



Regulatory Capital Pillar 3 Disclosures

Standardized Approach

September 30, 2023

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BACKGROUND

Basel III regulatory capital rules established the definition of regulatory capital elements and minimum capital ratios, regulatory capital buffers above those minimums, a common equity tier 1 ratio, a supplementary leverage ratio and the rules for calculating risk-weighted assets. Basel III includes two comprehensive methodologies for calculating risk-weighted assets: 1) a general standardized approach and 2) a more risk-sensitive advanced approaches. Effective December 31, 2019, with the passing of the “Prudential Standards for Large Bank Holding Companies, Savings and Loan Holding Companies, and Foreign Banking Organizations” rule, U.S. Bancorp (the “Company”) is classified as a Category III banking organization. Therefore, the Company is only required to utilize the general standardized approach of the regulatory capital requirements.

OVERVIEW

The Company, headquartered in Minneapolis, Minnesota, serves millions of customers locally, nationally and globally through a diversified mix of businesses including consumer banking, business banking, commercial banking, institutional banking, payments and wealth management.

This document, and certain of the Company’s public filings, present the Pillar 3 Disclosures in compliance with Basel III as described in Subsections 61-63 of the Capital Adequacy—Basel III Final Rule (the “Rule”). The Company’s 2022 Annual Report (“Annual Report”) included in the Company’s Form 10-K for the year ended December 31, 2022 (“Form 10-K”) and its Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 (“Form 10-Q”) filed with the Securities and Exchange Commission contain management’s discussion of the overall corporate risk profile of the Company and related management strategies. The Pillar 3 Disclosures should be read in conjunction with the Annual Report, Form 10-K, Form 10-Q and the Consolidated Financial Statements for Bank Holding Companies - FR Y-9C. The Company’s Pillar 3 Disclosures Matrix (see Appendix A) specifies where all the disclosures required by the Rule are located. The Pillar 3 Disclosures have not been audited by the Company’s external auditors. The Rule applies only to the consolidated Company, with the exception that subsidiary depository institutions must disclose capital ratios.

CORPORATE GOVERNANCE

Managing risks is an essential part of successfully operating a financial services company. The Company’s Board of Directors has approved a risk management framework which establishes governance and risk management requirements for all risk-taking activities. This framework includes Company and business line risk appetite statements which set boundaries for the types and amount of risk that may be undertaken in pursuing business objectives and initiatives. The Board of Directors, primarily through its Risk Management Committee, oversees performance relative to the risk management framework, risk appetite statements, and other policy requirements.

The Executive Risk Committee (“ERC”), which is chaired by the Chief Risk Officer and includes the Chief Executive Officer and other members of the executive management team, oversees execution against the risk management framework and risk appetite statements. The ERC focuses on current and emerging risks, including strategic and reputation risks, by directing timely and comprehensive actions. Senior operating committees have also been established, each responsible for overseeing a specified category of risk.

Upon closing of the MUFG Union Bank, N.A. (“MUB”) acquisition, the Company’s risk management framework applied to the legal entities acquired from Mitsubishi UFJ Financial Group, Inc., including MUB, up until its merger into U.S. Bank National Association (“USBNA”). Updates were made to align the acquired entities with the Company’s risk appetite and connect the elements of their respective risk governance and reporting into the Company’s existing risk management framework. Upon completing the merger of MUB into USBNA, which occurred on May 26, 2023, the MUB risk governance and reporting framework is no longer applicable.

The Company’s most prominent risk exposures are credit, interest rate, market, liquidity, operational, compliance, strategic, and reputation. Credit risk is the risk of loss associated with a change in the credit profile or the failure of a borrower or counterparty to meet its contractual obligations. Interest rate risk is the current or prospective risk to earnings and capital, or market valuations, arising from the impact of changes in interest rates. Market risk arises from fluctuations in interest rates, foreign exchange rates, and security prices that may result in changes in the values of financial instruments, such as trading and available-for-sale securities, mortgage loans held for sale, mortgage servicing rights (“MSRs”) and derivatives that are accounted for on a fair value basis. Liquidity risk is the

risk that financial condition or overall safety and soundness is adversely affected by the Company's inability, or perceived inability, to meet its cash flow obligations in a timely and complete manner in either normal or stressed conditions. Operational risk is the risk to current or projected financial condition and resilience arising from inadequate or failed internal processes or systems, people (including human errors or misconduct), or adverse external events, including the risk of loss resulting from breaches in data security. Operational risk can also include the risk of loss due to failures by third parties with which the Company does business. Compliance risk is the risk that the Company may suffer legal or regulatory sanctions, financial losses and reputational damage if it fails to adhere to compliance requirements and the Company's compliance policies. Strategic risk is the risk to current or projected financial condition and resilience arising from adverse business decisions, poor implementation of business decisions, or lack of responsiveness to changes in the banking industry and operating environment. Reputation risk is the risk to current or anticipated earnings, capital, or franchise or enterprise value arising from negative public opinion. This risk may impair the Company's competitiveness by affecting its ability to establish new relationships or services or continue serving existing relationships. In addition to the risks identified above, other risk factors exist that may impact the Company. Refer to "Risk Factors" in the Annual Report for a detailed discussion of these factors.

The Company's Board of Directors and management-level governance committees are supported by a "three lines of defense" model for establishing effective checks and balances. The first line of defense, the business lines, manages risks in conformity with established limits and policy requirements. In turn, business line leaders and their risk officers establish programs to ensure conformity with these limits and policy requirements. The second line of defense, which includes the Chief Risk Officer's organization as well as policy and oversight activities of corporate support functions, translates risk appetite and strategy into actionable risk limits and policies. The second line of defense monitors first line of defense conformity with limits and policies and provides reporting and escalation of emerging risks and other concerns to senior management and the Risk Management Committee of the Board of Directors. The third line of defense, internal audit, is responsible for providing the Audit Committee of the Board of Directors and senior management with independent assessment and assurance regarding the effectiveness of the Company's governance, risk management, and control processes.

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS ("ICAAP")

The Company's ICAAP is a component of its Basel Program. The Company manages its capital to multiple minimum thresholds and measures consistent with the Company's strategic objectives, business model and capital plan. Expectations of internal and external stakeholders are integral, and the capital goals and targets are calibrated considering internally developed models that ensure adequate coverage for all material quantitative and qualitative risks, minimum regulatory requirements, supervisory stress testing expectations and rating agency and counterparty perspectives.

The Company is committed to managing capital to maintain strong protection for depositors and creditors, and for maximum shareholder benefit in order to achieve the Company's broader goals, which are as follows:

- Ensure the Company's safety and soundness;
- Maintain access to the debt and capital markets so the Company may continue to provide exceptional service to its customers and fulfill, without interruption, its obligations as a credit intermediary;
- Serve as a source of managerial and financial strength to its subsidiaries; and
- Ensure that the Company continues to be in a position to conduct its business in an environment of economic or financial stress.

The Company's ICAAP, the identification of material risks and how those material risks inform capital adequacy, is conducted via the Company's stress testing program. During this process, the Company's material risks, informed by the risk identification process, are critical to the scenario design process and the development of the Company's internal stress scenario. The results of these forward-looking scenarios inform the Company's regulatory and internally defined capital adequacy relative to the Company's risk profile and risk appetite.

REGULATORY CAPITAL ADEQUACY RATIOS

The Company also manages its capital to exceed regulatory capital requirements for well-capitalized financial institutions. The Company's applicable capital requirement for regulatory and supervisory purposes is based upon the ratios determined under the standardized approach.

Banking regulators define capital requirements for banks and financial services holding companies expressed in the form of a common equity tier 1 capital ratio, a tier 1 capital ratio, a total risk-based capital ratio, a leverage ratio and for advanced approaches banks and Category III banks, a supplementary leverage ratio. The current minimum required levels for these ratios are 4.5 percent, 6.0 percent, 8.0 percent, 4.0 percent, and 3.0 percent, respectively, while the requirements for an insured depository institution to be considered "well-capitalized" are 6.5 percent, 8.0 percent, 10.0 percent, 5.0 percent, and 3.0 percent, respectively. Using the standardized approach, the Company's common equity tier 1 ratio was 9.7 percent at September 30, 2023—above the Company's targeted ratio of 9.0 percent.

A summary of the capital ratios under the standardized approach is shown in Table 1.

Table 1 Regulatory Capital Ratios

(Dollars in Millions, Unaudited)	U.S. Bancorp		U.S. Bank National Association	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
U.S. Bancorp				
Common Equity Tier 1 capital	\$44,655	\$41,560	\$58,110	\$46,681
Tier 1 capital	51,906	48,813	58,554	47,127
Total risk-based capital	61,737	59,015	68,851	56,736
Common Equity Tier 1 capital as a percent of risk-weighted assets	9.7 %	8.4 %	12.7 %	10.7 %
Tier 1 capital as a percent of risk-weighted assets	11.2 %	9.8 %	12.8 %	10.8 %
Tier 1 risk-based capital as a percent of adjusted quarterly average assets (leverage ratio)	7.9 %	7.9 %	9.0 %	8.1 %
Tier 1 risk-based capital as a percent of total on and off balance sheet average average exposures (supplementary leverage ratio)	6.4 %	6.4 %	7.4 %	6.5 %
Total risk-based capital as a percent of risk-weighted assets	13.4 %	11.9 %	15.1 %	13.0 %
Risk-Weighted Assets	\$462,250	\$496,500	\$455,900	\$436,764

The Company's total shareholders' equity was \$53.1 billion at September 30, 2023, compared with \$50.8 billion at December 31, 2022. The increase was primarily the result of corporate earnings and the issuance of shares of common stock, partially offset by dividends paid and changes in unrealized gains and losses on available-for-sale investment securities included in other comprehensive income (loss). In compliance with the Rule, the Company reviewed the aggregate amount of surplus capital of insurance subsidiaries included in the regulatory capital of the consolidated group and has determined it was not material. Refer to "Management's Discussion and Analysis—Capital Management" in the Annual Report and Form 10-Q for further discussion on capital management.

In addition to capital ratios defined by banking regulators, the Company considers various other measures when evaluating capital utilization and adequacy. These measures are viewed by management as additional useful methods to reflect the level of capital available to withstand unexpected market or economic conditions. Presentation of these measures allows investors, analysts, and banking regulators to assess the Company's capital position relative to other financial services companies. Certain of these measures differ from the currently effective capital ratios principally in that these ratios are subject to transitional provisions, which temporarily exclude a portion of the impact of the 2020 adoption of accounting guidance related to the impairment of financial instruments based on the Current Expected Credit Loss ("CECL") methodology. These measures are not defined in generally accepted accounting principles ("GAAP") or are not currently effective or defined in federal banking regulations. As a result, these measures disclosed by the Company may be considered non-GAAP financial measures.

Stress Capital Buffer

Effective October 1, 2020, the Federal Reserve Board ("FRB") introduced a new Stress Capital Buffer ("SCB") which replaced the capital conservation buffer. The SCB is calculated based on 1) a decrease in the Company's Common Equity Tier 1 Capital under the severely adverse scenario in the FRB's annual supervisory stress test and related Comprehensive Capital Analysis and Review ("CCAR"), plus 2) four quarters of planned common stock dividends as a percentage of risk-weighted assets subject to a floor of 2.5 percent. A company's SCB is added to the minimum capital requirement noted above for the risk-based capital ratios and represents the level of capital where restrictions on distributions and discretionary bonuses begin. The Company is currently subject to an SCB requirement of 2.5 percent based on its 2023 stress results.

The FRB, OCC and FDIC also adopted a final rule revising the definition of “eligible retained income” for purposes of the SCB and other capital buffer requirements. This revision reduces the likelihood a banking organization is suddenly subject to abrupt and restrictive distribution limitations in a scenario where the Company’s ratios fall within its applicable minimum-plus-buffer requirements. The change to the definition of eligible retained income allows banking organizations to more freely use their capital and leverage buffers and supports banking organizations’ lending activity and other financial intermediation activities to avoid compounding negative impacts in the financial markets. Under the final rule, eligible retained income is the greater of (i) the banking organization’s net income for the four preceding calendar quarters, net of any distributions and associated tax effects not already reflected in net income, and (ii) the average of the banking organization’s net income over the preceding four quarters. The Company’s eligible retained income at September 30, 2023, was \$2.1 billion based on the Company’s income net of distributions.

Table 2 Non-GAAP Capital Ratios

(Unaudited)	September 30, 2023	December 31, 2022
Tangible common equity to tangible assets.	5.0 %	4.5 %
Tangible common equity to risk-weighted assets.	7.0 %	6.0 %
Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology	9.5 %	8.1 %

Refer to “Management’s Discussion and Analysis—Non-GAAP Financial Measures” in the Annual Report and Form 10-Q for further discussion on the non-GAAP capital ratios.

Table 3 Supplementary Leverage Ratio

Advanced approaches banks and Category III banks are required to report the Supplementary Leverage Ratio (“SLR”) defined as tier 1 capital divided by the total leverage exposure inclusive of both on- and off-balance sheet exposures. As a Category III banking organization, the Company is required to maintain an SLR of at least 3.0 percent. At September 30, 2023, the Company’s and U.S. Bank National Association’s SLR exceeded the requirement with ratios of 6.4 and 7.4 percent, respectively, compared to 6.4 percent and 6.5 percent, respectively, at December 31, 2022.

(Dollars in millions, Unaudited)	US Bancorp September 30, 2023	US Bank NA September 30, 2023
Summary Comparison of Accounting Assets and Total Leverage Exposure		
Total Consolidated Assets as reported in published financial statements	\$673,043	\$662,181
Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consideration	-	-
Adjustments for fiduciary assets recognized on balance sheet but excluded from total leverage exposure	-	-
Adjustment for derivative exposures	24,898	24,854
Adjustment for repo-style transactions	3,541	7
Adjustment for off-balance sheet exposures (credit equivalent)	124,746	124,706
Less Other adjustments		
Adjustments for deductions from Tier 1 Capital	14,598	14,292
Adjustments for frequency calculations	6,285	(2,761)
Total Leverage Exposure banking organizations	805,345	800,217
Supplementary Leverage Ratio		
On-balance sheet exposures		
On-balance sheet assets (excluding on-balance sheet assets for repo-style transactions and derivative exposures, but including cash collateral received in derivative transactions)	666,758	659,420
LESS: Deductions from common equity tier 1 capital and additional tier 1 capital (report as a positive value)	14,598	14,292
Total on-balance sheet exposures	652,160	645,128
Derivative exposures		
Replacement cost for derivative exposures (net of cash variation margin)	3,962	3,972
Add-on amounts for potential future exposure (PFE) for derivatives exposures	10,689	10,635
Gross-up for cash collateral posted if deducted from the on-balance sheet assets, except for cash variation margin	18	18
LESS: Deductions of receivable assets for cash variation margin posted in derivatives transactions, if included in on-balance sheet assets (report as a positive value)	-	-
LESS: Exempted CCP leg of client-cleared transactions (report as a positive value)	-	-
Effective notional principal amount of sold credit protection	10,229	10,229
LESS: Effective notional principal amount offsets and PFE adjustments for sold credit protection (report as a positive value)	-	-
Total derivative exposures	24,898	24,854
Repo-style transactions		
On-balance sheet assets for repo-style transactions, include the gross value of receivables for reverse repurchase transactions	3,476	-
LESS: Reduction of the gross value of receivables in reverse repurchase transactions by cash payables in repurchase transactions under netting agreements (report as a positive value)	-	-
Counterparty credit risk for all repo-style transactions	65	7
Exposure for repo-style transactions where a banking organization acts as an agent	-	-
Total exposures for repo-style transactions	3,541	7
Other off-balance sheet exposures		
Off-balance sheet exposures at gross notional amounts	419,595	419,552
LESS: Adjustments for conversion to credit equivalent amounts	294,849	294,846
Off-balance sheet exposures	124,746	124,706
Capital and total leverage exposures		
Tier 1 Capital	51,906	58,554
Total leverage exposure	\$805,345	\$794,695
Supplementary Leverage Ratio		
Supplementary Leverage Ratio	6.4%	7.4%

STANDARDIZED APPROACH RISK-WEIGHTED ASSETS

Risk-weighted assets (“RWA”) represent an institution’s assets and off-balance sheet exposures, weighted according to the risk associated with each exposure category. The risk-weighted asset calculation is used in determining the institution’s capital requirements.

The standardized approach defines a risk-weight to assign to each credit exposure.

Standardized approach risk-weighted assets were \$462.2 billion at September 30, 2023, compared with \$496.5 billion at December 31, 2022. The decrease in RWA was primarily driven by decreases in corporate and residential mortgage exposures as well as decreases in other assets and off balance sheet exposures.

Table 4 Risk-Weighted Assets

(Dollars in Millions, Unaudited)	September 30, 2023	December 31, 2022	\$ Change	Percent Change
Credit risk				
Exposures to Sovereign Entities (a)	\$ -	\$ -	\$ -	- %
Exposures to Depository Entities	831	974	(143)	(14.7)
PSE Exposures	21,481	22,384	(903)	(4.0)
Corporate Exposures	139,477	156,015	(16,538)	(10.6)
Residential Mortgage Exposures	71,980	76,843	(4,863)	(6.3)
HVCRE loans	1,862	1,827	35	1.9
Past Due Loans	2,512	1,462	1,050	71.8
Other Assets	110,244	118,764	(8,520)	(7.2)
Cleared Transactions	-	-	-	-
Default Fund Contributions	5	5	-	0.0
Unsettled Transactions	14	38	(24)	(63.2)
Securitization Exposures	6,328	1,813	4,515	249.0
Equity Exposures	13,126	11,270	1,856	16.5
Off Balance Sheet Exposures				
Letters of Credit	7,038	7,668	(630)	(8.2)
Off Balance sheet commitments	77,909	88,440	(10,531)	(11.9)
Derivatives	5,373	4,721	652	13.8
Securitized	904	302	602	199.3
Other Off Balance Sheet Exposures	1,010	771	239	31.0
Market risk	3,056	3,203	(147)	(4.6)
Excess Allowance	(900)	-	(900)	-
Total risk-weighted assets	\$462,250	\$496,500	(\$34,250)	(6.9) %

(a) Exposures to and portions of exposures that are unconditionally guaranteed by the U.S. Government, its agencies and the Federal Reserve receive 0 percent risk weight.

Credit Risk Mitigation The Company’s underwriting approach is to grant credit on the basis of capacity to repay rather than placing primary reliance on credit risk mitigation. Mitigation is nevertheless an important aspect of effective risk management. Various risk mitigation techniques are used by the Company, including collateral, guarantees and, to a limited extent, credit derivatives.

The Company has a process that takes into account the risk-reducing effects of collateral in support of exposures including, but not limited to, cash, working capital, depreciable assets and real estate. Unsecured exposures generally result in larger losses compared to secured exposures.

The Company may use credit default swaps (“CDS”) to manage the credit risk of certain large wholesale loan exposures, with the goal of reducing concentrations in individual names. CDS are subject to credit risk associated with counterparties to the contracts.

Credit risk mitigants are valued to monitor and ensure they continue to provide the secure repayment source anticipated at the time they were taken. Company policy prescribes the frequency of valuation based on the volatility of the collateral. Valuation methods range from the use of market indices to individual professional inspection.

Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions and Eligible Margin Loans

Counterparty exposure arises from OTC derivatives, repurchase agreements, securities lending and borrowing and other similar products and activities. The exposure amount depends on the value of underlying market factors (e.g., interest rates and foreign exchange rates), which can be volatile and uncertain in nature.

The Company reduces its counterparty exposure related to derivative contracts by centrally clearing all eligible derivatives. All other credit exposure is approved either on a transaction level basis, or under credit limits supporting bilateral trades governed by appropriate master trading agreements. The primary element of the credit approval process is a detailed risk assessment of every credit exposure associated with a counterparty. The Company's risk assessment procedures consider both the credit worthiness of the counterparty and the risks related to the specific type of credit facility or exposure. The Company manages the credit risk of its derivative positions by diversifying its positions among various counterparties, entering into master netting arrangements with counterparties where possible, requiring collateral and, in certain cases, though insignificant, transferring the counterparty credit risk related to interest rate swaps to third parties through the use of risk participation arrangements. Credit exposures are monitored daily for counterparties with an established Credit Support Annex ("CSA") to ensure collateral levels are appropriately sized to cover risk, and prior to execution of an initial trade for any counterparty to ensure it does not exceed the approved credit limit for each counterparty.

The Company uses the current exposure to calculate exposure at default ("EAD") and determine risk-weighted assets and capital requirements for counterparty risk. EAD is calculated for each counterparty with an International Swaps and Derivatives Association ("ISDA") Master Agreement with the Company using the collateral haircut approach in the current exposure methodology.

For further information on counterparty credit risk, refer to the "Use of Derivatives to Manage Interest Rate and Other Risks" subsection in the "Management's Discussion and Analysis" section of the Annual Report and Form 10-Q.

Collateral To calculate a counterparty's net risk position for counterparty credit risk, the Company revalues all financial instruments and associated collateral positions on a daily basis. Collateral positions are monitored by a dedicated group who manages a process to ensure calls for collateral and exposure reductions are made promptly. Processes exist for the resolution of trades where the level of collateral is disputed, or the collateral sought is not received.

Eligible collateral types are documented by a CSA to the ISDA Master Agreement and are controlled under the Company's general credit policies. A valuation haircut policy reflects the fact collateral may fall in value between the date the collateral is called and the date of liquidation or enforcement. In practice, most of the Company's collateral held as credit risk mitigation under a CSA is either cash or U.S. government securities.

Credit ratings downgrade Certain CSAs to master arrangements provide for rating dependent triggers requiring additional collateral if a counterparty's rating is downgraded. The Company also enters into master arrangements providing for termination upon a party's rating downgrade.

The Company analyzes and monitors its potential contingent payment obligations resulting from a rating downgrade in its stress testing approach for liquidity risk on an ongoing basis. At September 30, 2023, the additional collateral required to be posted for a three-notch downgrade of U.S. Bank National Association would be \$89.2 million. No additional collateral would be required for a three-notch downgrade of the parent company, U.S. Bancorp.

The following table summarizes the netting and collateral positions of the Company's derivatives and securities financing transactions ("SFT") using the Current Exposure Method. As defined by the Rule, the gross current credit exposure is calculated as the greater of the positive mark-to-market of the derivative or zero (asset derivatives).

Table 5 General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans

(Dollars in Millions, Unaudited)	September 30, 2023	December 31, 2022
Derivatives		
Gross positive fair value	\$7,637	\$7,872
Netting benefit (a)	4,515	5,427
Net derivatives credit exposure	<u>\$3,122</u>	<u>\$2,445</u>
Securities financing transactions		
Gross positive fair value	\$11,664	\$8,407
Collateral held for risk mitigation (b)	(8,360)	(6,876)
Excess collateral (c)	237	191
Net SFT credit exposure	<u>\$3,541</u>	<u>\$1,722</u>

(a) Represents netting of derivative asset and liability balances, and related collateral, with the same counterparty subject to master netting agreements.

(b) All collateral is either cash or money market investments.

(c) Certain counterparties have provided collateral in excess of the fair value of the related contracts.

The distribution of gross current credit exposure is shown below:

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Gross Current Credit Exposure	Exposure at Default (a)	Gross Current Credit Exposure	Exposure at Default (a)
Derivatives				
Credit derivatives (b)	\$1	\$956	\$1	\$715
Derivatives	5,031	9,493	4,798	7,833
Foreign exchange forwards and options	2,559	3,198	3,033	2,857
Mortgage derivatives	46	52	40	84
Total derivative gross current credit exposure (c)	<u>\$7,637</u>	<u>\$13,699</u>	<u>\$7,872</u>	<u>\$11,489</u>
Securities financing transactions				
Repo-Style Transactions	\$11,646	\$1,019	\$8,392	\$727
Eligible margin loans	17	17	15	15
Total SFT gross current credit exposure (c)	<u>\$11,663</u>	<u>\$1,036</u>	<u>\$8,407</u>	<u>\$742</u>

(a) In addition to the current fair value for asset derivatives, EAD includes amounts for the potential future exposure which is calculated on both asset and liability derivatives.

(b) The notional amount of credit derivatives was \$15.2 billion at September 30, 2023 and \$11.1 billion at December 31, 2022.

(c) The gross positive fair value of derivative contracts averaged \$7.2 billion for the third quarter of 2023 and \$8.1 billion for the fourth quarter of 2022. The gross positive fair value of SFT contracts averaged \$8.6 billion for the third quarter of 2023 and \$7.8 billion for the fourth quarter of 2022.

Securitization The disclosures in this section refer to securitizations held in the banking book and the regulatory capital on these exposures calculated according to the Rule. A participant in the securitization market is typically an originator, investor, or sponsor. The Company's primary securitization-related activity is investing in products originated by third parties and entering into structured lending transactions with clients as an originator. U.S. Bancorp has not acted in the capacity as a sponsor. Securitization exposures held in the banking book include asset-backed securities, loans and lines of credit. The Company has transferred credit risk of certain lending portfolios synthetically using derivatives and recognizes the credit risk mitigation benefits accordingly.

The Company calculates the regulatory capital requirement for securitization exposures in accordance with the hierarchy of approaches prescribed in the Rule. The Company utilizes the Simplified Supervisory Formula Approach ("SSFA") to determine RWA for the majority of its securitization exposures. The SSFA framework considers the Company's seniority in the securitization structure and risk factors inherent in the underlying assets.

As presented in Table 6 below, the Company's total securitization exposures at September 30, 2023, were \$31.0 billion compared to \$16.3 billion at December 31, 2022.

Table 6 Securitizations

Securitizations by exposure type are shown below (a):

(Dollars in Millions, Unaudited)	September 30, 2023			December 31, 2022		
	On Balance Sheet Exposure	Off Balance Sheet Exposure	Total Exposure	On Balance Sheet Exposure	Off Balance Sheet Exposure	Total Exposure
Mortgage-backed securities	\$6	\$0	\$6	\$ -	\$ -	\$ -
Asset-backed securities	6,868	-	6,868	4,323	-	4,323
Other (b)	20,189	4,007	24,196	9,243	2,758	12,001
Total securitization exposure	\$27,063	\$4,007	\$31,070	\$13,566	\$2,758	\$16,324

Securitizations by capital treatment and underlying exposure type are shown below (a):

(Dollars in Millions, Unaudited)	September 30, 2023			December 31, 2022		
	Notional Amount	SSFA Risk Weighted Assets	1250% Risk Weighted	Notional Amount	SSFA Risk Weighted Assets	1250% Risk Weighted
Mortgage-backed securities	\$6	\$12	\$0	\$ -	\$ -	\$ -
Asset-backed securities	6,868	1,378	-	4,323	873	-
Other (b)	24,196	5,775	73	12,001	2,652	90
Total securitization exposure	\$31,070	\$7,165	\$73	\$16,324	\$3,525	\$90

Securitizations by capital treatment and risk-weight bands are summarized below (a):

(Dollars in Millions, Unaudited)	September 30, 2023				December 31, 2022			
	Notional Amount	SSFA Risk Weighted Assets	1250% Risk Weighted	Capital impact of RWA (c)	Notional Amount	SSFA Risk Weighted Assets	1250% Risk Weighted	Capital impact of RWA (c)
Securitizations								
Zero to 250% risk weighting	\$31,013	\$6,528	\$ -	\$522	\$16,317	\$3,519	\$0	\$282
251% to 500% risk weighting	-	-	-	-	-	-	-	-
501% to 1250% risk weighting	57	637	73	57	7	6	90	8
Resecuritizations								
Zero to 250% risk weighting	-	-	-	-	-	-	-	-
251% to 500% risk weighting	-	-	-	-	-	-	-	-
501% to 1250% risk weighting	-	-	-	-	-	-	-	-
Total securitization exposures	\$31,070	\$7,165	\$73	\$579	\$16,324	\$3,525	\$90	\$290

(a) Table related to the Company as an investor/originator in the securitization.

(b) Includes loans, lines of credit, and liquidity facilities.

(c) The capital impact of RWA is calculated by multiplying risk weighted assets by the minimum total risk-based capital ratio of 8%.

Equity Securities Not Subject to Market Risk Rule The Company had total equity exposures of approximately \$20.3 billion, with \$14.6 billion in individual equities and \$5.7 billion in equity funds at September 30, 2023. The majority of the individual equity investments are related to the Company's community reinvestment activities, including tax-advantaged investments made through U.S. Bancorp Impact Finance. The Company uses the Simple Risk-Weight Approach for its individual equity securities.

Equity exposures in equity funds consist of Bank Owned Life Insurance ("BOLI"), private equity, money market and other equity funds. The Company uses the Full Look-Through Approach for BOLI assets in separate and hybrid accounts. Investment guidelines specify objectives and constraints for separate and hybrid account BOLI investment funds, requirements, and duration parameters. In compliance with these guidelines, underlying investment exposures include Treasury, agency, asset-backed, and mortgage-backed securities and corporate notes and bonds.

Non-marketable equity securities are generally recorded either at historical cost or by using the equity method. Details of the Company's accounting policy for equity investments and the valuation of financial instruments are provided in Note 1—Significant Accounting Policies in the Annual Report.

Marketable equity securities are generally recorded as available-for-sale and carried at fair value with unrealized net gains or losses reported within accumulated other comprehensive income (loss) in shareholders' equity. For regulatory capital purposes unrealized gains are excluded from tier 1 capital.

Equity securities maintained in the trading account are reported at fair value with changes in fair value recorded in earnings. At September 30, 2023, the Company did not have material equity exposure in the trading account.

The Company had no realized gains from the sales and liquidations of equity securities during the third quarter of 2023.

Table 7 summarizes the Company's equity securities not subject to the market risk rule. Latent revaluation gains/losses are unrealized gains/losses on nonpublic equity securities recorded at cost; these latent revaluation gains/losses are not recognized in the Company's financial statements. Latent revaluation gains were \$20 million and \$12 million at September 30, 2023, and December 31, 2022, respectively.

Table 7 Equity Securities Not Subject to Market Risk Rule

(Dollars In Millions, Unaudited)	September 30, 2023			December 31, 2022		
	Nonpublic	Public	Total	Nonpublic	Public	Total
Amortized cost	\$20,243	\$19	\$20,262	\$19,664	\$31	\$19,695
Unrealized gains/losses	-	-	-	-	-	-
Latent revaluation gains/losses (a)	13	7	20	12	-	12
Fair value	\$20,256	\$26	\$20,282	\$19,676	\$31	\$19,707
Unrealized gains/losses included in risk-based capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(a) Represents unrealized gains (losses) on nonpublic equity securities recorded at cost. The unrealized gains (losses) are not recognized either in the balance sheet or through earnings.

The capital requirements of equity securities are shown below:

(Dollars In Millions, Unaudited)	September 30, 2023			December 31, 2022		
	Exposure	Risk Weighted Assets	Capital impact of RWA	Exposure	Risk Weighted Assets	Capital impact of RWA
0%	\$959	\$ -	\$ -	\$792	\$0	\$0
20%	769	154	12	1,436	287	23
100%	13,046	13,046	1,044	11,680	11,680	934
250%	-	-	-	-	-	-
Full look-through approach	5,488	1,307	105	5,787	1,529	122
Total capital requirements for equity securities	\$20,262	\$14,507	\$1,161	\$19,695	\$13,496	\$1,079

MARKET RISK

In addition to interest rate risk, the Company is exposed to other forms of market risk, including: 1) trading activities which support customers' strategies to manage their foreign currency, interest rate risk and funding activities; 2) hedging activities related to mortgage loans held for sale and MSRs; and 3) valuation of the Company's investment portfolio. Market risk risk-weighted assets for trading activities decreased to \$3.1 billion at September 30, 2023, compared to \$3.3 billion at December 31, 2022, due to a decrease in loan trading and capital markets activity. Refer to the "Market Risk Management" section of the "Management's Discussion and Analysis" section of the Annual Report and Form 10-Q for further discussion of market risk associated with client related trading and mortgage hedging.

CREDIT RISK: GENERAL DISCLOSURES

The Company's strategy for credit risk management includes well-defined, centralized credit policies, uniform underwriting criteria, and ongoing risk monitoring and review processes for all commercial and consumer credit exposures. The strategy also emphasizes industry, geographic and customer level diversification, regular credit examinations and management reviews of loans exhibiting credit quality deterioration. The Company's credit risk management strategy, including its rating system, is subject to an independent review function to ensure the control mechanisms are operating as intended. For further detail on the Company's general credit risk management, see the "Credit Risk Management" section of the "Management's Discussion and Analysis" section of the Annual Report and Form 10-Q.

Disclosures included in this section are presented under the interpretation that the Rule's definition of "major types of credit exposures" corresponds to the definition used in the Company's Annual Report and Form 10-Q. The tables report balance sheet classifications consistent with the Annual Report and Form 10-Q. Credit risk associated with loans, debt securities, commitments to extend credit and letters of credit are presented in this section. Credit risk associated with other off-balance sheet commitments and OTC derivatives are presented in other tables consistent

with the Company's disclosures in the Annual Report and Form 10-Q. See the Company's Pillar 3 Disclosures Matrix for the location of other off-balance sheet credit risk disclosures.

The Company categorizes its loan portfolio into two segments, 1) commercial lending and 2) consumer lending, which are the level it develops and documents a systematic methodology to determine the allowance for credit losses based on expected credit losses given current credit quality and reasonable and supportable economic forecasts. The Company further disaggregates its loans into various classes based on underlying risk characteristics. The commercial lending segment has two classes, commercial and commercial real estate loans. The consumer lending segment has three classes, residential mortgages, credit card loans and other retail loans. Trends in delinquency and nonperforming ratios are an indicator, among other considerations, of credit risk within the Company's loan portfolios.

Table 8 provides industry distribution by major types of credit exposures inclusive of loans, contractual commitments to extend credit and letters of credit. This differs from the loan distribution by major types of credit exposure disclosed in the Company's Annual Report, which includes only outstanding loans.

Table 8 Credit Exposure by Industry (a)

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Total Commitments	Percent of Total	Total Commitments	Percent of Total
Commercial				
Financial Institutions	\$47,686	13.7 %	\$48,662	13.9 %
C&I Real-Estate Related	39,584	11.4	39,279	11.2
Health Care	19,852	5.7	19,498	5.5
Personal, Professional and Commercial Services	23,264	6.7	22,252	6.3
Retail	20,797	6.0	20,891	6.0
Technology	16,528	4.7	16,903	4.8
Automotive	16,307	4.7	16,083	4.6
Food and Beverage	9,825	2.8	14,408	4.1
Power (including Utilities)	12,301	3.5	13,589	3.9
Energy (including Oil & Gas)	12,635	3.6	12,191	3.5
Education & Non-profit	8,784	2.6	8,644	2.5
State / Municipal	10,673	3.1	11,124	3.2
Media and Entertainment	11,596	3.3	11,372	3.2
Transportation	12,273	3.5	11,572	3.3
Capital Goods	12,675	3.6	12,648	3.6
Building Materials	9,561	2.7	9,154	2.6
Metals and Mining	7,675	2.2	7,903	2.2
Agriculture	4,652	1.3	4,629	1.3
Other	51,556	14.9	50,169	14.3
Total commercial	348,224	100.0	350,971	100.0
Commercial real estate				
Business owner occupied	11,791	17.9	12,173	17.6
Industrial	6,436	9.7	6,404	9.2
Lodging	1,846	2.8	2,135	3.1
Multi Family	22,891	34.7	22,507	32.5
Office	7,981	12.1	8,391	12.1
Retail	4,042	6.1	4,196	6.0
Residential Land & Development	8,112	12.3	7,711	11.1
Other	2,932	4.4	5,815	8.4
Total commercial real estate	66,031	100.0	69,332	100.0
Residential mortgages	115,201	100.0	116,060	100.0
Credit card	160,081	100.0	146,758	100.0
Other retail				
Retail leasing	4,271	4.8	5,519	5.7
Home equity and second mortgages	38,721	43.5	38,847	39.8
Other retail	46,067	51.7	53,183	54.5
Total other retail	89,059	100.0	97,549	100.0
Total commitments	\$778,596	100.0 %	\$780,670	100.0 %

(a) Net of participations sold.

Table 9 provides the geographic distribution of major types of credit exposure inclusive of loans, contractual commitments to extend credit and letters of credit. This differs from the loan distribution by major types of credit exposure disclosed in the Company's Annual Report, which includes only outstanding loans.

Table 9 Credit Exposure by Geography (a)

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Total Commitments	Percent of Total	Total Commitments	Percent of Total
Commercial				
California	\$55,335	15.9 %	\$57,032	16.2 %
New York	25,025	7.1	24,510	7.0
Texas	22,607	6.5	23,582	6.7
Minnesota	18,684	5.4	19,173	5.5
Illinois	17,887	5.1	18,549	5.3
Ohio	14,500	4.2	14,176	4.0
Wisconsin	11,702	3.4	11,531	3.3
Florida	11,122	3.2	10,410	3.0
Missouri	11,774	3.4	10,403	3.0
Washington	9,825	2.8	9,921	2.8
All other states	149,763	43.0	151,684	43.2
Total commercial	348,224	100.0	350,971	100.0
Commercial real estate				
California	25,113	38.0	25,776	37.2
Washington	5,090	7.7	5,503	7.9
Texas	2,811	4.3	3,117	4.5
New York	3,033	4.6	3,107	4.5
Colorado	1,958	3.0	2,238	3.2
Illinois	1,882	2.8	2,133	3.1
Florida	2,340	3.5	2,091	3.0
Minnesota	1,830	2.8	2,027	2.9
Oregon	1,954	3.0	1,914	2.8
Ohio	1,554	2.3	1,463	2.1
All other states	18,466	28.0	19,963	28.8
Total commercial real estate	66,031	100.0	69,332	100.0
Residential mortgages				
California	52,307	45.4	53,967	46.5
Washington	6,653	5.8	6,343	5.5
Colorado	3,915	3.4	4,192	3.6
Florida	3,700	3.2	3,946	3.4
Minnesota	3,660	3.2	3,692	3.2
Illinois	3,646	3.2	3,592	3.1
Arizona	3,091	2.7	3,178	2.7
Texas	3,275	2.8	2,801	2.4
Oregon	2,597	2.2	2,701	2.3
Massachusetts	2,672	2.3	2,536	2.2
All other states	29,685	25.8	29,112	25.1
Total residential mortgages	115,201	100.0 %	\$116,060	100.0 %

(a) Net of participations sold.

Table 9 Credit Exposure by Geography Continued (a)

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Total Commitments	Percent of Total	Total Commitments	Percent of Total
Credit card				
California	\$16,840	10.5 %	\$15,593	10.6 %
Texas	8,809	5.5	8,112	5.5
Minnesota	8,019	5.0	7,483	5.1
Florida	8,067	5.0	7,410	5.1
Illinois	8,091	5.1	7,376	5.0
Wisconsin	7,861	4.9	7,223	4.9
Ohio	7,845	4.9	7,169	4.9
Michigan	5,792	3.6	5,476	3.7
Colorado	5,481	3.4	4,994	3.4
Washington	5,039	3.2	4,646	3.2
All other states	78,237	48.9	71,276	48.6
Total credit card	160,081	100.0	146,758	100.0
Retail loans				
California	21,118	23.7	22,404	23.0
Minnesota	6,006	6.7	7,182	7.4
Texas	3,993	4.5	5,446	5.6
Washington	4,618	5.2	5,006	5.1
Florida	3,871	4.3	4,479	4.6
Colorado	3,873	4.4	4,444	4.6
Illinois	3,370	3.8	4,061	4.2
Oregon	3,599	4.0	3,863	4.0
Ohio	3,248	3.7	3,688	3.8
Missouri	2,553	2.9	2,990	3.1
All other states	32,810	36.8	33,986	34.6
Total retail loans	89,059	100.0	97,549	100.0
Total commitments	778,596	100.0 %	\$780,670	100.0 %

(a) Net of participations sold.

The Company's investment securities portfolio includes U.S. Treasury and agencies, agency mortgage-backed securities, and obligations of state and political subdivisions (municipal securities). The most important feature management relies on when assessing credit risk for U.S. Treasury and agencies and agency mortgage-backed securities is the guarantee of the federal government or its agencies. Geography is one of the factors the Company considers in managing its investment in municipal securities. Table 10 shows the Company's municipal securities distribution throughout the major regions of the United States.

Table 10 Municipal Securities by Geography

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Amount	Percent of Total	Amount	Percent of Total
Municipal securities				
Southeast	\$2,646	29.2 %	\$2,880	28.4 %
West	2,278	25.1	2,548	25.2
Northeast	1,849	20.4	2,155	21.3
Southwest	1,246	13.7	1,387	13.7
Midwest	1,047	11.6	1,155	11.4
Total municipal securities	\$9,066	100.0 %	\$10,125	100.0 %

Table 11 provides a maturity distribution by loan category for loans, contractual commitments to extend credit and letters of credit. The contractual amounts of commitments to extend credit and letters of credit represent the Company's maximum exposure to credit loss, in the event of default by the borrower if the borrower were to fully draw against the commitment. The Company manages this credit risk by using the same credit policies it applies to loans. Management assesses the borrower's credit worthiness to determine the necessary collateral, which may include marketable securities, receivables, inventory, equipment, and real estate. Refer to the Annual Report and Form 10-Q for further details.

Table 11 Credit Risk and Maturity by Exposure Type

Loan maturity distribution by loan category:

(Dollars in Millions, Unaudited)	September 30, 2023				December 31, 2022			
	One Year or Less	Over One		Total	One Year or Less	Over One		Total
		Through Five Years	Over Five Years			Through Five Years	Over Five Years	
Commercial	\$35,071	\$89,680	\$8,568	\$133,319	\$29,430	\$96,841	\$9,419	\$135,690
Commercial real estate	13,024	24,860	16,247	54,131	12,181	27,081	16,225	55,487
Residential mortgages	225	2,221	112,609	115,055	3,303	5,042	107,500	115,845
Retail credit card	27,080	-	-	27,080	26,295	-	-	26,295
Other Retail	2,561	13,509	29,579	45,649	3,428	17,759	33,709	54,896
Total loans	\$77,961	\$130,270	\$167,003	\$375,234	\$74,637	\$146,723	\$166,853	\$388,213

The ending and average contract (notional) amounts of unfunded commitments to extend credit and letters of credit, excluding those commitments considered derivatives, are shown below. Since the Company expects many of the commitments to expire without being drawn, total commitment amounts do not necessarily represent the Company's future liquidity requirements.

Unfunded Commitment maturity distribution by loan category:

(Dollars in Millions, Unaudited)	September 30, 2023				December 31, 2022			
	Ending Balance			Average Balance	Ending Balance			Average Balance
	One Year or Less	Greater Than One Year	Total		One Year or Less	Greater Than One Year	Total	
Unfunded commitments to extend credit (a)								
Commercial and commercial real estate	\$44,323	\$137,907	\$182,230	\$182,132	\$43,294	\$139,630	\$182,924	\$174,954
Corporate and purchasing cards (b)	33,250	-	33,250	32,910	34,491	-	34,491	32,649
Residential mortgages	145	1	146	181	214	1	215	253
Retail credit card (b)	133,001	-	133,001	131,557	120,730	-	120,730	120,903
Other retail	15,818	27,592	43,410	43,570	15,012	27,641	42,653	40,800
Total unused loan commitments	226,537	165,500	392,037	390,350	213,741	167,272	381,013	369,559
Other non-loan related unused commitments	7,427	-	7,427	7,379	6,419	-	6,419	6,490
Total commitments to extend credit	\$233,964	\$165,500	\$399,464	\$397,729	\$220,160	\$167,272	\$387,432	\$376,049
Letters of credit (a)								
Standby	\$5,304	\$5,403	\$10,707	\$10,623	\$5,110	\$5,703	\$10,813	\$10,139
Commercial	483	135	618	575	460	172	632	650

(a) Net of participations sold.

(b) Primarily cancelable at the Company's discretion.

Table 12 provides industry detail of the past due and nonperforming loans for each class within the commercial lending segment and further loan type breakout within the other retail class. Refer to the Annual Report and Form 10-Q for further details.

Table 12 Past Due and Nonperforming Loans by Industry

September 30, 2023						
Industry Group (Dollars in Millions, Unaudited)	Accruing Loans				Total Nonaccrual	
	30-89 Days Past Due		90 or More Days Past Due			
	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
Commercial						
Financial Institutions	\$9	.05 %	\$0	- %	\$2	.01 %
C&I Real-Estate Related	2	.01	-	-	5	.03
Health Care	20	.23	1	.01	27	.32
Personal, Professional and Commercial Services	34	.33	1	.01	56	.54
Retail	11	.20	1	.02	13	.24
Technology	37	.86	-	-	14	.33
Automotive	5	.08	-	-	1	.02
Food and Beverage	5	.13	-	-	4	.10
Power (including Utilities)	1	.03	-	-	-	-
Energy (including Oil & Gas)	1	.03	-	-	1	.03
Education & Non-profit	10	.29	-	-	4	.12
State / Municipal	12	.38	-	-	1	.03
Media and Entertainment	3	.05	-	-	4	.06
Transportation	19	.40	1	.02	59	1.24
Capital Goods	19	.35	-	-	3	.06
Building Materials	12	.37	1	.03	7	.22
Metals and Mining	8	.23	-	-	5	.14
Agriculture	1	.05	-	-	11	.1
Other	106	.63	65	.39	39	.23
Total commercial	315	.24	70	.05	256	.19
Commercial real estate						
Business owner occupied	7	.06	-	-	95	.86
Industrial	2	.04	-	-	0	-
Lodging	1	.06	-	-	3	.18
Multi Family	17	.10	-	-	129	.73
Office	3	.04	-	-	425	5.91
Retail	2	.05	-	-	62	1.59
Residential Land & Development	5	.11	1	.02	3	.07
Other	3	.12	-	-	4	.16
Total commercial real estate	40	.07	1	-	721	1.33
Residential mortgages	131	.11	122	.11	161	.14
Credit card	365	1.35	316	1.17	-	-
Other retail						
Retail leasing	22	.52	2	.05	8	.19
Home equity and second mortgages	65	.50	32	.25	104	.81
Other retail	167	.59	26	.09	17	.06
Total other retail	254	.56	60	.13	129	.28
Total	\$1,105	.29 %	\$569	.15 %	\$1,267	.34 %

Table 12 Past Due and Nonperforming Loans by Industry Continued

December 31, 2022						
Accruing Loans						
Total Nonaccrual						
Industry Group (Dollars in Millions, Unaudited)	30-89 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans	Amount	As a Percent of Ending Loans
Commercial						
Financial Institutions	\$11	.06 %	\$-	- %	\$2	.01 %
C&I Real-Estate Related	1	.01	-	-	2	.01
Health Care	27	.32	1	.01	12	.14
Personal, Professional and Commercial Services	29	.29	11	.11	24	.24
Retail	10	.20	10	.20	17	.33
Technology	27	.50	1	.02	2	.04
Automotive	3	.04	-	-	24	.34
Food and Beverage	2	.04	-	-	29	.52
Power (including Utilities)	1	.02	-	-	-	-
Energy (including Oil & Gas)	1	.03	-	-	1	.03
Education & Non-profit	12	.33	-	-	6	.17
State / Municipal	14	.43	-	-	1	.03
Media and Entertainment	4	.07	4	.07	3	.05
Transportation	11	.22	2	.04	19	.38
Capital Goods	6	.11	-	-	2	.04
Building Materials	14	.43	3	.09	12	.36
Metals and Mining	9	.24	-	-	4	.11
Agriculture	2	.10	2	.10	4	0
Other	166	1.03	60	.37	5	.03
Total commercial	350	.26	94	.07	169	.12
Commercial real estate						
Business owner occupied	39	.34	-	-	116	1.01
Industrial	-	-	-	-	4	.08
Lodging	-	-	-	-	4	.21
Multi Family	5	.03	2	.01	91	.54
Office	-	-	-	-	2	.03
Retail	39	.97	-	-	116	2.89
Residential Land & Development	3	.07	3	.07	2	.04
Other	1	.02	-	-	3	.07
Total commercial real estate	87	.16	5	.01	338	.61
Residential mortgages	201	.17	95	.08	325	.28
Credit card	283	1.08	231	.88	1	-
Other retail						
Retail leasing	27	.49	2	.04	8	.14
Home equity and second mortgages	65	.51	36	.28	110	.86
Other retail	217	.59	28	.08	21	.06
Total other retail	309	.56	66	.12	139	.25
Total	\$1,230	.32 %	\$491	.13 %	\$972	.25 %

In addition to industry, the Company uses the geography of the borrower's business or property location in the case of real estate secured loans, among other key risk characteristics, to determine estimates about the likelihood of default by the borrowers and the severity of loss in the event of default. Table 13 provides geographic detail on past due and nonperforming loans.

Table 13 Past Due and Nonperforming Loans by Geography

September 30, 2023						
Accruing Loans						
(Dollars in Millions, Unaudited)	30-89 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
	As a Percent of Ending Loans		As a Percent of Ending Loans		As a Percent of Ending Loans	
	Amount		Amount		Amount	
California	228	.21 %	109	.10 %	314	.29 %
Texas	84	.42	35	.18	185	.93
Washington	28	.16	16	.09	34	.20
Illinois	54	.34	35	.22	208	1.33
New York	45	.27	16	.09	106	.63
Minnesota	33	.22	18	.12	28	.19
Florida	48	.37	28	.22	50	.38
Colorado	62	.54	19	.17	16	.14
Ohio	42	.38	27	.25	18	.16
Oregon	27	.30	13	.15	14	.16
All other states	454	.33	253	.18	294	.21
Total	1,105	.29 %	\$569	.15 %	\$1,267	.34 %

December 31, 2022						
Accruing Loans						
(Dollars in Millions, Unaudited)	30-89 Days Past Due		90 or More Days Past Due		Total Nonaccrual	
	As a Percent of Ending Loans		As a Percent of Ending Loans		As a Percent of Ending Loans	
	Amount		Amount		Amount	
California	\$303	.27 %	\$105	.09 %	\$453	.40 %
Texas	107	.50	28	.13	14	.07
Washington	29	.17	13	.08	51	.30
Illinois	50	.31	33	.20	71	.44
New York	33	.21	17	.11	15	.09
Minnesota	39	.26	15	.10	29	.19
Florida	48	.36	19	.14	14	.11
Colorado	33	.28	15	.13	21	.18
Ohio	36	.34	22	.21	24	.23
Oregon	24	.28	13	.15	15	.17
All other states	528	.36	211	.14	265	.18
Total	\$1,230	.32 %	\$491	.13 %	\$972	.25 %

Table 14 shows the amount of the allowance for credit losses by loan portfolio class. Although the Company determines the amount of each element of the allowance separately and considers this process to be an important credit management tool, the entire allowance for credit losses is available for the entire loan portfolio. The actual losses incurred can vary significantly from the estimated amounts.

Management evaluates the appropriateness of the allowance for credit losses on a quarterly basis. The allowance considers expected losses for the remaining lives of the applicable assets, inclusive of expected recoveries. Multiple economic scenarios are considered over a three-year reasonable and supportable forecast period, which includes increasing consideration of historical loss experience over years two and three. After the forecast period, the Company fully reverts to long-term historical loss experience, adjusted for prepayments and characteristics of the current loan and lease portfolio, to estimate losses over the remaining life of the portfolio. The economic scenarios are updated at least quarterly and are designed to provide a range of reasonable estimates, from better to worse than current expectations. Refer to “Management’s Discussion and Analysis-Analysis and Determination of the Allowance for Credit Losses” in the Annual Report and Form 10-Q for further discussion on the evaluation of the allowance for credit losses.

Table 14 Elements of the Allowance for Credit Losses

(Dollars in Millions, Unaudited)	September 30, 2023		December 31, 2022	
	Amount	Percent of Ending Loans	Amount	Percent of Ending Loans
Commercial	\$2,103	1.58 %	\$2,163	1.59 %
Commercial real estate	1,690	3.12	1,325	2.39
Residential mortgages	853	0.74	926	0.80
Credit card	2,250	8.31	2,020	7.68
Other retail	894	1.96	970	1.77
Total allowance for credit losses	\$7,790	2.08 %	\$7,404	1.91 %

FORWARD-LOOKING STATEMENTS

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

This Pillar 3 Disclosures document contains forward-looking statements about the Company. 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, future economic conditions and the anticipated future revenue, expenses, financial condition, asset quality, capital and liquidity levels, plans, prospects and operations of the Company. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “projects,” “forecasts,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.”

Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those set forth in forward-looking statements, including the following risks and uncertainties:

- Deterioration in general business and economic conditions or turbulence in domestic or global financial markets, which 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;
- Turmoil and volatility in the financial services industry, including failures or rumors of failures of other depository institutions, which could affect the ability of depository institutions, including U.S. Bank National Association, to attract and retain depositors, and could affect the ability of financial services providers, including U.S. Bancorp, to borrow or raise capital;
- Increases in Federal Deposit Insurance Corporation assessments due to bank failures;
- Actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions;
- Changes to regulatory capital, liquidity and resolution-related requirements applicable to large banking organizations in response to recent developments affecting the banking sector;
- Changes to statutes, regulations, or regulatory policies or practices, including capital and liquidity requirements, and the enforcement and interpretation of such laws and regulations, and U.S. Bancorp’s

ability to address or satisfy those requirements and other requirements or conditions imposed by regulatory entities;

- Changes in interest rates;
- Increases in unemployment rates;
- Deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans;
- Risks related to originating and selling mortgages, including repurchase and indemnity demands, and related to U.S. Bancorp's role as a loan servicer;
- Impacts of current, pending or future litigation and governmental proceedings;
- Increased competition from both banks and non-banks;
- Effects of climate change and related physical and transition risks;
- Changes in customer behavior and preferences and the ability to implement technological changes to respond to customer needs and meet competitive demands;
- Breaches in data security;
- Failures or disruptions in or breaches of U.S. Bancorp's operational, technology or security systems or infrastructure, or those of third parties;
- Failures to safeguard personal information;
- Impacts of pandemics, including the COVID-19 pandemic, natural disasters, terrorist activities, civil unrest, international hostilities and geopolitical events;
- Impacts of supply chain disruptions, rising inflation, slower growth or a recession;
- Failure to execute on strategic or operational plans;
- Effects of mergers and acquisitions and related integration;
- Effects of critical accounting policies and judgments;
- Effects of changes in or interpretations of tax laws and regulations;
- Management's ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputation risk; and
- The risks and uncertainties more fully discussed in the section entitled "Risk Factors" of the 2022 Annual Report and subsequent filings with the Securities and Exchange Commission.

In addition, U.S. Bancorp's acquisition of MUB presents risks and uncertainties, including, among others: the risk that the cost savings, any revenue synergies and other anticipated benefits of the acquisition may not be realized or may take longer than anticipated to be realized; and the possibility that the combination of MUB with U.S. Bancorp, including the integration of MUB, may be more costly or difficult to complete than anticipated or have unanticipated adverse results.

In addition, factors other than these risks also could adversely affect the Company's results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date hereof, and the Company undertakes no obligation to update them in light of new information or future events.

Appendix A



U.S. Bancorp Basel Capital Pillar 3 Disclosures Matrix
As of September 30, 2023

In compliance with the Section 63 Disclosure Requirements by certain institutions with consolidated assets of greater than \$500 Billion that are not advanced approaches institutions: U.S. Bancorp ("the Company" or "USB") has provided the following summary of the required disclosure locations. All documents referenced can be found at usbanc.com.

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Scope of Application				
Qualitative: (a)	The name of the top corporate entity in the group to which the Risk-Based Capital Standards apply:	<u>Basel Pillar 3 Disclosures (Unaudited);</u> Overview	3	
(b)	A brief description of the differences in the basis for consolidating entities for accounting and regulatory purposes, with a description of those entities: (1) that are fully consolidated; (2) that are deconsolidated and deducted from total capital; (3) for which the total capital requirement is deducted; and (4) that are neither consolidated nor deducted (for example, where the investment in the entity is assigned a risk weight in accordance with this subpart).	Not applicable. The Company does not have differences in the basis of consolidation for accounting and regulatory purposes.	None	None
(c)	Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.	<u>2022 Annual Report (Audited);</u> Note 25--U.S. Bancorp (Parent Company) Condensed Balance Sheet		<u>2022 Annual Report</u> pg 136-137
Quantitative: (d)	The aggregate amount of surplus capital of insurance subsidiaries included in the regulatory capital of the consolidated group.	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part I Regulatory Capital Components and Ratios		<u>FR Y9-C</u> Schedule HC-R Part I
(e)	The aggregate amount by which actual regulatory capital is less than the minimum regulatory capital requirement in all subsidiaries with regulatory capital requirements and the name(s) of the subsidiaries with such deficiencies.	None.	None	None
Capital Structure				
Qualitative: (a)	Summary information on the terms and conditions of the main features of all regulatory capital instruments.	<u>2022 Annual Report (Audited);</u> MD&A Capital Management (Unaudited) Note 14--Long-Term Debt Note 15--Shareholders' Equity Note 16--Earnings per Share <u>Form 10-Q (Unaudited);</u> MD&A Capital Management Note 8 -- Preferred Stock Note 10 -- Earnings per Share		<u>2022 Annual Report</u> pg 55 pg 102 pg 103-107 pg 108 <u>Form 10-Q</u> pg 26-27 pg 57 pg 59
Quantitative: (b)	The amount of tier 1 capital, with separate disclosure of: (1) common stock/surplus; (2) retained earnings; (3) Common Equity minority interest (4) AOCI (net of tax) and other reserves (5) Regulatory adjustments and deductions made to common equity tier 1 capital.	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part I Regulatory Capital Components and Ratios		<u>FR Y9-C</u> Schedule HC-R Part I
(c)	The amount of tier 1 capital, with separate disclosure of: (1) Additional tier 1 capital elements, including additional tier 1 capital instruments and tier 1 minority interest not included in common equity tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part I Regulatory Capital Components and Ratios <u>2022 Annual Report (Audited);</u> Consolidated Balance Sheet		<u>FR Y9-C</u> Schedule HC-R Part I <u>2022 Annual Report;</u> pg 71
(d)	The amount of total capital, with separate disclosure of: (1) Tier 2 capital elements, including tier 2 capital instruments and total capital minority interest not included in tier 1 capital; and (2) Regulatory adjustments and deductions made to total capital.	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part I Regulatory Capital Components and Ratios		<u>FR Y9-C</u> Schedule HC-R Part I
Capital Adequacy				
Qualitative: (a)	A summary discussion of the bank holding company's approach to assessing the adequacy of its capital to support current and future activities.	<u>2022 Annual Report (Audited);</u> MD&A Capital Management (Unaudited) MD&A Non-GAAP Financial Measures (Unaudited) Note 15--Shareholders' Equity <u>Form 10-Q (Unaudited);</u> MD&A Capital Management MD&A Non-GAAP Financial Measures <u>Basel Pillar 3 Disclosures (Unaudited);</u> Internal Capital Adequacy Assessment Process ("ICAAP")	4	<u>2022 Annual Report</u> pg 55 pg 59-61 pg 103-107 <u>Form 10-Q</u> pg 26-27 pg 32-33
Quantitative: (b)	Risk-weighted assets for credit risk from: Risk-weighted assets for: (1) Exposures to sovereign entities; (2) Exposures to certain supranational entities and MDBs; (3) Exposures to depository institutions, foreign banks, and credit unions; (4) Exposures to PSEs; (5) Corporate exposures; (6) Residential mortgage exposures; (7) Statutory multifamily mortgages and pre-sold construction loans; (8) HVCRE loans; (9) Past due loans; (10) Other assets; (11) Cleared transactions; (12) Default fund contributions; (13) Unsettled transactions; (14) Securitization exposures; and (15) Equity exposures.	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part II. Risk Weighted Assets		<u>FR Y9-C</u> Schedule HC-R Part II.
(c)	Standardized market risk-weighted assets as calculated under subpart F of this part:	<u>FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited)</u> Schedule HC-R Part II. Risk Weighted Assets		<u>FR Y9-C</u> Schedule HC-R Part II.

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
(d)	Common Equity tier 1, tier 1 and total risk-based capital ratios: (1) For the top consolidated group; and (2) For each Depository Institution subsidiary.	FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited) Schedule HC-R Part I Regulatory Capital Components and Ratios U.S. Bancorp FFIEC 031-Consolidated Reports of Conditions and Income for a Bank with Domestic and Foreign Offices (Unaudited) Schedule RC-R Part I Regulatory Capital Components and Ratios U.S. Bank National Association (Cincinnati, OH) Basel Pillar 3 Disclosures (Unaudited): Table 1-- Regulatory Capital Ratios	5	FR Y9-C Schedule HC-R Part I FFIEC 031 Schedule HC-R Part I
(e)	Total Standardized Risk Weighted Assets	FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited) Schedule HC-R Basel Pillar 3 Disclosures (Unaudited): Table 4 Risk Weighted Assets	8	FR Y9-C Schedule HC-R .
Capital Conservation and Countercyclical Capital Buffers				
Quantitative: (a)	At least quarterly, the bank holding company must calculate and publicly disclose the capital conservation buffer as described under §.11 of subpart B.	FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited) Schedule HC-R Part I Regulatory Capital Components and Ratios Basel Pillar 3 Disclosures (Unaudited): Capital Conservation Buffer	5	FR Y9-C Schedule HC-R
(b)	At least quarterly, the bank holding company must calculate and publicly disclose the buffer retained income of the bank holding company.	Basel Pillar 3 Disclosures (Unaudited): Capital Conservation Buffer	5	
(c)	At least quarterly, the bank holding company must calculate and publicly disclose any limitations it has on distributions and discretionary bonus payments resulting from the capital conservation buffer and the countercyclical capital buffer framework described under §.11 of subpart B, including the maximum payout amount for the quarter.	Basel Pillar 3 Disclosures (Unaudited): Capital Conservation Buffer	5	
General Qualitative Disclosure Requirement				
	For each separate risk area described in tables 5 through 10, the bank holding company must describe its risk management objectives and policies, including: (1) Strategies and processes; (2) The structure and organization of the relevant risk management function; (3) The scope and nature of risk reporting and/or measurement systems; (4) Policies for hedging and/or mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges/mitigants.	2022 Annual Report (Audited): • MD&A--Balance Sheet Analysis (Unaudited) • MD&A--Corporate Risk Profile (Unaudited) • Note 1--Significant Accounting Policies • Note 5--Investment Securities • Note 6--Loans and Allowance for Credit Losses • Note 8--Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities • Note 20--Derivative Instruments • Note 22--Fair Values of Assets and Liabilities • Note 23--Guarantees and Contingent Liabilities Form 10-O (Unaudited): • MD&A--Balance Sheet Analysis • MD&A--Corporate Risk Profile • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 16--Guarantees and Contingent Liabilities Credit Risk: General Disclosures	12-20	2022 Annual Report pg 28-35 pg 35-56 pg 76-83 pg 86-88 pg 89-94 pg 97-98 pg 116-120 pg 124-130 pg 130-133 Form 10-O pg 7-9 pg 9-27 pg 41-44 pg 45-53 pg 73-75 http://phx.corporate-ir.net/phoenix.zhtml?c=117565&p=irol-govboard
Credit Risk - General Disclosures				
Qualitative: (a)	The general qualitative disclosure requirement with respect to credit risk (excluding counterparty credit risk disclosed in accordance with Table 7) including: (1) Policy for determining past due or delinquency status; (2) Policy for placing loans on nonaccrual; (3) Policy for returning loans to accrual status; (4) Definition of and policy for identifying impaired loans (for financial accounting purposes). (5) Description of the methodology that the entity uses to estimate its allowance for loan and lease losses, including statistical methods used where applicable; (6) Policy for charging-off uncollectible amounts; and (7) Discussion of the bank's credit risk management policy	2022 Annual Report (Audited): • MD&A--Balance Sheet Analysis (Unaudited) • MD&A--Corporate Risk Profile (Unaudited) • Note 1--Significant Accounting Policies • Note 5--Investment Securities • Note 6--Loans and Allowance for Credit Losses • Note 23--Guarantees and Contingent Liabilities Form 10-O (Unaudited): • MD&A--Balance Sheet Analysis • MD&A--Corporate Risk Profile • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 16--Guarantees and Contingent Liabilities Credit Risk: General Disclosures	12-20	2022 Annual Report pg 28-35 pg 35-56 pg 76-83 pg 86-88 pg 89-94 pg 130-133 Form 10-O pg 7-9 pg 9-27 pg 41-44 pg 45-53 pg 73-75
Quantitative: (b)	Total credit risk exposures and average credit risk exposures, after accounting offsets in accordance with GAAP, without taking into account the effects of credit risk mitigation techniques (for example, collateral and netting not permitted under GAAP), over the period categorized by major types of credit exposure. For example, bank holding companies could use categories similar to that used for financial statement purposes. Such categories might include, for instance: (1) Loans, off-balance sheet commitments, and other non-derivative off-balance sheet exposures; (2) Debt securities; and (3) OTC derivatives.	2022 Annual Report (Audited): • Note 6--Loans and Allowance for Credit Losses • Consolidated Daily Average Balance Sheet and Related Yields and Rates (Unaudited) Form 10-O (Unaudited): • Note 5--Loans and Allowance for Credit Losses • Consolidated Daily Average Balance Sheet and Related Yields and Rates FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited): • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items Basel Pillar 3 Disclosures (Unaudited): Table 5--General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans Table 11--Credit Risk and Maturity by Exposure Type	10 16	2022 Annual Report pg 89-94 pg 138 Form 10-O pg 45-53 pg 80-81 FR Y9-C Schedule HC-B Schedule HC-L
(c)	Geographic distribution of exposures, categorized in significant areas by major types of credit exposure.	Basel Pillar 3 Disclosures (Unaudited): Table 9--Credit Exposure by Geography Table 10--Municipal Securities by Geography	14-15 15	
(d)	Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.	FR Y9-C - Consolidated Financial Statement for Holding Companies (Unaudited): • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items Basel Pillar 3 Disclosures (Unaudited): Table 8--Credit Exposure by Industry	13	FR Y9-C Schedule HC-B Schedule HC-L

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
(e)	By major industry or counterparty type: (1) Amount of impaired loans for which there was a related allowance under GAAP; (2) Amount of impaired loans for which there was no related allowance under GAAP; (3) Amount of loans past due 90 days and on nonaccrual; (4) Amount of loans past due 90 days and still accruing; (5) The balance in the allowance for loan and lease losses at the end of each period, disaggregated on the basis of the entity's impairment method. To disaggregate the information required on the basis of impairment methodology, an entity shall separately disclose the amounts based on the requirements in GAAP; and (6) Charge-offs during the period.	Form 10-O (Unaudited): • Analysis and Determination of the Allowance for Credit Losses Basel Pillar 3 Disclosures (Unaudited): Table 12--Past Due and Nonperforming Loan Portfolio By Industry Basel Pillar 3 Disclosures (Unaudited): Table 12--Past Due and Nonperforming Loan Portfolio By Industry Basel Pillar 3 Disclosures (Unaudited): Table 14--Elements of the Allowance for Credit Losses Form 10-O (Unaudited): • Table 8--Summary of Allowance for Credit Losses	17-18 17-18 20	Form 10-O: pg 17-20 Form 10-O pg 20
(f)	Amount of impaired loans and, if available, the amount of past due loans categorized by significant geographic areas including, if practical, the amounts of allowances related to each geographical area, further categorized as required by GAAP.	Basel Pillar 3 Disclosures (Unaudited): Table 13--Past Due and Nonperforming Loans by Geography Allowance by geography is not practical or meaningful to disclose since management does not use this information to allocate general or specific allowance components.	19	
(g)	Reconciliation of changes in the allowances for loan and lease losses.	Form 10-O (Unaudited): • Table 8--Summary of Allowance for Credit Losses		Form 10-O pg 20
(h)	Remaining contractual maturity breakdown (for example, one year or less) of the whole portfolio, broken down by major types of credit exposure.	FR Y-9C - Consolidated Financial Statement for Holding Companies (Unaudited): • Schedule HC-B - Securities • Schedule HC-L - Derivatives and Off-Balance-Sheet Items Basel Pillar 3 Disclosures (Unaudited): Table 11--Credit Risk and Maturity by Exposure Type	16	FR Y-9C Schedule HC-B Schedule HC-L
General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans				
Qualitative: (a)	The general qualitative disclosure requirement with respect to OTC derivatives, eligible margin loans, and repo-style transactions, including: (1) Discussion of methodology used to assign credit limits for counterparty credit exposures; (2) Discussion of policies for securing collateral, valuing and managing collateral, and establishing credit reserves; (3) Discussion of the primary types of collateral taken; (4) Discussion of the impact of the amount of collateral the bank holding company would have to provide given a deterioration in the bank's own creditworthiness.	2022 Annual Report (Audited): • MD&A - Use of Derivatives to Manage Interest Rate and Other Risks (Unaudited) • Note 1--Significant Accounting Policies • Note 20--Derivative Instruments • Note 21--Netting Arrangements for Certain Financial Instruments • Note 22--Fair Values of Assets and Liabilities Form 10-O (Unaudited): • MD&A - Use of Derivatives to Manage Interest Rate and Other Risks • Note 13--Derivative Instruments • Note 14--Netting Arrangements for Certain Financial Instruments • Note 15--Fair Values of Assets and Liabilities Basel Pillar 3 Disclosures (Unaudited): Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans	8-9	2022 Annual Report pg 49 pg 76-83 pg 116-120 pg 121-123 pg 124-130 Form 10-O pg 22 pg 61-64 pg 64-66 pg 67-73
Quantitative: (b)	Gross positive fair value of contracts, collateral held (including type, for example, cash, government securities), and net unsecured credit exposure.1 A [BANK] also must disclose the notional value of credit derivative hedges purchased for counterparty credit risk protection and the distribution of current credit exposure by exposure type.2	Basel Pillar 3 Disclosures (Unaudited): Table 5--General Disclosure for Counterparty Credit Risk of OTC Derivative Contracts, Repo-Style Transactions, and Eligible Margin Loans	10	
(c)	Notional amount of purchased and sold credit derivatives, segregated between use for the bank holding company's own credit portfolio and for its intermediation activities, including the distribution of the credit derivative products used, broken down further by protection bought and sold within each product group.	Form 10-O (Unaudited): • Note 13--Derivative Instruments FR Y-9C - Consolidated Financial Statement for Holding Companies (Unaudited): • Schedule HC-L - Derivatives and Off-Balance-Sheet Items		Form 10-O pg 61-64 FR Y-9C Schedule HC-L
Credit Risk Mitigation				
Qualitative: (a)	The general qualitative disclosure requirement with respect to credit risk mitigation including: (1) policies and processes for, and an indication of the extent to which the bank holding company uses, on-and-off-balance sheet netting; (2) a description of the main types of collateral taken by the bank holding company; (3) the main types of guarantors/credit derivative counterparties and their creditworthiness; and (4) information about (market or credit) risk concentrations within the mitigation taken.	2022 Annual Report (Audited): • MD&A--Corporate Risk Profile (Unaudited) • Note 1--Significant Accounting Policies • Note 5--Investment Securities • Note 6--Loans and Allowance for Credit Losses • Note 20--Derivative Instruments • Note 21--Netting Arrangements for Certain Financial Instruments • Note 22--Fair Values of Assets and Liabilities Form 10-O (Unaudited): • MD&A--Corporate Risk Profile • Note 4--Investment Securities • Note 5--Loans and Allowance for Credit Losses • Note 13--Derivative Instruments • Note 14--Netting Arrangements for Certain Financial Instruments • Note 15--Fair Values of Assets and Liabilities Basel Pillar 3 Disclosures (Unaudited): Credit Risk Mitigation	8	2022 Annual Report pg 35-56 pg 76-83 pg 86-88 pg 89-94 pg 116-120 pg 121-123 pg 124-130 Form 10-O pg 9-27 pg 41-44 pg 45-53 pg 61-64 pg 64-66 pg 67-73
Quantitative: (b)	For each separately disclosed credit risk portfolio, the total exposure that is covered by eligible financial collateral, and after the application of haircuts.	Basel Pillar 3 Disclosures (Unaudited): Credit Risk Mitigation	8	
(c)	For each separately disclosed portfolio, the total exposure that is covered by guarantees/credit derivatives and the risk-weighted asset amount associated with that exposure.	Basel Pillar 3 Disclosures (Unaudited): Credit Risk Mitigation	8	

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
Securitization				
Qualitative: (a)	The general qualitative disclosure requirement with respect to securitization (including synthetic securitizations), including a discussion of: (1) The bank holding company's objectives for securitizing assets, including the extent to which these activities transfer credit risk of the underlying exposures away from the bank holding company to other entities and including the type of risks assumed and retained with resecuritization activity; (2) The nature of the risks (e.g. liquidity risk) inherent in the securitized assets; (3) The roles played by the bank holding company in the securitization process and an indication of the extent of the bank holding company's involvement in each of them; (4) The processes in place to monitor changes in the credit and market risk of securitization exposures including how those processes differ for resecuritization exposures; (5) The bank holding company's policy for mitigating the credit risk retained through securitization and resecuritization exposures; and (6) The risk-based capital approaches that the bank holding company follows for its securitization exposures including the type of securitization exposure to which each approach applies.	<u>2022 Annual Report</u> : • MD&A Corporate Risk Profile (Commitments, Contingent Liabilities and Other Contractual Obligations) (Unaudited) <u>Form 10-Q (Unaudited)</u> : • MD&A Corporate Risk Profile (Commitments, Contingent Liabilities and Other Contractual Obligations) <u>Basel Pillar 3 Disclosures (Unaudited)</u> : Securitization	10-11	<u>2022 Annual Report</u> pg 54 <u>Form 10-Q</u> pg 26
(b)	A list of: (1) The type of securitization SPEs that the bank holding company, as sponsor, uses to securitize third-party exposures. The bank holding company must indicate whether it has exposure to these SPEs, either on- or off- balance sheet; and (2) Affiliated entities: (i) That the bank holding company manages or advises; and (ii) That invest either in the securitization exposures that the bank holding company has securitized or in securitization SPEs that the bank holding company sponsors.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Securitization	10-11	
(c)	Summary of the bank holding company's accounting policies for securitization activities, including: (1) Whether the transactions are treated as sales or financings; (2) Recognition of gain-on-sale; (3) Methods and key assumptions and inputs applied in valuing retained or purchased interests; (4) Changes in methods and key assumptions and inputs from the previous period for valuing retained interests and impact of the changes; (5) Treatment of synthetic securitizations; (6) How exposures intended to be securitized are valued and whether they are recorded under subpart E of this part; and (7) Policies for recognizing liabilities on the balance sheet for arrangements that could require the bank holding company to provide financial support for securitized assets.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Securitization	10-11	
(d)	An explanation of significant changes to any of the quantitative information set forth below since the last reporting period.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Securitization	10-11	
Quantitative: (e)	The total outstanding exposures securitized by the bank holding company in securitizations that meet the operational criteria in §.141 (categorized into traditional/synthetic), by underlying exposure type separately for securitizations of third-party exposures for which the bank acts only as sponsor.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(f)	For exposures securitized by the bank holding company in securitizations that meet the operational criteria in §.141: (1) Amount of securitized assets that are impaired/past due categorized by exposure type; and (2) Losses recognized by the bank holding company during the current period categorized by exposure type.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(g)	The total amount of outstanding exposures intended to be securitized categorized by exposure type.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(h)	Aggregate amount of: (1) On-balance sheet securitization exposures retained or purchased categorized by exposure type; and (2) Off-balance sheet securitization exposures categorized by exposure type.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(i)	(1) Aggregate amount of securitization exposures retained or purchased and the associated capital requirements for these exposures, categorized between securitization and resecuritization exposures, further categorized into a meaningful number of risk weight bands and by risk-based capital approach (e.g. SSFA). (2) Exposures that have been deducted entirely from tier 1 capital, CEIOs deducted from total capital (as described in §1.42(a)(1)), and other exposures deducted from total capital should be disclosed separately by exposure type.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(j)	Summary of current year's securitization activity, including the amount of exposures securitized (by exposure type), and recognized gain or loss on sale by asset type.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 6-- Securitization	11	
(k)	Aggregate amount of resecuritization exposures retained or purchased categorized according to: (1) Exposures to which credit risk mitigation is applied and those not applied; and (2) Exposures to guarantors categorized according to guarantor creditworthiness categories or guarantor name.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 9-- Securitization	11	
Equities Not Subject to Market Risk Rule				
Qualitative: (a)	The general qualitative disclosure requirement with respect to equity risk, including: (1) differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and (2) discussion of important policies covering the valuation of and accounting for equity holdings in the banking book. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	<u>2022 Annual Report (Audited)</u> : Note 1--Significant Accounting Policies Note 8--Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities <u>Form 10-Q (Unaudited)</u> : Note 6--Accounting For Transfers and Servicing of Financial Assets and Variable Interest Entities <u>Basel Pillar 3 Disclosures (Unaudited)</u> : Equity Securities Not Subject to Market Risk Rule	11-12	<u>2022 Annual Report</u> pg 76-83 pg 97-98 <u>Form 10-Q</u> pg 54-55
Quantitative: (b)	Value disclosed on the balance sheet of investments, as well as the fair value of those investments; for securities that are publicly traded, a comparison to publicly-quoted share values where the share price is materially different from fair value.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 7--Equity Securities Not Subject to Market Risk Rule	12	
(c)	The types and nature of investments, including the amount that is: (1) Publicly traded; and (2) Non-publicly traded.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 7--Equity Securities Not Subject to Market Risk Rule	12	
(d)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 7--Equity Securities Not Subject to Market Risk Rule	12	
(e)	(1) Total unrealized gains (losses) (2) Total latent revaluation gains (losses) (3) Any amounts of the above included in tier 1 and/or tier 2 capital.	<u>Basel Pillar 3 Disclosures (Unaudited)</u> : Table 7--Equity Securities Not Subject to Market Risk Rule	12	

Table	Disclosure Requirement	Disclosure Location	Disclosure Page	Source Reference - if applicable
(f)	Capital requirements broken down by appropriate equity groupings, consistent with the bank holding company's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory transition regarding regulatory capital requirements.	<u>Basel Pillar 3 Disclosures (Unaudited):</u> Table 7--Equity Securities Not Subject to Market Risk Rule	12	
Interest Rate Risk for Non-trading Activities				
Qualitative: (a)	The general qualitative disclosure requirement, including the nature of interest rate risk for non-trading activities and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits, and frequency of measurement of interest rate risk for non-trading activities.	<u>2022 Annual Report (Audited):</u> • MD&A--Interest Rate Risk Management (Unaudited) <u>Form 10-Q (Unaudited):</u> • MD&A--Interest Rate Risk Management		<u>2022 Annual Report</u> pg 49 <u>Form 10-Q</u> pg 21-22
Quantitative: (b)	The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk for non-trading activities, broken down by currency (as appropriate).	<u>2022 Annual Report (Audited):</u> • MD&A--Interest Rate Risk Management (Unaudited) <u>Form 10-Q (Unaudited):</u> • MD&A--Interest Rate Risk Management		<u>2022 Annual Report</u> pg 49 <u>Form 10-Q</u> pg 21-22
Supplementary Leverage Ratio				
Quantitative	(1) Summarize the differences between total consolidated accounting assets and the calculation of total leverage exposure. (2) Provide components of the total leverage exposure	<u>Basel Pillar 3 Disclosures (Unaudited):</u> Table 3-- Supplementary Leverage Ratio	7	