107	79
Total noninterest income	341	196	263	230	195
Total net revenue	886	752	846	821	796
<b>Noninterest Expense</b>					
Compensation and employee benefits	504	520	473	480	478
Net occupancy and equipment	52	53	51	55	52
Other intangibles	--	--	--	--	--
Net shared services	(707)	(709)	(677)	(678)	(676)
Other	499	285	407	308	253
Total noninterest expense	348	149	254	165	107
Income before provision and income taxes	538	603	592	656	689
<b>Provision for Credit Losses</b>	(1)	6	(11)	(10)	4
Income before income taxes	539	597	603	666	685
Income taxes and taxable-equivalent adjustment	15	63	63	69	75
Net income	524	534	540	597	610
Net (income) loss attributable to noncontrolling interests	(6)	(6)	(6)	(6)	(6)
Net income attributable to U.S. Bancorp	\$518	\$528	\$534	\$591	\$604
<b>FINANCIAL RATIOS</b>					
Return on average assets	nm %	nm %	nm %	nm %	nm %
Net interest margin (taxable-equivalent basis)	nm	nm	nm	nm	nm
Efficiency ratio	nm	nm	nm	nm	nm

**TREASURY AND CORPORATE SUPPORT**

(Dollars in Millions) (Unaudited)	Three Months Ended				
	June 30, 2016	March 31, 2016	December 31, 2015	September 30, 2015	June 30, 2015
<b>AVERAGE BALANCE SHEET</b>					
<b>Loans</b>					
Commercial	\$362	\$360	\$323	\$264	\$281
Commercial real estate	3,195	3,198	3,235	3,302	3,506
Residential mortgages	--	--	--	12	13
Credit card	--	--	--	--	--
Other retail	--	--	--	--	--
Total loans, excluding covered loans	3,557	3,558	3,558	3,578	3,800
Covered loans	35	45	66	52	44
Total loans	3,592	3,603	3,624	3,630	3,844
<b>Other Earning Assets</b>					
Total earning assets	111,795	109,231	108,530	108,252	108,095
<b>Non-earning Assets</b>					
Goodwill	--	--	--	--	--
Other intangible assets	--	--	--	--	--
Other non-earning assets	18,219	17,977	17,515	16,900	16,327
Total non-earning assets	18,219	17,977	17,515	16,900	16,327
Total assets	133,606	130,811	129,669	128,782	128,266
<b>Deposits</b>					
Noninterest-bearing deposits	2,012	2,047	1,949	1,721	1,662
Interest checking	40	40	34	32	33
Savings products	494	488	489	480	479
Time deposits	2,670	3,373	935	1,005	1,242
Total deposits	5,216	5,948	3,407	3,238	3,416
<b>Other Interest-bearing Liabilities</b>					
	39,580	38,805	35,098	35,848	37,104
<b>Other Noninterest-bearing Liabilities</b>					
	4,940	4,943	4,702	4,459	4,288
Total liabilities	49,736	49,696	43,207	43,545	44,808
<b>Total U.S. Bancorp shareholders' equity</b>	18,374	18,202	18,216	17,604	17,468
<b>Noncontrolling interests</b>	625	667	678	679	678
<b>Total equity</b>	18,999	18,869	18,894	18,283	18,146
<b>NET INTEREST SPREADS</b>					
Total earning assets	nm %	nm %	nm %	nm %	nm %
Total assets	nm	nm	nm	nm	nm
Total deposits	nm	nm	nm	nm	nm
Total liabilities	nm	nm	nm	nm	nm
<b>CREDIT QUALITY</b>					
<b>Net Charge-offs</b>					
Commercial	\$--	\$--	\$--	\$--	\$--
Commercial real estate	(2)	--	--	(2)	5
Residential mortgages	--	--	--	--	--
Credit card	--	--	--	--	--
Other retail	--	--	--	--	--
Total net charge-offs, excluding covered loans	(2)	--	--	(2)	5
Covered loans	--	--	--	--	--
Total net charge-offs	\$(2)	\$--	\$--	\$(2)	\$5
<b>Net Charge-off Ratios</b>					
Commercial	nm %	nm %	nm %	nm %	nm %
Commercial real estate	nm	nm	nm	nm	nm
Residential mortgages	nm	nm	nm	nm	nm
Credit card	nm	nm	nm	nm	nm
Other retail	nm	nm	nm	nm	nm
Total net charge-offs, excluding covered loans	nm	nm	nm	nm	nm
Covered loans	nm	nm	nm	nm	nm
Total net charge-offs	nm %	nm %	nm %	nm %	nm %
<b>Nonperforming Assets</b>					
Nonperforming loans, excluding covered loans	\$32	\$34	\$37	\$54	\$60
Covered assets	--	--	--	--	--
Other nonperforming assets	9	11	21	25	34
Total nonperforming assets	\$41	\$45	\$58	\$79	\$94