U.S. Bancorp
4Q18 Earnings Conference Call

January 16, 2019

Forward-looking Statements and Additional Information

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

Today's presentation 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. Deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility. 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, changes to statutes, regulations, or regulatory policies or practices could affect U.S. Bancorp in substantial and unpredictable ways. U.S. Bancorp's results could also be adversely affected by changes in interest rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of its investment securities; legal and regulatory developments; litigation; increased competition from both banks and non-banks; changes in the level of tariffs and other trade policies of the United States and its global trading partners; changes in customer behavior and preferences; breaches in data security; failures to safeguard personal information; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and 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, 2017, 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.

This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The calculations of these measures are provided in the Appendix. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

4Q18 Highlights

Income Statement
$ in millions, except EPS

	4Q18	change vs. 3Q18	change vs. 4Q17
Net interest income*	**$3,331**	1.5 %	3.2 %
Noninterest income	**2,498**	3.3	5.4
Reported net income	**1,856**	2.3	10.3
Diluted EPS	**$1.10**	3.8 %	13.4 %

Balance Sheet
$ in billions

	4Q18	change vs. 3Q18	change vs. 4Q17
Average earning assets	**$420.5**	1.3 %	1.7 %
Average total loans**	**283.7**	0.9	1.4
Average total deposits	**334.4**	1.3	(1.4)

Credit Quality
$ in millions

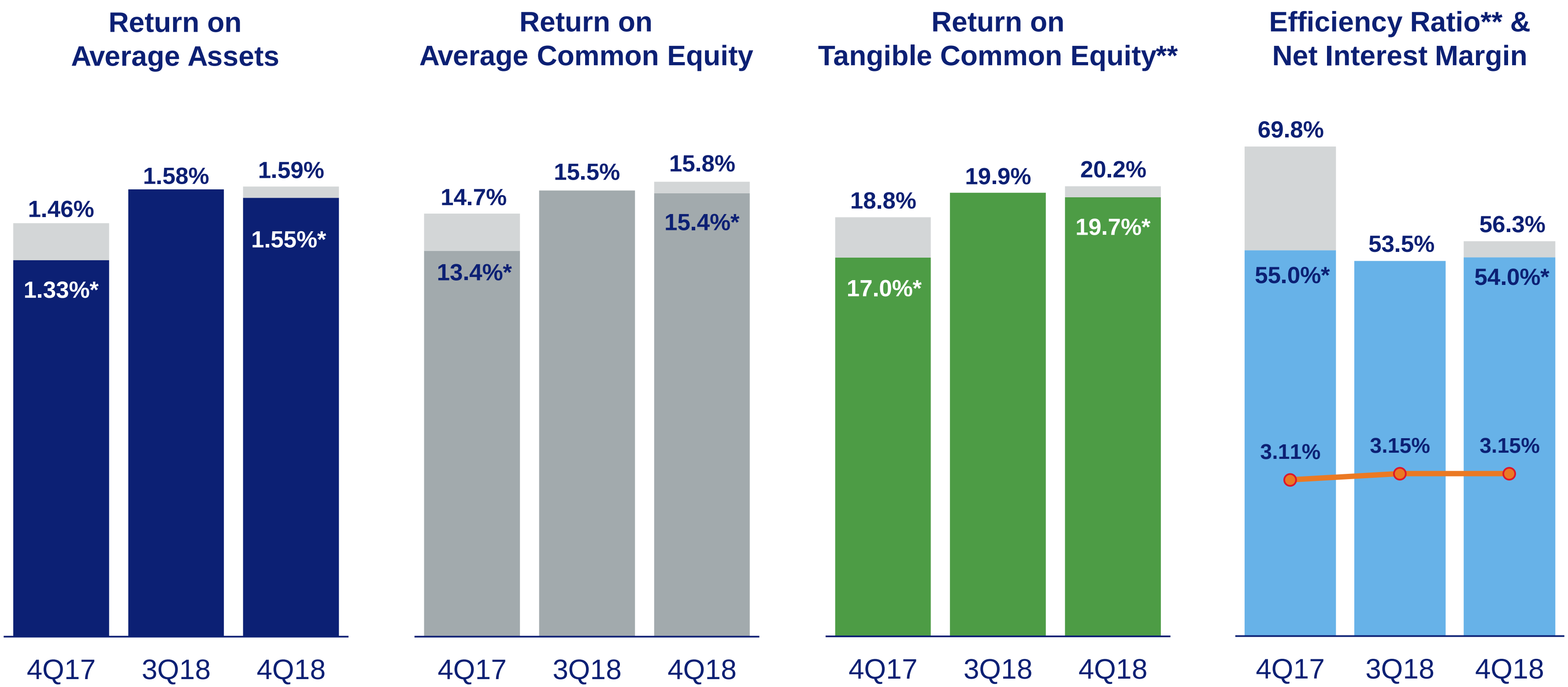
	4Q18	change vs. 3Q18	change vs. 4Q17
Nonperforming assets	**$989**	(1.5) %	(17.6) %
NPA ratio	**0.34%**	(2bps)	(9bps)
Net charge-off ratio	**0.49%**	3bps	3bps

Capital

	4Q18	change vs. 3Q18	change vs. 4Q17
CET1 capital ratio	**9.1%**	10bps	(20bps)
Book value per share	**$28.01**	2.4 %	6.3 %
Payout ratio	**80%**		

* Taxable-equivalent basis; see slide 26 for calculation
** Excluding the impact of student loans sold in 2Q18 and FDIC covered loans sold in 4Q18, average total loans grew 2.6% vs. 4Q17 and 1.5% vs. 3Q18

Performance Ratios



Net interest margin on a taxable-equivalent basis
* Excluding notable items; see slides 26 and 27 for calculations
** Non-GAAP; see slides 26 and 27 for calculations

Average Loans

+0.9% linked quarter

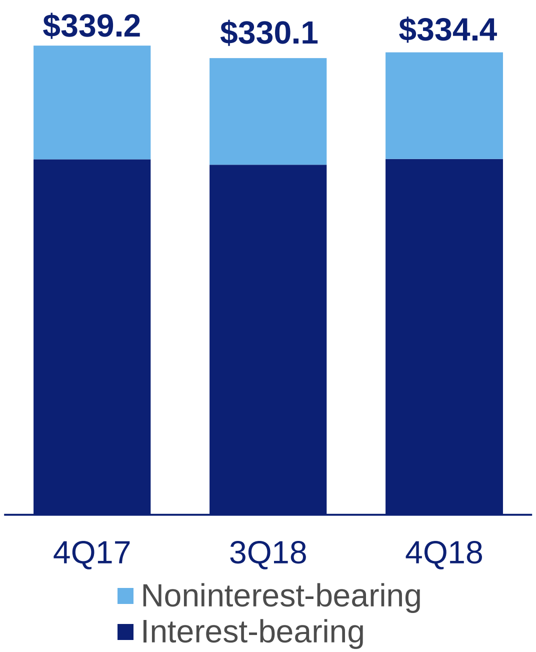
+1.4% year-over-year

(Three months ended 12/31/18)	Average Balances	Change vs. 3Q18	Change vs. 4Q17
Commercial	$100.5	1.5 %	3.0 %
Commercial Real Estate	40.2	1.5	(2.1)
Residential Mortgages	64.5	3.9	8.1
Credit Card	22.4	2.9	5.6
Retail	56.1	0.4	(1.7)
Covered	-	nm	nm
Total loans	**$283.7**	**0.9 %**	**1.4 %**
Total loans excluding FDIC covered loans sold in 4Q18 and student loans sold in 2Q18		**1.5 %**	**2.6 %**

- On a linked quarter basis, average total loan growth was driven by growth in residential mortgages and total commercial loans.
- On a year-over-year basis, growth in average total loans was driven by residential mortgages, total commercial loans, credit card loans and retail leasing. This growth was partially offset by a decrease in total commercial real estate loans due to elevated paydowns.

$ in billions

Average Deposits



+1.3% linked quarter

-1.4% year-over-year

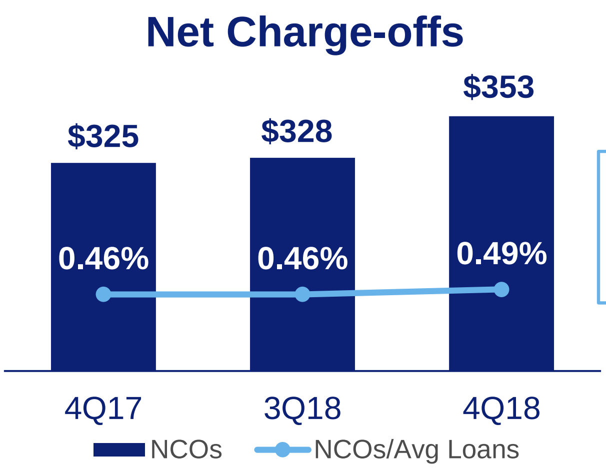
Interest-bearing Deposits

(Three months ended 12/31/18)	Average Balances	Change vs. 3Q18	Change vs. 4Q17	Rates	Change vs. 3Q18
Money market savings	$99.6	(1.1) %	(5.5) %	1.33 %	0.20 %
Interest checking	71.0	2.4	0.4	0.31	0.10
Savings accounts	44.5	(0.7)	1.8	0.18	0.04
Time deposits	42.1	10.5	13.6	1.87	0.29
Total interest-bearing deposits	**$257.2**	**1.7 %**	**0.1 %**	**0.94 %**	**0.17 %**

- On a linked quarter basis, average noninterest-bearing deposits were essentially flat reflecting seasonal growth in Wealth Management and Investment Services balances offset by decreases in Corporate and Commercial Banking balances.
- On a year-over-year basis, average noninterest-bearing deposits decreased 6.2 percent driven by decreases in business deposits within Corporate and Commercial Banking and corporate trust balances within Wealth Management and Investment Services.
- On both a linked quarter and year-over-year basis, growth in time deposits reflects the management of those deposits as an alternative to other funding sources based on relative pricing and liquidity characteristics. Linked quarter growth also reflects consumer customers' migration to certificates of deposits for higher yields.

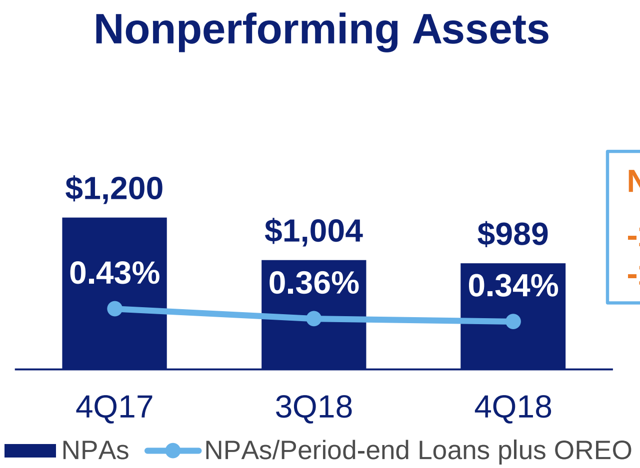
$ in billions

Credit Quality



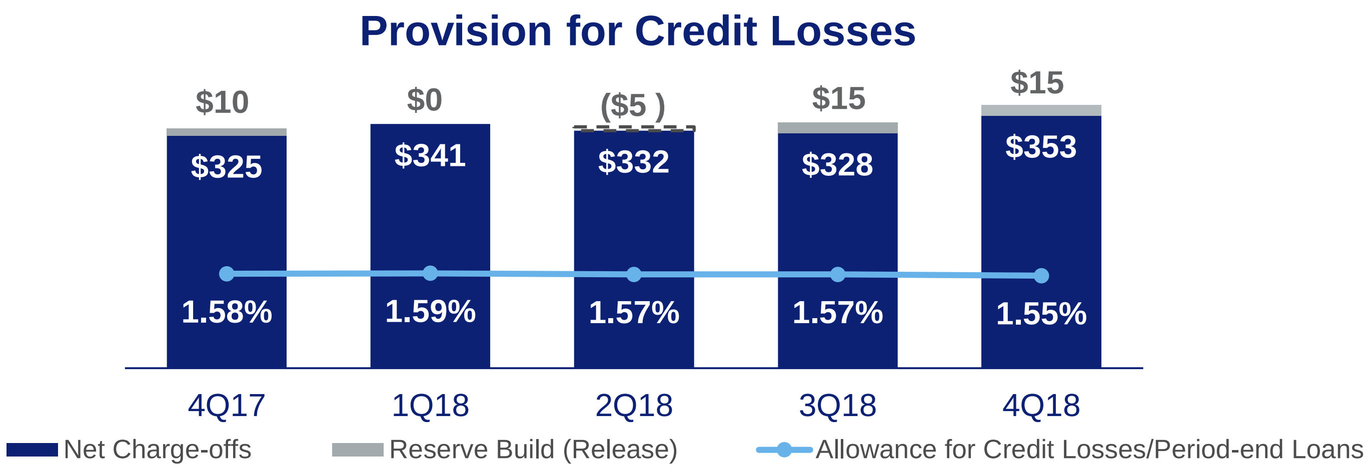
NCO Ratio

+3 bps QoQ
+3 bps YoY



NPAs

-1.5% QoQ
-17.6% YoY



$ in millions

Earnings Summary

$ and shares in millions, except EPS	4Q18	4Q17	Reported % Change	Notable Items 4Q18	Notable Items 4Q17	Excluding Notable Items % Change
Net Interest Income	$3,303	$3,175	4.0	$ -	$ -	4.0
Taxable-equivalent Adjustment	28	53	(47.2)	-	-	(47.2)
Net Interest Income (taxable-equivalent basis)	3,331	3,228	3.2	-	-	3.2
Noninterest Income	2,498	2,370	5.4	76	-	2.2
Net Revenue	**5,829**	**5,598**	4.1	76	-	2.8
Noninterest Expense	3,280	3,899	(15.9)	174	825	1.0
Operating Income	**2,549**	**1,699**	50.0	**(98)**	**(825)**	4.9
Net Charge-offs	353	325	8.6	-	-	8.6
Excess Provision	15	10	50.0	-	-	50.0
Income Before Taxes	**2,181**	**1,364**	59.9	**(98)**	**(825)**	4.1
Applicable Income Taxes	319	(322)	nm	(140)	(975)	(29.7)
Net Income	**1,862**	**1,686**	10.4	**42**	**150**	18.5
Noncontrolling Interests	(6)	(4)	50.0	3	-	nm
Net Income to Company	**1,856**	**1,682**	10.3	**45**	**150**	18.2
Preferred Dividends/Other	79	71	11.3	-	-	11.3
Net Income to Common	**$1,777**	**$1,611**	10.3	**$45**	**$150**	18.5
Diluted EPS	$1.10	$0.97	13.4	$0.03	$0.09	21.6
Average Diluted Shares	1,618	1,664	(2.8)	-	-	(2.8)

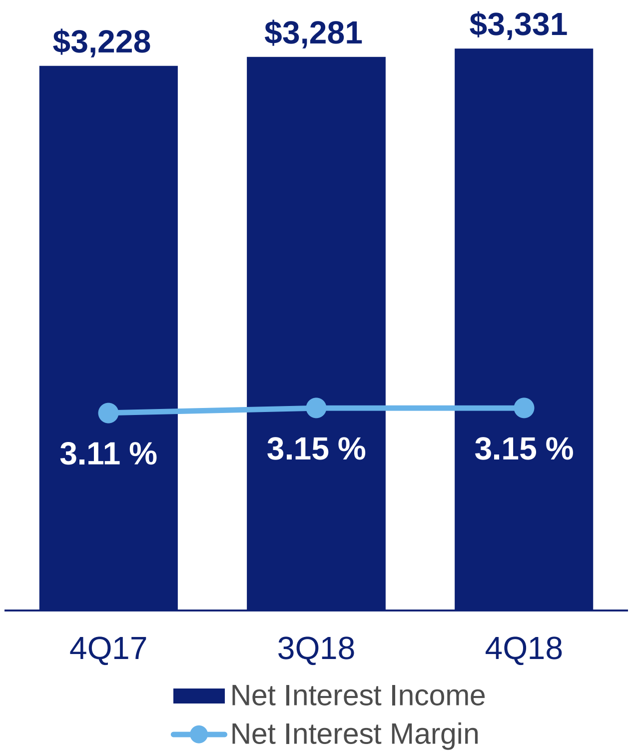
Notable Items

4Q18 notable items include:

- $340 million gain on sale of ATM servicing business
- $264 million in charges for asset impairments related to sale of FDIC covered loans and certain other assets
- $174 million in severance charges and legal accruals
- $140 million favorable adjustment to deferred tax assets and liabilities related to tax reform and other tax adjustments

$ in millions

Net Interest Income



+1.5% linked quarter

+3.2% year-over-year

Linked Quarter

- Net interest income growth was primarily driven by the impact of higher interest rates and earning assets growth, partially offset by higher rates on deposits and funding mix shift.
- The net interest margin was flat reflecting the impact of higher rates on assets and higher interest recoveries, offset by deposit and funding mix as well as higher cash balances.

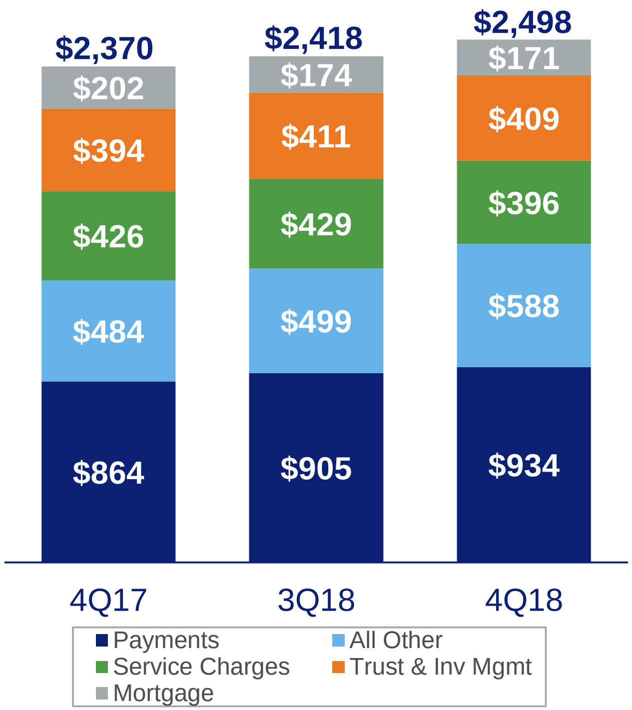
Year-over-Year

- Growth in net interest income was principally driven by the impact of rising interest rates, earning assets growth and higher yields on securities. This growth was partially offset by higher rates on deposits and funding mix shift.
- The increase in the net interest margin was primarily due to higher interest rates, partially offset by deposit and funding mix, lower loan spreads due to mix, higher cash balances and the impact of tax reform.

$ in millions

Net interest income on a taxable-equivalent basis; see slide 26 for calculation

Noninterest Income



+3.3% linked quarter

+0.2% excluding notable items

+5.4% year-over-year

+2.2% excluding notable items

Linked Quarter

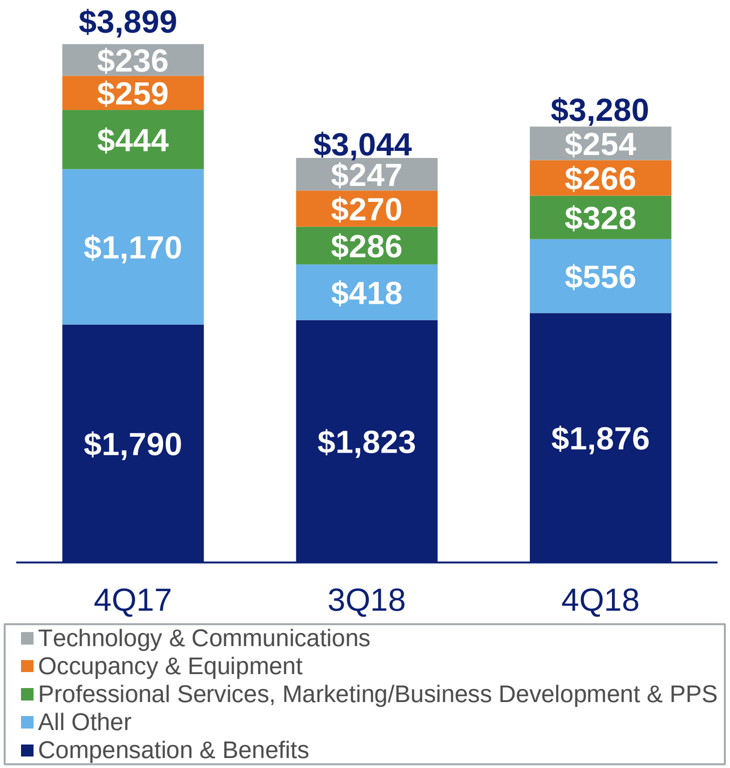
- Payments revenue growth was driven by seasonally higher sales volumes in credit and debit card revenue, partially offset by seasonally lower corporate payment products revenue.
- Service charges revenue decreased, reflecting the sale of the Company's ATM servicing business resulting in lower ATM processing services fees.

Year-over-Year

- Strong payments revenue growth reflects higher sales volumes across all businesses.
- Solid growth in trust and investment management fees was driven by business growth.
- Mortgage banking revenue decreased primarily due to lower mortgage production.
- ATM processing services revenue decreased due to the sale of the Company's ATM servicing business.

$ in millions
Payments = credit and debit card, corporate payment products and merchant processing
Service charges = deposit service charges, treasury management and ATM processing
All other = commercial products, investment products fees, securities gains (losses) and other

Noninterest Expense



+7.8% linked quarter

+2.0% excluding notable items

-15.9% year-over-year

+1.0% excluding notable items

Linked Quarter

- Noninterest expense increased primarily due to an increase in compensation expense, seasonally higher professional services expense, and growth in other noninterest expense.
- Other noninterest expense growth reflects seasonally higher amortization costs related to tax-advantaged projects.
- Noninterest expense growth was partially offset by lower FDIC assessment costs driven by the elimination of the surcharge in 4Q18.

Year-over-Year

- Excluding the impact of notable items, noninterest expense increased due to an increase in compensation expense driven by the impact of hiring to support business growth and compliance programs, merit increases, and higher variable compensation related to business production.
- Excluding the impact of notable items, the decrease in other noninterest expense reflects lower costs related to tax-advantaged projects, lower FDIC assessment costs and a reduction in mortgage servicing costs.

$ in millions
PPS = postage, printing and supplies

Capital Position

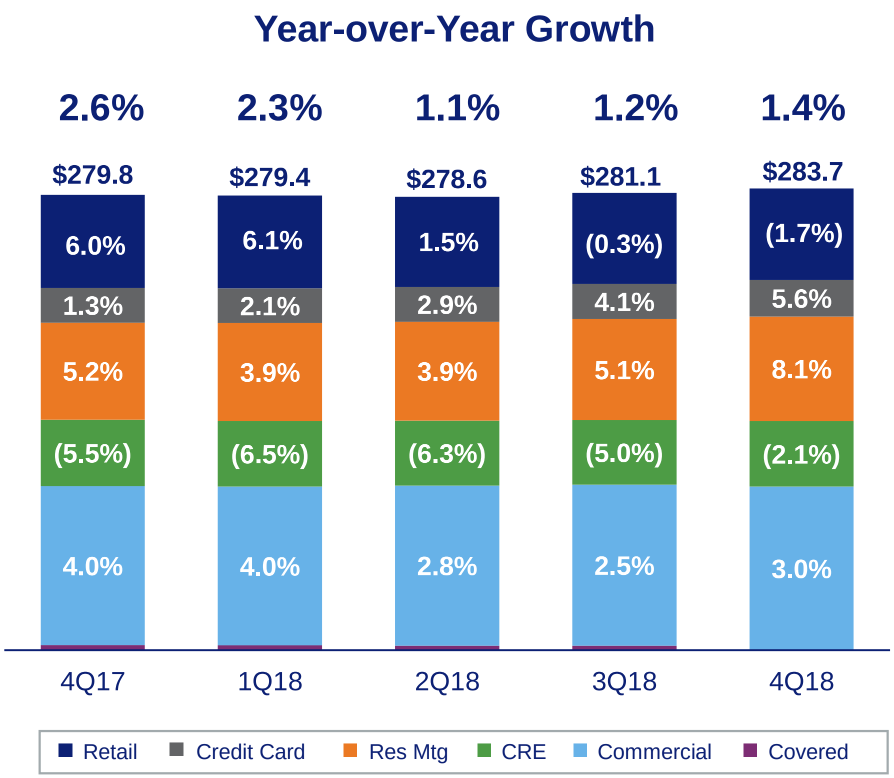
$ in billions	4Q18	3Q18	2Q18	1Q18	4Q17
Total U.S. Bancorp shareholders' equity	$51.0	$50.4	$49.6	$49.2	$49.0
Basel III Standardized Approach					
Common equity tier 1 capital ratio	9.1%	9.0%	9.1%	9.0%	9.3%
Tier 1 capital ratio	10.7%	10.6%	10.5%	10.4%	10.8%
Total risk-based capital ratio	12.6%	12.6%	12.6%	12.5%	12.9%
Leverage ratio	9.0%	9.0%	8.9%	8.8%	8.9%
Basel III Advanced Approaches					
Common equity tier 1 capital to risk-weighted assets	11.8%	11.8%	11.6%	11.5%	12.0%
Tangible common equity to tangible assets*	7.8%	7.7%	7.8%	7.7%	7.6%
Tangible common equity to risk-weighted assets*	9.4%	9.3%	9.3%	9.3%	9.4%

* See Non-GAAP Financial Measures reconciliation on slide 25

Appendix

Average Loans

Average Loans ($bn)



Key Points

vs. 4Q17

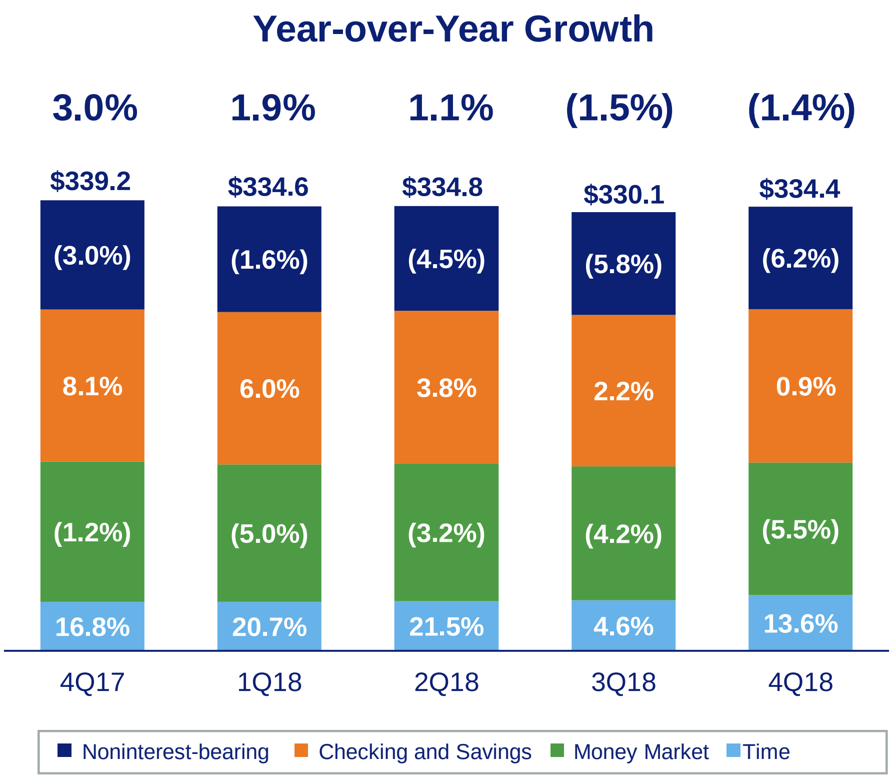
- Average total loans increased by $3.9 billion, or 1.4%
- Average residential mortgage loans increased by $4.8 billion, or 8.1%
- Average commercial loans increased by $3.0 billion, or 3.0%
- Average credit card loans increased by $1.2 billion, or 5.6%
- Average commercial real estate loans decreased by $0.9 billion, or 2.1%

vs. 3Q18

- Average total loans increased by $2.6 billion, or 0.9%
- Average residential mortgage loans increased by $2.4 billion, or 3.9%
- Average commercial loans increased by $1.5 billion, or 1.5%

Average Deposits

Average Deposits ($bn)



Key Points

vs. 4Q17

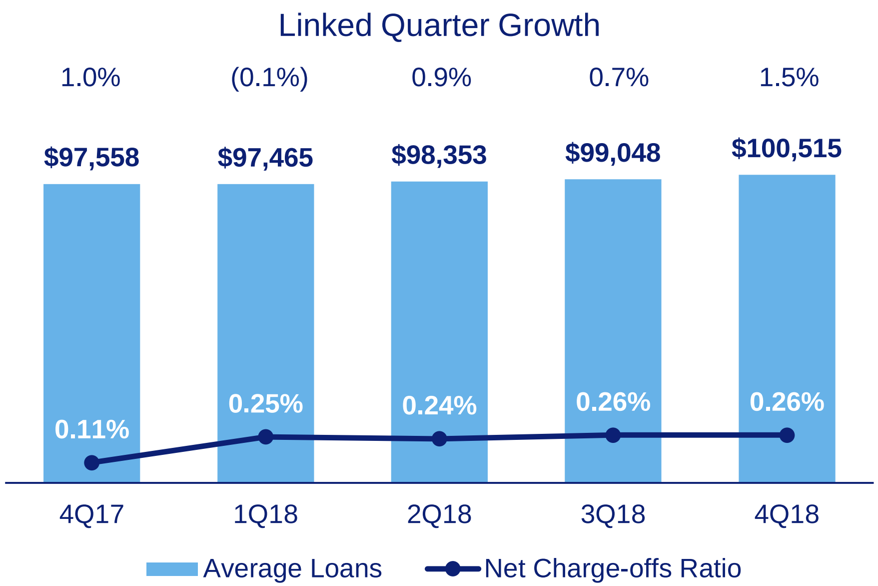
- Average total deposits decreased by $4.8 billion, or 1.4%
- Average low-cost deposits (NIB, interest checking, savings and money market) declined $9.8 billion, or 3.3%

vs. 3Q18

- Average total deposits increased by $4.2 billion, or 1.3%
- Average low-cost deposits increased by $0.3 billion, or 0.1%

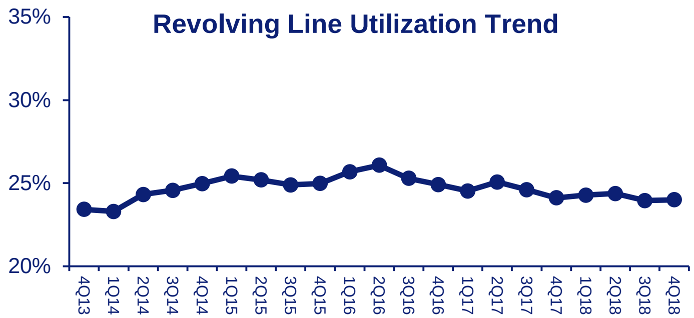
Credit Quality – Commercial Loans

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$97,558	$99,048	$100,515
30-89 Delinquencies	0.26%	0.23%	0.31%
90+ Delinquencies	0.06%	0.06%	0.07%
Nonperforming Loans	0.26%	0.22%	0.20%

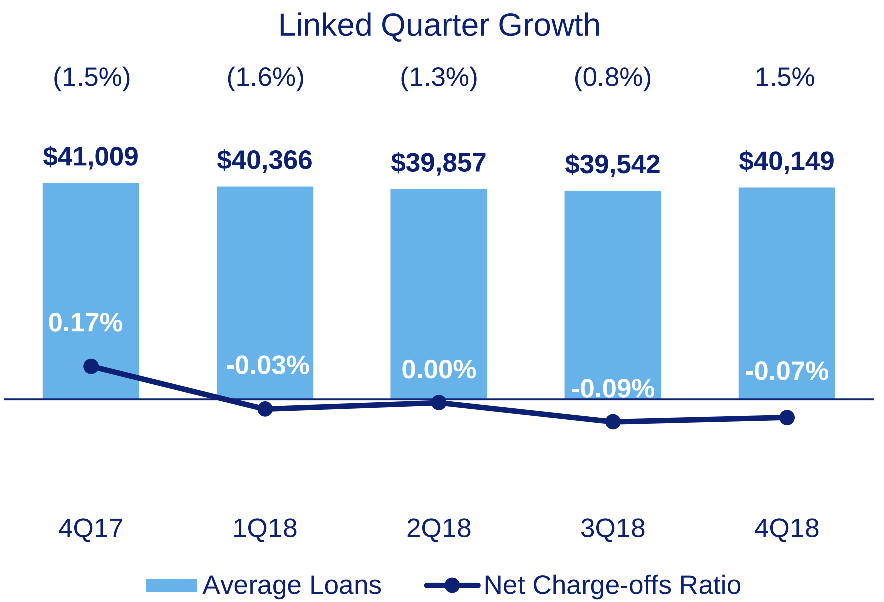


Key Points

- Linked quarter growth was modest at 1.5%, while line utilization remained relatively stable
- Net charge-offs remained flat linked quarter and higher year-over-year due to large recoveries in 4Q17

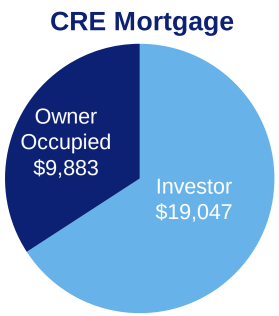
Credit Quality – Commercial Real Estate

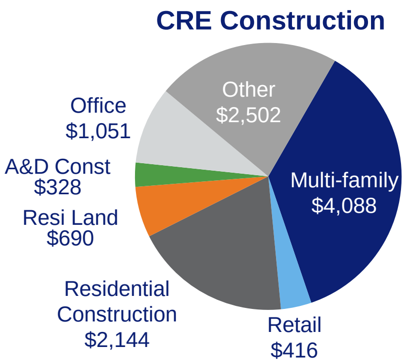
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$41,009	$39,542	$40,149
30-89 Delinquencies	0.09%	0.08%	0.18%
90+ Delinquencies	0.01%	0.01%	0.00%
Nonperforming Loans	0.35%	0.26%	0.29%
Performing TDRs*	$138	$222	$164





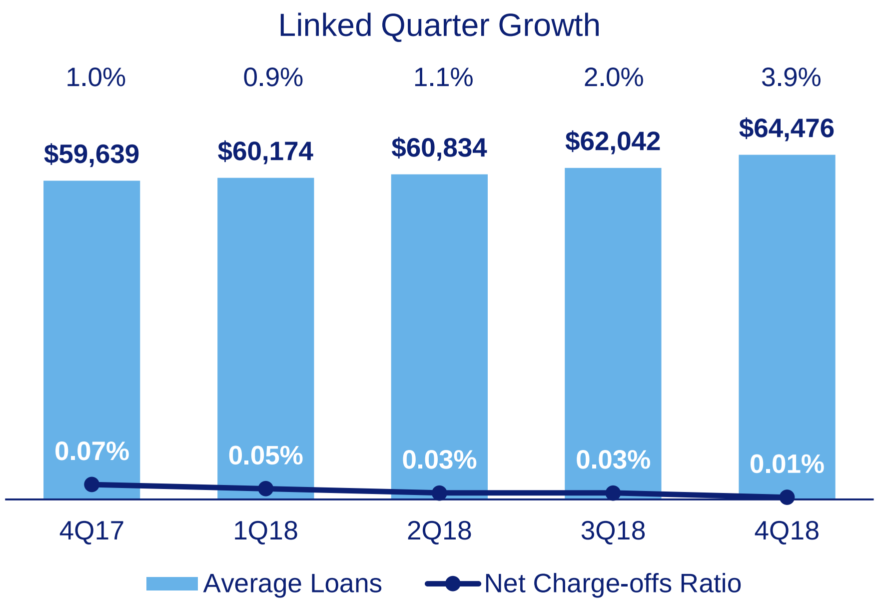
Key Points

- Average loans increased 1.5% on a linked quarter basis, while down year-over-year due to high market liquidity resulting in continued early payoffs
- Credit quality remained strong and stable; nonperforming loans remain low

* TDR = troubled debt restructuring

Credit Quality – Residential Mortgage

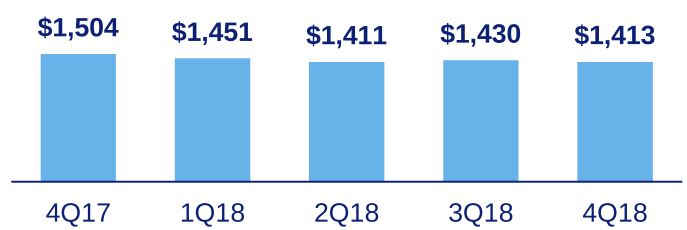
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$59,639	$62,042	$64,476
30-89 Delinquencies	0.33%	0.27%	0.27%
90+ Delinquencies	0.22%	0.19%	0.18%
Nonperforming Loans	0.74%	0.50%	0.46%

Residential Mortgage Performing TDRs*



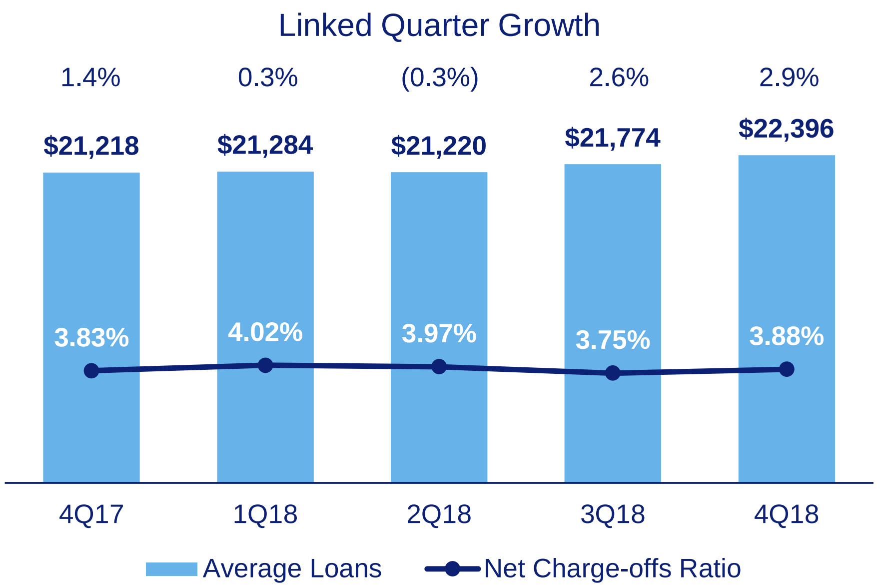
Key Points

- Originations continued to be high credit quality (weighted average FICO of 760, weighted average LTV of 72%)
- More than 92% of balances have been originated since the beginning of 2009; the origination quality metrics and performance to date have significantly outperformed prior vintages with similar seasoning

* Excludes GNMA loans, whose repayments are insured by the FHA or guaranteed by the Department of VA ($1,639 million in 4Q18)

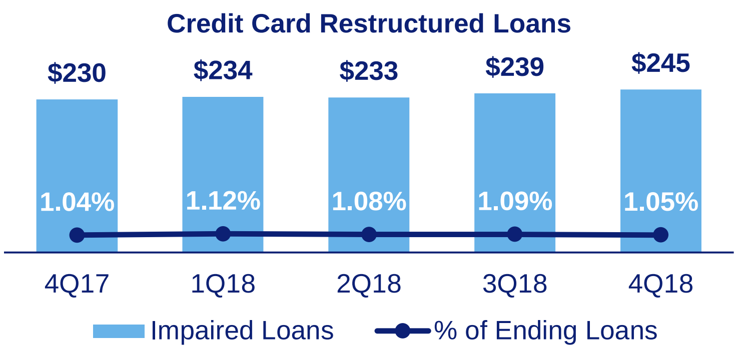
Credit Quality – Credit Card

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$21,218	$21,774	$22,396
30-89 Delinquencies	1.37%	1.42%	1.39%
90+ Delinquencies	1.28%	1.18%	1.25%
Nonperforming Loans	0.00%	0.00%	0.00%

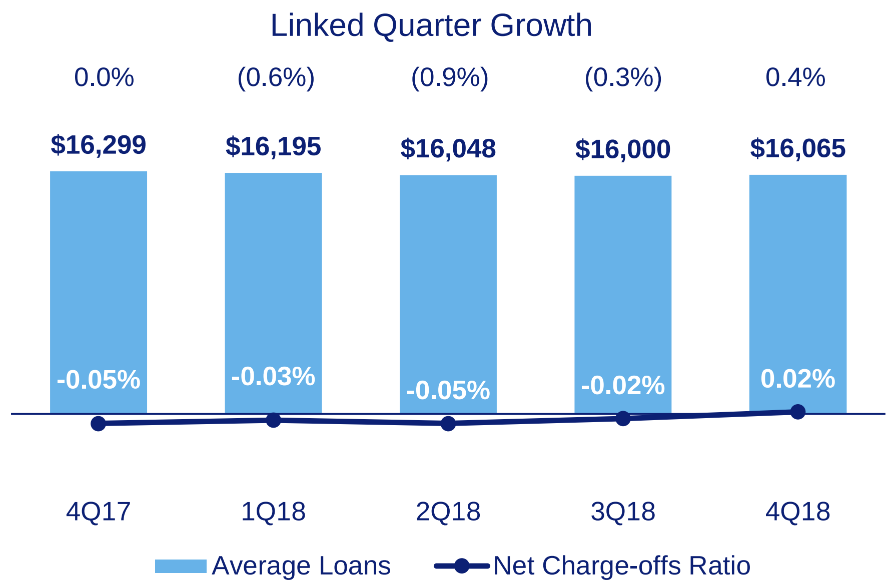


Key Points

- Year-over-year average loan growth of 5.6% was driven by high credit quality originations
- The commitment weighted average FICO on new originations remained strong at 763
- Charge-offs were relatively stable year-over-year

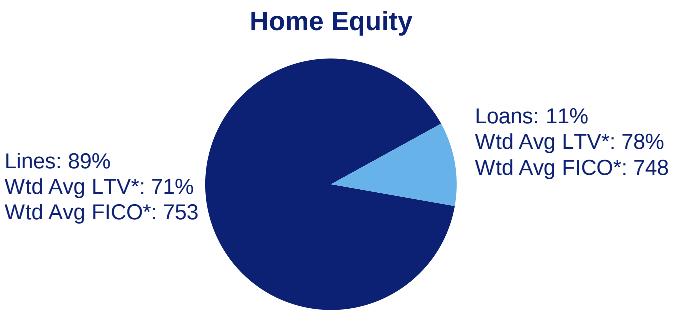
Credit Quality – Home Equity

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$16,299	$16,000	$16,065
30-89 Delinquencies	0.48%	0.45%	0.56%
90+ Delinquencies	0.28%	0.32%	0.35%
Nonperforming Loans	0.77%	0.78%	0.90%



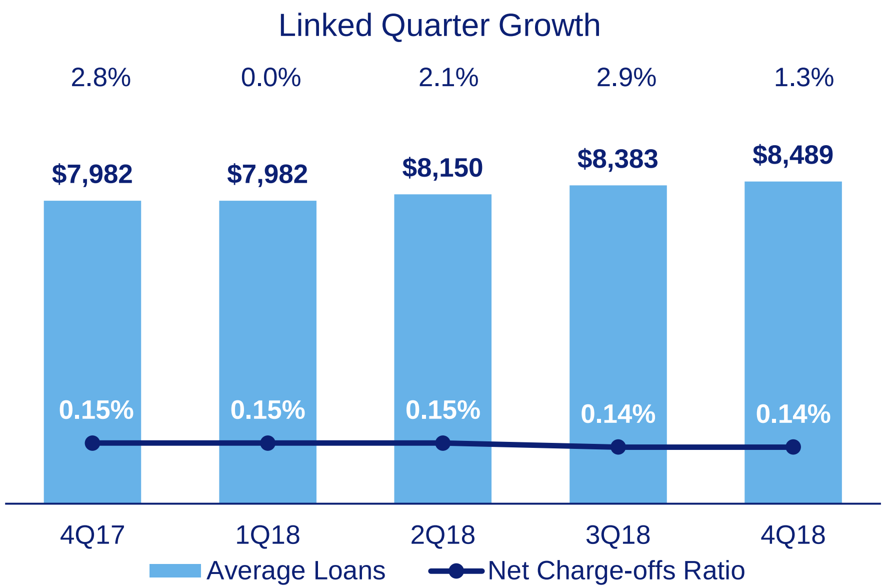
*LTV and FICO at origination

Key Points

- High-quality originations (weighted average FICO on commitments of 766, weighted average CLTV of 69%) were originated primarily through the retail branch network to existing bank customers on their primary residences
- Net charge-offs were stable year-over-year with strong recoveries due to continued strength in home values

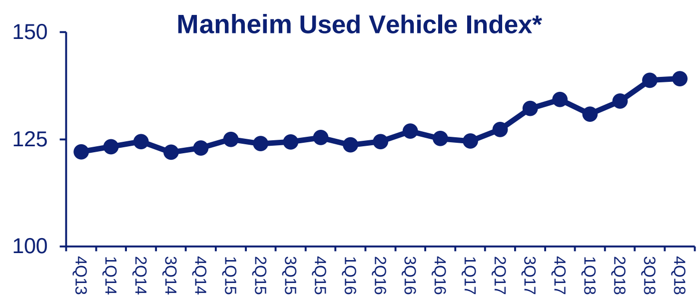
Credit Quality – Retail Leasing

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$7,982	$8,383	$8,489
30-89 Delinquencies	0.41%	0.38%	0.43%
90+ Delinquencies	0.03%	0.02%	0.04%
Nonperforming Loans	0.10%	0.13%	0.14%



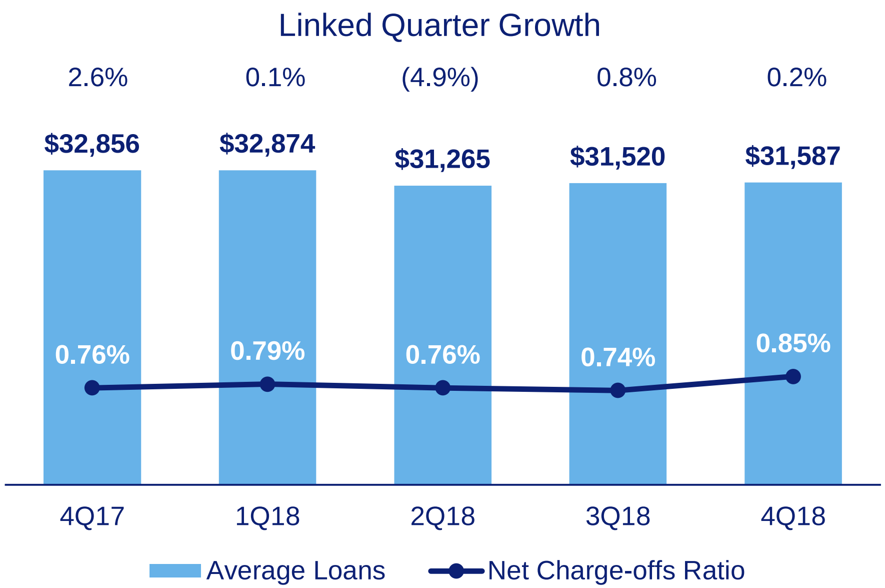
Key Points

- Continued high-quality originations during 4Q18 (weighted average FICO of 783)
- Delinquencies and net charge-offs remained at low levels

* Manheim Used Vehicle Value Index source: www.manheimconsulting.com, January 1995 = 100, quarter value = average monthly ending values

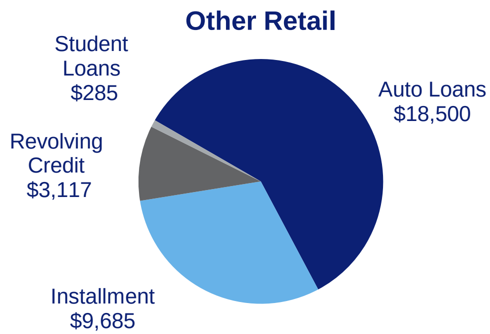
Credit Quality – Other Retail

Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$32,856	$31,520	$31,587
30-89 Delinquencies	0.80%	0.83%	0.87%
90+ Delinquencies	0.15%	0.14%	0.15%
Nonperforming Loans	0.10%	0.12%	0.13%

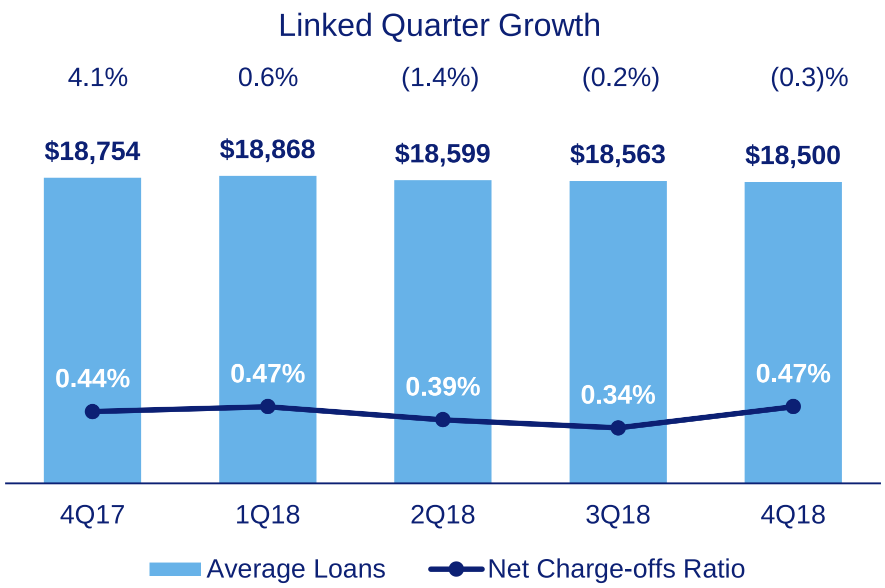


Key Points

- Linked quarter average loans were essentially flat while the decrease year-over-year was primarily driven by the 2Q18 student loan portfolio sale
- Net charge-offs, delinquencies and nonperforming loans were all relatively stable and consistent with the low levels experienced in recent quarters

Credit Quality – Auto Loans

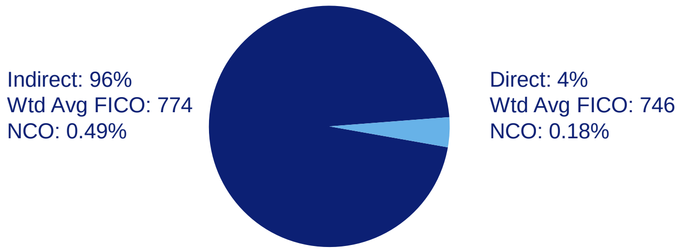
Average Loans ($mm) and Net Charge-offs Ratio



Key Statistics

$mm	4Q17	3Q18	4Q18
Average Loans	$18,754	$18,563	$18,500
30-89 Delinquencies	0.95%	1.00%	1.04%
90+ Delinquencies	0.08%	0.08%	0.09%
Nonperforming Loans	0.12%	0.14%	0.14%

Indirect and Direct Channel



Key Points

- New balances continue to be driven by high quality originations in the Indirect channel (weighted average FICO of 782)
- Late stage delinquencies remained stable while net charge-offs showed a seasonal increase

Auto loans are included in Other Retail category

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
Total equity	$51,657	$51,007	$50,257	$49,812	$49,666
Preferred stock	(5,984)	(5,984)	(5,419)	(5,419)	(5,419)
Noncontrolling interests	(628)	(632)	(629)	(625)	(626)
Goodwill (net of deferred tax liability) (1)	(8,549)	(8,682)	(8,585)	(8,609)	(8,613)
Intangible assets, other than mortgage servicing rights	(601)	(627)	(571)	(608)	(583)
Tangible common equity (a)	35,895	35,082	35,053	34,551	34,425
Total assets	467,374	464,607	461,329	460,119	462,040
Goodwill (net of deferred tax liability) (1)	(8,549)	(8,682)	(8,585)	(8,609)	(8,613)
Intangible assets, other than mortgage servicing rights	(601)	(627)	(571)	(608)	(583)
Tangible assets (b)	458,224	455,298	452,173	450,902	452,844
Risk-weighted assets, determined in accordance with the Basel III standardized approach (c)	381,661 *	377,713	375,466	373,141	367,771
Ratios *					
Tangible common equity to tangible assets (a)/(b)	7.8 %	7.7 %	7.8 %	7.7 %	7.6 %
Tangible common equity to risk-weighted assets (a)/(c)	9.4	9.3	9.3	9.3	9.4

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.
(1) – see slide 28 for corresponding note

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended		
	December 31, 2018	September 30, 2018	December 31, 2017
Net interest income	$3,303	$3,251	$3,175
Taxable-equivalent adjustment (2)	28	30	53
Net interest income, on a taxable-equivalent basis	3,331	3,281	3,228
Net interest income, on a taxable-equivalent basis (as calculated above)	3,331	3,281	3,228
Noninterest income	2,498	2,418	2,370
Less: Securities gains (losses), net	5	10	10
Total net revenue, excluding net securities gains (losses) (a)	5,824	5,689	5,588
Noninterest expense (b)	3,280	3,044	3,899
Efficiency ratio (b)/(a)	56.3 %	53.5 %	69.8 %
Total net revenue, excluding net securities gains (losses) (as calculated above)	$5,824		$5,588
Less: Notable items (3)	76		--
Noninterest income, excluding notable items (c)	5,748		5,588
Noninterest expense	3,280		3,899
Less: Notable items (4)	174		825
Noninterest expense, excluding notable items (d)	3,106		3,074
Efficiency ratio, excluding notable items (d)/(c)	54.0 %		55.0 %
Net income attributable to U.S. Bancorp	$1,856		$1,682
Less: Notable items (5)	45		150
Net income attributable to U.S. Bancorp, excluding notable items	1,811		1,532
Annualized net income attributable to U.S. Bancorp, excluding notable items (e)	7,185		6,078
Average assets (f)	462,276		456,098
Return on average assets, excluding notable items (e)/(f)	1.55 %		1.33 %
Net income applicable to U.S. Bancorp common shareholders	$1,777		$1,611
Less: Notable items (5)	45		150
Net income applicable to U.S. Bancorp common shareholders, excluding notable items	1,732		1,461
Annualized net income applicable to U.S. Bancorp common shareholders, excluding notable items (g)	6,872		5,796
Average common equity (h)	44,756		43,415
Return on average common equity, excluding notable items (g)/(h)	15.4 %		13.4 %

(2), (3), (4), (5) – see slide 28 for corresponding notes

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended December 31, 2018	September 30, 2018	December 31, 2017
Net income applicable to U.S. Bancorp common shareholders	$1,777		$1,611
Less: Notable items (5)	45		150
Net income applicable to U.S. Bancorp common shareholders, excluding notable items (a)	1,732		1,461
Average diluted common shares outstanding (b)	1,618		1,664
Diluted earnings per common share, excluding notable items (a)/(b)	$1.07		$.88
Net income applicable to U.S. Bancorp common shareholders	$1,777	$1,732	$1,611
Intangibles amortization (net-of-tax)	32	32	28
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	1,809	1,764	1,639
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (c)	7,177	6,998	6,503
Average total equity	51,370	50,768	49,461
Less: Average preferred stock	5,984	5,714	5,419
Less: Average noncontrolling interests	630	630	627
Less: Average goodwill (net of deferred tax liability) (1)	8,574	8,620	8,154
Less: Average intangible assets, other than mortgage servicing rights	605	584	591
Average U.S. Bancorp common shareholders' equity, excluding intangible assets (d)	35,577	35,220	34,670
Return on tangible common equity (c)/(d)	20.2 %	19.9 %	18.8 %
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (as calculated above)	$1,809		$1,639
Less: Notable items (5)	45		150
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items	1,764		1,489
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items (e)	6,998		5,907
Average U.S. Bancorp common shareholders' equity, excluding intangible assets (as calculated above) (f)	35,577		34,670
Return on tangible common equity, excluding notable items (e)/(f)	19.7 %		17.0 %

(1), (5) – see slide 28 for corresponding notes

Notes

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

(2) Interest and rates are presented on a fully taxable-equivalent basis based on a federal income tax rate of 21 percent for 2018 and 35 percent for 2017.

(3) Notable items related to noninterest income for the three months ended December 31, 2018 include: $340 million gain on sale of ATM servicing business and $264 million of asset impairments.

(4) Notable items related to noninterest expense for the three months ended December 31, 2018 include: $174 million severance charges and legal accruals. Notable items related to noninterest expense for the three months ended December 31, 2017 include: $608 million legal and regulatory accrual, $150 million contribution to the U.S. Bank Foundation and $67 million special one-time bonus to certain eligible employees.

(5) Notable items for the three months ended December 31, 2018 include: $271 million (after-tax) gain on sale of ATM servicing business, $210 million (after-tax) of asset impairments, $139 million (after-tax) severance charges and legal accruals, $120 million reduction in income tax expense due to tax reform legislation estimate changes and $3 million noncontrolling interest adjustment. Notable items for the three months ended December 31, 2017 include: $910 million reduction in income tax expense due to tax reform legislation, $608 million legal and regulatory accrual, $105 million (after-tax) contribution to the U.S. Bank Foundation and $47 million (after-tax) special one-time bonus to certain eligible employees.

U.S. Bancorp
4Q18 Earnings Conference Call

January 16, 2019

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