



# The strength and stability of U.S. Bank

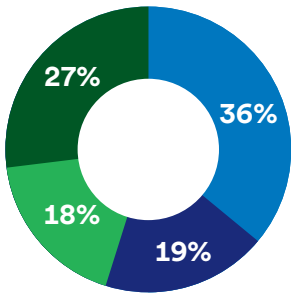
At U.S. Bank, we strive every day for excellence in banking and we're grateful you've chosen us as your trusted banking partner. We are proud of the recognition we've received as one of the 2023 World's Most Ethical Companies® and are deeply committed to you and the communities where we live and work. When financial uncertainties in the market arise, you can be confident in your choice in us for many reasons.

## Strong, diversified business mix

U.S. Bank has a diverse mix of businesses and revenue streams, which generate “through-the-cycle” sustainable earnings power. In addition, this model provides for diversified sources of funding from both a geographical and client composition perspective which helps ensure we can weather economic turns.

More than 50% of our deposit base is from consumer deposits. This base was strengthened through the Union Bank acquisition which provided a significant level of core deposits. Our mix of deposits include about 50% insured deposits and 50% uninsured. Banks that have recently experienced liquidity challenges have much higher levels of uninsured deposits.

We have a proven credit underwriting process to help U.S. Bank continue to perform well, even in times of economic stress.



### Revenue mix by business line

- Consumer & Business Banking
- Corporate & Commercial Banking
- Wealth Management & Investment Services
- Payment Services

## Strength in our financial position

Our industry leading debt ratings are among the highest in the world for both long-term senior debt and bank deposits.

Our CET1 ratio and Tier 1 capital ratio exceed regulatory requirements. (As of Dec. 31, 2022, per latest regulations-based requirements, calculated under Basel III standardized approach.)

Since 2013, the bank has been subject to periodic regulatory stress tests that project the impact of adverse macroeconomic scenarios on its net income, balance sheet, risk-weighted assets and capital adequacy over a nine-quarter period. U.S. Bank has passed all stress tests, while routinely outperforming peers.



Financial information as of Dec. 31, 2022. Full Year 2022 taxable-equivalent basis; revenue percentages exclude Treasury and Corporate Support. See page 60 of the U.S. Bancorp 2022 annual report for the revenue by business line calculation.

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### Strength in our liquidity position

U.S. Bank maintains strong capital and liquidity positions, along with a disciplined asset liability management framework, to ensure sound balance sheet actions.

Our investment portfolio is well-balanced, with appropriate levels of liquidity to help ensure we are prepared for unexpected events.

Because of our industry leading debt ratings, we have diversified sources of funding with significant available liquidity, including through deposits, secured FHLB Advances, alternative partner distribution channels, and debt capital markets. In the past, this has provided a source of liquidity through an in-flow of deposits during stress as customers seek a strong banking partner and a “flight to quality.”

**\$675B**

in assets

**\$525B**

in deposits

**\$388B**

in loans

### Investment portfolio observations

Over the last five quarters, U.S. Bank has reduced its investment portfolio as a percentage of total assets from 30% to 25%. Many other banks have investment portfolios that represent a much higher percentage of assets which can be more challenging in a rising rate environment.

The composition of the investment portfolio is also an important factor. Our investment portfolio is well diversified with the amounts categorized as available for sale representing 48% of securities while those “held-to-maturity” represents only 52% of securities. This provides significant flexibility during stressful economic situations and is lower than many banks currently experiencing stress.

Approximately 90% of our investment portfolio is tied to securities backed and/or sponsored by the U.S. government.

**We're committed to keeping you informed. If you have additional questions, please contact your relationship manager.**



Financial information as of Dec. 31, 2022.

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