December 7, 2022

Goldman Sachs U.S. Financial Services Conference 2022

Andy Cecere
Chairman, President and Chief Executive Officer

Terry Dolan
Vice Chair and Chief Financial Officer

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, anticipated future revenue and expenses and the future plans and prospects 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, including the following risks and uncertainties and the risks and uncertainties more fully discussed in the section entitled “Risk Factors” of Exhibit 13 to U.S. Bancorp’s Annual Report on Form 10-K for the year ended December 31, 2021, which could cause actual results to differ materially from those anticipated. Deterioration in general business and economic conditions or turbulence in domestic or global financial markets could adversely affect U.S. Bancorp’s revenues and the values of its assets and liabilities, reduce the availability of funding to certain financial institutions, lead to a tightening of credit, and increase stock price volatility. In addition, changes to statutes, regulations, or regulatory policies or practices, and U.S. Bancorp’s ability to address or satisfy those requirements and other requirements or conditions imposed by regulatory entities, 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; the impacts of the COVID-19 pandemic on its business, financial position, results of operations, liquidity and prospects; 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; the effects of climate change; changes in customer behavior and preferences; breaches in data security, including as a result of work-from-home arrangements; failures to safeguard personal information; the impacts of international hostilities or geopolitical events; impacts of supply chain disruptions and rising inflation; 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. In addition, U.S. Bancorp’s acquisition of MUFG Union Bank presents risks and uncertainties, including, among others: the risk that the cost savings, any revenue synergies and other anticipated benefits of the acquisition may not be realized or may take longer than anticipated to be realized; the possibility that the combination of MUFG Union Bank with U.S. Bancorp, including the integration of MUFG Union Bank, may be more costly or difficult to complete than anticipated or have unanticipated adverse results; and there can be no assurance that the community benefits plan will achieve the results or outcome expected or anticipated by U.S. Bancorp.

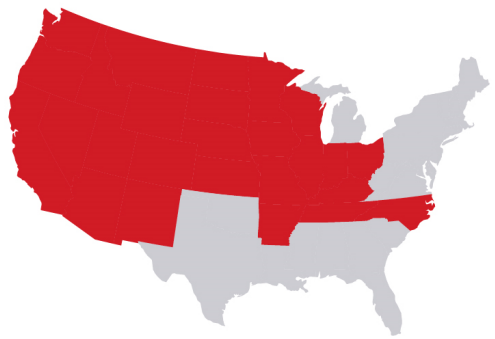
For discussion of these and other risks that may cause actual results to differ from those described in forward-looking statements, refer to U.S. Bancorp’s Annual Report on Form 10-K for the year ended December 31, 2021, on file with the Securities and Exchange Commission, including the sections entitled “Corporate Risk Profile” and “Risk Factors” 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. 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.

U.S. Bancorp

NYSE Traded	USB	Branches	2,205	Assets	$601B
Founded	1863	ATMs	4,089	Deposits	$471B
Market Value	$67B			Loans	$343B

Regional	National	International
Consumer & Business Banking and Wealth Management	**Corporate & Commercial Banking and Wealth Management & Investment Services**	**Payment Services and Investment Services**

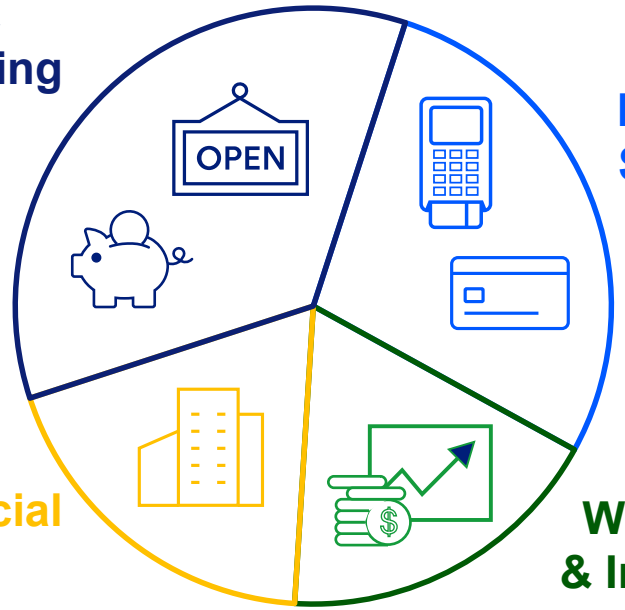






As of 9/30/22, except market value as of 11/30/22

Our differentiated business mix supports consistent growth



Consumer & Business Banking 35%

Payment Services 28%

Corporate & Commercial Banking 19%

Wealth Management & Investment Services 18%

Consumer & Business Banking

Branch Banking, Small Business Banking, Consumer Lending, Mortgage Banking and Omnichannel Delivery

Corporate & Commercial Banking

Corporate Banking, Commercial Banking, Commercial Real Estate, and Fixed Income Capital Markets

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

3Q 2022 YTD taxable-equivalent basis
Business line revenue percentages exclude Treasury and Corporate Support; see slide 14 for reconciliation

Strategic initiatives and added scale will drive our growth



While we maintain a culture focused on "Doing the Right Thing"

Digital transformation is leading to greater efficiencies

Investments in technology have created "best-in-class" products and capabilities…

Ranked #1 for Mobile Check Deposit

Ranked by Cornerstone Advisors

Most Admired Superregional Bank

For 12th Consecutive Year Ranked by Fortune

Overall Leader in Mobile Banking

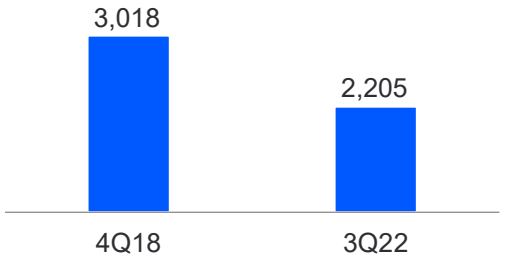
Ranked by Javelin

Best Mortgage Lender for Digital Tools

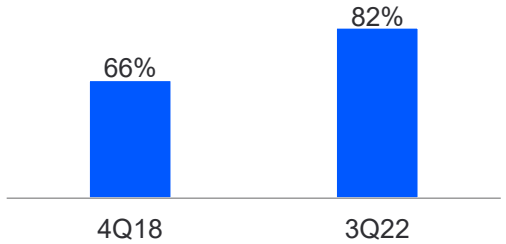
Ranked by Kiplinger

…driving strong growth and efficiencies

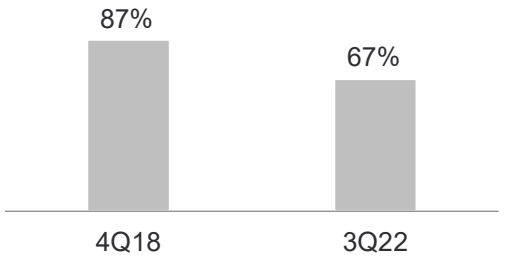
Branch Count



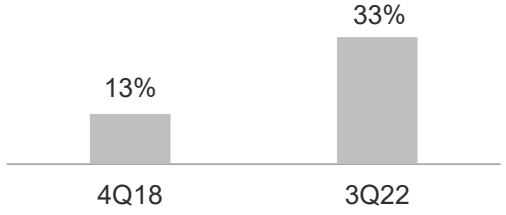
Digital Transactions (% of Total)[1]



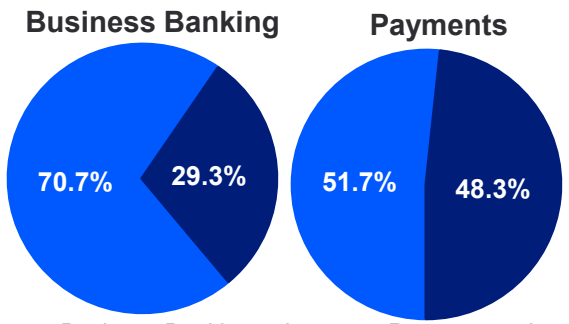
Branch / ATM Deposits



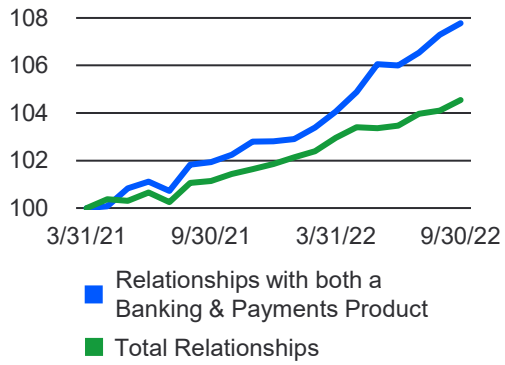
Mobile Deposits



Banking & Payments[2] Relationships[3]



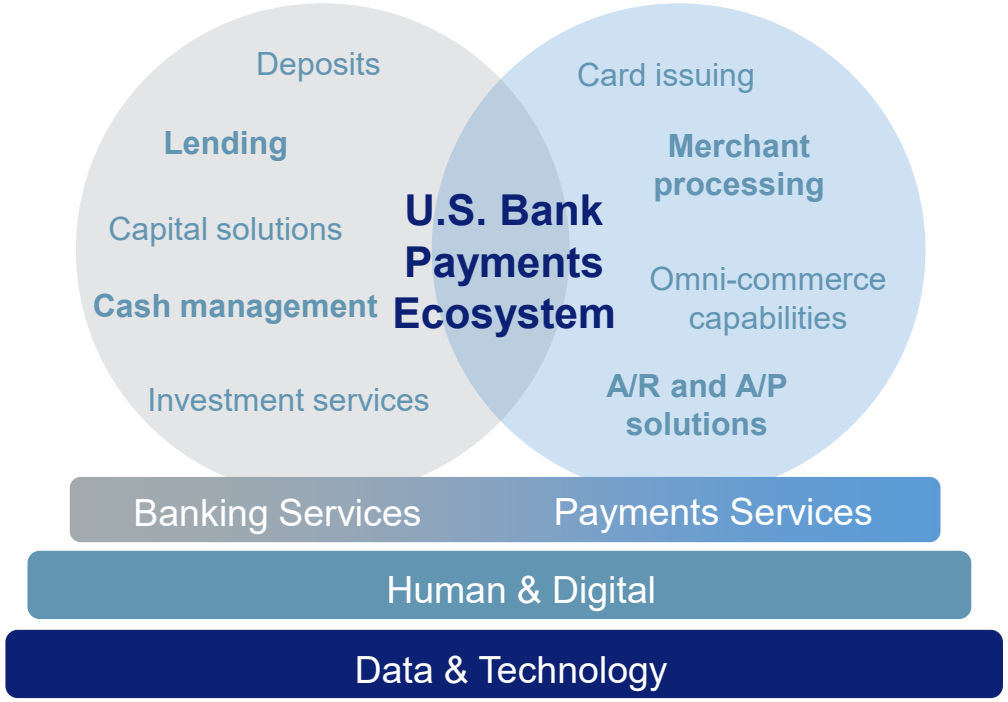
Relationship Growth[4]



(1) Digital includes both online and mobile platforms
(2) Payments includes merchant acquiring and card relationships within Retail Payment Solutions
(3) Defined as businesses with under $25M in revenues, Data as of 9/30/22
(4) Data indexed to 100 as of 3/31/21

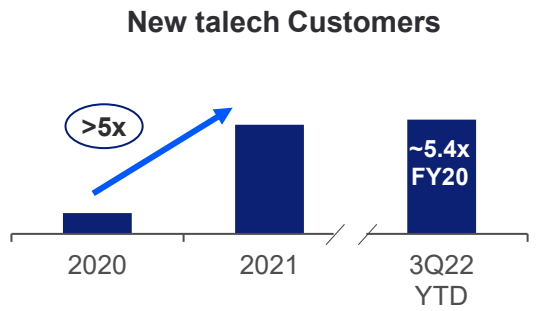
Our payments ecosystem is a key differentiator

Our **digital and payments initiatives** are both deepening our **core competencies** and expanding our **competitive advantage** across our lines of business



Consumer and Business Banking

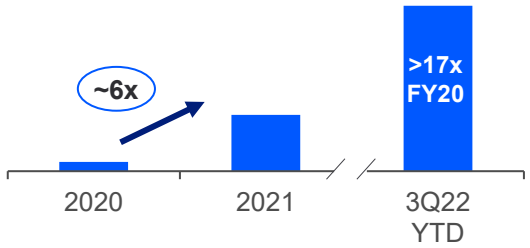
talech helps small businesses tackle **accounts receivable** and operational tasks



Corporate and Commercial Banking

Real-time Payments

First in market to send an RTP Transaction



Wealth Management and Investment Services

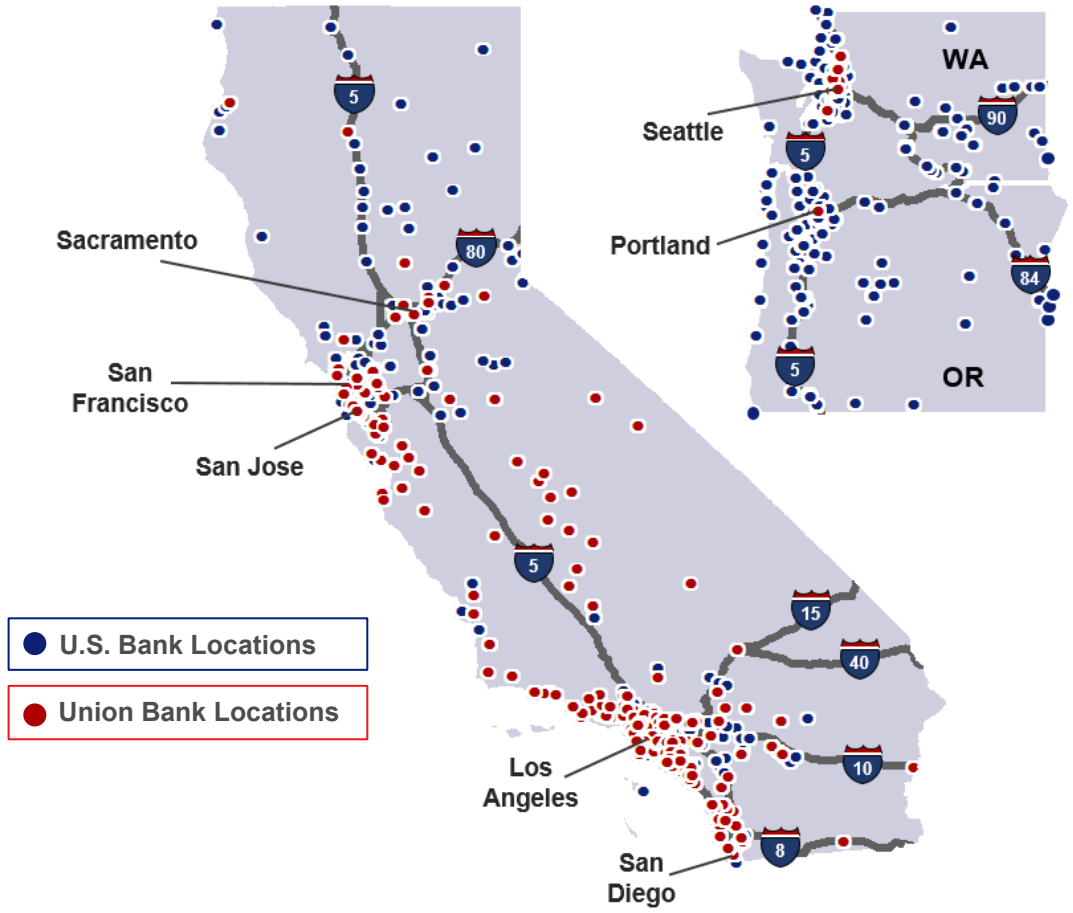
Payments ↔ Wealth Mgmt. Partnership

Introducing Automated Investor to credit card customers through joint marketing

Union Bank enhances our scale in an attractive CA market

Meaningfully increasing our reach…

Pro Forma Branch Footprint:



…in a substantial California market

- **Improves CA deposit market share[1] to #5 from #10**
- **Increases deposits per branch by >60% in California**
- **~80% Union Bank branches are within 3 miles of a USB branch**

California Market Opportunity

	California U.S. Rank
Population:	#1
Small Businesses:	#1
Affluent Households:	#1

(1) Source: FDIC deposit market share data as of 6/30/2021
Note: Data as disclosed at deal announcement on 9/21/2021

Great opportunity to deploy our broad capabilities

Union Bank is adding[1] approximately:

>1,000,000
Consumers

50,000
HNW[2] / Affluent Households

190,000
Business Banking Clients

700
Commercial Relationships

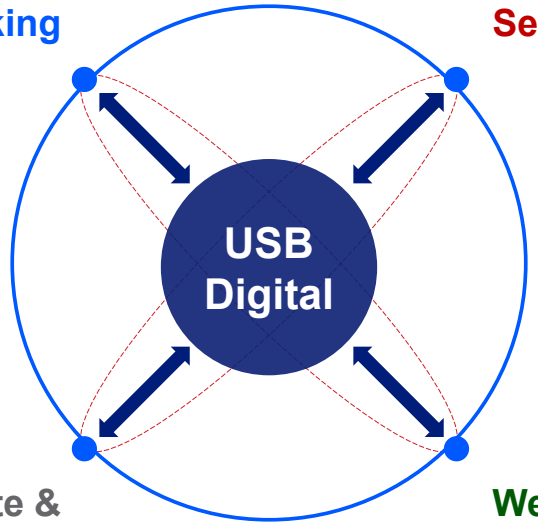
Who will be able to access to our robust product and digital capabilities

Consumer & Business Banking

- Mobile Banking
- Auto Finance
- Retail Cards
- Co-Browse

Payment Services

- Merchant Acquiring
- White Label
- Real-time Payments
- Commercial Cards



Corporate & Commercial Banking

- Foreign Exchange
- Capital Markets
- Treasury Mgmt
- Credit Facilities

Wealth Management

- Automated Investing
- Private Banking
- Brokerage Services
- Trust and Estate

(1) Data as disclosed at deal announcement on 9/21/2021
(2) High-Net Worth

A financially attractive and strategic acquisition

Compelling value proposition for our customers, communities, and shareholders…

High Quality Deposits

*Bolstering our balance sheet with **high quality, low-cost consumer deposits***

Robust Revenue Opportunities

*Numerous opportunities to penetrate a **large and loyal client base** via **revenue synergies***

Significant Cost Synergies

***Increased scale** affirms our **cost savings targets** and upside potential*

Union Bank acquisition financial update

	Original Deal Assumptions	Updated Expectations
Loans	• **$58 billion (at 6/30/2021)**	• **~$53 billion (as of 12/31/2022)**
Deposits	• **$90 billion (at 6/30/2021)**	• **~$85 billion (as of 12/31/2022)**
2023 EPS Accretion	• **~6% (75% Cost Synergies)[1]** • **~8% (100% Cost Synergies) [1]**	• **~8 - 9% (35% Cost Synergies)[2]** • **~Low Double Digits (100% Cost Synergies)[2]**

Cost Synergies	• **~$900 million** pre-tax (or **~40%** of NIE[3])
	  • 25% in 2022, 75% in 2023, 100% thereafter
		• **~$900 million** pre-tax (or **~40%** of NIE[3])
		  • 35% in 2023, 100% thereafter

Merger Expenses	• One-time pre-tax of **$1.2 billion**	• One-time pre-tax of **~$1.4 billion**
CET1	• **~9.0% at close**	• **~8.3% at 12/31/2022**

Anticipated systems conversion and bank merger expected Memorial Day weekend

(1) 2023E GAAP EPS accretion with synergies illustratively realized 75% and 100% in 2023; USB projections based on Wall Street consensus estimates
(2) 2023E GAAP EPS accretion with synergies illustratively realized 35% and 100% in 2023; USB projections based on internal company forecast
(3) Non-interest expense

Outlook[1]

4Q 2022 Guidance

Core Revenue

Up ~ 2%

Compared to 3Q 2022 of $6,326 MM

Core Expenses

Up ~ 2%

Compared to 3Q 2022 of $3,595 MM

Union Bank

Adds ~**$50MM in PPNR[2]** to USB standalone core results

Full Year 2022 Guidance

Core Operating Leverage

Positive operating leverage of **at least 200 basis points**

(1) Core guidance excludes notable items for merger and integration-related charges and income associated with the acquisition of MUFG Union Bank
(2) Pre-provision net revenue

Appendix

Non-GAAP financial measures

($ in millions)	Net Revenue
Line of Business Financial Performance	3Q22 YTD
Corporate and Commercial Banking	$ 3,249
Consumer and Business Banking	6,026
Wealth Management and Investment Services	3,007
Payment Services	4,715
Treasury and Corporate Support	937
Total Company	17,934
Less Treasury and Corporate Support	937
Total Company excluding Treasury and Corporate Support	$ 16,997
Percent of Total Company	
Corporate and Commercial Banking	18%
Consumer and Business Banking	34%
Wealth Management and Investment Services	17%
Payment Services	26%
Treasury and Corporate Support	5%
Total	100%
Percent of Total Company excluding Treasury and Corporate Support	
Corporate and Commercial Banking	19%
Consumer and Business Banking	35%
Wealth Management and Investment Services	18%
Payment Services	28%
Total Company excluding Treasury and Corporate Support	100%