



Financial Management

Andy Cecere
Vice Chairman and CFO

All of **us** serving you®

September 12, 2013



Forward-looking Statements and Additional Information



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

This 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 made. 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. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which 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. Continued stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional 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; increased competition from both banks and non-banks; changes in customer behavior and preferences; 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, interest rate risk and liquidity 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, 2012, 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 could also adversely affect U.S. Bancorp's results, and you should not consider these factors to be a complete set of all potential risks. Forward-looking statements speak only as of the date they are made, 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 reconciliations of those measures to GAAP measures are provided within or in the appendix of the presentation. 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.



Sustainable Competitive Advantage

- Value creation

- Low risk

Low Risk

- Above market growth

Growth

- Industry leading returns

High Return

- Capital management

- Long-term growth expectations

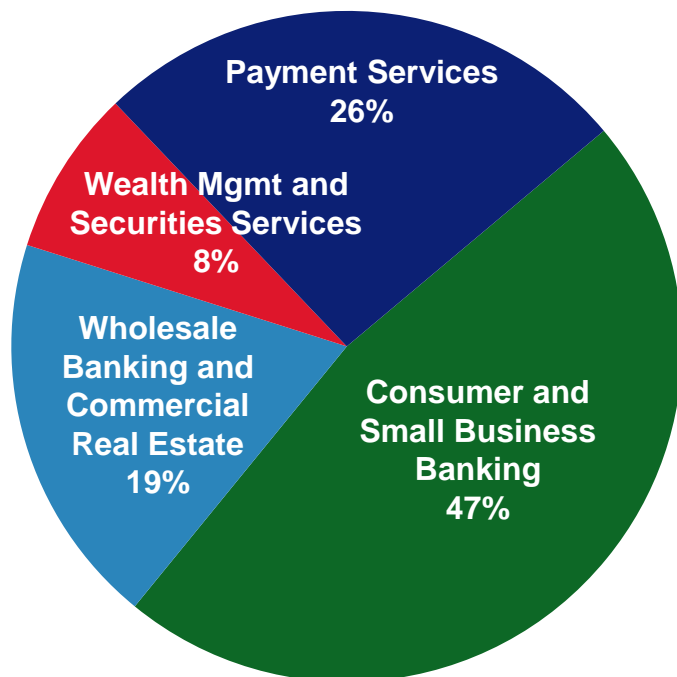


Diversified Business Mix

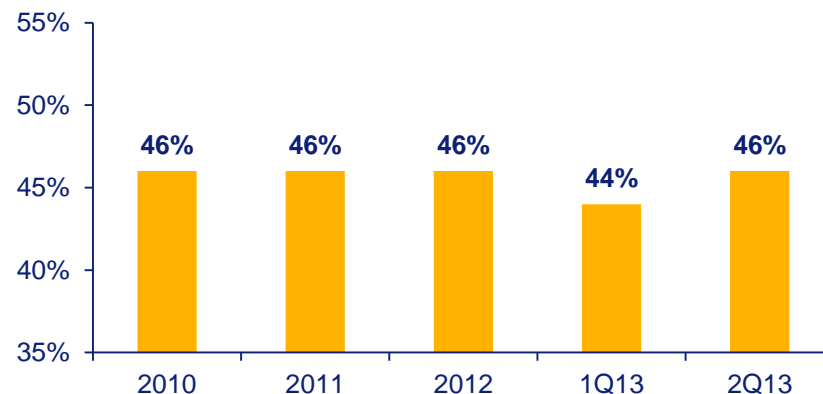
EXTENDING
THE ADVANTAGE

Low Risk

Revenue Mix By Business Line



Fee Income / Total Revenue



Full year 2012, taxable-equivalent basis
Excluding securities gains (losses) net

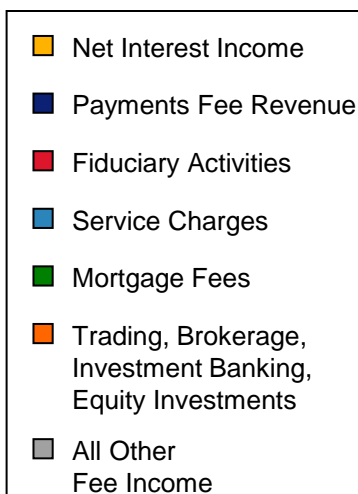
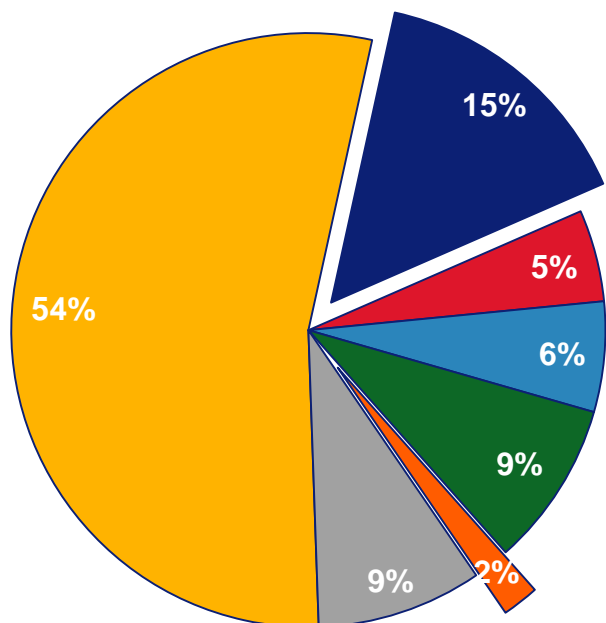
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Diversified Business Mix

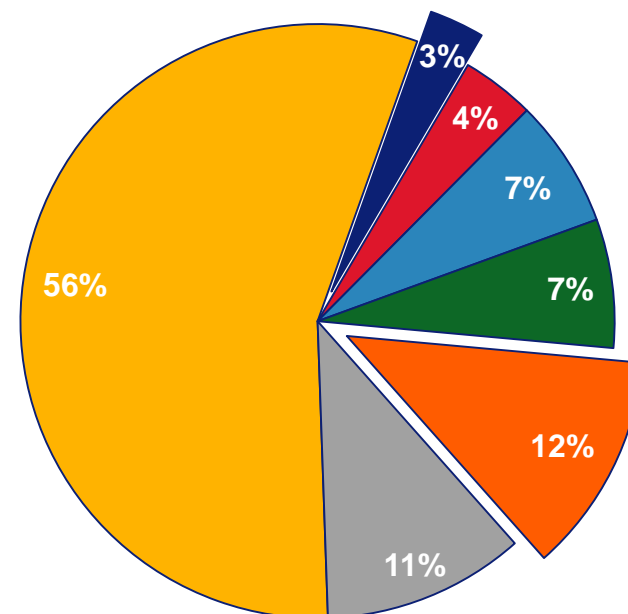
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Low Risk

U.S. Bancorp Revenue Mix



Peer Bank Average Revenue Mix



Source: FR Y-9C and company reports, 2012 full year
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

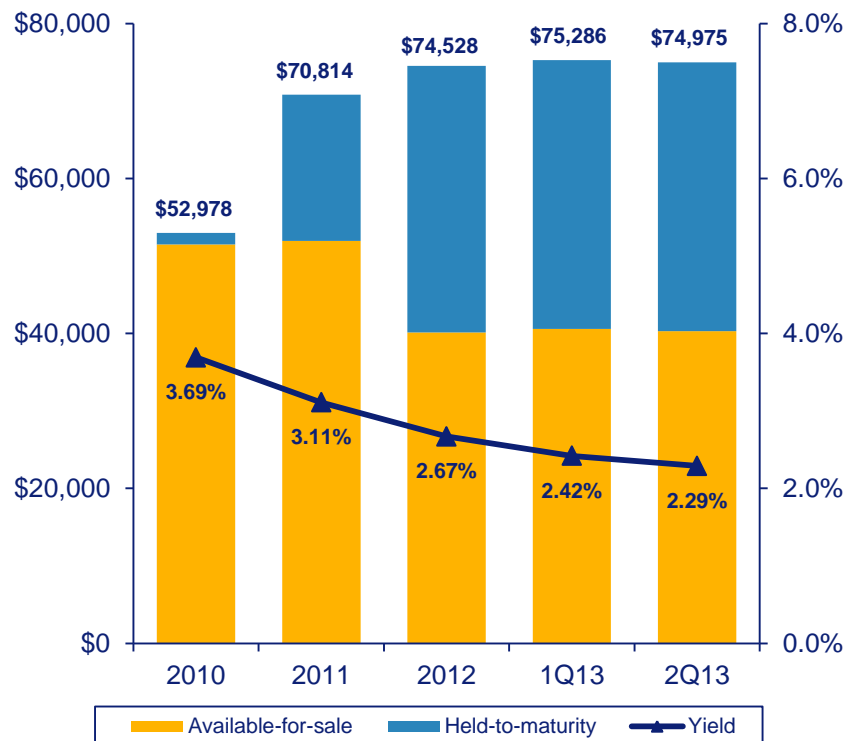
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Low Risk Balance Sheet

EXTENDING
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Low Risk

Securities Portfolio



Characteristics

- Used to manage interest rate risk, provide liquidity, generate interest income and provide collateral
- 96% of the portfolio is concentrated in Government-Backed/Issued Securities (Treasuries and Agency Debentures, Agency MBS/CMOs, and Municipal Securities)



\$ in millions, ending balances

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Low Risk Balance Sheet

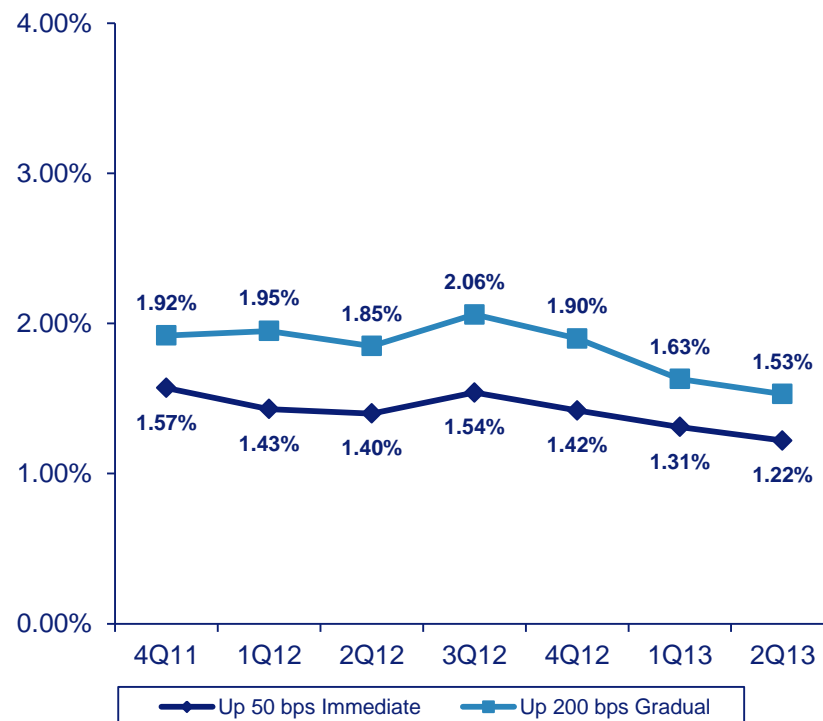
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Low Risk

Interest Rate Risk Management

- Interest rate risk is the risk to the Company's earnings given changes in interest rates
- The Company uses net interest income simulation analysis for measuring and analyzing consolidated interest rate risk
- The Company is currently slightly asset sensitive

Sensitivity of Net Interest Income



Low Risk Balance Sheet

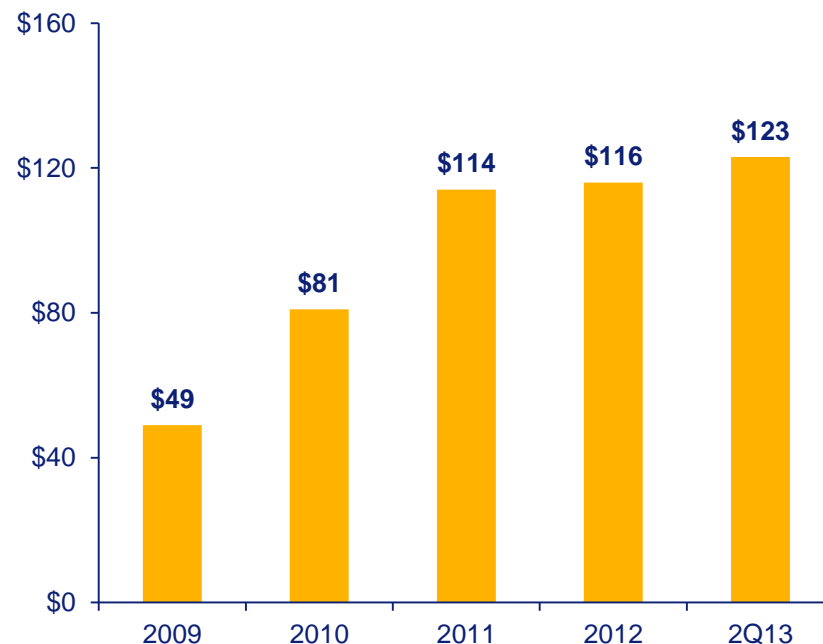


Low Risk

Liquidity

- On- and off-balance sheet liquidity is strong
- On-balance sheet - unencumbered high quality investment portfolio securities that could be pledged or sold for cash
- Off-balance sheet - loans pledged to the Federal Home Loan and Federal Reserve banks

Total On- and Off-Balance Sheet Available Liquidity



Top of Class Debt Ratings

Low Risk

Peer Debt Ratings

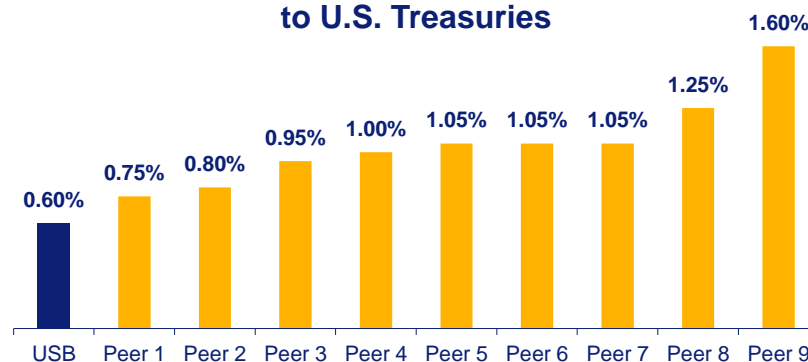
	Moody's		S&P		Fitch		DBRS	
	Rating	Outlook	Rating	Outlook	Rating	Outlook	Rating	Outlook
USB	A1	s	A+	s	AA-	s	AA	s
WFC	A2	wn	A+	on	AA-	s	AA	s
JPM	A2	wn	A	on	A+	s	A (high)	s
BBT	A2	on	A-	on	A+	s	A (high)	s
PNC	A3	s	A-	s	A+	s	A (high)	s
BAC	Baa2	wu	A-	on	A	s	A	wn
FITB	Baa1	s	BBB	op	A-	op	A (low)	s
KEY	Baa1	s	BBB+	op	A-	s	BBB (high)	s
STI	Baa1	s	BBB	op	BBB+	s	A (low)	s
RF	Ba1	s	BBB-	op	BBB-	op	BBB	s

op=outlook positive
on=outlook negative
s=outlook stable
wu = watch uncertain
wn=watch negative
wp=watch positive

Advantages

- Flight to quality
- Funding advantage

5-Year Senior Bank Debt Spread to U.S. Treasuries



Consistent Earnings Power

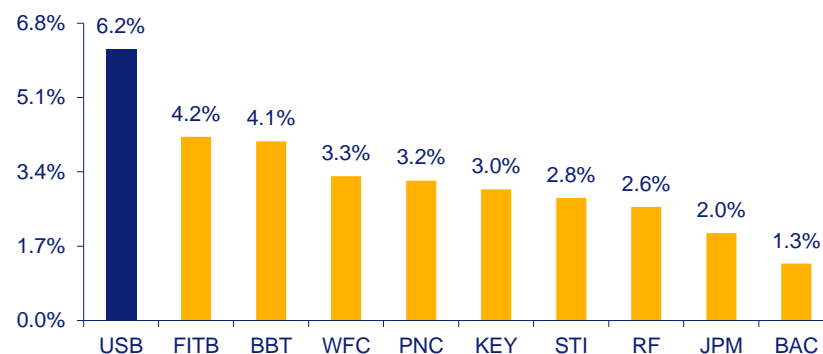
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Low Risk

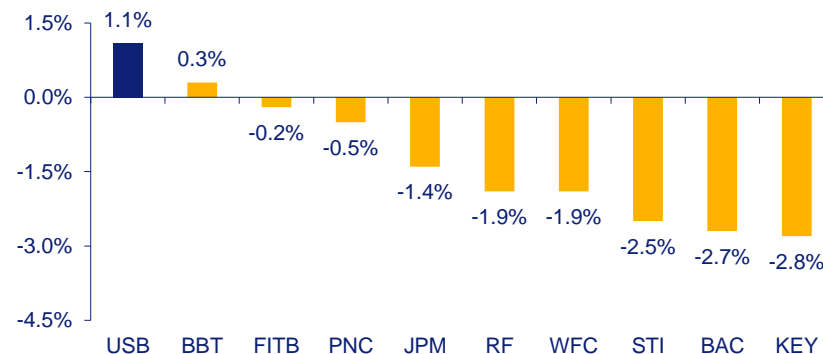
Stress Test Results

- Dodd-Frank Act Stress Test results and USB internal stress test results and methodologies released March 7, 2013
- Comprehensive Capital Analysis and Review results released March 14, 2013
 - The Federal Reserve did not object to USB's capital plan

PPNR % Average Assets



Net Income Before Taxes % Average Assets



PPNR = Pre-Provision Net Revenue
Source: Federal Reserve, estimates from the severely adverse scenario

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Growth - Loans

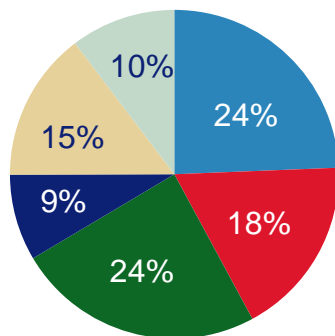
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Growth

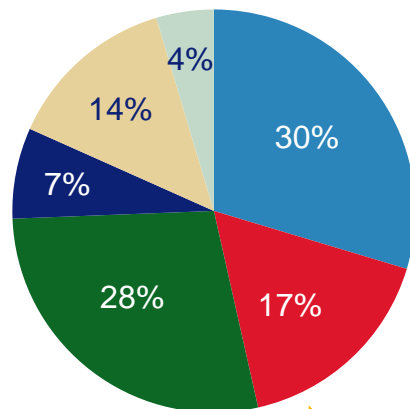
Average Loans

Year-Over-Year Growth

2010 Average Loans
\$193 billion

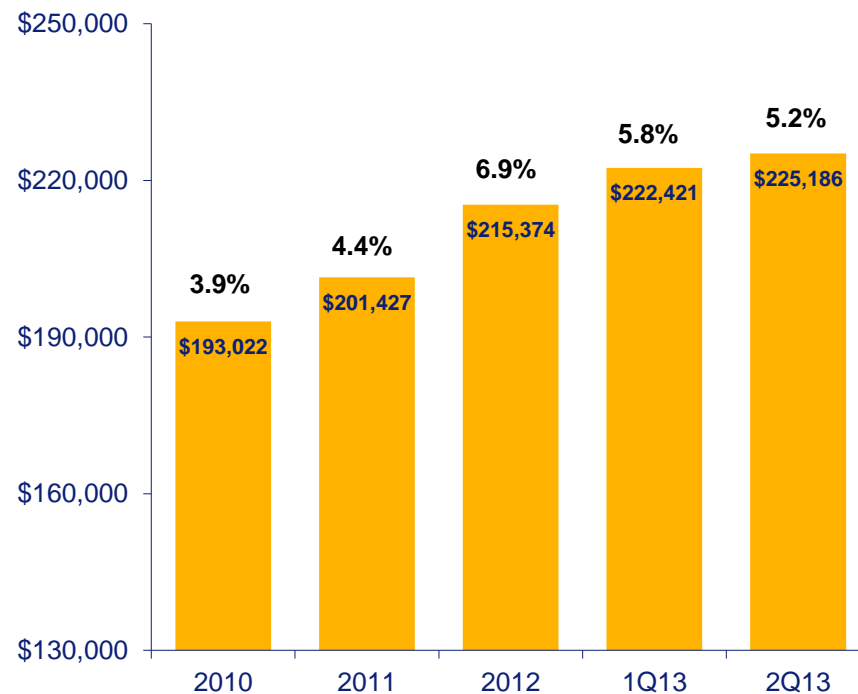


2Q13 Average Loans
\$225 billion



USB +17%

Peer
Median +4%



\$ in millions
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

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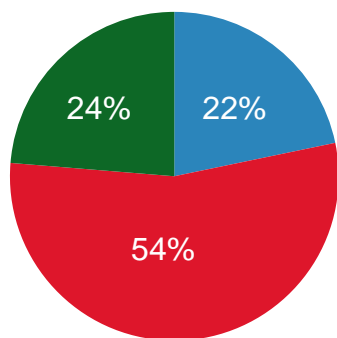
Growth - Deposits

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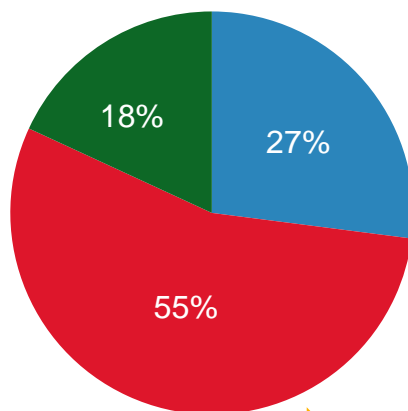
Growth

Average Deposits

2010 Average Deposits
\$185 billion



2Q13 Average Deposits
\$247 billion

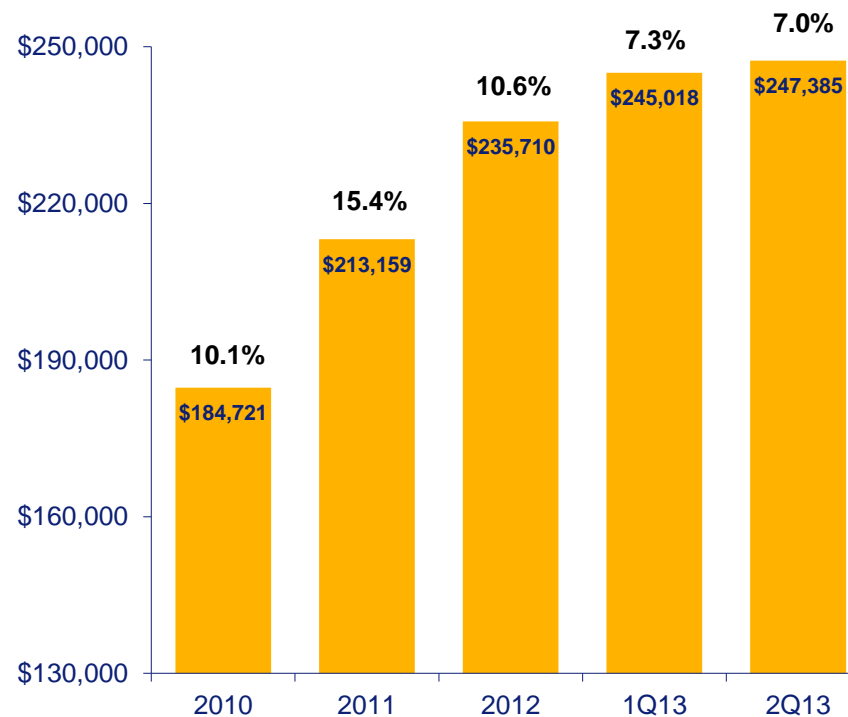


■ Noninterest Bearing
■ Checking and Savings
■ Time

USB +34%

Peer
Median +12%

Year-Over-Year Growth



\$ in millions

Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

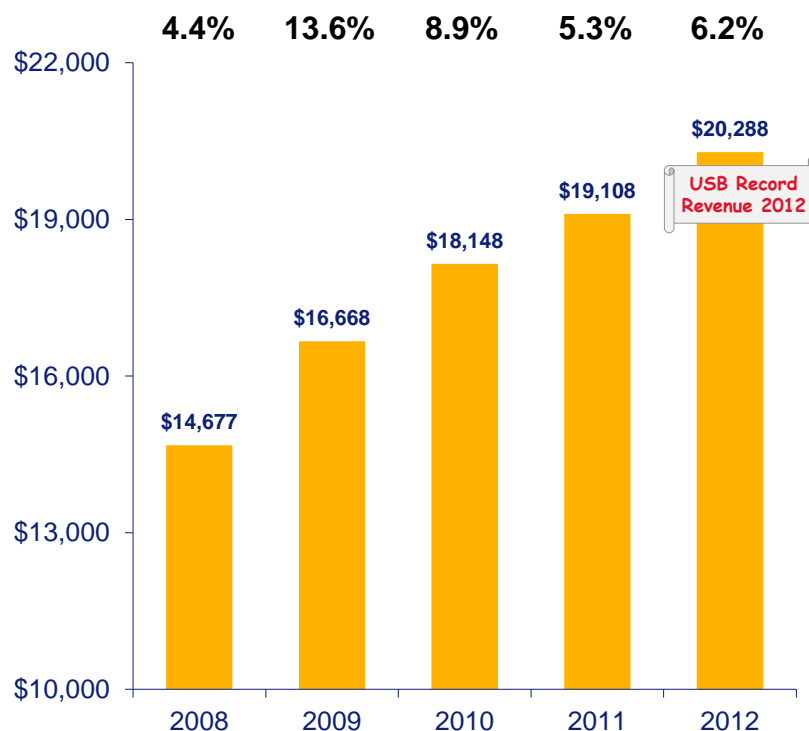
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Growth - Revenue and Earning Assets

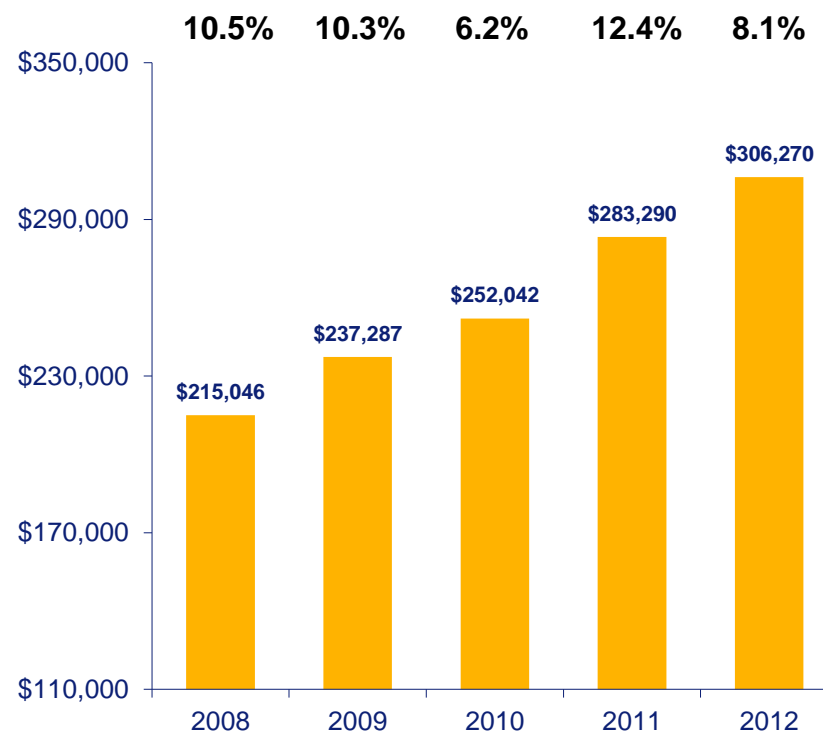
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Growth

Total Revenue Year-Over-Year Growth



Average Earning Assets Year-Over-Year Growth



\$ in millions, taxable-equivalent basis

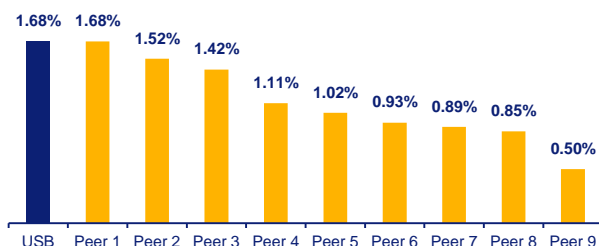
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Industry Leading Returns

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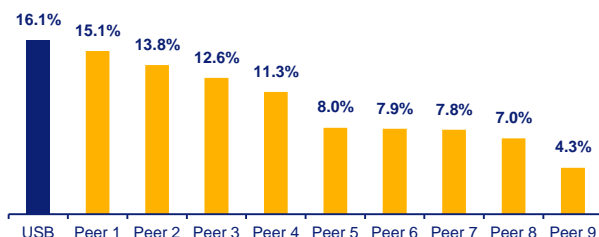
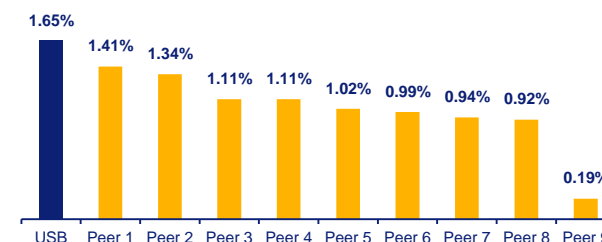
High Return

2Q13 YTD

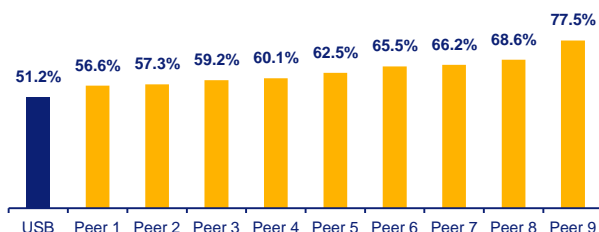
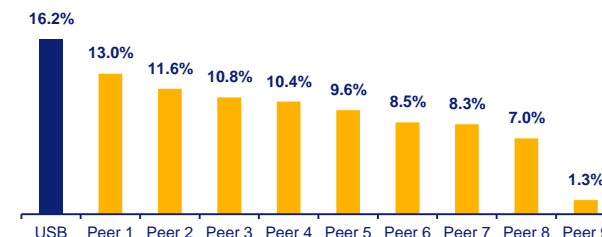


Return on Average Assets

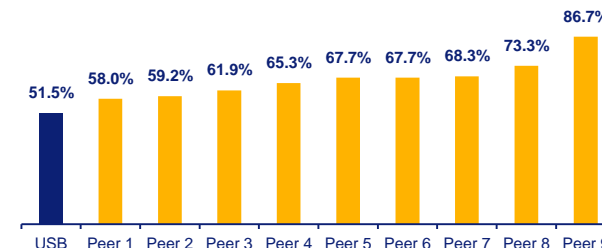
Full Year 2012



Return on Average Common Equity



Efficiency Ratio



Source: SNL and company reports
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

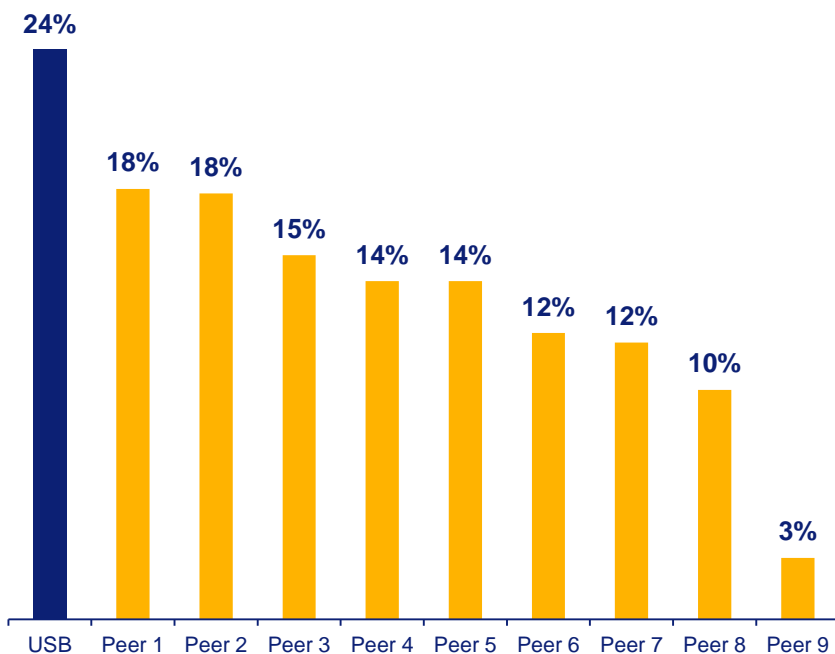
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High Returns on Capital

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High Return

2012 Return on Tangible Common Equity



- High return / capital efficient businesses
 - Corporate Trust
 - Merchant Processing
 - Fund Services
 - Treasury Management
 - Corporate Payments
- Efficient expense platform
- Disciplined capital allocation process



Source: SNL and company reports
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

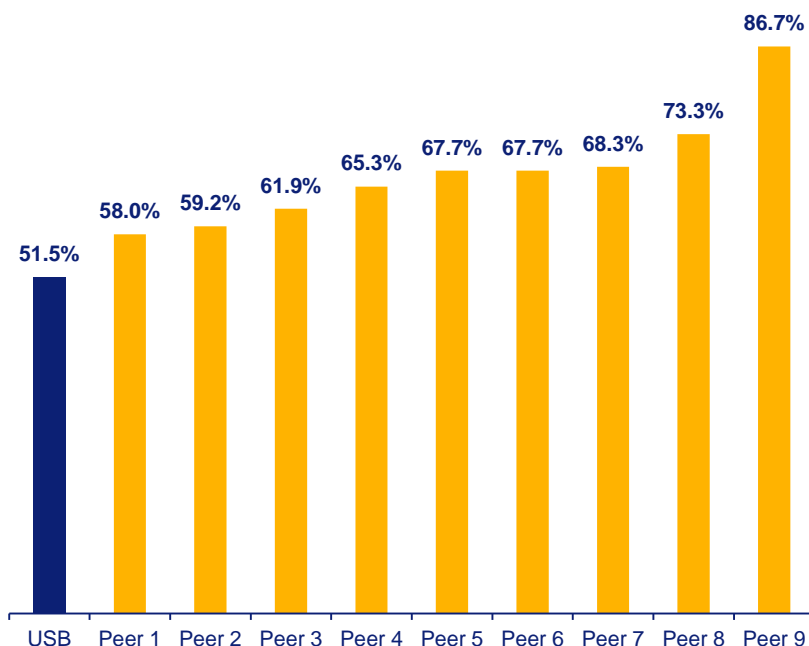
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Efficient Expense Platform

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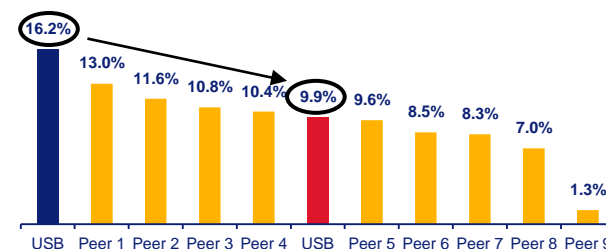
High Return

2012 Efficiency Ratio



Source of Competitive Advantage

- Single processing platforms
- Full consolidation of acquisitions
- Operating scale in all significant businesses
- Business line monthly review process
- If our efficiency ratio was peer median, our ROE would decrease to 9.9%



Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC
Efficiency ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses) net



Disciplined Capital Allocation Process



Growth
High Return

Decision-making Approach - Acquisitions and Organic Initiatives

- Centrally managed review process, which includes data gathering, business line “expert” review and valuation analysis
- Acquisitions and investments sponsored by business line Vice Chairman
- Investment Committee reviews strategic rationale and financial analysis
- Due diligence performed and managed centrally
- Investment Committee gives approval of acquisition or investment based on results of due diligence
- Review and assessment



- Financial criteria
 - Net present value, internal rate of return and accretion analysis
 - Assume 10-11% cost of capital

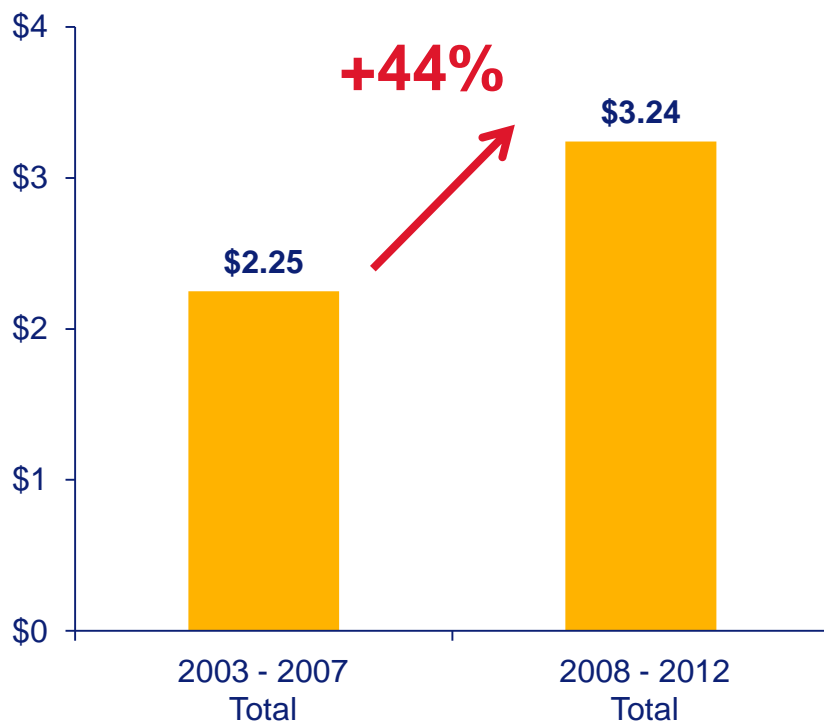


Prudent Investment Strategy

EXTENDING
THE ADVANTAGE

Growth
High Return

Capital Expenditures



Investments

- Mortgage banking
- In-store and on-site branches
- Wholesale banking expansion
- Ascent Private Capital Management
- International payments expansion
- Internet and mobile banking channels
- Tier 4 data center
- Call center telephony
- Distribution channel integration



\$ in billions
Approved by Capital Expenditure Committee

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Prudent Investment Strategy

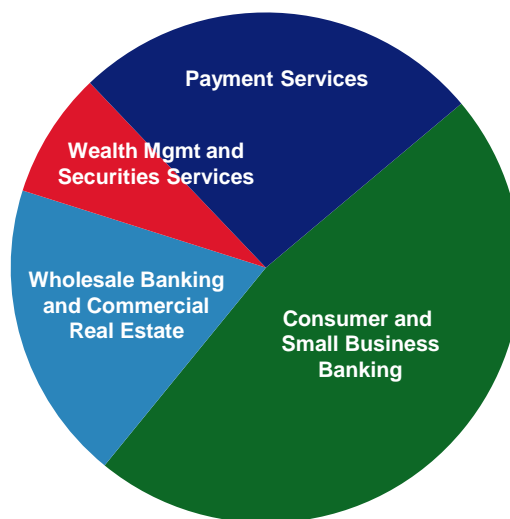
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Growth
High Return

Payments

- Collective Point of Sale Solutions Ltd
- FSV Payment Systems
- TransCard's heavy truck fuel card network
- Financial institutions credit card portfolio of FIA Card Services
- Merchant processing portfolio of Santander-Mexico
- Merchant processing portfolio of Citizens National Bank
- Credit card portfolios from Citi
- Merchant processing portfolio of MB Financial Bank
- Credit card portfolio of Town North Bank
- Southern DataComm
- AIMS Logistics
- Numerous small portfolios
- Joint ventures:
 - Spain merchant services joint venture with Banco Santander
 - Brazil merchant services company

Acquisitions



Divestitures

- Divestiture of FAF Advisors long-term asset management business

Consumer and Wholesale

- Banking operations of BankEast (Knoxville, TN)
- Banking operations of First Community Bank (NM)
- Banking subsidiaries of FBOP Corporation
- BB&T's Nevada banking operations
- First Bank of Idaho
- Downey Savings & Loan Association
- PFF Bank & Trust
- Mellon 1st Business Bank

Trust Businesses

- U.S. municipal bond trustee business of Deutsche Bank
- AIS Fund Administration
- Institutional trust business of Union Bank
- Indiana corporate trust business of UMB Bank
- Bank of America's securitization trust administration business
- Corporate trust administration business of F.N.B.
- Corporate trust business of AmeriServ
- Bond trustee business of First Citizens Bank
- Mutual fund servicing division of Fiduciary Management, Inc



Competitive Position



Capital Management Landscape

\$ in billions	Assets	Loans	Deposits	Market Value	
J.P. Morgan Chase	2,439	720	1,203	190	G-SIBs
Bank of America	2,123	922	1,081	152	
Citigroup	1,884	644	938	147	
Wells Fargo	1,441	802	1,022	218	
Goldman Sachs	938	62	69	68	
Morgan Stanley	803	56	82	50	
Bank of New York Mellon	360	50	245	34	
State Street Corporation	227	16	167	30	
U.S. Bancorp	353	228	252	66	Advanced Approaches
PNC Financial Services	304	190	212	38	
Capital One Financial	297	192	210	38	
BB&T Corporation	183	116	131	24	Standardized Approach
SunTrust Banks	172	122	128	17	
American Express	152	108	41	78	
Fifth Third Bancorp	123	87	93	16	
Regions Financial	119	75	92	13	
KeyCorp	91	53	68	11	



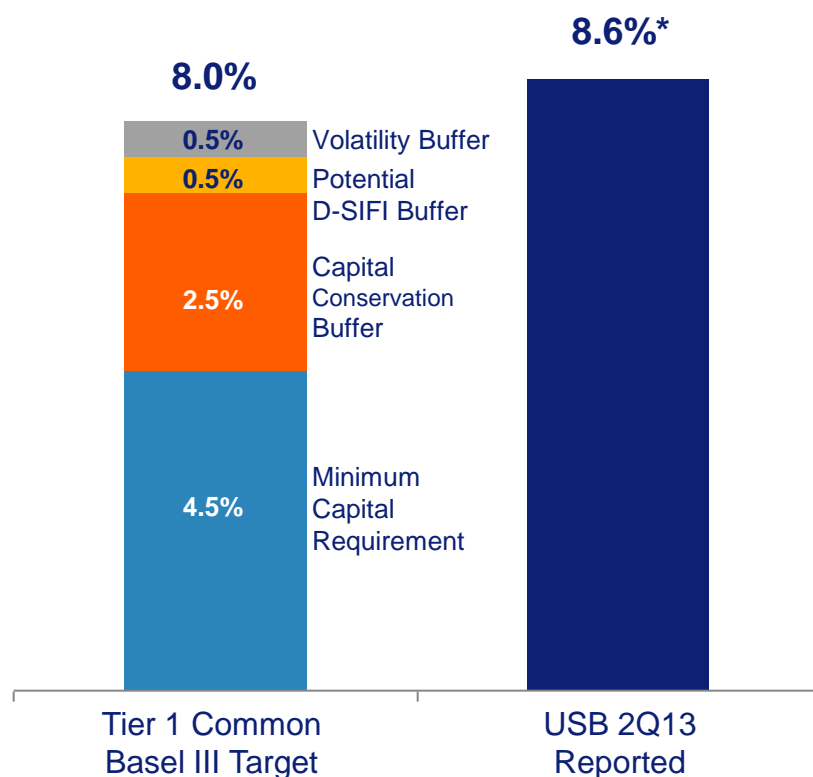
G-SIBs = global systemically important banks
Source: SNL, as of 2Q13, market value as of August 30, 2013



Capital Management

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Capital Requirement



Capital Generation



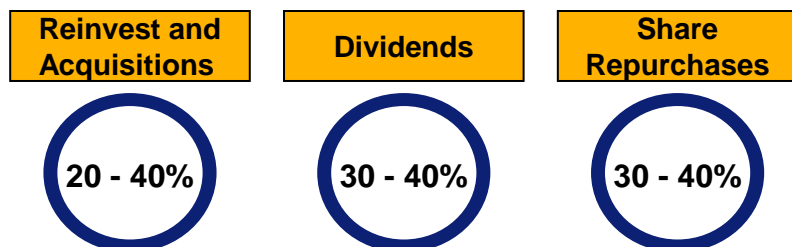
Tangible book value (TBV) = book value per share excluding intangible assets other than mortgage servicing rights
Return on tangible common equity (ROTCE) = net income, adjusted for after-tax amortization of intangibles, as a % of average tangible common equity * Estimated using final rules for Basel III standardized approach released July 2013

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Capital Management

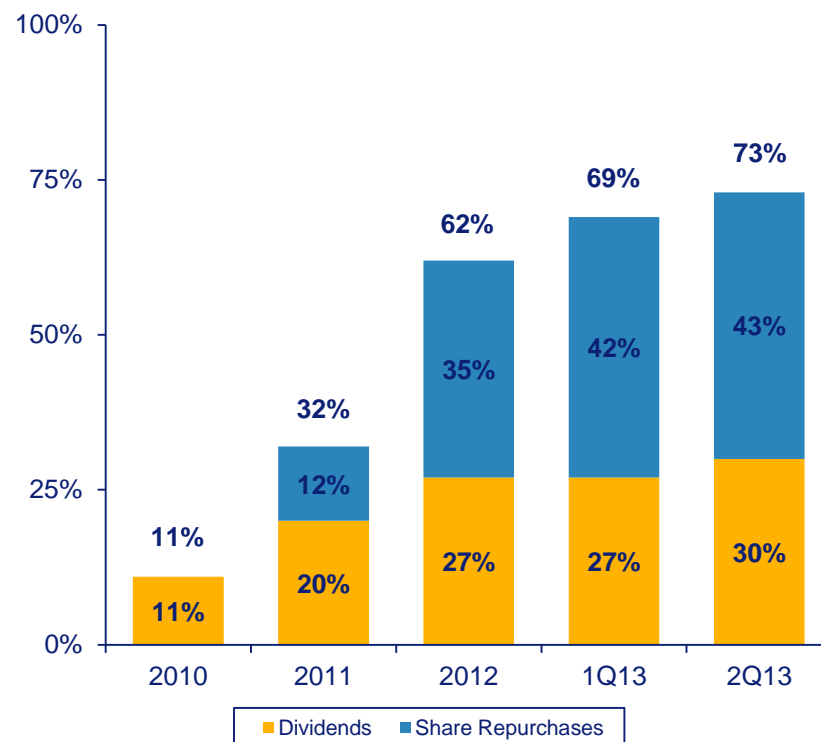


Earnings Distribution Target



Hypothetical Earnings Distribution Example			
Dividends	30%	Reinvestment	30%
Share Repurchases	40%	Assumed ROTCE	20%
Discretionary Distributions	70%	Balance Sheet Growth	6%

Payout Ratio



Long-term Growth Expectations



Investor Day 2010 Long-term Growth Expectations

Net Interest Income	5-7%
Noninterest Income	8-10%
<hr/>	
Total Revenue	7-8%
Noninterest Expense	4-5%
Provision for Credit Losses	6-8%
<hr/>	
Net Income	8-9%
EPS	8-10%



Long-term Growth Expectations



2010 to 2012 Growth

	CAGR 2010 - 2012 Reported	Adjustments			CAGR 2010 - 2012 Adjusted	2010 Long-term Growth Target
		Legislative	Unusual	Provision		
Total net revenue	5.7%	-1.6%	-0.6%	--	7.9%	7-8%
Noninterest expense	5.6%	--	1.0%	--	4.6%	4-5%
Provision for credit losses	-34.3%	--	--	-39.9%	5.6%	6-8%
Net income to common shareholders	27.1%				8.4%	8-9%
Diluted earnings per common share	28.1%				9.1%	8-10%

- Legislative impact includes Card Act, Overdraft Legislation and Durbin Amendment
- Unusual impact includes significant one-time items
- Provision normalized to 100 bps of loans



Taxable-equivalent basis
CAGR = compound annual growth rate; see appendix page 31 for specific adjustments



Long-term Growth Expectations



Total U.S. Bancorp	Investor Day 2010 Long-term Growth Expectations	Investor Day 2013 Long-term Growth Expectations
Net Interest Income	5-7%	5-7%
Noninterest Income	8-10%	7-9%
Total Revenue	7-8%	6-8%
Noninterest Expense	4-5%	3-5%
Provision for Credit Losses	6-8%	6-8%
Net Income	8-9%	7-9%
EPS	8-10%	8-10%

Business Line	Investor Day 2010 Long-term Revenue Growth Expectations	Investor Day 2013 Long-term Revenue Growth Expectations
Wholesale Banking and Commercial Real Estate	9%	7-9%
Consumer and Small Business Banking	7%	6-8%
Wealth Management and Securities Services	8%	7-9%
Payment Services	10%	8-10%



Long-term Goals



Long-term Goals

- Optimal business line mix
- Investments generating positive returns
- Profitability:
 - ROE 16-19%
 - ROA 1.60-1.90%
 - Efficiency Ratio low 50s
- Capital distributions:
 - Earnings distribution 60-80%

Current Status

- ✓ Four simple and stable business lines
- ✓ Mortgage, wealth management, corporate banking, international payments, branch technology, internet and mobile channels, and select acquisitions
- ✓ 2Q13 Profitability:
 - ROE 16.1%
 - ROA 1.70%
 - Efficiency Ratio 51.7%
- ✓ 2Q13 Capital distributions:
 - Distributed 73% of earnings (dividends 30%, share repurchases 43%)



U.S. Bancorp Investor Day - Financial Management

Appendix



Non-GAAP Financial Measures



\$ in millions	2Q13	1Q13	4Q12	3Q12	2Q12
Total equity	\$ 41,050	\$ 40,847	\$ 40,267	\$ 39,825	\$ 38,874
Preferred stock	(4,756)	(4,769)	(4,769)	(4,769)	(4,769)
Noncontrolling interests	(1,367)	(1,316)	(1,269)	(1,164)	(1,082)
Goodwill (net of deferred tax liability)	(8,317)	(8,333)	(8,351)	(8,194)	(8,205)
Intangible assets, other than mortgage servicing rights	(910)	(963)	(1,006)	(980)	(1,118)
Tangible common equity (a)	25,700	25,466	24,872	24,718	23,700
Tier 1 capital, determined in accordance with prescribed regulatory requirements using Basel I definition	32,219	31,774	31,203	30,766	30,044
Preferred stock	(4,756)	(4,769)	(4,769)	(4,769)	(4,769)
Noncontrolling interests, less preferred stock not eligible for Tier 1 capital	(685)	(684)	(685)	(685)	(685)
Tier 1 common equity using Basel I definition (b)	26,778	26,321	25,749	25,312	24,590
Tangible common equity (as calculated above)	25,700				
Adjustments ¹	195				
Tier 1 common equity estimated using final rules for the Basel III standardized approach released July 2013 (c)	25,895				
Tangible common equity (as calculated above)	25,700	25,466	24,872	24,718	23,700
Adjustments ²	(43)	81	126	157	153
Tier 1 common equity approximated using proposed rules for the Basel III standardized approach released June 2012 (d)	25,657	25,547	24,998	24,875	23,853

¹ Includes net losses on cash flow hedges included in accumulated other comprehensive income and unrealized losses on securities transferred from available-for-sale to held-to-maturity included in accumulated other comprehensive income

² Includes net losses on cash flow hedges included in accumulated other comprehensive income, unrealized losses on securities transferred from available-for-sale to held-to-maturity included in accumulated other comprehensive income and disallowed mortgage servicing rights



Non-GAAP Financial Measures



\$ in millions	2Q13	1Q13	4Q12	3Q12	2Q12
Total assets	\$ 353,415	\$ 355,447	\$ 353,855	\$ 352,253	\$ 353,136
Goodwill (net of deferred tax liability)	(8,317)	(8,333)	(8,351)	(8,194)	(8,205)
Intangible assets, other than mortgage servicing rights	(910)	(963)	(1,006)	(980)	(1,118)
Tangible assets (e)	344,188	346,151	344,498	343,079	343,813
Risk-weighted assets, determined in accordance with prescribed regulatory requirements using Basel I definition (f)	289,613				
Adjustments ³	12,476				
Risk-weighted assets estimated using final rules for the Basel III standardized approach released July 2013 (g)	302,089				
Risk-weighted assets, determined in accordance with prescribed regulatory requirements using Basel I definition (f)	289,613	289,672	287,611	282,033	279,972
Adjustments ⁴	20,866	21,021	21,233	22,167	23,240
Risk-weighted assets approximated using proposed rules for the Basel III standardized approach released June 2012 (h)	310,479	310,693	308,844	304,200	303,212
Ratios					
Tangible common equity to tangible assets (a)/(e)	7.5%	7.4%	7.2%	7.2%	6.9%
Tangible common equity to risk-weighted assets using Basel I definition (a)/(f)	8.9%	8.8%	8.6%	8.8%	8.5%
Tier 1 common equity to risk-weighted assets using Basel I definition (b)/(f)	9.2%	9.1%	9.0%	9.0%	8.8%
Tier 1 common equity to risk-weighted assets estimated using final rules for the Basel III standardized approach released July 2013 (c)/(g)	8.6%	-	-	-	-
Tier 1 common equity to risk-weighted assets approximated using proposed rules for the Basel III standardized approach released June 2012 (d)/(h)	8.3%	8.2%	8.1%	8.2%	7.9%

³ Includes higher risk-weighting for unfunded loan commitments, investment securities and mortgage servicing rights, and other adjustments

⁴ Includes higher risk-weighting for residential mortgages, unfunded loan commitments, investment securities and mortgage servicing rights, and other adjustments



Non-GAAP Financial Measures



Tangible Book Value and Return on Tangible Common Equity

\$ in millions	2Q13	1Q13	2012	2011	2010
Ending common equity	\$ 34,927	\$ 34,762	\$ 34,229	\$ 31,372	\$ 27,589
Goodwill	(9,156)	(9,152)	(9,143)	(8,927)	(8,954)
Intangible assets, other than mortgage servicing rights	(910)	(963)	(1,006)	(1,217)	(1,376)
Ending tangible common equity for tangible book value calculation (a)	24,861	24,647	24,080	21,228	17,259
Ending common shares outstanding (b)	1,844	1,858	1,869	1,910	1,921
Net income applicable to U.S. Bancorp common shareholders	1,405	1,358	5,383	4,721	3,332
Other intangibles expense (after tax at 35%)	36	37	178	194	239
Tangible net income applicable to U.S. Bancorp common shareholders (c)	1,441	1,395	5,561	4,915	3,571
Average common equity	34,968	34,408	33,230	29,786	26,307
Goodwill	(9,156)	(9,152)	(9,143)	(8,927)	(8,954)
Intangible assets, other than mortgage servicing rights	(910)	(963)	(1,006)	(1,217)	(1,376)
Average tangible common equity for ROTCE calculation (d)	24,902	24,293	23,081	19,642	15,977
Ratios					
Tangible book value per common share (a)/(b)	\$13.48	\$13.27	\$12.88	\$11.11	\$8.98
Return on tangible common equity (c)/(d)	23%	23%	24%	25%	22%



Non-GAAP Financial Measures



Adjustments: 2010 to 2012 CAGR

\$ in millions	Reported 2010	Adjustments	Adjusted 2010	Reported 2012	Adjustments	Adjusted 2012	CAGR Reported	CAGR Adjusted
Total net revenue (taxable-equivalent basis)	\$ 18,148	(315) ¹	\$ 18,463	\$ 20,288	(1,217) ²	\$ 21,505	5.7%	7.9%
Noninterest expense	9,383	18 ³	9,365	10,456	210 ⁴	10,246	5.6%	4.6%
Provision for credit losses	4,356	2,426 ⁵	1,930	1,882	(272) ⁵	2,154	-34.3%	5.6%
Income taxes and taxable-equivalent adjustments	1,144	(714) ⁶	1,858	2,460	(357) ⁶	2,817		
Noncontrolling interests	52		52	157		157		
Preferred dividends	(15)	(118) ⁷	103	264		264		
Net income to common shareholders	\$ 3,332		\$ 5,259	\$ 5,383		\$ 6,181	27.1%	8.4%
Diluted earnings per common share	\$1.73		\$2.74	\$2.84		\$3.26	28.1%	9.1%

Adjustments

¹ Card Act and Overdraft Legislation (\$418) million, Nuveen transaction gain \$103 million

² Card Act, Overdraft Legislation and Durbin Amendment (\$1,096) million, accounting reclass (\$121) million (ATM fees/net occupancy expense)

³ ITS transaction debt extinguishment expense \$18 million

⁴ Mortgage servicing matters \$80 million, Visa accrual \$65 million, Consent order \$186 million, accounting reclass (\$121) million

⁵ Provision for credit losses normalized at 1.0% of average loans

⁶ Tax effect of adjustments

⁷ ITS transaction equity impact (net of tax) \$118 million





Financial Management