



U.S. Bancorp Releases 2023 Dodd-Frank Act Stress Test Results

June 30, 2023

MINNEAPOLIS--(BUSINESS WIRE)--Jun. 30, 2023-- U.S. Bancorp (NYSE: USB) commented on the results of the Federal Reserve's Dodd-Frank Act Stress Test (DFAST) conducted in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act.

Based on its 2023 stress test results, the company expects to be subject to a preliminary stress capital buffer (SCB) of 2.5 percent, for the period beginning October 1, 2023, and ending on September 30, 2024. The Federal Reserve has stated that it expects to finalize the SCB for all firms by August 31, 2023. The SCB, when added to the Basel III Common Equity Tier 1 (CET1) minimum of 4.5 percent, requires the company to maintain a CET1 ratio above 7 percent through this period. The company's CET1 ratio was 8.5 percent as of March 31, 2023, under transitional regulatory capital requirements related to the current expected credit losses (CECL) methodology, well above the regulatory minimum of 4.5 percent plus our SCB, reflecting strong capital levels following the acquisition of Union Bank.

The company's common stock repurchases currently remain suspended as it quickly accretes capital following the acquisition of Union Bank and in anticipation of future changes in capital requirements. Any additional capital distributions remain subject to the approval of U.S. Bancorp's Board of Directors and compliance with regulatory requirements.

"The results of this year's stress test demonstrate that we are well-capitalized and remain prepared to withstand a severe economic downturn following the acquisition of Union Bank," said Andy Cecere, Chairman, President and CEO of U.S. Bancorp. "Our highly diversified business mix, well-established financial discipline, and conservative risk profile demonstrates our unwavering commitment to create and deliver value for our shareholders."

About U.S. Bank

U.S. Bancorp, with approximately 77,000 employees and \$682 billion in assets as of March 31, 2023, is the parent company of U.S. Bank National Association. The Minneapolis-based company serves millions of customers locally, nationally and globally through a diversified mix of businesses: Consumer and Business Banking; Payment Services; Corporate & Commercial Banking; and Wealth Management and Investment Services. Union Bank, consisting primarily of retail banking branches on the West Coast, joined U.S. Bancorp in 2022. U.S. Bancorp has been recognized for its approach to digital innovation, social responsibility, and customer service, including being named one of the 2023 World's Most Ethical Companies. Learn more at usbank.com/about.

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Investor contact:

George Andersen, U.S. Bancorp Investor Relations

george.andersen@usbank.com

612.303.3620

Media contact:

Jeff Shelman, U.S. Bancorp Public Affairs and Communications

jeffrey.shelman@usbank.com

612.422.1423

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