

Barclays Global Financial Services Conference 2017

Andy Cecere
President and CEO

September 13, 2017

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. 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, 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 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, 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, 2016, 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.



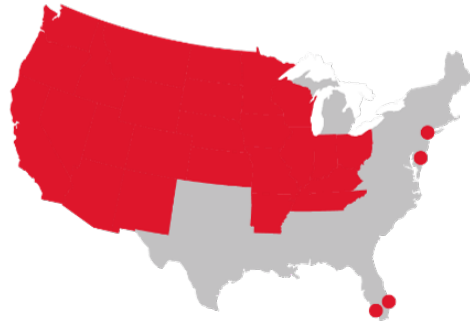
U.S. Bancorp

NYSE Traded USB
Founded 1863
Market Value \$88B

Assets \$464B
Deposits \$347B
Loans \$277B

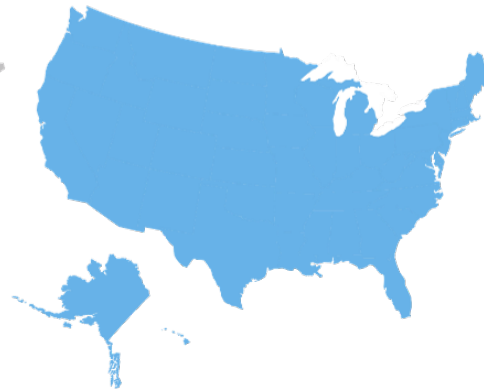
Regional

**Consumer & Business Banking
and Wealth Management**



National

**Wholesale Banking
and Wealth Management
& Securities Services**



International

Payments and Securities Services



Advantaged Position

Assets

U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$2,563
2	Bank of America	2,255
3	Wells Fargo	1,931
4	Citigroup	1,864
5	U.S. Bancorp	464
6	PNC	372
7	BB&T	221
8	SunTrust	207
9	Fifth Third	141
10	KeyCorp	136

Deposits

U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$1,439
2	Wells Fargo	1,306
3	Bank of America	1,263
4	Citigroup	959
5	U.S. Bancorp	347
6	PNC	259
7	SunTrust	160
8	BB&T	157
9	KeyCorp	103
10	Fifth Third	102

Market Value

U.S. Rank	Company	\$ in billions
1	J.P. Morgan	\$323
2	Wells Fargo	269
3	Bank of America	235
4	Citigroup	180
5	U.S. Bancorp	88
6	PNC	61
7	BB&T	37
8	SunTrust	27
9	KeyCorp	20
10	Fifth Third	19

Setting Expectations

Some things **won't change...**



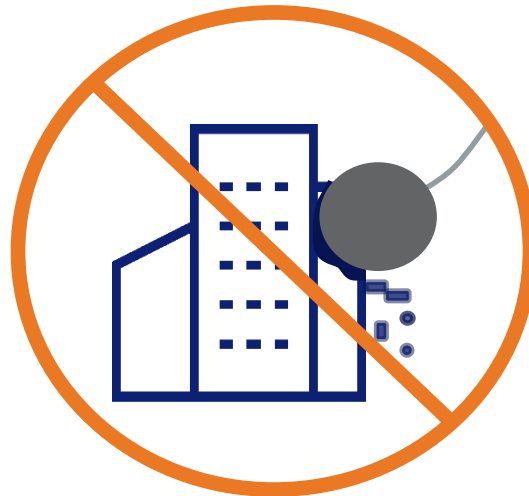
Our business mix



Our risk management philosophy



Our culture



Our Business Mix

Consumer & Small Business Banking

- Branch Banking, Small Business Banking, Consumer Lending, Mortgage Banking and Omnichannel Delivery
- Provides a full suite of banking products and services to consumer and small business customers

Wholesale Banking

- Corporate Banking, Commercial Banking and Commercial Real Estate
- A lead contributor in providing products and services to 90% of the Fortune 500 and 88% of the Fortune 1,000

Payment Services

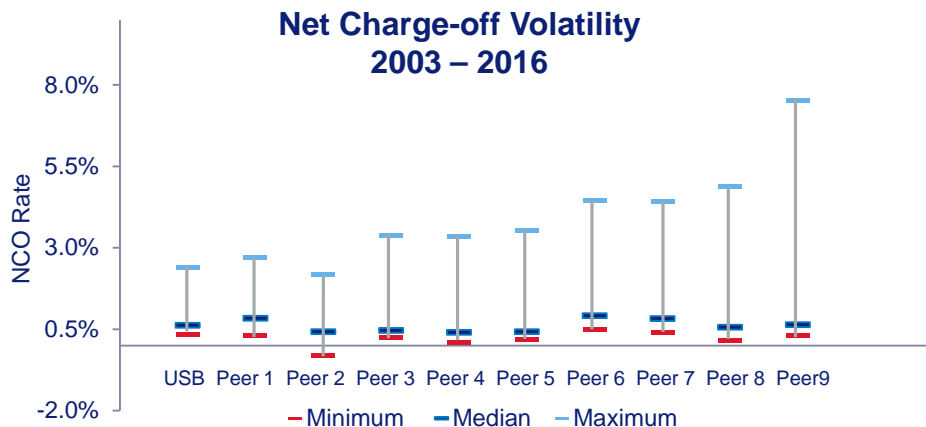
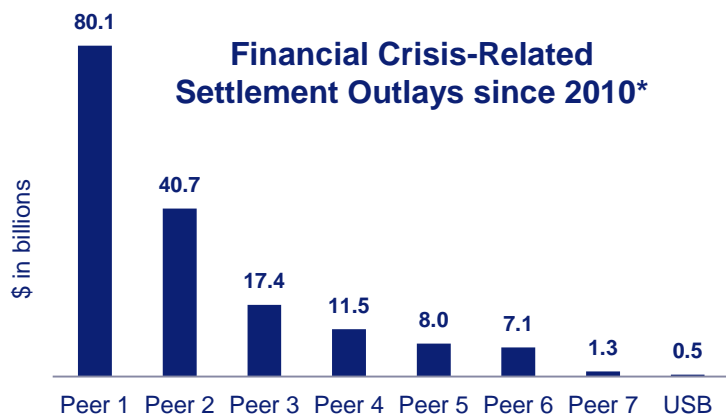
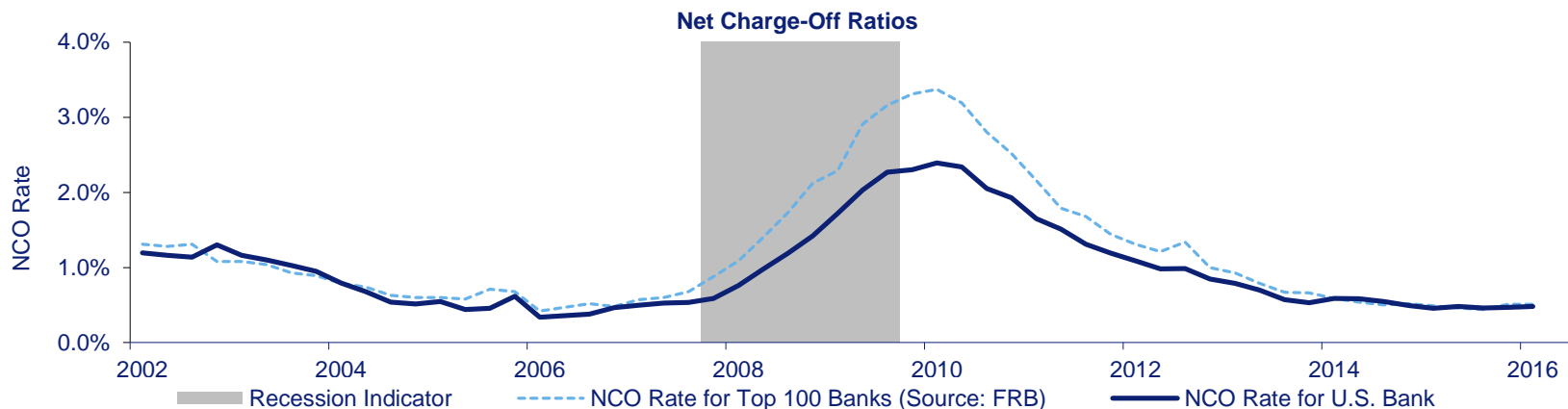
- Retail Payment Solutions, Global Merchant Acquiring and Corporate Payment Systems
- Provides a full suite of payment services to consumers, merchants, corporations and governments – a unique position versus other banks

Wealth Management & Securities Services

- Wealth Management, Asset Management, Global Corporate Trust Services, Fund Services and Institutional Trust & Custody
- Delivers a full array of wealth management services through differentiated service delivery models to address the needs of a broad range of clients



Our Risk Management Philosophy



* Data from published analysis by SNL Financial, The Wall Street Journal, and other external sources, and includes banks' 2010-January of 2016 settlements with GSEs; the national mortgage settlements; settlements and fines imposed by the Fed and OCC in connection with the independent foreclosure review; settlements with shareholders and investors over acquisitions, transactions and offering disclosures; settlements on derivatives, RMBS, and other securities matters; and mortgage fair lending settlements with the U.S. government.

Our Culture



Ponemon Institute

Most Trusted Company
for Retail Banking
(10 years running)

Kiplinger's

Personal Finance
Best National Bank
2017



Management Quality	Value as a Long-term Investment	Use of Corporate Assets	Financial Soundness
1. Walt Disney	1. Walt Disney	1. Walt Disney	1. Walt Disney
2. TJX	2. U.S. Bancorp	2. U.S. Bancorp	2. Microsoft
3. U.S. Bancorp	3. Starbucks	3. Starbucks	3. Alphabet
4. Starbucks	4. TJX	4. Johnson & Johnson	4. Starbucks
5. Nike	5. Johnson & Johnson	5. NextEra Energy	5. United Health
6. Johnson & Johnson	6. Alphabet	6. Costco	6. U.S. Bancorp
7. Costco	7. UnitedHealth	7. UnitedHealth	7. Cisco Systems
8. UnitedHealth	8. Costco	8. AB InBev	8. Nike
9. Lennar	9. Facebook	9. TJX	9. Johnson & Johnson
10. Nordstrom	10. Amazon	10. Toyota	10. Nestle

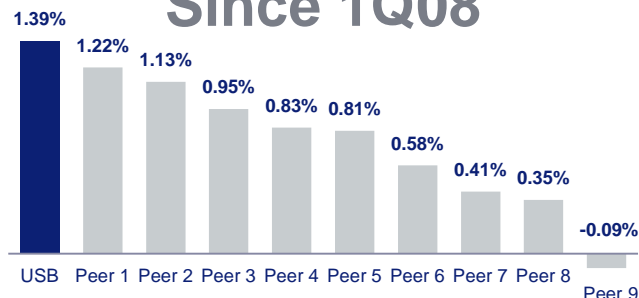
Our Track Record: Consistent Growth and Returns

2016

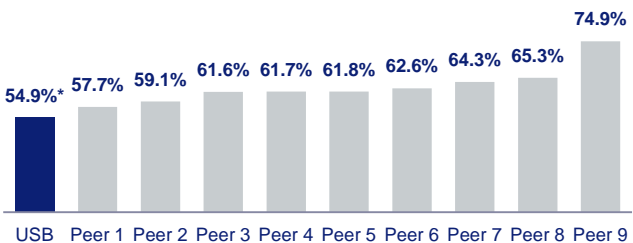
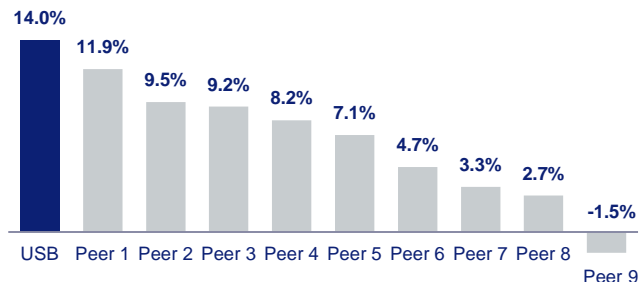
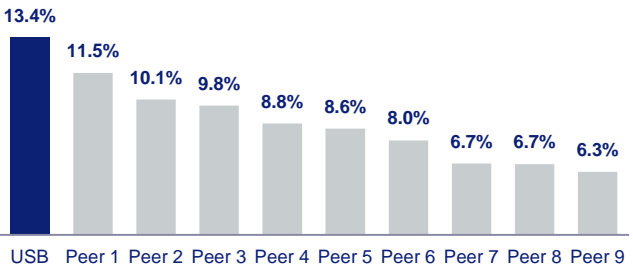


Return on Average Assets

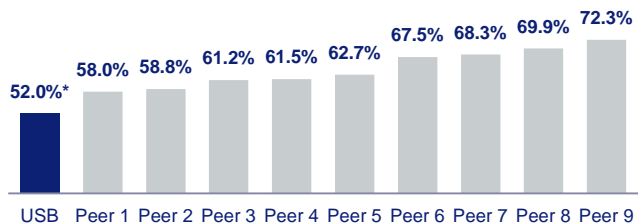
Since 1Q08



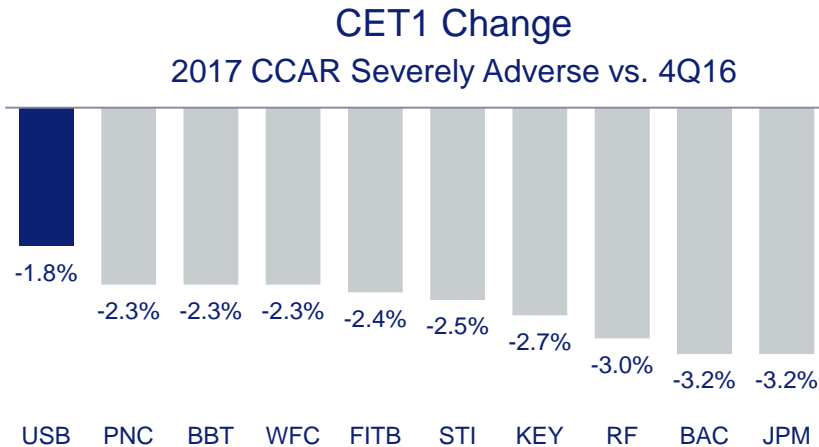
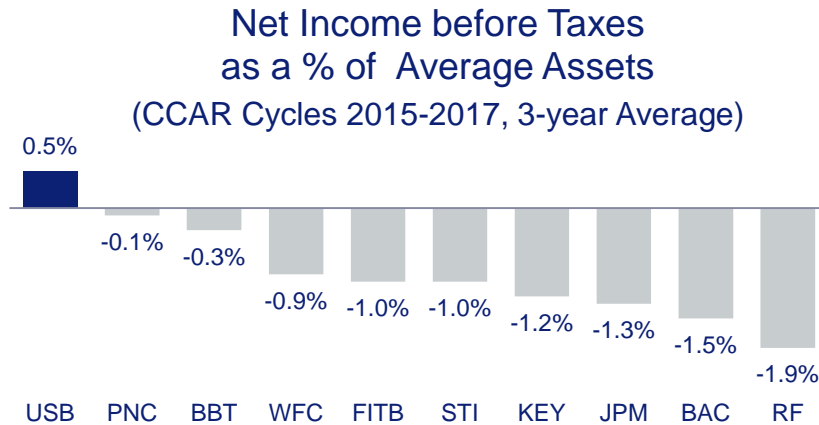
Return on Average Common Equity



Efficiency Ratio



Sustainability in Earnings and Capital



Competitive advantages:

- Diversified business mix
- Operating scale
- Efficient platform
- Flight-to-quality
- Sustainability of dividends

World Class Debt Ratings

We are the highest rated peer bank in the U.S. across all rating agencies, and we are recognized by Moody's and Fitch as the highest rated bank globally

Our funding advantage leads to competitive pricing and flight-to-quality benefits

U.S. Peers

Holding Company	Moody's				
	BCA*	Moody's	S&P	Fitch	DBRS
U.S. Bancorp	aa3	A1	A+	AA	AA
Wells Fargo	a2	A2	A	AA-	AA
BB&T	a1	A2	A-	A+	AH
JP Morgan	a3	A3	A-	A+	AAL
PNC Financial	a2	A3	A-	A+	AH
Bank of America	baa2	Baa1	BBB+	A	A
Fifth Third Bancorp	a3	Baa1	BBB+	A	AL
SunTrust	a3	Baa1	BBB+	A-	AL
KeyCorp	a3	Baa1	BBB+	A-	BBBH
Regions Financial	baa1	Baa2	BBB	BBB	BBBH

Large European Banks

Holding Company	Moody's				
	BCA*	Moody's	S&P	Fitch	DBRS
U.S. Bancorp	aa3	A1	A+	AA	AA
HSBC	a3	A1	A	AA-	AAL
BNP Paribas	baa1	A1	A	A+	AAL
Credit Agricole	baa3	A1	A	A+	AH
Societe Generale	baa2	A2	A	A	AH
Banco Santander	baa1	A3	A-	A-	A
Lloyds Banking Grp	baa1	Baa1	BBB+	A+	A
Deutsche Bank AG	ba1	Baa2	A-	A-	AL
Barclays Plc	baa2	Baa2	BBB	A	AL
RBS Group Plc	baa3	Baa3	BBB-	BBB+	BBB

Debt ratings: Holding company as of 8/28/17

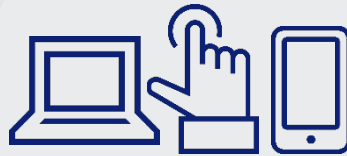
* Moody's Baseline Credit Assessment (BCA) is the issuers' standalone intrinsic strength, absent any extraordinary support from an affiliate or a government; BCA for U.S. entities is bank level entity rating

Our Top Priorities

- 1) **One U.S. Bank** initiative: putting the customer in the center
- 2) Leveraging **technology and innovation** to drive growth and efficiency
- 3) A relentless focus on **optimization**



one U.S. Bank



1) One U.S. Bank: Our Customer-centric Approach to Banking



Moving from...

- Product-focused
- Several approaches to segment customers
- Initiatives focused within business lines
- Data transactions

...to:

- Customer-centric
- Bank-wide segmentation model
- Company-wide, integrated initiatives & investments
- Information transactions

Bringing 'One U.S. Bank' to Life

- Taking advantage of our **efficient operating platforms**
- Fostering a **culture** that puts the customer first
- Leveraging advancements in **technology**

ZACHARY SUPER
519 BLACKHAWK AVE
MILAN, IL 61264-3311

Offers and Actions
Offer #1 Information

Open Accounts Closed Accounts Personal Accounts Business Accounts

PERSONAL INFORMATION

CUSTOMER SINCE: 03/10/2017
CUSTOMER TYPE: Student Checking
DATE OF BIRTH: 10/21/1993
TAX ID NUMBER: 123456789
MOTHER'S MARY NAME: MARY J SUPER
EMPLOYEE: CHICAGO, IL 60647-4002 UNITED STATES OF AMERICA
LANGUAGE: ENGLISH
PHONE: 312.555.1234

ACTIONS
[Online Maintenance](#)
[Multi-Transaction Menu](#)
[Electronic Journal](#)
[Western Union](#)
[Credit Card Cash Advance](#) ⓘ
[CTR](#)

154508206799

Silver Business Checking

OPENED: 10/21/1993 STATUS: ACTIVE
RELATIONSHIP: CO-OWNER NON-PRI ADDRESS: 3905 W ARMITAGE AVE

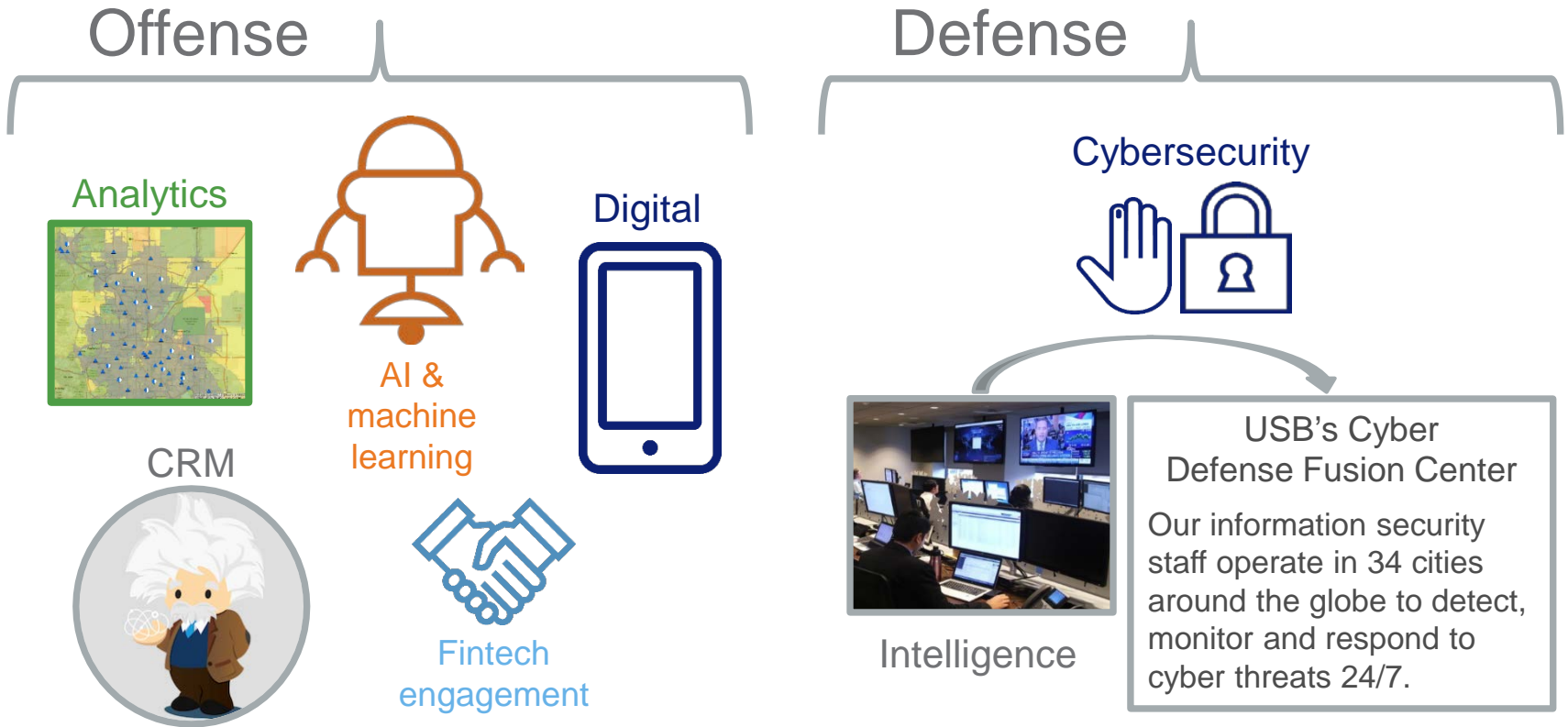
ACCOUNT BALANCE: \$651.65
DEBIT CARD AUTHORIZATIONS: \$0.00
AVAILABLE BALANCE: \$651.65

Select An Action

Key Points from Callout:

- Holistic customer views provide opportunities to build deeper relationships and collaborate across business lines
- Streamlined CRM platforms allow employees to serve customers more efficiently than ever
- Our 'Next Best Action' engine puts machine learning to work, recommending the right product for the right customer at the right time

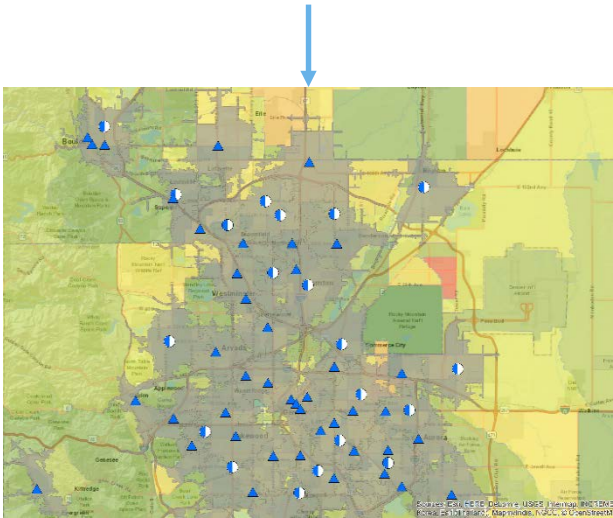
2) Leveraging Technology and Innovation to Drive Growth and Efficiency



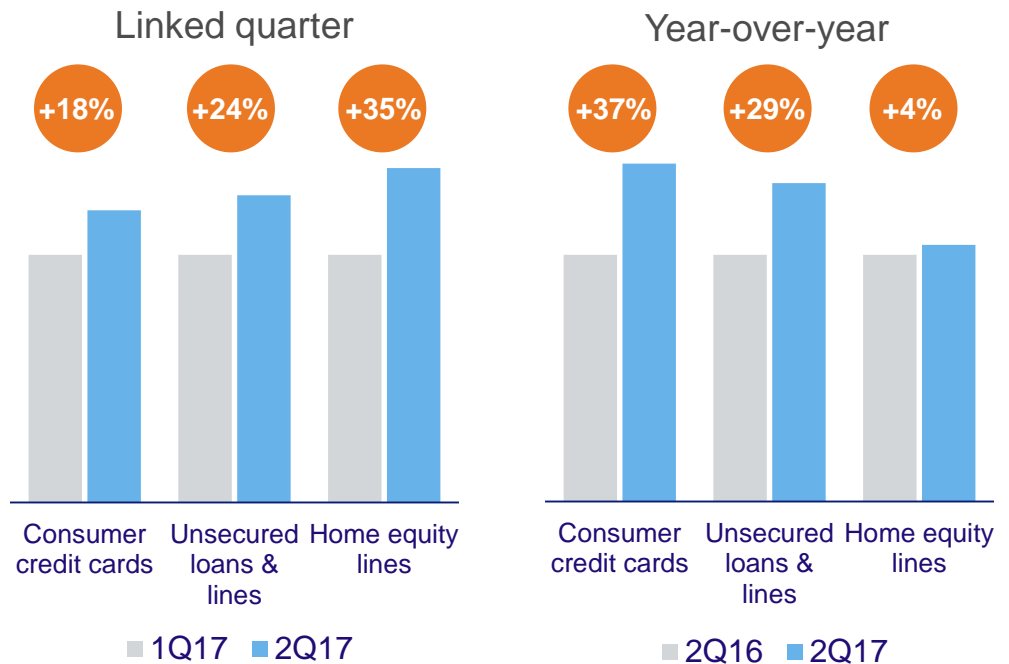
Innovation in Consumer Banking

Innovation allows us to meet our customers when, where and how they want to be met

Using analytics to optimize our branch footprint



Digital sales are climbing



Innovation in Wholesale Banking

Virtual Pay

What is a virtual payment solution?

- Unique single-use 16-digit account number
- Generated at time of payment
- Assigned to specific payment or supplier
- Real-time payments; 24/7

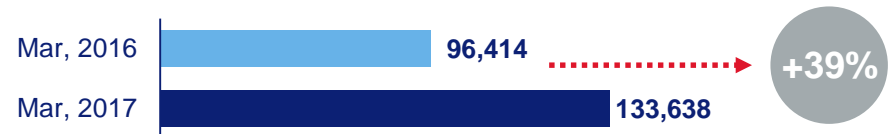
Fastest growing Corporate Payment Systems product

- Growing ~20% year-over-year
- Volume surpassing corporate T&E spend

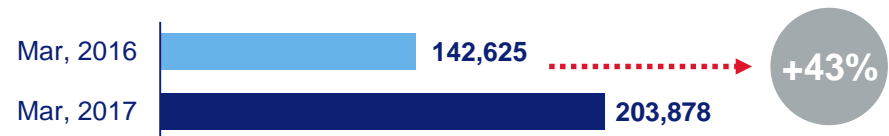
of Customers Implemented on Virtual Pay



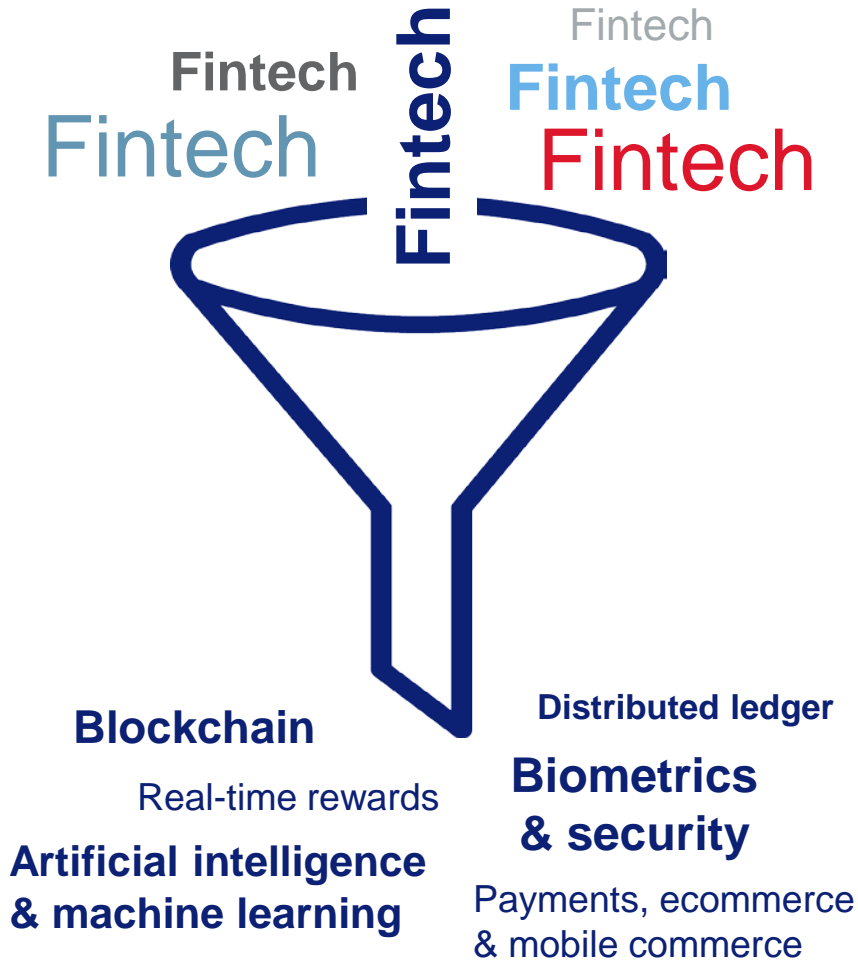
Unique Transacting Suppliers on Virtual Pay



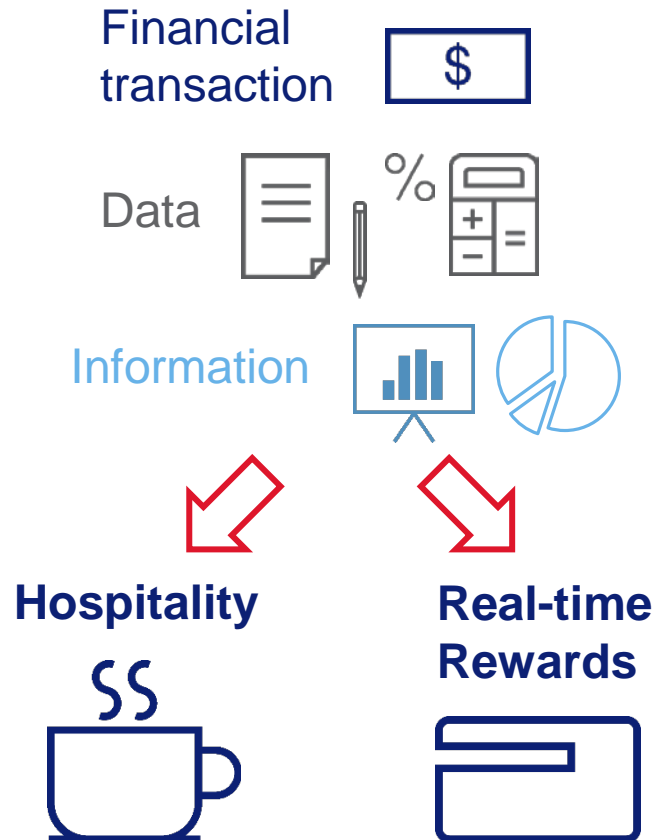
Transactions Processed



Innovation in Payment Services



The evolution of merchant acquiring:



Innovation in Securities Services

Pivot: The Future Is Now

Smart analytics and trade processing make client interactions more efficient and secure

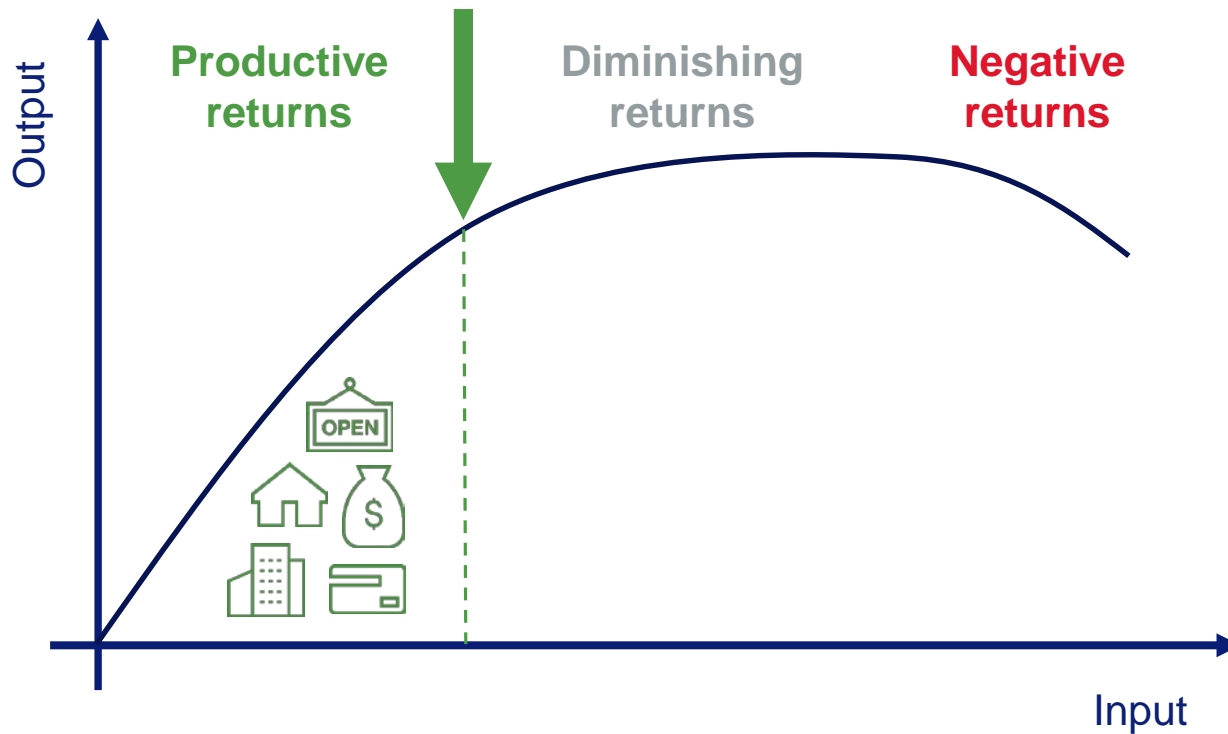


Institutional clients use Pivot to replace existing platforms and processes. Trading capabilities available today **can cut 30 minutes or more** off of scenario analysis and trade initiation.



3) A Relentless Focus on Optimization

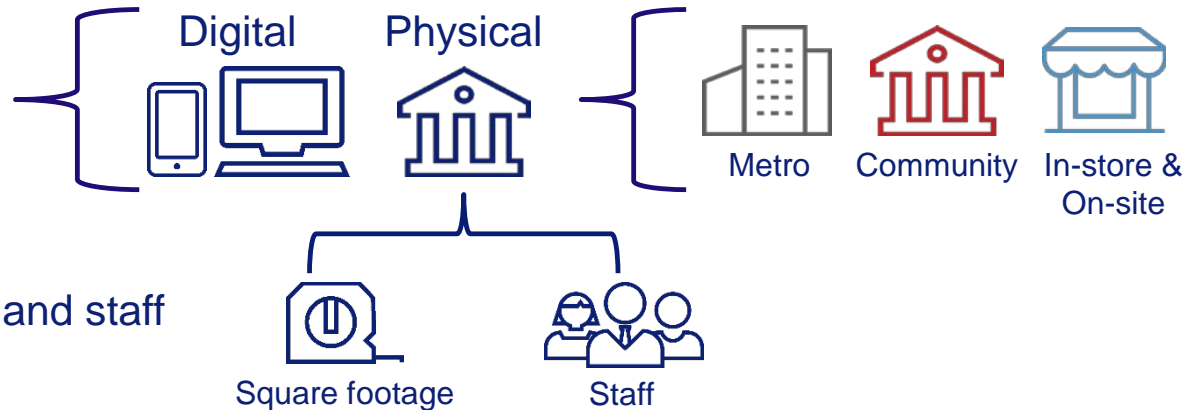
Operating in the 'sweet spot' will drive returns with greater efficiency



Optimization in Consumer Banking

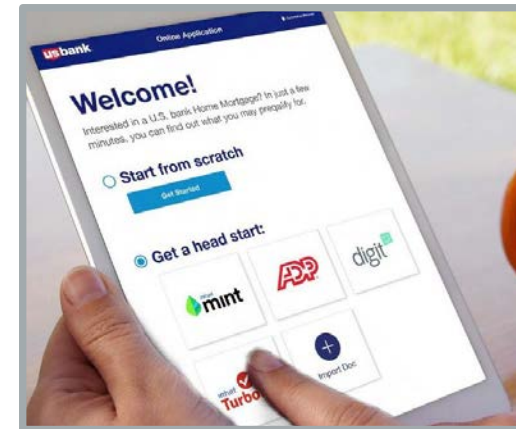
Optimizing our distribution

- Omnichannel delivery
- Three branch types
- Right-sizing branches and staff



Optimizing the customer experience

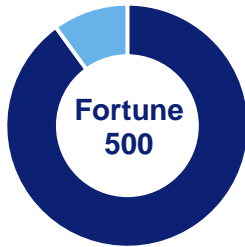
- Our digital loan application portal:
 - Streamlines the application process
 - Reduces time to closing and origination costs
 - Results in more effective conversion of leads to applications
 - Allows loan officers more time to advise and educate borrowers, resulting in a more positive customer experience and increased customer loyalty



Optimization in Wholesale Banking

Optimizing client relationships

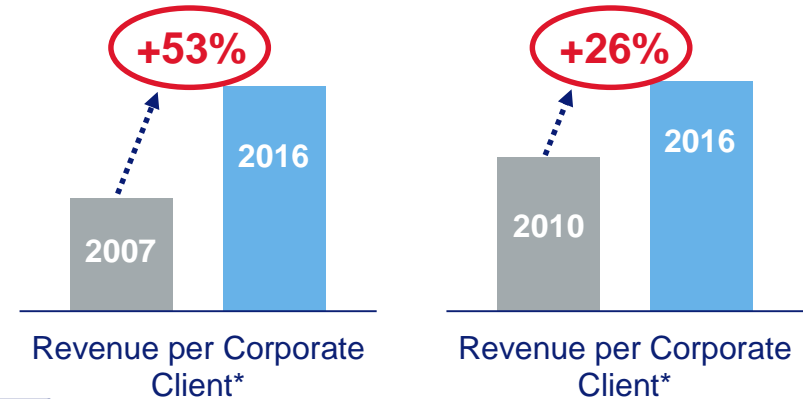
USB serves 90% of Fortune 500 companies and 88% of the Fortune 1,000



Climbing up  the **Capital Markets** league tables

Category	2007 Rank	2016 Rank
Overall U.S. Loan Bookrunner	23	5
CRE Loan Bookrunner	7	5
U.S. Investment Grade Loan Bookrunner	11	5
U.S. Middle Market Loan Bookrunner	N/A	6
Investment Grade Domestic Bond Lead and Co-manager	N/A	6

We lead with credit, then quickly shift focus to deeper, **more profitable** relationships



- Up-tiering client relationships
- Building out national middle market
- Fee opportunities complement lending relationships

* Includes clients generating more than \$250,000 in annual revenue
League table source: Thomson Reuters, presented as deal count rank

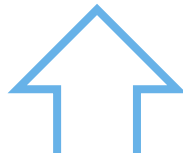
Optimization in Payment Services

Optimizing the growth equation and our product offerings

Focused on merchant acquiring verticals where we can add value



#1 provider for **airlines**



Top 5 provider for **hospitality** and **healthcare**



U.S. Bank Altitude™ Reserve

Our newly introduced high-end consumer travel rewards card:

- Rounds out our product line
- Caters to our existing high net worth clients
- Captures more share of the customer's wallet with an industry-leading 3x points earned on mobile wallet purchases



Optimization in Wealth Management

Optimizing the way we deliver services

3 distinct service models



Wealth Management teams engage clients holistically



Home mortgage



Small business



Payment solutions



Retirement & wealth planning

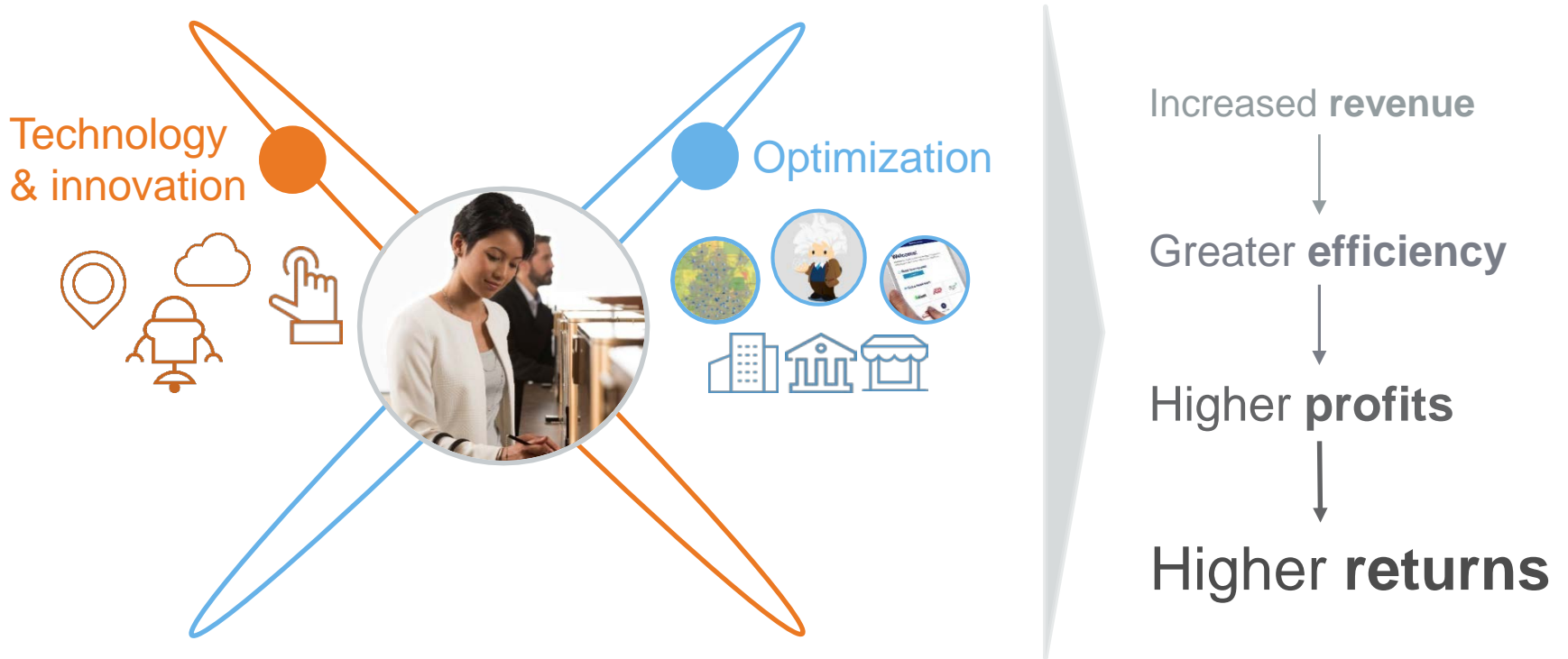
We're rolling out auto-investing in 2017



Family offices are strategically located in six cities across our footprint



Bringing it All Together

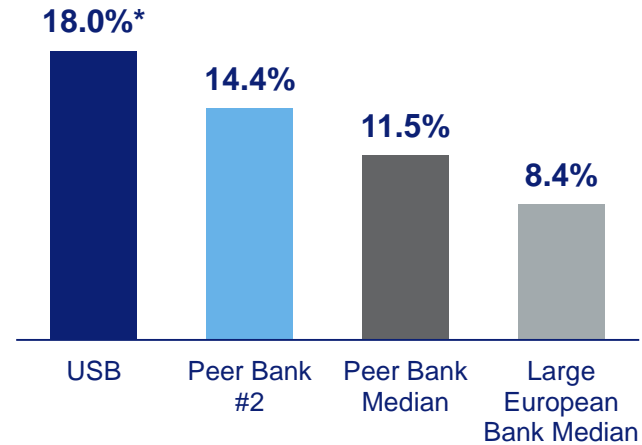


The End Result: Superior Returns

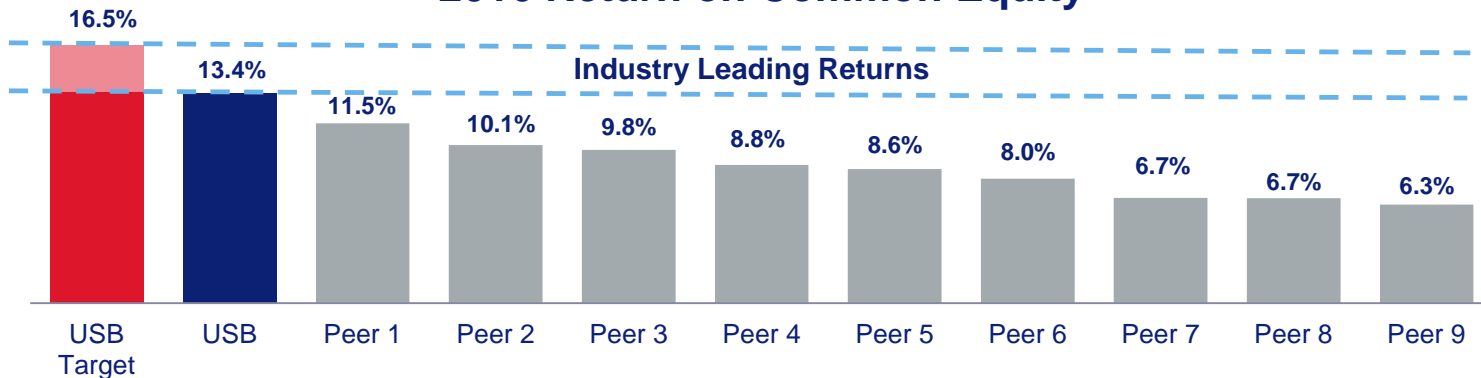
Long-term Expectations

Return on Assets	1.35-1.65%
Return on Equity	13.5-16.5%
Return on Tangible Common Equity	17.5-20.0%
Efficiency Ratio	Low 50s

2016 Return on Tangible Common Equity



2016 Return on Common Equity



* Non-GAAP, see slide 29 for calculation

Source: Company reports, SNL and Bloomberg

Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC; Large European banks: BARC, HSBA, ACA, BNP, SAN

Third Quarter Update

- Loan growth
- Net interest margin
- Fee revenue
- Operating leverage
- Tax rate





Appendix

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Year ended December 31, 2016	January 1, 2008 to June 30, 2017
Net interest income	\$11,528	\$96,567
Taxable-equivalent adjustment (1)	<u>203</u>	<u>1,953</u>
Net interest income, on a taxable-equivalent basis	11,731	98,520
Net interest income, on a taxable-equivalent basis (as calculated above)	11,731	98,520
Noninterest income	9,577	82,557
Less: Securities gains (losses), net	<u>22</u>	<u>(1,481)</u>
Total net revenue, excluding net securities gains (losses) (a)	21,286	182,558
Noninterest expense (b)	11,676	94,942
Efficiency ratio (b)/(a)	54.9 %	52.0 %

(Dollars in Millions)	Year ended December 31, 2016
Net income applicable to U.S. Bancorp common shareholders	\$5,589
Intangibles amortization (net-of-tax)	<u>116</u>
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (a)	5,705
Average total equity	47,988
Less: Average preferred stock	5,501
Less: Average noncontrolling interests	649
Less: Average intangible assets, other than mortgage servicing rights	<u>10,142</u>
Average U.S. Bancorp common shareholders' equity, excluding intangible assets (b)	31,696
Return on tangible common equity (a)/(b)	18.0 %

(1) Utilizes a tax rate of 35 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes