



165(d) Covered Insured Depository Institution  
Resolution Plan

December 31, 2017

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Public Section

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## **Forward-Looking Statements**

This document may contain certain statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. 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 made. These forward-looking statements cover, among other things, anticipated future revenue and expenses and future plans, objectives, strategies and prospects. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated.

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, 2016, 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. Forward-looking statements speak only as of the date they are made, and U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

## **Where You Can Find More Information**

U.S. Bancorp files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission. These reports and other information may be inspected without charge at the public reference facilities maintained by the Securities and Exchange Commission at 100 F Street, NE, Washington, D.C. 20549. Information on the operation of the public reference room may be obtained by calling the Securities and Exchange Commission at (800) SEC-0330. Securities and Exchange Commission filings are also available over the internet on the Securities and Exchange Commission’s website, [www.sec.gov](http://www.sec.gov). U.S. Bancorp also maintains an internet website at [www.usbank.com](http://www.usbank.com). For more information on U.S. Bank National Association’s financial performance, please see its quarterly Call Reports on file with the FDIC. Except as specifically incorporated by reference into this document, information contained in those filings or on U.S. Bancorp’s website is not part of this document.

## Introduction

To promote financial stability, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) and the related rule (“Title I Rule”), require each bank holding company with consolidated assets in excess of \$50 billion to periodically submit to the Board of Governors of the Federal Reserve System (the “Federal Reserve”) and the Federal Deposit Insurance Corporation (“FDIC”) a plan for that company’s rapid and orderly resolution in the event of material financial distress or failure. U.S. Bancorp (the “Parent”) is a bank holding company registered with the Federal Reserve with consolidated assets of \$446.0 billion at December 31, 2016. Therefore, the Parent is required to submit a Resolution Plan under the Dodd-Frank Act and the Title I Rule.

In addition, to ensure depositors receive prompt access to their insured deposits in the event of a covered insured depository institution’s failure and to enable the FDIC to perform its resolution functions most efficiently, the FDIC adopted a separate rule (the “CIDI Rule”), requiring each covered insured depository institution with \$50 billion or more in total assets to periodically submit a resolution plan to the FDIC. U.S. Bank National Association and its subsidiaries (“USBNA”), a covered insured depository institution with \$441.0 billion in total assets at December 31, 2016, is therefore required to submit a Resolution Plan under the CIDI Rule.

The Parent and its consolidated subsidiaries (the “Company”) and its covered insured depository institution subsidiary, USBNA, are submitting this Resolution Plan to satisfy these rules. Approximately 99 percent of the Company’s total assets are those of USBNA, and all of the core business lines, critical operations and critical services are a part of USBNA. As a result, the Resolution Plan under Section 165(d) and the CIDI rule utilize the same strategy for the resolution of USBNA.

The Company is committed to managing capital to maintain strong protection for depositors and creditors, and for maximum shareholder benefit. The Company also manages capital to exceed regulatory capital requirements for well-capitalized bank holding companies. To achieve its capital goals, the Company employs a variety of capital management tools including dividends, common share repurchases, and issuance of subordinated debt, non-cumulative perpetual preferred stock, common stock and other capital instruments. At December 31, 2016, the Company had consolidated common equity tier 1, tier 1 and total capital ratios using the Basel III transitional standardized approach of 9.4 percent, 11.0 percent and 13.2 percent, respectively. Refer to the Company’s Annual Report or 10-K for the year ended December 31, 2016, for further information regarding the calculation of the Company’s capital ratios.

In the highly unlikely event of significant material financial distress or failure, the Resolution Plan provides a roadmap to resolve the Parent, USBNA and other subsidiaries in an orderly fashion, without posing systemic risk to the United States financial system.

The Resolution Plan contemplates the use of a receivership under the Federal Deposit Insurance Act for USBNA, reorganization or liquidation under the United States Bankruptcy Code for the Parent and its nonbank subsidiaries, and liquidation under the Securities Investor Protection Act of 1970 under the authority of a trustee appointed by the Securities Investor Protection Corporation for the Parent’s small broker-dealer subsidiary, U.S. Bancorp Investments, Inc.

## The Company

The Parent is a multi-state financial services holding company headquartered in Minneapolis, Minnesota. The Parent was incorporated in Delaware in 1929 and operates as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956. The Parent and its consolidated subsidiaries provide a

full range of financial services including lending and depository services, cash management, capital markets, and trust and investment management services. The Company also engages in credit card services, merchant and ATM processing, mortgage banking, insurance, brokerage and leasing. At December 31, 2016, the Company had over 73,000 total employees primarily located in the United States.

The Parent's banking subsidiary, USBNA, is a national bank chartered by the Office of the Comptroller of the Currency in 1863. USBNA and its subsidiaries comprise approximately 99 percent of the Company's total consolidated assets and is the principal operating entity for the Company's business activities. USBNA provides retail banking and investment services through a network of over 3,000 banking offices principally operating in 25 states in the Midwest and West regions of the United States. USBNA is a covered insured depository institution for purposes of the CIDI Rule and is the Parent's only material entity subsidiary.

## **Responsiveness to Regulatory Feedback on the 2015 Resolution Plan**

The Resolution Plan complies with guidance provided by the Board of Governors of the Federal Reserve System and the FDIC in their joint letter dated March 24, 2017, 2015 Resolution Plan Review Results. The Company enhanced the Resolution Plan, resolution planning program and related processes to incorporate the additional regulatory guidance.

### **Stress Scenario**

The 2017 Resolution Plan utilizes the 2017 Dodd-Frank Act Stress Test severely adverse scenario as the domestic and international economic environment and identifies any additional obstacles that may arise under adverse or baseline scenarios. The Company selected a Resolution Plan scenario that begins with an idiosyncratic event, specifically a hypothetical cyber-attack resulting in a substantial theft followed by material deposit outflows over a 30-day runway period. The Company used the 2017 Dodd-Frank Act Stress Test severely adverse scenario as the domestic and international economic environment in which to project its financial condition during the runway period and throughout the resolution process. The Resolution Plan contains a comparison between the baseline, adverse and severely adverse economic scenarios, and the Company continues to provide financial statements and projections for each economic environment.

### **Shared and Outsourced Services**

The Resolution Plan details the potential disruption of services provided to material entities by affiliates or third parties following a Parent bankruptcy, and clarifies that affiliates provide no critical services to USBNA. Conversely, USBNA does provide critical services to the Parent, such as capital, funding and liquidity management, credit management, and financial accounting and reporting, but those activities will largely cease in a Parent bankruptcy. USBNA currently provides services to the Parent under the terms of a Master Services Agreement, which will remain in place upon separation of USBNA and the Parent. To ensure continuity of services provided by critical third parties, the Resolution Plan includes a financial market utilities playbook that outlines the steps necessary to ensure there is no interruption in services from critical third parties.

The Resolution Plan addresses the risk of key employees departing during resolution, and identified key personnel using the business continuity methodology. The employee listing derived from the business continuity methodology is a starting point and the Company may adjust the key employee list as the situation warrants. Defined processes and details on key employee identification, notification and retention are in the Resolution Plan, along with a staffing playbook that outlines the steps necessary to retain key personnel.

## Financial Statements and Projections

The Resolution Plan contains a pro forma balance sheet for each material entity at key junctures in the execution of the resolution strategy. Financial statements at December 31, 2016, for USBNA and the Parent and monthly projections during the runway period and throughout resolution are in the Resolution Plan. The Resolution Plan includes six months of projections under severely adverse economic conditions for the Parent, and 24 months of projections under severely adverse, adverse and baseline economic conditions for USBNA.

## Runway Assumptions

The Company takes into account the likelihood that there will be some diminution of the firm's liquidity buffer in the days and weeks prior to filing for bankruptcy, and added a runway period to the current Resolution Plan. The Company selected a Resolution Plan scenario that begins with an idiosyncratic event, specifically a hypothetical cyber-attack resulting in a substantial theft, followed by material deposit outflows over a 30-day runway period. The Resolution Plan scenario assumes no recovery of the stolen funds occurs from the cyber-attack.

## Public Section

The public section must be separate and contain specific, informational requirements outlined in the Resolution Plan Rule. The Company's Public Section includes all required disclosures and other appropriate information specific to its resolution strategies, business model and operating environment.

## **Summary of the Resolution Plan**

The Company maintains the highest commitment in development of a Resolution Plan to protect its depositors, customers, employees and the financial system. The Company believes its commitment to a straightforward operating model and organization structure will support a successful resolution effort should it be required.

- The Company's covered insured depository institution, USBNA, generates the majority of the Company's revenues and holds nearly all of the Company's assets and liabilities.
- USBNA provides all key support and technology functions for the Company, minimizing interconnectivity risk.
- The Company has one material operating company and a small number of additional operating companies, which supports a legal entity simplification strategy.
- The Company and USBNA have a limited international presence, which reduces the complexities of a potential cross-border resolution.
- The Company's derivative activities are predominately customer-driven, and are standard industry interest rate and foreign exchange products.

The Company continues to identify and address any potential impediments to the execution of the Resolution Plan, which includes taking actions to ensure continued access to financial market utilities and the ongoing provision of critical support services following a resolution event. The Company does not believe any identified impediments individually or in the aggregate pose material risk to the effective and timely execution of the Resolution Plan.

## **A. Names of Material Entities**

The Company has two material entities for resolution planning purposes:

- U.S. Bancorp is the Parent of the organization, and its shares trade publicly on the New York Stock Exchange. The Parent is a financial and bank holding company under the Bank Holding Company Act of 1956, and is incorporated under Delaware law and subject to supervision by the Federal Reserve.
- USBNA is a national bank with its main office in Cincinnati, Ohio, and principal place of business in Minneapolis, Minnesota. USBNA holds all core business lines, critical operations, and critical service areas for the Company. USBNA's primary regulator is the Office of the Comptroller of the Currency, and is also subject to supervision by the FDIC and Federal Reserve.

## B. Description of Core Business Lines

Based on the Dodd-Frank Act, Section 165(d) and covered insured depository institution rules, core business lines are defined as those business lines of the covered company, including all functions, operations, services and support, that upon failure would result in a material loss of revenue, profit or franchise value. The Company considers the following reporting segments to be core business lines for the purposes of this Resolution Plan:

- **Wholesale Banking and Commercial Real Estate:** Offers lending, equipment finance and small ticket leasing, depository services, treasury management, capital markets services, international trade services and other financial services to middle market, large corporate, commercial real estate, financial institution, nonprofit and public sector clients.
- **Consumer and Small Business Banking:** Delivers products and services through banking offices, telephone servicing and sales, on-line services, direct mail, ATM processing and mobile devices. It encompasses community banking, metropolitan banking, indirect lending and mortgage banking.
- **Wealth Management and Securities Services:** Provides private banking, financial advisory services, investment management, retail brokerage services, insurance, trust, custody and fund servicing.
- **Payment Services:** Includes consumer and business credit cards, stored-value cards, debit cards, corporate, government and purchasing card services, consumer lines of credit and merchant processing.
- **Treasury and Corporate Support:** Includes the Company's investment portfolios, funding, capital management, and interest rate risk management. Further includes income taxes not allocated to business lines, including most investments in tax-advantaged projects, and the residual aggregate of those expenses associated with corporate activities managed on a consolidated basis.

Members of the Company's Managing Committee, who report to the Chief Executive Officer, manage core business lines. Each core business line is comprised of several lines of business with a senior leader responsible for the direction, planning, execution and operating results for that particular business.

Identification of material lines of business within the core business lines occurs through quantitative and qualitative assessments. The lines of business most significant to the Company include the following:

## Core Business Lines and Material Lines of Business

Core Business Lines	Material Lines of Business
Wholesale Banking and Commercial Real Estate	Commercial Banking
	National Corporate Banking and Depository Financial Institutions
	National Corporate Specialized Industries
	Public and Nonprofit Finance
	Specialized Finance
	Commercial Real Estate
Consumer and Small Business Banking	Community Banking
	Consumer Dealer Services
	Metropolitan Banking
	Mortgage Production and Servicing
Wealth Management and Securities Services	Global Corporate Trust Services
Payment Services	Elavon Global Acquiring Solutions
	Retail Payment Solutions
Treasury and Corporate Support	Community Development Corporation

The remaining operating segments not considered as material lines of business are not significant to the Company individually, nor do they pose any risk individually or in the aggregate to domestic or global financial systems.

## C. Summary of Financial Information

Following is a consolidated balance sheet for the two material entities, USBNA and the Parent, at December 31, 2016.

### Balance Sheets of Material Entities

At December 31, 2016 (Dollars in Millions)	Consolidated USBNA	Consolidated U.S. Bancorp
<b>Assets</b>		
Cash and due from banks	\$ 15,670	\$ 15,705
Investment securities		
Held-to-maturity	42,991	42,991
Available-for-sale	66,042	66,284
Loans held for sale	4,826	4,826
Loans		
Commercial	94,190	94,190
Commercial real estate	43,098	43,098
Residential mortgages	60,027	60,028
Credit card	21,749	21,749
Home equity	16,647	16,647
Other retail	37,495	37,495
Total loans	273,206	273,207

**At December 31, 2016**  
**(Dollars in Millions)**

	<b>Consolidated USBNA</b>	<b>Consolidated U.S. Bancorp</b>
Less allowance for loan losses	(3,813)	(3,813)
Net loans	269,393	269,394
Premises and equipment	2,436	2,443
Goodwill	9,349	9,344
Other intangible assets	3,629	3,303
Other assets	26,674	31,674
Total assets	<u>\$ 441,010</u>	<u>\$ 445,964</u>
<b>Liabilities and Shareholders' Equity</b>		
Noninterest-bearing deposits		
Personal demand	\$ 4,482	\$ 4,482
Trust demand	13,130	13,130
Business demand	64,720	64,104
Other demand	4,381	4,381
Total noninterest-bearing deposits	<u>86,713</u>	<u>86,097</u>
Interest-bearing deposits		
Savings deposits	220,672	218,028
Time deposits less than \$100,000	8,040	8,040
Domestic time deposits greater than \$100,000	7,230	7,230
Foreign time deposits greater than \$100,000	20,477	15,195
Total interest-bearing deposits	<u>256,419</u>	<u>248,493</u>
Total deposits	343,132	334,590
Short-term borrowings		
Federal funds purchased	447	447
Securities sold under agreements to repurchase	712	801
Commercial paper	9,989	10,010
Other short-term borrowings	1,408	2,705
Total short-term borrowings	<u>12,556</u>	<u>13,963</u>
Long-term debt		
Intermediate debt	10,665	20,192
Subordinated debt	-	3,525
Due to affiliates	3,800	--
Other long-term debt	9,606	9,606
Total long-term debt	<u>24,071</u>	<u>33,323</u>
Other liabilities	15,106	16,155
Total liabilities	<u>394,865</u>	<u>398,031</u>
Shareholders' equity		
Preferred stock	--	5,501
Common stock	18	21
Capital surplus	14,267	8,440
Retained earnings	32,253	50,151
Treasury stock	--	(15,280)
Accumulated other comprehensive income (loss)	(1,199)	(1,535)
Total shareholders' equity	<u>45,339</u>	<u>47,298</u>
Noncontrolling interests	806	635
Total equity	<u>46,145</u>	<u>47,933</u>
Total liabilities and equity	<u>\$ 441,010</u>	<u>\$ 445,964</u>

## Regulatory Capital

The Company is subject to regulatory capital requirements established by the Federal Reserve, and USBNA is subject to similar rules established by the Office of the Comptroller of the Currency. At December 31, 2016, the Company is subject to the Basel III standardized and advanced approaches regulatory capital requirements, with it being bound by the approach that is most restrictive.

### U.S. Bancorp Capital Ratios

At December 31, 2016

(Dollars in Millions)

	USBNA	U.S. Bancorp
Basel III transitional standardized approach:		
Common equity tier 1 capital	\$36,914	\$33,720
Tier 1 capital	37,114	39,421
Total risk-based capital	44,853	47,355
Risk-weighted assets	352,023	358,237
Common equity tier 1 capital as a percent of risk-weighted assets	10.5 %	9.4 %
Tier 1 capital as a percent of risk-weighted assets	10.5	11.0
Total risk-based capital as a percent of risk-weighted assets	12.7	13.2
Tier 1 capital as a percent of adjusted quarterly average assets (leverage ratio)	8.6	9.0
Basel III transitional advanced approaches:		
Common equity tier 1 capital	\$36,914	\$33,720
Tier 1 capital	37,114	39,421
Total risk-based capital	41,737	44,264
Risk-weighted assets	271,920	277,141
Common equity tier 1 capital as a percent of risk-weighted assets	13.6 %	12.2 %
Tier 1 capital as a percent of risk-weighted assets	13.6	14.2
Total risk-based capital as a percent of risk-weighted assets	15.3	16.0

### Bank Regulatory Capital Requirements

2016	Well-Capitalized	Minimum
Common equity tier 1 capital as a percent of risk-weighted assets	6.500 %	5.125 %
Tier 1 capital as a percent of risk-weighted assets	8.000	6.625
Total risk-based capital as a percent of risk-weighted assets	10.000	8.625
Tier 1 capital as a percent of adjusted quarterly average assets (leverage ratio)	5.000	4.000

## **Funding and Liquidity Management**

The Company's liquidity risk management processes identify, measure, and manage the Company's funding and liquidity risk to meet its daily funding needs and to address expected and unexpected changes in funding requirements. The Company manages liquidity risk by diversifying funding sources, stress testing and holding readily-marketable assets that can be used as a source of liquidity if needed. In addition, the Company's profitable operations, sound credit quality and strong capital position have enabled development of a large and reliable base of core deposit funding in domestic and global capital markets.

The Company's liquidity policy requires it to maintain diversified wholesale funding sources to avoid maturity, name and market concentrations. The Company operates a Grand Cayman branch for issuing Eurodollar time deposits. In addition, the Company has relationships with dealers to issue national market retail and institutional savings certificates, and short-term and medium-term notes. The Company also maintains a significant correspondent banking network and relationships. Accordingly, the Company has access to national federal funds, funding through repurchase agreements and sources of stable, regionally-based certificates of deposit and commercial paper.

The Company regularly projects its funding needs under various stress scenarios and maintains a contingency funding plan consistent with the Company's access to diversified sources of contingent funding. The Company maintains a substantial level of total available liquidity in the form of both on-balance sheet and off-balance sheet funding sources. These include cash at the Federal Reserve Bank, unencumbered liquid assets, and capacity to borrow at the Federal Home Loan Bank and the Federal Reserve Bank's discount window. Unencumbered liquid assets in the Company's available-for-sale and held-to-maturity investment portfolios provide asset liquidity through the Company's ability to sell the securities or pledge and borrow against them. At December 31, 2016, the fair value of unencumbered available-for-sale and held-to-maturity investment securities totaled \$100.6 billion. Asset liquidity is further enhanced by the Company's ability to pledge loans to access secured borrowing facilities through the Federal Home Loan Bank and Federal Reserve Bank. At December 31, 2016, the Company could have borrowed an additional \$91.4 billion at the Federal Home Loan Bank and Federal Reserve Bank based on collateral available for additional borrowings.

The Company's diversified deposit base provides a sizable source of relatively stable and low cost funding, while reducing the Company's reliance on the wholesale markets. At December 31, 2016, the Company's total deposits were \$334.6 billion.

## **D. Derivative and Hedging Activities**

The Company utilizes hedging strategies to manage the sensitivity of earnings and capital to interest rate, prepayment, credit, price and foreign currency fluctuations. The Company uses derivatives for asset and liability management primarily in the following ways:

- To convert fixed-rate debt from fixed-rate payments to floating-rate payments;
- To convert the cash flows associated with floating-rate debt from floating-rate payments to fixed-rate payments;
- To mitigate changes in value of the Company's unfunded mortgage loan commitments, funded mortgage loans held-for-sale and mortgage servicing rights;

- To mitigate remeasurement volatility of foreign currency denominated balances; and
- To mitigate the volatility of the Company’s net investment in foreign operations driven by fluctuations in foreign currency exchange rates.

The Company may enter into exchange-traded, centrally cleared through clearinghouses and over-the-counter derivatives contracts. In addition, the Company enters into interest rate and foreign exchange derivative contracts to support business requirements of customers (“customer-related positions”). The Company minimizes the market and liquidity risks of customer-related positions by either entering into similar offsetting positions with broker-dealers or on a portfolio basis by entering into other derivative or non-derivative financial instruments that offset exposure from customer-related positions.

The Company’s derivative portfolio consists of bilateral over-the-counter trades, certain interest rate derivatives and credit contracts required to be centrally cleared through clearinghouses per current regulations, and exchange-traded positions which may include United States Treasury and Eurodollar futures or options on United States Treasury futures. Over-the-counter and centrally cleared derivatives are subject to credit risk, due to the possibility of counterparty default.

The Company manages this risk by limiting exposure to those counterparties deemed creditworthy by Credit Risk Management’s high standard for counterparty credit quality, by diversifying derivative positions among counterparties, by entering into master netting agreements and, where possible, by requiring collateral arrangements. The aggregate fair value of all derivatives under collateral arrangements that were in a net liability position at December 31, 2016, was \$563 million. At December 31, 2016, the Company had \$455 million of cash posted as collateral against this net liability position.

## E. Memberships in Material Payment, Clearing and Settlement Systems

The Company engages in cash and securities transactions through payment, clearing and settlement systems, or financial market utilities. The following table provides a summary of the principal direct access financial market utilities utilized by the Company:

Network	Description	Domestic or International
Depository Trust Company (“DTC”)	DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation and a limited-purpose trust company under New York State banking law supervised by the New York Department of Financial Services. DTC is a registered clearing agency with the Securities and Exchange Commission. DTC’s primary activities include settling trades in corporate, municipal and mortgage-backed securities. DTC permits participants to transfer securities held in each participant’s account or for the account of a participant’s customer.	Domestic

<b>Network</b>	<b>Description</b>	<b>Domestic or International</b>
Fixed Income Clearing Corporation	<p>The Fixed Income Clearing Corporation is a wholly-owned subsidiary of the Depository Trust &amp; Clearing Corporation, which is registered with and regulated by the Securities and Exchange Commission. The Fixed Income Clearing Corporation operates two divisions:</p> <ul style="list-style-type: none"> <li>• the Government Securities Division; and</li> <li>• the Mortgage-Backed Securities Division.</li> </ul> <p>Each division offers services to their members pursuant to separate rules and procedures. The Fixed Income Clearing Corporation provides netting and settlement services for banks, brokers and other financial intermediaries in connection with transactions involving United States Government securities.</p>	Domestic
National Securities Clearing Corporation	<p>National Securities Clearing Corporation is a wholly-owned subsidiary of the Depository Trust &amp; Clearing Corporation, and is registered with and regulated by the Securities and Exchange Commission. The National Securities Clearing Corporation provides clearing, settlement, risk management, central counterparty services and a guarantee of completion for certain transactions for trades involving equities, corporate and municipal debt, United States depository receipts, exchange-traded funds, and unit investment trusts.</p>	Domestic
Euroclear Bank	<p>Euroclear Bank is an international central securities depository that provides settlement and related services for cross-border transactions involving domestic and international bonds, equities, funds and derivatives to financial institutions located in more than 90 countries.</p>	International
Clearstream	<p>Clearstream is a European supplier of post-trading services. The wholly-owned subsidiary of Deutsche Börse ensures cash and securities are delivered between trading parties.</p>	International
Options Clearing Corporation	<p>Options Clearing Corporation is the world's largest equity derivatives clearing organization providing central counterparty clearing and settlement services to exchanges and platforms for options, financial and commodity futures, security futures and securities lending transactions. Options Clearing Corporation operates under the jurisdiction of both the Securities and Exchange Commission and the Commodity Futures Trading Commission. Under Securities and Exchange Commission jurisdiction, Options Clearing Corporation clears transactions for options and security futures. As a registered derivatives clearing organization under Commodity Futures Trading Commission jurisdiction, it offers clearing and settlement services for transactions in futures and options on futures.</p>	Domestic
Society for Worldwide Interbank Financial Telecommunications	<p>Society for Worldwide Interbank Financial Telecommunications provides secure standardized financial messages and related services to its member financial institutions, their market infrastructures and their end users.</p>	International

<b>Network</b>	<b>Description</b>	<b>Domestic or International</b>
Electronic Payments Network	The Electronic Payments Network is an automated clearing house service operated by The Clearing House, which is owned by the largest United States banks, and United States branches or affiliates of major foreign banks. The Automated Clearing House system exchanges payments through batched debits and credits from business, consumer and government accounts.	Domestic
Small Value Payments Company, LLC	Small Value Payments Company, L.L.C. is the check and electronic check clearing service of The Clearing House Payments Company L.L.C. Small Value Payments Company, L.L.C. is an electronic connection among participating financial institutions providing check clearing, electronic check presentment and check image exchange, Automated Clearing House, and wire services.	Domestic
Viewpoint Clearing, Settlement & Association Services LLC	Viewpoint Clearing, Settlement & Association Services, L.L.C. (“Viewpoint”) is an image exchange and settlement system that permits financial institution Viewpoint members of all sizes to exchange check images in order to exchange and clear the payments corresponding to those checks. Viewpoint is also a check archival system.	Domestic
Endpoint Exchange, LLC	Endpoint Exchange, LLC provides electronic check image exchanges for financial institutions, check imaging software developers and image-item processing outsourcers. The Company currently utilizes Viewpoint for connectivity to the Endpoint network.	Domestic
Visa® & MasterCard®	Visa® and MasterCard® provide card transaction processing and routing services for credit, debit and prepaid cards issued by financial institutions to consumers and businesses. With respect to their respective branded portfolios, they may also assist with marketing campaigns. Financial institutions issue cards used by customers that operate on Visa® and MasterCard® systems.	Domestic International
American Express®	American Express provides credit card products and travel-related services to consumers and businesses through a closed-loop payment system. Financial institutions issue cards used by customers that operate on the American Express® network.	Domestic International

## **F. Foreign Operations**

The Company’s operations and employees are located primarily in the United States. As a result, the majority of revenues, profits, assets and liabilities relate to the Company’s domestic operations. The Company maintains limited foreign operations through foreign branches as well as certain subsidiaries. USBNA’s foreign branches are located in Toronto, Canada and George Town, Cayman Islands.

Certain wholly-owned subsidiaries of USBNA (together, “Elavon International”) provide merchant processing services in Europe, Canada and Mexico. In addition, Elavon International houses a small portion of the Global Corporate Trust Services business line in Europe. These foreign operations are not significant to the Company.

## G. Material Supervisory Authorities

The Company and its subsidiaries are subject to the extensive regulatory framework applicable to bank holding companies and their subsidiaries. The Company is subject to supervision by the Federal Reserve due to its legal status as a registered bank holding company under the Bank Holding Company Act and a financial holding company under the Gramm-Leach-Bliley Act. USBNA's primary supervisor is the Office of the Comptroller of the Currency, and is subject to further supervision and examination by the FDIC, Federal Reserve and Consumer Financial Protection Bureau.

USBNA's limited foreign activities are subject to supervision by the host country regulators, in addition to the Federal Reserve and the Office of the Comptroller of the Currency. The Securities and Exchange Commission, the Financial Industry Regulatory Authority and the Municipal Securities Rulemaking Board regulate the Company's broker-dealer subsidiary. Additionally, certain subsidiaries are subject to examination or reporting to other supervisory authorities including local municipal and tax authorities.

## H. U.S. Bancorp Principal Officers

Name	Position and Title
Andrew Cecere	Mr. Cecere is Chief Executive Officer, President and Director of U.S. Bancorp. Mr. Cecere has served in this position since April, 2017.
Jennie P. Carlson	Ms. Carlson is Executive Vice President, Human Resources, of U.S. Bancorp. Ms. Carlson has served in this position since January 2002.
James L. Chosy	Mr. Chosy is Executive Vice President and General Counsel of U.S. Bancorp. Mr. Chosy has served in this position since March 2013.
Terrance R. Dolan	Mr. Dolan is Vice Chairman and Chief Financial Officer of U.S. Bancorp. Mr. Dolan has served in this position since August 2016.
John R. Elmore	Mr. Elmore is Vice Chairman, Community Banking and Branch Delivery, of U.S. Bancorp. Mr. Elmore has served in this position since March 2013.
Leslie V. Godridge	Ms. Godridge is Vice Chairman, Wholesale Banking, of U.S. Bancorp. Ms. Godridge has served in this position since January 2016.
Gunjan Kedia	Ms. Kedia is Vice Chairman, Wealth Management and Securities Services, of U.S. Bancorp. Ms. Kedia has served in this position since joining U.S. Bancorp in December 2016.
James B. Kelligrew	Mr. Kelligrew is Vice Chairman, Wholesale Banking, of U.S. Bancorp. Mr. Kelligrew has served in this position since January 2016.

Name	Position and Title
Shailesh M. Kotwal	Mr. Kotwal is Vice Chairman, Payment Services, of U.S. Bancorp. Mr. Kotwal has served in this position since joining U.S. Bancorp in March 2015.
P.W. Parker	Mr. Parker is Vice Chairman and Chief Risk Officer of U.S. Bancorp. Mr. Parker has served in this position since December 2013.
Katherine B. Quinn	Ms. Quinn is Vice Chairman and Chief Administrative Officer of U.S. Bancorp. Ms. Quinn has served in this position since April 2017.
Mark G. Runkel	Mr. Runkel is Executive Vice President and Chief Credit Officer of U.S. Bancorp. Mr. Runkel has served in this position since December 2013.
Jeffrey H. von Gillern	Mr. von Gillern is Vice Chairman, Technology and Operations Services, of U.S. Bancorp. Mr. von Gillern has served in this position since July 2010.
Timothy A. Welsh	Mr. Welsh is Vice Chairman, Consumer Banking Sales and Support. Mr. Welsh has served in this position since joining U.S. Bancorp in July 2017.

## I. Corporate Governance Structure and Processes

The Company developed a strong governance framework to support the resolution planning process. In addition, the resolution planning process receives support from existing capital management, financial management, risk management, and other core management processes.

The Company's Recovery and Resolution Planning Committee, chaired by the corporate Controller, determines and manages the framework for the enterprise-wide Resolution Plan. The Recovery and Resolution Planning Committee is responsible for recommending the resolution scenarios and strategies to the Capital Management Operating Committee, co-chaired by the Chief Risk Officer and Chief Financial Officer.

The Capital Management Operating Committee provides oversight of enterprise-wide stress testing, liquidity stress testing, capital planning and capital adequacy programs, ongoing Basel qualification, and recovery and resolution planning programs. For purposes of the Resolution Plan, the committee recommends the Resolution Plan to the Capital Planning Committee and to the respective Boards of Directors for approval.

The Capital Planning Committee of the Parent's Board of Directors provides oversight and review of enterprise-wide capital planning and capital management processes, including stress testing processes, scenarios and results, proposed capital actions, and recovery and resolution planning. For purposes of the Resolution Plan, the committee reviews management's resolution and recovery planning activities, annually reviews and approves the Company's Resolution Plan, recommends the Resolution Plan to the respective Boards of Directors for approval, and activates and directs the execution of appropriate Recovery and Resolution Plans if a triggering event occurs. The Board of Directors of the Parent appoints the Capital Planning Committee chair.

The Boards of Directors provide oversight of the Company's Resolution Plan, with a focus on the ability of the Company to effectively identify and implement resolution options. Integration of resolution planning activities

into the Company's corporate governance structure and processes occurs through operating committees authorized by the respective Boards of Directors for the Parent and USBNA. Designated operating committees established within the Company's risk governance and oversight committee structure oversee specific areas of policy and risk management. The Boards of Directors approve the Resolution Plan annually or more frequently if material changes occur. The Boards of Directors of the Parent and USBNA reviewed and approved the Company's Resolution Plans.

## **J. Material Management Information Systems**

The Company uses management information systems throughout the organization to capture, process, manage and report key customer activity based on particular business needs. Additionally, the Company has the ability to capture and accumulate key information to generate internal and external standard and ad hoc reports used in its day-to-day customer, business, risk, credit, and operations management activities.

The Company dedicates significant resources to infrastructure management, development and testing, and operational support. The Company's management information system infrastructure supports all lines of business.

The Company has well-established policies and controls in place to manage the technology environment, including an onboarding process for new applications, an evaluation process to determine critical applications and controls to manage technology changes where appropriate.

### **Accounting, Finance and Regulatory Reporting**

The Company manages its accounting and regulatory reporting control functions through the Corporate Controller's group. This includes managing general ledger interfaces with reporting applications and business systems including reconciliation, balancing and centralized account monitoring of general ledger balances, assessment of financial controls, and the preparation of external reporting for shareholders and regulators.

### **Business Continuity Planning**

The Company's business continuity program supports ongoing business continuity and contingency planning to evaluate the impact of significant events that may adversely affect customers, assets or employees. This program ensures the Company can recover its mission-critical functions and applications as required to meet its fiduciary responsibilities to stakeholders and comply with the requirements of the Federal Financial Institutions Examination Council, the Securities and Exchange Commission, and the Office of the Comptroller of the Currency.

The Company maintains business continuity plans as well as application, infrastructure and disaster recovery plans for the restoration of critical processes and operations. Enterprise Readiness Services coordinates planning, strategy, testing and monitoring of business continuity management responses across the Company and has guidelines that incorporate industry best practices and regulatory guidance for critical business units.

## K. Covered Company Resolution Strategy

The company developed resolution strategies based on an idiosyncratic failure event scenario, which results in an unfavorable impact to capital and liquidity combined with significant deposit outflows over a 30-day runway period. At the end of the runway period, the Company is insolvent. The failure event will trigger prompt corrective action by the Office of the Comptroller of the Currency and upon insolvency, the Office of the Comptroller of the Currency and the FDIC will act quickly to prevent further deterioration by commencing a receivership of USBNA.

The Company's organizational structure and financial results at December 31, 2016, provide the starting point for the Resolution Plan. The Company utilizes economic forecast assumptions provided by the Federal Reserve Board's comprehensive capital analysis and review assessment framework for the 2017 Resolution Plan, and assumes a business as usual environment prior to the failure event.

The Company is not experiencing a financial or other event at this point in time that will provide the level of impact reflected in the Resolution Plan. The Resolution Plan outlines rapid and orderly resolution of the Company without extraordinary government support and provides protection of the deposit franchise.

### U.S. Bank National Association

Given that the majority of the Company's businesses, revenues, profits, assets and liabilities are within USBNA, the Resolution Plan focuses on the resolution of USBNA in a FDIC receivership. The Company bases its resolution analysis on FDIC guidance for the 2015 Resolution Plan submission, and focuses on the required strategies of multiple acquirer and total bank liquidation.

**Bridge to Multiple Acquirer Strategy:** The multiple acquirer scenario assumes creation of a bridge bank over a failure weekend with the FDIC creating a new nationally chartered bridge bank. The new bridge bank will include designated assets and all domestic deposits, including uninsured deposits. The Company assumes a series of portfolio and business sales occur to reduce the size of the bridge bank, which is sold in an initial public offering after a stabilization period.

**Liquidation:** In the liquidation scenario, the FDIC immediately returns insured deposits and sells assets at a rapid, highly discounted rate.

The Resolution Plan evaluates the relative value of these options in an effort to maximize value for the receivership's creditors, minimize the cost to the deposit insurance fund, and limit the impact to the United States financial system.

The optimal approach to resolving USBNA, in terms of both minimizing risk to the financial system, and maximizing value for the benefit of creditors and other stakeholders, is to move USBNA into a bridge bank for subsequent sales, which will provide the FDIC time to stabilize the organization. The bridge bank will have access to all critical services required to continue to support the core business lines, a strong equity position not encumbered by liabilities left in the receivership based on FDIC authority, and a liquidity position that will support the resolution of USBNA.

The multiple acquirer strategy provides options for business unit component sales dependent on pricing and available buyers that have the ability for a successful conversion, but multiple conversions increase the operational risk factors for success. The Company projects that the multiple acquirer scenario results in no loss to the deposit insurance fund, while a liquidation strategy requires deposit insurance fund assistance.

The basis of the analysis to determine the optimal resolution solution is on calculations of discounted cash flows related to net income and sales proceeds from individual business line components. Based on this analysis the Company determined the bridge strategy provides attractive least cost options under severely adverse, adverse and baseline economic assumptions.

### **U.S. Bancorp**

In the event of insolvency, the Parent and its non-bank subsidiaries are eligible to commence a proceeding under Chapter 11 or Chapter 7 of the Bankruptcy Code. As USBNA is placed into a receivership and in an effort to remain in control of the liquidation process and to maximize value for creditors, the Parent will likely file for bankruptcy under Chapter 11. Upon filing under Chapter 11, the Parent will become a debtor-in-possession with its present Board of Directors and management remaining in place to control the entity's day-to-day business, subject to bankruptcy court oversight. The primary objective of the Parent's Chapter 11 proceeding would be to settle claims against the bankruptcy estate in an orderly and transparent process, and maximize recovery to creditors through a liquidation of the Parent's assets.