



U.S. Bancorp Reports Third Quarter 2022 Results

- Net income of \$1.8 billion and record net revenue of \$6.3 billion
- Diluted earnings per common share of \$1.16 or \$1.18 as adjusted
- Return on average assets of 1.22% and return on average common equity of 15.8% or 1.24% and 16.2% as adjusted, respectively

3Q22 Key Financial Data

PROFITABILITY METRICS	3Q22	2Q22	3Q21
Return on average assets (%)	1.22	1.06	1.45
Return on average common equity (%)	15.8	13.9	15.9
Return on tangible common equity (%) (a)	21.0	18.6	20.2
Net interest margin (%)	2.83	2.59	2.53
Efficiency ratio (%) (a)	57.5	62.1	58.4
INCOME STATEMENT (b)	3Q22	2Q22	3Q21
Net interest income (taxable-equivalent basis)	\$3,857	\$3,464	\$3,197
Noninterest income	\$2,469	\$2,548	\$2,693
Net income attributable to U.S. Bancorp	\$1,812	\$1,531	\$2,028
Diluted earnings per common share	\$1.16	\$0.99	\$1.30
Dividends declared per common share	\$0.48	\$0.46	\$0.46
BALANCE SHEET (b)	3Q22	2Q22	3Q21
Average total loans	\$336,778	\$324,187	\$296,739
Average total deposits	\$456,769	\$456,516	\$431,487
Net charge-off ratio	.19%	.20%	.20%
Book value per common share (period end)	\$27.39	\$28.13	\$32.22
Basel III standardized CET1 (c)	9.7%	9.7%	10.2%

(a) See Non-GAAP Financial Measures reconciliation on page 17

(b) Dollars in millions, except per share data

(c) CET1 = Common equity tier 1 capital ratio

3Q22 Highlights

- Net income of \$1,812 million and diluted earnings per common share of \$1.16 as reported, \$1.18 excluding merger and integration-related charges
- Net revenue of \$6,326 million including \$3,857 million of net interest income and \$2,469 million of noninterest income
- Merger and integration-related charges of \$42 million (\$33 million net of tax or \$(0.02) per diluted common share) associated with the planned acquisition of MUFG Union Bank
- Return on average assets of 1.22% and return on average common equity of 15.8%. Excluding merger and integration-related charges, net income of \$1,845 million, return on average assets of 1.24% and return on average common equity of 16.2%
- On a taxable-equivalent basis, net interest income increased 20.6 percent year-over-year and 11.3 percent linked quarter due to the impact of rising interest rates on earning assets, partially offset by deposit pricing
- Average total loan growth of 13.5% year-over-year and 3.9% on a linked quarter basis
- Average total deposit growth of 5.9% year-over-year and 0.1% on a linked quarter basis
- Net charge-off ratio of 0.19% in 3Q22 compared with 0.20% in 2Q22 and in 3Q21
- CET1 capital ratio of 9.7% at September 30, 2022, and at June 30, 2022

CEO Commentary

"In the third quarter we earned \$1.8 billion in net income with net revenue of \$6.3 billion and a return on tangible common equity of 21.0% on a reported basis. Results were driven by strong growth in net interest income supported by loan and deposit growth and the benefit of higher interest rates. Our fee businesses continued to benefit from good underlying consumer and business conditions as well as new business and deepening of relationships. Credit quality remains strong and in the third quarter our net charge-off ratio improved on both a sequential and year over year basis. While credit continues to perform well, our consistently strong underwriting and credit risk management practices prepare us well for any change in the business cycle. We continue to focus on maintaining a healthy balance sheet and strong capital and liquidity positions. Given the uncertain economic environment, we are preparing for a range of possible outcomes and will continue to manage the bank in a prudent, disciplined manner. I want to thank our employees for their dedication to helping our clients, communities and shareholders."

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

In the Spotlight

U.S. Bank and Elavon launch talech Register for Small Businesses

Elavon, a wholly-owned subsidiary of U.S. Bank, recently launched talech Register, a next generation, all-in-one payments and business analytics platform that empowers small business owners to better manage their operations. The point-of-sale platform combines unique, pay-as-you-go pricing and ease-of use to support modern small business owners. talech Register brings the simplicity, convenience and efficiency of the talech software platform to the point of sale for small business owners.

U.S. Bank Invests in Green Energy Initiatives

The U.S. Bank Foundation will invest \$1 million in green energy initiatives through its annual Market Impact Grant program. The funding will support a variety of organizations and programs in low-to-moderate income communities across the country with an emphasis on supporting people of color and women. Additionally, our Community Development business has invested approximately \$2.2 billion in renewable energy projects since the beginning of the year in support of green energy initiatives.

Access Commitment Expands to the Hispanic and Latinx Community

U.S. Bank recently announced an investment in the Smithsonian's National Museum of the American Latino in Washington D.C. The museum is the cornerstone to learn how Latinos have contributed to U.S. art, history, culture and science. The investment is part of U.S. Bank Access Commitment, the bank's long-term approach to building wealth, redefining how we serve diverse communities and creating more opportunities for employees.

One of the Best Companies for Working Parents

Seramount, formerly Working Mother, ranked U.S. Bank as one of the 100 Best Companies for working parents based on the company's programs and benefits, including parental leave, fertility benefits, adoption benefits, caregiver benefits, mentoring and opportunities for advancement. This is the third consecutive year U.S. Bank has won this honor, which underscores how U.S. Bank puts people first by continuously looking for ways to better support employees.



INCOME STATEMENT HIGHLIGHTS								
(\$ in millions, except per-share data)								
	3Q 2022	2Q 2022	3Q 2021	Percent Change		YTD 2022	YTD 2021	Percent Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Net interest income	\$3,827	\$3,435	\$3,171	11.4	20.7	\$10,435	\$9,371	11.4
Taxable-equivalent adjustment	30	29	26	3.4	15.4	86	79	8.9
Net interest income (taxable-equivalent basis)	3,857	3,464	3,197	11.3	20.6	10,521	9,450	11.3
Noninterest income	2,469	2,548	2,693	(3.1)	(8.3)	7,413	7,693	(3.6)
Total net revenue	6,326	6,012	5,890	5.2	7.4	17,934	17,143	4.6
Noninterest expense before merger and integration	3,595	3,527	3,429	1.9	4.8	10,624	10,195	4.2
Merger and integration charges	42	197	--	(78.7)	nm	239	--	nm
Total noninterest expense	3,637	3,724	3,429	(2.3)	6.1	10,863	10,195	6.6
Income before provision and income taxes	2,689	2,288	2,461	17.5	9.3	7,071	6,948	1.8
Provision for credit losses	362	311	(163)	16.4	nm	785	(1,160)	nm
Income before taxes	2,327	1,977	2,624	17.7	(11.3)	6,286	8,108	(22.5)
Income taxes and taxable-equivalent adjustment	511	443	590	15.3	(13.4)	1,378	1,801	(23.5)
Net income	1,816	1,534	2,034	18.4	(10.7)	4,908	6,307	(22.2)
Net (income) loss attributable to noncontrolling interests	(4)	(3)	(6)	(33.3)	33.3	(8)	(17)	52.9
Net income attributable to U.S. Bancorp	\$1,812	\$1,531	\$2,028	18.4	(10.7)	\$4,900	\$6,290	(22.1)
Net income applicable to U.S. Bancorp common shareholders	\$1,718	\$1,464	\$1,934	17.3	(11.2)	\$4,648	\$6,023	(22.8)
Diluted earnings per common share	\$1.16	\$0.99	\$1.30	17.2	(10.8)	\$3.13	\$4.04	(22.5)

Net income attributable to U.S. Bancorp was \$1,812 million for the third quarter of 2022, which was \$216 million lower than the \$2,028 million for the third quarter of 2021, and \$281 million higher than the \$1,531 million for the second quarter of 2022. Diluted earnings per common share was \$1.16 in the third quarter of 2022, compared with \$1.30 in the third quarter of 2021 and \$0.99 in the second quarter of 2022. The third quarter of 2022 included \$(0.02) per diluted common share of merger and integration-related charges associated with the planned acquisition of MUFG Union Bank compared with \$(0.10) per diluted common share of merger and integration-related charges in the second quarter of 2022.

The decrease in net income year-over-year was primarily due to a higher provision for credit losses, driven by strong loan growth and increasing economic uncertainty, and merger and integration-related charges linked to the planned acquisition of MUFG Union Bank. Pretax income before the provision for credit losses and excluding merger and integration-related charges increased 11.0 percent compared with a year ago. Net interest income increased 20.6 percent on a year-over-year taxable-equivalent basis due to the impact of rising interest rates on earning assets and strong growth in loan and investment securities balances, partially offset by deposit pricing, funding mix and lower loan fees driven by the impact of loan forgiveness related to the SBA Paycheck Protection Program ("PPP") in the prior year quarter. The net interest margin increased to 2.83 percent in the current quarter from 2.53 percent in the third quarter of 2021 primarily due to the impact of higher rates on earning assets, partially offset by deposit pricing and short-term borrowing costs. Noninterest income decreased 8.3 percent compared with a year ago reflecting lower mortgage banking revenue driven by a decline in refinancing activities, partially offset by higher payment services revenue and trust and investment management fees. Excluding merger and integration-related charges, noninterest expense increased 4.8 percent reflecting increases in compensation expense, employee benefits expense, net occupancy and equipment expense, marketing and business development expense and other noninterest expense. Provision for credit losses reflected a reserve build in the third quarter of 2022 as compared with a reserve release in the third quarter of 2021, primarily driven by loan growth and increasing economic uncertainty.



Net income increased on a linked quarter basis driven by higher net interest income and lower merger and integration-related charges, partially offset by lower noninterest income and higher provision for credit losses. Net interest income increased 11.3 percent on a taxable-equivalent basis primarily due to the impact of rising interest rates on earning assets, strong loan growth and one more day in the quarter, partially offset by deposit pricing and short-term borrowing costs. The net interest margin increased on a linked quarter basis reflecting the impact of rising interest rates and reinvestment yields in the investment portfolio, partially offset by deposit pricing and short-term borrowing costs. Noninterest income decreased 3.1 percent compared with the second quarter of 2022 driven by lower mortgage banking revenue consistent with industry trends, lower payment services revenue being impacted by seasonality and foreign currency exchange rates in Europe, a decline in treasury management fees due to rising rates and lower government transaction processing and lower gains on the sale of securities, partially offset by higher other noninterest income. Excluding merger and integration-related charges, noninterest expense increased 1.9 percent on a linked quarter basis reflecting slightly higher compensation expense, professional services expense, and marketing and business development expense. Provision for credit losses increased 16.4 percent on a linked quarter basis driven by strong loan growth and increasing economic uncertainty.



NET INTEREST INCOME								
(Taxable-equivalent basis; \$ in millions)								
	3Q 2022	2Q 2022	3Q 2021	Change		YTD 2022	YTD 2021	Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Components of net interest income								
Income on earning assets	\$4,759	\$3,854	\$3,435	\$905	\$1,324	\$12,058	\$10,211	\$1,847
Expense on interest-bearing liabilities	902	390	238	512	664	1,537	761	776
Net interest income	\$3,857	\$3,464	\$3,197	\$393	\$660	\$10,521	\$9,450	\$1,071
Average yields and rates paid								
Earning assets yield	3.50%	2.88%	2.72%	.62%	.78%	3.00%	2.72%	.28%
Rate paid on interest-bearing liabilities	.89	.40	.27	.49	.62	.53	.28	.25
Gross interest margin	2.61%	2.48%	2.45%	.13%	.16%	2.47%	2.44%	.03%
Net interest margin	2.83%	2.59%	2.53%	.24%	.30%	2.62%	2.52%	.10%
Average balances								
Investment securities (a)	\$164,851	\$171,296	\$151,755	\$(6,445)	\$13,096	\$170,267	\$152,653	\$17,614
Loans	336,778	324,187	296,739	12,591	40,039	324,731	295,014	29,717
Interest-bearing deposits with banks	29,130	31,116	40,710	(1,986)	(11,580)	30,030	37,947	(7,917)
Earning assets	541,666	536,761	503,325	4,905	38,341	536,131	500,616	35,515
Interest-bearing liabilities	403,573	390,373	353,129	13,200	50,444	390,816	356,731	34,085
(a) Excludes unrealized gain (loss)								

Net interest income on a taxable-equivalent basis in the third quarter of 2022 was \$3,857 million, an increase of \$660 million (20.6 percent) over the third quarter of 2021. The increase was primarily due to the impact of rising interest rates on earning assets and strong growth in loan and investment securities balances, partially offset by deposit pricing, lower loan fees related to the forgiveness of PPP loans from a year ago, and funding mix. Average earning assets were \$38.3 billion (7.6 percent) higher than the third quarter of 2021, reflecting increases of \$40.0 billion (13.5 percent) in average total loans and \$13.1 billion (8.6 percent) in average investment securities, while average interest-bearing deposits with banks decreased \$11.6 billion (28.4 percent). The increase in average investment securities year-over-year was primarily due to purchases of mortgage-backed and U.S. Treasury securities, net of prepayments, sales and maturities.

Net interest income on a taxable-equivalent basis increased \$393 million (11.3 percent) on a linked quarter basis primarily due to the impact of rising interest rates on earning assets, strong loan growth and one more day in the quarter, partially offset by deposit pricing and short-term borrowing costs. Average earning assets were \$4.9 billion (0.9 percent) higher on a linked quarter basis, reflecting an increase of \$12.6 billion (3.9 percent) in average loans partially offset by decreases of \$6.4 billion (3.8 percent) in average investment securities and \$2.0 billion (6.4 percent) in average interest-bearing deposits with banks. The decrease in average investment securities on a linked quarter basis was primarily due to prepayments, sales and maturities, net of purchases.

The net interest margin in the third quarter of 2022 was 2.83 percent, compared with 2.53 percent in the third quarter of 2021 and 2.59 percent in the second quarter of 2022. The increase in the net interest margin from the prior year was primarily due to the impact of higher rates on earning assets, partially offset by deposit pricing and short-term borrowing costs. The increase in the net interest margin on a linked quarter basis reflected the impact of rising interest rates and reinvestment yields in the investment portfolio, partially offset by deposit pricing and short-term borrowing costs.



AVERAGE LOANS								
(\$ in millions)								
	3Q 2022	2Q 2022	3Q 2021	Percent Change		YTD 2022	YTD 2021	Percent Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Commercial	\$123,745	\$115,758	\$96,673	6.9	28.0	\$115,832	\$97,047	19.4
Lease financing	4,774	4,899	5,159	(2.6)	(7.5)	4,891	5,251	(6.9)
Total commercial	128,519	120,657	101,832	6.5	26.2	120,723	102,298	18.0
Commercial mortgages	30,002	29,676	28,080	1.1	6.8	29,506	27,923	5.7
Construction and development	10,008	9,841	10,841	1.7	(7.7)	10,035	10,834	(7.4)
Total commercial real estate	40,010	39,517	38,921	1.2	2.8	39,541	38,757	2.0
Residential mortgages	84,018	80,228	74,104	4.7	13.4	80,589	74,215	8.6
Credit card	24,105	22,748	21,905	6.0	10.0	22,907	21,391	7.1
Retail leasing	6,259	6,708	7,643	(6.7)	(18.1)	6,689	7,829	(14.6)
Home equity and second mortgages	11,142	10,726	10,936	3.9	1.9	10,757	11,451	(6.1)
Other	42,725	43,603	41,398	(2.0)	3.2	43,525	39,073	11.4
Total other retail	60,126	61,037	59,977	(1.5)	.2	60,971	58,353	4.5
Total loans	\$336,778	\$324,187	\$296,739	3.9	13.5	\$324,731	\$295,014	10.1

Average total loans for the third quarter of 2022 were \$40.0 billion (13.5 percent) higher than the third quarter of 2021. The increase was primarily due to growth in commercial loans (26.2 percent), residential mortgages (13.4 percent) and credit card loans (10.0 percent), partially offset by lower retail leasing balances (18.1 percent). The increase in commercial loans was due to higher utilization driven by working capital needs of corporate customers, slower pay-offs given higher volatility in the capital markets and core growth, partly offset by reductions related to the forgiveness of PPP loans. The increase in residential mortgages was driven by on-balance sheet loan activities and slower refinance activity.

Average total loans were \$12.6 billion (3.9 percent) higher than the second quarter of 2022 primarily due to higher commercial loans (6.5 percent) driven by new business and higher utilization, higher residential mortgages (4.7 percent) and higher credit card loans (6.0 percent).



AVERAGE DEPOSITS								
(\$ in millions)								
	3Q 2022	2Q 2022	3Q 2021	Percent Change		YTD 2022	YTD 2021	Percent Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Noninterest-bearing deposits	\$114,044	\$120,827	\$129,018	(5.6)	(11.6)	\$120,893	\$124,262	(2.7)
Interest-bearing savings deposits								
Interest checking	113,364	116,878	103,036	(3.0)	10.0	115,095	101,280	13.6
Money market savings	125,389	123,788	112,543	1.3	11.4	122,943	116,968	5.1
Savings accounts	67,782	68,127	63,387	(.5)	6.9	67,632	61,462	10.0
Total savings deposits	306,535	308,793	278,966	(.7)	9.9	305,670	279,710	9.3
Time deposits	36,190	26,896	23,503	34.6	54.0	29,266	25,067	16.8
Total interest-bearing deposits	342,725	335,689	302,469	2.1	13.3	334,936	304,777	9.9
Total deposits	\$456,769	\$456,516	\$431,487	.1	5.9	\$455,829	\$429,039	6.2

Average total deposits for the third quarter of 2022 were \$25.3 billion (5.9 percent) higher than the third quarter of 2021. Average noninterest-bearing deposits decreased \$15.0 billion (11.6 percent) primarily within Corporate and Commercial Banking, Consumer and Business Banking and Payment Services. Average total savings deposits were \$27.6 billion (9.9 percent) higher year-over-year driven by Corporate and Commercial Banking and Consumer and Business Banking. Average time deposits were \$12.7 billion (54.0 percent) higher than the prior year primarily within Corporate and Commercial Banking, partially offset by a decrease in Consumer and Business Banking. Changes in time deposits are primarily related to those deposits managed as an alternative to other funding sources, based largely on relative pricing and liquidity characteristics.

Average total deposits grew \$253 million (0.1 percent) from the second quarter of 2022. On a linked quarter basis, average noninterest-bearing deposits were lower by \$6.8 billion (5.6 percent) primarily within Corporate and Commercial Banking and Wealth Management and Investment Services. Average total savings deposits decreased \$2.3 billion (0.7 percent) driven by Corporate and Commercial Banking and Consumer and Business Banking. Average time deposits were \$9.3 billion (34.6 percent) higher on a linked quarter basis primarily within Corporate and Commercial Banking. Changes in time deposits are primarily related to those deposits managed as an alternative to other funding sources, based largely on relative pricing and liquidity characteristics.



NONINTEREST INCOME								
(\$ in millions)								
	3Q 2022	2Q 2022	3Q 2021	Percent Change		YTD 2022	YTD 2021	Percent Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Credit and debit card revenue	\$391	\$399	\$393	(2.0)	(.5)	\$1,128	\$1,125	.3
Corporate payment products revenue	190	172	156	10.5	21.8	520	420	23.8
Merchant processing services	406	425	392	(4.5)	3.6	1,194	1,084	10.1
Trust and investment management fees	572	566	459	1.1	24.6	1,638	1,349	21.4
Deposit service charges	166	165	194	.6	(14.4)	508	531	(4.3)
Treasury management fees	151	169	155	(10.7)	(2.6)	476	462	3.0
Commercial products revenue	285	290	277	(1.7)	2.9	841	837	.5
Mortgage banking revenue	81	142	418	(43.0)	(80.6)	423	1,063	(60.2)
Investment products fees	56	59	62	(5.1)	(9.7)	177	177	--
Securities gains (losses), net	1	19	20	(94.7)	(95.0)	38	88	(56.8)
Other	170	142	167	19.7	1.8	470	557	(15.6)
Total noninterest income	\$2,469	\$2,548	\$2,693	(3.1)	(8.3)	\$7,413	\$7,693	(3.6)

Third quarter noninterest income of \$2,469 million was \$224 million (8.3 percent) lower than the third quarter of 2021 reflecting lower mortgage banking revenue, deposit service charges and securities gains, partially offset by stronger payment services revenue and trust and investment management fees. Mortgage banking revenue decreased \$337 million (80.6 percent) reflecting lower application volume, given declining refinance activities experienced in the mortgage industry, lower related gain on sale margins and fewer sales of performing loans. Deposit services charges decreased \$28 million (14.4 percent) primarily due to the impact of the elimination of certain consumer NSF fees in the first quarter of 2022. Partially offsetting these decreases, payment services revenue increased \$46 million (4.9 percent) compared with the third quarter of 2021 as corporate payment products revenue increased \$34 million (21.8 percent) driven by improving business spending across all product groups while merchant processing services revenue increased \$14 million (3.6 percent) driven by higher sales volume and higher merchant fees. Given recent uncertainties in Europe, the US dollar has strengthened considerably compared to European currencies. Adjusted for the impact of foreign currency rate changes, year-over-year merchant processing services revenue increased approximately 9.4 percent. Trust and investment management fees increased \$113 million (24.6 percent) driven by lower money market fund fee waivers, activity related to the fourth quarter of 2021 acquisition of PFM Asset Management LLC ("PFM") and core business growth, partially offset by unfavorable market conditions.

Noninterest income was \$79 million (3.1 percent) lower in the third quarter of 2022 compared with the second quarter of 2022 reflecting lower mortgage banking revenue, payment services revenue, treasury management fees and gains on the sale of securities, partially offset by higher other noninterest income. Mortgage banking revenue decreased \$61 million (43.0 percent) reflecting lower volumes of performing loan sales and a decrease in the fair value of mortgage servicing rights, net of hedging activities. Payment services revenue decreased \$9 million (0.9 percent). Credit and debit card revenue decreased \$8 million (2.0 percent) due to lower sales volume and rate. Merchant processing services revenue decreased \$18 million (4.5 percent) due to the impact of foreign currency exchange rates as well as lower interchange rates. The declines in these payment services revenue categories were partially offset by stronger corporate payment products revenue which increased \$18 million (10.5 percent) primarily due to continued strengthening of business activities and seasonality of government spending. Treasury management fees decreased \$18 million (10.7 percent) driven by seasonally lower IRS processing volumes and the impact of earnings credits during a period of rising interest rates. Partially offsetting these decreases, other noninterest income increased \$28 million (19.7 percent) due to higher tax-advantaged investment syndication revenue and gains on the sale of certain assets.



NONINTEREST EXPENSE								
(\$ in millions)								
	3Q 2022	2Q 2022	3Q 2021	Percent Change		YTD 2022	YTD 2021	Percent Change
				3Q22 vs 2Q22	3Q22 vs 3Q21			
Compensation	\$1,891	\$1,872	\$1,847	1.0	2.4	\$5,616	\$5,448	3.1
Employee benefits	369	374	336	(1.3)	9.8	1,139	1,057	7.8
Net occupancy and equipment	272	265	259	2.6	5.0	806	780	3.3
Professional services	131	111	126	18.0	4.0	356	332	7.2
Marketing and business development	126	106	99	18.9	27.3	312	237	31.6
Technology and communications	355	350	361	1.4	(1.7)	1,054	1,082	(2.6)
Postage, printing and supplies	72	69	69	4.3	4.3	213	203	4.9
Other intangibles	43	40	41	7.5	4.9	130	119	9.2
Other	336	340	291	(1.2)	15.5	998	937	6.5
Total before merger and integration	3,595	3,527	3,429	1.9	4.8	10,624	10,195	4.2
Merger and integration charges	42	197	--	(78.7)	nm	239	--	nm
Total noninterest expense	\$3,637	\$3,724	\$3,429	(2.3)	6.1	\$10,863	\$10,195	6.6

Third quarter noninterest expense of \$3,637 million was \$208 million (6.1 percent) higher than the third quarter of 2021. Included in the third quarter of 2022 were merger and integration-related charges associated with the planned acquisition of MUFG Union Bank of \$42 million. Excluding merger and integration-related charges, third quarter noninterest expense increased \$166 million (4.8 percent) compared with the third quarter of 2021 reflecting increases in compensation expense, employee benefits expense, net occupancy and equipment expense, marketing and business development expense and other noninterest expense. Compensation expense increased \$44 million (2.4 percent) compared with the third quarter of 2021 primarily due to merit and hiring to support business growth, partially offset by lower performance-based incentives and variable compensation. Employee benefits expense increased \$33 million (9.8 percent) driven by higher post-pandemic medical claims expense compared with the third quarter of 2021. Net occupancy and equipment expense increased \$13 million (5.0 percent) to support business growth. Marketing and business development expense increased \$27 million (27.3 percent) due to the timing of marketing campaigns as well as increased travel and entertainment. Other noninterest expense increased \$45 million (15.5 percent) due to accruals related to future delivery exposures for merchant and airline processing as processing volumes recover, FDIC insurance expense driven by an increase in the assessment base and rate and other accrued liabilities, partially offset by lower other expenses related to the decline in mortgage production.

Noninterest expense decreased \$87 million (2.3 percent) on a linked quarter basis. Excluding merger and integration-related charges of \$42 million in the third quarter of 2022 and \$197 million in the second quarter of 2022, third quarter noninterest expense increased \$68 million (1.9 percent) reflecting higher compensation expense, professional services expense, and marketing and business development expense. Compensation expense increased \$19 million (1.0 percent) primarily due to the number of payroll days in the quarter along with higher performance-based incentives, partially offset by lower variable compensation. Professional services expense increased \$20 million (18.0 percent) primarily due to the timing of initiatives in the third quarter of 2022. Marketing and business development expense increased \$20 million (18.9 percent) due to brand advertising and the timing of marketing campaigns.

Provision for Income Taxes

The provision for income taxes for the third quarter of 2022 resulted in a tax rate of 22.0 percent on a taxable-equivalent basis (effective tax rate of 20.9 percent), compared with 22.5 percent on a taxable-equivalent basis (effective tax rate of 21.7 percent) in the third quarter of 2021, and a tax rate of 22.4 percent on a taxable-equivalent basis (effective tax rate of 21.3 percent) in the second quarter of 2022.



ALLOWANCE FOR CREDIT LOSSES										
(\$ in millions)										
	3Q		2Q		1Q		4Q		3Q	
	2022	% (a)	2022	% (a)	2022	% (a)	2021	% (a)	2021	% (a)
Balance, beginning of period	\$6,255		\$6,105		\$6,155		\$6,300		\$6,610	
Net charge-offs										
Commercial	24	.08	28	.10	26	.10	6	.02	13	.05
Lease financing	3	.25	2	.16	6	.49	--	--	1	.08
Total commercial	27	.08	30	.10	32	.12	6	.02	14	.05
Commercial mortgages	(6)	(.08)	(2)	(.03)	--	--	(3)	(.04)	1	.01
Construction and development	--	--	8	.33	(5)	(.20)	(1)	(.04)	12	.44
Total commercial real estate	(6)	(.06)	6	.06	(5)	(.05)	(4)	(.04)	13	.13
Residential mortgages	(5)	(.02)	(9)	(.04)	(6)	(.03)	(7)	(.04)	(10)	(.05)
Credit card	119	1.96	118	2.08	112	2.08	109	1.93	111	2.01
Retail leasing	1	.06	--	--	1	.06	1	.05	1	.05
Home equity and second mortgages	(2)	(.07)	(3)	(.11)	(2)	(.08)	(2)	(.08)	(3)	(.11)
Other	28	.26	19	.17	30	.27	29	.27	21	.20
Total other retail	27	.18	16	.11	29	.19	28	.18	19	.13
Total net charge-offs	162	.19	161	.20	162	.21	132	.17	147	.20
Provision for credit losses	362		311		112		(13)		(163)	
Balance, end of period	<u>\$6,455</u>		<u>\$6,255</u>		<u>\$6,105</u>		<u>\$6,155</u>		<u>\$6,300</u>	
Components										
Allowance for loan losses	\$6,017		\$5,832		\$5,664		\$5,724		\$5,792	
Liability for unfunded credit commitments	438		423		441		431		508	
Total allowance for credit losses	<u>\$6,455</u>		<u>\$6,255</u>		<u>\$6,105</u>		<u>\$6,155</u>		<u>\$6,300</u>	
Gross charge-offs	\$275		\$276		\$280		\$254		\$266	
Gross recoveries	\$113		\$115		\$118		\$122		\$119	
Allowance for credit losses as a percentage of										
Period-end loans	1.88		1.88		1.91		1.97		2.12	
Nonperforming loans	1,025		863		798		738		695	
Nonperforming assets	953		812		753		701		667	

(a) Annualized and calculated on average loan balances



The Company's provision for credit losses for the third quarter of 2022 was \$362 million, compared with a provision of \$311 million in the second quarter of 2022 and a credit benefit of \$163 million in the third quarter of 2021. The level of the provision compared with a year ago is driven by strong loan growth and changing economic conditions. During 2021, factors affecting economic conditions, including government stimulus and declining impacts from the pandemic in the U.S., contributed to economic improvement and related reserve releases. The consumer portfolio continues to benefit from strong credit quality and asset values, while select commercial portfolios continue to recover from the effects of the pandemic. In 2022, economic uncertainty and recession risk have been increasing due to ongoing supply chain challenges, rising inflationary concerns, market volatility, rising oil prices from the Russia-Ukraine conflict and pressure on corporate earnings related to these factors. In addition to these factors, expected loss estimates consider various factors including customer specific information impacting changes in risk ratings, projected delinquencies, potential effects of inflationary pressures and the impact of rising interest rates on borrowers' liquidity and ability to repay. Generally, these credit quality factors continue to be relatively stable despite the changing economic outlook.

Total net charge-offs in the third quarter of 2022 were \$162 million, compared with \$161 million in the second quarter of 2022 and \$147 million in the third quarter of 2021. The net charge-off ratio was 0.19 percent in the third quarter of 2022, compared with 0.20 percent in the second quarter of 2022 and in the third quarter of 2021. Net charge-offs increased \$1 million (0.6 percent) compared with the second quarter of 2022. Net charge-offs increased \$15 million (10.2 percent) compared with the third quarter of 2021, reflecting higher charge-offs in total commercial loans, credit cards and other retail portfolios, partially offset by a decrease in total commercial real estate loan charge-offs.

The allowance for credit losses was \$6,455 million at September 30, 2022, compared with \$6,255 million at June 30, 2022, and \$6,300 million at September 30, 2021. The increase on a linked quarter basis was driven by continued strong loan growth and economic uncertainty. The ratio of the allowance for credit losses to period-end loans was 1.88 percent at September 30, 2022, compared with 1.88 percent at June 30, 2022, and 2.12 percent at September 30, 2021. The ratio of the allowance for credit losses to nonperforming loans was 1,025 percent at September 30, 2022, compared with 863 percent at June 30, 2022, and 695 percent at September 30, 2021.

Nonperforming assets were \$677 million at September 30, 2022, compared with \$770 million at June 30, 2022, and \$944 million at September 30, 2021. The ratio of nonperforming assets to loans and other real estate was 0.20 percent at September 30, 2022, compared with 0.23 percent at June 30, 2022, and 0.32 percent at September 30, 2021. The year-over-year and linked quarter decreases in nonperforming assets reflected decreases across all loan categories with the largest drivers in total commercial and total commercial real estate nonperforming loans. Accruing loans 90 days or more past due were \$393 million at September 30, 2022, compared with \$423 million at June 30, 2022, and \$385 million at September 30, 2021.



DELINQUENT LOAN RATIOS AS A PERCENT OF ENDING LOAN BALANCES					
(Percent)	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
	2022	2022	2022	2021	2021

Delinquent loan ratios - 90 days or more past due excluding nonperforming loans					
Commercial	.03	.07	.06	.04	.04
Commercial real estate	.05	.01	--	.03	.05
Residential mortgages	.10	.12	.18	.24	.15
Credit card	.74	.69	.74	.73	.66
Other retail	.11	.10	.11	.11	.11
Total loans	.11	.13	.14	.15	.13
Delinquent loan ratios - 90 days or more past due including nonperforming loans					
Commercial	.12	.19	.21	.20	.25
Commercial real estate	.46	.53	.55	.76	.82
Residential mortgages	.35	.40	.45	.53	.47
Credit card	.74	.69	.74	.73	.66
Other retail	.32	.35	.37	.35	.36
Total loans	.30	.35	.38	.42	.43

ASSET QUALITY (a)

(\$ in millions)	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
	2022	2022	2022	2021	2021
Nonperforming loans					
Commercial	\$92	\$116	\$139	\$139	\$179
Lease financing	30	32	35	35	37
Total commercial	122	148	174	174	216
Commercial mortgages	110	147	178	213	215
Construction and development	57	59	38	71	81
Total commercial real estate	167	206	216	284	296
Residential mortgages	211	223	214	226	237
Credit card	--	--	--	--	--
Other retail	130	148	161	150	157
Total nonperforming loans	630	725	765	834	906
Other real estate	24	23	23	22	17
Other nonperforming assets	23	22	23	22	21
Total nonperforming assets	\$677	\$770	\$811	\$878	\$944
Accruing loans 90 days or more past due	\$393	\$423	\$450	\$472	\$385
Nonperforming assets to loans plus ORE (%)	.20	.23	.25	.28	.32

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



COMMON SHARES					
(Millions)	3Q 2022	2Q 2022	1Q 2022	4Q 2021	3Q 2021
Beginning shares outstanding	1,486	1,486	1,484	1,483	1,483
Shares issued for stock incentive plans, acquisitions and other corporate purposes	--	--	3	1	--
Shares repurchased	--	--	(1)	--	--
Ending shares outstanding	1,486	1,486	1,486	1,484	1,483

CAPITAL POSITION					
(\$ in millions)	Sep 30 2022	Jun 30 2022	Mar 31 2022	Dec 31 2021	Sep 30 2021
Total U.S. Bancorp shareholders' equity	\$47,513	\$48,605	\$51,200	\$54,918	\$53,743
Basel III Standardized Approach (a)					
Common equity tier 1 capital	\$44,094	\$42,944	\$41,950	\$41,701	\$41,014
Tier 1 capital	51,346	50,195	49,198	48,516	47,426
Total risk-based capital	60,738	58,307	57,403	56,250	54,178
Common equity tier 1 capital ratio	9.7 %	9.7 %	9.8 %	10.0 %	10.2 %
Tier 1 capital ratio	11.2	11.4	11.5	11.6	11.7
Total risk-based capital ratio	13.3	13.2	13.4	13.4	13.4
Leverage ratio	8.7	8.6	8.6	8.6	8.7
Tangible common equity to tangible assets (b)	5.2	5.5	6.0	6.8	6.8
Tangible common equity to risk-weighted assets (b)	6.7	7.2	8.0	9.2	9.4
Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (b)	9.4	9.4	9.5	9.6	9.7

(a) Amounts and ratios calculated in accordance with transitional regulatory requirements related to the current expected credit losses methodology
 (b) See Non-GAAP Financial Measures reconciliation on page 17

Total U.S. Bancorp shareholders' equity was \$47.5 billion at September 30, 2022, compared with \$48.6 billion at June 30, 2022, and \$53.7 billion at September 30, 2021. The Company suspended all common stock repurchases at the beginning of the third quarter of 2021, except for those done exclusively in connection with its stock-based compensation programs, due to its pending acquisition of MUFG Union Bank's core regional banking franchise. The Company's target CET1 capital ratio is 8.5 percent. Based on interest rates as of October 13th our CET1 ratio at the close of the acquisition would approximate 8.3 percent. We expect the CET1 ratio to increase toward 9.0 percent as the purchase accounting valuation adjustments accrete into capital through earnings. The Company does not expect to commence repurchasing its common stock until after the acquisition closes and its CET1 ratio approximates 9.0 percent.

All regulatory ratios continue to be in excess of "well-capitalized" requirements. The common equity tier 1 capital to risk-weighted assets ratio using the Basel III standardized approach was 9.7 percent at September 30, 2022, and at June 30, 2022, compared with 10.2 percent at September 30, 2021. The Company's common equity tier 1 capital to risk-weighted assets ratio, reflecting the full implementation of the current expected credit losses methodology was 9.4 percent at September 30, 2022, and at June 30, 2022, compared with 9.7 percent at September 30, 2021.



MUFG Union Bank Acquisition

In September 2021, U.S. Bancorp announced that it had entered into a definitive acquisition agreement to acquire the core regional banking franchise of MUFG Union Bank, N.A. Closing of the transaction is subject to customary closing conditions, including regulatory approvals which are not within U.S. Bancorp's control. The parties continue to make significant progress in planning for closing and integration while awaiting regulatory approvals. At this time, U.S. Bancorp continues to expect to receive U.S. regulatory approvals in time for closing to occur in the fourth quarter of 2022. However, U.S. Bancorp no longer expects system integration will be able to occur in 2022 and currently expects it will occur in the first half of 2023.

Investor Conference Call

On Friday, October 14, 2022 at 8 a.m. CT, Chairman, President and Chief Executive Officer Andy Cecere and Vice Chair and Chief Financial Officer Terry Dolan will host a conference call to review the financial results. The live conference call will be available online or by telephone. To access the webcast and presentation, visit the U.S. Bancorp website at usbank.com and click on "About Us", "Investor Relations" and "Webcasts & Presentations." To access the conference call from locations within the United States and Canada, please dial 877-692-8955. Participants calling from outside the United States and Canada, please dial 234-720-6979. The PIN code for all participants is 6030554. For those unable to participate during the live call, a replay will be available at approximately 11 a.m. CT on Friday, October 14, 2022. To access the replay, please visit the U.S. Bancorp website at usbank.com and click on "About Us", "Investor Relations" and "Webcasts & Presentations."

About U.S. Bancorp

U.S. Bancorp, with approximately 70,000 employees and \$601 billion in assets as of September 30, 2022, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. The company has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2022 World's Most Ethical Companies and Fortune's most admired superregional bank. Learn more at usbank.com/about.

Forward-looking Statements

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

This press release contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements 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, including the following risks and uncertainties and the risks and uncertainties more fully discussed in the section entitled "Risk Factors" of Exhibit 13 to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2021, which could cause actual results to differ materially from those anticipated. Deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility. In addition, changes to statutes, regulations, or regulatory policies or practices could affect U.S. Bancorp in substantial and unpredictable ways. U.S. Bancorp's results could also be adversely affected by changes in interest rates; the impacts of the COVID-19 pandemic on its business, financial position, results of operations, liquidity and prospects; increases in unemployment rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of its investment securities; legal and regulatory developments; litigation; increased competition from both banks and non-banks; civil unrest; the effects of climate change; changes in customer behavior and preferences; breaches in data security, including as a result of work-from-home arrangements; failures to safeguard personal information; the impacts of international hostilities or geopolitical events; impacts of supply chain disruptions and rising inflation; effects of mergers and acquisitions and related integration; effects of critical



accounting policies and judgments; and management's ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputation risk. In addition, U.S. Bancorp's proposed acquisition of MUFG Union Bank presents risks and uncertainties, including, among others: the risk that the cost savings, any revenue synergies and other anticipated benefits of the proposed acquisition may not be realized or may take longer than anticipated to be realized; the risk that U.S. Bancorp's business could be disrupted as a result of the announcement and pendency of the proposed acquisition and diversion of management's attention from ongoing business operations and opportunities; the possibility that the proposed acquisition, including the integration of MUFG Union Bank, may be more costly or difficult to complete than anticipated; delays in closing the proposed acquisition; and the failure of required governmental approvals to be obtained or any other closing conditions in the definitive purchase agreement to be satisfied.

For discussion of these and other risks that may cause actual results to differ from those described in forward-looking statements, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2021, on file with the Securities and Exchange Commission, including the sections entitled "Corporate Risk Profile" and "Risk Factors" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. In addition, factors other than these risks also could adversely affect U.S. Bancorp's results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. 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.

Non-GAAP Financial Measures

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

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

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

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

The adjusted return on average assets, adjusted return on average common equity, adjusted return on tangible common equity and adjusted diluted earnings per common share exclude merger and integration-related charges. Management uses these measures in their analysis of the Company's performance and believes these measures provide a greater understanding of ongoing operations and enhance comparability of results with prior periods.

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



CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2022	2021	2022	2021
Interest Income				
Loans	\$3,603	\$2,711	\$9,071	\$8,112
Loans held for sale	49	54	163	176
Investment securities	867	606	2,390	1,741
Other interest income	209	38	347	103
Total interest income	4,728	3,409	11,971	10,132
Interest Expense				
Deposits	534	78	791	245
Short-term borrowings	169	18	247	52
Long-term debt	198	142	498	464
Total interest expense	901	238	1,536	761
Net interest income	3,827	3,171	10,435	9,371
Provision for credit losses	362	(163)	785	(1,160)
Net interest income after provision for credit losses	3,465	3,334	9,650	10,531
Noninterest Income				
Credit and debit card revenue	391	393	1,128	1,125
Corporate payment products revenue	190	156	520	420
Merchant processing services	406	392	1,194	1,084
Trust and investment management fees	572	459	1,638	1,349
Deposit service charges	166	194	508	531
Treasury management fees	151	155	476	462
Commercial products revenue	285	277	841	837
Mortgage banking revenue	81	418	423	1,063
Investment products fees	56	62	177	177
Securities gains (losses), net	1	20	38	88
Other	170	167	470	557
Total noninterest income	2,469	2,693	7,413	7,693
Noninterest Expense				
Compensation	1,891	1,847	5,616	5,448
Employee benefits	369	336	1,139	1,057
Net occupancy and equipment	272	259	806	780
Professional services	131	126	356	332
Marketing and business development	126	99	312	237
Technology and communications	355	361	1,054	1,082
Postage, printing and supplies	72	69	213	203
Other intangibles	43	41	130	119
Merger and integration charges	42	--	239	--
Other	336	291	998	937
Total noninterest expense	3,637	3,429	10,863	10,195
Income before income taxes	2,297	2,598	6,200	8,029
Applicable income taxes	481	564	1,292	1,722
Net income	1,816	2,034	4,908	6,307
Net (income) loss attributable to noncontrolling interests	(4)	(6)	(8)	(17)
Net income attributable to U.S. Bancorp	\$1,812	\$2,028	\$4,900	\$6,290
Net income applicable to U.S. Bancorp common shareholders	\$1,718	\$1,934	\$4,648	\$6,023
Earnings per common share	\$1.16	\$1.30	\$3.13	\$4.04
Diluted earnings per common share	\$1.16	\$1.30	\$3.13	\$4.04
Dividends declared per common share	\$.48	\$.46	\$1.40	\$1.30
Average common shares outstanding	1,486	1,483	1,485	1,491
Average diluted common shares outstanding	1,486	1,484	1,486	1,492



CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	September 30, 2022	December 31, 2021	September 30, 2021
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	\$41,652	\$28,905	\$63,904
Investment securities			
Held-to-maturity	85,574	41,858	--
Available-for-sale	68,523	132,963	149,376
Loans held for sale	3,647	7,775	6,191
Loans			
Commercial	131,687	112,023	101,013
Commercial real estate	40,329	39,053	38,808
Residential mortgages	86,274	76,493	74,954
Credit card	24,538	22,500	22,137
Other retail	59,880	61,959	60,696
Total loans	342,708	312,028	297,608
Less allowance for loan losses	(6,017)	(5,724)	(5,792)
Net loans	336,691	306,304	291,816
Premises and equipment	3,155	3,305	3,262
Goodwill	10,125	10,262	9,996
Other intangible assets	4,604	3,738	3,528
Other assets	47,002	38,174	39,422
Total assets	\$600,973	\$573,284	\$567,495
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	\$115,206	\$134,901	\$135,549
Interest-bearing	355,942	321,182	307,353
Total deposits	471,148	456,083	442,902
Short-term borrowings	25,066	11,796	16,088
Long-term debt	32,228	32,125	35,671
Other liabilities	24,553	17,893	18,456
Total liabilities	552,995	517,897	513,117
Shareholders' equity			
Preferred stock	6,808	6,371	5,968
Common stock	21	21	21
Capital surplus	8,590	8,539	8,550
Retained earnings	71,782	69,201	68,297
Less treasury stock	(27,188)	(27,271)	(27,301)
Accumulated other comprehensive income (loss)	(12,500)	(1,943)	(1,792)
Total U.S. Bancorp shareholders' equity	47,513	54,918	53,743
Noncontrolling interests	465	469	635
Total equity	47,978	55,387	54,378
Total liabilities and equity	\$600,973	\$573,284	\$567,495



NON-GAAP FINANCIAL MEASURES

(Dollars in Millions, Unaudited)	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total equity	\$47,978	\$49,069	\$51,668	\$55,387	\$54,378
Preferred stock	(6,808)	(6,808)	(6,808)	(6,371)	(5,968)
Noncontrolling interests	(465)	(464)	(468)	(469)	(635)
Goodwill (net of deferred tax liability) (1)	(9,165)	(9,204)	(9,304)	(9,323)	(9,063)
Intangible assets, other than mortgage servicing rights	(735)	(780)	(762)	(785)	(618)
Tangible common equity (a)	30,805	31,813	34,326	38,439	38,094
Common equity tier 1 capital, determined in accordance with transitional regulatory capital requirements related to the current expected credit losses methodology implementation	44,094	42,944	41,950	41,701	41,014
Adjustments (2)	(1,300)	(1,300)	(1,298)	(1,733)	(1,733)
Common equity tier 1 capital, reflecting the full implementation of the current expected credit losses methodology (b)	42,794	41,644	40,652	39,968	39,281
Total assets	600,973	591,381	586,517	573,284	567,495
Goodwill (net of deferred tax liability) (1)	(9,165)	(9,204)	(9,304)	(9,323)	(9,063)
Intangible assets, other than mortgage servicing rights	(735)	(780)	(762)	(785)	(618)
Tangible assets (c)	591,073	581,397	576,451	563,176	557,814
Risk-weighted assets, determined in accordance with transitional regulatory capital requirements related to the current expected credit losses methodology implementation (d)	456,928 *	441,804	427,174	418,571	404,021
Adjustments (3)	(337) *	(317)	(351)	(357)	(684)
Risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (e)	456,591 *	441,487	426,823	418,214	403,337
Ratios *					
Tangible common equity to tangible assets (a)/(c)	5.2 %	5.5 %	6.0 %	6.8 %	6.8 %
Tangible common equity to risk-weighted assets (a)/(d)	6.7	7.2	8.0	9.2	9.4
Common equity tier 1 capital to risk-weighted assets, reflecting the full implementation of the current expected credit losses methodology (b)/(e)	9.4	9.4	9.5	9.6	9.7
	Three Months Ended				
	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Net income applicable to U.S. Bancorp common shareholders	\$1,718	\$1,464	\$1,466	\$1,582	\$1,934
Intangibles amortization (net-of-tax)	34	32	37	32	32
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,752	1,496	1,503	1,614	1,966
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangible amortization (f)	6,951	6,000	6,096	6,403	7,800
Average total equity	50,284	49,633	53,934	55,875	54,908
Average preferred stock	(6,808)	(6,808)	(6,619)	(6,865)	(5,968)
Average noncontrolling interests	(464)	(467)	(468)	(633)	(635)
Average goodwill (net of deferred tax liability) (1)	(9,192)	(9,246)	(9,320)	(9,115)	(9,019)
Average intangible assets, other than mortgage servicing rights	(758)	(783)	(779)	(656)	(632)
Average tangible common equity (g)	33,062	32,329	36,748	38,606	38,654
Return on tangible common equity (f)/(g)	21.0 %	18.6 %	16.6 %	16.6 %	20.2 %
Net interest income	\$3,827	\$3,435	\$3,173	\$3,123	\$3,171
Taxable-equivalent adjustment (4)	30	29	27	27	26
Net interest income, on a taxable-equivalent basis	3,857	3,464	3,200	3,150	3,197
Net interest income, on a taxable-equivalent basis (as calculated above)	3,857	3,464	3,200	3,150	3,197
Noninterest income	2,469	2,548	2,396	2,534	2,693
Less: Securities gains (losses), net	1	19	18	15	20
Total net revenue, excluding net securities gains (losses) (h)	6,325	5,993	5,578	5,669	5,870
Noninterest expense (i)	3,637	3,724	3,502	3,533	3,429
Efficiency ratio (i)/(h)	57.5 %	62.1 %	62.8 %	62.3 %	58.4 %

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.

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

(2) Includes the estimated increase in the allowance for credit losses related to the adoption of the current expected credit losses methodology net of deferred taxes.

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

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



NON-GAAP FINANCIAL MEASURES

(Dollars in Millions, Unaudited)	Three Months Ended September 30, 2022
Net income attributable to U.S. Bancorp	\$1,812
Less: Notable items (1)	<u>(33)</u>
Net income attributable to U.S. Bancorp, excluding notable items	1,845
Annualized net income attributable to U.S. Bancorp, excluding notable items (a)	7,320
Average assets (b)	588,764
Return on average assets, excluding notable items (a)/(b)	1.24 %
Net income applicable to U.S. Bancorp common shareholders	\$1,718
Less: Notable items (1)	<u>(33)</u>
Net income applicable to U.S. Bancorp common shareholders, excluding notable items	1,751
Annualized net income applicable to U.S. Bancorp common shareholders, excluding notable items (c)	6,947
Average common equity (d)	43,012
Return on average common equity, excluding notable items (c)/(d)	16.2 %
Net income applicable to U.S. Bancorp common shareholders	\$1,718
Intangibles amortization (net-of-tax)	<u>34</u>
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,752
Less: Notable items (1)	<u>(33)</u>
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items	1,785
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items (e)	7,082
Average total equity	50,284
Average preferred stock	(6,808)
Average noncontrolling interests	(464)
Average goodwill (net of deferred tax liability) (2)	(9,192)
Average intangible assets, other than mortgage servicing rights	<u>(758)</u>
Average tangible common equity (f)	33,062
Return on tangible common equity, excluding notable items (e)/(f)	21.4 %
Net income applicable to U.S. Bancorp common shareholders, excluding notable items (as calculated above) (g)	\$1,751
Average diluted common shares outstanding (h)	1,486
Diluted earnings per common share, excluding notable items (g)/(h)	1.18 %

(1) Notable items for the three months ended September 30, 2022 include \$33 million (net-of-tax) of merger and integration charges.

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

**Supplemental
Consolidated
Schedules**
3Q 2022





QUARTERLY CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data)
(Unaudited)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Interest Income					
Loans	\$3,603	\$2,869	\$2,599	\$2,635	\$2,711
Loans held for sale	49	54	60	56	54
Investment securities	867	806	717	624	606
Other interest income	209	96	42	40	38
Total interest income	4,728	3,825	3,418	3,355	3,409
Interest Expense					
Deposits	534	177	80	75	78
Short-term borrowings	169	57	21	18	18
Long-term debt	198	156	144	139	142
Total interest expense	901	390	245	232	238
Net interest income	3,827	3,435	3,173	3,123	3,171
Provision for credit losses	362	311	112	(13)	(163)
Net interest income after provision for credit losses	3,465	3,124	3,061	3,136	3,334
Noninterest Income					
Credit and debit card revenue	391	399	338	382	393
Corporate payment products revenue	190	172	158	155	156
Merchant processing services	406	425	363	365	392
Trust and investment management fees	572	566	500	483	459
Deposit service charges	166	165	177	193	194
Treasury management fees	151	169	156	152	155
Commercial products revenue	285	290	266	265	277
Mortgage banking revenue	81	142	200	298	418
Investment products fees	56	59	62	62	62
Securities gains (losses), net	1	19	18	15	20
Other	170	142	158	164	167
Total noninterest income	2,469	2,548	2,396	2,534	2,693
Noninterest Expense					
Compensation	1,891	1,872	1,853	1,851	1,847
Employee benefits	369	374	396	372	336
Net occupancy and equipment	272	265	269	268	259
Professional services	131	111	114	160	126
Marketing and business development	126	106	80	129	99
Technology and communications	355	350	349	372	361
Postage, printing and supplies	72	69	72	71	69
Other intangibles	43	40	47	40	41
Merger and integration charges	42	197	--	--	--
Other	336	340	322	270	291
Total noninterest expense	3,637	3,724	3,502	3,533	3,429
Income before income taxes	2,297	1,948	1,955	2,137	2,598
Applicable income taxes	481	414	397	459	564
Net income	1,816	1,534	1,558	1,678	2,034
Net (income) loss attributable to noncontrolling interests	(4)	(3)	(1)	(5)	(6)
Net income attributable to U.S. Bancorp	\$1,812	\$1,531	\$1,557	\$1,673	\$2,028
Net income applicable to U.S. Bancorp common shareholders	\$1,718	\$1,464	\$1,466	\$1,582	\$1,934
Earnings per common share	\$1.16	\$0.99	\$0.99	\$1.07	\$1.30
Diluted earnings per common share	\$1.16	\$0.99	\$0.99	\$1.07	\$1.30
Dividends declared per common share	\$0.48	\$0.46	\$0.46	\$0.46	\$0.46
Average common shares outstanding	1,486	1,486	1,485	1,483	1,483
Average diluted common shares outstanding	1,486	1,487	1,486	1,484	1,484
Financial Ratios					
Net interest margin (taxable-equivalent basis)	2.83 %	2.59 %	2.44 %	2.40 %	2.53 %
Return on average assets	1.22	1.06	1.09	1.16	1.45
Return on average common equity	15.8	13.9	12.7	13.0	15.9
Efficiency ratio	57.5	62.1	62.8	62.3	58.4



CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Assets	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)
Cash and due from banks	\$41,652	\$39,124	\$44,303	\$28,905	\$63,904
Investment securities					
Held-to-maturity	85,574	61,503	43,654	41,858	--
Available-for-sale	68,523	98,806	123,593	132,963	149,376
Loans held for sale	3,647	3,943	3,321	7,775	6,191
Loans					
Commercial	131,687	125,983	117,470	112,023	101,013
Commercial real estate	40,329	39,753	39,191	39,053	38,808
Residential mortgages	86,274	82,114	78,487	76,493	74,954
Credit card	24,538	23,697	22,163	22,500	22,137
Other retail	59,880	60,822	61,623	61,959	60,696
Total loans	342,708	332,369	318,934	312,028	297,608
Less allowance for loan losses	(6,017)	(5,832)	(5,664)	(5,724)	(5,792)
Net loans	336,691	326,537	313,270	306,304	291,816
Premises and equipment	3,155	3,177	3,207	3,305	3,262
Goodwill	10,125	10,157	10,250	10,262	9,996
Other intangible assets	4,604	4,487	4,194	3,738	3,528
Other assets	47,002	43,647	40,725	38,174	39,422
Total assets	\$600,973	\$591,381	\$586,517	\$573,284	\$567,495
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	\$115,206	\$129,130	\$129,793	\$134,901	\$135,549
Interest-bearing	355,942	337,972	331,753	321,182	307,353
Total deposits	471,148	467,102	461,546	456,083	442,902
Short-term borrowings	25,066	24,963	21,042	11,796	16,088
Long-term debt	32,228	29,408	32,931	32,125	35,671
Other liabilities	24,553	20,839	19,330	17,893	18,456
Total liabilities	552,995	542,312	534,849	517,897	513,117
Shareholders' equity					
Preferred stock	6,808	6,808	6,808	6,371	5,968
Common stock	21	21	21	21	21
Capital surplus	8,590	8,555	8,515	8,539	8,550
Retained earnings	71,782	70,772	69,987	69,201	68,297
Less treasury stock	(27,188)	(27,190)	(27,193)	(27,271)	(27,301)
Accumulated other comprehensive income (loss)	(12,500)	(10,361)	(6,938)	(1,943)	(1,792)
Total U.S. Bancorp shareholders' equity	47,513	48,605	51,200	54,918	53,743
Noncontrolling interests	465	464	468	469	635
Total equity	47,978	49,069	51,668	55,387	54,378
Total liabilities and equity	\$600,973	\$591,381	\$586,517	\$573,284	\$567,495



CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET

(Dollars in Millions, Unaudited)	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Assets					
Investment securities	\$164,851	\$171,296	\$174,762	\$160,784	\$151,755
Loans held for sale	3,499	3,688	5,479	6,841	7,438
Loans					
Commercial					
Commercial	123,745	115,758	107,819	99,433	96,673
Lease financing	4,774	4,899	5,003	5,075	5,159
Total commercial	128,519	120,657	112,822	104,508	101,832
Commercial real estate					
Commercial mortgages	30,002	29,676	28,826	28,216	28,080
Construction and development	10,008	9,841	10,258	10,635	10,841
Total commercial real estate	40,010	39,517	39,084	38,851	38,921
Residential mortgages	84,018	80,228	77,449	75,858	74,104
Credit card	24,105	22,748	21,842	22,399	21,905
Other retail					
Retail leasing	6,259	6,708	7,110	7,354	7,643
Home equity and second mortgages	11,142	10,726	10,394	10,568	10,936
Other	42,725	43,603	44,265	43,217	41,398
Total other retail	60,126	61,037	61,769	61,139	59,977
Total loans	336,778	324,187	312,966	302,755	296,739
Interest-bearing deposits with banks	29,130	31,116	29,851	45,751	40,710
Other earning assets	7,408	6,474	6,779	6,404	6,683
Total earning assets	541,666	536,761	529,837	522,535	503,325
Allowance for loan losses	(5,885)	(5,710)	(5,701)	(5,771)	(5,972)
Unrealized gain (loss) on investment securities	(6,862)	(9,226)	(2,551)	786	1,231
Other assets	59,845	58,086	55,817	54,809	54,862
Total assets	\$588,764	\$579,911	\$577,402	\$572,359	\$553,446
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	\$114,044	\$120,827	\$127,963	\$135,936	\$129,018
Interest-bearing deposits					
Interest checking	113,364	116,878	115,062	108,889	103,036
Money market savings	125,389	123,788	119,588	117,462	112,543
Savings accounts	67,782	68,127	66,978	64,763	63,387
Time deposits	36,190	26,896	24,585	22,788	23,503
Total interest-bearing deposits	342,725	335,689	326,213	313,902	302,469
Short-term borrowings	29,034	23,294	19,038	14,820	14,688
Long-term debt	31,814	31,390	32,972	35,158	35,972
Total interest-bearing liabilities	403,573	390,373	378,223	363,880	353,129
Other liabilities	20,863	19,078	17,282	16,668	16,391
Shareholders' equity					
Preferred equity	6,808	6,808	6,619	6,865	5,968
Common equity	43,012	42,358	46,847	48,377	48,305
Total U.S. Bancorp shareholders' equity	49,820	49,166	53,466	55,242	54,273
Noncontrolling interests	464	467	468	633	635
Total equity	50,284	49,633	53,934	55,875	54,908
Total liabilities and equity	\$588,764	\$579,911	\$577,402	\$572,359	\$553,446



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

For the Three Months Ended September 30,
2022 2021

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	\$164,851	\$888	2.15 %	\$151,755	\$624	1.64 %	8.6 %
Loans held for sale	3,499	49	5.61	7,438	54	2.92	(53.0)
Loans (b)							
Commercial	128,519	1,230	3.80	101,832	711	2.77	26.2
Commercial real estate	40,010	428	4.25	38,921	303	3.09	2.8
Residential mortgages	84,018	687	3.27	74,104	604	3.25	13.4
Credit card	24,105	676	11.13	21,905	569	10.30	10.0
Other retail	60,126	592	3.91	59,977	532	3.52	.2
Total loans	336,778	3,613	4.26	296,739	2,719	3.64	13.5
Interest-bearing deposits with banks	29,130	151	2.05	40,710	12	.12	(28.4)
Other earning assets	7,408	58	3.16	6,683	26	1.50	10.8
Total earning assets	541,666	4,759	3.50	503,325	3,435	2.72	7.6
Allowance for loan losses	(5,885)			(5,972)			1.5
Unrealized gain (loss) on investment securities	(6,862)			1,231			*
Other assets	59,845			54,862			9.1
Total assets	\$588,764			\$553,446			6.4
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$114,044			\$129,018			(11.6) %
Interest-bearing deposits							
Interest checking	113,364	54	.19	103,036	5	.02	10.0
Money market savings	125,389	350	1.11	112,543	50	.17	11.4
Savings accounts	67,782	2	.01	63,387	2	.01	6.9
Time deposits	36,190	128	1.41	23,503	21	.35	54.0
Total interest-bearing deposits	342,725	534	.62	302,469	78	.10	13.3
Short-term borrowings	29,034	170	2.33	14,688	18	.49	97.7
Long-term debt	31,814	198	2.47	35,972	142	1.57	(11.6)
Total interest-bearing liabilities	403,573	902	.89	353,129	238	.27	14.3
Other liabilities	20,863			16,391			27.3
Shareholders' equity							
Preferred equity	6,808			5,968			14.1
Common equity	43,012			48,305			(11.0)
Total U.S. Bancorp shareholders' equity	49,820			54,273			(8.2)
Noncontrolling interests	464			635			(26.9)
Total equity	50,284			54,908			(8.4)
Total liabilities and equity	\$588,764			\$553,446			6.4
Net interest income		\$3,857			\$3,197		
Gross interest margin			2.61 %			2.45 %	
Gross interest margin without taxable-equivalent increments			2.59			2.43	
Percent of Earning Assets							
Interest income			3.50 %			2.72 %	
Interest expense			.67			.19	
Net interest margin			2.83 %			2.53 %	
Net interest margin without taxable-equivalent increments			2.81 %			2.51 %	

* Not meaningful

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

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



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

(Dollars in Millions) (Unaudited)	For the Three Months Ended						% Change Average Balances
	September 30, 2022			June 30, 2022			
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
Assets							
Investment securities	\$164,851	\$888	2.15 %	\$171,296	\$825	1.93 %	(3.8) %
Loans held for sale	3,499	49	5.61	3,688	54	5.89	(5.1)
Loans (b)							
Commercial	128,519	1,230	3.80	120,657	794	2.64	6.5
Commercial real estate	40,010	428	4.25	39,517	330	3.35	1.2
Residential mortgages	84,018	687	3.27	80,228	638	3.18	4.7
Credit card	24,105	676	11.13	22,748	589	10.38	6.0
Other retail	60,126	592	3.91	61,037	528	3.47	(1.5)
Total loans	336,778	3,613	4.26	324,187	2,879	3.56	3.9
Interest-bearing deposits with banks	29,130	151	2.05	31,116	57	.74	(6.4)
Other earning assets	7,408	58	3.16	6,474	39	2.36	14.4
Total earning assets	541,666	4,759	3.50	536,761	3,854	2.88	.9
Allowance for loan losses	(5,885)			(5,710)			(3.1)
Unrealized gain (loss) on investment securities	(6,862)			(9,226)			25.6
Other assets	59,845			58,086			3.0
Total assets	\$588,764			\$579,911			1.5
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$114,044			\$120,827			(5.6) %
Interest-bearing deposits							
Interest checking	113,364	54	.19	116,878	20	.07	(3.0)
Money market savings	125,389	350	1.11	123,788	121	.39	1.3
Savings accounts	67,782	2	.01	68,127	2	.01	(.5)
Time deposits	36,190	128	1.41	26,896	34	.51	34.6
Total interest-bearing deposits	342,725	534	.62	335,689	177	.21	2.1
Short-term borrowings	29,034	170	2.33	23,294	57	.98	24.6
Long-term debt	31,814	198	2.47	31,390	156	1.99	1.4
Total interest-bearing liabilities	403,573	902	.89	390,373	390	.40	3.4
Other liabilities	20,863			19,078			9.4
Shareholders' equity							
Preferred equity	6,808			6,808			--
Common equity	43,012			42,358			1.5
Total U.S. Bancorp shareholders' equity	49,820			49,166			1.3
Noncontrolling interests	464			467			(.6)
Total equity	50,284			49,633			1.3
Total liabilities and equity	\$588,764			\$579,911			1.5
Net interest income		\$3,857			\$3,464		
Gross interest margin			2.61 %			2.48 %	
Gross interest margin without taxable-equivalent increments			2.59			2.46	
Percent of Earning Assets							
Interest income			3.50 %			2.88 %	
Interest expense			.67			.29	
Net interest margin			2.83 %			2.59 %	
Net interest margin without taxable-equivalent increments			2.81 %			2.57 %	

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

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



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

(Dollars in Millions) (Unaudited)	For the Nine Months Ended September 30,						% Change Average Balances
	2022			2021			
	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	
Assets							
Investment securities	\$170,267	\$2,449	1.92 %	\$152,653	\$1,793	1.57 %	11.5 %
Loans held for sale	4,214	163	5.17	8,422	176	2.79	(50.0)
Loans (b)							
Commercial	120,723	2,653	2.94	102,298	2,060	2.69	18.0
Commercial real estate	39,541	1,053	3.56	38,757	914	3.15	2.0
Residential mortgages	80,589	1,937	3.21	74,215	1,870	3.36	8.6
Credit card	22,907	1,827	10.66	21,391	1,701	10.63	7.1
Other retail	60,971	1,629	3.57	58,353	1,594	3.65	4.5
Total loans	324,731	9,099	3.74	295,014	8,139	3.69	10.1
Interest-bearing deposits with banks	30,030	222	.99	37,947	27	.09	(20.9)
Other earning assets	6,889	125	2.43	6,580	76	1.55	4.7
Total earning assets	536,131	12,058	3.00	500,616	10,211	2.72	7.1
Allowance for loan losses	(5,766)			(6,513)			11.5
Unrealized gain (loss) on investment securities	(6,229)			1,304			*
Other assets	57,931			55,792			3.8
Total assets	<u>\$582,067</u>			<u>\$551,199</u>			5.6
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$120,893			\$124,262			(2.7) %
Interest-bearing deposits							
Interest checking	115,095	83	.10	101,280	18	.02	13.6
Money market savings	122,943	523	.57	116,968	150	.17	5.1
Savings accounts	67,632	6	.01	61,462	5	.01	10.0
Time deposits	29,266	179	.82	25,067	72	.38	16.8
Total interest-bearing deposits	334,936	791	.32	304,777	245	.11	9.9
Short-term borrowings	23,825	248	1.40	14,758	52	.47	61.4
Long-term debt	32,055	498	2.07	37,196	464	1.67	(13.8)
Total interest-bearing liabilities	390,816	1,537	.53	356,731	761	.28	9.6
Other liabilities	19,088			16,247			17.5
Shareholders' equity							
Preferred equity	6,746			6,049			11.5
Common equity	44,058			47,278			(6.8)
Total U.S. Bancorp shareholders' equity	50,804			53,327			(4.7)
Noncontrolling interests	466			632			(26.3)
Total equity	51,270			53,959			(5.0)
Total liabilities and equity	<u>\$582,067</u>			<u>\$551,199</u>			5.6
Net interest income		<u>\$10,521</u>			<u>\$9,450</u>		
Gross interest margin			2.47 %			2.44 %	
Gross interest margin without taxable-equivalent increments			2.45			2.42	
Percent of Earning Assets							
Interest income			3.00 %			2.72 %	
Interest expense			.38			.20	
Net interest margin			2.62 %			2.52 %	
Net interest margin without taxable-equivalent increments			2.60 %			2.50 %	

* Not meaningful

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

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



LOAN PORTFOLIO

(Dollars in Millions) (Unaudited)	September 30, 2022		June 30, 2022		March 31, 2022		December 31, 2021		September 30, 2021	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Commercial										
Commercial	\$126,930	37.0 %	\$121,130	36.4 %	\$112,479	35.3 %	\$106,912	34.3 %	\$95,876	32.2 %
Lease financing	4,757	1.4	4,853	1.5	4,991	1.6	5,111	1.6	5,137	1.8
Total commercial	131,687	38.4	125,983	37.9	117,470	36.9	112,023	35.9	101,013	34.0
Commercial real estate										
Commercial mortgages	30,223	8.8	29,864	9.0	29,501	9.3	28,757	9.2	28,029	9.4
Construction and development	10,106	2.9	9,889	3.0	9,690	3.0	10,296	3.3	10,779	3.6
Total commercial real estate	40,329	11.7	39,753	12.0	39,191	12.3	39,053	12.5	38,808	13.0
Residential mortgages										
Residential mortgages	78,006	22.8	73,522	22.1	69,680	21.8	67,546	21.6	65,941	22.2
Home equity loans, first liens	8,268	2.4	8,592	2.6	8,807	2.8	8,947	2.9	9,013	3.0
Total residential mortgages	86,274	25.2	82,114	24.7	78,487	24.6	76,493	24.5	74,954	25.2
Credit card	24,538	7.2	23,697	7.1	22,163	6.9	22,500	7.2	22,137	7.4
Other retail										
Retail leasing	6,037	1.8	6,490	2.0	6,941	2.2	7,256	2.3	7,505	2.5
Home equity and second mortgages	11,367	3.3	10,973	3.3	10,457	3.3	10,446	3.4	10,718	3.6
Revolving credit	2,721	.8	2,764	.8	2,652	.8	2,750	.9	2,682	.9
Installment	16,417	4.8	16,656	5.0	16,732	5.2	16,514	5.3	16,166	5.5
Automobile	23,236	6.8	23,830	7.2	24,724	7.8	24,866	8.0	23,488	7.9
Student	102	--	109	--	117	--	127	--	137	--
Total other retail	59,880	17.5	60,822	18.3	61,623	19.3	61,959	19.9	60,696	20.4
Total loans	\$342,708	100.0 %	\$332,369	100.0 %	\$318,934	100.0 %	\$312,028	100.0 %	\$297,608	100.0 %