U.S. Bancorp 1Q17 Earnings Conference Call

April 19, 2017

usbancorp

Forward-looking Statements and Additional Information

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

Today's presentation contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. 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.

1Q17 Highlights

Income Statement		change vs.	
$ in millions, except EPS	1Q17	4Q16	1Q16
Net interest income*	**$2,995**	(0.3) %	3.7 %
Noninterest income	**2,329**	(4.2)	8.4
Reported net income	**1,473**	(0.3)	6.3
Diluted EPS	**$0.82**	0.0 %	7.9 %

Balance Sheet		change vs.	
$ in billions	1Q17	4Q16	1Q16
Average earning assets	**$399.3**	(0.7) %	5.6 %
Average total loans	**273.2**	0.2	4.1
Average total deposits	**328.4**	(0.2)	11.0

Credit Quality		change vs.	
$ in millions	1Q17	4Q16	1Q16
Nonperforming assets	**$1,495**	(6.7) %	(13.0) %
NPA ratio	**0.55%**	(4bps)	(10bps)
Net charge-off ratio	**0.50%**	3bps	2bps

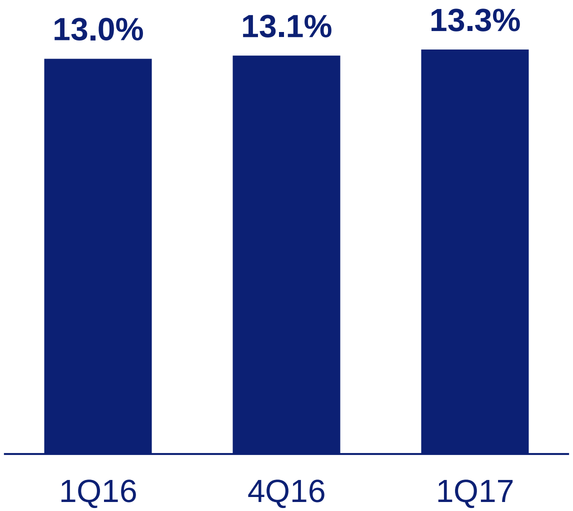
Capital		change vs.	
	1Q17	4Q16	1Q16
CET1 capital to RWA**	**9.2%**	10bps	0bps
Book value per share	**$25.05**	1.7 %	5.2 %
Payout ratio	**78%**		

* Taxable-equivalent basis, see slide 27 for calculation

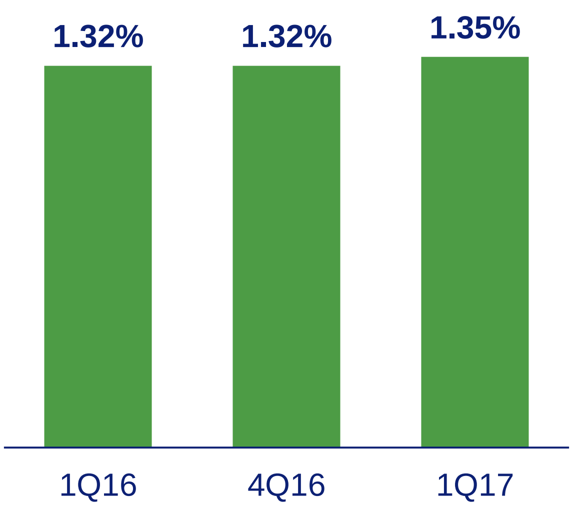
** Estimated for the Basel III fully implemented standardized approach; RWA = risk-weighted assets, see slide 26 for calculation

Performance Ratios

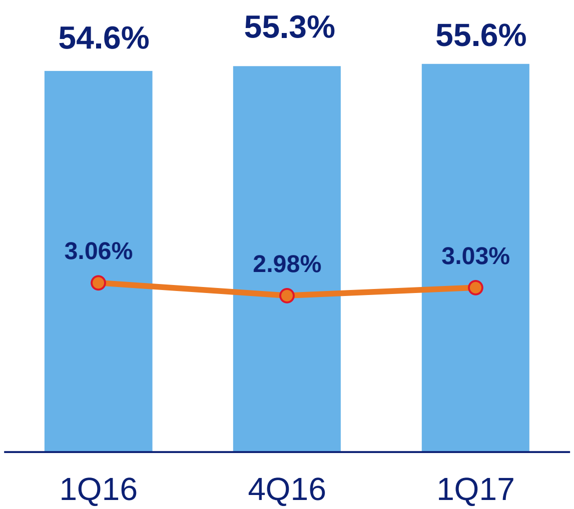
Return on Average Common Equity



Return on Average Assets

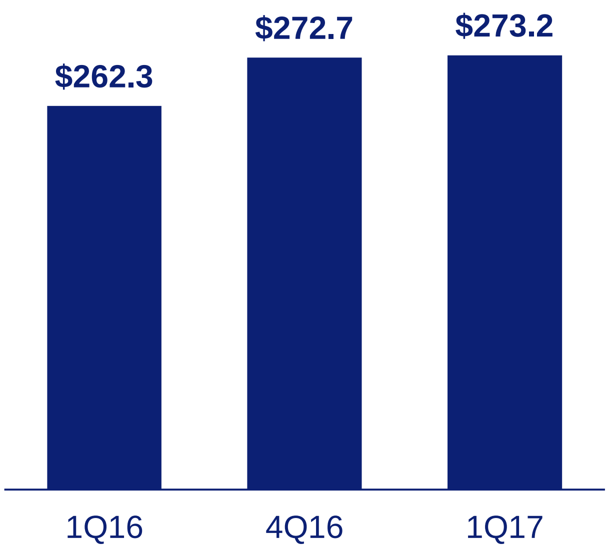


Efficiency Ratio* & Net Interest Margin**



* Non-GAAP, see slide 27 for calculation
** Taxable equivalent basis

Average Loans



+0.2% linked quarter

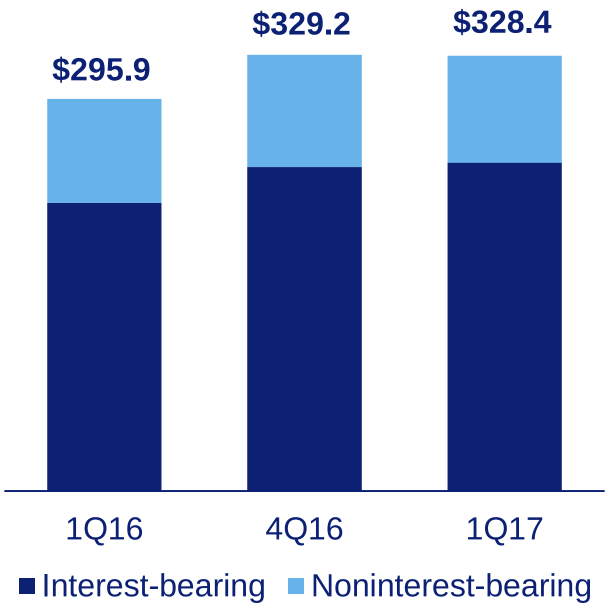
+4.1% year-over-year

(Three months ended 3/31/17)	Average Balances	Change vs. 4Q16	Change vs. 1Q16
Retail	$53.8	(0.2) %	5.3 %
Credit Card	20.9	(0.5)	3.0
Residential Mortgage	57.9	2.1	6.8
Commercial Real Estate	43.2	(0.5)	1.8
Commercial	93.7	(0.1)	4.4
Covered	3.7	(5.1)	(17.3)
Total loans	**$273.2**	**0.2 %**	**4.1 %**

- Large corporate growth was pressured by high levels of pay downs and active capital markets in 1Q17
- Commercial middle market loan growth was strong across many markets vs. 1Q16
- Commercial real estate reflected a cautious approach to certain segments

$ in billions

Average Deposits



-0.2% linked quarter

+11.0% year-over-year

Interest-bearing Deposits

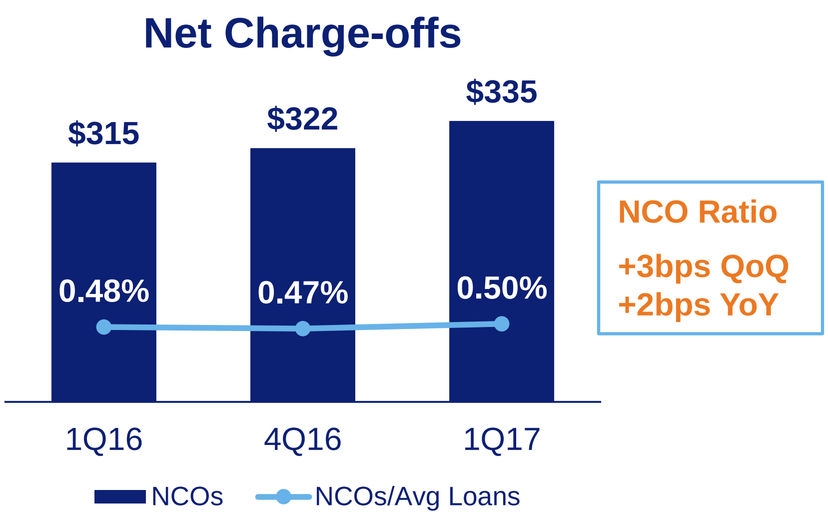
(Three months ended 3/31/17)	Average Balances	Change vs. 4Q16	Change vs. 1Q16	Rates	Change vs. 4Q16
Interest checking	$65.7	1.6 %	13.4 %	0.08 %	0.00 %
Money market savings	108.8	2.0	25.8	0.48	0.10
Savings accounts	42.6	3.1	7.6	0.08	0.00
Time deposits	30.6	(3.3)	(9.0)	0.65	0.06
Total interest-bearing deposits	**$247.7**	**1.4 %**	**14.0 %**	**0.33 %**	**0.05 %**

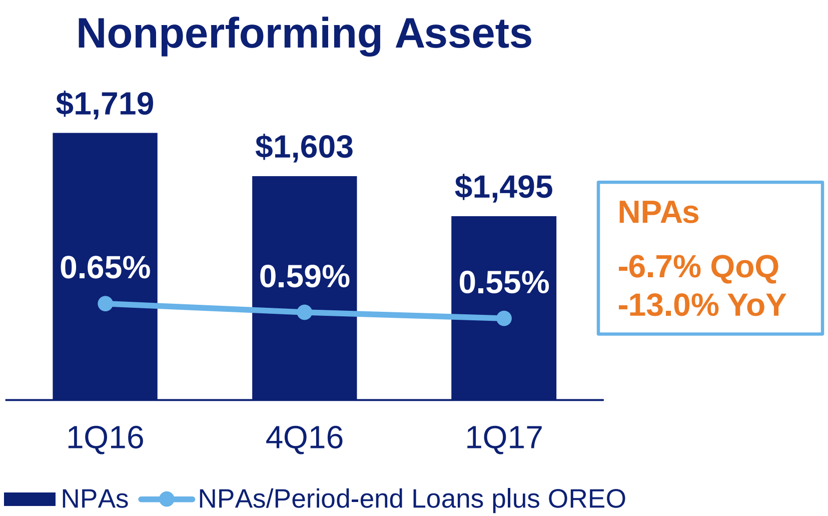
- Linked quarter growth reflected typical seasonal trends and lower funding requirements
- Growth vs. 1Q16 driven primarily by total savings deposits partially offset by a decline in time deposits

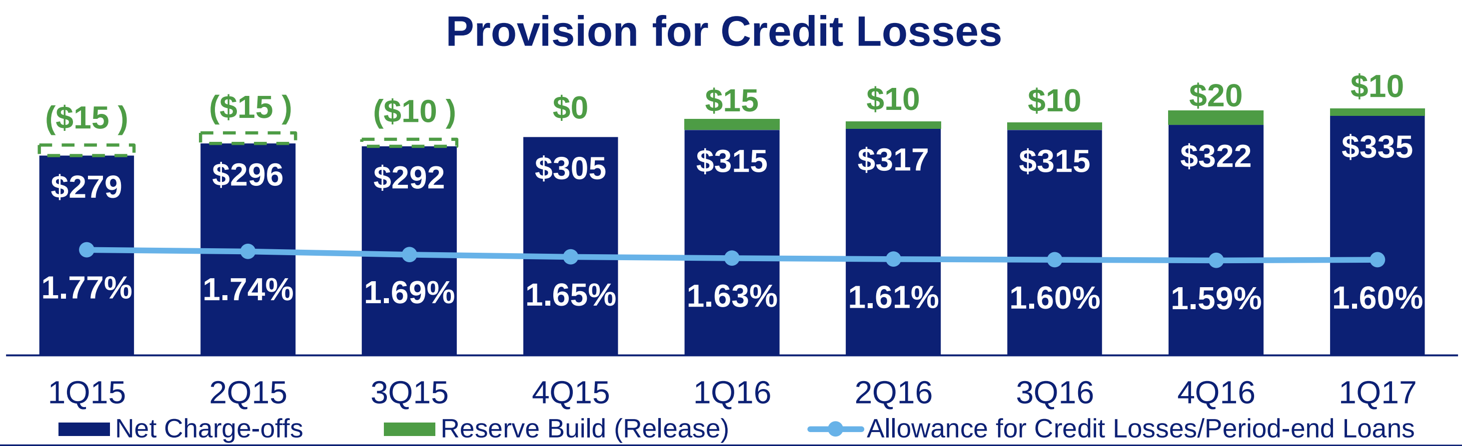
$ in billions

Rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent

Credit Quality



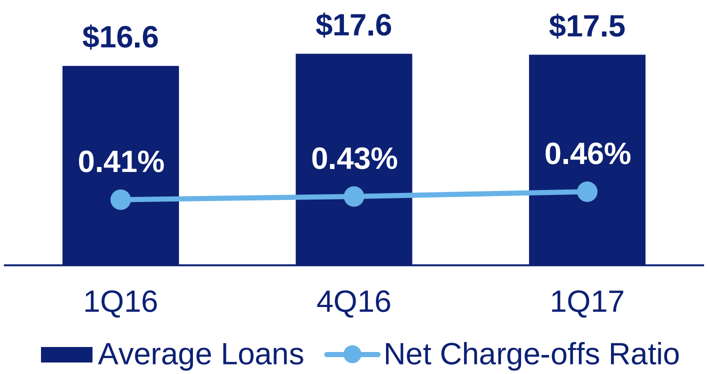




$ in millions

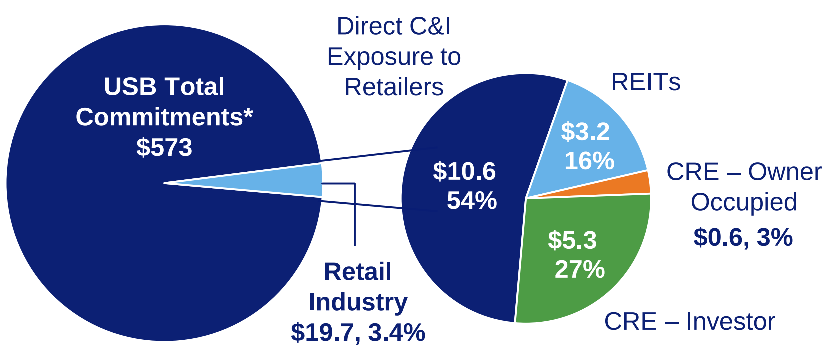
Credit Quality

Auto Loans



Auto	1Q16	4Q16	1Q17
Average Loans	$16.6	$17.6	$17.5
30-89 Delinquencies	0.39%	0.74%	0.64%
90+ Delinquencies	0.02%	0.06%	0.05%
Nonperforming Loans	0.07%	0.09%	0.09%

Retail Industry



- Overall retail industry risk remains manageable due to client selection, risk controls and portfolio diversification
- Two-thirds of Direct C&I exposure to the retail industry is investment grade or equivalent, while the non-investment grade is primarily secured by inventory and/or receivables

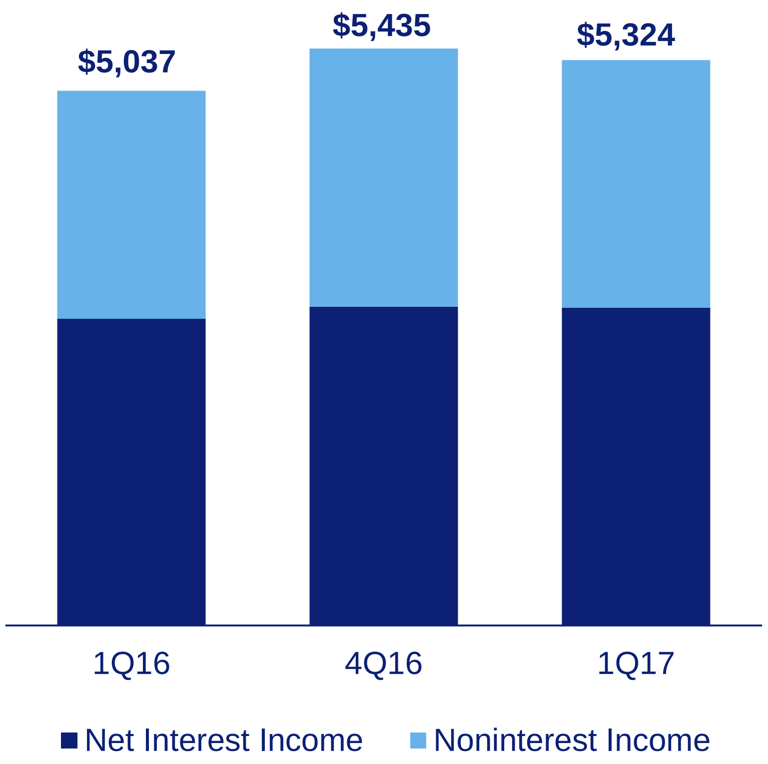
$ in billions
* As of December 31, 2016

Earnings Summary

$ and shares in millions, except per-share data

	1Q17	4Q16	1Q16	Reported % Change vs. 4Q16	Reported % Change vs. 1Q16
Net Interest Income	$2,945	$2,955	$2,835	(0.3)	3.9
Taxable-equivalent Adjustment	50	49	53	2.0	(5.7)
Net Interest Income (taxable-equivalent basis)	2,995	3,004	2,888	(0.3)	3.7
Noninterest Income	2,329	2,431	2,149	(4.2)	8.4
Net Revenue	**5,324**	**5,435**	**5,037**	(2.0)	5.7
Noninterest Expense	2,944	3,004	2,749	(2.0)	7.1
Operating Income	**2,380**	**2,431**	**2,288**	(2.1)	4.0
Net Charge-offs	335	322	315	4.0	6.3
Excess Provision	10	20	15	(50.0)	(33.3)
Income Before Taxes	**2,035**	**2,089**	**1,958**	(2.6)	3.9
Applicable Income Taxes	549	598	557	(8.2)	(1.4)
Noncontrolling Interests	(13)	(13)	(15)	-	13.3
Net Income	**1,473**	**1,478**	**1,386**	(0.3)	6.3
Preferred Dividends/Other	86	87	57	(0.6)	50.2
Net Income to Common	**$1,387**	**$1,391**	**$1,329**	(0.3)	4.4
Diluted EPS	$0.82	$0.82	$0.76	-	7.9
Average Diluted Shares	1,701	1,705	1,743	(0.2)	(2.4)

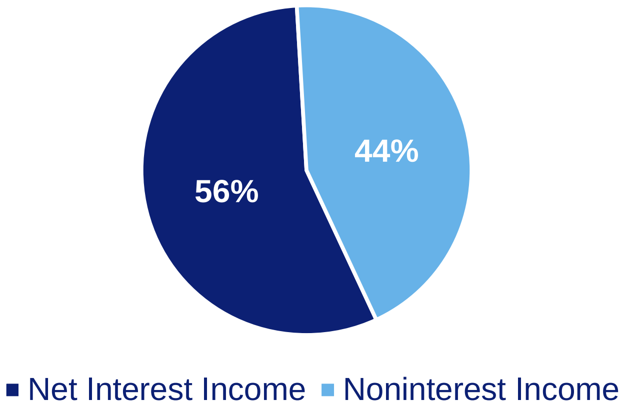
Revenue



-2.0% linked quarter

+5.7% year-over-year

1Q17 Revenue



Linked Quarter

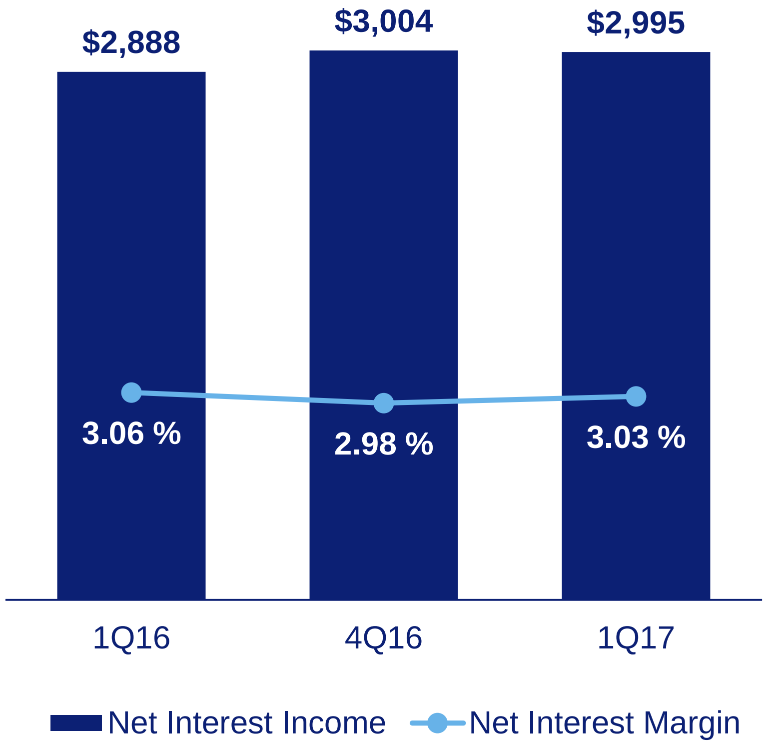
- Decline reflected typical seasonal patterns in certain fee businesses

Year-over-Year

- Growth primarily driven by solid loan growth and broad-based growth in fee income

$ in millions
Taxable-equivalent basis

Net Interest Income



-0.3% linked quarter

+3.7% year-over-year

Linked Quarter

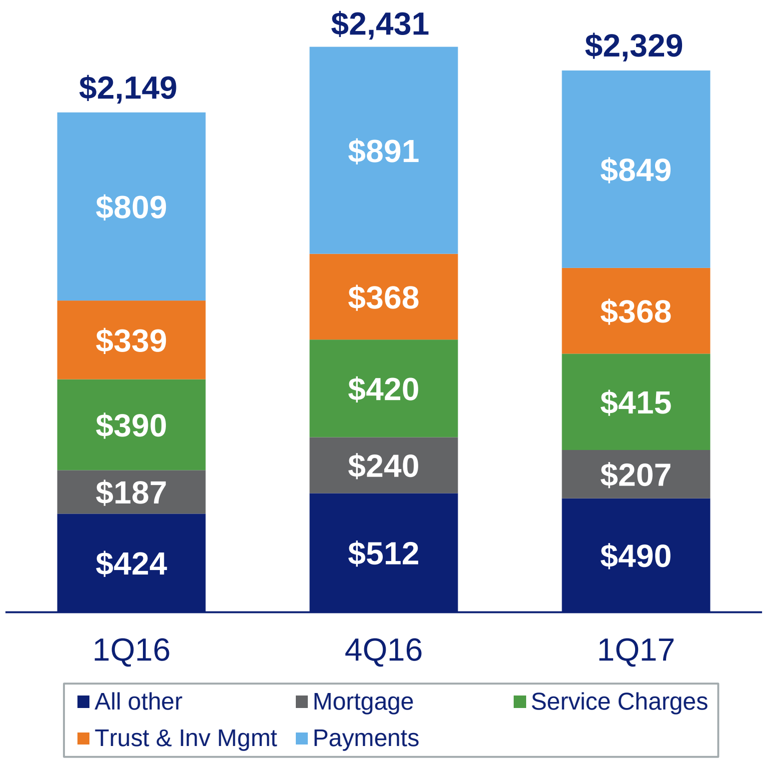
- Net interest income was stable despite two fewer days
- The 5bp increase in net interest margin reflected the impact of higher interest rates

Year-over-Year

- Net interest income growth driven by strong earning asset growth

$ in millions
Taxable-equivalent basis

Noninterest Income



-4.2% linked quarter

+8.4% year-over-year

Linked Quarter

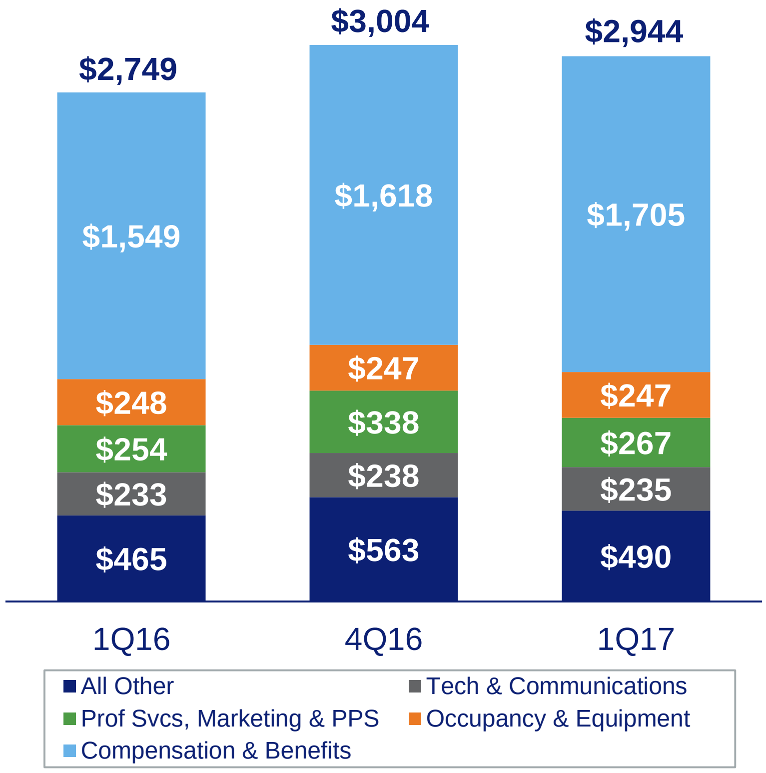
- Typical seasonal factors impacted growth in deposit service charges, payments and mortgage
- Decrease in mortgage revenue (14%) reflected both seasonal patterns and lower refinancing activity

Year-over-Year

- Payments revenue driven by higher credit and debit card sales volumes
- Trust and investment management revenue up 8.6% on better market conditions, account growth and lower fee waivers
- Treasury management revenue grew 7.7% reflecting account penetration

$ in millions
Payments = credit and debit card, corporate payment products and merchant processing
Service charges = deposit service charges, treasury management and ATM processing

Noninterest Expense



-2.0% linked quarter

+7.1% year-over-year

Linked Quarter

- Decrease in noninterest expense (2%) reflected typical seasonal patterns

Year-over-Year

- Total noninterest expense up 7.1% on higher compensation and benefit costs, marketing and other expenses
- Higher compensation expense reflected hiring to support business growth and compliance programs
- Higher 'other expense' primarily reflected the FDIC surcharge implemented in 3Q16

$ in millions

Capital Position

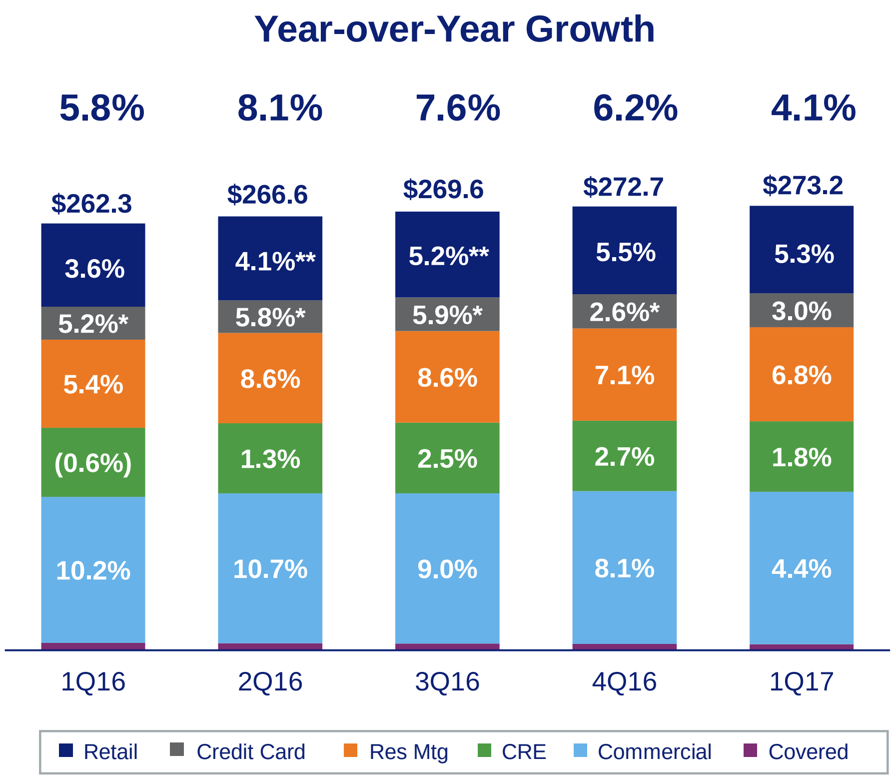
$ in billions	1Q17	4Q16	3Q16	2Q16	1Q16
Total U.S. Bancorp shareholders' equity	$47.8	$47.3	$47.8	$47.4	$46.8
Standardized Approach					
Basel III transitional standardized approach					
Common equity tier 1 capital ratio	9.5%	9.4%	9.5%	9.5%	9.5%
Tier 1 capital ratio	11.0%	11.0%	11.1%	11.1%	11.1%
Total risk-based capital ratio	13.3%	13.2%	13.3%	13.4%	13.1%
Leverage ratio	9.1%	9.0%	9.2%	9.3%	9.3%
Common equity tier 1 capital to RWA estimated for the Basel III fully implemented standardized approach*	9.2%	9.1%	9.3%	9.3%	9.2%
Advanced Approaches					
Common equity tier 1 capital ratio	11.8%	12.2%	12.4%	12.3%	12.3%
Common equity tier 1 capital to RWA estimated for the Basel III fully implemented advanced approaches*	11.5%	11.7%	12.1%	12.0%	11.9%
Tangible common equity to tangible assets*	7.6%	7.5%	7.5%	7.6%	7.7%
Tangible common equity as a % of RWA*	9.4%	9.2%	9.3%	9.3%	9.3%

RWA = risk-weighted assets; * See Non-GAAP Financial Measures reconciliation on slide 26

Appendix

Average Loans

Average Loans ($bn)



Key Points

vs. 1Q16

- Average total loans increased by $10.9 billion, or 4.1%
- Average total commercial loans increased by $3.9 billion, or 4.4%
- Average residential mortgage loans increased by $3.7 billion, or 6.8%

vs. 4Q16

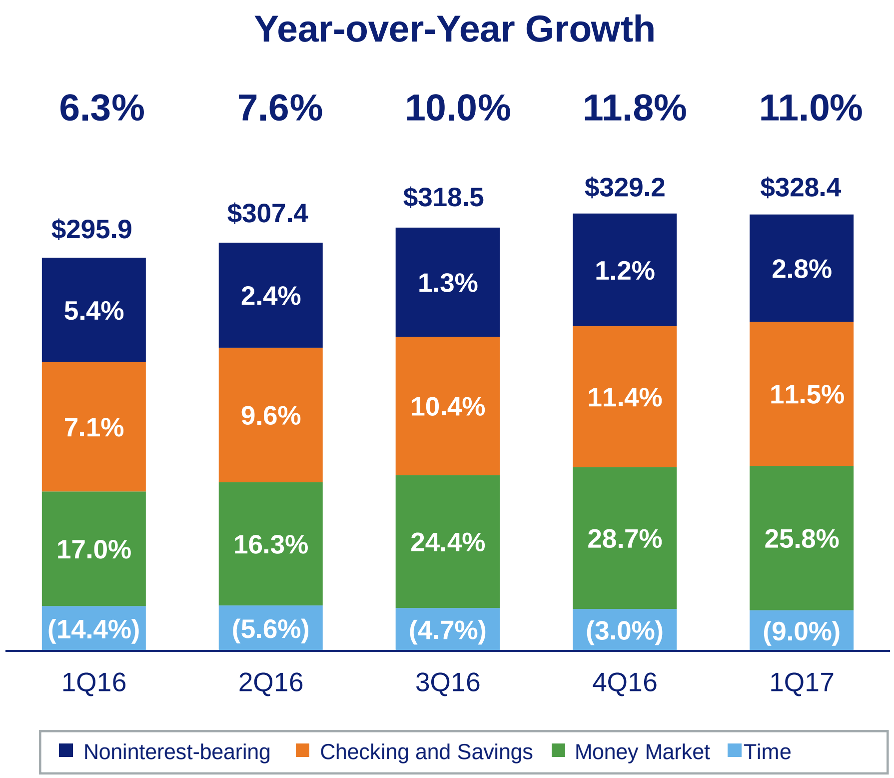
- Average total loans increased by $487 million, or 0.2%
- Average residential mortgage loans increased by $1.2 billion, or 2.1%
- Average total commercial real estate loans decreased by $233 million, or 0.5%

* Excluding the credit card portfolio acquisition

** Excluding student loans which were transferred to held for sale at the end of 1Q15 and returned to held for investment during 3Q15

Average Deposits

Average Deposits ($bn)



Key Points

vs. 1Q16

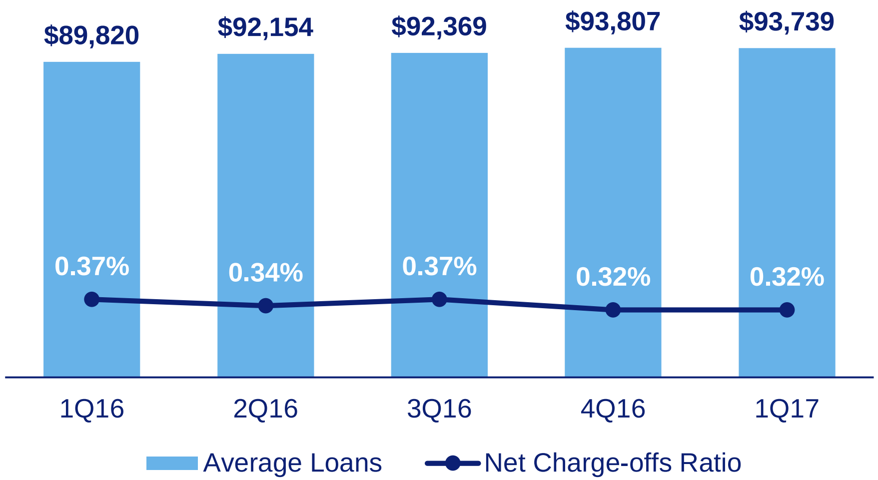
- Average total deposits increased by $32.6 billion, or 11.0%
- Average low-cost deposits (NIB, interest checking, money market and savings) increased by $35.6 billion, or 13.6%

vs. 4Q16

- Average total deposits decreased by $750 million, or 0.2%
- Average low-cost deposits increased by $301 million, or 0.1%

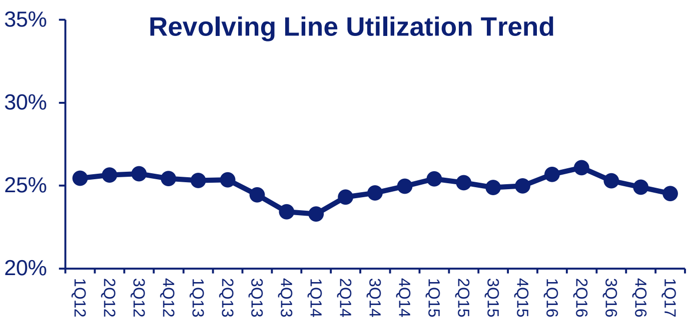
Credit Quality – Commercial Loans

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$89,820	$93,807	$93,739
30-89 Delinquencies	0.21%	0.28%	0.23%
90+ Delinquencies	0.05%	0.06%	0.06%
Nonperforming Loans	0.52%	0.52%	0.46%

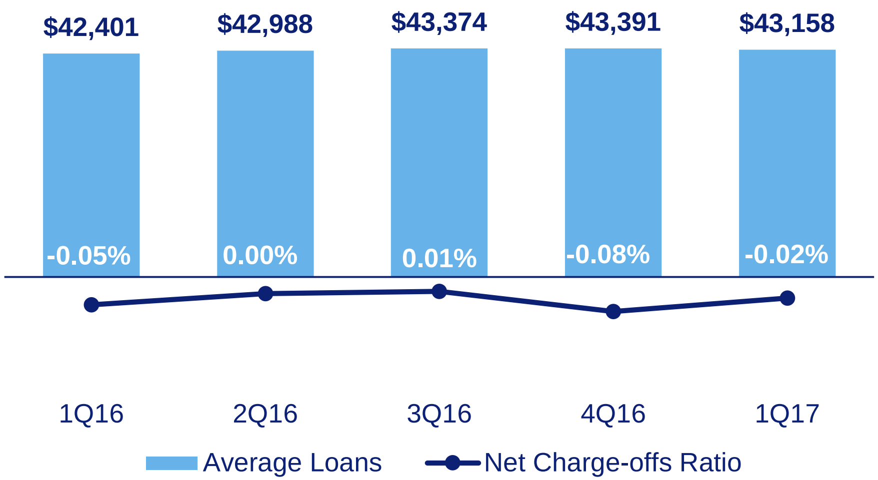


Key Points

- Loans increased modestly 4.4% year over year; growth slowed in 1Q17 as a result of seasonality, energy paydowns and strong bond market activity
- Net charge-offs improved year-over-year as energy portfolio continued to stabilize
- Improvement in nonperforming loans driven by upgrades of energy relationships due to improved industry dynamics

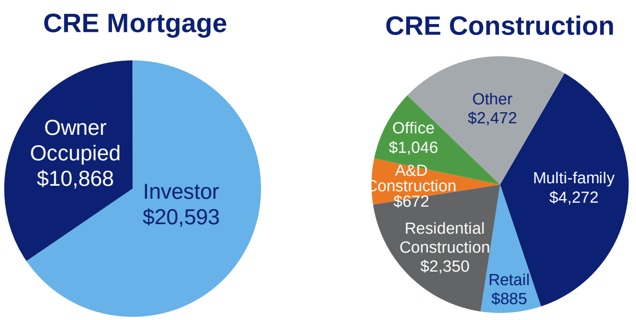
Credit Quality – Commercial Real Estate

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$42,401	$43,391	$43,158
30-89 Delinquencies	0.19%	0.10%	0.15%
90+ Delinquencies	0.04%	0.02%	0.01%
Nonperforming Loans	0.24%	0.29%	0.26%
Performing TDRs*	$212	$169	$153



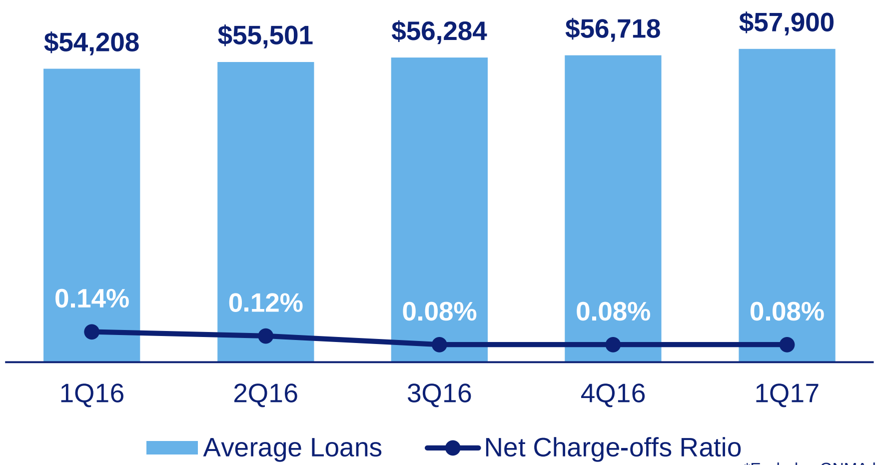
Key Points

- Average loans increased 1.8% year-over-year as growth waned in recent quarters as interest rates increased and certain sectors, such as multi-family, have seen increased market supply
- Nonperforming loans have remained stable, year-over-year, at historically low levels
- Recoveries continue to exceed gross charge-offs, which resulted in net losses continuing near zero

* TDR = troubled debt restructuring

Credit Quality – Residential Mortgage

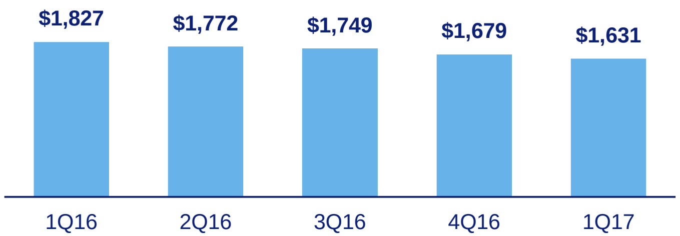
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$54,208	$56,718	$57,900
30-89 Delinquencies	0.24%	0.26%	0.21%
90+ Delinquencies	0.31%	0.27%	0.24%
Nonperforming Loans	1.23%	1.04%	0.99%

Residential Mortgage Performing TDRs*



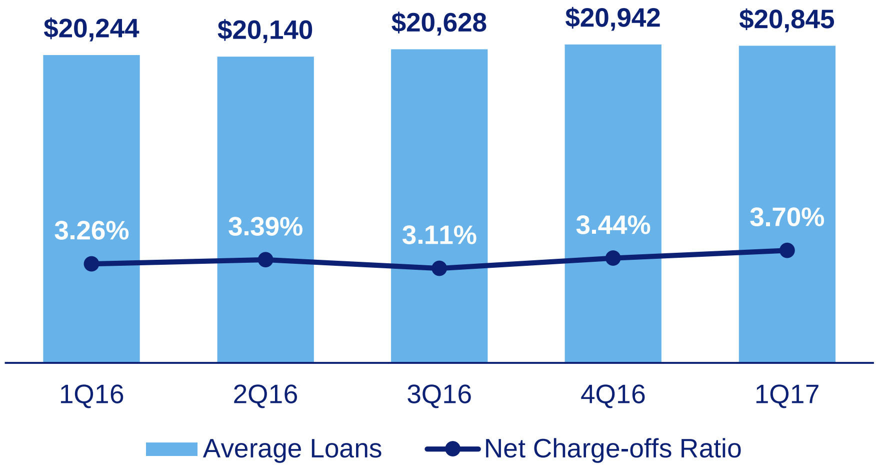
*Excludes GNMA loans, whose repayments are insured by the FHA or guaranteed by the Department of VA ($1,717 million in 1Q17)

Key Points

- Originations continued to be high credit quality (weighted average FICO of 756, weighted average LTV of 68%)
- 90% of the balances have been originated since the beginning of 2009; the origination quality metrics and performance to date have significantly outperformed prior vintages with similar seasoning

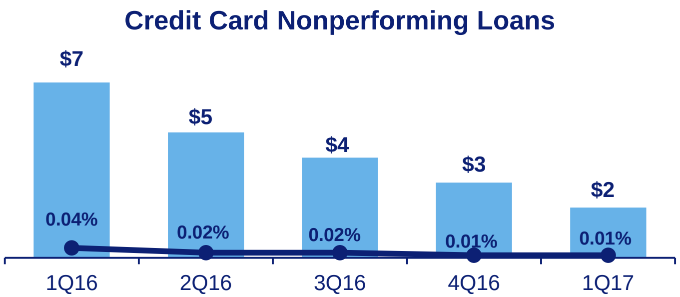
Credit Quality – Credit Card

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$20,244	$20,942	$20,845
30-89 Delinquencies	1.09%	1.31%	1.24%
90+ Delinquencies	1.10%	1.16%	1.23%
Nonperforming Loans	0.04%	0.01%	0.01%

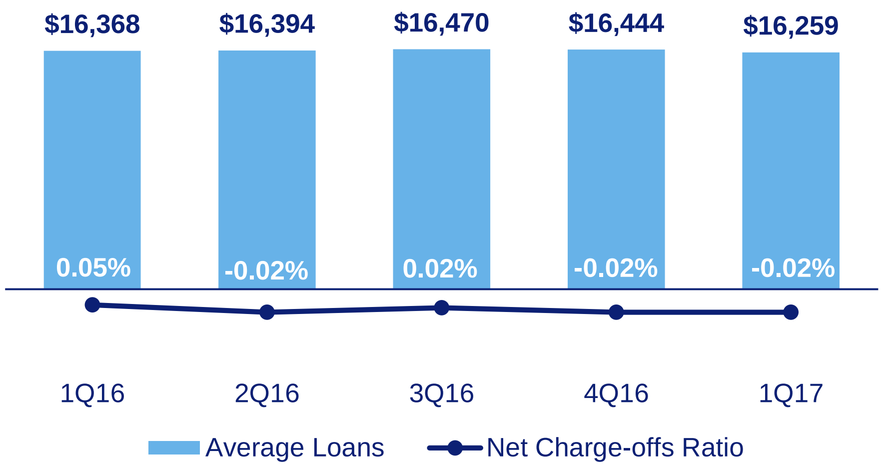


Key Points

- Year-over-year average loan growth of 3.0% was driven by high credit quality originations
- Commitment weighted average FICO on new originations was 761, up 3 points from 1Q16
- Year-over-year increases in delinquency and loss rates primarily reflect vintage maturation

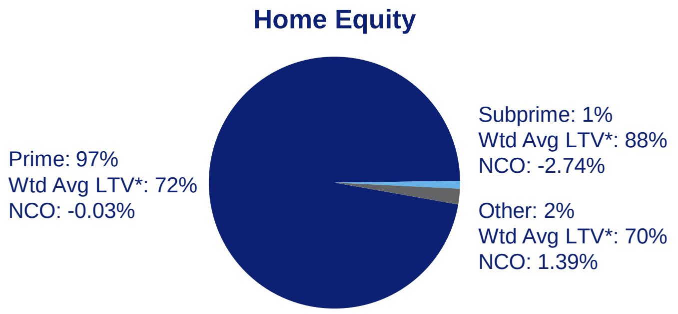
Credit Quality – Home Equity

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$16,368	$16,444	$16,259
30-89 Delinquencies	0.39%	0.37%	0.33%
90+ Delinquencies	0.26%	0.25%	0.24%
Nonperforming Loans	0.80%	0.78%	0.79%



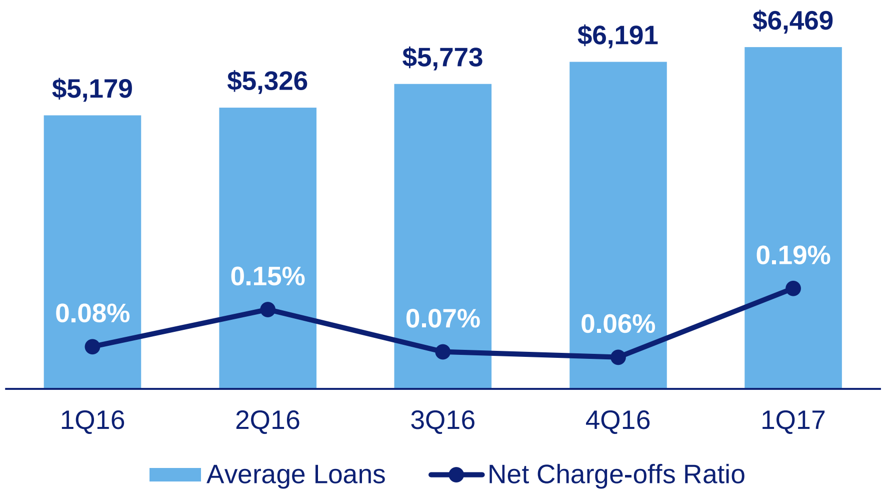
*LTV at origination

Key Points

- High-quality originations (weighted average FICO on commitments of 768, weighted average CLTV of 70%) originated primarily through the retail branch network to existing bank customers on their primary residences
- Net charge-offs declined year-over-year

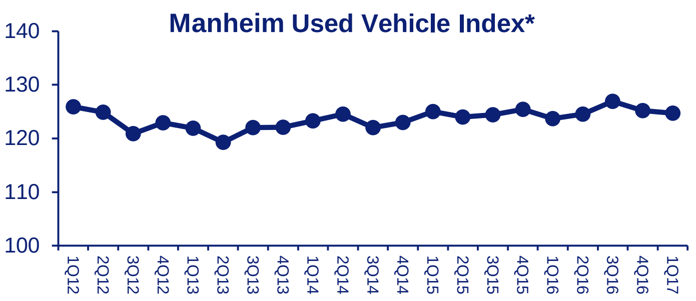
Credit Quality – Retail Leasing

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$5,179	$6,191	$6,469
30-89 Delinquencies	0.17%	0.28%	0.24%
90+ Delinquencies	0.02%	0.02%	0.01%
Nonperforming Loans	0.04%	0.03%	0.04%



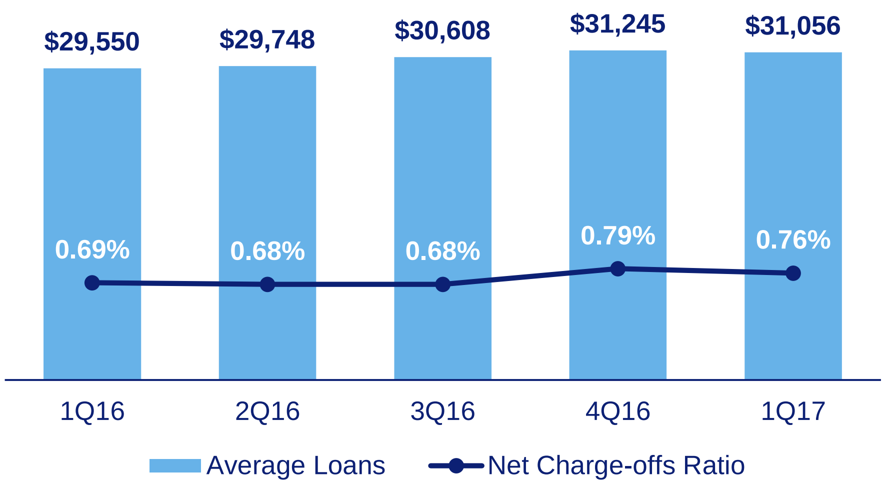
Key Points

- Continued high-quality originations (weighted average FICO of 782) support the portfolio's stable credit profile
- Delinquencies, nonperforming leases and net charge-offs remained at very low levels

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

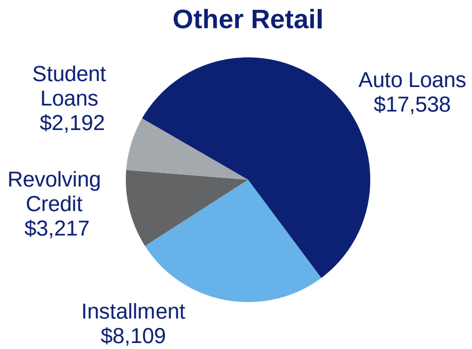
Credit Quality – Other Retail

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



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$29,550	$31,245	$31,056
30-89 Delinquencies	0.42%	0.66%	0.56%
90+ Delinquencies	0.10%	0.13%	0.12%
Nonperforming Loans	0.08%	0.09%	0.09%

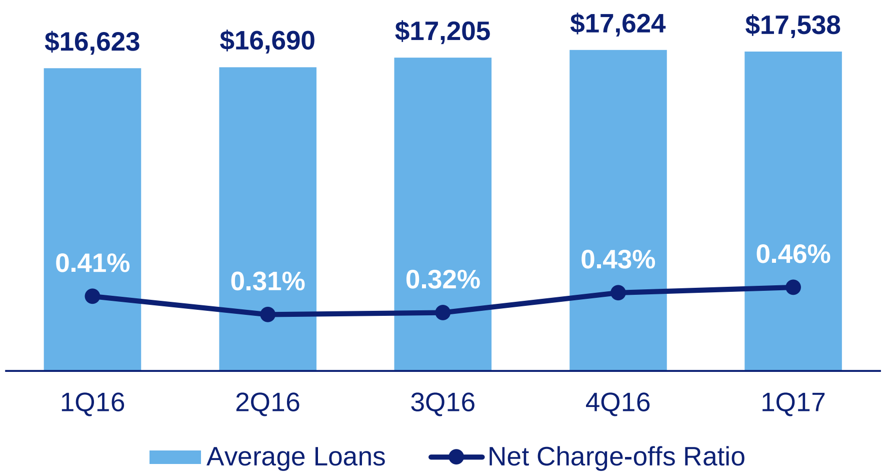


Key Points

- Overall growth continued to be driven by the auto loans and installment categories, which were up 5.5% and 14.9% year-over-year, respectively
- Net charge-offs and 30-89 delinquencies showed seasonal decreases

Credit Quality – Auto Loans

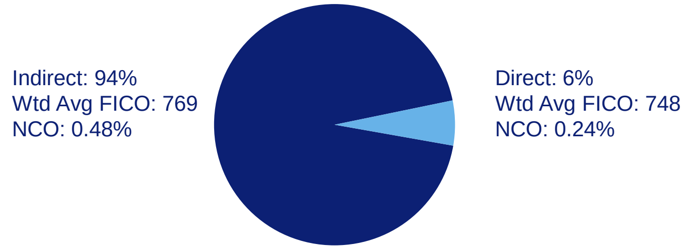
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	1Q16	4Q16	1Q17
Average Loans	$16,623	$17,624	$17,538
30-89 Delinquencies	0.39%	0.74%	0.64%
90+ Delinquencies	0.02%	0.06%	0.05%
Nonperforming Loans	0.07%	0.09%	0.09%

Indirect and Direct Channel



Key Points

- Continued growth in auto loans driven by high-quality originations in the indirect channel (weighted average FICO 776)
- Net charge-offs remained relatively stable on a linked quarter basis

Auto loans are included in Other Retail category

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	March 31, 2017		December 31, 2016		September 30, 2016		June 30, 2016		March 31, 2016
Total equity	$48,433		$47,933		$48,399		$48,029		$47,393
Preferred stock	(5,419)		(5,501)		(5,501)		(5,501)		(5,501)
Noncontrolling interests	(635)		(635)		(640)		(639)		(638)
Goodwill (net of deferred tax liability) (1)	(8,186)		(8,203)		(8,239)		(8,246)		(8,270)
Intangible assets, other than mortgage servicing rights	(671)		(712)		(756)		(796)		(820)
Tangible common equity (a)	33,522		32,882		33,263		32,847		32,164
Tangible common equity (as calculated above)	33,522		32,882		33,263		32,847		32,164
Adjustments (2)	(136)		(55)		97		133		99
Common equity tier 1 capital estimated for the Basel III fully implemented standardized and advanced approaches (b)	33,386		32,827		33,360		32,980		32,263
Total assets	449,522		445,964		454,134		438,463		428,638
Goodwill (net of deferred tax liability) (1)	(8,186)		(8,203)		(8,239)		(8,246)		(8,270)
Intangible assets, other than mortgage servicing rights	(671)		(712)		(756)		(796)		(820)
Tangible assets (c)	440,665		437,049		445,139		429,421		419,548
Risk-weighted assets, determined in accordance with prescribed transitional standardized approach regulatory requirements (d)	356,373	*	358,237		356,733		351,462		346,227
Adjustments (3)	4,731	*	4,027		3,165		3,079		3,485
Risk-weighted assets estimated for the Basel III fully implemented standardized approach (e)	361,104	*	362,264		359,898		354,541		349,712
Risk-weighted assets, determined in accordance with prescribed transitional advanced approaches regulatory requirements	285,963	*	277,141		272,832		271,495		267,309
Adjustments (4)	5,046	*	4,295		3,372		3,283		3,707
Risk-weighted assets estimated for the Basel III fully implemented advanced approaches (f)	291,009	*	281,436		276,204		274,778		271,016
Ratios *									
Tangible common equity to tangible assets (a)/(c)	7.6	%	7.5	%	7.5	%	7.6	%	7.7
Tangible common equity to risk-weighted assets (a)/(d)	9.4		9.2		9.3		9.3		9.3
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach (b)/(e)	9.2		9.1		9.3		9.3		9.2
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches (b)/(f)	11.5		11.7		12.1		12.0		11.9

* 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.

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended				
	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	March 31, 2016
Net interest income	$2,945	$2,955	$2,893	$2,845	$2,835
Taxable-equivalent adjustment (1)	50	49	50	51	53
Net interest income, on a taxable-equivalent basis	2,995	3,004	2,943	2,896	2,888
Net interest income, on a taxable-equivalent basis (as calculated above)	2,995	3,004	2,943	2,896	2,888
Noninterest income	2,329	2,431	2,445	2,552	2,149
Less: Securities gains (losses), net	29	6	10	3	3
Total net revenue, excluding net securities gains (losses) (a)	5,295	5,429	5,378	5,445	5,034
Noninterest expense (b)	2,944	3,004	2,931	2,992	2,749
Less: Intangible amortization	44	45	45	44	45
Noninterest expense, excluding intangible amortization (c)	2,900	2,959	2,886	2,948	2,704
Efficiency ratio (b)/(a)	55.6 %	55.3 %	54.5 %	54.9 %	54.6 %
Tangible efficiency ratio (c)/(a)	54.8	54.5	53.7	54.1	53.7

(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.

U.S. Bancorp 1Q17 Earnings Conference Call

April 19, 2017