Liquidity Coverage Ratio Public Disclosure

For the Quarter Ended March 31, 2023

Table of Contents

INTRODUCTION 1

LIQUIDITY COVERAGE RATIO 1

PRIMARY DRIVERS OF THE LCR 1

U.S. LCR QUANTITATIVE DISCLOSURE 1

HIGH QUALITY LIQUID ASSET COMPOSITION 3

TOTAL NET CASH OUTFLOWS COMPOSITION 3

CONCENTRATION OF FUNDING SOURCES 3

DERIVATIVE EXPOSURES 4

LIQUIDITY RISK MANAGEMENT FUNCTION 4

FORWARD-LOOKING STATEMENTS 5

INTRODUCTION

U.S. Bancorp ("the Company") is a multi-state financial services holding company based in Minneapolis, Minnesota. The Company provides a full range of financial products and services to individuals, businesses, institutional organizations, governmental entities, and other financial institutions principally in domestic markets.

LIQUIDITY COVERAGE RATIO

The Basel Committee on Banking Supervision published the Liquidity Coverage Ratio in December 2010 as part of its Basel III regulatory capital rules and published a revised version of the Liquidity Coverage Ratio in January 2013 ("BCBS LCR").

In September 2014, the U.S. banking regulators adopted a final rule ("U.S. LCR") to implement the BCBS LCR for certain U.S. banking organizations ("Covered Companies"), including the Company and its U.S. Bank Subsidiary. The purpose of the LCR is to provide for the short-term resilience of the liquidity risk profile of banks and to allow regulators to monitor and respond to liquidity shortfalls.

The U.S. LCR requires Covered Companies to maintain on each business day an amount of high-quality liquid assets ("HQLA") that are unencumbered and controlled by the Covered Company's liquidity risk management function ("eligible HQLA") sufficient to meet their total stressed net cash outflows over a prospective 30 calendar-day period, as calculated in accordance with the U.S. LCR.

The Company is subject to the LCR requirements and to the public disclosure requirement on a consolidated basis. On a quarterly basis the Company is required to disclose the average daily LCR over the quarter. The Company also discloses quantitative and qualitative information over certain portions of the Company's LCR components.

As of January 1, 2017, the Company and its U.S. Bank Subsidiary are required to maintain a minimum of 100 percent of the fully phased-in U.S. LCR. The Company is in compliance with and above the 100 percent LCR requirement.

For a further discussion of the regulatory liquidity framework applicable to the Company, see "Management's Discussion and Analysis—Liquidity Risk Management" in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 ("Form 10-Q").

PRIMARY DRIVERS OF THE LCR

For the quarterly period ending March 31, 2023, the Company's average daily U.S. LCR was 118.4 percent. The Company's LCR can vary over time through a combination of structural balance sheet changes in both the overall amount and mix of its assets and liabilities; as well as movements in the market volatility that impact the fair value of the investment portfolio. The average daily U.S. LCR in the prior quarter was 122.1 percent. The primary drivers are a decrease in HQLA and a change in our funding composition, which includes short-term wholesale funding and client-driven markets activities.

On October 10, 2019, the Federal Reserve released a final rule relating to tailoring relief which included changes to applicability thresholds for regulatory capital and liquidity requirements. The final rule stipulates that excess liquidity on subsidiary LCR metrics cannot be included in the publicly disclosed metric. As such, the Company received modest LCR relief on the publicly disclosed metric, with most of the relief being recognized at the bank level, which is not publicly disclosed.

U.S. LCR QUANTITATIVE DISCLOSURE

The following table presents detail of the Company's quarterly average of daily LCR for the three months ended March 31, 2023. The LCR calculation is a regulatory prescribed methodology reflecting formulaic hypothetical changes in assets and liabilities that would impact a company's liquidity if they were to occur. The calculation is not necessarily a projection of the Company's liquidity in any particular stress environment.

	Period: January 1, 2023 to March 31, 2023 *$ in millions (unaudited)*	Average Unweighted Amount[1]	Average Weighted Amount[2]
	High-Quality Liquid Assets		
1	**Total eligible high-quality liquid assets (HQLA), of which:[2]**	**$ 162,519**	**$ 150,368**
2	Eligible level 1 liquid assets	81,511	81,511
3	Eligible level 2A liquid assets	81,007	68,856
4	Eligible level 2B liquid assets	-	-
	Cash Outflow Amounts		
5	**Deposit outflow from retail customers and counterparties, of which:**	**276,973**	**23,611**
6	Stable retail deposit outflow	146,791	4,404
7	Other retail funding outflow	87,791	8,779
8	Brokered deposit outflow	42,391	10,428
9	**Unsecured wholesale funding outflow, of which:**	**220,950**	**69,161**
10	Operational deposit outflow	146,791	36,092
11	Non-operational funding outflow	73,731	32,642
12	Unsecured debt outflow	428	428
13	**Secured wholesale funding and asset exchange outflow**	**26,218**	**9,034**
14	**Additional outflow requirements, of which:**	**208,650**	**31,633**
15	Outflow related to derivative exposures and other collateral requirements	4,649	4,610
16	Outflow related to credit and liquidity facilities including unconsolidated structured transactions and mortgage commitments	204,001	27,022
17	**Other contractual funding obligation outflow**	**737**	**737**
18	**Other contingent funding obligations outflow**	**31,280**	**938**
19	**Total Cash Outflow**	**$ 764,808**	**$ 135,115**
	Cash Inflow Amounts		
20	**Secured lending and asset exchange cash inflow**	**6,881**	**6,881**
21	**Retail cash inflow**	**1,585**	**793**
22	**Unsecured wholesale cash inflow**	**7,431**	**3,758**
23	**Other cash inflows, of which:**	**728**	**705**
24	Net derivative cash inflow	663	663
25	Securities cash inflow	42	42
26	Broker-dealer segregated account inflow	-	-
27	Other cash inflow	23	-
28	**Total Cash Inflow**	**$ 16,625**	**$ 12,137**

		Average Amount
29	**HQLA Amount[3]**	**$ 125,147**
30	**Total Net Cash Outflow Amount Excluding the Maturity Mismatch Add-On**	**$ 122,978**
31	**Maturity Mismatch Add-on**	**$ 1,362**
32	**Total Net Cash Outflow Amount**	**$ 124,339**
33	**Outflow Adjustment Percentage**	**85%**
34	**Total Adjusted Net Cash Outflow Amount**	**105,689**
35	**Liquidity Coverage Ratio**	**118.4%**

[1] Represents the average unweighted amount before applying regulatory prescribed HQLA haircuts and cash outflow and inflow rates. The Total Cash Outflow balance combines the Company's total deposit balances and off balance sheet commitments. In contrast, Total Cash Inflows is limited to the contractual 30-day inflows of the Company's earnings assets.

[2] Represents the average weighted amount after applying regulatory prescribed HQLA haircuts and cash outflow and inflow rates.

[3] HQLA figures exclude excess eligible HQLA held by the Company's bank subsidiaries that are disregarded for purposes of calculating the Company's eligible HQLA on a consolidated basis.

HIGH QUALITY LIQUID ASSET COMPOSITION

HQLA consists of assets that can be converted into cash easily and immediately to meet liquidity needs for a 30 calendar-day liquidity stress scenario.

The LCR classifies HQLA into three categories of assets: Level 1, Level 2A, and Level 2B liquid assets. The U.S. LCR provides that Level 1 liquid assets, which are the highest quality and most liquid assets, are included in a Covered Company's eligible HQLA without a limit and without haircuts.

The Company's eligible HQLA under the U.S. LCR does not include the Company's borrowing capacity at the Federal Reserve Bank of Cleveland, or at the Federal Home Loan Bank of Cincinnati. In practice, the Company could increase its HQLA, if necessary, by borrowing against its secured lines consistent with the collateralized borrowing agreement of those programs.

TOTAL NET CASH OUTFLOWS COMPOSITION

Total net cash outflow ("TNCO") relates primarily to the Company's deposit base, wholesale borrowings, off balance sheet commitments, and, to a more limited extent, its derivatives and secured lending activities.

A Covered Company's TNCO amount, which is the denominator of the U.S. LCR, is determined under the U.S. LCR by applying prescribed outflow and inflow rates, which reflect industry-wide stressed assumptions, against the balances of a Covered Company's funding sources, obligations, transactions, and assets over a prospective 30 calendar-day period. Inflows that can be included to offset outflows are limited to 75 percent of outflows to ensure that Covered Companies are maintaining sufficient on-balance sheet liquidity. The total net cash outflow calculation also includes an add-on calculation that takes into account the largest daily cash flow mismatch between certain outflows and inflows within a 30-day period. The inflow and outflow rates stipulated by the U.S. LCR rule may be materially different from what actual inflow and outflow rates would be under stress. As such, the LCR can be used as a comparable metric across Covered Companies but does not reflect internal assumptions relating to their liquidity profile.

CONCENTRATION OF FUNDING SOURCES

Deposits The Company has a stable and diversified deposit base made up of core consumer and wholesale customers that represents the primary source of funding for the Company. Deposits provide a sizeable source of relatively stable and low-cost funding, while reducing the Company's reliance on the wholesale funding markets.

Wholesale Funding The Company utilizes short-term borrowings as part of its asset/liability management and funding strategies. Short-term borrowings include federal funds purchased, commercial paper, repurchase agreements, borrowings secured by high-grade assets, and other short-term borrowings. Long-term funding consists primarily of medium-term notes issued from the Parent and bank notes and Federal Home Loan Bank advances issued through U.S. Bank National Association.

Short- and long-term wholesale funding are monitored through the Company's liquidity risk limit structure to ensure appropriate maturity laddering and funding source concentrations. The Company's issuance plan takes into account factors including liquidity requirements, capital, and interest rate risk.

DERIVATIVE EXPOSURES

The Company uses derivative instruments primarily to facilitate customer activity to manage their interest rate, currency, commodity, and other market risk exposures. In addition, the Company also uses derivatives to mitigate its market risk exposures. Derivative positions are collateralized and subject to both initial and variation margin. For LCR purposes, the Company's derivative exposure does not constitute a material portion of net outflows.

LIQUIDITY RISK MANAGEMENT FUNCTION

Liquidity Risk Management Maintaining an adequate level of liquidity depends on the Company's ability to efficiently meet both expected and unexpected cash flows and collateral needs without adversely affecting either daily operations or the financial condition of the Company.

To optimize liquidity sources and uses, the Company takes both the current liquidity profile and any potential changes over time into consideration while managing its liquidity and funding.

The Company maintains a liquidity position that is satisfactory to meet its cash and collateral obligations at a reasonable cost through normal economic cycles as well as during periods of stress. The Company's obligations, and the funding sources used to meet them, depend significantly on the management of business mix, balance-sheet structure, and the cash flow profiles of on- and off-balance sheet obligations.

Corporate Treasury and the business lines manage risk in conformity with established risk appetite, limits, and policy requirements. The Corporate Treasury group reports directly to the Chief Financial Officer's organization.

Independent Liquidity Risk Oversight The Company's Board 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 is the Corporate Treasury group and the business lines. 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.

Governance The Company's Board of Directors has approved a risk management framework which establishes governance and risk management requirements for all risk-taking activities. The Company's Board of Directors approves the Company's liquidity policy. The Risk Management Committee of the Company's Board of Directors oversees the Company's liquidity risk management process and approves the contingency funding plan. The Asset Liability Committee reviews the Company's liquidity policy and limits, and regularly assesses the Company's ability to meet funding requirements arising from adverse company-specific or market events.

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 U.S. Bancorp. 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 and MUFG Union Bank, N.A. ("MUB"), 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 ("FDIC") 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 U.S. Bancorp's Form 10-K for the year ended December 31, 2022, 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 U.S. Bancorp'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 U.S. Bancorp undertakes no obligation to update them in light of new information or future events.