



U.S. Bancorp Announces Resolution Finalizing Legacy BSA / AML Matters

February 15, 2018

MINNEAPOLIS--(BUSINESS WIRE)--Feb. 15, 2018-- U.S. Bancorp (NYSE: USB), parent company of U.S. Bank, announced today that it has resolved previously disclosed matters related to its Bank Secrecy Act (BSA) and Anti-Money Laundering (AML) compliance programs with the U.S. Attorney's Office for the Southern District of New York, the Office of the Comptroller of the Currency (OCC), the Federal Reserve Board and the Financial Crimes Enforcement Network (FinCEN).

Under the resolution, the Company will pay a total of \$613 million, reflecting the penalties assessed by each agency. The company has fully reserved for this resolution and, accordingly, there is no further financial impact.

"Today's resolution finalizes legacy matters involving our AML compliance program," said Andy Cecere, President and CEO, U.S. Bank. "We regret and have accepted responsibility for the past deficiencies in our AML program. Our culture of ethics and integrity demands that we do better. One of U.S. Bank's key priorities is to maintain an exceptional AML program and we are confident in the strength of the program we have in place today."

Cecere added: "We have worked diligently over the past several years to make significant investments to improve and strengthen our AML controls, processes and staff, which includes our efforts under a 2015 OCC consent order. U.S. Bank embraces the highest standards of integrity, risk management and compliance and remains committed to improving our controls and processes across the enterprise to protect all of our stakeholders."

U.S. Bank's improved AML program includes:

- New leadership team running the Bank's AML program since 2014 – many of whom are recognized as leaders in the industry and come from law enforcement backgrounds;
- A more transparent and frequent AML reporting and escalation process to the Board and executive management;
- A centralized, independent, enterprise-wide financial crimes compliance function;
- Improved AML controls and training for all customer-facing employees;
- Expanded transaction monitoring to identify potentially suspicious activity;
- AML compliance staff that has increased significantly; and
- Improved risk identification, oversight, and reporting functions.

About U.S. Bank

U.S. Bancorp, with 74,000 employees and \$462 billion in assets as of Dec. 31, 2017, is the parent company of U.S. Bank, the fifth-largest bank in the United States. The Minneapolis-based bank blends its branch and ATM network with mobile and online tools that allow customers to bank how, when and where they prefer. U.S. Bank is committed to serving its millions of retail, small business, wealth management, payments, commercial, wholesale and investment services customers across the country and around the world as a trusted financial partner. In 2017, U.S. Bank contributed more than \$58 million to nonprofit organizations across the country through the U.S. Bank Foundation and corporate contributions. Additionally, employees contributed more than 188,000 volunteer hours through our Community Possible corporate responsibility platform. Visit U.S. Bank [online](#) or follow on [social media](#) to stay up to date with company news.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding U.S. Bancorp's business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.

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