Deutsche Bank Global Financial Services Conference 2021

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Vice Chair, Payment Services

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June 2, 2021

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. The COVID-19 pandemic is adversely affecting U.S. Bancorp, its customers, counterparties, employees, and third-party service providers, and the ultimate extent of the impacts on its business, financial position, results of operations, liquidity, and prospects is uncertain. Continued 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. 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; further increases in unemployment 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; civil unrest; changes in customer behavior and preferences; breaches in data security, including as a result of work-from-home arrangements; 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 reputation 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, 2020, 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. 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. 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.

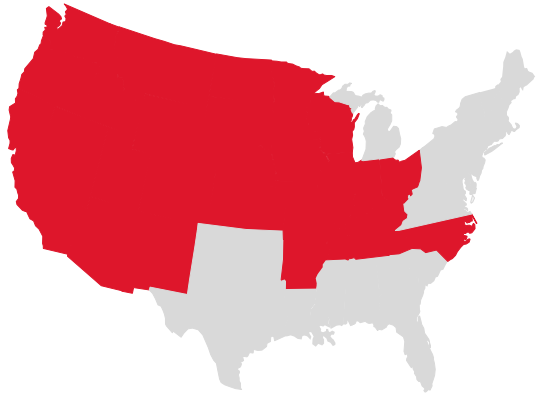
This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The calculations of these measures are provided in the Appendix. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable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

U.S. Bancorp

NYSE Traded	USB	Branches	2,306	Assets	$553B
Founded	1863	ATMs	4,079	Deposits	$434B
Market Value	$90B			Loans	$294B

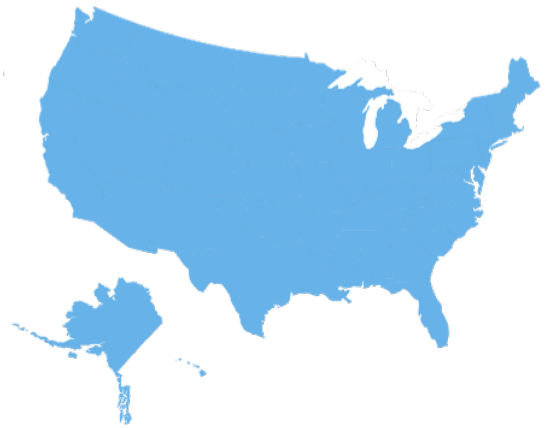
Regional

Consumer & Business Banking and Wealth Management



National

Corporate & Commercial Banking and Wealth Management & Investment Services



International

Payment Services and Investment Services



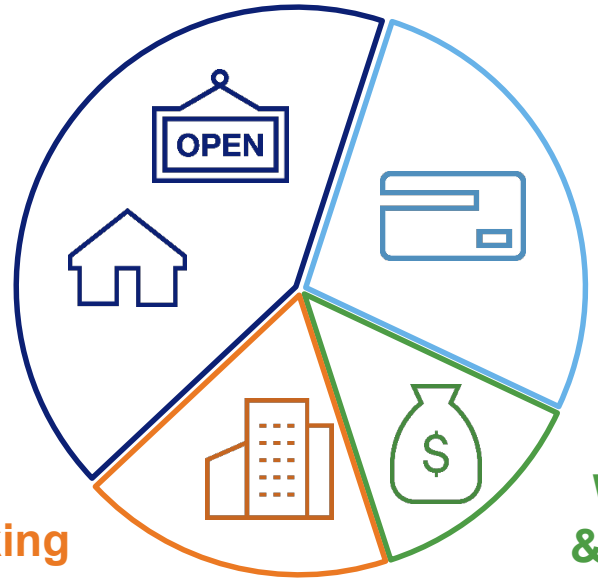
As of 3/31/21, except market value as of 5/27/21

Our position in the industry

Assets			Deposits			Market Value		
1	J.P. Morgan	$3,689	1	J.P. Morgan	$2,278	1	J.P. Morgan	$498
2	Bank of America	2,970	2	Bank of America	1,885	2	Bank of America	365
3	Citigroup	2,314	3	Wells Fargo	1,437	3	Wells Fargo	193
4	Wells Fargo	1,960	4	Citigroup	1,301	4	Citigroup	163
5	**U.S. Bancorp**	**553**	**5**	**U.S. Bancorp**	**434**	**5**	**U.S. Bancorp**	**90**
6	Truist Financial	518	6	Truist Financial	396	6	Truist Financial	84
7	PNC	474	7	PNC	375	7	PNC	82
8	Fifth Third	207	8	Fifth Third	162	8	Fifth Third	30
9	Citizens Financial	187	9	Citizens Financial	151	9	KeyCorp	23
10	KeyCorp	176	10	KeyCorp	142	10	Citizens Financial	21

Source: company reports and Bloomberg
Assets and deposits as of 3/31/21; market value as of 5/27/21

Our differentiated business mix supports consistent growth



Consumer & Business Banking 42%

Payment Services 27%

Corporate & Commercial Banking 18%

Wealth Management & Investment Services 13%

Consumer & Business Banking

Branch banking, small business banking, consumer lending, mortgage banking and omnichannel delivery

Corporate & Commercial Banking

Corporate Banking, Commercial Banking and Commercial Real Estate

Payment Services

Retail Payment Solutions, Global Merchant Acquiring and Corporate Payment Systems

Wealth Management & Investment Services

Wealth Management, Asset Management, Corporate Trust, Fund Services and Custody

1Q 2021 YTD taxable-equivalent basis
Business line revenue percentages exclude Treasury and Corporate Support; see slide 14 for reconciliation

Our complete payments ecosystem is a differentiator

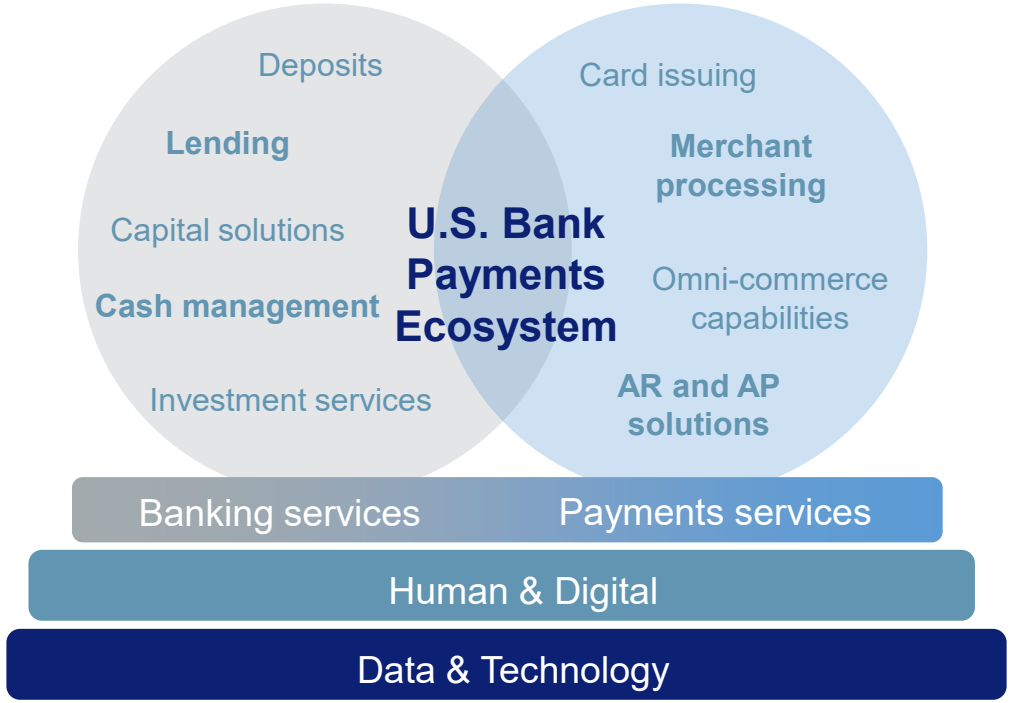
Cyclical rebound

paired with

Secular opportunities

will drive

Industry leading growth & returns



As the lines between traditional banking and payments capabilities blur, the opportunity is here for us to provide **integrated banking and payments solutions** through a complete payments ecosystem

We are benefiting from the cyclical rebound in spend activity

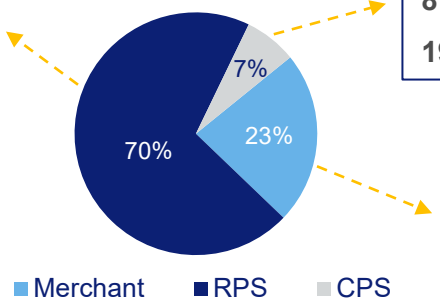
Payments Revenue - Segment Breakdown 1Q21

Payments revenue, which includes net interest income and fee revenue, accounted for **27%* of our 1Q21 net revenue**

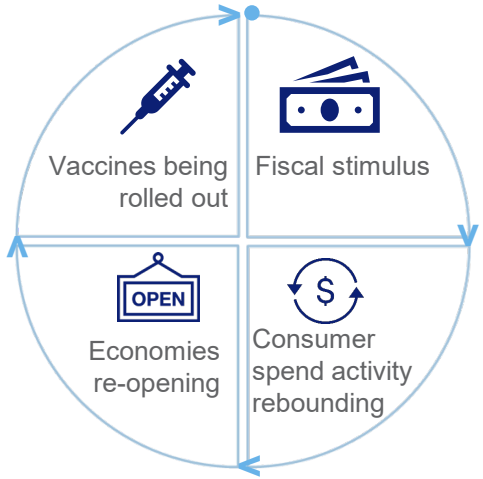
RPS Revenue:
81% Credit Card
19% Debit / prepaid Card

CPS Revenue:
81% Corporate
19% Government

Merchant Revenue:
82% All Other
18% Europe



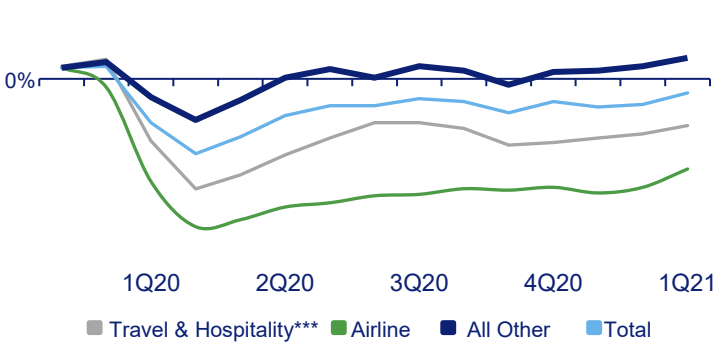
Drivers of the Cyclical Rebound



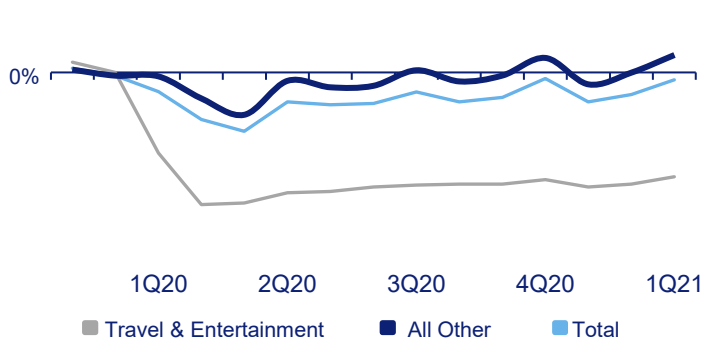
Excluding COVID impacted travel, hospitality and entertainment sectors, volumes in each of our payments businesses exceeded 2019 pre-pandemic levels in 1Q21

Volume Growth vs. 2019 Comparable Period

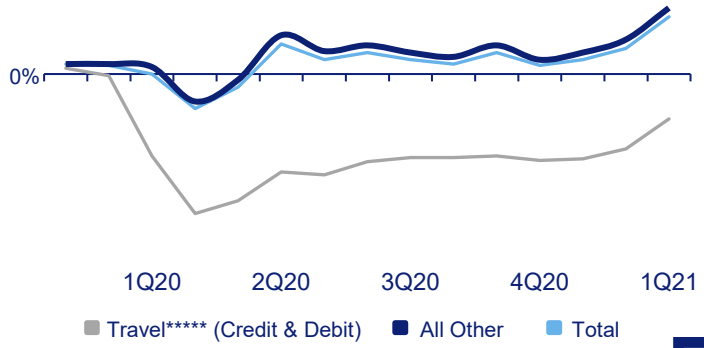
Merchant Sales Volume Growth**



CPS Sales Volume Growth**

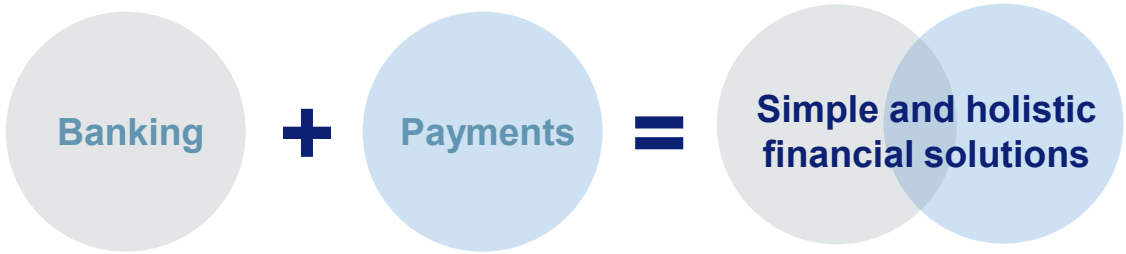


RPS**** Sales Volume Growth**



* Business line revenue percentages exclude Treasury and Corporate Support; see slide 14 for reconciliation
** Monthly data ranging from January 2020 – March 2021
*** Travel & Hospitality includes hotels, restaurants, entertainment and travel
**** RPS includes credit, debit, and prepaid
***** Travel includes airlines, auto rental, hotel/motel, other transportation, and travel agencies

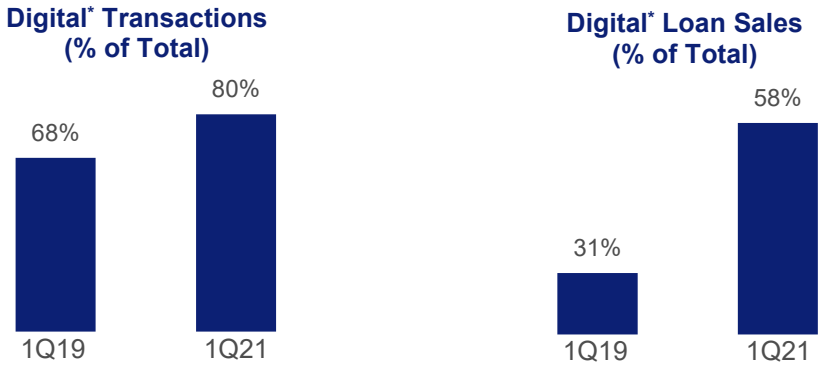
Weaving banking and payments together creates value for our customers



Our banking and payments businesses are built with
a digital advantage and human touch

Building on our success…

U.S. Bank is a leader in the digital evolution



…to drive future growth through transformation

Our investments are focused on:

- Creating seamless customer experiences
- Empowering real-time decision making, funding, and payments
- Driving customer acquisition, usage and distribution

* Digital includes both online and mobile platforms

Our investments in payments are driving new areas of secular growth

In both small business…

Developing new merchant capabilities

Within merchant services, we **focused our investment on the tech-led* segment** which is now **our fastest growing area**

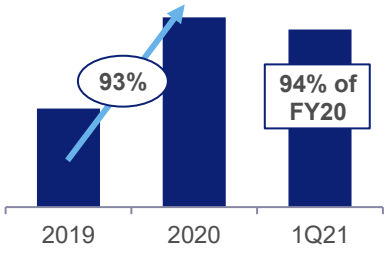


Over 100% growth in **new tech-led partnerships****

Growth highlight: talech

talech provides **cloud-based software** that allows businesses to **manage both their payments and banking activities in one place**

New talech Customers



talech

We have seen a **significant increase in digitally acquired customers**

…and in commercial and large corporate

Creating new B2B solutions

We are **collaborating across U.S. Bank to enable simple seamless and integrated business payment solutions** that add value to both buyers and suppliers

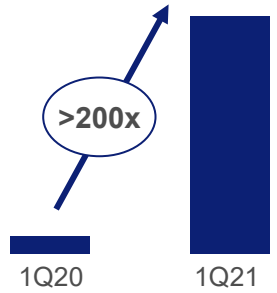
Growth highlight: Real-Time Payments (RTP)

We are **embedding RTP in our digital money movement journeys** by:

- Shifting volumes from inefficient and expensive payments
- Engaging payment aggregators
- Co-creating with corporates and fintechs to create innovative products and optimize legacy payment processes

We are experiencing **rapid RTP growth** at U.S. Bank

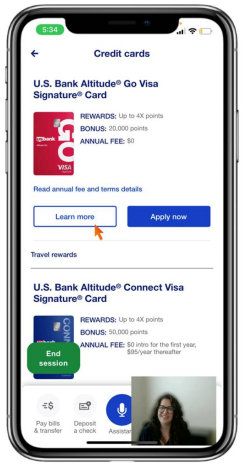
RTP Transactions



* Tech-led includes digital, omni-commerce and e-commerce as well as investments in integrated software providers
** Increase in new tech-led partnerships ranges from 12/31/2018-12/31/2020

Multiple growth opportunities in consumer bank

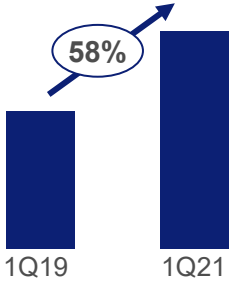
1 Improving productivity of existing branches



#1
Mobile Check Deposit
Cornerstone Advisors

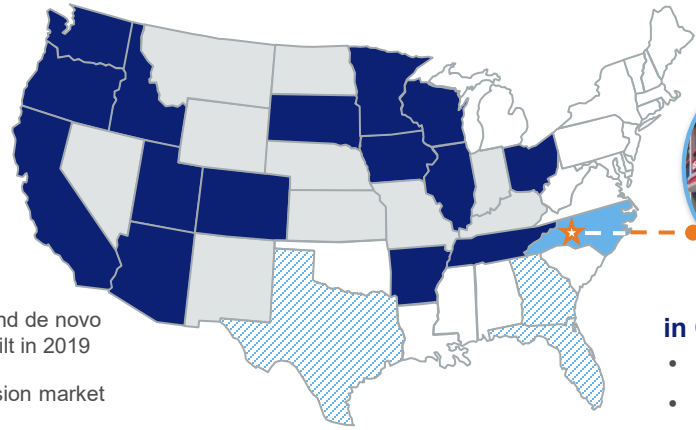
#1
Customer Service Features
Business Insider Intelligence

Branch Leads Contacted



- Launched with cobrowse in 2Q20
- Banking in the digital age means doing more with less branches

2 Digital first – branch lite expansion



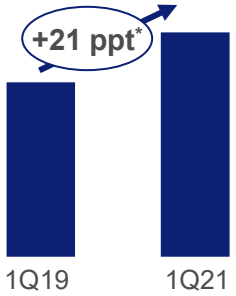
- Remodels and de novo branches built in 2019
- 2019 expansion market
- Potential expansion states



in Charlotte:
- more than 800 employees
- ~40k customers

3 Growth through digital marketing

% Applications Through Portal



Named Best in Industry
Digital Mortgage Tools
Kiplinger

- Over 95% of mortgage applications now move through the Blend platform

4 Strategic partnerships

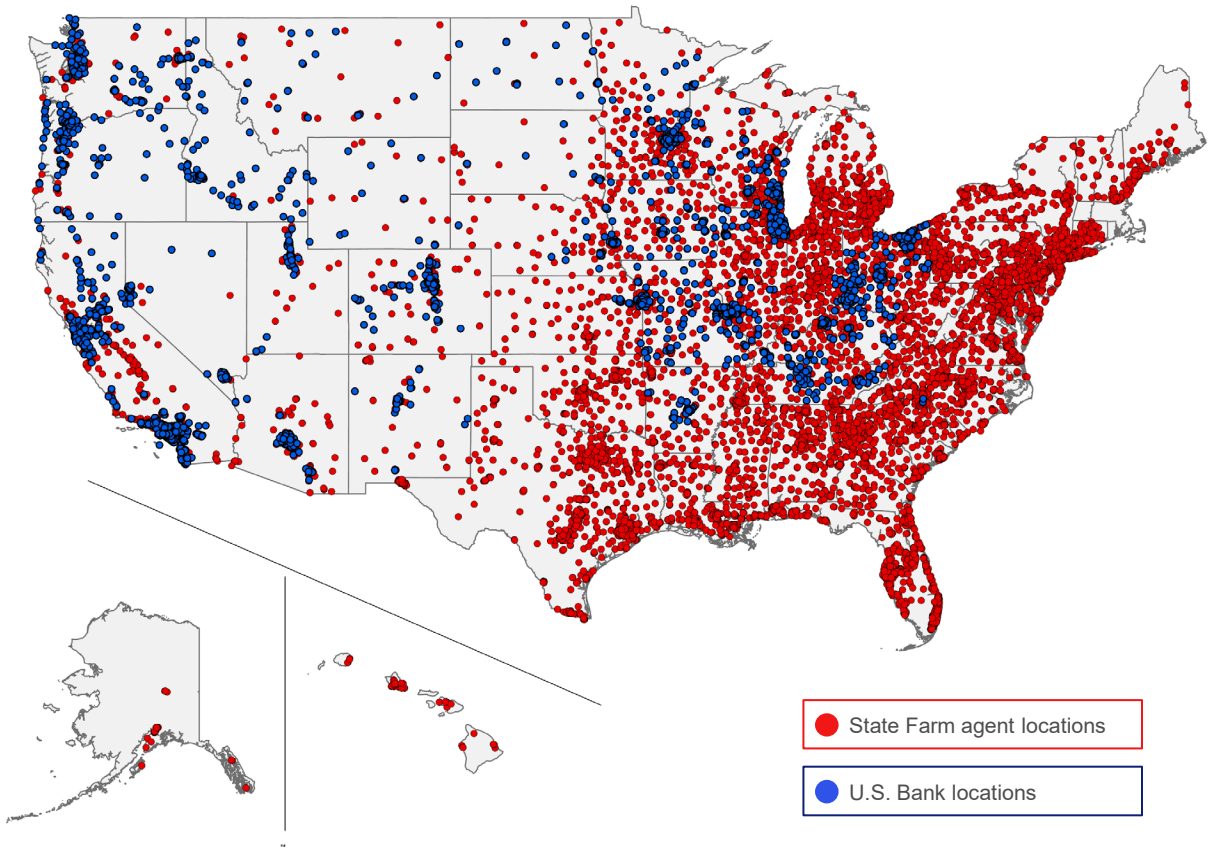
usbank

StateFarm®

- We are focused on expanding our relationship-based model that leverages the strengths of two like-minded cultures

* Percentage points
Note: State Farm and logo are trademarks of State Farm Mutual Automobile Company

State Farm – Transforming our distribution network



Milestones

Deposit Growth

- Deposits converted in 4Q20
- State Farm agents started deposit origination in 4Q20

Credit Cards

- Credit card balances acquired in 3Q20
- State Farm agents started credit card sales in 2Q21

Agent Banking

- Business banking solutions to help State Farm agents run their business

Upcoming Initiatives

- Extending business banking solutions to State Farm customers
- Exploring additional opportunities to serve the needs of State Farm customers

Note: State Farm and logo are trademarks of State Farm Mutual Automobile Company

Integrating our full set of banking solutions fuels long-term growth



- The investments in our payments ecosystem will create client experiences that are **seamless, autonomous, real-time and optimized**
- **We believe we can grow our small business accounts** over the next few years which in turn will drive **revenue growth**
- Our focus on digital capabilities, strategic partnerships and human capital will lead us to **more customers and deeper relationships**

Appendix

Non-GAAP financial measures

($ in millions)		Net Revenue
Line of Business Financial Performance		1Q21
Corporate and Commercial Banking	$	925
Consumer and Business Banking		2,242
Wealth Management and Investment Services		696
Payment Services		1,413
Treasury and Corporate Support		194
Total Company		5,470
Less Treasury and Corporate Support		194
Total Company excluding Treasury and Corporate Support	$	5,276
Percent of Total Company		
Corporate and Commercial Banking		17%
Consumer and Business Banking		41%
Wealth Management and Investment Services		13%
Payment Services		26%
Treasury and Corporate Support		3%
Total		100%
Percent of Total Company excluding Treasury and Corporate Support		
Corporate and Commercial Banking		18%
Consumer and Business Banking		42%
Wealth Management and Investment Services		13%
Payment Services		27%
Total Company excluding Treasury and Corporate Support		100%