



## U.S. Bancorp Reports Fourth Quarter and Full Year 2021 Results

- Full year net income of \$8.0 billion and full year net revenue of \$22.8 billion
- Full year return on average assets of 1.43% and return on average common equity of 16.0%
- Common Equity Tier 1 capital ratio of 10.0% and strong levels of liquidity

## 4Q21 and Full Year Key Financial Data

PROFITABILITY METRICS	4Q21	3Q21	4Q20	Full Year	
				2021	2020
Return on average assets (%)	1.16	1.45	1.10	1.43	.93
Return on average common equity (%)	13.0	15.9	12.1	16.0	10.0
Return on tangible common equity (%) (a)	16.6	20.2	15.6	20.4	13.2
Net interest margin (%)	2.40	2.53	2.57	2.49	2.68
Efficiency ratio (%) (a)	62.3	58.4	58.8	60.4	57.8

INCOME STATEMENT (b)	4Q21	3Q21	4Q20	Full Year	
				2021	2020
Net interest income (taxable-equivalent basis)	\$3,150	\$3,197	\$3,201	\$12,600	\$12,924
Noninterest income	\$2,534	\$2,693	\$2,550	\$10,227	\$10,401
Net income attributable to U.S. Bancorp	\$1,673	\$2,028	\$1,519	\$7,963	\$4,959
Diluted earnings per common share	\$1.07	\$1.30	\$.95	\$5.10	\$3.06
Dividends declared per common share	\$.46	\$.46	\$.42	\$1.76	\$1.68

BALANCE SHEET (b)	4Q21	3Q21	4Q20	Full Year	
				2021	2020
Average total loans	\$302,755	\$296,739	\$302,308	\$296,965	\$307,269
Average total deposits	\$449,838	\$431,487	\$422,413	\$434,281	\$398,615
Net charge-off ratio	.17%	.20%	.58%	.23%	.58%
Book value per common share (period end)	\$32.71	\$32.22	\$31.26		
Basel III standardized CET1 (c)	10.0%	10.2%	9.7%		

(a) See Non-GAAP Financial Measures reconciliation on page 16

(b) Dollars in millions, except per share data

(c) CET1 = Common equity tier 1 capital ratio

## 4Q21 and Full Year Highlights

- Net income of \$1,673 million and diluted earnings per common share of \$1.07 for 4Q21
  - Return on average assets of 1.16% and return on average common equity of 13.0% for 4Q21
  - Net revenue decline driven by lower mortgage banking revenue, partially offset by higher trust and investment management fees
  - Strong deposit growth supported related investment portfolio and cash balance strategies to optimize asset sensitivity going into 2022. While dilutive to NIM, this was a net benefit to net interest income. This elevated liquidity drove NIM to decline 6 basis points while lower Paycheck Protection Program "PPP" loan fees accounted for 6 basis points decline
  - Net charge-off ratio of 0.17% in 4Q21 compared with 0.20% in 3Q21 and 0.58% in 4Q20
  - Average total loans grew 2.0% on a linked quarter basis
- 
- Full year net income of \$7,963 million and diluted earnings per common share of \$5.10
  - Full year average earning assets growth of 5.1%
  - Full year average total deposits growth of 8.9%
  - CET1 capital ratio increased to 10.0% at December 31, 2021, compared with 9.7% at December 31, 2020

## CEO Commentary

"The value of our diversified business model was evident in 2021 results. Credit quality continues to be particularly strong with our net charge-off ratio at a historical low of 17 basis points in the fourth quarter. We experienced solid loan growth from new business originations and increased line utilization. Deposit growth was very strong this quarter increasing \$18.4 billion or 4.3% compared with the third quarter, which supported our loan growth and provided the opportunity for investment strategies that were both accretive to fourth quarter net interest income and maintains asset sensitivity for future growth in a rising rate environment. As we start a new year, we are encouraged by the momentum building in each of our lines of business. The investments we have made in our digital transformation and payments ecosystem initiatives will continue to enable customer and revenue growth and we expect continued momentum in customer spend activity and loan growth. In the fourth quarter we closed on the acquisition of TravelBank, providing tech-led expense and travel management solutions for mid-size companies, and the PFM acquisition, which increases assets under management. I want to thank our U.S. Bank employees for all they do, and we are looking forward to welcoming Union Bank employees to our team when we close on the acquisition later this year."

— Andy Cecere, Chairman, President and CEO, U.S. Bancorp

## In the Spotlight

### U.S. Bank Helping Customers Manage Cash Flow

In 2022, U.S. Bank is implementing changes to help consumer customers better manage their cash flow and avoid fees. Effective January 3, U.S. Bank eliminated certain fees for non-sufficient funds. By the end of the second quarter, the amount an account can be overdrawn prior to fee assessment will increase from \$5 to \$50. A new U.S. Bank Overdraft Fee Forgiven offering provides account holders a full day to deposit funds to avoid a fee when the negative balance is more than \$50. Additionally, the bank will roll out a new balance dashboard providing smart alerts to inform consumers of a potential negative balance before it occurs.

### U.S. Bank Acquires PFM Asset Management

U.S. Bank closed on its previously announced agreement to purchase PFM Asset Management LLC. As part of the acquisition, more than 250 PFM Asset Management employees have joined U.S. Bank. With the addition of PFMAM, Wealth Management and Investment Services has combined investment assets under management of approximately \$420 billion as of December 31, 2021.

### U.S. Bank Acquires TravelBank

U.S. Bancorp, the parent company of U.S. Bank, has acquired TravelBank, a San Francisco-based fintech company that provides an all-in-one, tech-driven expense and travel management solution. TravelBank is easy to use for employees and helps businesses control and track expenses, automate processes, streamline approvals and reporting and ensure compliance with company policies.

### Net Zero Greenhouse Gas Emissions Goal

U.S. Bank announced several company-wide commitments to address the impacts of climate change on its business, customers and communities, including setting a goal to achieve Net Zero greenhouse gas emissions by 2050. In addition, goals were set to source 100% renewable electricity within its operations by 2025 and an environmental finance goal of \$50 billion by 2030.



**INCOME STATEMENT HIGHLIGHTS**

(\$ in millions, except per-share data)

	4Q 2021	3Q 2021	4Q 2020	Percent Change		Full Year 2021	Full Year 2020	Percent Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
Net interest income	\$3,123	\$3,171	\$3,175	(1.5)	(1.6)	\$12,494	\$12,825	(2.6)
Taxable-equivalent adjustment	27	26	26	3.8	3.8	106	99	7.1
Net interest income (taxable-equivalent basis)	3,150	3,197	3,201	(1.5)	(1.6)	12,600	12,924	(2.5)
Noninterest income	2,534	2,693	2,550	(5.9)	(.6)	10,227	10,401	(1.7)
Total net revenue	5,684	5,890	5,751	(3.5)	(1.2)	22,827	23,325	(2.1)
Noninterest expense	3,533	3,429	3,364	3.0	5.0	13,728	13,369	2.7
Income before provision and income taxes	2,151	2,461	2,387	(12.6)	(9.9)	9,099	9,956	(8.6)
Provision for credit losses	(13)	(163)	441	92.0	nm	(1,173)	3,806	nm
Income before taxes	2,164	2,624	1,946	(17.5)	11.2	10,272	6,150	67.0
Income taxes and taxable-equivalent adjustment	486	590	421	(17.6)	15.4	2,287	1,165	96.3
Net income	1,678	2,034	1,525	(17.5)	10.0	7,985	4,985	60.2
Net (income) loss attributable to noncontrolling interests	(5)	(6)	(6)	16.7	16.7	(22)	(26)	15.4
Net income attributable to U.S. Bancorp	\$1,673	\$2,028	\$1,519	(17.5)	10.1	\$7,963	\$4,959	60.6
Net income applicable to U.S. Bancorp common shareholders	\$1,582	\$1,934	\$1,425	(18.2)	11.0	\$7,605	\$4,621	64.6
Diluted earnings per common share	\$1.07	\$1.30	\$.95	(17.7)	12.6	\$5.10	\$3.06	66.7

Net income attributable to U.S. Bancorp was \$1,673 million for the fourth quarter of 2021, which was \$154 million higher than the \$1,519 million for the fourth quarter of 2020, and \$355 million lower than the \$2,028 million for the third quarter of 2021. Diluted earnings per common share were \$1.07 in the fourth quarter of 2021, compared with \$0.95 in the fourth quarter of 2020 and \$1.30 in the third quarter of 2021.

The increase in net income year-over-year was primarily due to lower provision for credit losses, partially offset by lower net interest income, lower noninterest income, and higher noninterest expense. Net interest income decreased 1.6 percent on a year-over-year taxable-equivalent basis due to lower loan spreads and mix of earning assets, partially offset by higher investment portfolio balances and the benefit of deposit and funding mix. The net interest margin declined from 2.57 percent a year ago to 2.40 percent in the fourth quarter of 2021 primarily due to the mix of loans, lower loan spreads and higher investment portfolio balances, partially offset by the net benefit of funding composition. Noninterest income decreased 0.6 percent compared with a year ago primarily reflecting lower mortgage banking revenue, other noninterest income, and securities gains, mostly offset by improvements in payments revenue, trust and investment management fees, deposit service charges, and commercial products revenue. Noninterest expense increased 5.0 percent reflecting increases in compensation expense, primarily related to performance-based incentive compensation, as well as higher employee benefits expense, professional services expense and marketing and business development expense, partially offset by lower other noninterest expense.

Net income decreased on a linked quarter basis primarily due to lower net interest income, mainly due to lower loan fees related to the SBA Paycheck Protection Program, and lower noninterest income, primarily due to seasonally lower payments and capital markets revenues and lower mortgage banking revenue as refinancing continued to decline. In addition, noninterest expense increased and the provision for credit losses was higher due to reductions in the allowance for credit losses in the third quarter of 2021. Net interest income on a taxable-equivalent basis decreased 1.5 percent primarily due to the impact of loan forgiveness related to the Paycheck Protection Program ("PPP"), earning asset mix and lower loan yields, partially offset by strong growth in average loan balances. The net interest margin declined 13 basis points from 2.53 percent on a linked quarter basis primarily reflecting lower PPP loan fees as well as the impact of strong deposit flows and related investment and cash balance strategies. Noninterest income decreased 5.9 percent compared with the third quarter of 2021 driven by seasonally lower payments and capital markets revenues and lower mortgage banking revenue, partially offset by improvements in trust and investment management fees. Noninterest expense increased 3.0 percent on a linked quarter basis reflecting higher employee benefits expense, professional services expense, marketing and business development expense and amortization of tax-advantaged investments.



<b>NET INTEREST INCOME</b>								
(Taxable-equivalent basis; \$ in millions)								
	4Q 2021	3Q 2021	4Q 2020	Change		Full Year 2021	Full Year 2020	Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
<b>Components of net interest income</b>								
Income on earning assets	\$3,382	\$3,435	\$3,505	\$(53)	\$(123)	\$13,593	\$14,942	\$(1,349)
Expense on interest-bearing liabilities	232	238	304	(6)	(72)	993	2,018	(1,025)
<b>Net interest income</b>	<b>\$3,150</b>	<b>\$3,197</b>	<b>\$3,201</b>	<b>\$(47)</b>	<b>\$(51)</b>	<b>\$12,600</b>	<b>\$12,924</b>	<b>\$(324)</b>
<b>Average yields and rates paid</b>								
Earning assets yield	2.58%	2.72%	2.81%	(.14)%	(.23)%	2.69%	3.10%	(.41)%
Rate paid on interest-bearing liabilities	.25	.27	.33	(.02)	(.08)	.28	.56	(.28)
Gross interest margin	2.33%	2.45%	2.48%	(.12)%	(.15)%	2.41%	2.54%	(.13)%
<b>Net interest margin</b>	<b>2.40%</b>	<b>2.53%</b>	<b>2.57%</b>	<b>(.13)%</b>	<b>(.17)%</b>	<b>2.49%</b>	<b>2.68%</b>	<b>(.19)%</b>
<b>Average balances</b>								
Investment securities (a)	\$160,784	\$151,755	\$133,430	\$9,029	\$27,354	\$154,702	\$125,954	\$28,748
Loans	302,755	296,739	302,308	6,016	447	296,965	307,269	(10,304)
Earning assets	522,535	503,325	497,437	19,210	25,098	506,141	481,402	24,739
Interest-bearing liabilities	363,880	353,129	362,445	10,751	1,435	358,533	363,298	(4,765)

(a) Excludes unrealized gain (loss)

Net interest income on a taxable-equivalent basis in the fourth quarter of 2021 was \$3,150 million, a decrease of \$51 million (1.6 percent) compared with the fourth quarter of 2020. The decrease was primarily due to lower loan spreads and mix of earning assets, partially offset by higher investment portfolio balances and the benefit of deposit and funding mix. Average earning assets were \$25.1 billion (5.0 percent) higher than the fourth quarter of 2020, reflecting an increase of \$27.4 billion (20.5 percent) in average investment securities and an increase of \$447 million (0.1 percent) in average total loans while average other earning assets decreased \$673 million (1.3 percent) due to lower cash balances.

Net interest income on a taxable-equivalent basis decreased \$47 million (1.5 percent) on a linked quarter basis primarily due to lower interest and loan fees of approximately \$82 million related to the SBA Paycheck Protection Program. Average earning assets were \$19.2 billion (3.8 percent) higher on a linked quarter basis, reflecting increases of \$9.0 billion (5.9 percent) in average investment securities, \$6.0 billion (2.0 percent) in average loans and \$4.8 billion (10.0 percent) in average other earning assets, driven by higher average cash balances.

The net interest margin in the fourth quarter of 2021 was 2.40 percent, compared with 2.57 percent in the fourth quarter of 2020 and 2.53 percent in the third quarter of 2021. The decrease in the net interest margin from the prior year was primarily due to the mix of loans, lower loan spreads and higher investment portfolio balances, partially offset by the net benefit of funding composition. The decrease in interest margin on a linked quarter basis reflected lower loan fees related to the SBA Paycheck Protection Program, as well as the impact of strong deposit flows and related investment and cash balances strategies.

The increase in average investment securities year-over-year was due to purchases of mortgage-backed, U.S. Treasury and state and political securities, net of prepayments and maturities, while the increase on a linked quarter basis was primarily driven by purchases of U.S. Treasury securities.



<b>AVERAGE LOANS</b>								
(\$ in millions)								
	4Q 2021	3Q 2021	4Q 2020	Percent Change		Full Year 2021	Full Year 2020	Percent Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
Commercial	\$99,433	\$96,673	\$100,863	2.9	(1.4)	\$97,649	\$108,367	(9.9)
Lease financing	5,075	5,159	5,558	(1.6)	(8.7)	5,206	5,600	(7.0)
Total commercial	104,508	101,832	106,421	2.6	(1.8)	102,855	113,967	(9.8)
Commercial mortgages	28,216	28,080	29,004	.5	(2.7)	27,997	29,641	(5.5)
Construction and development	10,635	10,841	11,094	(1.9)	(4.1)	10,784	10,907	(1.1)
Total commercial real estate	38,851	38,921	40,098	(.2)	(3.1)	38,781	40,548	(4.4)
Residential mortgages	75,858	74,104	76,809	2.4	(1.2)	74,629	73,667	1.3
Credit card	22,399	21,905	21,937	2.3	2.1	21,645	22,332	(3.1)
Retail leasing	7,354	7,643	8,299	(3.8)	(11.4)	7,710	8,405	(8.3)
Home equity and second mortgages	10,568	10,936	12,816	(3.4)	(17.5)	11,228	13,894	(19.2)
Other	43,217	41,398	35,928	4.4	20.3	40,117	34,456	16.4
Total other retail	61,139	59,977	57,043	1.9	7.2	59,055	56,755	4.1
<b>Total loans</b>	<b>\$302,755</b>	<b>\$296,739</b>	<b>\$302,308</b>	<b>2.0</b>	<b>.1</b>	<b>\$296,965</b>	<b>\$307,269</b>	<b>(3.4)</b>

Average total loans for the fourth quarter of 2021 were \$447 million (0.1 percent) higher than the fourth quarter of 2020. The increase was primarily due to growth in credit card balances (2.1 percent) and other retail loans (20.3 percent) offset by lower total commercial loans (1.8 percent) and total commercial real estate (3.1 percent) and residential mortgages (1.2 percent). The strong growth in other retail was driven by auto and recreational vehicle lending, offset by declining home equity and second mortgages (17.5 percent). The decrease in total commercial loans (1.8 percent) was driven by expected forgiveness of SBA Paycheck Protection Program loans and lower total commercial real estate loans (3.1 percent) was a result of paydowns.

Average total loans were \$6.0 billion (2.0 percent) higher than the third quarter of 2021 primarily due to higher total commercial loans (2.6 percent) driven by strong new business and higher utilization, higher credit card balances (2.3 percent), growth in residential mortgages (2.4 percent) due to increased loan portfolio production and slower payoffs in the mortgage portfolio, and higher other retail loans (4.4 percent) driven by growth in installment loans.



<b>AVERAGE DEPOSITS</b>								
(\$ in millions)	4Q 2021	3Q 2021	4Q 2020	Percent Change		Full Year 2021	Full Year 2020	Percent Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
Noninterest-bearing deposits	\$135,936	\$129,018	\$115,148	5.4	18.1	\$127,204	\$98,539	29.1
Interest-bearing savings deposits								
Interest checking	108,889	103,036	91,384	5.7	19.2	103,198	84,276	22.5
Money market savings	117,462	112,543	127,390	4.4	(7.8)	117,093	125,786	(6.9)
Savings accounts	64,763	63,387	55,730	2.2	16.2	62,294	52,142	19.5
Total savings deposits	291,114	278,966	274,504	4.4	6.1	282,585	262,204	7.8
Time deposits	22,788	23,503	32,761	(3.0)	(30.4)	24,492	37,872	(35.3)
Total interest-bearing deposits	313,902	302,469	307,265	3.8	2.2	307,077	300,076	2.3
<b>Total deposits</b>	<b>\$449,838</b>	<b>\$431,487</b>	<b>\$422,413</b>	<b>4.3</b>	<b>6.5</b>	<b>\$434,281</b>	<b>\$398,615</b>	<b>8.9</b>

Average total deposits for the fourth quarter of 2021 were \$27.4 billion (6.5 percent) higher than the fourth quarter of 2020. Average noninterest-bearing deposits increased \$20.8 billion (18.1 percent) primarily within Corporate and Commercial Banking and Wealth Management and Investment Services, partially offset by a decrease in Payments Services. Average total savings deposits were \$16.6 billion (6.1 percent) higher year-over-year driven by Consumer and Business Banking, partially offset by a decrease in Wealth Management and Investment Services. Average time deposits were \$10.0 billion (30.4 percent) lower than the prior year within Corporate and Commercial Banking, Consumer and Business Banking and Wealth Management and Investment Services. Changes in time deposits are primarily related to those deposits managed as an alternative to other funding sources, based largely on relative pricing and liquidity characteristics.

Average total deposits experienced strong growth of \$18.4 billion (4.3 percent) from the third quarter of 2021. On a linked quarter basis, average noninterest-bearing deposits increased \$6.9 billion (5.4 percent) driven by Wealth Management and Investment Services and Corporate and Commercial Banking. Average total savings deposits increased \$12.1 billion (4.4 percent) compared with the third quarter of 2021 driven by increases in Corporate and Commercial Banking, Consumer and Business Banking and Wealth Management and Investment Services. Average time deposits, which are managed based on funding needs, relative pricing and liquidity characteristics, were \$715 million (3.0 percent) lower on a linked quarter basis, with decreases across most business lines.



<b>NONINTEREST INCOME</b>								
(\$ in millions)								
	4Q 2021	3Q 2021	4Q 2020	Percent Change		Full Year 2021	Full Year 2020	Percent Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
Credit and debit card revenue	\$382	\$393	\$362	(2.8)	5.5	\$1,507	\$1,338	12.6
Corporate payment products revenue	155	156	126	(.6)	23.0	575	497	15.7
Merchant processing services	365	392	311	(6.9)	17.4	1,449	1,261	14.9
Trust and investment management fees	483	459	441	5.2	9.5	1,832	1,736	5.5
Deposit service charges	193	194	165	(.5)	17.0	724	677	6.9
Treasury management fees	152	155	143	(1.9)	6.3	614	568	8.1
Commercial products revenue	265	277	239	(4.3)	10.9	1,102	1,143	(3.6)
Mortgage banking revenue	298	418	468	(28.7)	(36.3)	1,361	2,064	(34.1)
Investment products fees	62	62	50	--	24.0	239	192	24.5
Securities gains (losses), net	15	20	34	(25.0)	(55.9)	103	177	(41.8)
Other	164	167	211	(1.8)	(22.3)	721	748	(3.6)
<b>Total noninterest income</b>	<b>\$2,534</b>	<b>\$2,693</b>	<b>\$2,550</b>	<b>(5.9)</b>	<b>(.6)</b>	<b>\$10,227</b>	<b>\$10,401</b>	<b>(1.7)</b>

Fourth quarter noninterest income of \$2,534 million was \$16 million (0.6 percent) lower than the fourth quarter of 2020 reflecting strong growth in payments revenue, trust and investment management fees, deposit service charges, and commercial products revenue that was more than offset by lower mortgage banking revenue, other noninterest income and securities gains. Mortgage banking revenue decreased \$170 million (36.3 percent) compared with the fourth quarter of 2020 due to lower mortgage production volume, given declining refinancing activity, and related gain on sale margins, partially offset by the favorable net impact of the change in fair value of mortgage servicing rights, net of hedging activities. Other noninterest income decreased \$47 million (22.3 percent) driven by lower tax-advantaged investment syndication revenue in the fourth quarter of 2021 and the impact of favorable asset gains and the transition services agreement revenue associated with the sale of the Company's ATM third-party servicing business in the fourth quarter of 2020. Several fee categories had strong growth from a year ago. Payment services revenue increased \$103 million (12.9 percent) compared with the fourth quarter of 2020 as credit and debit card revenue increased \$20 million (5.5 percent) due to higher net interchange revenue related to sales volumes as well as stronger fee activity. Corporate payment products revenue increased \$29 million (23.0 percent) primarily due to higher sales volume. Merchant processing services revenue increased \$54 million (17.4 percent) driven by higher sales volumes and merchant fees. Trust and investment management fees increased \$42 million (9.5 percent) driven by business growth, favorable market conditions and activity related to the acquisition of PFM Asset Management LLC ("PFM"), partially offset by higher fee waivers. Deposit service charges increased \$28 million (17.0 percent) primarily due to the impact of customer remediations in 2020 as well as higher customer activity in the fourth quarter of 2021. Commercial products revenue increased \$26 million (10.9 percent) primarily due to higher capital markets and foreign currency customer activity as well as higher trading revenue, partially offset by lower commercial leasing fees.

Noninterest income was \$159 million (5.9 percent) lower in the fourth quarter of 2021 compared with the third quarter of 2021 reflecting seasonally lower payments and capital markets revenues and declining mortgage banking revenue. Payment services revenue decreased \$39 million (4.1 percent) compared with the third quarter of 2021 as credit and debit card revenue decreased \$11 million (2.8 percent) due to lower net interchange rate, net of higher volume and merchant processing services decreased \$27 million (6.9 percent) primarily driven by lower rate and sales volume in sectors that continue to be negatively impacted by the pandemic. Mortgage banking revenue decreased \$120 million (28.7 percent) driven by lower production volume and related gain on sale margins and the slightly unfavorable net impact of the change in fair value of mortgage servicing rights, net of hedging activities. Partially offsetting these decreases, trust and investment management fees increased \$24 million (5.2 percent) driven by favorable market conditions, business growth and activity related to the acquisition of PFM.



<b>NONINTEREST EXPENSE</b>								
(\$ in millions)								
	4Q 2021	3Q 2021	4Q 2020	Percent Change		Full Year 2021	Full Year 2020	Percent Change
				4Q21 vs 3Q21	4Q21 vs 4Q20			
Compensation	\$1,851	\$1,847	\$1,643	.2	12.7	\$7,299	\$6,635	10.0
Employee benefits	372	336	302	10.7	23.2	1,429	1,303	9.7
Net occupancy and equipment	268	259	269	3.5	(.4)	1,048	1,092	(4.0)
Professional services	160	126	123	27.0	30.1	492	430	14.4
Marketing and business development	129	99	105	30.3	22.9	366	318	15.1
Technology and communications	372	361	362	3.0	2.8	1,454	1,294	12.4
Postage, printing and supplies	71	69	74	2.9	(4.1)	274	288	(4.9)
Other intangibles	40	41	47	(2.4)	(14.9)	159	176	(9.7)
Other	270	291	439	(7.2)	(38.5)	1,207	1,833	(34.2)
<b>Total noninterest expense</b>	<b>\$3,533</b>	<b>\$3,429</b>	<b>\$3,364</b>	<b>3.0</b>	<b>5.0</b>	<b>\$13,728</b>	<b>\$13,369</b>	<b>2.7</b>

Fourth quarter noninterest expense of \$3,533 million was \$169 million (5.0 percent) higher than the fourth quarter of 2020 reflecting increases in compensation expense, employee benefits expense, professional services expense, and marketing and business development, partially offset by lower other noninterest expense. Compensation expense increased \$208 million (12.7 percent) compared with the fourth quarter of 2020 primarily due to performance-based incentives, revenue related commissions, merit, and hiring to support business growth. Employee benefits increased \$70 million (23.2 percent) driven by higher medical claims expense and compensation related payroll taxes in the fourth quarter of 2021. Professional services expense increased \$37 million (30.1 percent) primarily due to an increase in business investment and related initiatives. Marketing and business development expense increased \$24 million (22.9 percent) due to the timing of marketing campaigns and increased travel and entertainment. These increases were partially offset by lower other noninterest expense of \$169 million (38.5 percent) due to COVID-19 related accruals in the fourth quarter of 2020, including recognizing liabilities related to future delivery exposures for merchant and airline processing and other accruals.

Noninterest expense increased \$104 million (3.0 percent) on a linked quarter basis reflecting increases in employee benefits expense, professional services expense and marketing and business development, partially offset by lower other noninterest expense. Employee benefits expense increased \$36 million (10.7 percent) driven by higher medical claims expense. Professional services expense increased \$34 million (27.0 percent) primarily due to an increase in business investment and related initiatives. Marketing and business development expense increased \$30 million (30.3 percent) due to the timing of marketing campaigns. Partially offsetting these increases, other noninterest expense decreased \$21 million (7.2 percent) primarily due to lower accruals related to future delivery exposures for merchant and airline processing and other accruals, partially offset by seasonally higher amortization of tax-advantaged investments, which were scaled back in 2020 due to the economic environment driven by the pandemic conditions.

### Provision for Income Taxes

The provision for income taxes for the fourth quarter of 2021 resulted in a tax rate of 22.5 percent on a taxable-equivalent basis (effective tax rate of 21.5 percent), compared with 21.6 percent on a taxable-equivalent basis (effective tax rate of 20.6 percent) in the fourth quarter of 2020, and a tax rate of 22.5 percent on a taxable-equivalent basis (effective tax rate of 21.7 percent) in the third quarter of 2021.



<b>ALLOWANCE FOR CREDIT LOSSES</b>										
(\$ in millions)										
	4Q		3Q		2Q		1Q		4Q	
	2021	% (a)	2021	% (a)	2021	% (a)	2021	% (a)	2020	% (a)
Balance, beginning of period	\$6,300		\$6,610		\$6,960		\$8,010		\$8,010	
Net charge-offs										
Commercial	6	.02	13	.05	26	.11	52	.22	142	.56
Lease financing	--	--	1	.08	1	.08	4	.30	8	.57
Total commercial	6	.02	14	.05	27	.11	56	.22	150	.56
Commercial mortgages	(3)	(.04)	1	.01	--	--	(12)	(.17)	82	1.12
Construction and development	(1)	(.04)	12	.44	--	--	5	.19	2	.07
Total commercial real estate	(4)	(.04)	13	.13	--	--	(7)	(.07)	84	.83
Residential mortgages	(7)	(.04)	(10)	(.05)	(10)	(.05)	(5)	(.03)	(7)	(.04)
Credit card	109	1.93	111	2.01	148	2.81	144	2.76	165	2.99
Retail leasing	1	.05	1	.05	(1)	(.05)	1	.05	9	.43
Home equity and second mortgages	(2)	(.08)	(3)	(.11)	(3)	(.11)	(2)	(.07)	(3)	(.09)
Other	29	.27	21	.20	19	.20	36	.40	43	.48
Total other retail	28	.18	19	.13	15	.10	35	.25	49	.34
Total net charge-offs	132	.17	147	.20	180	.25	223	.31	441	.58
Provision for credit losses	(13)		(163)		(170)		(827)		441	
Balance, end of period	<u>\$6,155</u>		<u>\$6,300</u>		<u>\$6,610</u>		<u>\$6,960</u>		<u>\$8,010</u>	
Components										
Allowance for loan losses	\$5,724		\$5,792		\$6,026		\$6,343		\$7,314	
Liability for unfunded credit commitments	431		508		584		617		696	
Total allowance for credit losses	<u>\$6,155</u>		<u>\$6,300</u>		<u>\$6,610</u>		<u>\$6,960</u>		<u>\$8,010</u>	
Gross charge-offs	\$254		\$266		\$314		\$374		\$556	
Gross recoveries	\$122		\$119		\$134		\$151		\$115	
Allowance for credit losses as a percentage of										
Period-end loans	1.97		2.12		2.23		2.36		2.69	
Nonperforming loans	738		695		649		617		654	
Nonperforming assets	701		667		624		579		617	

(a) Annualized and calculated on average loan balances





The Company's provision for credit losses for the fourth quarter of 2021 was a benefit of \$13 million, which was \$150 million higher than the prior quarter and \$454 million lower than the fourth quarter of 2020. During 2021, factors affecting economic conditions, including passing of additional government stimulus and widespread vaccine availability in the U.S., have contributed to economic improvement. However, economic uncertainty remains associated with supply chain concerns, rising inflationary concerns and additional virus variants. In addition to these factors, expected loss estimates consider various factors including customer specific information impacting changes in risk ratings, projected delinquencies and potential effects of diminishing liquidity without the support of mortgage forbearance and direct federal stimulus. Currently, consumer credit trends continue to perform better than expected, while select wholesale portfolios continue to be monitored for pandemic related impacts.

Total net charge-offs in the fourth quarter of 2021 were \$132 million, compared with \$147 million in the third quarter of 2021 and \$441 million in the fourth quarter of 2020. The net charge-off ratio was 0.17 percent in the fourth quarter of 2021, compared with 0.20 percent in the third quarter of 2021 and 0.58 percent in the fourth quarter of 2020. Net charge-offs decreased \$15 million (10.2 percent) compared with the third quarter of 2021 associated with borrower liquidity and strong asset prices in the market that support repayment and recovery on problem loans. Net charge-offs decreased \$309 million (70.1 percent) compared with the fourth quarter of 2020 reflecting improvement across all loan categories.

The allowance for credit losses was \$6,155 million at December 31, 2021, compared with \$6,300 million at September 30, 2021, and \$8,010 million at December 31, 2020. The decrease on a linked quarter basis was driven by continued strong credit quality and collateral performance, partially offset by loan growth. Economic re-openings associated with vaccine availability improved performance and contributed to lower reserve levels. The ratio of the allowance for credit losses to period-end loans was 1.97 percent at December 31, 2021, compared with 2.12 percent at September 30, 2021, and 2.69 percent at December 31, 2020. The ratio of the allowance for credit losses to nonperforming loans was 738 percent at December 31, 2021, compared with 695 percent at September 30, 2021, and 654 percent at December 31, 2020.

Nonperforming assets were \$878 million at December 31, 2021, compared with \$944 million at September 30, 2021, and \$1,298 million at December 31, 2020. The ratio of nonperforming assets to loans and other real estate was 0.28 percent at December 31, 2021, compared with 0.32 percent at September 30, 2021, and 0.44 percent at December 31, 2020. The year-over-year and linked quarter decrease in nonperforming assets was primarily due to decreases in total commercial nonperforming loans and commercial mortgage nonperforming loans. Accruing loans 90 days or more past due were \$472 million at December 31, 2021, compared with \$385 million at September 30, 2021, and \$477 million at December 31, 2020. The Company expects credit quality to return to more normalized levels over time. However, some manageable levels of elevated nonperforming assets in certain industries and loan categories impacted by the pandemic may experience longer recovery periods.



DELINQUENT LOAN RATIOS AS A PERCENT OF ENDING LOAN BALANCES					
(Percent)	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2021	2021	2021	2021	2020
Delinquent loan ratios - 90 days or more past due <b>excluding</b> nonperforming loans					
Commercial	.04	.04	.04	.06	.05
Commercial real estate	.03	.05	.01	.01	.01
Residential mortgages	.24	.15	.16	.19	.18
Credit card	.73	.66	.70	.95	.88
Other retail	.11	.11	.10	.12	.15
Total loans	.15	.13	.13	.16	.16
Delinquent loan ratios - 90 days or more past due <b>including</b> nonperforming loans					
Commercial	.20	.25	.32	.39	.42
Commercial real estate	.76	.82	.81	.94	1.15
Residential mortgages	.53	.47	.49	.54	.50
Credit card	.73	.66	.70	.95	.88
Other retail	.35	.36	.39	.42	.42
Total loans	.42	.43	.47	.54	.57

ASSET QUALITY (a)					
(\$ in millions)	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2021	2021	2021	2021	2020
Nonperforming loans					
Commercial	\$139	\$179	\$247	\$298	\$321
Lease financing	35	37	44	49	54
Total commercial	174	216	291	347	375
Commercial mortgages	213	215	224	266	411
Construction and development	71	81	88	90	39
Total commercial real estate	284	296	312	356	450
Residential mortgages	226	237	244	253	245
Credit card	--	--	--	--	--
Other retail	150	157	171	172	154
Total nonperforming loans	834	906	1,018	1,128	1,224
Other real estate	22	17	17	19	24
Other nonperforming assets	22	21	24	55	50
Total nonperforming assets	\$878	\$944	\$1,059	\$1,202	\$1,298
Accruing loans 90 days or more past due	\$472	\$385	\$376	\$476	\$477
Nonperforming assets to loans plus ORE (%)	.28	.32	.36	.41	.44

(a) Throughout this document, nonperforming assets and related ratios do not include accruing loans 90 days or more past due



COMMON SHARES					
(Millions)	4Q 2021	3Q 2021	2Q 2021	1Q 2021	4Q 2020
Beginning shares outstanding	1,483	1,483	1,497	1,507	1,506
Shares issued for stock incentive plans, acquisitions and other corporate purposes	1	--	1	3	1
Shares repurchased	--	--	(15)	(13)	--
Ending shares outstanding	1,484	1,483	1,483	1,497	1,507

CAPITAL POSITION					
(\$ in millions)	Dec 31 2021	Sep 30 2021	Jun 30 2021	Mar 31 2021	Dec 31 2020
Total U.S. Bancorp shareholders' equity	\$54,918	\$53,743	\$53,039	\$51,678	\$53,095
<b>Basel III Standardized Approach (a)</b>					
Common equity tier 1 capital	\$41,701	\$41,014	\$39,691	\$39,103	\$38,045
Tier 1 capital	48,516	47,426	46,103	45,517	44,474
Total risk-based capital	56,250	54,178	53,625	53,625	52,602
Common equity tier 1 capital ratio	10.0 %	10.2 %	9.9 %	9.9 %	9.7 %
Tier 1 capital ratio	11.6	11.7	11.5	11.5	11.3
Total risk-based capital ratio	13.4	13.4	13.4	13.5	13.4
Leverage ratio	8.6	8.7	8.5	8.4	8.3
<b>Tangible common equity to tangible assets (b)</b>	6.8	6.8	6.8	6.6	6.9
<b>Tangible common equity to risk-weighted assets (b)</b>	9.2	9.4	9.3	9.1	9.5
<b>Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (b)</b>	9.6	9.7	9.5	9.5	9.3

(a) Amounts and ratios calculated in accordance with transitional regulatory requirements related to the current expected credit losses methodology  
 (b) See Non-GAAP Financial Measures reconciliation on page 16

Total U.S. Bancorp shareholders' equity was \$54.9 billion at December 31, 2021, compared with \$53.7 billion at September 30, 2021, and \$53.1 billion at December 31, 2020. The Company suspended all common stock repurchases at the beginning of the third quarter of 2021, except for those done exclusively in connection with its stock-based compensation programs, due to its recently announced acquisition of MUFG Union Bank's core regional banking franchise. The Company does not expect to commence repurchasing its common stock again until after the acquisition closes in order to build capital prior to the acquisition. The Company expects to operate at a CET1 capital ratio between our target ratio and 9.0 percent after closing of the acquisition.

All regulatory ratios continue to be in excess of "well-capitalized" requirements. The common equity tier 1 capital to risk-weighted assets ratio using the Basel III standardized approach was 10.0 percent at December 31, 2021, compared with 10.2 percent at September 30, 2021, and 9.7 percent at December 31, 2020. The Company's common equity tier 1 capital to risk-weighted assets ratio, reflecting the full implementation of the current expected credit losses methodology was 9.6 percent at December 31, 2021, compared with 9.7 percent at September 30, 2021, and 9.3 percent at December 31, 2020.



## Investor Conference Call

On Wednesday, January 19, 2022 at 8 a.m. CT, Chairman, President and Chief Executive Officer Andy Cecere and Vice Chair and Chief Financial Officer Terry Dolan will host a conference call to review the financial results. The conference call will be available online or by telephone. To access the webcast and presentation, visit U.S. Bancorp's website at [usbank.com](http://usbank.com) and click on "About Us," "Investor Relations" and "Webcasts & Presentations." To access the conference call from locations within the United States and Canada, please dial 866.316.1409. Participants calling from outside the United States and Canada, please dial 706.634.9086. The conference ID number for all participants is 7876125. For those unable to participate during the live call, a recording will be available at approximately 11 a.m. CT on Wednesday, January 19, 2022 and will be accessible until Wednesday, January 26, 2022 at 10:59 p.m. CT. To access the recorded message within the United States and Canada, please dial 855.859.2056. If calling from outside the United States and Canada, please dial 404.537.3406 to access the recording. The conference ID is 7876125.

## About U.S. Bancorp

U.S. Bancorp, with nearly 70,000 employees and \$573 billion in assets as of December 31, 2021, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2021 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at [usbank.com/about](http://usbank.com/about).

## Forward-looking Statements

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:

This press release contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. The COVID-19 pandemic is adversely affecting U.S. Bancorp, its customers, counterparties, employees, and third-party service providers, and the ultimate extent of the impacts on its business, financial position, results of operations, liquidity, and prospects is uncertain. Continued deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility. 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 changes in interest rates; further increases in unemployment 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 its investment securities; legal and regulatory developments; litigation; increased competition from both banks and non-banks; civil unrest; changes in customer behavior and preferences; breaches in data security, including as a result of work-from-home arrangements; failures to safeguard personal information; 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 reputation risk. In addition, U.S. Bancorp's proposed acquisition of MUFG Union Bank presents risks and uncertainties, including, among others: the risk that the cost savings, any revenue synergies and other anticipated benefits of the proposed acquisition may not be realized or may take longer than anticipated to be realized; the risk that U.S. Bancorp's business could be disrupted as a result of the announcement and pendency of the proposed acquisition and diversion of management's attention from ongoing business operations and opportunities; the possibility that the proposed acquisition, including the integration of MUFG Union Bank, may be more costly or difficult to complete than anticipated; delays in closing the proposed acquisition; and the failure of required governmental approvals to be obtained or any other closing conditions in the definitive purchase agreement to be satisfied.



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, 2020, on file with the Securities and Exchange Commission, including the sections entitled "Corporate Risk Profile" and "Risk Factors" 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. In addition, factors other than these risks also could adversely affect U.S. Bancorp's results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

## Non-GAAP Financial Measures

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

- Tangible common equity to tangible assets
- Tangible common equity to risk-weighted assets
- Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology, and
- Return on tangible common equity.

These capital measures are viewed by management as useful additional methods of evaluating the Company's utilization of its capital held and the level of capital available to withstand unexpected negative market or economic conditions. Additionally, presentation of these measures allows investors, analysts and banking regulators to assess the Company's capital position relative to other financial services companies. These capital measures are not defined in generally accepted accounting principles ("GAAP"), or are not currently effective or defined in banking regulations. In addition, certain of these measures differ from currently effective capital ratios defined by banking regulations principally in that the currently effective ratios, which are subject to certain transitional provisions, temporarily exclude the impact of the 2020 adoption of accounting guidance related to impairment of financial instruments based on the current expected credit losses methodology. As a result, these capital measures disclosed by the Company may be considered non-GAAP financial measures. Management believes this information helps investors assess trends in the Company's capital adequacy.

The Company also discloses net interest income and related ratios and analysis on a taxable-equivalent basis, which may also be considered non-GAAP financial measures. The Company believes this presentation to be the preferred industry measurement of net interest income as it provides a relevant comparison of net interest income arising from taxable and tax-exempt sources. In addition, certain performance measures, including the efficiency ratio and net interest margin utilize net interest income on a taxable-equivalent basis.

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





## CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended December 31,		Year Ended December 31,	
	2021	2020	2021	2020
<b>Interest Income</b>				
Loans	\$2,635	\$2,866	\$10,747	\$12,018
Loans held for sale	56	59	232	216
Investment securities	624	520	2,365	2,428
Other interest income	40	34	143	178
Total interest income	3,355	3,479	13,487	14,840
<b>Interest Expense</b>				
Deposits	75	101	320	950
Short-term borrowings	18	17	70	141
Long-term debt	139	186	603	924
Total interest expense	232	304	993	2,015
Net interest income	3,123	3,175	12,494	12,825
Provision for credit losses	(13)	441	(1,173)	3,806
Net interest income after provision for credit losses	3,136	2,734	13,667	9,019
<b>Noninterest Income</b>				
Credit and debit card revenue	382	362	1,507	1,338
Corporate payment products revenue	155	126	575	497
Merchant processing services	365	311	1,449	1,261
Trust and investment management fees	483	441	1,832	1,736
Deposit service charges	193	165	724	677
Treasury management fees	152	143	614	568
Commercial products revenue	265	239	1,102	1,143
Mortgage banking revenue	298	468	1,361	2,064
Investment products fees	62	50	239	192
Securities gains (losses), net	15	34	103	177
Other	164	211	721	748
Total noninterest income	2,534	2,550	10,227	10,401
<b>Noninterest Expense</b>				
Compensation	1,851	1,643	7,299	6,635
Employee benefits	372	302	1,429	1,303
Net occupancy and equipment	268	269	1,048	1,092
Professional services	160	123	492	430
Marketing and business development	129	105	366	318
Technology and communications	372	362	1,454	1,294
Postage, printing and supplies	71	74	274	288
Other intangibles	40	47	159	176
Other	270	439	1,207	1,833
Total noninterest expense	3,533	3,364	13,728	13,369
Income before income taxes	2,137	1,920	10,166	6,051
Applicable income taxes	459	395	2,181	1,066
Net income	1,678	1,525	7,985	4,985
Net (income) loss attributable to noncontrolling interests	(5)	(6)	(22)	(26)
Net income attributable to U.S. Bancorp	\$1,673	\$1,519	\$7,963	\$4,959
Net income applicable to U.S. Bancorp common shareholders	\$1,582	\$1,425	\$7,605	\$4,621
Earnings per common share	\$1.07	\$ .95	\$5.11	\$3.06
Diluted earnings per common share	\$1.07	\$ .95	\$5.10	\$3.06
Dividends declared per common share	\$ .46	\$ .42	\$1.76	\$1.68
Average common shares outstanding	1,483	1,507	1,489	1,509
Average diluted common shares outstanding	1,484	1,508	1,490	1,510



## CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	December 31, 2021	December 31, 2020
<b>Assets</b>		
Cash and due from banks	\$28,905	\$62,580
Investment securities		
Held-to-maturity	41,858	--
Available-for-sale	132,963	136,840
Loans held for sale	7,775	8,761
Loans		
Commercial	112,023	102,871
Commercial real estate	39,053	39,311
Residential mortgages	76,493	76,155
Credit card	22,500	22,346
Other retail	61,959	57,024
Total loans	312,028	297,707
Less allowance for loan losses	(5,724)	(7,314)
Net loans	306,304	290,393
Premises and equipment	3,305	3,468
Goodwill	10,262	9,918
Other intangible assets	3,738	2,864
Other assets	38,174	39,081
Total assets	\$573,284	\$553,905
<b>Liabilities and Shareholders' Equity</b>		
Deposits		
Noninterest-bearing	\$134,901	\$118,089
Interest-bearing	321,182	311,681
Total deposits	456,083	429,770
Short-term borrowings	11,796	11,766
Long-term debt	32,125	41,297
Other liabilities	17,893	17,347
Total liabilities	517,897	500,180
Shareholders' equity		
Preferred stock	6,371	5,983
Common stock	21	21
Capital surplus	8,539	8,511
Retained earnings	69,201	64,188
Less treasury stock	(27,271)	(25,930)
Accumulated other comprehensive income (loss)	(1,943)	322
Total U.S. Bancorp shareholders' equity	54,918	53,095
Noncontrolling interests	469	630
Total equity	55,387	53,725
Total liabilities and equity	\$573,284	\$553,905



## NON-GAAP FINANCIAL MEASURES

(Dollars in Millions, Unaudited)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Total equity	\$55,387	\$54,378	\$53,674	\$52,308	\$53,725
Preferred stock	(6,371)	(5,968)	(5,968)	(5,968)	(5,983)
Noncontrolling interests	(469)	(635)	(635)	(630)	(630)
Goodwill (net of deferred tax liability) (1)	(9,323)	(9,063)	(8,987)	(8,992)	(9,014)
Intangible assets, other than mortgage servicing rights	(785)	(618)	(650)	(675)	(654)
Tangible common equity (a)	38,439	38,094	37,434	36,043	37,444
Common equity tier 1 capital, determined in accordance with transitional regulatory capital requirements related to the current expected credit losses methodology implementation	41,701	41,014	39,691	39,103	38,045
Adjustments (2)	(1,733)	(1,733)	(1,732)	(1,732)	(1,733)
Common equity tier 1 capital, reflecting the full implementation of the current expected credit losses methodology (b)	39,968	39,281	37,959	37,371	36,312
Total assets	573,284	567,495	558,886	553,375	553,905
Goodwill (net of deferred tax liability) (1)	(9,323)	(9,063)	(8,987)	(8,992)	(9,014)
Intangible assets, other than mortgage servicing rights	(785)	(618)	(650)	(675)	(654)
Tangible assets (c)	563,176	557,814	549,249	543,708	544,237
Risk-weighted assets, determined in accordance with prescribed regulatory capital requirements effective for the Company (d)	418,571 *	404,021	401,301	396,351	393,648
Adjustments (3)	(357) *	(684)	(1,027)	(1,440)	(1,471)
Risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (e)	418,214 *	403,337	400,274	394,911	392,177
<b>Ratios *</b>					
Tangible common equity to tangible assets (a)/(c)	6.8 %	6.8 %	6.8 %	6.6 %	6.9 %
Tangible common equity to risk-weighted assets (a)/(d)	9.2	9.4	9.3	9.1	9.5
Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (b)/(e)	9.6	9.7	9.5	9.5	9.3
	Three Months Ended				
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net income applicable to U.S. Bancorp common shareholders	\$1,582	\$1,934	\$1,914	\$2,175	\$1,425
Intangibles amortization (net-of-tax)	32	32	32	30	37
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,614	1,966	1,946	2,205	1,462
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangible amortization (f)	6,403	7,800	7,805	8,943	5,816
Average total equity	55,875	54,908	53,593	53,359	53,801
Average preferred stock	(6,865)	(5,968)	(5,968)	(6,213)	(6,217)
Average noncontrolling interests	(633)	(635)	(631)	(630)	(630)
Average goodwill (net of deferred tax liability) (1)	(9,115)	(9,019)	(9,003)	(9,010)	(9,003)
Average intangible assets, other than mortgage servicing rights	(656)	(632)	(662)	(649)	(673)
Average tangible common equity (g)	38,606	38,654	37,329	36,857	37,278
Return on tangible common equity (f)/(g)	16.6 %	20.2 %	20.9 %	24.3 %	15.6 %
Net interest income	\$3,123	\$3,171	\$3,137	\$3,063	\$3,175
Taxable-equivalent adjustment (4)	27	26	27	26	26
Net interest income, on a taxable-equivalent basis	3,150	3,197	3,164	3,089	3,201
Net interest income, on a taxable-equivalent basis (as calculated above)	3,150	3,197	3,164	3,089	3,201
Noninterest income	2,534	2,693	2,619	2,381	2,550
Less: Securities gains (losses), net	15	20	43	25	34
Total net revenue, excluding net securities gains (losses) (h)	5,669	5,870	5,740	5,445	5,717
Noninterest expense (i)	3,533	3,429	3,387	3,379	3,364
Efficiency ratio (i)/(h)	62.3 %	58.4 %	59.0 %	62.1 %	58.8 %

\* 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 the estimated increase in the allowance for credit losses related to the adoption of the current expected credit losses methodology net of deferred taxes.

(3) Includes the impact of the estimated increase in the allowance for credit losses related to the adoption of the current expected credit losses methodology.

(4) Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.





## NON-GAAP FINANCIAL MEASURES

(Dollars in Millions, Unaudited)	Year Ended	
	December 31, 2021	December 31, 2020
Net income applicable to U.S. Bancorp common shareholders	\$7,605	\$4,621
Intangibles amortization (net-of-tax)	126	139
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (a)	7,731	4,760
Average total equity	54,442	52,246
Average preferred stock	(6,255)	(6,042)
Average noncontrolling interests	(632)	(630)
Average goodwill (net of deferred tax liability) (1)	(9,037)	(8,941)
Average intangible assets, other than mortgage servicing rights	(650)	(694)
Average tangible common equity (b)	37,868	35,939
Return on tangible common equity (a)/(b)	20.4 %	13.2 %
Net interest income	\$12,494	\$12,825
Taxable-equivalent adjustment (2)	106	99
Net interest income, on a taxable-equivalent basis	12,600	12,924
Net interest income, on a taxable-equivalent basis (as calculated above)	12,600	12,924
Noninterest income	10,227	10,401
Less: Securities gains (losses), net	103	177
Total net revenue, excluding net securities gains (losses) (c)	22,724	23,148
Noninterest expense (d)	13,728	13,369
Efficiency ratio (d)/(c)	60.4 %	57.8 %

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

(2) Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.

**Supplemental  
Consolidated  
Schedules**  
4Q 2021





## QUARTERLY CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b>Interest Income</b>					
Loans	\$2,635	\$2,711	\$2,677	\$2,724	\$2,866
Loans held for sale	56	54	55	67	59
Investment securities	624	606	618	517	520
Other interest income	40	38	32	33	34
Total interest income	3,355	3,409	3,382	3,341	3,479
<b>Interest Expense</b>					
Deposits	75	78	82	85	101
Short-term borrowings	18	18	18	16	17
Long-term debt	139	142	145	177	186
Total interest expense	232	238	245	278	304
Net interest income	3,123	3,171	3,137	3,063	3,175
Provision for credit losses	(13)	(163)	(170)	(827)	441
Net interest income after provision for credit losses	3,136	3,334	3,307	3,890	2,734
<b>Noninterest Income</b>					
Credit and debit card revenue	382	393	396	336	362
Corporate payment products revenue	155	156	138	126	126
Merchant processing services	365	392	374	318	311
Trust and investment management fees	483	459	446	444	441
Deposit service charges	193	194	176	161	165
Treasury management fees	152	155	160	147	143
Commercial products revenue	265	277	280	280	239
Mortgage banking revenue	298	418	346	299	468
Investment products fees	62	62	60	55	50
Securities gains (losses), net	15	20	43	25	34
Other	164	167	200	190	211
Total noninterest income	2,534	2,693	2,619	2,381	2,550
<b>Noninterest Expense</b>					
Compensation	1,851	1,847	1,798	1,803	1,643
Employee benefits	372	336	337	384	302
Net occupancy and equipment	268	259	258	263	269
Professional services	160	126	108	98	123
Marketing and business development	129	99	90	48	105
Technology and communications	372	361	362	359	362
Postage, printing and supplies	71	69	65	69	74
Other intangibles	40	41	40	38	47
Other	270	291	329	317	439
Total noninterest expense	3,533	3,429	3,387	3,379	3,364
Income before income taxes	2,137	2,598	2,539	2,892	1,920
Applicable income taxes	459	564	551	607	395
Net income	1,678	2,034	1,988	2,285	1,525
Net (income) loss attributable to noncontrolling interests	(5)	(6)	(6)	(5)	(6)
Net income attributable to U.S. Bancorp	\$1,673	\$2,028	\$1,982	\$2,280	\$1,519
Net income applicable to U.S. Bancorp common shareholders	\$1,582	\$1,934	\$1,914	\$2,175	\$1,425
Earnings per common share	\$1.07	\$1.30	\$1.29	\$1.45	\$0.95
Diluted earnings per common share	\$1.07	\$1.30	\$1.28	\$1.45	\$0.95
Dividends declared per common share	\$0.46	\$0.46	\$0.42	\$0.42	\$0.42
Average common shares outstanding	1,483	1,483	1,489	1,502	1,507
Average diluted common shares outstanding	1,484	1,484	1,490	1,503	1,508
<b>Financial Ratios</b>					
Net interest margin (taxable-equivalent basis)	2.40 %	2.53 %	2.53 %	2.50 %	2.57 %
Return on average assets	1.16	1.45	1.44	1.69	1.10
Return on average common equity	13.0	15.9	16.3	19.0	12.1
Efficiency ratio	62.3	58.4	59.0	62.1	58.8



## CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b>Assets</b>					
Cash and due from banks	\$28,905	(Unaudited) \$63,904	(Unaudited) \$44,573	(Unaudited) \$43,501	\$62,580
Investment securities					
Held-to-maturity	41,858	--	--	--	--
Available-for-sale	132,963	149,376	160,288	156,003	136,840
Loans held for sale	7,775	6,191	5,856	8,991	8,761
Loans					
Commercial	112,023	101,013	103,521	104,158	102,871
Commercial real estate	39,053	38,808	38,770	38,432	39,311
Residential mortgages	76,493	74,954	73,366	73,624	76,155
Credit card	22,500	22,137	21,816	20,872	22,346
Other retail	61,959	60,696	59,439	57,341	57,024
Total loans	312,028	297,608	296,912	294,427	297,707
Less allowance for loan losses	(5,724)	(5,792)	(6,026)	(6,343)	(7,314)
Net loans	306,304	291,816	290,886	288,084	290,393
Premises and equipment	3,305	3,262	3,295	3,388	3,468
Goodwill	10,262	9,996	9,911	9,905	9,918
Other intangible assets	3,738	3,528	3,363	3,462	2,864
Other assets	38,174	39,422	40,714	40,041	39,081
Total assets	\$573,284	\$567,495	\$558,886	\$553,375	\$553,905
<b>Liabilities and Shareholders' Equity</b>					
Deposits					
Noninterest-bearing	\$134,901	\$135,549	\$135,143	\$126,754	\$118,089
Interest-bearing	321,182	307,353	302,039	307,007	311,681
Total deposits	456,083	442,902	437,182	433,761	429,770
Short-term borrowings	11,796	16,088	13,413	12,098	11,766
Long-term debt	32,125	35,671	36,360	37,419	41,297
Other liabilities	17,893	18,456	18,257	17,789	17,347
Total liabilities	517,897	513,117	505,212	501,067	500,180
Shareholders' equity					
Preferred stock	6,371	5,968	5,968	5,968	5,983
Common stock	21	21	21	21	21
Capital surplus	8,539	8,550	8,518	8,487	8,511
Retained earnings	69,201	68,297	67,039	65,740	64,188
Less treasury stock	(27,271)	(27,301)	(27,305)	(26,443)	(25,930)
Accumulated other comprehensive income (loss)	(1,943)	(1,792)	(1,202)	(2,095)	322
Total U.S. Bancorp shareholders' equity	54,918	53,743	53,039	51,678	53,095
Noncontrolling interests	469	635	635	630	630
Total equity	55,387	54,378	53,674	52,308	53,725
Total liabilities and equity	\$573,284	\$567,495	\$558,886	\$553,375	\$553,905



## CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET

(Dollars in Millions, Unaudited)	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
<b>Assets</b>					
Investment securities	\$160,784	\$151,755	\$160,615	\$145,520	\$133,430
Loans held for sale	6,841	7,438	7,825	10,032	8,871
Loans					
Commercial					
Commercial	99,433	96,673	97,713	96,757	100,863
Lease financing	5,075	5,159	5,261	5,334	5,558
Total commercial	104,508	101,832	102,974	102,091	106,421
Commercial real estate					
Commercial mortgages	28,216	28,080	27,721	27,968	29,004
Construction and development	10,635	10,841	10,843	10,818	11,094
Total commercial real estate	38,851	38,921	38,564	38,786	40,098
Residential mortgages	75,858	74,104	73,351	75,201	76,809
Credit card	22,399	21,905	21,116	21,144	21,937
Other retail					
Retail leasing	7,354	7,643	7,873	7,975	8,299
Home equity and second mortgages	10,568	10,936	11,368	12,062	12,816
Other	43,217	41,398	39,038	36,730	35,928
Total other retail	61,139	59,977	58,279	56,767	57,043
Total loans	302,755	296,739	294,284	293,989	302,308
Other earning assets	52,155	47,393	38,027	48,170	52,828
Total earning assets	522,535	503,325	500,751	497,711	497,437
Allowance for loan losses	(5,771)	(5,972)	(6,310)	(7,272)	(7,461)
Unrealized gain (loss) on investment securities	786	1,231	851	1,838	3,014
Other assets	54,809	54,862	56,073	56,457	55,571
Total assets	\$572,359	\$553,446	\$551,365	\$548,734	\$548,561
<b>Liabilities and Shareholders' Equity</b>					
Noninterest-bearing deposits	\$135,936	\$129,018	\$125,297	\$118,352	\$115,148
Interest-bearing deposits					
Interest checking	108,889	103,036	103,356	97,385	91,384
Money market savings	117,462	112,543	113,673	124,825	127,390
Savings accounts	64,763	63,387	62,102	58,848	55,730
Time deposits	22,788	23,503	24,782	26,954	32,761
Total interest-bearing deposits	313,902	302,469	303,913	308,012	307,265
Short-term borrowings	14,820	14,688	16,462	13,107	12,770
Long-term debt	35,158	35,972	36,190	39,463	42,410
Total interest-bearing liabilities	363,880	353,129	356,565	360,582	362,445
Other liabilities	16,668	16,391	15,910	16,441	17,167
Shareholders' equity					
Preferred equity	6,865	5,968	5,968	6,213	6,217
Common equity	48,377	48,305	46,994	46,516	46,954
Total U.S. Bancorp shareholders' equity	55,242	54,273	52,962	52,729	53,171
Noncontrolling interests	633	635	631	630	630
Total equity	55,875	54,908	53,593	53,359	53,801
Total liabilities and equity	\$572,359	\$553,446	\$551,365	\$548,734	\$548,561



## CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

For the Three Months Ended December 31,  
2021 2020

(Dollars in Millions) (Unaudited)	Average		Yields and	Average		Yields and	% Change
	Balances	Interest	Rates	Balances	Interest	Rates	Average Balances
<b>Assets</b>							
Investment securities	\$160,784	\$641	1.60 %	\$133,430	\$535	1.60 %	20.5 %
Loans held for sale	6,841	56	3.26	8,871	59	2.65	(22.9)
Loans (b)							
Commercial	104,508	624	2.37	106,421	700	2.62	(1.8)
Commercial real estate	38,851	305	3.11	40,098	328	3.25	(3.1)
Residential mortgages	75,858	607	3.20	76,809	681	3.54	(1.2)
Credit card	22,399	577	10.22	21,937	598	10.86	2.1
Other retail	61,139	532	3.45	57,043	569	3.97	7.2
Total loans	302,755	2,645	3.47	302,308	2,876	3.79	.1
Other earning assets	52,155	40	.30	52,828	35	.26	(1.3)
Total earning assets	522,535	3,382	2.58	497,437	3,505	2.81	5.0
Allowance for loan losses	(5,771)			(7,461)			22.7
Unrealized gain (loss) on investment securities	786			3,014			(73.9)
Other assets	54,809			55,571			(1.4)
Total assets	<u>\$572,359</u>			<u>\$548,561</u>			4.3
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$135,936			\$115,148			18.1 %
Interest-bearing deposits							
Interest checking	108,889	6	.02	91,384	7	.03	19.2
Money market savings	117,462	49	.17	127,390	54	.17	(7.8)
Savings accounts	64,763	2	.01	55,730	4	.03	16.2
Time deposits	22,788	18	.32	32,761	36	.43	(30.4)
Total interest-bearing deposits	313,902	75	.10	307,265	101	.13	2.2
Short-term borrowings	14,820	18	.47	12,770	17	.53	16.1
Long-term debt	35,158	139	1.58	42,410	186	1.75	(17.1)
Total interest-bearing liabilities	363,880	232	.25	362,445	304	.33	.4
Other liabilities	16,668			17,167			(2.9)
Shareholders' equity							
Preferred equity	6,865			6,217			10.4
Common equity	48,377			46,954			3.0
Total U.S. Bancorp shareholders' equity	55,242			53,171			3.9
Noncontrolling interests	633			630			.5
Total equity	55,875			53,801			3.9
Total liabilities and equity	<u>\$572,359</u>			<u>\$548,561</u>			4.3
Net interest income		<u>\$3,150</u>			<u>\$3,201</u>		
Gross interest margin			2.33 %			2.48 %	
Gross interest margin without taxable-equivalent increments			<u>2.31</u>			<u>2.46</u>	
<b>Percent of Earning Assets</b>							
Interest income			2.58 %			2.81 %	
Interest expense			.18			.24	
Net interest margin			<u>2.40 %</u>			<u>2.57 %</u>	
Net interest margin without taxable-equivalent increments			<u>2.38 %</u>			<u>2.55 %</u>	

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

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



## CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

(Dollars in Millions) (Unaudited)	For the Three Months Ended						% Change Average Balances
	December 31, 2021			September 30, 2021			
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
<b>Assets</b>							
Investment securities	\$160,784	\$641	1.60 %	\$151,755	\$624	1.64 %	5.9 %
Loans held for sale	6,841	56	3.26	7,438	54	2.92	(8.0)
Loans (b)							
Commercial	104,508	624	2.37	101,832	711	2.77	2.6
Commercial real estate	38,851	305	3.11	38,921	303	3.09	(.2)
Residential mortgages	75,858	607	3.20	74,104	604	3.25	2.4
Credit card	22,399	577	10.22	21,905	569	10.30	2.3
Other retail	61,139	532	3.45	59,977	532	3.52	1.9
Total loans	<u>302,755</u>	<u>2,645</u>	<u>3.47</u>	<u>296,739</u>	<u>2,719</u>	<u>3.64</u>	<u>2.0</u>
Other earning assets	52,155	40	.30	47,393	38	.31	10.0
Total earning assets	<u>522,535</u>	<u>3,382</u>	<u>2.58</u>	<u>503,325</u>	<u>3,435</u>	<u>2.72</u>	<u>3.8</u>
Allowance for loan losses	(5,771)			(5,972)			3.4
Unrealized gain (loss) on investment securities	786			1,231			(36.1)
Other assets	54,809			54,862			(.1)
Total assets	<u>\$572,359</u>			<u>\$553,446</u>			<u>3.4</u>
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$135,936			\$129,018			5.4 %
Interest-bearing deposits							
Interest checking	108,889	6	.02	103,036	5	.02	5.7
Money market savings	117,462	49	.17	112,543	50	.17	4.4
Savings accounts	64,763	2	.01	63,387	2	.01	2.2
Time deposits	22,788	18	.32	23,503	21	.35	(3.0)
Total interest-bearing deposits	<u>313,902</u>	<u>75</u>	<u>.10</u>	<u>302,469</u>	<u>78</u>	<u>.10</u>	<u>3.8</u>
Short-term borrowings	14,820	18	.47	14,688	18	.49	.9
Long-term debt	35,158	139	1.58	35,972	142	1.57	(2.3)
Total interest-bearing liabilities	<u>363,880</u>	<u>232</u>	<u>.25</u>	<u>353,129</u>	<u>238</u>	<u>.27</u>	<u>3.0</u>
Other liabilities	16,668			16,391			1.7
Shareholders' equity							
Preferred equity	6,865			5,968			15.0
Common equity	48,377			48,305			.1
Total U.S. Bancorp shareholders' equity	<u>55,242</u>			<u>54,273</u>			<u>1.8</u>
Noncontrolling interests	633			635			(.3)
Total equity	<u>55,875</u>			<u>54,908</u>			<u>1.8</u>
Total liabilities and equity	<u>\$572,359</u>			<u>\$553,446</u>			<u>3.4</u>
Net interest income		<u>\$3,150</u>			<u>\$3,197</u>		
Gross interest margin			<u>2.33 %</u>			<u>2.45 %</u>	
Gross interest margin without taxable-equivalent increments			<u>2.31</u>			<u>2.43</u>	
<b>Percent of Earning Assets</b>							
Interest income			2.58 %			2.72 %	
Interest expense			.18			.19	
Net interest margin			<u>2.40 %</u>			<u>2.53 %</u>	
Net interest margin without taxable-equivalent increments			<u>2.38 %</u>			<u>2.51 %</u>	

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

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



## CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES (a)

For the Year Ended December 31,

2021

2020

(Dollars in Millions) (Unaudited)	2021		Yields and Rates	2020		Yields and Rates	% Change Average Balances
	Average Balances	Interest		Average Balances	Interest		
<b>Assets</b>							
Investment securities	\$154,702	\$2,434	1.57 %	\$125,954	\$2,488	1.98 %	22.8 %
Loans held for sale	8,024	232	2.89	6,985	216	3.10	14.9
Loans (b)							
Commercial	102,855	2,684	2.61	113,967	3,192	2.80	(9.8)
Commercial real estate	38,781	1,219	3.14	40,548	1,457	3.59	(4.4)
Residential mortgages	74,629	2,477	3.32	73,667	2,666	3.62	1.3
Credit card	21,645	2,278	10.52	22,332	2,392	10.71	(3.1)
Other retail	59,055	2,126	3.60	56,755	2,352	4.14	4.1
Total loans	296,965	10,784	3.63	307,269	12,059	3.92	(3.4)
Other earning assets	46,450	143	.31	41,194	179	.43	12.8
Total earning assets	506,141	13,593	2.69	481,402	14,942	3.10	5.1
Allowance for loan losses	(6,326)			(6,858)			7.8
Unrealized gain (loss) on investment securities	1,174			2,901			(59.5)
Other assets	55,543			53,762			3.3
Total assets	<u>\$556,532</u>			<u>\$531,207</u>			4.8
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$127,204			\$98,539			29.1 %
Interest-bearing deposits							
Interest checking	103,198	24	.02	84,276	65	.08	22.5
Money market savings	117,093	199	.17	125,786	528	.42	(6.9)
Savings accounts	62,294	7	.01	52,142	46	.09	19.5
Time deposits	24,492	90	.37	37,872	311	.82	(35.3)
Total interest-bearing deposits	307,077	320	.10	300,076	950	.32	2.3
Short-term borrowings	14,774	70	.47	19,182	144	.75	(23.0)
Long-term debt	36,682	603	1.64	44,040	924	2.10	(16.7)
Total interest-bearing liabilities	358,533	993	.28	363,298	2,018	.56	(1.3)
Other liabilities	16,353			16,494			(.9)
Shareholders' equity							
Preferred equity	6,255			6,042			3.5
Common equity	47,555			46,204			2.9
Total U.S. Bancorp shareholders' equity	53,810			52,246			3.0
Noncontrolling interests	632			630			.3
Total equity	54,442			52,876			3.0
Total liabilities and equity	<u>\$556,532</u>			<u>\$531,207</u>			4.8
Net interest income		<u>\$12,600</u>			<u>\$12,924</u>		
Gross interest margin			2.41 %			2.54 %	
Gross interest margin without taxable-equivalent increments			<u>2.39</u>			<u>2.52</u>	
<b>Percent of Earning Assets</b>							
Interest income			2.69 %			3.10 %	
Interest expense			.20			.42	
Net interest margin			<u>2.49 %</u>			<u>2.68 %</u>	
Net interest margin without taxable-equivalent increments			<u>2.47 %</u>			<u>2.66 %</u>	

(a) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent.

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





## LOAN PORTFOLIO

(Dollars in Millions) (Unaudited)	December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021		December 31, 2020	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
<b>Commercial</b>										
Commercial	\$106,912	34.3 %	\$95,876	32.2 %	\$98,232	33.1 %	\$98,847	33.6 %	\$97,315	32.7 %
Lease financing	5,111	1.6	5,137	1.8	5,289	1.8	5,311	1.8	5,556	1.9
Total commercial	112,023	35.9	101,013	34.0	103,521	34.9	104,158	35.4	102,871	34.6
<b>Commercial real estate</b>										
Commercial mortgages	28,757	9.2	28,029	9.4	28,017	9.5	27,649	9.4	28,472	9.6
Construction and development	10,296	3.3	10,779	3.6	10,753	3.6	10,783	3.6	10,839	3.6
Total commercial real estate	39,053	12.5	38,808	13.0	38,770	13.1	38,432	13.0	39,311	13.2
<b>Residential mortgages</b>										
Residential mortgages	67,546	21.6	65,941	22.2	64,168	21.6	64,238	21.8	66,525	22.4
Home equity loans, first liens	8,947	2.9	9,013	3.0	9,198	3.1	9,386	3.2	9,630	3.2
Total residential mortgages	76,493	24.5	74,954	25.2	73,366	24.7	73,624	25.0	76,155	25.6
<b>Credit card</b>	22,500	7.2	22,137	7.4	21,816	7.3	20,872	7.1	22,346	7.5
<b>Other retail</b>										
Retail leasing	7,256	2.3	7,505	2.5	7,799	2.6	7,880	2.7	8,150	2.7
Home equity and second mortgages	10,446	3.4	10,718	3.6	11,163	3.8	11,679	4.0	12,472	4.2
Revolving credit	2,750	.9	2,682	.9	2,628	.9	2,536	.9	2,688	.9
Installment	16,514	5.3	16,166	5.5	15,632	5.3	14,562	4.9	13,823	4.6
Automobile	24,866	8.0	23,488	7.9	22,070	7.4	20,527	7.0	19,722	6.6
Student	127	--	137	--	147	--	157	--	169	.1
Total other retail	61,959	19.9	60,696	20.4	59,439	20.0	57,341	19.5	57,024	19.1
<b>Total loans</b>	<b>\$312,028</b>	<b>100.0 %</b>	<b>\$297,608</b>	<b>100.0 %</b>	<b>\$296,912</b>	<b>100.0 %</b>	<b>\$294,427</b>	<b>100.0 %</b>	<b>\$297,707</b>	<b>100.0 %</b>