



January 17, 2024

U.S. Bancorp 4Q23 Earnings Conference Call



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 hereof. These forward-looking statements cover, among other things, future economic conditions and the anticipated future revenue, expenses, financial condition, asset quality, capital and liquidity levels, plans, prospects and operations of U.S. Bancorp. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “projects,” “forecasts,” “intends,” “plans,” “goals,” “believes,” “continue” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.”

Forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those set forth in forward-looking statements, including the following risks and uncertainties: deterioration in general business and economic conditions or turbulence in domestic or global financial markets, which 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; turmoil and volatility in the financial services industry, including failures or rumors of failures of other depository institutions, which could affect the ability of depository institutions, including U.S. Bank National Association, to attract and retain depositors, and could affect the ability of financial services providers, including U.S. Bancorp, to borrow or raise capital; actions taken by governmental agencies to stabilize the financial system and the effectiveness of such actions; changes to regulatory capital, liquidity and resolution-related requirements applicable to large banking organizations in response to recent developments affecting the banking sector; changes to statutes, regulations, or regulatory policies or practices, including capital and liquidity requirements, and the enforcement and interpretation of such laws and regulations, and U.S. Bancorp’s ability to address or satisfy those requirements and other requirements or conditions imposed by regulatory entities; changes in interest rates; increases in unemployment rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; risks related to originating and selling mortgages, including repurchase and indemnity demands, and related to U.S. Bancorp’s role as a loan servicer; impacts of current, pending or future litigation and governmental proceedings; increased competition from both banks and non-banks; effects of climate change and related physical and transition risks; changes in customer behavior and preferences and the ability to implement technological changes to respond to customer needs and meet competitive demands; breaches in data security; failures or disruptions in or breaches of U.S. Bancorp’s operational, technology or security systems or infrastructure, or those of third parties; failures to safeguard personal information; impacts of pandemics, natural disasters, terrorist activities, civil unrest, international hostilities and geopolitical events; impacts of supply chain disruptions, rising inflation, slower growth or a recession; failure to execute on strategic or operational plans; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; effects of changes in or interpretations of tax laws and regulations; management’s ability to effectively manage credit risk, market risk, operational risk, compliance risk, strategic risk, interest rate risk, liquidity risk and reputation risk; and the risks and uncertainties more fully discussed in the section entitled “Risk Factors” of U.S. Bancorp’s Form 10-K for the year ended December 31, 2022, and subsequent filings with the Securities and Exchange Commission.

In addition, U.S. Bancorp’s acquisition of MUB presents risks and uncertainties, including, among others, the risk that any revenue synergies and other anticipated benefits of the acquisition may not be realized or may take longer than anticipated to be realized.

In addition, factors other than these risks also could adversely affect U.S. Bancorp’s results, and the reader should not consider these risks to be a complete set of all potential risks or uncertainties. Readers are cautioned not to place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date hereof, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

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.

4Q23 Highlights

- **Strong financial performance**
 - › Highly diversified and sustainable fee revenue streams; Prudent expense management
- **Prudent balance sheet repositioning**
 - › Focus on high-margin / high-return business; Strategic securities restructuring
- **Disciplined credit risk management**
 - › Asset quality metrics in line with expectations; Through-the-cycle approach to credit underwriting
- **Continued capital accretion**
 - › Driven by enhanced earnings generation and balance sheet optimization initiatives

Reported | *Adjusted*¹
\$0.49 | **\$0.99**

Earnings per share

9.9% ▲ +20 bps vs. 3Q23
CET1 Ratio²

\$22.30 ▲ +7.0% vs 3Q23
Tangible Book Value per share¹

4Q23 | FY 2023
\$6.9B | **\$28.3B** (Record)
Adjusted Net Revenue¹

▲ **+12.1%**
4Q23 Adjusted Noninterest
Income Growth (YoY)¹

¹ Non-GAAP; see slide 7 and the appendix for calculations and description of notable items

² Common equity tier 1 capital to risk-weighted assets, reflecting Basel III standardized with 5 year current expected credit losses (CECL) transition

Notes: Book value per share was \$31.13 per common share; Reported net revenue was \$6.8 billion and \$28.1 billion for Q423 and FY 2023, respectively; Reported noninterest income was \$2.6 billion and \$2.0 billion for Q423 and Q422, respectively



4Q23 Highlights

Income Statement

\$ in millions, except EPS	Reported	Adjusted ¹	Adjusted change vs.	
	4Q23	4Q23	3Q23 ¹	4Q22 ¹
Net interest income²	\$4,142	\$4,142	(3.0) %	(4.2) %
Noninterest income	2,620	2,738	(.9)	12.1
Net income to Company	847	1,627	(6.3)	(13.3)
Diluted EPS	\$0.49	\$0.99	(5.7)	(17.5)

Balance Sheet

\$ in billions	Ending balance	Avg balance	Average Period Balance change vs.	
	4Q23	4Q23	3Q23	4Q22
Total assets	\$663.5	\$651.4	(1.9) %	4.7 %
Earning assets	601.5	594.2	(1.8)	3.8
Total loans	373.8	372.9	(1.1)	3.6
Total deposits	512.3	502.8	(1.9)	4.3

Credit Quality

\$ in millions	4Q23	Change vs.	
		3Q23	4Q22
Nonperforming assets	\$1,494	14.0 %	47.0 %
NPA ratio	0.40 %	5 bps	14 bps
Net charge-off ratio	0.49 %	5 bps	26 bps ¹

Capital

	4Q23	Change vs.	
		3Q23	4Q22
CET1 capital ratio³	9.9 %	20 bps	150 bps
Total risk-based capital ratio	13.7 %	30 bps	180 bps
Book value per share	\$31.13	4.7 %	8.4 %
Tangible book value per share¹	\$22.30	7.0 %	14.7 %
Earnings returned (millions)⁴	\$784		

¹ Non-GAAP; see slides 6 and 7 and the appendix for calculations and description of notable items

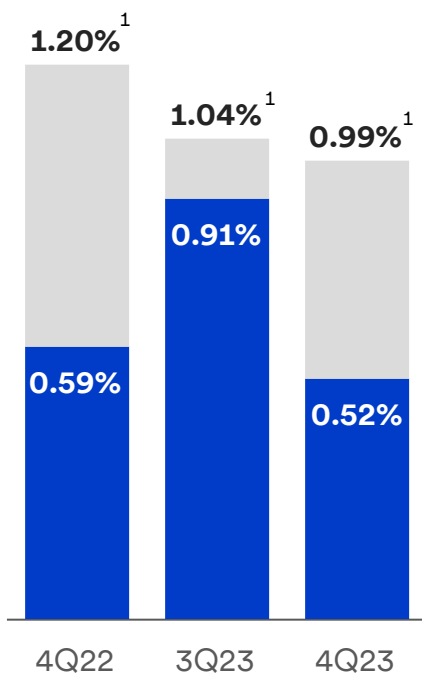
² Taxable-equivalent basis; see appendix for calculation

³ Common equity tier 1 capital to risk-weighted assets, reflecting Basel III standardized with 5 year current expected credit losses (CECL) transition

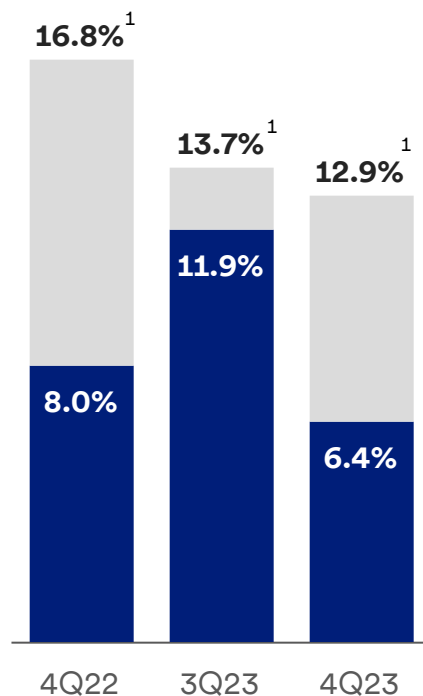
⁴ Earnings returned (millions) = total common dividends paid and aggregate value of common shares repurchased inclusive of treasury shares repurchased in connection with stock compensation plans

Performance Ratios

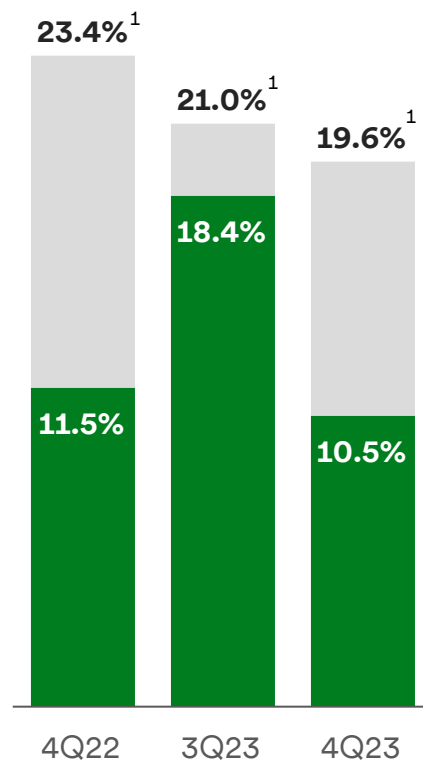
Return on Average Assets



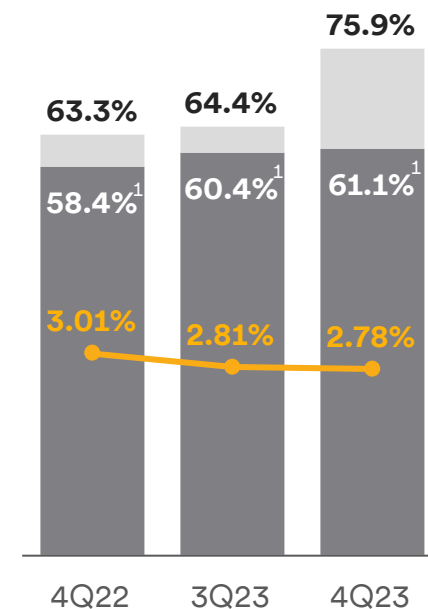
Return on Average Common Equity



Return on Tangible Common Equity¹



Efficiency Ratio¹ & Net Interest Margin²



Return on Average Assets
Adjusted for notable items

Return on Average Common Equity
Adjusted for notable items

Return on Tangible Common Equity
Adjusted for notable items

Adjusted Efficiency Ratio
Efficiency Ratio
Net Interest Margin

4Q23 Earnings Summary – Notable Items

Notable Items Impact:

	4Q23		
	Income Before Taxes	Net Income Attributable to U.S. Bancorp	Diluted Earnings Per Common Share
\$ in millions			
Reported	\$1,031	\$847	\$.49
Notable items	1,133	780	.50
Adjusted	\$2,164	\$1,627	\$.99

Key notable Items:

\$ in millions	4Q23	3Q23	4Q22
Balance sheet optimization	\$118	\$—	\$399
Merger and integration	171	284	90
FDIC special assessment	734	—	—
Foundation contribution	110	—	—
Provision for credit losses	—	—	791
Notable items	1,133	284	1,280
Tax expense (a)	(353)	(71)	(328)
Notable items, net of tax	\$780	\$213	\$952

(a) 4Q23 includes \$70 million of favorable discrete tax settlements

4Q23 Notable Items:

- **Balance sheet optimization**
 - › 4Q23 impacted by a rebalancing of our investment securities portfolio enhancing our earnings, capital and liquidity profile.
- **Merger & integration charges**
 - › Charges include the continued impact of merger and integration costs associated with the Union Bank acquisition.
- **FDIC Special Assessment, Foundation Contribution & Tax Settlements**
 - › 4Q23 impacted by one-time special assessment related to loss recovery of the deposit insurance fund from recent banking institution failures and a one-time charitable contribution to fund obligations under the Community Benefit Plan, partially offset by favorable tax settlements.

Prior Quarters Notable Items:

- 3Q23 impacted by \$284 million of merger and integration-related charges.
- 4Q22 impacted by \$1.3 billion of notable items including:
 - › \$(399) million of noninterest income related to balance sheet repositioning and capital management actions.
 - › \$90 million of merger and integration-related charges.
 - › \$791 million of provision for credit losses related to the acquisition of MUB and balance sheet optimization activities.

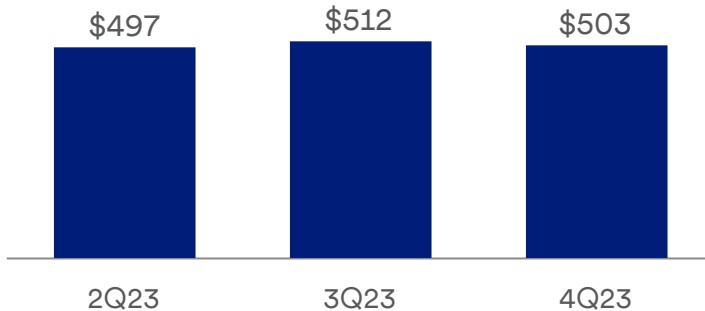
4Q23 Earnings Summary – Detail

	4Q22 Reported	3Q23 Reported	4Q23			Excluding Notable Items ²			
			4Q23 Reported	Notable Items ²	4Q23 Adjusted	% Change		vs 3Q23 Adjusted	vs 4Q22 Adjusted
\$ in millions, except EPS									
Net Interest Income	\$4,293	\$4,236	\$4,111	\$—	\$ 4,111	(3.0)	%	(4.2)	%
Taxable-equivalent Adjustment	32	32	31	—	31	(3.1)		(3.1)	
Net Interest Income (taxable-equivalent basis)	4,325	4,268	4,142	—	4,142	(3.0)		(4.2)	
Noninterest Income	2,043	2,764	2,620	(118)	2,738	(.9)		12.1	
Net Revenue	6,368	7,032	6,762	(118)	6,880	(2.2)		1.7	
Noninterest Expense	4,043	4,530	5,219	1,015	4,204	(1.0)		6.3	
Operating Income	2,325	2,502	1,543	(1,133)	2,676	(3.9)		(4.9)	
Provision for credit losses	1,192	515	512	—	512	(.6)		27.7	
Income Before Taxes	1,133	1,987	1,031	(1,133)	2,164	(4.7)		(10.3)	
Applicable Income Taxes	203	463	170	(353)	523	(2.1)		(1.5)	
Net Income	930	1,524	861	(780)	1,641	(5.5)		(12.8)	
Non Controlling Interests	(5)	(1)	(14)	—	(14)	nm		nm	
Net Income to Company	925	1,523	847	(780)	1,627	(6.3)		(13.3)	
Preferred Dividends/Other	72	111	81	(5)	86	(23.2)		13.2	
Net Income to Common	\$853	\$1,412	\$766	(\$775)	\$1,541	(5.1)	%	(14.4)	%
Net Interest Margin ¹	3.01%	2.81%	2.78%	—%	2.78%	(3)	bps	(23)	bps
Efficiency Ratio ²	63.3%	64.4%	75.9%	14.8%	61.1%	70	bps	270	bps
Diluted EPS	\$.57	\$.91	\$.49	\$(.50)	\$.99	(5.7)	%	(17.5)	%

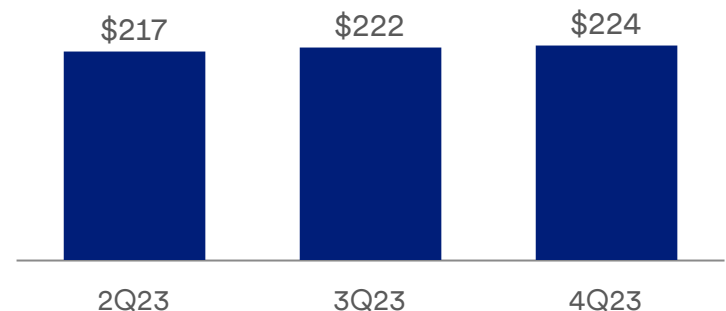
Balance Sheet Summary

The strength and stability of our balance sheet enables us to withstand economic pressures while continuing to meet the needs of our customers

Total Average Deposits



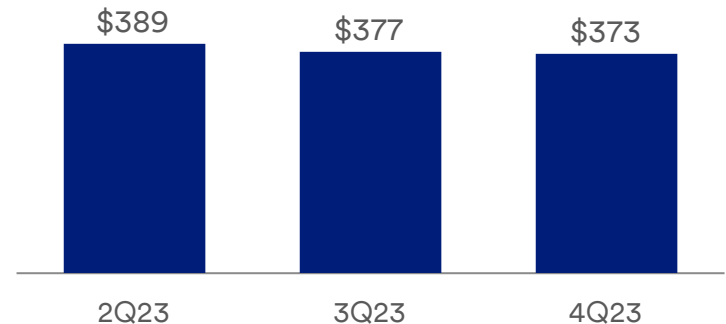
Consumer Deposit Growth (Avg.)



Highlights

- Focused on capital efficient growth opportunities as we benefit from stabilized core deposit levels; Consumer deposits grew 1% linked quarter.
- Linked quarter average deposit balances decreased 1.9% driven by more disciplined deposit pricing and high cost runoff; Mix shift trending in line with expectations.
- Total interest bearing liability cost of 3.02% (versus 2.87% last quarter) benefited from improved funding mix.

Total Average Loan Balance



Net Interest Income

	4Q23	3Q23	4Q22
Loans	\$5,742	\$5,700	\$4,532
Loans held for sale	36	42	38
Investment securities	1,182	1,152	988
Other interest income	803	860	416
Total interest income	\$7,763	\$7,754	\$5,974
Deposits	\$2,751	\$2,580	\$1,081
Short-term borrowings	332	450	318
Long-term debt	569	488	282
Total interest expense	\$3,652	\$3,518	\$1,681
Net interest income	\$4,111	\$4,236	\$4,293
Taxable-equivalent adjustment	\$31	\$32	\$32
Net interest income, on a taxable-equivalent basis¹	\$4,142	\$4,268	\$4,325
Net interest margin (taxable-equivalent basis)	2.78 %	2.81 %	3.01 %

Net Interest Income

(taxable-equivalent basis)¹

-3% Linked Quarter

-4% Year-Over-Year

- Year-over-year performance was impacted by deposit mix and pricing, partially offset by the acquisition of Union Bank and higher rates on earning assets.
- Linked quarter decrease in net interest income and margin due to higher deposit mix and pricing, partially offset by the impact of higher rates on earning assets and balance sheet repositioning.



Noninterest Income

	4Q23	3Q23	4Q22
Payments	\$1,027	\$1,037	\$947
Service Charges	324	334	314
Mortgage	137	144	104
Trust & Inv Mgmt	621	627	571
Other	629	622	506
Noninterest Income, Adjusted¹	\$2,738	\$2,764	\$2,442
Notable Items¹	(118)	—	(399)
Noninterest Income, Reported	\$2,620	\$2,764	\$2,043

Reported

-5% Linked Quarter
+28% Year-Over-Year

Excluding Notable Items¹

-1% Linked Quarter
+12% Year-Over-Year

- Year-over-year increase driven by higher payments service revenue, as well as trust and investment management fees, commercial products, mortgage banking, and other noninterest income.
- On a linked quarter basis, noninterest income decreased due to seasonally lower commercial product revenue offset by higher other revenue.

\$ in millions

Payments = card, corporate payment products and merchant processing

Other = commercial products, investment products fees, securities gains (losses) and other

¹ Non-GAAP; see slides 6 and 7 and the appendix for calculations and description of notable items

Noninterest Expense

	4Q23	3Q23	4Q22
Compensation & Benefits	\$2,509	\$2,615	\$2,402
Technology & Communications	513	511	459
Occupancy & Equipment	316	313	290
Professional Services	158	127	173
Marketing/Business Development	196	176	144
All Other	512	504	485
Total Noninterest Expense, Adjusted¹	\$4,204	\$4,246	\$3,953
Notable Items¹	1,015	284	90
Total Noninterest Expense, Reported	\$5,219	\$4,530	\$4,043

Reported

+15% Linked Quarter
+29% Year-Over-Year

Excluding Notable Items¹

-1% Linked Quarter
+6% Year-Over-Year

- On a linked quarter basis, adjusted noninterest expense decrease driven by lower compensation expense offset by an increase in marketing and business development.
- Merger and integration-related charges of \$171M this quarter related to the Union Bank acquisition.



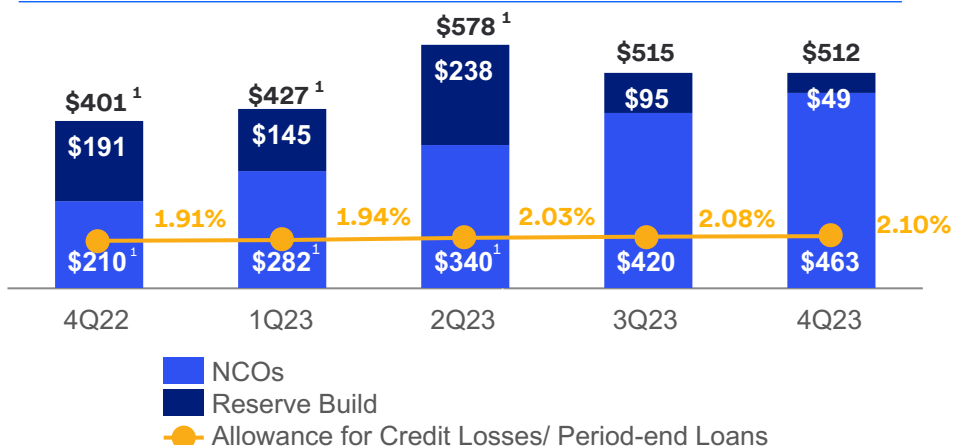
Credit Quality

Credit quality normalizing to pre-pandemic levels

Net Charge-off and Nonperforming Assets

	Change vs.		
	4Q23	3Q23	4Q22
Non-performing Assets			
Balance (\$M)	\$1,494	\$184	\$478
NPAs/Period-end Loans plus OREO	0.40 %	5 bps	14 bps
Net Charge-offs			
NCOs (\$M)	\$463	\$43	\$253 ¹
NCOs/Avg Loans	0.49 %	5 bps	26 bps ¹

Core Provision for Credit Losses Trending



Allowance for Credit Losses by Loan Category, 4Q23

	Amount (\$B)	Loans and Leases Outstanding (%)
Commercial	\$2.1	1.6%
Commercial Real Estate	1.6	3.0%
Residential Mortgage	0.8	0.7%
Credit Card	2.4	8.4%
Other Retail	0.9	2.0%
Total	\$7.8	2.1%

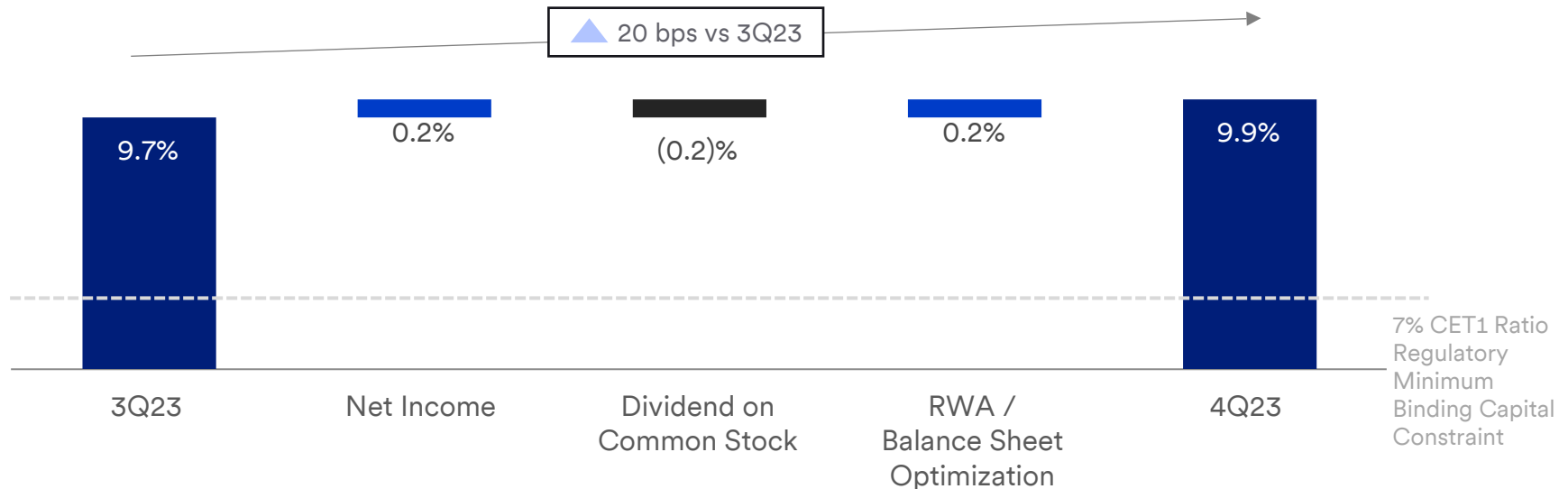
Highlights

- Credit quality reflects normalization and CRE market stress, as well as the impact of higher interest rates on borrowers.
- We maintained our CRE Office reserve coverage at 10%.
- Continued to prudently manage our credit risk position, with increased criticized levels.



Accelerated Capital Accretion

CET1 capital ratio is **290 bps** above our **regulatory capital minimum**



4th Quarter Highlights

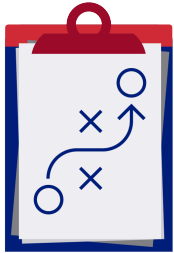
- Solid earnings accretion of ~20bps, reflective of our diversified business mix and enhanced earnings profile as a result of our acquisition of Union Bank.
 - › Fourth quarter earnings generation impacted by notable items of \$(780) million net of tax.
- An additional ~20bps of risk-weighted asset and balance sheet optimization activities with low-to-neutral earnings impact.

Well-Positioned for 2024 and Beyond



Union Bank

- › Achieved \$900M of run-rate cost synergies
- › Significant revenue opportunities



Strong Risk Management

- › Through-the-cycle credit risk management
- › Robust asset / liability management

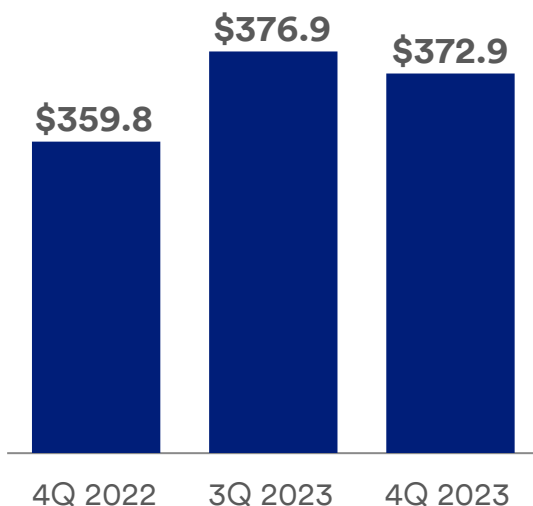


Continued Investment

- › Digitalization / cloud migration
- › Payments ecosystem

Appendix

Average Loans

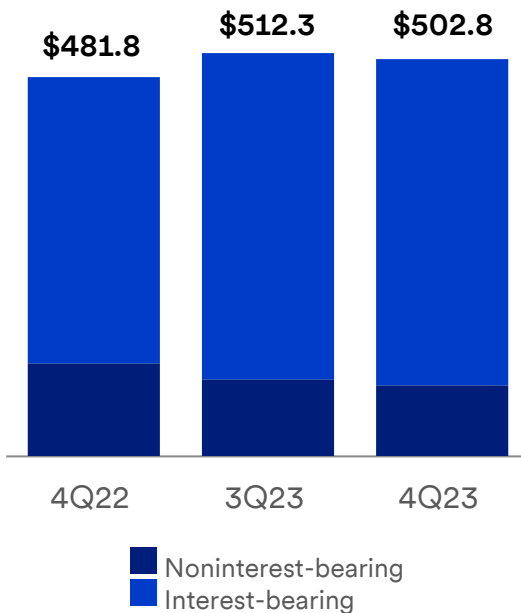


-1.1% linked quarter
+3.6% year-over-year

4Q 2023	Average	% of	Average Change vs.	
	Balance	Total	3Q23	4Q22
Commercial	\$131	35%	(2.7) %	(1.4) %
Commercial Real Estate	54	14%	(0.8)	17.7
Residential Mortgages	115	31%	0.5	18.6
Credit Card	28	8%	3.2	10.2
Other Retail	45	12%	(3.0)	(23.6)
Total Loans	\$373		(1.1) %	3.6 %

- On a year-over-year basis, average total loans grew due to growth in the legacy loan portfolio and from the Union Bank acquisition.
- On a linked quarter basis, average total loans decreased as growth in credit cards and residential mortgages were more than offset by declines across commercial, commercial real estate, and other retail loans.

Average Deposits



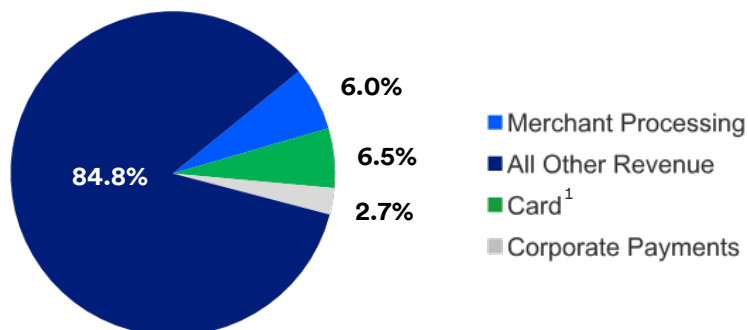
-1.9% linked quarter
 +4.3% year-over-year

4Q 2023	Average	Average Change vs.	
	Balance	3Q23	4Q22
Noninterest-bearing deposits	\$91	(7.1) %	(23.8) %
Money market savings	187	5.6	37.8
Interest checking	127	(3.9)	2.3
Savings accounts	45	(10.8)	(34.2)
Time deposits	53	(3.7)	52.9
Total interest-bearing deposits	\$412	(0.6) %	13.6 %
Total Deposits	\$503	(1.9) %	4.3 %

- On a year-over-year basis, average total deposits grew due to higher interest-bearing deposits, partially offset by decreasing noninterest-bearing deposits
- On a linked quarter basis, average total deposits declined primarily from lower noninterest-bearing deposits due to pricing pressures from higher rates.

Payment Services

Payment Fees as a % of Total Net Revenue (4Q23)



Highlights

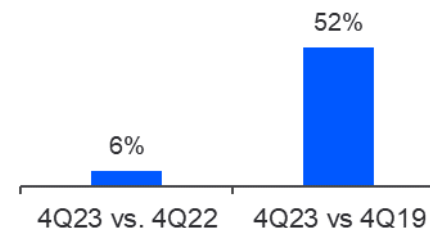
Total payment fee revenue grew 8% year-over-year due to continued strength in consumer and business spend activities

- Total Credit Card fee revenue (credit, debit and prepaid) improved 14% YoY on strong holiday sales and mix and the Union Bank acquisition.
- Merchant processing fee revenue improved 6% YoY on sales growth.
- Corporate payments fee revenue improved 2% YoY as corporate spend growth was partially offset by continued softness in freight.

Historical Linked Quarter Seasonality for Payment Fees Revenue²

Segment	1Q	2Q	3Q	4Q
Card ¹	↓	↑	stable	↑
Corporate Payments	stable	↑	↑	↓
Merchant Processing	↓	↑	↑	↓

Tech-led³ Merchant Processing Fee Revenue Growth



Multiyear investments in e-commerce and tech-led are expected to continue to drive growth – representing 31% of merchant processing revenue

Revenue Growth Rates

+13.5%

Year-Over-Year

+6.2%

Year-Over-Year

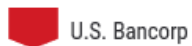
+2.2%

Year-Over-Year

Total Credit Card Fee Growth

Merchant Processing Fee Growth

Corporate Payments Fee Growth



U.S. Bancorp

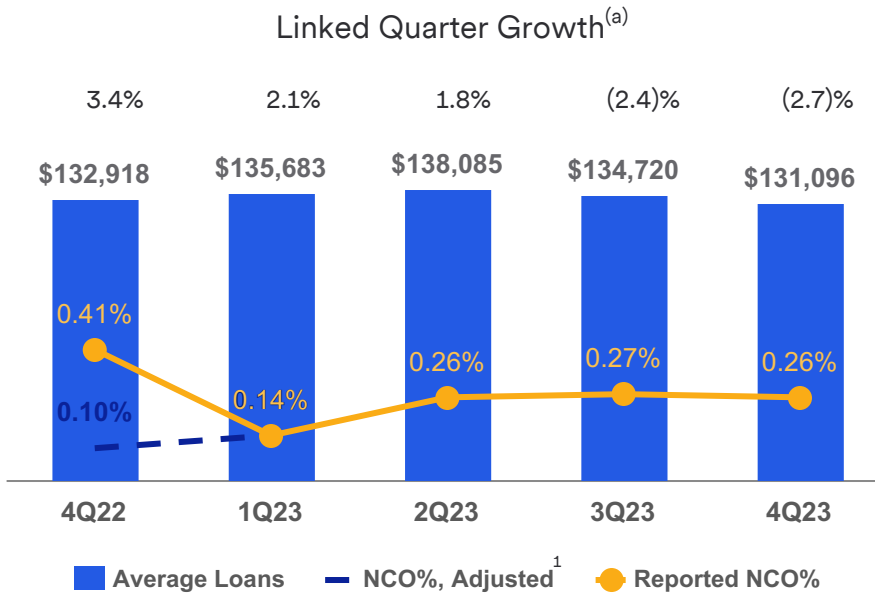
¹ Includes Prepaid Card

² Linked quarter change based on trends from 2015 – 2019

³ Tech-led includes digital, omni-commerce and e-commerce as well as investments in integrated software providers

Credit Quality – Commercial

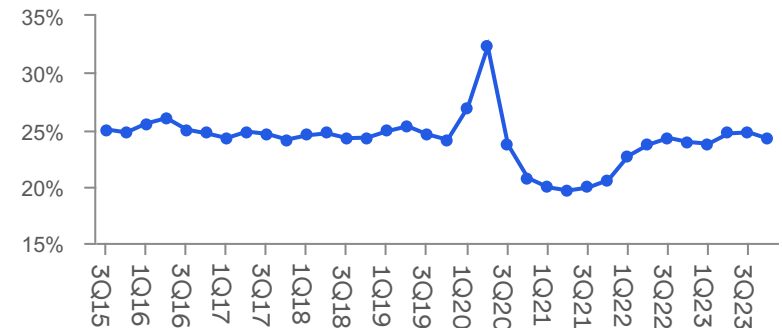
Average Loans (\$M) and Net Charge-offs Ratio



Key Statistics

\$ in millions	4Q22	3Q23	4Q23
Average Loans	\$132,918	\$134,720	\$131,096
30-89 Delinquencies	0.26 %	0.24 %	0.35 %
90+ Delinquencies	0.07 %	0.05 %	0.09 %
Nonperforming Loans	0.12 %	0.19 %	0.29 %

Revolving Line Utilization Trend



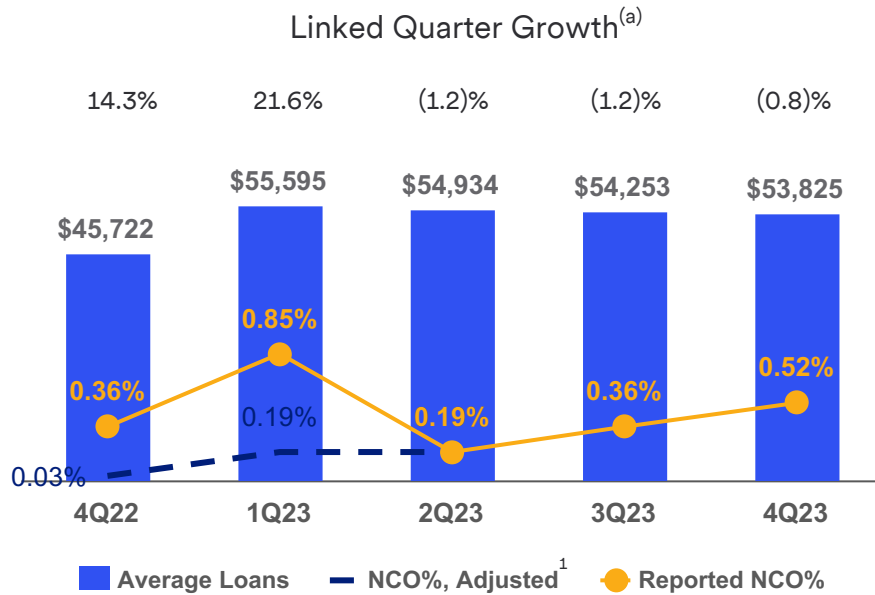
Key Points

- Average loans decreased by (2.7)% on a linked quarter basis
- Utilization is down quarter over quarter to 24.2% at 4Q23 versus 24.7% at 3Q23
- Increases in delinquencies for the Commercial portfolio this quarter were primarily administrative in nature



Credit Quality – Commercial Real Estate

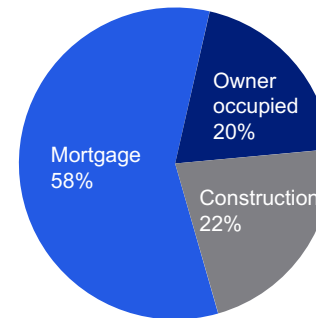
Average Loans (\$M) and Net Charge-offs Ratio



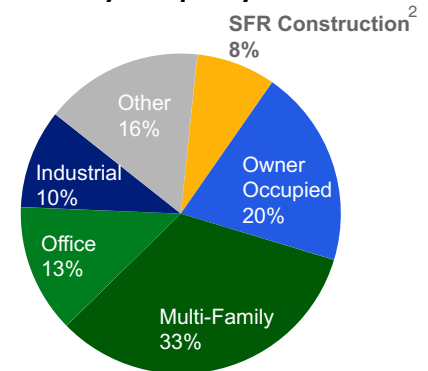
Key Statistics

\$ in millions	4Q22	3Q23	4Q23
Average Loans	\$45,722	\$54,253	\$53,825
30-89 Delinquencies	0.16 %	0.07 %	0.10 %
90+ Delinquencies	0.01 %	— %	0.01 %
Nonperforming Loans	0.61 %	1.33 %	1.45 %

CRE by Loan Type



CRE by Property Class

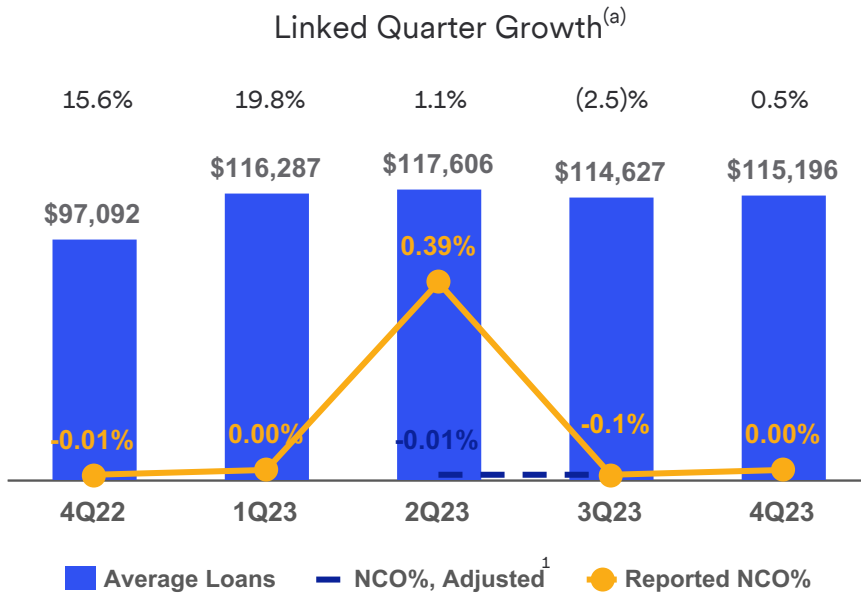


Key Points

- Average loans essentially flat on a linked quarter basis
- Net charge-off rate and nonperforming loans increased from the previous quarter

Credit Quality – Residential Mortgage

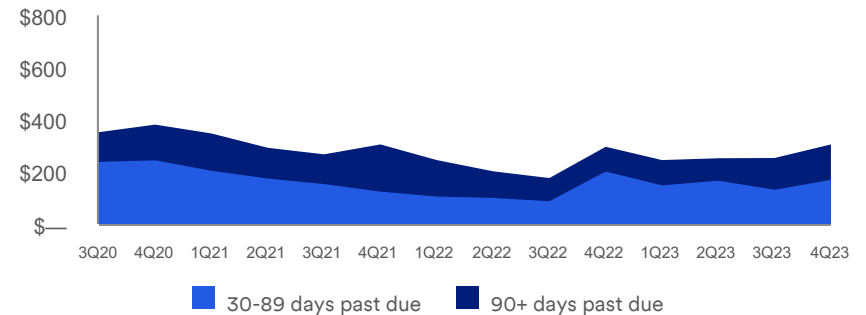
Average Loans (\$M) and Net Charge-offs Ratio



Key Statistics

\$ in millions	4Q22	3Q23	4Q23
Average Loans	\$97,092	\$114,627	\$115,196
30-89 Delinquencies	0.17 %	0.11 %	0.15 %
90+ Delinquencies	0.08 %	0.11 %	0.12 %
Nonperforming Loans	0.28 %	0.14 %	0.14 %

Residential Mortgage Delinquencies (\$M)



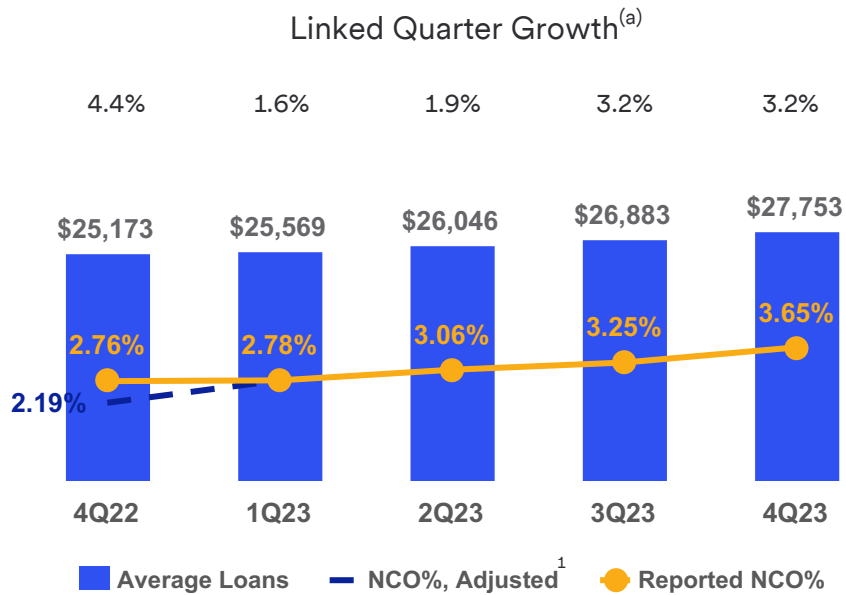
Key Points

- Average loans essentially flat on a linked quarter basis
- Continued low losses and nonperforming loans were supported by strong portfolio credit quality and collateral values
- Originations continued to reflect high credit quality (weighted average credit score of 770, weighted average LTV of 73%)



Credit Quality – Credit Card

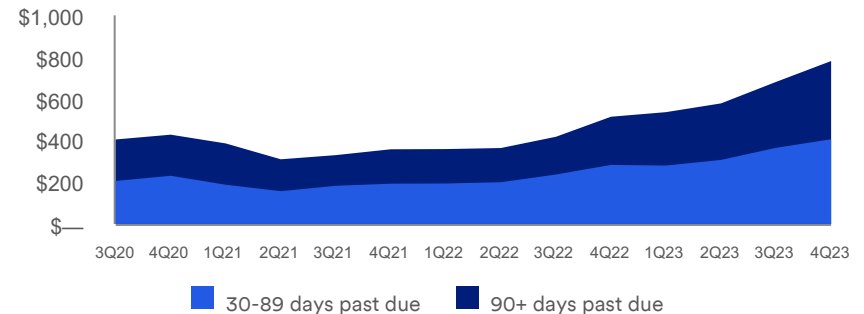
Average Loans (\$M) and Net Charge-offs Ratio



Key Statistics

\$ in millions	4Q22	3Q23	4Q23
Average Loans	\$25,173	\$26,883	\$27,753
30-89 Delinquencies	1.08 %	1.35 %	1.42 %
90+ Delinquencies	0.88 %	1.17 %	1.31 %
Nonperforming Loans	— %	— %	— %

Credit Card Delinquencies (\$M)



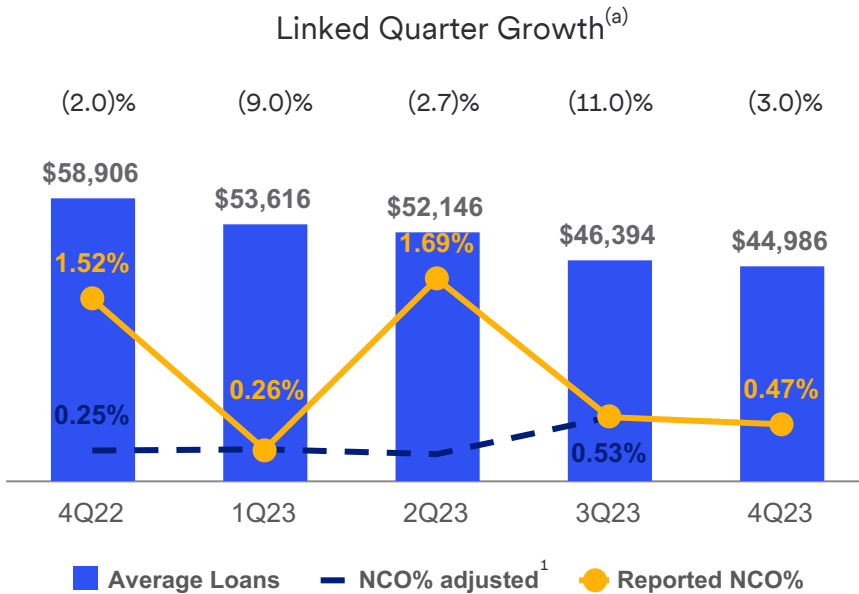
Key Points

- Average loans increased by 3.2% on a linked quarter basis
- Net charge-off rate of 3.65% and increases in 30-89 and 90+ day delinquencies reflect portfolio normalization



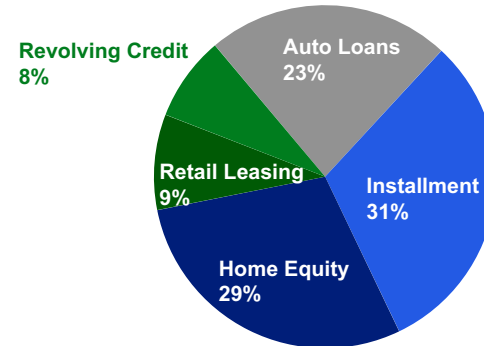
Credit Quality – Other Retail

Average Loans (\$M) and Net Charge-offs Ratio



Key Statistics

\$ in millions	4Q22	3Q23	4Q23
Average Loans	\$58,906	\$46,394	\$44,986
30-89 Delinquencies	0.56 %	0.56 %	0.63 %
90+ Delinquencies	0.12 %	0.13 %	0.15 %
Nonperforming Loans	0.25 %	0.28 %	0.31 %



Key Points

- Average loans decreased by (3.0%) on a linked quarter basis
- Net charge-offs decreased, while delinquencies and nonperforming loans increased from prior quarter



Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended		
	December 31, 2023	September 30, 2023	December 31, 2022
Net interest income	\$ 4,111	\$ 4,236	\$ 4,293
Taxable-equivalent adjustment (1)	31	32	32
Net interest income, on a taxable-equivalent basis	4,142	4,268	4,325
Net interest income, on a taxable-equivalent basis (as calculated above)	4,142	4,268	4,325
Noninterest income	2,620	2,764	2,043
Less: Securities gains (losses), net	(116)	—	(18)
Total net revenue, excluding net securities gains (losses) (a)	6,878	7,032	6,386
Noninterest expense (b)	5,219	4,530	4,043
Efficiency ratio (b)/(a)	75.9 %	64.4 %	63.3 %
Total net revenue, excluding net securities gains (losses) (as calculated above)	\$ 6,878	\$ 7,032	\$ 6,386
Less: Notable items (2)	—	—	(381)
Total net revenue, excluding net securities gains (losses) and notable items (c)	6,878	7,032	6,767
Noninterest expense	5,219	4,530	4,043
Less: Notable items (2)	1,015	284	90
Noninterest expense, excluding notable items (d)	4,204	4,246	3,953
Efficiency ratio, excluding notable items (d)/(c)	61.1 %	60.4 %	58.4 %
Net income attributable to U.S. Bancorp	\$ 847	\$ 1,523	\$ 925
Less: Notable items (2)	(780)	(213)	(952)
Net income attributable to U.S. Bancorp, excluding notable items	1,627	1,736	1,877
Annualized net income attributable to U.S. Bancorp, excluding notable items (e)	6,455	6,887	7,447
Average assets (f)	651,448	663,999	622,064
Return on average assets, excluding notable items (e)/(f)	0.99 %	1.04 %	1.20 %
Net income applicable to U.S. Bancorp common shareholders	\$ 766	\$ 1,412	\$ 853
Less: Notable items, including the impact of earnings allocated to participating stock awards (2)	(775)	(212)	(948)
Net income applicable to U.S. Bancorp common shareholders, excluding notable items	1,541	1,624	1,801
Annualized net income applicable to U.S. Bancorp common shareholders, excluding notable items (g)	6,114	6,443	7,145
Average common equity (h)	47,506	47,009	42,457
Return on average common equity, excluding notable items (g)/(h)	12.9 %	13.7 %	16.8 %
Net income applicable to U.S. Bancorp common shareholders, excluding notable items (as calculated above) (i)	\$ 1,541	\$ 1,624	\$ 1,801
Average diluted common shares outstanding (j)	1,558	1,549	1,501
Diluted earnings per common share, excluding notable items (i)/(j)	\$ 0.99	\$ 1.05	\$ 1.20

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended			Year Ended
	December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023
Net income applicable to U.S. Bancorp common shareholders	\$ 766	\$ 1,412	\$ 853	\$ 5,051
Intangibles amortization (net-of-tax)	123	127	67	502
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization	889	1,539	920	5,553
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (a)	3,527	6,106	3,650	5,553
Average total equity	54,779	54,283	49,731	54,125
Average preferred stock	(6,808)	(6,808)	(6,808)	6,808
Average noncontrolling interests	(465)	(466)	(466)	465
Average goodwill (net of deferred tax liability) (3)	(11,475)	(11,493)	(9,202)	11,485
Average intangible assets (net of deferred tax liability), other than mortgage servicing rights	(2,295)	(2,418)	(1,637)	2,480
Average tangible common equity (b)	33,736	33,098	31,618	32,887
Return on tangible common equity (a)/(b)	10.5 %	18.4 %	11.5 %	16.9 %
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization (as calculated above)	\$ 889	\$ 1,539	\$ 920	\$ 5,553
Less: Notable items, including the impact of earnings allocated to participating stock awards (2)	(775)	(212)	(948)	(1,597)
Net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items	1,664	1,751	1,868	7,150
Annualized net income applicable to U.S. Bancorp common shareholders, excluding intangibles amortization and notable items (c)	6,602	6,947	7,411	7,150
Average tangible common equity (as calculated above) (d)	33,736	33,098	31,618	32,887
Return on tangible common equity, excluding notable items (c)/(d)	19.6 %	21.0 %	23.4 %	21.7 %

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended		
	June 30, 2023	March 31, 2023	December 31, 2022
Net charge-offs	\$ 649	\$ 373	\$ 578
Less: Notable items (2)	309	91	368
Net charge-offs, excluding notable items	340	282	210
Annualized net charge-offs, excluding notable items (a)	1,364	1,144	833
Average loan balances (b)	388,817	386,750	359,811
Net charge-off ratio, excluding notable items (a)/(b)	0.35 %	0.30 %	0.23 %
Provision for Credit Losses Combined, Reported	\$ 821		\$ 1,192
Less: Notable items (2)	243		791
Provision for Credit Losses Combined, Adjusted	578		401
Commercial loan net charge-offs			\$ 138
Less: Notable items (2)			104
Net charge-offs, excluding notable items			34
Annualized net charge-offs, excluding notable items (c)			135
Commercial average loan balances (d)			132,918
Commercial loan net charge-off ratio, excluding notable items (c)/(d)			0.10 %
Residential Mortgage loan net charge-offs	\$ 114		
Less: Notable items (2)	117		
Net charge-offs, excluding notable items	(3)		
Annualized net charge-offs, excluding notable items (e)	(12)		
Residential Mortgage average loan balances (f)	117,606		
Residential Mortgage loan net charge-off ratio, excluding notable items (e)/(f)	(0.01)%		

Non-GAAP Financial Measures

(Dollars in Millions, Unaudited)	Three Months Ended		
	June 30, 2023	March 31, 2023	December 31, 2022
Credit card loan net charge-offs			\$ 175
Less: Notable items (2)			36
Net charge-offs, excluding notable items			139
Annualized net charge-offs, excluding notable items (g)			551
Credit Card average loan balances (h)			25,173
Credit Card loan net charge-off ratio, excluding notable items (g)/(h)			2.19 %
Other Retail loan net charge-offs	\$ 220		\$ 226
Less: Notable items (2)	192		189
Net charge-offs, excluding notable items	28		37
Annualized net charge-offs, excluding notable items (i)	112		147
Other Retail average loan balances (j)	52,146		58,906
Other Retail loan net charge-off ratio, excluding notable items (i)/(j)	0.22 %		0.25 %
Commercial Real Estate loan net charge-offs		\$ 117	\$ 42
Less: Notable items (2)		91	39
Net charge-offs, excluding notable items		26	3
Annualized net charge-offs, excluding notable items (k)		105	12
Commercial Real Estate average loan balances (l)		55,595	45,722
Commercial Real Estate loan net charge-off ratio, excluding notable items (k)/(l)		0.19 %	0.03 %

Non-GAAP Financial Measures

(Dollars and Shares in Millions Except Per Share Data, Unaudited)	Three Months Ended		
	December 31, 2023	September 30, 2023	December 31, 2022
Common equity	\$ 48,498	\$ 46,305	\$ 43,958
Less: Goodwill (net of deferred tax liability) (3)	(11,480)	(11,470)	(11,395)
Less: Intangible assets (net of deferred tax liability), other than mortgage servicing rights	(2,278)	(2,370)	(2,792)
Tangible common equity (c)	34,740	32,465	29,771
Common shares outstanding (d)	1,558	1,557	1,531
Ratios			
Tangible book value per common share (c)/(d)	\$ 22.30	\$ 20.85	\$ 19.45

(Dollars in Millions, Unaudited)	Three Months Ended		Year Ended
	December 31, 2023	December 31, 2022	December 31, 2023
Net interest income	\$ 4,111	\$ 4,293	\$ 17,396
Taxable-equivalent adjustment (1)	31	32	131
Net interest income, on a taxable-equivalent basis	4,142	4,325	17,527
Net interest income, on a taxable-equivalent basis (as calculated above)	4,142	4,325	17,527
Noninterest income	2,620	2,043	10,617
Total net revenue	6,762	6,368	28,144
Total net revenue (as calculated above)	6,762	6,368	28,144
Less: Notable items (2)	(118)	(399)	(140)
Total net revenue, excluding notable items	6,880	6,767	28,284

Non-GAAP Financial Measures

(\$ in millions)	Year Ended December 31, 2023
Line of Business Financial Performance	
	Net Revenue
Wealth, Corporate, Commercial and Institutional Banking	\$ 10,272
Consumer and Business Banking	9,993
Payment Services	6,758
Treasury and Corporate Support	1,121
Total Company	<u>28,144</u>
Less Treasury and Corporate Support	1,121
Total Company excluding Treasury and Corporate Support	<u>\$ 27,023</u>

Percent of Total Company

Wealth, Corporate, Commercial and Institutional Banking	36 %
Consumer and Business Banking	36 %
Payment Services	24 %
Treasury and Corporate Support	4 %
Total Company	<u>100 %</u>

Percent of Total Company excluding Treasury and Corporate Support

Wealth, Corporate, Commercial and Institutional Banking	38 %
Consumer and Business Banking	37 %
Payment Services	25 %
Total Company excluding Treasury and Corporate Support	<u>100 %</u>

Notes

1. Based on a federal income tax rate of 21 percent for those assets and liabilities whose income or expense is not included for federal income tax purposes.
2. Notable items for the three months ended December 31, 2023 of \$1.1 billion (\$780 million net-of-tax, including a \$70 million discrete tax benefit) included \$(118) million of noninterest income related to investment securities balance sheet repositioning and capital management actions, \$171 million of merger and integration-related charges, \$734 million of FDIC special assessment charges and a \$110 million charitable contribution. Notable items for the three months ended September 30, 2023 included \$284 million (\$213 million net-of-tax) of merger and integration-related charges. Notable items for the three months ended December 31, 2022 of \$1.3 billion (\$952 million net-of-tax) included \$(399) million of noninterest income related to balance sheet repositioning and capital management actions, \$90 million of merger and integration-related charges and \$791 million of provision for credit losses related to the acquisition of MUB and balance sheet optimization activities.

Notable items for the year-ended December 31, 2023 of \$2.2 billion (\$1.6 billion net-of-tax, including a \$70 million discrete tax benefit) included \$(140) million of noninterest income related to investment securities balance sheet repositioning and capital management actions, \$1.0 billion of merger and integration-related charges, \$734 million of FDIC special assessment charges, a \$110 million charitable contribution and \$243 million of provision for credit losses related to balance sheet repositioning and capital management actions.

Notable items for the three months ended June 30, 2023 included \$309 million of net charge-offs related to balance sheet repositioning and capital management actions. Notable items for the three months ended March 31, 2023 included \$91 million of net charge-offs related to uncollectible acquired loans, considered purchase credit deteriorated as of the date of the acquisition. Notable items for the three months ended December 31, 2022 included \$179 million of net charge-offs related to uncollectible acquired loans as well as \$189 million of net charge-offs related to balance sheet repositioning and capital management actions.

3. Includes goodwill related to certain investments in unconsolidated financial institutions per prescribed regulatory requirements.

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