



# News Release

Contacts:

Dana Ripley

Media

(612) 303-3167

Sean O'Connor

Investors/Analysts

(612) 303-0778

## **U.S. BANCORP REPORTS THIRD QUARTER 2015 EARNINGS**

### **Record Earnings Per Diluted Common Share**

**Return on average assets of 1.44 percent and average common equity of 14.1 percent**

**Returned 80 percent of third quarter earnings to shareholders**

**MINNEAPOLIS, October 15, 2015** -- U.S. Bancorp (NYSE: USB) today reported net income of \$1,489 million for the third quarter of 2015, or \$0.81 per diluted common share, compared with \$1,471 million, or \$0.78 per diluted common share, in the third quarter of 2014.

Highlights for the third quarter of 2015 included:

- Return on average assets of 1.44 percent and average common equity of 14.1 percent
- Growth in average total loans of 1.3 percent on a linked quarter basis and 3.8 percent over the third quarter of 2014 (excluding student loans, which were transferred to held for sale at the end of the first quarter of 2015 and returned to held for investment on September 1, 2015)
  - Growth in average commercial and commercial real estate revolving commitments of 1.8 percent over the prior quarter and 8.9 percent year-over-year
  - Growth in average total commercial loans of 1.7 percent over the second quarter of 2015 and 9.5 percent over the third quarter of 2014
  - Growth in total other retail loans of 1.9 percent over the second quarter of 2015 and 5.6 percent over the third quarter of 2014 (excluding student loans)
- Growth in average total deposits of 1.4 percent on a linked quarter basis and 6.9 percent over the third quarter of 2014
  - Growth in average low cost deposits, including noninterest-bearing and total savings deposits, of 2.5 percent on a linked quarter basis and 11.4 percent year-over-year
- Net interest income growth of 2.7 percent year-over-year and 1.8 percent linked quarter
  - Growth in average earnings assets of 0.8 percent on a linked quarter basis and 6.6 percent year-over-year, including strong retail loan growth in the third quarter 2015

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- Net interest margin stable at 3.04 percent for the third quarter of 2015 compared with the prior quarter 3.03 percent
  - Positive trends in payments-related fee revenue including year-over-year increases in credit and debit card revenue of 7.2 percent and merchant processing services of 8.5 percent (excluding the impact of foreign currency rate changes)
  - Decline in net charge-offs of 13.1 percent from the third quarter of 2014 and 1.4 percent on a linked quarter basis
  - Decreases in nonperforming assets of 18.5 percent on a year-over-year basis and 0.6 percent on a linked quarter basis
  - Capital generation resulted in a return of 80 percent of third quarter earnings to shareholders through dividends and the buyback of 16 million common shares, and continued to reinforce capital position.
- Ratios at September 30, 2015 were:

- Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach was 9.2 percent and for the Basel III fully implemented advanced approaches was 12.4 percent.

<b>EARNINGS SUMMARY</b>								<b>Table 1</b>
(\$ in millions, except per-share data)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Percent</b>	<b>Percent</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>	<b>Change</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>3Q15 vs</b>	<b>3Q15 vs</b>			
				<b>2Q15</b>	<b>3Q14</b>			
Net income attributable to U.S. Bancorp	\$1,489	\$1,483	\$1,471	.4	1.2	\$4,403	\$4,363	.9
Diluted earnings per common share	\$.81	\$.80	\$.78	1.3	3.8	\$2.36	\$2.29	3.1
Return on average assets (%)	1.44	1.46	1.51			1.45	1.56	
Return on average common equity (%)	14.1	14.3	14.5			14.1	14.7	
Net interest margin (%)	3.04	3.03	3.16			3.05	3.26	
Efficiency ratio (%) (a)	53.9	53.2	52.4			53.8	52.8	
Tangible efficiency ratio (%) (a)	53.1	52.3	51.3			53.0	51.8	
Dividends declared per common share	\$.255	\$.255	\$.245	--	4.1	\$.755	\$.720	4.9
Book value per common share (period end)	\$22.99	\$22.51	\$21.38	2.1	7.5			

(a) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), and for tangible efficiency ratio, intangible amortization.

Net income attributable to U.S. Bancorp was \$1,489 million for the third quarter of 2015, 1.2 percent higher than the \$1,471 million for the third quarter of 2014, and 0.4 percent higher than the \$1,483 million

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for the second quarter of 2015. Diluted earnings per common share of \$0.81 in the third quarter of 2015 were \$0.03 higher than the third quarter of 2014 and \$0.01 higher than the previous quarter. The increase in net income year-over-year was due to higher net interest income and noninterest income, along with a reduction in the provision for credit losses, partially offset by an increase in noninterest expense. The increase in net income on a linked quarter basis was primarily due to increases in net interest income and noninterest income, partially offset by higher noninterest expense.

U.S. Bancorp Chairman, President and Chief Executive Officer Richard K. Davis said, “I am proud of the financial performance our 67,000 employees delivered in the third quarter. Because of their hard work and dedication, we are operating from a position of strength as we grow revenue, manage expenses, seek to exceed customer expectations, and create value for shareholders in a demanding marketplace. U.S. Bancorp achieved record diluted earnings per share (EPS) of \$0.81 and continued to deliver industry-leading performance measures, with a return on average assets (ROA) of 1.44 percent, return on average common equity (ROE) of 14.1 percent, and an efficiency ratio of 53.9 percent. In addition, we returned 80 percent of our earnings to shareholders through dividends and share buybacks in the third quarter.”

Davis continued, “While the near-term external environment remains uncertain for the banking industry, we have built steady momentum throughout the year by focusing on activities that are within our control. We grew total loans 1.3 percent over the second quarter, excluding student loans, and total deposits increased 6.9 percent year-over-year, which highlights the comfort our customers have in trusting one of the highest rated banks in the world, as recently reflected in a debt rating upgrade. Growth trends in our Payment Services franchise have improved, highlighting the strong emphasis we are placing in payments businesses. We recently announced a new co-brand relationship with the Auto Club Trust, which has more than nine million members. As part of that partnership, we also agreed to acquire an approximately \$500 million credit card portfolio. In addition, we solidified U.S. Bank’s leadership role in mobile payments by participating in the Android Pay and Samsung Pay roll-outs.”

“Overall, our actions to generate growth in our balance sheet and revenues, combined with our deliberate efforts to optimize our expense management initiatives, resulted in a solid quarter and put us on a positive forward-looking trajectory. As U.S. Bancorp pursues its vision for the future, we are focused on sustainable growth. We continue to make prudent long-term investments to protect our industry leading competitive positions and help our customers build financially secure futures.”

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<b>INCOME STATEMENT HIGHLIGHTS</b>								<b>Table 2</b>
(Taxable-equivalent basis, \$ in millions, except per-share data)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Percent</b>	<b>Percent</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>	<b>Change</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>3Q15 vs</b>	<b>3Q15 vs</b>			
				<b>2Q15</b>	<b>3Q14</b>			
Net interest income	\$2,821	\$2,770	\$2,748	1.8	2.7	\$8,343	\$8,198	1.8
Noninterest income	2,326	2,272	2,242	2.4	3.7	6,752	6,794	(.6)
Total net revenue	5,147	5,042	4,990	2.1	3.1	15,095	14,992	.7
Noninterest expense	2,775	2,682	2,614	3.5	6.2	8,122	7,911	2.7
Income before provision and taxes	2,372	2,360	2,376	.5	(.2)	6,973	7,081	(1.5)
Provision for credit losses	282	281	311	.4	(9.3)	827	941	(12.1)
Income before taxes	2,090	2,079	2,065	.5	1.2	6,146	6,140	.1
Taxable-equivalent adjustment	53	54	56	(1.9)	(5.4)	161	167	(3.6)
Applicable income taxes	534	528	523	1.1	2.1	1,541	1,566	(1.6)
Net income	1,503	1,497	1,486	.4	1.1	4,444	4,407	.8
Net (income) loss attributable to noncontrolling interests	(14)	(14)	(15)	--	6.7	(41)	(44)	6.8
Net income attributable to U.S. Bancorp	\$1,489	\$1,483	\$1,471	.4	1.2	\$4,403	\$4,363	.9
Net income applicable to U.S. Bancorp common shareholders	\$1,422	\$1,417	\$1,405	.4	1.2	\$4,204	\$4,163	1.0
Diluted earnings per common share	\$.81	\$.80	\$.78	1.3	3.8	\$2.36	\$2.29	3.1

Net income attributable to U.S. Bancorp for the third quarter of 2015 was \$18 million (1.2 percent) higher than the third quarter of 2014, and \$6 million (0.4 percent) higher than the second quarter of 2015. The increase in net income year-over-year was due to higher net interest income, primarily due to growth in earning assets, and noninterest income, primarily driven by increases in commercial products, payments and trust and investment management fee revenue. These increases were offset by an increase in noninterest expense, which included higher compensation and employee benefits expense and other costs related to risk and compliance activities. The increase in net income on a linked quarter basis was primarily due to increases in net interest income and noninterest income, partially offset by higher noninterest expense. As previously disclosed in recent weeks, the third quarter of 2015 included several unrelated items that, combined, were relatively neutral to earnings.

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<b>NET INTEREST INCOME</b>								<b>Table 3</b>
(Taxable-equivalent basis; \$ in millions)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Change</b>	<b>Change</b>	<b>YTD</b>	<b>YTD</b>	
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>3Q15 vs</b>	<b>3Q15 vs</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>2Q15</b>	<b>3Q14</b>			
Components of net interest income								
Income on earning assets	\$3,171	\$3,123	\$3,114	\$48	\$57	\$9,410	\$9,296	\$114
Expense on interest-bearing liabilities	350	353	366	(3)	(16)	1,067	1,098	(31)
Net interest income	\$2,821	\$2,770	\$2,748	\$51	\$73	\$8,343	\$8,198	\$145
Average yields and rates paid								
Earning assets yield	3.42%	3.42%	3.58%	-- %	(.16)%	3.44%	3.69%	(.25)%
Rate paid on interest-bearing liabilities	.52	.52	.57	--	(.05)	.53	.60	(.07)
Gross interest margin	2.90%	2.90%	3.01%	-- %	(.11)%	2.91%	3.09%	(.18)%
Net interest margin	3.04%	3.03%	3.16%	.01%	(.12)%	3.05%	3.26%	(.21)%
Average balances								
Investment securities (a)	\$103,943	\$102,391	\$93,141	\$1,552	\$10,802	\$102,361	\$87,687	\$14,674
Loans	250,536	246,560	243,867	3,976	6,669	248,358	240,098	8,260
Earning assets	369,265	366,428	346,422	2,837	22,843	365,543	336,287	29,256
Interest-bearing liabilities	269,479	270,573	254,501	(1,094)	14,978	269,317	246,614	22,703
(a) Excludes unrealized gain (loss)								

### Net Interest Income

Net interest income on a taxable-equivalent basis in the third quarter of 2015 was \$2,821 million, an increase of \$73 million (2.7 percent) over the third quarter of 2014. The increase was the result of growth in average earning assets, partially offset by a continued shift in loan portfolio mix and lower reinvestment rates on investment securities. Average earning assets were \$22.8 billion (6.6 percent) higher than the third quarter of 2014, driven by increases of \$6.7 billion (2.7 percent) in average total loans and \$10.8 billion (11.6 percent) in average investment securities. Net interest income increased \$51 million (1.8 percent) on a linked quarter basis, primarily due to higher average total loans and an additional day in the current quarter relative to the second quarter of 2015. Average total loans were \$3.1 billion (1.3 percent) higher on a linked quarter basis, excluding student loans.

The net interest margin in the third quarter of 2015 was 3.04 percent, compared with 3.16 percent in the third quarter of 2014, and 3.03 percent in the second quarter of 2015. The decrease in the net interest margin on a year-over-year basis primarily reflected a change in loan portfolio mix as well as growth in the investment portfolio at lower average rates and lower reinvestment rates on investment securities. On a linked quarter basis, the increase in the net interest margin was principally due to earning assets growth and

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continued deposit growth, partially offset by growth in lower rate investment securities along with lower investment portfolio reinvestment rates.

### Investment Securities

Average investment securities in the third quarter of 2015 were \$10.8 billion (11.6 percent) higher year-over-year and \$1.6 billion (1.5 percent) higher than the prior quarter. These increases were primarily due to purchases of U.S. government agency-backed securities, net of prepayments and maturities, to support regulatory liquidity coverage ratio requirements.

<b>AVERAGE LOANS</b>								<b>Table 4</b>
(\$ in millions)				<b>Percent Change 3Q15 vs 2Q15</b>	<b>Percent Change 3Q15 vs 3Q14</b>	<b>YTD 2015</b>	<b>YTD 2014</b>	<b>Percent Change</b>
	<b>3Q 2015</b>	<b>2Q 2015</b>	<b>3Q 2014</b>					
Commercial	\$79,486	\$77,932	\$72,190	2.0	10.1	\$77,880	\$69,276	12.4
Lease financing	5,218	5,321	5,155	(1.9)	1.2	5,287	5,148	2.7
Total commercial	84,704	83,253	77,345	1.7	9.5	83,167	74,424	11.7
Commercial mortgages	32,083	32,499	31,965	(1.3)	.4	32,563	32,005	1.7
Construction and development	10,233	9,947	8,874	2.9	15.3	9,913	8,460	17.2
Total commercial real estate	42,316	42,446	40,839	(.3)	3.6	42,476	40,465	5.0
Residential mortgages	51,831	51,114	51,994	1.4	(.3)	51,458	51,799	(.7)
Credit card	17,944	17,613	17,753	1.9	1.1	17,794	17,516	1.6
Retail leasing	5,480	5,696	5,991	(3.8)	(8.5)	5,663	5,995	(5.5)
Home equity and second mortgages	16,083	15,958	15,704	.8	2.4	15,980	15,467	3.3
Other	27,286	25,415	27,003	7.4	1.0	26,768	26,636	.5
Total other retail (a)	48,849	47,069	48,698	3.8	.3	48,411	48,098	.7
Total loans, excluding covered loans	245,644	241,495	236,629	1.7	3.8	243,306	232,302	4.7
Covered loans	4,892	5,065	7,238	(3.4)	(32.4)	5,052	7,796	(35.2)
Total loans	\$250,536	\$246,560	\$243,867	1.6	2.7	\$248,358	\$240,098	3.4
(a) The Company transferred all of its student loans to loans held for sale at the end of the first quarter of 2015. The portfolio was subsequently transferred back to held for investment effective September 1, 2015.								
Total other retail	\$48,849	\$47,069	\$48,698	3.8	.3	\$48,411	\$48,098	.7
Less: Student loans	(889)	--	(3,296)			(1,304)	(3,410)	
Total other retail excluding student loans	\$47,960	\$47,069	\$45,402	1.9	5.6	\$47,107	\$44,688	5.4

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Loans

Average total loans were \$6.7 billion (2.7 percent) higher in the third quarter of 2015 than the third quarter of 2014, (\$9.1 billion, 3.8 percent, excluding student loans), driven by growth in total commercial loans (9.5 percent), total other retail loans (5.6 percent excluding student loans), total commercial real estate (3.6 percent) and credit card (1.1 percent). These increases were partially offset by declines in covered loans (32.4 percent), including the impact of the expiration of the loss sharing agreements on commercial and commercial real estate assets at the end of 2014, and residential mortgages (0.3 percent). Average total loans were \$4.0 billion (1.6 percent) higher in the third quarter of 2015 than the second quarter of 2015. Excluding student loans, average total loans were \$3.1 billion (1.3 percent) higher in the third quarter of 2015 than the second quarter of 2015. The increase was driven by growth in total commercial loans (1.7 percent), total other retail loans (1.9 percent excluding student loans), residential mortgages (1.4 percent) and credit card (1.9 percent).

<b>AVERAGE DEPOSITS</b>								<b>Table 5</b>
(\$ in millions)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Percent</b>	<b>Percent</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>	<b>Change</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>3Q15 vs</b>	<b>3Q15 vs</b>			
				<b>2Q15</b>	<b>3Q14</b>			
Noninterest-bearing deposits	\$80,940	\$77,347	\$74,126	4.6	9.2	\$77,623	\$72,274	7.4
Interest-bearing savings deposits								
Interest checking	56,888	55,205	54,454	3.0	4.5	55,592	52,928	5.0
Money market savings	80,338	79,898	66,250	.6	21.3	78,065	62,314	25.3
Savings accounts	37,480	37,071	34,615	1.1	8.3	36,866	33,940	8.6
Total of savings deposits	174,706	172,174	155,319	1.5	12.5	170,523	149,182	14.3
Time deposits less than \$100,000	9,549	9,933	11,045	(3.9)	(13.5)	9,961	11,151	(10.7)
Time deposits greater than \$100,000	24,497	26,290	30,518	(6.8)	(19.7)	26,566	31,055	(14.5)
Total interest-bearing deposits	208,752	208,397	196,882	.2	6.0	207,050	191,388	8.2
Total deposits	\$289,692	\$285,744	\$271,008	1.4	6.9	\$284,673	\$263,662	8.0

Deposits

Average total deposits for the third quarter of 2015 were \$18.7 billion (6.9 percent) higher than the third quarter of 2014. Average noninterest-bearing deposits increased \$6.8 billion (9.2 percent) year-over-year, mainly in Wholesale Banking and Commercial Real Estate and Consumer and Small Business Banking. Average total savings deposits were \$19.4 billion (12.5 percent) higher year-over-year, the result of growth in corporate trust, Wholesale Banking and Commercial Real Estate, and Consumer and Small Business

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Banking balances. Growth in Consumer and Small Business Banking total savings deposits included net new account growth of 3.1 percent. Average time deposits less than \$100,000 were \$1.5 billion (13.5 percent) lower due to maturities, while average time deposits greater than \$100,000 decreased \$6.0 billion (19.7 percent). Time deposits greater than \$100,000 are primarily managed as an alternative to other funding sources, such as wholesale borrowing, based largely on funding needs and relative pricing.

Average total deposits increased \$3.9 billion (1.4 percent) over the second quarter of 2015. Average noninterest-bearing deposits increased \$3.6 billion (4.6 percent) on a linked quarter basis, due to higher balances in Wholesale Banking and Commercial Real Estate, corporate trust, and Consumer and Small Business Banking. Average total savings deposits increased \$2.5 billion (1.5 percent), reflecting increases in Wholesale Banking and Commercial Real Estate and Consumer and Small Business Banking. Compared with the second quarter of 2015, average time deposits less than \$100,000 decreased \$384 million (3.9 percent) due to maturities. Average time deposits greater than \$100,000, which are managed based on funding needs, decreased \$1.8 billion (6.8 percent) on a linked quarter basis.

<b>NONINTEREST INCOME</b>								<b>Table 6</b>
(\$ in millions)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Percent</b>	<b>Percent</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>	<b>Change</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>3Q15 vs</b>	<b>3Q15 vs</b>			
				<b>2Q15</b>	<b>3Q14</b>			
Credit and debit card revenue	\$269	\$266	\$251	1.1	7.2	\$776	\$749	3.6
Corporate payment products revenue	190	178	195	6.7	(2.6)	538	550	(2.2)
Merchant processing services	400	395	387	1.3	3.4	1,154	1,127	2.4
ATM processing services	81	80	81	1.3	--	239	241	(.8)
Trust and investment management fees	329	334	315	(1.5)	4.4	985	930	5.9
Deposit service charges	185	174	185	6.3	--	520	513	1.4
Treasury management fees	143	142	136	.7	5.1	422	409	3.2
Commercial products revenue	231	214	209	7.9	10.5	645	635	1.6
Mortgage banking revenue	224	231	260	(3.0)	(13.8)	695	774	(10.2)
Investment products fees	46	48	49	(4.2)	(6.1)	141	142	(.7)
Securities gains (losses), net	(1)	--	(3)	nm	66.7	(1)	2	nm
Other	229	210	177	9.0	29.4	638	722	(11.6)
<b>Total noninterest income</b>	<b>\$2,326</b>	<b>\$2,272</b>	<b>\$2,242</b>	<b>2.4</b>	<b>3.7</b>	<b>\$6,752</b>	<b>\$6,794</b>	<b>(.6)</b>

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### Noninterest Income

Third quarter noninterest income was \$2,326 million, which was \$84 million (3.7 percent) higher than the third quarter of 2014 and \$54 million (2.4 percent) higher than the second quarter of 2015. The year-over-year increase in noninterest income was primarily due to a third quarter 2015 gain from the sale of Visa Inc. Class B common stock of approximately \$135 million (“Visa sale”), partially offset by a \$58 million market valuation adjustment to write down the value of student loans previously held for sale as a result of recent disruption in the student loan securitization market (“student loan market adjustment”). These loans were subsequently transferred back to held for investment. The remaining increase in noninterest income was principally due to higher commercial products revenue, credit and debit card revenue, merchant processing services, and trust and investment management fees, partially offset by a decrease in mortgage banking revenue, primarily due to an unfavorable change in the valuation of mortgage servicing rights (“MSRs”), net of hedging activities. Commercial products revenue increased \$22 million (10.5 percent) due to a higher volume of tax-advantaged project fees and an increase in bond underwriting fees. Credit and debit card revenue increased \$18 million (7.2 percent) due to higher transaction volumes. Merchant processing services increased \$13 million (3.4 percent) as a result of higher transaction volumes, account growth and equipment sales to merchants related to new chip card technology requirements. Adjusted for the approximate \$20 million impact of foreign currency rate changes, merchant processing services growth would have been approximately 8.5 percent. Trust and investment management fees increased \$14 million (4.4 percent), reflecting the benefits of the Company’s investments in corporate trust and fund services businesses, as well as account growth and improved market conditions.

Noninterest income was \$54 million (2.4 percent) higher in the third quarter of 2015 than the second quarter of 2015, principally due to higher other income and commercial products revenue, as well as seasonally higher corporate payment products revenue, partially offset by lower mortgage banking revenue. The increase in other income of \$19 million (9.0 percent) was primarily driven by changes in equity investment income including the Visa sale, partially offset by the student loan market adjustment and a decrease in trading revenue due to lower customer volumes and pricing. Commercial products revenue increased \$17 million (7.9 percent) primarily due to higher wholesale transaction activity, including loan and bond underwriting fees. Corporate payment products revenue increased \$12 million (6.7 percent) and deposit service charges increased \$11 million (6.3 percent), principally due to seasonally higher transaction volumes.

Partially offsetting these increases was a decrease in mortgage banking revenue of \$7 million (3.0 percent), primarily due to lower origination revenue.

<b>NONINTEREST EXPENSE</b>								<b>Table 7</b>
(\$ in millions)								
	<b>3Q</b>	<b>2Q</b>	<b>3Q</b>	<b>Percent</b>	<b>Percent</b>			
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>	<b>Change</b>	<b>YTD</b>	<b>YTD</b>	<b>Percent</b>
				<b>3Q15 vs</b>	<b>3Q15 vs</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
				<b>2Q15</b>	<b>3Q14</b>			
Compensation	\$1,225	\$1,196	\$1,132	2.4	8.2	\$3,600	\$3,372	6.8
Employee benefits	285	293	250	(2.7)	14.0	895	796	12.4
Net occupancy and equipment	251	247	249	1.6	.8	745	739	.8
Professional services	115	106	102	8.5	12.7	298	282	5.7
Marketing and business development	99	96	78	3.1	26.9	265	253	4.7
Technology and communications	222	221	219	.5	1.4	657	644	2.0
Postage, printing and supplies	77	64	81	20.3	(4.9)	223	242	(7.9)
Other intangibles	42	43	51	(2.3)	(17.6)	128	148	(13.5)
Other	459	416	452	10.3	1.5	1,311	1,435	(8.6)
<b>Total noninterest expense</b>	<b>\$2,775</b>	<b>\$2,682</b>	<b>\$2,614</b>	<b>3.5</b>	<b>6.2</b>	<b>\$8,122</b>	<b>\$7,911</b>	<b>2.7</b>

### Noninterest Expense

Third quarter noninterest expense was \$2,775 million, which includes the impact of approximately \$60 million of elevated third quarter 2015 expenses related to mortgage-related compliance and the company-wide talent upgrade costs. Third quarter 2015 was \$161 million (6.2 percent) higher than the third quarter of 2014 including a \$93 million (8.2 percent) increase in compensation expense, reflecting the impact of merit increases and higher staffing for risk and compliance activities, and higher employee benefits expense of \$35 million (14.0 percent), mainly due to higher pension costs. In addition, marketing and business development expense was \$21 million (26.9 percent) higher, primarily due to various marketing programs in Payment Services and Consumer and Small Business Banking.

Noninterest expense increased \$93 million (3.5 percent) on a linked quarter basis. Other expense increased \$43 million (10.3 percent) due primarily to mortgage servicing and talent upgrade costs in addition to an increase in tax credit amortization. Additionally, compensation expense increased \$29 million (2.4 percent) reflecting the impact of an additional day in the current quarter relative to the prior quarter and increases in variable compensation. The \$13 million (20.3 percent) increase in postage, printing and supplies was primarily due to a second quarter 2015 reimbursement from a business partner.

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Provision for Income Taxes

The provision for income taxes for the third quarter of 2015 resulted in a tax rate on a taxable-equivalent basis of 28.1 percent (effective tax rate of 26.2 percent), compared with 28.0 percent (effective tax rate of 26.0 percent) in the third quarter of 2014, and 28.0 percent (effective tax rate of 26.1 percent) in the second quarter of 2015.

<b>ALLOWANCE FOR CREDIT LOSSES</b>								<b>Table 8</b>		
(\$ in millions)	<b>3Q</b>		<b>2Q</b>		<b>1Q</b>		<b>4Q</b>		<b>3Q</b>	
	<b>2015</b>	<b>% (b)</b>	<b>2015</b>	<b>% (b)</b>	<b>2015</b>	<b>% (b)</b>	<b>2014</b>	<b>% (b)</b>	<b>2014</b>	<b>% (b)</b>
Balance, beginning of period	\$4,326		\$4,351		\$4,375		\$4,414		\$4,449	
Net charge-offs										
Commercial	68	.34	39	.20	40	.21	48	.26	52	.29
Lease financing	3	.23	3	.23	3	.23	(2)	(.15)	6	.46
Total commercial	71	.33	42	.20	43	.21	46	.23	58	.30
Commercial mortgages	--	--	4	.05	(1)	(.01)	(3)	(.04)	1	.01
Construction and development	(11)	(.43)	(3)	(.12)	(17)	(.72)	(7)	(.30)	3	.13
Total commercial real estate	(11)	(.10)	1	.01	(18)	(.17)	(10)	(.10)	4	.04
Residential mortgages	25	.19	33	.26	35	.28	39	.30	42	.32
Credit card	153	3.38	169	3.85	163	3.71	160	3.53	158	3.53
Retail leasing	2	.14	1	.07	1	.07	1	.07	--	--
Home equity and second mortgages	7	.17	11	.28	14	.36	17	.43	24	.61
Other	45	.65	39	.62	41	.60	52	.76	49	.72
Total other retail	54	.44	51	.43	56	.46	70	.57	73	.59
Total net charge-offs, excluding covered loans	292	.47	296	.49	279	.47	305	.51	335	.56
Covered loans	--	--	--	--	--	--	3	.17	1	.05
Total net charge-offs	292	.46	296	.48	279	.46	308	.50	336	.55
Provision for credit losses	282		281		264		288		311	
Other changes (a)	(10)		(10)		(9)		(19)		(10)	
Balance, end of period	\$4,306		\$4,326		\$4,351		\$4,375		\$4,414	
Components										
Allowance for loan losses	\$3,965		\$4,013		\$4,023		\$4,039		\$4,065	
Liability for unfunded credit commitments	341		313		328		336		349	
Total allowance for credit losses	\$4,306		\$4,326		\$4,351		\$4,375		\$4,414	
Gross charge-offs	\$372		\$380		\$383		\$415		\$410	
Gross recoveries	\$80		\$84		\$104		\$107		\$74	
Allowance for credit losses as a percentage of										
Period-end loans, excluding covered loans	1.71		1.76		1.79		1.78		1.81	
Nonperforming loans, excluding covered loans	347		348		321		297		291	
Nonperforming assets, excluding covered assets	280		279		261		245		245	
Period-end loans	1.69		1.74		1.77		1.77		1.80	
Nonperforming loans	347		349		322		298		282	
Nonperforming assets	275		274		257		242		230	
(a) Includes net changes in credit losses to be reimbursed by the FDIC and reductions in the allowance for covered loans where the reversal of a previously recorded allowance was offset by an associated decrease in the indemnification asset, and the impact of any loan sales.										
(b) Annualized and calculated on average loan balances										

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### Credit Quality

The Company's provision for credit losses for the third quarter of 2015 was \$282 million, which was relatively flat compared with the prior quarter and \$29 million (9.3 percent) lower than the third quarter of 2014. The provision for credit losses was lower than net charge-offs by \$10 million in the third quarter of 2015, \$15 million in the second quarter of 2015, and \$25 million in the third quarter of 2014. Total net charge-offs in the third quarter of 2015 were \$292 million, compared with \$296 million in the second quarter of 2015, and \$336 million in the third quarter of 2014. Net charge-offs were relatively flat on a linked quarter basis, while the \$44 million (13.1 percent) decrease in net charge-offs on a year-over-year basis reflected improvements in total other retail, residential mortgages, and construction and development. Given current economic conditions, the Company expects the level of net charge-offs to increase modestly in the fourth quarter of 2015.

The allowance for credit losses was \$4,306 million at September 30, 2015, compared with \$4,326 million at June 30, 2015, and \$4,414 million at September 30, 2014. The ratio of the allowance for credit losses to period-end loans was 1.69 percent at September 30, 2015, compared with 1.74 percent at June 30, 2015, and 1.80 percent at September 30, 2014. The ratio of the allowance for credit losses to nonperforming loans was 347 percent at September 30, 2015, compared with 349 percent at June 30, 2015, and 282 percent at September 30, 2014.

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<b>DELINQUENT LOAN RATIOS AS A PERCENT OF ENDING LOAN BALANCES</b>					<b>Table 9</b>
(Percent)	<b>Sep 30</b>	<b>Jun 30</b>	<b>Mar 31</b>	<b>Dec 31</b>	<b>Sep 30</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Delinquent loan ratios - 90 days or more past due <b>excluding</b> nonperforming loans					
Commercial	.05	.05	.05	.05	.05
Commercial real estate	.05	.05	.07	.05	.03
Residential mortgages	.33	.30	.33	.40	.41
Credit card	1.10	1.03	1.19	1.13	1.10
Other retail	.14	.14	.15	.15	.16
Total loans, excluding covered loans	.20	.19	.22	.23	.22
Covered loans	6.57	6.66	7.01	7.48	6.10
Total loans	.32	.32	.36	.38	.39
Delinquent loan ratios - 90 days or more past due <b>including</b> nonperforming loans					
Commercial	.25	.16	.16	.19	.27
Commercial real estate	.39	.46	.58	.65	.62
Residential mortgages	1.73	1.80	1.95	2.07	2.02
Credit card	1.16	1.12	1.32	1.30	1.32
Other retail	.47	.51	.55	.53	.53
Total loans, excluding covered loans	.70	.70	.77	.83	.84
Covered loans	6.80	6.88	7.25	7.74	7.34
Total loans	.81	.82	.91	.97	1.03

<b>ASSET QUALITY</b>		<b>Table 10</b>				
(\$ in millions)		<b>Sep 30</b>	<b>Jun 30</b>	<b>Mar 31</b>	<b>Dec 31</b>	<b>Sep 30</b>
		<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Nonperforming loans						
Commercial		\$157	\$78	\$74	\$99	\$161
Lease financing		12	12	13	13	12
Total commercial		169	90	87	112	173
Commercial mortgages		105	116	142	175	147
Construction and development		39	59	75	84	94
Total commercial real estate		144	175	217	259	241
Residential mortgages		735	769	825	864	841
Credit card		12	16	22	30	40
Other retail		171	178	187	187	184
Total nonperforming loans, excluding covered loans		1,231	1,228	1,338	1,452	1,479
Covered loans		11	11	12	14	88
Total nonperforming loans		1,242	1,239	1,350	1,466	1,567
Other real estate (a)		276	287	293	288	275
Covered other real estate (a)		31	35	37	37	72
Other nonperforming assets		18	16	16	17	9
Total nonperforming assets (b)		\$1,567	\$1,577	\$1,696	\$1,808	\$1,923
Total nonperforming assets, excluding covered assets		\$1,525	\$1,531	\$1,647	\$1,757	\$1,763
Accruing loans 90 days or more past due, excluding covered loans		\$510	\$469	\$521	\$550	\$532
Accruing loans 90 days or more past due		\$825	\$801	\$880	\$945	\$962
Performing restructured loans, excluding GNMA and covered loans		\$2,746	\$2,815	\$2,684	\$2,832	\$2,818
Performing restructured GNMA and covered loans		\$2,031	\$2,111	\$2,186	\$2,273	\$2,685
Nonperforming assets to loans plus ORE, excluding covered assets (%)		.61	.63	.68	.72	.74
Nonperforming assets to loans plus ORE (%)		.61	.63	.69	.73	.78

(a) Includes equity investments in entities whose principal assets are other real estate owned.  
 (b) Does not include accruing loans 90 days or more past due.

Nonperforming assets decreased on a linked quarter and year-over-year basis to \$1,567 million at September 30, 2015, compared with \$1,577 million at June 30, 2015, and \$1,923 million at September 30, 2014. The ratio of nonperforming assets to loans and other real estate was 0.61 percent at September 30, 2015, compared with 0.63 percent at June 30, 2015, and 0.78 percent at September 30, 2014. The decrease in nonperforming assets on a year-over-year basis was driven primarily by reductions in the commercial real estate portfolios and residential mortgages as economic conditions continued to slowly improve. Accruing loans 90 days or more past due were \$825 million (\$510 million excluding covered loans) at September 30,

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2015, compared with \$801 million (\$469 million excluding covered loans) at June 30, 2015, and \$962 million (\$532 million excluding covered loans) at September 30, 2014. The Company expects total nonperforming assets to remain relatively stable in the fourth quarter of 2015.

<b>COMMON SHARES</b>					<b>Table 11</b>
(Millions)	<b>3Q</b>	<b>2Q</b>	<b>1Q</b>	<b>4Q</b>	<b>3Q</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Beginning shares outstanding	1,767	1,780	1,786	1,795	1,809
Shares issued for stock incentive plans, acquisitions and other corporate purposes	3	1	6	2	2
Shares repurchased	(16)	(14)	(12)	(11)	(16)
Ending shares outstanding	1,754	1,767	1,780	1,786	1,795

### Capital Management

Total U.S. Bancorp shareholders' equity was \$45.1 billion at September 30, 2015, compared with \$44.5 billion at June 30, 2015, and \$43.1 billion at September 30, 2014. During the third quarter, the Company returned 80 percent of third quarter earnings to shareholders, including \$448 million in common stock dividends and \$688 million of repurchased common stock.



<b>CAPITAL POSITION</b>					<b>Table 12</b>
(\$ in millions)	<b>Sep 30</b>	<b>Jun 30</b>	<b>Mar 31</b>	<b>Dec 31</b>	<b>Sep 30</b>
	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
Total U.S. Bancorp shareholders' equity	\$45,075	\$44,537	\$44,277	\$43,479	\$43,141
<b>Standardized Approach</b>					
Basel III transitional standardized approach					
Common equity tier 1 capital	\$32,124	\$31,674	\$31,308	\$30,856	\$30,213
Tier 1 capital	37,197	36,748	36,382	36,020	35,377
Total risk-based capital	44,015	43,526	43,558	43,208	42,509
Common equity tier 1 capital ratio	9.6 %	9.5 %	9.6 %	9.7 %	9.7 %
Tier 1 capital ratio	11.1	11.0	11.1	11.3	11.3
Total risk-based capital ratio	13.1	13.1	13.3	13.6	13.6
Leverage ratio	9.3	9.2	9.3	9.3	9.4
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach	9.2	9.2	9.2	9.0	9.0
<b>Advanced Approaches</b>					
Common equity tier 1 capital to risk-weighted assets for the Basel III transitional advanced approaches	13.0	12.9	12.3	12.4	12.4
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches	12.4	12.4	11.8	11.8	11.8
<b>Tangible common equity to tangible assets</b>	<b>7.7</b>	<b>7.5</b>	<b>7.6</b>	<b>7.5</b>	<b>7.6</b>
<b>Tangible common equity to risk-weighted assets</b>	<b>9.3</b>	<b>9.2</b>	<b>9.3</b>	<b>9.3</b>	<b>9.3</b>
Beginning January 1, 2014, the regulatory capital requirements effective for the Company follow Basel III, subject to certain transition provisions from Basel I over the following four years to full implementation by January 1, 2018. Basel III includes two comprehensive methodologies for calculating risk-weighted assets: a general standardized approach and more risk-sensitive advanced approaches, with the Company's capital adequacy being evaluated against the methodology that is most restrictive.					

All regulatory ratios continue to be in excess of “well-capitalized” requirements. The common equity tier 1 capital to risk-weighted assets ratio estimated for the Basel III standardized approach as if fully implemented was 9.2 percent at September 30, 2015, compared with 9.2 percent at June 30, 2015, and 9.0 percent at September 30, 2014. The common equity tier 1 capital to risk-weighted assets ratio estimated for the Basel III advanced approaches as if fully implemented was 12.4 percent at September 30, 2015, compared with 12.4 percent at June 30, 2015, and 11.8 percent at September 30, 2014.

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LINE OF BUSINESS FINANCIAL PERFORMANCE (a)									Table 13
(\$ in millions)									
Business Line	Net Income Attributable to U.S. Bancorp			Percent Change		Net Income Attributable to U.S. Bancorp			3Q 2015
	3Q	2Q	3Q	3Q15 vs 2Q15	3Q15 vs 3Q14	YTD	YTD	Percent	Earnings
	2015	2015	2014			2015	2014	Change	Composition
Wholesale Banking and Commercial Real Estate	\$210	\$246	\$258	(14.6)	(18.6)	\$666	\$813	(18.1)	14 %
Consumer and Small Business Banking	310	318	375	(2.5)	(17.3)	980	1,114	(12.0)	21
Wealth Management and Securities Services	64	69	64	(7.2)	--	187	188	(.5)	4
Payment Services	325	259	306	25.5	6.2	851	831	2.4	22
Treasury and Corporate Support	580	591	468	(1.9)	23.9	1,719	1,417	21.3	39
Consolidated Company	<u>\$1,489</u>	<u>\$1,483</u>	<u>\$1,471</u>	.4	1.2	<u>\$4,403</u>	<u>\$4,363</u>	.9	<u>100</u> %
(a) preliminary data									

### Lines of Business

The Company's major lines of business are Wholesale Banking and Commercial Real Estate, Consumer and Small Business Banking, Wealth Management and Securities Services, Payment Services, and Treasury and Corporate Support. These operating segments are components of the Company about which financial information is prepared and is evaluated regularly by management in deciding how to allocate resources and assess performance. Noninterest expenses incurred by centrally managed operations or business lines that directly support another business line's operations are charged to the applicable business line based on its utilization of those services, primarily measured by the volume of customer activities, number of employees or other relevant factors. These allocated expenses are reported as net shared services expense within noninterest expense. Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2015, certain organization and methodology changes were made and, accordingly, prior period results were restated and presented on a comparable basis.

**Wholesale Banking and Commercial Real Estate** offers lending, equipment finance and small-ticket leasing, depository services, treasury management, capital markets, international trade services and other financial services to middle market, large corporate, commercial real estate, financial institution, non-profit and public sector clients. Wholesale Banking and Commercial Real Estate contributed \$210 million of the Company's net income in the third quarter of 2015, compared with \$258 million in the third quarter of 2014

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and \$246 million in the second quarter of 2015. Wholesale Banking and Commercial Real Estate's net income decreased \$48 million (18.6 percent) from the same quarter of 2014 due to an increase in total noninterest expense and in the provision for credit losses, partially offset by an increase in total net revenue. Total net revenue increased \$2 million (0.3 percent), due to a \$12 million (2.4 percent) increase in net interest income, partially offset by a \$10 million (4.3 percent) decrease in total noninterest income. Net interest income increased year-over-year, primarily due to an increase in average total loans and deposits, partially offset by lower rates and fees on loans. The decrease in total noninterest income was driven by higher loan-related charges, partially offset by higher loan syndication and bond underwriting fees, as well as higher wholesale transaction activity. Total noninterest expense was \$28 million (9.2 percent) higher compared with a year ago primarily due to higher compensation and employee benefits expense, mainly due to higher variable compensation, merit and pension costs, and net shared services expense and an increase in the FDIC insurance assessment allocation based on the level of commitments. The provision for credit losses increased \$49 million due to an unfavorable change in the reserve allocation and an increase in net charge-offs.

Wholesale Banking and Commercial Real Estate's contribution to net income in the third quarter of 2015 was \$36 million (14.6 percent) lower than the second quarter of 2015, due to an increase in the provision for credit losses and noninterest expense, partially offset by an increase in total net revenue. Total net revenue increased \$10 million (1.4 percent) compared with the prior quarter. Net interest income increased \$11 million (2.2 percent) on a linked quarter basis, primarily due to higher average loans and an additional day in the quarter, partially offset by lower rates and fees on loans. Total noninterest income was essentially flat compared with the prior quarter. Total noninterest expense increased \$5 million (1.5 percent) due to higher variable compensation and an additional day in the quarter relative to the prior quarter. The provision for credit losses increased \$61 million due to an unfavorable change in the reserve allocation and an increase in net charge-offs.

**Consumer and Small Business Banking** delivers products and services through banking offices, telephone servicing and sales, on-line services, direct mail, ATM processing and mobile devices, such as mobile phones and tablet computers. It encompasses community banking, metropolitan banking and indirect lending (collectively, the retail banking division), as well as mortgage banking. Consumer and Small Business Banking contributed \$310 million of the Company's net income in the third quarter of 2015, a \$65 million (17.3 percent) decrease from the third quarter of 2014 and an \$8 million (2.5 percent) decrease from the prior quarter. Within Consumer and Small Business Banking, the retail banking division reported a 4.7

percent decrease in its contribution from the same quarter of last year due to lower total net revenue and an increase in total noninterest expense, partially offset by a lower provision for credit losses. Retail banking's total net revenue was 1.3 percent lower than the third quarter of 2014. Net interest income decreased 1.9 percent, primarily as a result of lower rates on loans, partially offset by higher average loan and deposit balances. Total noninterest income for the retail banking division was flat compared with a year ago. Total noninterest expense for the retail banking division in the third quarter of 2015 increased 5.1 percent over the same quarter of the prior year, primarily due to the allocation to the business line of a previously reserved legal matter and higher compensation and employee benefits expense, principally due to higher merit and pension costs. The provision for credit losses for the retail banking division decreased 57.0 percent on a year-over-year basis due to a favorable change in the reserve allocation and lower net charge-offs. The contribution of the mortgage banking division was 38.0 percent lower than the third quarter of 2014, reflecting a decrease in total net revenue and an increase in total noninterest expense, as well as an increase in the provision for credit losses. The division's 6.7 percent decrease in total net revenue was driven by a 13.3 percent decrease in total noninterest income, principally due to an unfavorable change in the valuation of MSRs, net of hedging activities, partially offset by a 3.8 percent increase in net interest income, primarily the result of higher average loans held for sale. Total noninterest expense was 24.9 percent higher compared with the prior year quarter primarily due to higher mortgage servicing-related expenses and increased compensation expense due to higher pension costs. The 50.0 percent increase in the provision for credit losses for the mortgage banking division was due to an unfavorable change in the reserve allocation, partially offset by lower net charge-offs.

Consumer and Small Business Banking's contribution in the third quarter of 2015 was \$8 million (2.5 percent) lower than the second quarter of 2015, primarily due to an increase in total noninterest expense, partially offset by an increase in total net revenue and a decrease in the provision for credit losses. Within Consumer and Small Business Banking, the retail banking division's contribution decreased 8.6 percent, mainly due to an increase in total noninterest expense and an increase in the provision for credit losses, partially offset by an increase in total net revenue. Total net revenue for the retail banking division increased 1.9 percent compared with the previous quarter. Net interest income was 1.6 percent higher primarily due to higher average loan and deposit balances, as well as an additional day in the current quarter relative to the prior quarter, partially offset by lower rates on loans. Total noninterest income was 2.5 percent higher on a linked quarter basis, driven by seasonally higher deposit service charges. Total noninterest expense increased 4.6 percent, primarily due to the allocation to the business line of a previously reserved legal matter. The

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provision for credit losses increased 48.1 percent on a linked quarter basis primarily due to an unfavorable change in the reserve allocation. The contribution of the mortgage banking division increased 17.3 percent over the second quarter of 2015 primarily due to lower provision for credit losses, partially offset by higher total noninterest expense and lower total net revenue. Total net revenue decreased 1.5 percent due to a 3.1 percent decrease in total noninterest income, the result of lower mortgage origination revenue. The decrease in noninterest income was partially offset by a 0.6 percent increase in net interest income, primarily due to an additional day in the quarter. Total noninterest expense increased 2.0 percent, primarily reflecting higher mortgage servicing-related expenses, along with higher compensation and employee benefits expense related to an additional day in the current quarter relative to the prior quarter. The provision for credit losses for the mortgage banking division decreased \$31 million on a linked quarter basis primarily due to a favorable change in the reserve allocation.

**Wealth Management and Securities Services** provides private banking, financial advisory services, investment management, retail brokerage services, insurance, trust, custody and fund servicing through five businesses: Wealth Management, Corporate Trust Services, U.S. Bancorp Asset Management, Institutional Trust & Custody and Fund Services. Wealth Management and Securities Services contributed \$64 million of the Company's net income in the third quarter of 2015, compared with \$64 million in the third quarter of 2014 and \$69 million in the second quarter of 2015. The business line's contribution was flat compared with the same quarter of 2014, reflecting an increase in total net revenue and a decrease in the provision for credit losses, offset by an increase in total noninterest expense. Total net revenue increased \$15 million (3.3 percent) year-over-year, driven by a \$13 million (3.7 percent) increase in total noninterest income, reflecting the impact of account growth and improved market conditions, and an increase in net interest income of \$2 million (2.1 percent), principally due to higher average deposit balances. Total noninterest expense increased \$19 million (5.5 percent) primarily as a result of higher net shared services expense and increased compensation and employee benefits expense due to merit and pension costs. The provision for credit losses decreased \$5 million (83.3 percent) compared with the prior year quarter due to a favorable change in the reserve allocation and lower net charge-offs.

The business line's contribution in the third quarter of 2015 was \$5 million (7.2 percent) lower than the prior quarter. Total net revenue was essentially flat on a linked quarter basis, reflecting an increase in net interest income of \$7 million (7.7 percent), principally due to higher average deposit balances, partially offset by a decrease in noninterest income of \$6 million (1.6 percent) reflecting current market conditions. Total noninterest expense increased \$8 million (2.3 percent) over the prior quarter primarily as a result of

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increased compensation expense, including higher variable compensation costs. The provision for credit losses was flat on a linked quarter basis.

**Payment Services** includes consumer and business credit cards, stored-value cards, debit cards, corporate, government and purchasing card services, consumer lines of credit and merchant processing. Payment Services contributed \$325 million of the Company's net income in the third quarter of 2015, compared with \$306 million in the third quarter of 2014 and \$259 million in the second quarter of 2015. The \$19 million (6.2 percent) increase in the business line's contribution from the prior year was due to an increase in total net revenue and a decrease in the provision for credit losses, partially offset by an increase in noninterest expense. Total net revenue increased \$72 million (5.6 percent) year-over-year. Net interest income increased \$40 million (9.0 percent), primarily due to improved loan rates and higher average loan balances and fees. Total noninterest income was \$32 million (3.8 percent) higher year-over-year due to an increase in credit and debit card revenue on higher transaction volumes, along with higher merchant processing services, driven by increased transaction volumes and product fees and equipment sales to merchants related to new chip card technology requirements, partially offset by the impact of foreign currency rate changes. Total noninterest expense increased \$53 million (8.8 percent) over the third quarter of 2014, driven by higher net shared services, compensation and marketing expenses. The provision for credit losses decreased \$10 million (5.3 percent) due to a favorable change in the reserve allocation and lower net charge-offs.

Payment Services' contribution in the third quarter of 2015 increased \$66 million (25.5 percent) over the second quarter of 2015 due to higher total net revenue and lower noninterest expense and provision for credit losses. Net interest income was \$25 million (5.4 percent) higher than the prior quarter due to improved loan rates and higher average loan balances and fees. Total noninterest income increased \$24 million (2.8 percent), primarily reflecting an increase in corporate payment products revenue on seasonally higher volumes, an increase in merchant processing services due to higher product fees and equipment sales to merchants related to new chip card technology requirements and an increase in credit and debit card revenue due to higher transaction volumes. Total noninterest expense was \$27 million (4.0 percent) lower on a linked quarter basis reflecting the allocation to the business line of a previously reserved regulatory item in the prior quarter, partially offset by the timing of marketing programs. The provision for credit losses was \$28 million (13.5 percent) lower on a linked quarter basis due to lower net charge-offs and a favorable change in the reserve allocation.

**Treasury and Corporate Support** includes the Company's investment portfolios, most covered commercial and commercial real estate loans and related other real estate owned, funding, capital management, interest rate risk management, income taxes not allocated to business lines, including most investments in tax-advantaged projects, and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis. Treasury and Corporate Support recorded net income of \$580 million in the third quarter of 2015, compared with \$468 million in the third quarter of 2014 and \$591 million in the second quarter of 2015. The increase in net income of \$112 million (23.9 percent) over the prior year was due to an increase in total net revenue, along with decreases in total noninterest expense and the provision for credit losses. Net interest income increased \$32 million (6.0 percent) over the third quarter of 2014 principally due to growth in the investment portfolio. Total noninterest income increased \$83 million (56.8 percent) over the third quarter of last year, mainly due to the Visa sale, partially offset by the student loan market adjustment. Total noninterest expense decreased \$39 million (20.2 percent), principally due to a reduction of reserves for losses allocated to business lines and lower costs related to investments in tax-advantaged projects, partially offset by higher compensation and employee benefits expense, reflecting higher pension costs, the impact of merit increases and staffing for risk and compliance activities. The provision for credit losses was \$17 million lower year-over-year primarily due to lower net charge-offs.

Net income in the third quarter of 2015 was \$11 million (1.9 percent) lower on a linked quarter basis as an increase in total noninterest expense was partially offset by an increase in total net revenue and a decrease in the provision for credit losses. Total net revenue was \$25 million (3.3 percent) higher than the prior quarter mainly due to the Visa sale, partially offset by the student loan market adjustment. The \$57 million (58.8 percent) increase in total noninterest expense was principally due to the elevated third quarter 2015 expenses and higher costs related to investments in tax-advantaged projects. The provision for credit losses was \$14 million lower compared with the second quarter of 2015 due to lower net charge-offs and a favorable change in the reserve allocation.

Additional schedules containing more detailed information about the Company's business line results are available on the web at [usbank.com](http://usbank.com) or by calling Investor Relations at 612-303-4328.

**On Thursday, October 15, 2015, at 8:30 a.m. CDT, Richard K. Davis, chairman, president and chief executive officer, and Kathy Rogers, vice chair and chief financial officer, will host a conference call to review the financial results. The conference call will be available online and by telephone. To access the webcast and presentation, go to [www.usbank.com](http://www.usbank.com) and click on “About U.S. Bank.” The “Webcasts & Presentations” link can be found under the Investor/Shareholder information heading, which is at the left side near the bottom of the page. To access the conference call from locations within the United States and Canada, please dial 866-316-1409. Participants calling from outside the United States and Canada, please dial 706-634-9086. The conference ID number for all participants is 13809601. For those unable to participate during the live call, a recording will be available at approximately 11:30 a.m. CDT on Thursday, October 15 and be accessible through Thursday, October 22 at 11:00 p.m. CDT. To access the recorded message within the United States and Canada, dial 855-859-2056. If calling from outside the United States and Canada, please dial 404-537-3406 to access the recording. The conference ID is 13809601.**

Minneapolis-based U.S. Bancorp (“USB”), with \$416 billion in assets as of September 30, 2015, is the parent company of U.S. Bank National Association, the fifth largest commercial bank in the United States. The Company operates 3,151 banking offices in 25 states and 5,001 ATMs and provides a comprehensive line of banking, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at [www.usbank.com](http://www.usbank.com).



### Forward-Looking Statements

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

This press release contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date hereof. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. A reversal or slowing of the current economic recovery or another severe contraction could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a downturn in the residential real estate markets could cause credit losses and deterioration in asset values. In addition, U.S. Bancorp's business and financial performance is likely to be negatively impacted by recently enacted and future legislation and regulation. U.S. Bancorp's results could also be adversely affected by deterioration in general business and economic conditions; changes in interest 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 securities held in its investment securities portfolio; legal and regulatory developments; litigation; increased competition from both banks and non-banks; changes in customer behavior and preferences; breaches in data security; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, residual value risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputational risk.

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2014, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" 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. However, factors other than these also could adversely affect U.S. Bancorp's results, and the reader should not consider these factors to be a complete set of all potential risks or uncertainties. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

### Non-GAAP Financial Measures

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

- Tangible common equity to tangible assets,
- Tangible common equity to risk-weighted assets,
- Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach, and
- Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches.

These measures are viewed by management as useful additional methods of reflecting the level of capital available to withstand unexpected 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 measures differ from currently effective capital ratios defined by banking regulations principally in that the numerator includes unrealized gains and losses related to available-for-sale securities and excludes preferred securities, including preferred stock, the nature and extent of which varies among different financial services companies. These measures are not defined in generally accepted accounting principles ("GAAP"), or are not currently effective or defined in federal banking regulations. As a result, these measures disclosed by the Company may be considered non-GAAP financial measures.

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.

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(MORE)

# U.S. Bancorp

## Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
<b>Interest Income</b>				
Loans	\$2,520	\$2,518	\$7,476	\$7,572
Loans held for sale	60	36	166	87
Investment securities	502	476	1,502	1,378
Other interest income	35	27	102	89
Total interest income	3,117	3,057	9,246	9,126
<b>Interest Expense</b>				
Deposits	113	115	344	348
Short-term borrowings	66	72	189	204
Long-term debt	170	178	531	543
Total interest expense	349	365	1,064	1,095
Net interest income	2,768	2,692	8,182	8,031
Provision for credit losses	282	311	827	941
Net interest income after provision for credit losses	2,486	2,381	7,355	7,090
<b>Noninterest Income</b>				
Credit and debit card revenue	269	251	776	749
Corporate payment products revenue	190	195	538	550
Merchant processing services	400	387	1,154	1,127
ATM processing services	81	81	239	241
Trust and investment management fees	329	315	985	930
Deposit service charges	185	185	520	513
Treasury management fees	143	136	422	409
Commercial products revenue	231	209	645	635
Mortgage banking revenue	224	260	695	774
Investment products fees	46	49	141	142
Securities gains (losses), net	(1)	(3)	(1)	2
Other	229	177	638	722
Total noninterest income	2,326	2,242	6,752	6,794
<b>Noninterest Expense</b>				
Compensation	1,225	1,132	3,600	3,372
Employee benefits	285	250	895	796
Net occupancy and equipment	251	249	745	739
Professional services	115	102	298	282
Marketing and business development	99	78	265	253
Technology and communications	222	219	657	644
Postage, printing and supplies	77	81	223	242
Other intangibles	42	51	128	148
Other	459	452	1,311	1,435
Total noninterest expense	2,775	2,614	8,122	7,911
Income before income taxes	2,037	2,009	5,985	5,973
Applicable income taxes	534	523	1,541	1,566
Net income	1,503	1,486	4,444	4,407
Net (income) loss attributable to noncontrolling interests	(14)	(15)	(41)	(44)
Net income attributable to U.S. Bancorp	\$1,489	\$1,471	\$4,403	\$4,363
Net income applicable to U.S. Bancorp common shareholders	\$1,422	\$1,405	\$4,204	\$4,163
Earnings per common share	\$ .81	\$ .78	\$2.38	\$2.30
Diluted earnings per common share	\$ .81	\$ .78	\$2.36	\$2.29
Dividends declared per common share	\$ .255	\$ .245	\$ .755	\$ .720
Average common shares outstanding	1,758	1,798	1,770	1,809
Average diluted common shares outstanding	1,766	1,807	1,778	1,819

# U.S. Bancorp

## Consolidated Ending Balance Sheet

(Dollars in Millions)	September 30, 2015	December 31, 2014	September 30, 2014
<b>Assets</b>	(Unaudited)		(Unaudited)
Cash and due from banks	\$10,450	\$10,654	\$6,183
Investment securities			
Held-to-maturity	44,690	44,974	44,231
Available-for-sale	60,396	56,069	52,674
Loans held for sale	4,472	4,792	3,939
Loans			
Commercial	85,539	80,377	78,878
Commercial real estate	42,478	42,795	40,909
Residential mortgages	52,349	51,619	51,957
Credit card	18,583	18,515	17,858
Other retail	51,051	49,264	48,935
Total loans, excluding covered loans	250,000	242,570	238,537
Covered loans	4,791	5,281	7,054
Total loans	254,791	247,851	245,591
Less allowance for loan losses	(3,965)	(4,039)	(4,065)
Net loans	250,826	243,812	241,526
Premises and equipment	2,515	2,618	2,608
Goodwill	9,368	9,389	9,401
Other intangible assets	3,176	3,162	3,338
Other assets	30,050	27,059	27,384
Total assets	\$415,943	\$402,529	\$391,284
<b>Liabilities and Shareholders' Equity</b>			
Deposits			
Noninterest-bearing	\$83,549	\$77,323	\$78,641
Interest-bearing	185,861	177,452	165,070
Time deposits greater than \$100,000	25,854	27,958	29,386
Total deposits	295,264	282,733	273,097
Short-term borrowings	26,915	29,893	30,045
Long-term debt	32,504	32,260	30,768
Other liabilities	15,493	13,475	13,545
Total liabilities	370,176	358,361	347,455
Shareholders' equity			
Preferred stock	4,756	4,756	4,756
Common stock	21	21	21
Capital surplus	8,362	8,313	8,293
Retained earnings	45,413	42,530	41,543
Less treasury stock	(12,756)	(11,245)	(10,836)
Accumulated other comprehensive income (loss)	(721)	(896)	(636)
Total U.S. Bancorp shareholders' equity	45,075	43,479	43,141
Noncontrolling interests	692	689	688
Total equity	45,767	44,168	43,829
Total liabilities and equity	\$415,943	\$402,529	\$391,284

U.S. Bancorp

**Non-GAAP Financial Measures**

(Dollars in Millions, Unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Total equity	\$45,767	\$45,231	\$44,965	\$44,168	\$43,829
Preferred stock	(4,756)	(4,756)	(4,756)	(4,756)	(4,756)
Noncontrolling interests	(692)	(694)	(688)	(689)	(688)
Goodwill (net of deferred tax liability) (1)	(8,324)	(8,350)	(8,360)	(8,403)	(8,503)
Intangible assets, other than mortgage servicing rights	(779)	(744)	(783)	(824)	(877)
Tangible common equity (a)	31,216	30,687	30,378	29,496	29,005
Tangible common equity (as calculated above)	31,216	30,687	30,378	29,496	29,005
Adjustments (2)	118	125	158	172	187
Common equity tier 1 capital estimated for the Basel III fully implemented standardized and advanced approaches (b)	31,334	30,812	30,536	29,668	29,192
Total assets	415,943	419,075	410,233	402,529	391,284
Goodwill (net of deferred tax liability) (1)	(8,324)	(8,350)	(8,360)	(8,403)	(8,503)
Intangible assets, other than mortgage servicing rights	(779)	(744)	(783)	(824)	(877)
Tangible assets (c)	406,840	409,981	401,090	393,302	381,904
Risk-weighted assets, determined in accordance with prescribed transitional standardized approach regulatory requirements (d)	336,227 *	333,177	327,709	317,398	311,914
Adjustments (3)	3,532 *	3,532	3,153	11,110	12,837
Risk-weighted assets estimated for the Basel III fully implemented standardized approach (e)	339,759 *	336,709	330,862	328,508	324,751
Risk-weighted assets, determined in accordance with prescribed transitional advanced approaches regulatory requirements	248,048 *	245,038	254,892	248,596	243,909
Adjustments (4)	3,723 *	3,721	3,321	3,270	3,443
Risk-weighted assets estimated for the Basel III fully implemented advanced approaches (f)	251,771 *	248,759	258,213	251,866	247,352
<b>Ratios *</b>					
Tangible common equity to tangible assets (a)/(c)	7.7 %	7.5 %	7.6 %	7.5 %	7.6 %
Tangible common equity to risk-weighted assets (a)/(d)	9.3	9.2	9.3	9.3	9.3
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented standardized approach (b)/(e)	9.2	9.2	9.2	9.0	9.0
Common equity tier 1 capital to risk-weighted assets estimated for the Basel III fully implemented advanced approaches (b)/(f)	12.4	12.4	11.8	11.8	11.8

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

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

(2) Includes net losses on cash flow hedges included in accumulated other comprehensive income (loss) and other adjustments.

(3) Includes higher risk-weighting for unfunded loan commitments, investment securities, residential mortgages, mortgage servicing rights and other adjustments.

(4) Primarily reflects higher risk-weighting for mortgage servicing rights.

# **Supplemental Analyst Schedules**

**3Q 2015**

## U.S. Bancorp

### Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended			Percent Change v. September 30, 2015	
	September 30, 2015	June 30, 2015	September 30, 2014	June 30, 2015	September 30, 2014
Net interest income (taxable-equivalent basis)	\$2,821	\$2,770	\$2,748	1.8 %	2.7 %
Noninterest income	2,326	2,272	2,242	2.4	3.7
Total net revenue	5,147	5,042	4,990	2.1	3.1
Noninterest expense	2,775	2,682	2,614	3.5	6.2
Income before provision and income taxes	2,372	2,360	2,376	.5	(.2)
Provision for credit losses	282	281	311	.4	(9.3)
Income before income taxes	2,090	2,079	2,065	.5	1.2
Taxable-equivalent adjustment	53	54	56	(1.9)	(5.4)
Applicable income taxes	534	528	523	1.1	2.1
Net income	1,503	1,497	1,486	.4	1.1
Net (income) loss attributable to noncontrolling interests	(14)	(14)	(15)	--	6.7
Net income attributable to U.S. Bancorp	\$1,489	\$1,483	\$1,471	.4	1.2
Net income applicable to U.S. Bancorp common shareholders	\$1,422	\$1,417	\$1,405	.4	1.2
Diluted earnings per common share	\$.81	\$.80	\$.78	1.3	3.8
Revenue per diluted common share (a)	\$2.92	\$2.83	\$2.76	3.2	5.8
<b>Financial Ratios</b>					
Net interest margin (b)	3.04 %	3.03 %	3.16 %		
Interest yield on average loans (b)	4.04	4.05	4.15		
Rate paid on interest-bearing liabilities (b)	.52	.52	.57		
Return on average assets	1.44	1.46	1.51		
Return on average common equity	14.1	14.3	14.5		
Efficiency ratio (c)	53.9	53.2	52.4		
Tangible efficiency ratio (d)	53.1	52.3	51.3		

(a) Computed as the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), divided by average diluted common shares outstanding

(b) On a taxable-equivalent basis

(c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)

(d) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

## U.S. Bancorp

### Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Nine Months Ended		Percent Change
	September 30, 2015	September 30, 2014	
Net interest income (taxable-equivalent basis)	\$8,343	\$8,198	1.8 %
Noninterest income	6,752	6,794	(.6)
Total net revenue	15,095	14,992	.7
Noninterest expense	8,122	7,911	2.7
Income before provision and income taxes	6,973	7,081	(1.5)
Provision for credit losses	827	941	(12.1)
Income before income taxes	6,146	6,140	.1
Taxable-equivalent adjustment	161	167	(3.6)
Applicable income taxes	1,541	1,566	(1.6)
Net income	4,444	4,407	.8
Net (income) loss attributable to noncontrolling interests	(41)	(44)	6.8
Net income attributable to U.S. Bancorp	\$4,403	\$4,363	.9
Net income applicable to U.S. Bancorp common shareholders	\$4,204	\$4,163	1.0
Diluted earnings per common share	\$2.36	\$2.29	3.1
Revenue per diluted common share (a)	\$8.49	\$8.24	3.0

#### Financial Ratios

Net interest margin (b)	3.05 %	3.26 %
Interest yield on average loans (b)	4.06	4.26
Rate paid on interest-bearing liabilities (b)	.53	.60
Return on average assets	1.45	1.56
Return on average common equity	14.1	14.7
Efficiency ratio (c)	53.8	52.8
Tangible efficiency ratio (d)	53.0	51.8

- (a) Computed as the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), divided by average diluted common shares outstanding
- (b) On a taxable-equivalent basis
- (c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)
- (d) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization



# Quarterly Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Interest Income</b>					
Loans	\$2,520	\$2,463	\$2,493	\$2,541	\$2,518
Loans held for sale	60	65	41	41	36
Investment securities	502	505	495	488	476
Other interest income	35	35	32	32	27
Total interest income	3,117	3,068	3,061	3,102	3,057
<b>Interest Expense</b>					
Deposits	113	113	118	117	115
Short-term borrowings	66	62	61	59	72
Long-term debt	170	177	184	182	178
Total interest expense	349	352	363	358	365
Net interest income	2,768	2,716	2,698	2,744	2,692
Provision for credit losses	282	281	264	288	311
Net interest income after provision for credit losses	2,486	2,435	2,434	2,456	2,381
<b>Noninterest Income</b>					
Credit and debit card revenue	269	266	241	272	251
Corporate payment products revenue	190	178	170	174	195
Merchant processing services	400	395	359	384	387
ATM processing services	81	80	78	80	81
Trust and investment management fees	329	334	322	322	315
Deposit service charges	185	174	161	180	185
Treasury management fees	143	142	137	136	136
Commercial products revenue	231	214	200	219	209
Mortgage banking revenue	224	231	240	235	260
Investment products fees	46	48	47	49	49
Securities gains (losses), net	(1)	--	--	1	(3)
Other	229	210	199	318	177
Total noninterest income	2,326	2,272	2,154	2,370	2,242
<b>Noninterest Expense</b>					
Compensation	1,225	1,196	1,179	1,151	1,132
Employee benefits	285	293	317	245	250
Net occupancy and equipment	251	247	247	248	249
Professional services	115	106	77	132	102
Marketing and business development	99	96	70	129	78
Technology and communications	222	221	214	219	219
Postage, printing and supplies	77	64	82	86	81
Other intangibles	42	43	43	51	51
Other	459	416	436	543	452
Total noninterest expense	2,775	2,682	2,665	2,804	2,614
Income before income taxes	2,037	2,025	1,923	2,022	2,009
Applicable income taxes	534	528	479	521	523
Net income	1,503	1,497	1,444	1,501	1,486
Net (income) loss attributable to noncontrolling interests	(14)	(14)	(13)	(13)	(15)
Net income attributable to U.S. Bancorp	\$1,489	\$1,483	\$1,431	\$1,488	\$1,471
Net income applicable to U.S. Bancorp common shareholders	\$1,422	\$1,417	\$1,365	\$1,420	\$1,405
Earnings per common share	\$.81	\$.80	\$.77	\$.79	\$.78
Diluted earnings per common share	\$.81	\$.80	\$.76	\$.79	\$.78
Dividends declared per common share	\$.255	\$.255	\$.245	\$.245	\$.245
Average common shares outstanding	1,758	1,771	1,781	1,787	1,798
Average diluted common shares outstanding	1,766	1,779	1,789	1,796	1,807
<b>Financial Ratios</b>					
Net interest margin (a)	3.04 %	3.03 %	3.08 %	3.14 %	3.16 %
Interest yield on average loans (a)	4.04	4.05	4.11	4.14	4.15
Rate paid on interest-bearing liabilities (a)	.52	.52	.55	.55	.57
Return on average assets	1.44	1.46	1.44	1.50	1.51
Return on average common equity	14.1	14.3	14.1	14.4	14.5
Efficiency ratio (b)	53.9	53.2	54.3	54.3	52.4
Tangible efficiency ratio (c)	53.1	52.3	53.4	53.3	51.3

(a) On a taxable-equivalent basis

(b) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses)

(c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

# U.S. Bancorp

## Consolidated Ending Balance Sheet

(Dollars in Millions)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Assets</b>	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)
Cash and due from banks	\$10,450	\$17,925	\$14,072	\$10,654	\$6,183
Investment securities					
Held-to-maturity	44,690	46,233	45,597	44,974	44,231
Available-for-sale	60,396	57,078	56,826	56,069	52,674
Loans held for sale	4,472	8,498	8,012	4,792	3,939
Loans					
Commercial	85,539	84,620	82,732	80,377	78,878
Commercial real estate	42,478	42,258	42,409	42,795	40,909
Residential mortgages	52,349	51,337	51,089	51,619	51,957
Credit card	18,583	17,788	17,504	18,515	17,858
Other retail	51,051	47,652	46,449	49,264	48,935
Total loans, excluding covered loans	250,000	243,655	240,183	242,570	238,537
Covered loans	4,791	4,984	5,118	5,281	7,054
Total loans	254,791	248,639	245,301	247,851	245,591
Less allowance for loan losses	(3,965)	(4,013)	(4,023)	(4,039)	(4,065)
Net loans	250,826	244,626	241,278	243,812	241,526
Premises and equipment	2,515	2,551	2,575	2,618	2,608
Goodwill	9,368	9,374	9,363	9,389	9,401
Other intangible assets	3,176	3,225	3,033	3,162	3,338
Other assets	30,050	29,565	29,477	27,059	27,384
Total assets	\$415,943	\$419,075	\$410,233	\$402,529	\$391,284
<b>Liabilities and Shareholders' Equity</b>					
Deposits					
Noninterest-bearing	\$83,549	\$86,189	\$79,220	\$77,323	\$78,641
Interest-bearing	185,861	186,589	179,853	177,452	165,070
Time deposits greater than \$100,000	25,854	24,070	27,528	27,958	29,386
Total deposits	295,264	296,848	286,601	282,733	273,097
Short-term borrowings	26,915	27,784	28,226	29,893	30,045
Long-term debt	32,504	34,141	35,104	32,260	30,768
Other liabilities	15,493	15,071	15,337	13,475	13,545
Total liabilities	370,176	373,844	365,268	358,361	347,455
Shareholders' equity					
Preferred stock	4,756	4,756	4,756	4,756	4,756
Common stock	21	21	21	21	21
Capital surplus	8,362	8,335	8,315	8,313	8,293
Retained earnings	45,413	44,434	43,463	42,530	41,543
Less treasury stock	(12,756)	(12,144)	(11,564)	(11,245)	(10,836)
Accumulated other comprehensive income (loss)	(721)	(865)	(714)	(896)	(636)
Total U.S. Bancorp shareholders' equity	45,075	44,537	44,277	43,479	43,141
Noncontrolling interests	692	694	688	689	688
Total equity	45,767	45,231	44,965	44,168	43,829
Total liabilities and equity	\$415,943	\$419,075	\$410,233	\$402,529	\$391,284

# U.S. Bancorp

## Consolidated Quarterly Average Balance Sheet

(Dollars in Millions, Unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Assets</b>					
Investment securities	\$103,943	\$102,391	\$100,712	\$98,164	\$93,141
Loans held for sale	6,835	7,908	4,338	4,145	3,552
Loans					
Commercial					
Commercial	79,486	77,932	76,183	74,333	72,190
Lease financing	5,218	5,321	5,325	5,292	5,155
Total commercial	84,704	83,253	81,508	79,625	77,345
Commercial real estate					
Commercial mortgages	32,083	32,499	33,119	31,783	31,965
Construction and development	10,233	9,947	9,552	9,183	8,874
Total commercial real estate	42,316	42,446	42,671	40,966	40,839
Residential mortgages	51,831	51,114	51,426	51,872	51,994
Credit card	17,944	17,613	17,823	17,990	17,753
Other retail					
Retail leasing	5,480	5,696	5,819	5,939	5,991
Home equity and second mortgages	16,083	15,958	15,897	15,853	15,704
Other	27,286	25,415	27,604	27,317	27,003
Total other retail	48,849	47,069	49,320	49,109	48,698
Total loans, excluding covered loans	245,644	241,495	242,748	239,562	236,629
Covered loans	4,892	5,065	5,202	6,859	7,238
Total loans	250,536	246,560	247,950	246,421	243,867
Other earning assets	7,951	9,569	7,841	6,231	5,862
Total earning assets	369,265	366,428	360,841	354,961	346,422
Allowance for loan losses	(4,031)	(4,051)	(4,088)	(4,112)	(4,161)
Unrealized gain (loss) on investment securities	607	794	905	698	463
Other assets	44,598	44,730	44,178	43,169	43,099
Total assets	\$410,439	\$407,901	\$401,836	\$394,716	\$385,823
<b>Liabilities and Shareholders' Equity</b>					
Noninterest-bearing deposits	\$80,940	\$77,347	\$74,511	\$76,958	\$74,126
Interest-bearing deposits					
Interest checking	56,888	55,205	54,658	54,199	54,454
Money market savings	80,338	79,898	73,889	68,914	66,250
Savings accounts	37,480	37,071	36,033	34,955	34,615
Time deposits less than \$100,000	9,549	9,933	10,410	10,766	11,045
Time deposits greater than \$100,000	24,497	26,290	28,959	29,687	30,518
Total interest-bearing deposits	208,752	208,397	203,949	198,521	196,882
Short-term borrowings	27,525	27,758	29,497	29,923	30,961
Long-term debt	33,202	34,418	34,436	31,494	26,658
Total interest-bearing liabilities	269,479	270,573	267,882	259,938	254,501
Other liabilities	14,463	14,778	14,678	13,290	13,379
Shareholders' equity					
Preferred equity	4,756	4,756	4,756	4,756	4,756
Common equity	40,111	39,758	39,322	39,087	38,376
Total U.S. Bancorp shareholders' equity	44,867	44,514	44,078	43,843	43,132
Noncontrolling interests	690	689	687	687	685
Total equity	45,557	45,203	44,765	44,530	43,817
Total liabilities and equity	\$410,439	\$407,901	\$401,836	\$394,716	\$385,823

**Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)**For the Three Months Ended September 30,  
2015 2014

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
<b>Assets</b>							
Investment securities	\$103,943	\$531	2.04 %	\$93,141	\$508	2.18 %	11.6 %
Loans held for sale	6,835	60	3.54	3,552	36	4.08	92.4
Loans (b)							
Commercial	84,704	574	2.69	77,345	564	2.89	9.5
Commercial real estate	42,316	407	3.82	40,839	397	3.86	3.6
Residential mortgages	51,831	493	3.80	51,994	502	3.86	(.3)
Credit card	17,944	498	11.02	17,753	467	10.45	1.1
Other retail	48,849	504	4.09	48,698	517	4.22	.3
Total loans, excluding covered loans	245,644	2,476	4.01	236,629	2,447	4.11	3.8
Covered loans	4,892	68	5.54	7,238	96	5.31	(32.4)
Total loans	250,536	2,544	4.04	243,867	2,543	4.15	2.7
Other earning assets	7,951	36	1.76	5,862	27	1.86	35.6
Total earning assets	369,265	3,171	3.42	346,422	3,114	3.58	6.6
Allowance for loan losses	(4,031)			(4,161)			3.1
Unrealized gain (loss) on investment securities	607			463			31.1
Other assets	44,598			43,099			3.5
Total assets	\$410,439			\$385,823			6.4
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$80,940			\$74,126			9.2 %
Interest-bearing deposits							
Interest checking	56,888	8	.05	54,454	9	.07	4.5
Money market savings	80,338	50	.25	66,250	31	.19	21.3
Savings accounts	37,480	9	.10	34,615	11	.13	8.3
Time deposits less than \$100,000	9,549	21	.86	11,045	29	1.02	(13.5)
Time deposits greater than \$100,000	24,497	25	.41	30,518	35	.45	(19.7)
Total interest-bearing deposits	208,752	113	.21	196,882	115	.23	6.0
Short-term borrowings	27,525	67	.97	30,961	73	.94	(11.1)
Long-term debt	33,202	170	2.04	26,658	178	2.67	24.5
Total interest-bearing liabilities	269,479	350	.52	254,501	366	.57	5.9
Other liabilities	14,463			13,379			8.1
Shareholders' equity							
Preferred equity	4,756			4,756			--
Common equity	40,111			38,376			4.5
Total U.S. Bancorp shareholders' equity	44,867			43,132			4.0
Noncontrolling interests	690			685			.7
Total equity	45,557			43,817			4.0
Total liabilities and equity	\$410,439			\$385,823			6.4
Net interest income		\$2,821			\$2,748		
Gross interest margin			2.90 %			3.01 %	
Gross interest margin without taxable-equivalent increments			2.84			2.95	
<b>Percent of Earning Assets</b>							
Interest income			3.42 %			3.58 %	
Interest expense			.38			.42	
Net interest margin			3.04 %			3.16 %	
Net interest margin without taxable-equivalent increments			2.98 %			3.10 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

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

**Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)**

For the Three Months Ended  
September 30, 2015 June 30, 2015

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
<b>Assets</b>							
Investment securities	\$103,943	\$531	2.04 %	\$102,391	\$535	2.09 %	1.5 %
Loans held for sale	6,835	60	3.54	7,908	65	3.29	(13.6)
Loans (b)							
Commercial	84,704	574	2.69	83,253	566	2.73	1.7
Commercial real estate	42,316	407	3.82	42,446	413	3.90	(.3)
Residential mortgages	51,831	493	3.80	51,114	483	3.78	1.4
Credit card	17,944	498	11.02	17,613	471	10.72	1.9
Other retail	48,849	504	4.09	47,069	486	4.14	3.8
Total loans, excluding covered loans	245,644	2,476	4.01	241,495	2,419	4.02	1.7
Covered loans	4,892	68	5.54	5,065	69	5.47	(3.4)
Total loans	250,536	2,544	4.04	246,560	2,488	4.05	1.6
Other earning assets	7,951	36	1.76	9,569	35	1.47	(16.9)
Total earning assets	369,265	3,171	3.42	366,428	3,123	3.42	.8
Allowance for loan losses	(4,031)			(4,051)			.5
Unrealized gain (loss) on investment securities	607			794			(23.6)
Other assets	44,598			44,730			(.3)
Total assets	\$410,439			\$407,901			.6
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$80,940			\$77,347			4.6 %
Interest-bearing deposits							
Interest checking	56,888	8	.05	55,205	7	.06	3.0
Money market savings	80,338	50	.25	79,898	47	.23	.6
Savings accounts	37,480	9	.10	37,071	11	.12	1.1
Time deposits less than \$100,000	9,549	21	.86	9,933	21	.89	(3.9)
Time deposits greater than \$100,000	24,497	25	.41	26,290	27	.41	(6.8)
Total interest-bearing deposits	208,752	113	.21	208,397	113	.22	.2
Short-term borrowings	27,525	67	.97	27,758	63	.92	(.8)
Long-term debt	33,202	170	2.04	34,418	177	2.05	(3.5)
Total interest-bearing liabilities	269,479	350	.52	270,573	353	.52	(.4)
Other liabilities	14,463			14,778			(2.1)
Shareholders' equity							
Preferred equity	4,756			4,756			--
Common equity	40,111			39,758			.9
Total U.S. Bancorp shareholders' equity	44,867			44,514			.8
Noncontrolling interests	690			689			.1
Total equity	45,557			45,203			.8
Total liabilities and equity	\$410,439			\$407,901			.6
Net interest income		\$2,821			\$2,770		
Gross interest margin			2.90 %			2.90 %	
Gross interest margin without taxable-equivalent increments			2.84			2.84	
<b>Percent of Earning Assets</b>							
Interest income			3.42 %			3.42 %	
Interest expense			.38			.39	
Net interest margin			3.04 %			3.03 %	
Net interest margin without taxable-equivalent increments			2.98 %			2.97 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

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

**Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)**For the Nine Months Ended September 30,  
2015 2014

(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
<b>Assets</b>							
Investment securities	\$102,361	\$1,592	2.07 %	\$87,687	\$1,473	2.24 %	16.7 %
Loans held for sale	6,370	166	3.48	2,811	87	4.13	*
Loans (b)							
Commercial	83,167	1,696	2.73	74,424	1,651	2.96	11.7
Commercial real estate	42,476	1,233	3.88	40,465	1,180	3.90	5.0
Residential mortgages	51,458	1,465	3.80	51,799	1,504	3.88	(.7)
Credit card	17,794	1,444	10.85	17,516	1,338	10.21	1.6
Other retail	48,411	1,495	4.13	48,098	1,622	4.51	.7
Total loans, excluding covered loans	243,306	7,333	4.03	232,302	7,295	4.20	4.7
Covered loans	5,052	216	5.69	7,796	352	6.03	(35.2)
Total loans	248,358	7,549	4.06	240,098	7,647	4.26	3.4
Other earning assets	8,454	103	1.62	5,691	89	2.10	48.6
Total earning assets	365,543	9,410	3.44	336,287	9,296	3.69	8.7
Allowance for loan losses	(4,057)			(4,212)			3.7
Unrealized gain (loss) on investment securities	767			388			97.7
Other assets	44,504			42,584			4.5
Total assets	<u>\$406,757</u>			<u>\$375,047</u>			8.5
<b>Liabilities and Shareholders' Equity</b>							
Noninterest-bearing deposits	\$77,623			\$72,274			7.4 %
Interest-bearing deposits							
Interest checking	55,592	23	.05	52,928	26	.07	5.0
Money market savings	78,065	139	.24	62,314	81	.17	25.3
Savings accounts	36,866	32	.12	33,940	35	.14	8.6
Time deposits less than \$100,000	9,961	67	.90	11,151	93	1.12	(10.7)
Time deposits greater than \$100,000	26,566	83	.42	31,055	113	.48	(14.5)
Total interest-bearing deposits	207,050	344	.22	191,388	348	.24	8.2
Short-term borrowings	28,252	192	.91	30,362	207	.91	(6.9)
Long-term debt	34,015	531	2.09	24,864	543	2.92	36.8
Total interest-bearing liabilities	269,317	1,067	.53	246,614	1,098	.60	9.2
Other liabilities	14,639			12,974			12.8
Shareholders' equity							
Preferred equity	4,756			4,756			--
Common equity	39,733			37,742			5.3
Total U.S. Bancorp shareholders' equity	44,489			42,498			4.7
Noncontrolling interests	689			687			.3
Total equity	45,178			43,185			4.6
Total liabilities and equity	<u>\$406,757</u>			<u>\$375,047</u>			8.5
Net interest income		<u>\$8,343</u>			<u>\$8,198</u>		
Gross interest margin			2.91 %			3.09 %	
Gross interest margin without taxable-equivalent increments			2.85			3.02	
<b>Percent of Earning Assets</b>							
Interest income			3.44 %			3.69 %	
Interest expense			.39			.43	
Net interest margin			3.05 %			3.26 %	
Net interest margin without taxable-equivalent increments			2.99 %			3.19 %	

\* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

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

U.S. Bancorp  
**Loan Portfolio**

	September 30, 2015		June 30, 2015		March 31, 2015		December 31, 2014		September 30, 2014	
(Dollars in Millions, Unaudited)	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
<b>Commercial</b>										
Commercial	\$80,313	31.5 %	\$79,323	31.9 %	\$77,394	31.5 %	\$74,996	30.2 %	\$73,600	30.0 %
Lease financing	5,226	2.1	5,297	2.1	5,338	2.2	5,381	2.2	5,278	2.1
Total commercial	85,539	33.6	84,620	34.0	82,732	33.7	80,377	32.4	78,878	32.1
<b>Commercial real estate</b>										
Commercial mortgages	32,089	12.6	32,060	12.9	32,755	13.4	33,360	13.5	31,802	13.0
Construction and development	10,389	4.1	10,198	4.1	9,654	3.9	9,435	3.8	9,107	3.7
Total commercial real estate	42,478	16.7	42,258	17.0	42,409	17.3	42,795	17.3	40,909	16.7
<b>Residential mortgages</b>										
Residential mortgages	39,341	15.4	38,310	15.4	38,153	15.5	38,598	15.6	38,858	15.8
Home equity loans, first liens	13,008	5.1	13,027	5.2	12,936	5.3	13,021	5.2	13,099	5.3
Total residential mortgages	52,349	20.5	51,337	20.6	51,089	20.8	51,619	20.8	51,957	21.1
<b>Credit card</b>	18,583	7.3	17,788	7.2	17,504	7.2	18,515	7.5	17,858	7.3
<b>Other retail</b>										
Retail leasing	5,387	2.1	5,616	2.3	5,796	2.3	5,871	2.4	5,999	2.5
Home equity and second mortgages	16,188	6.3	16,071	6.5	15,859	6.5	15,916	6.4	15,769	6.4
Revolving credit	3,334	1.3	3,289	1.3	3,233	1.3	3,309	1.3	3,242	1.3
Installment	6,949	2.7	6,741	2.7	6,345	2.6	6,242	2.5	6,173	2.5
Automobile	16,484	6.5	15,935	6.4	15,216	6.2	14,822	6.0	14,517	5.9
Student	2,709	1.1	--	--	--	--	3,104	1.3	3,235	1.3
Total other retail	51,051	20.0	47,652	19.2	46,449	18.9	49,264	19.9	48,935	19.9
Total loans, excluding covered loans	250,000	98.1	243,655	98.0	240,183	97.9	242,570	97.9	238,537	97.1
<b>Covered loans</b>	4,791	1.9	4,984	2.0	5,118	2.1	5,281	2.1	7,054	2.9
Total loans	\$254,791	100.0 %	\$248,639	100.0 %	\$245,301	100.0 %	\$247,851	100.0 %	\$245,591	100.0 %

## U.S. Bancorp Supplemental Financial Data

(Dollars in Millions, Unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Book value of intangibles					
Goodwill	\$9,368	\$9,374	\$9,363	\$9,389	\$9,401
Merchant processing contracts	144	154	162	174	189
Core deposit benefits	205	214	225	234	246
Mortgage servicing rights	2,397	2,481	2,250	2,338	2,461
Trust relationships	80	86	91	97	103
Other identified intangibles	350	290	305	319	339
Total	\$12,544	\$12,599	\$12,396	\$12,551	\$12,739

	Three Months Ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
Amortization of intangibles					
Merchant processing contracts	\$8	\$9	\$9	\$12	\$12
Core deposit benefits	10	10	10	11	12
Trust relationships	6	5	5	7	6
Other identified intangibles	18	19	19	21	21
Total	\$42	\$43	\$43	\$51	\$51

### Mortgage Banking Division Data

Mortgage banking revenue					
Origination and sales (a)	\$142	\$161	\$171	\$124	\$138
Loan servicing	182	179	178	181	178
Mortgage servicing rights fair value changes, net of economic hedges (b)	12	7	(1)	41	49
Other changes in mortgage servicing rights fair value (c)	(112)	(116)	(108)	(111)	(105)
Total mortgage banking revenue	\$224	\$231	\$240	\$235	\$260
Mortgage production volume	\$13,979	\$13,388	\$10,900	\$10,448	\$10,410
Mortgage application volume	\$17,015	\$18,354	\$18,602	\$13,552	\$13,496
Mortgages serviced for others (d)(e)	\$229,294	\$225,454	\$225,196	\$225,007	\$224,632
Mortgages repurchased and make-whole payments made	\$14	\$9	\$12	\$14	\$19
Realized losses on mortgage repurchases and make-whole payments, net	1	2	2	15	1
Mortgage representation and warranties reserve (d)	37	40	46	46	62
Outstanding repurchase and make-whole requests (d)	12	21	22	19	29

A summary of the Company's mortgage servicing rights and related characteristics by portfolio as of September 30, 2015, was as follows:

(Dollars in Millions)	HFA (f)	Government	Conventional (g)	Total
Servicing portfolio	\$23,843	\$40,362	\$162,730	\$226,935
Fair value	\$265	\$433	\$1,699	\$2,397
Value (bps) (h)	111	107	104	106
Weighted-average servicing fees (bps)	36	33	27	29
Multiple (value/servicing fees)	3.08	3.24	3.85	3.66
Weighted-average note rate	4.47 %	4.09 %	4.09 %	4.13 %
Weighted-average age (in years)	3.3	3.5	3.4	3.4
Weighted-average expected prepayment (constant prepayment rate)	12.7 %	15.1 %	11.4 %	12.2 %
Weighted-average expected life (in years)	6.1	5.4	6.3	6.1
Weighted-average discount rate	11.8 %	11.2 %	9.5 %	10.0 %

(a) Origination and sales revenue recorded based on estimated number of applications that will close.

(b) Represents the net impact of changes in the fair value of mortgage servicing rights related to assumption changes and the derivatives used to economically hedge the mortgage servicing rights fair value changes.

(c) Primarily represents changes due to realization of expected cash flows over time (decay).

(d) Amounts reported reflect end of period balances.

(e) Includes subserviced mortgages with no corresponding mortgage servicing rights asset.

(f) HFA represents Housing Finance Agency division.

(g) Represents loans primarily sold to government-sponsored enterprises.

(h) Value is calculated as fair value divided by the servicing portfolio.



U.S. Bancorp

**Line of Business Financial Performance\***

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate			Consumer and Small Business Banking			Wealth Management and Securities Services		
	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$516	\$504	2.4 %	\$1,161	\$1,174	(1.1) %	\$98	\$96	2.1 %
Noninterest income	223	233	(4.3)	634	668	(5.1)	366	353	3.7
Securities gains (losses), net	--	--	--	--	--	--	--	--	--
Total net revenue	739	737	.3	1,795	1,842	(2.6)	464	449	3.3
Noninterest expense	330	302	9.3	1,264	1,162	8.8	355	335	6.0
Other intangibles	1	1	--	10	12	(16.7)	7	8	(12.5)
Total noninterest expense	331	303	9.2	1,274	1,174	8.5	362	343	5.5
Income before provision and income taxes	408	434	(6.0)	521	668	(22.0)	102	106	(3.8)
Provision for credit losses	78	29	**	33	79	(58.2)	1	6	(83.3)
Income before income taxes	330	405	(18.5)	488	589	(17.1)	101	100	1.0
Income taxes and taxable-equivalent adjustment	120	147	(18.4)	178	214	(16.8)	37	36	2.8
Net income	210	258	(18.6)	310	375	(17.3)	64	64	--
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$210	\$258	(18.6)	\$310	\$375	(17.3)	\$64	\$64	--
<b>Average Balance Sheet Data</b>									
Loans	\$84,320	\$77,776	8.4 %	\$130,602	\$131,141	(.4) %	\$6,215	\$5,448	14.1 %
Other earning assets	2,258	1,812	24.6	7,625	4,269	78.6	192	207	(7.2)
Goodwill	1,647	1,648	(.1)	3,682	3,680	.1	1,567	1,572	(.3)
Other intangible assets	20	21	(4.8)	2,661	2,664	(.1)	123	155	(20.6)
Assets	92,501	84,883	9.0	148,519	145,578	2.0	9,053	8,691	4.2
Noninterest-bearing deposits	36,587	32,307	13.2	26,834	24,668	8.8	14,997	14,947	.3
Interest-bearing deposits	50,151	47,915	4.7	109,730	105,869	3.6	46,645	40,119	16.3
Total deposits	86,738	80,222	8.1	136,564	130,537	4.6	61,642	55,066	11.9
Total U.S. Bancorp shareholders' equity	8,440	7,591	11.2	10,690	11,504	(7.1)	2,304	2,268	1.6

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services			Treasury and Corporate Support			Consolidated Company		
	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$484	\$444	9.0 %	\$562	\$530	6.0 %	\$2,821	\$2,748	2.7 %
Noninterest income	874	842	3.8	230	149	54.4	2,327	2,245	3.7
Securities gains (losses), net	--	--	--	(1)	(3)	66.7	(1)	(3)	66.7
Total net revenue	1,358	1,286	5.6	791	676	17.0	5,147	4,990	3.1
Noninterest expense	630	571	10.3	154	193	(20.2)	2,733	2,563	6.6
Other intangibles	24	30	(20.0)	--	--	--	42	51	(17.6)
Total noninterest expense	654	601	8.8	154	193	(20.2)	2,775	2,614	6.2
Income before provision and income taxes	704	685	2.8	637	483	31.9	2,372	2,376	(.2)
Provision for credit losses	180	190	(5.3)	(10)	7	**	282	311	(9.3)
Income before income taxes	524	495	5.9	647	476	35.9	2,090	2,065	1.2
Income taxes and taxable-equivalent adjustment	191	180	6.1	61	2	**	587	579	1.4
Net income	333	315	5.7	586	474	23.6	1,503	1,486	1.1
Net (income) loss attributable to noncontrolling interests	(8)	(9)	11.1	(6)	(6)	--	(14)	(15)	6.7
Net income attributable to U.S. Bancorp	\$325	\$306	6.2	\$580	\$468	23.9	\$1,489	\$1,471	1.2
<b>Average Balance Sheet Data</b>									
Loans	\$25,769	\$25,103	2.7 %	\$3,630	\$4,399	(17.5) %	\$250,536	\$243,867	2.7 %
Other earning assets	402	372	8.1	108,252	95,895	12.9	118,729	102,555	15.8
Goodwill	2,475	2,517	(1.7)	--	--	--	9,371	9,417	(.5)
Other intangible assets	381	483	(21.1)	--	--	--	3,185	3,323	(4.2)
Assets	31,584	31,405	.6	128,782	115,266	11.7	410,439	385,823	6.4
Noninterest-bearing deposits	851	702	21.2	1,671	1,502	11.3	80,940	74,126	9.2
Interest-bearing deposits	710	654	8.6	1,516	2,325	(34.8)	208,752	196,882	6.0
Total deposits	1,561	1,356	15.1	3,187	3,827	(16.7)	289,692	271,008	6.9
Total U.S. Bancorp shareholders' equity	5,829	5,690	2.4	17,604	16,079	9.5	44,867	43,132	4.0

\* Preliminary data

\*\* Not meaningful

U.S. Bancorp

**Line of Business Financial Performance\***

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate			Consumer and Small Business Banking			Wealth Management and Securities Services		
	Sep 30, 2015	June 30, 2015	Percent Change	Sep 30, 2015	June 30, 2015	Percent Change	Sep 30, 2015	June 30, 2015	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$516	\$505	2.2 %	\$1,161	\$1,144	1.5 %	\$98	\$91	7.7 %
Noninterest income	223	224	(.4)	634	631	.5	366	372	(1.6)
Securities gains (losses), net	--	--	--	--	--	--	--	--	--
Total net revenue	739	729	1.4	1,795	1,775	1.1	464	463	.2
Noninterest expense	330	325	1.5	1,264	1,214	4.1	355	347	2.3
Other intangibles	1	1	--	10	10	--	7	7	--
Total noninterest expense	331	326	1.5	1,274	1,224	4.1	362	354	2.3
Income before provision and income taxes	408	403	1.2	521	551	(5.4)	102	109	(6.4)
Provision for credit losses	78	17	**	33	51	(35.3)	1	1	--
Income before income taxes	330	386	(14.5)	488	500	(2.4)	101	108	(6.5)
Income taxes and taxable-equivalent adjustment	120	140	(14.3)	178	182	(2.2)	37	39	(5.1)
Net income	210	246	(14.6)	310	318	(2.5)	64	69	(7.2)
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$210	\$246	(14.6)	\$310	\$318	(2.5)	\$64	\$69	(7.2)
<b>Average Balance Sheet Data</b>									
Loans	\$84,320	\$82,795	1.8 %	\$130,602	\$128,544	1.6 %	\$6,215	\$6,079	2.2 %
Other earning assets	2,258	2,535	(10.9)	7,625	8,689	(12.2)	192	196	(2.0)
Goodwill	1,647	1,647	--	3,682	3,682	--	1,567	1,567	--
Other intangible assets	20	21	(4.8)	2,661	2,564	3.8	123	129	(4.7)
Assets	92,501	91,668	.9	148,519	147,472	.7	9,053	8,986	.7
Noninterest-bearing deposits	36,587	35,250	3.8	26,834	25,817	3.9	14,997	13,788	8.8
Interest-bearing deposits	50,151	50,064	.2	109,730	109,677	--	46,645	46,211	.9
Total deposits	86,738	85,314	1.7	136,564	135,494	.8	61,642	59,999	2.7
Total U.S. Bancorp shareholders' equity	8,440	8,116	4.0	10,690	10,809	(1.1)	2,304	2,304	--

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services			Treasury and Corporate Support			Consolidated Company		
	Sep 30, 2015	June 30, 2015	Percent Change	Sep 30, 2015	June 30, 2015	Percent Change	Sep 30, 2015	June 30, 2015	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$484	\$459	5.4 %	\$562	\$571	(1.6) %	\$2,821	\$2,770	1.8 %
Noninterest income	874	850	2.8	230	195	17.9	2,327	2,272	2.4
Securities gains (losses), net	--	--	--	(1)	--	**	(1)	--	**
Total net revenue	1,358	1,309	3.7	791	766	3.3	5,147	5,042	2.1
Noninterest expense	630	656	(4.0)	154	97	58.8	2,733	2,639	3.6
Other intangibles	24	25	(4.0)	--	--	--	42	43	(2.3)
Total noninterest expense	654	681	(4.0)	154	97	58.8	2,775	2,682	3.5
Income before provision and income taxes	704	628	12.1	637	669	(4.8)	2,372	2,360	.5
Provision for credit losses	180	208	(13.5)	(10)	4	**	282	281	.4
Income before income taxes	524	420	24.8	647	665	(2.7)	2,090	2,079	.5
Income taxes and taxable-equivalent adjustment	191	153	24.8	61	68	(10.3)	587	582	.9
Net income	333	267	24.7	586	597	(1.8)	1,503	1,497	.4
Net (income) loss attributable to noncontrolling interests	(8)	(8)	--	(6)	(6)	--	(14)	(14)	--
Net income attributable to U.S. Bancorp	\$325	\$259	25.5	\$580	\$591	(1.9)	\$1,489	\$1,483	.4
<b>Average Balance Sheet Data</b>									
Loans	\$25,769	\$25,298	1.9 %	\$3,630	\$3,844	(5.6) %	\$250,536	\$246,560	1.6 %
Other earning assets	402	353	13.9	108,252	108,095	.1	118,729	119,868	(1.0)
Goodwill	2,475	2,473	.1	--	--	--	9,371	9,369	--
Other intangible assets	381	403	(5.5)	--	--	--	3,185	3,117	2.2
Assets	31,584	31,509	.2	128,782	128,266	.4	410,439	407,901	.6
Noninterest-bearing deposits	851	881	(3.4)	1,671	1,611	3.7	80,940	77,347	4.6
Interest-bearing deposits	710	692	2.6	1,516	1,753	(13.5)	208,752	208,397	.2
Total deposits	1,561	1,573	(.8)	3,187	3,364	(5.3)	289,692	285,744	1.4
Total U.S. Bancorp shareholders' equity	5,829	5,817	.2	17,604	17,468	.8	44,867	44,514	.8

\* Preliminary data

\*\* Not meaningful

U.S. Bancorp

**Line of Business Financial Performance\***

Nine Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate			Consumer and Small Business Banking			Wealth Management and Securities Services		
	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$1,520	\$1,509	.7 %	\$3,447	\$3,550	(2.9) %	\$276	\$288	(4.2) %
Noninterest income	667	731	(8.8)	1,887	1,966	(4.0)	1,094	1,039	5.3
Securities gains (losses), net	--	--	--	--	--	--	--	--	--
Total net revenue	2,187	2,240	(2.4)	5,334	5,516	(3.3)	1,370	1,327	3.2
Noninterest expense	986	926	6.5	3,666	3,405	7.7	1,055	1,000	5.5
Other intangibles	3	3	--	30	28	7.1	21	25	(16.0)
Total noninterest expense	989	929	6.5	3,696	3,433	7.7	1,076	1,025	5.0
Income before provision and income taxes	1,198	1,311	(8.6)	1,638	2,083	(21.4)	294	302	(2.6)
Provision for credit losses	152	34	**	96	332	(71.1)	--	8	**
Income before income taxes	1,046	1,277	(18.1)	1,542	1,751	(11.9)	294	294	--
Income taxes and taxable-equivalent adjustment	380	464	(18.1)	562	637	(11.8)	107	106	.9
Net income	666	813	(18.1)	980	1,114	(12.0)	187	188	(.5)
Net (income) loss attributable to noncontrolling interests	--	--	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	\$666	\$813	(18.1)	\$980	\$1,114	(12.0)	\$187	\$188	(.5)
<b>Average Balance Sheet Data</b>									
Loans	\$83,036	\$75,477	10.0 %	\$130,048	\$129,927	.1 %	\$6,087	\$5,319	14.4 %
Other earning assets	2,329	1,863	25.0	7,145	3,448	**	197	173	13.9
Goodwill	1,647	1,620	1.7	3,682	3,577	2.9	1,567	1,568	(.1)
Other intangible assets	21	21	--	2,573	2,698	(4.6)	130	163	(20.2)
Assets	91,562	82,599	10.9	147,507	143,308	2.9	9,080	8,421	7.8
Noninterest-bearing deposits	35,425	31,710	11.7	25,835	23,191	11.4	13,853	15,126	(8.4)
Interest-bearing deposits	50,171	46,794	7.2	109,293	103,365	5.7	44,880	38,319	17.1
Total deposits	85,596	78,504	9.0	135,128	126,556	6.8	58,733	53,445	9.9
Total U.S. Bancorp shareholders' equity	8,203	7,478	9.7	11,007	11,480	(4.1)	2,302	2,283	.8

Nine Months Ended (Dollars in Millions, Unaudited)	Payment Services			Treasury and Corporate Support			Consolidated Company		
	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change	Sep 30, 2015	Sep 30, 2014	Percent Change
<b>Condensed Income Statement</b>									
Net interest income (taxable-equivalent basis)	\$1,410	\$1,278	10.3 %	\$1,690	\$1,573	7.4 %	\$8,343	\$8,198	1.8 %
Noninterest income	2,501	2,449	2.1	604	607	(.5)	6,753	6,792	(.6)
Securities gains (losses), net	--	--	--	(1)	2	**	(1)	2	**
Total net revenue	3,911	3,727	4.9	2,293	2,182	5.1	15,095	14,992	.7
Noninterest expense	1,876	1,712	9.6	411	720	(42.9)	7,994	7,763	3.0
Other intangibles	74	92	(19.6)	--	--	--	128	148	(13.5)
Total noninterest expense	1,950	1,804	8.1	411	720	(42.9)	8,122	7,911	2.7
Income before provision and income taxes	1,961	1,923	2.0	1,882	1,462	28.7	6,973	7,081	(1.5)
Provision for credit losses	585	573	2.1	(6)	(6)	--	827	941	(12.1)
Income before income taxes	1,376	1,350	1.9	1,888	1,468	28.6	6,146	6,140	.1
Income taxes and taxable-equivalent adjustment	501	492	1.8	152	34	**	1,702	1,733	(1.8)
Net income	875	858	2.0	1,736	1,434	21.1	4,444	4,407	.8
Net (income) loss attributable to noncontrolling interests	(24)	(27)	11.1	(17)	(17)	--	(41)	(44)	6.8
Net income attributable to U.S. Bancorp	\$851	\$831	2.4	\$1,719	\$1,417	21.3	\$4,403	\$4,363	.9
<b>Average Balance Sheet Data</b>									
Loans	\$25,374	\$24,604	3.1 %	\$3,813	\$4,771	(20.1) %	\$248,358	\$240,098	3.4 %
Other earning assets	353	415	(14.9)	107,161	90,290	18.7	117,185	96,189	21.8
Goodwill	2,476	2,519	(1.7)	--	--	--	9,372	9,284	.9
Other intangible assets	403	494	(18.4)	--	--	--	3,127	3,376	(7.4)
Assets	31,364	30,901	1.5	127,244	109,818	15.9	406,757	375,047	8.5
Noninterest-bearing deposits	875	704	24.3	1,635	1,543	6.0	77,623	72,274	7.4
Interest-bearing deposits	692	635	9.0	2,014	2,275	(11.5)	207,050	191,388	8.2
Total deposits	1,567	1,339	17.0	3,649	3,818	(4.4)	284,673	263,662	8.0
Total U.S. Bancorp shareholders' equity	5,809	5,675	2.4	17,168	15,582	10.2	44,489	42,498	4.7

\* Preliminary data

\*\* Not meaningful

# **Supplemental Credit Schedules**

**3Q 2015**

U.S. Bancorp  
**Residential Mortgages**

(Dollars in Millions, Unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Prime Borrowers</b>					
Loans outstanding	\$45,691	\$44,516	\$43,957	\$44,352	\$44,431
Nonperforming loans	540	566	605	630	611
<b>Delinquency Ratios</b>					
30-89 days past due	.29 %	.32 %	.30 %	.33 %	.39 %
90 days or more past due	.30	.27	.29	.35	.34
Nonperforming loans	1.18	1.27	1.38	1.42	1.38
<b>Sub-Prime Borrowers</b>					
Loans outstanding	\$1,111	\$1,150	\$1,191	\$1,231	\$1,269
Nonperforming loans	169	176	194	206	204
<b>Delinquency Ratios</b>					
30-89 days past due	3.42 %	3.83 %	3.78 %	5.12 %	4.65 %
90 days or more past due	2.61	2.35	2.77	3.41	3.70
Nonperforming loans	15.21	15.30	16.29	16.73	16.08
<b>Other Borrowers</b>					
Loans outstanding	\$672	\$726	\$775	\$800	\$836
Nonperforming loans	26	27	26	28	26
<b>Delinquency Ratios</b>					
30-89 days past due	1.34 %	1.24 %	1.42 %	1.37 %	1.20 %
90 days or more past due	1.04	1.10	.90	1.13	1.31
Nonperforming loans	3.87	3.72	3.36	3.50	3.11
<b>Loans Purchased From GNMA Mortgage Pools*</b>					
Loans outstanding	\$4,875	\$4,945	\$5,166	\$5,236	\$5,421

	Three Months Ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Prime Borrowers</b>					
Net charge-offs	\$15	\$22	\$21	\$26	\$29
Net charge-off ratio	.13 %	.20 %	.19 %	.23 %	.26 %
<b>Sub-Prime Borrowers</b>					
Net charge-offs	\$8	\$8	\$10	\$10	\$11
Net charge-off ratio	2.82 %	2.76 %	3.37 %	3.19 %	3.40 %
<b>Other Borrowers</b>					
Net charge-offs	\$2	\$2	\$2	\$3	\$2
Net charge-off ratio	1.15 %	1.08 %	1.03 %	1.46 %	.94 %
<b>Loans Purchased From GNMA Mortgage Pools</b>					
Net charge-offs	\$--	\$1	\$2	\$--	\$--
Net charge-off ratio	-- %	.08 %	.16 %	-- %	-- %

\* Past due GNMA loans are excluded from delinquency ratios as their repayments are primarily insured by the Federal Housing Administration or guaranteed by the Department of Veterans Affairs.

U.S. Bancorp

**Residential Mortgages**

(Dollars in Millions, Unaudited)

September 30, 2015	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average Credit Score		Weighted Average Loan-to-Value	
			At Origination	Updated	At Origination	Updated
<b>PORTFOLIO PROFILE</b>						
Prime Borrowers	\$45,691	88 %	757	782	70 %	60 %
Sub-Prime Borrowers	1,111	2	621	641	86	80
Other Borrowers	672	1	702	714	88	78
Loans Purchased From GNMA Mortgage Pools	4,875	9	*	*	*	*
<b>Total</b>	<b>\$52,349</b>	<b>100 %</b>	<b>753</b>	<b>777</b>	<b>71 %</b>	<b>61 %</b>

Three Months Ended September 30, 2015	Loans Originated	Weighted Average Credit Score	Weighted Average Loan-to-Value
<b>LOAN ORIGINATIONS</b>			
Prime Borrowers	\$3,917	757	70 %
Sub-Prime Borrowers	--	--	--
Other Borrowers	--	--	--
Loans Purchased From GNMA Mortgage Pools	--	*	*
<b>Total</b>	<b>\$3,917</b>	<b>757</b>	<b>70 %</b>

September 30, 2015	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
<b>LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES</b>				
<b>Prime Borrowers</b>				
California	\$11,142	24.4 %	\$31	.3 %
Minnesota	3,729	8.2	50	1.3
Colorado	2,844	6.2	24	.8
Washington	2,768	6.1	35	1.3
Illinois	2,673	5.8	51	1.9
Other	22,535	49.3	349	1.5
<b>Total</b>	<b>\$45,691</b>	<b>100.0 %</b>	<b>\$540</b>	<b>1.2 %</b>
<b>Sub-Prime Borrowers</b>				
Ohio	\$88	7.9 %	\$14	15.9 %
Pennsylvania	72	6.5	13	18.1
Florida	62	5.6	12	19.4
Tennessee	56	5.0	7	12.5
North Carolina	48	4.3	7	14.6
Other	785	70.7	116	14.8
<b>Total</b>	<b>\$1,111</b>	<b>100.0 %</b>	<b>\$169</b>	<b>15.2 %</b>
<b>Other Borrowers</b>				
Missouri	\$55	8.2 %	\$1	1.8 %
Ohio	54	8.0	2	3.7
Minnesota	54	8.0	2	3.7
California	47	7.0	1	2.1
Colorado	42	6.3	2	4.8
Other	420	62.5	18	4.3
<b>Total</b>	<b>\$672</b>	<b>100.0 %</b>	<b>\$26</b>	<b>3.9 %</b>
<b>Loans Purchased From GNMA Mortgage Pools</b>				
Ohio	\$534	11.0 %	\$ --	-- %
Florida	462	9.5	--	--
New York	309	6.3	--	--
Indiana	252	5.2	--	--
Illinois	246	5.0	--	--
Other	3,072	63.0	--	--
<b>Total</b>	<b>\$4,875</b>	<b>100.0 %</b>	<b>\$ --</b>	<b>-- %</b>

\* Not applicable.

U.S. Bancorp

**Home Equity and Second Mortgages**

(Dollars in Millions, Unaudited)	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Prime Borrowers</b>					
Loans outstanding	\$15,547	\$15,390	\$15,137	\$15,170	\$15,018
Nonperforming loans	127	133	145	144	141
<b>Delinquency Ratios</b>					
30-89 days past due	.30 %	.32 %	.36 %	.47 %	.43 %
90 days or more past due	.22	.23	.23	.24	.24
Nonperforming loans	.82	.87	.96	.95	.94
<b>Sub-Prime Borrowers</b>					
Loans outstanding	\$204	\$215	\$227	\$238	\$251
Nonperforming loans	10	12	13	14	14
<b>Delinquency Ratios</b>					
30-89 days past due	1.96 %	2.79 %	2.20 %	3.36 %	3.59 %
90 days or more past due	.98	.93	.88	1.26	1.19
Nonperforming loans	4.90	5.58	5.73	5.88	5.58
<b>Other Borrowers</b>					
Loans outstanding	\$437	\$466	\$495	\$508	\$500
Nonperforming loans	11	12	12	12	11
<b>Delinquency Ratios</b>					
30-89 days past due	1.37 %	.86 %	.81 %	1.18 %	1.20 %
90 days or more past due	.92	.43	.61	.40	.40
Nonperforming loans	2.52	2.57	2.42	2.36	2.20

	Three Months Ended				
	September 30, 2015	June 30, 2015	March 31, 2015	December 31, 2014	September 30, 2014
<b>Prime Borrowers</b>					
Net charge-offs	\$5	\$9	\$11	\$14	\$19
Net charge-off ratio	.13 %	.24 %	.29 %	.37 %	.50 %
<b>Sub-Prime Borrowers</b>					
Net charge-offs	\$1	\$1	\$2	\$3	\$4
Net charge-off ratio	1.92 %	1.83 %	3.51 %	4.92 %	6.22 %
<b>Other Borrowers</b>					
Net charge-offs	\$1	\$1	\$1	\$--	\$1
Net charge-off ratio	.89 %	.84 %	.81 %	-- %	.79 %

U.S. Bancorp

**Home Equity and Second Mortgages**

(Dollars in Millions, Unaudited)

September 30, 2015	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average Credit Score		Weighted Average Loan-to-Value	
			At Origination	Updated	At Origination	Updated
<b>PORTFOLIO PROFILE</b>						
Prime Borrowers	\$15,547	96 %	754	771	72 %	69 %
Sub-Prime Borrowers	204	1	656	684	89	91
Other Borrowers	437	3	694	720	71	59
Total	\$16,188	100 %	751	769	72 %	69 %

Three Months Ended September 30, 2015	Loans Originated	Weighted Average Credit Score	Weighted Average Loan-to-Value
<b>LOAN ORIGINATIONS</b>			
Prime Borrowers	\$1,913	766	71 %
Sub-Prime Borrowers	--	--	--
Other Borrowers	--	--	--
Total	\$1,913	766	71 %

September 30, 2015	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
<b>LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES</b>				
<b>Prime Borrowers</b>				
California	\$2,969	19.1 %	\$23	.8 %
Minnesota	2,201	14.2	14	.6
Illinois	1,212	7.8	8	.7
Colorado	1,212	7.8	9	.7
Washington	1,046	6.7	10	1.0
Other	6,907	44.4	63	.9
Total	\$15,547	100.0 %	\$127	.8 %
<b>Sub-Prime Borrowers</b>				
Ohio	\$20	9.8 %	\$1	5.0 %
Minnesota	20	9.8	1	5.0
Missouri	14	6.9	--	--
Colorado	14	6.9	1	7.1
Washington	13	6.3	1	7.7
Other	123	60.3	6	4.9
Total	\$204	100.0 %	\$10	4.9 %
<b>Other Borrowers</b>				
California	\$177	40.5 %	\$6	3.4 %
Minnesota	27	6.2	--	--
Colorado	26	5.9	--	--
Washington	23	5.3	--	--
Ohio	23	5.3	1	4.3
Other	161	36.8	4	2.5
Total	\$437	100.0 %	\$11	2.5 %