



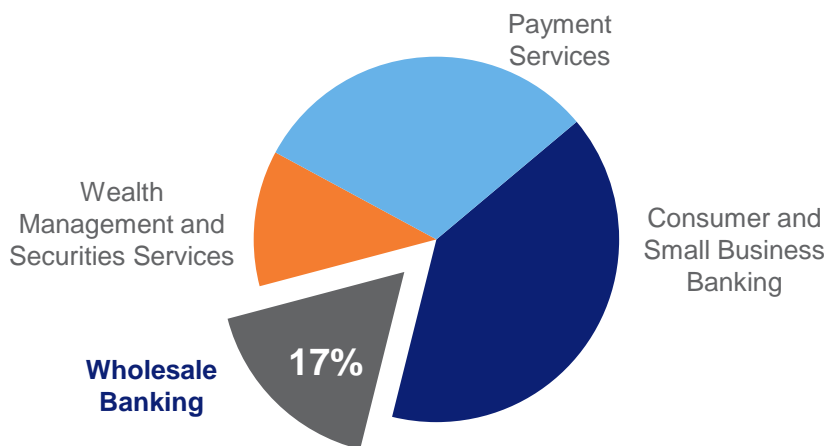
# Wholesale Banking

Investor Day 2016

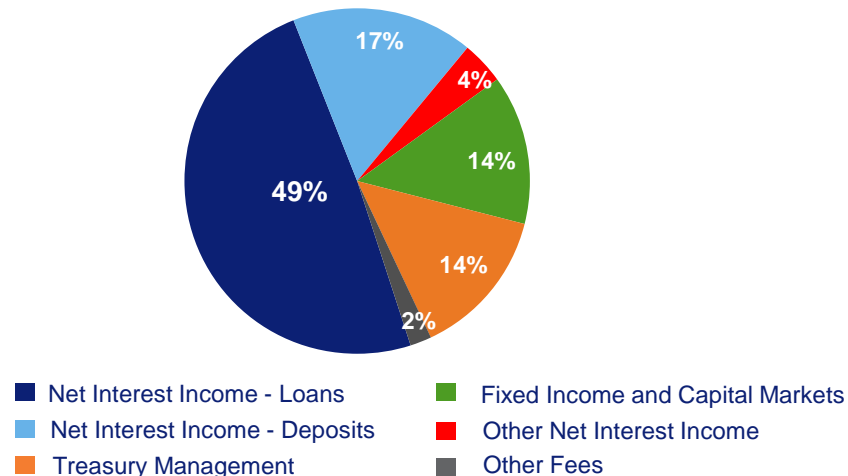


# Wholesale Banking

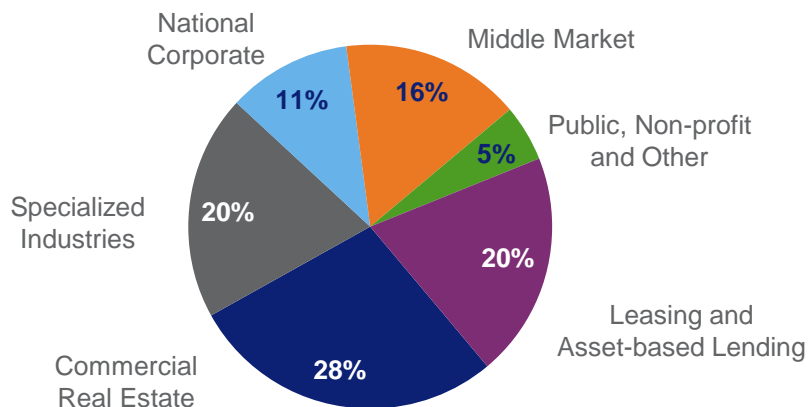
## Revenue Contribution to USB



## Revenue Breakdown



## Average Loans by Customer Segment



## Key Metrics

(\$ in millions, except ratios)		2Q16YTD
Net Interest Income	\$	1,058
Noninterest Income		455
Noninterest Expense		696
Net Income	\$	351
NIM		2.31%
Fee Income ratio		30%
Efficiency Ratio		46.0%
		<b>2Q16</b>
Average Loans	\$	90,723
Average Deposits		97,224

# A Growing and Diversified Customer Base

Flight to Quality  
2007-2010

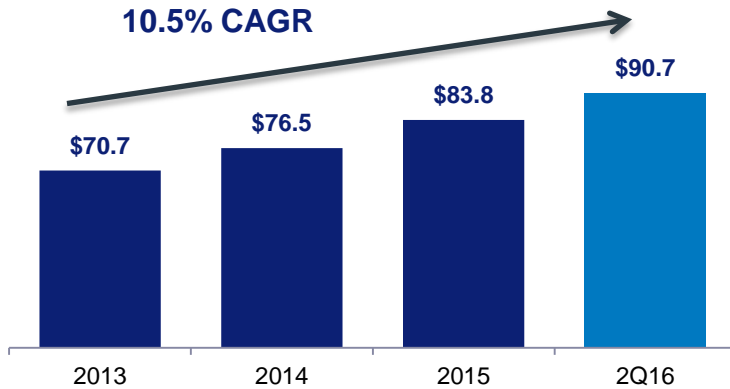
Positioned to Win  
2010-2013

Extending the  
Advantage  
2013 - 2Q16 TTM

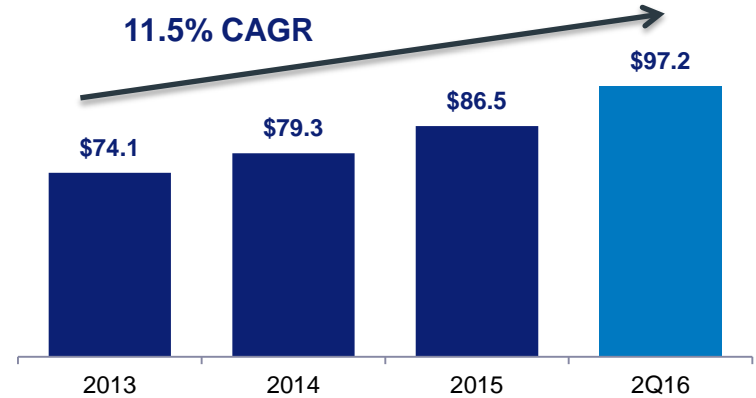
Client Segments	Number of Clients	Revenue Growth	Number of Clients	Revenue Growth	Number of Clients	Revenue Growth
Middle Market	+10%	+18%	+12%	+19%	+14%	+23%
Commercial Real Estate	+46%	+96%	+28%	+36%	+7%	+12%
Corporate	+47%	+79%	+19%	+19%	-5%	+6%
Public and Nonprofit	+118%	+127%	+16%	+16%	+8%	+15%
<b>TOTAL Wholesale Banking*</b>	<b>+39%</b>	<b>+72%</b>	<b>+18%</b>	<b>+21%</b>	<b>+3%</b>	<b>+11%</b>

# Historical Financial Highlights

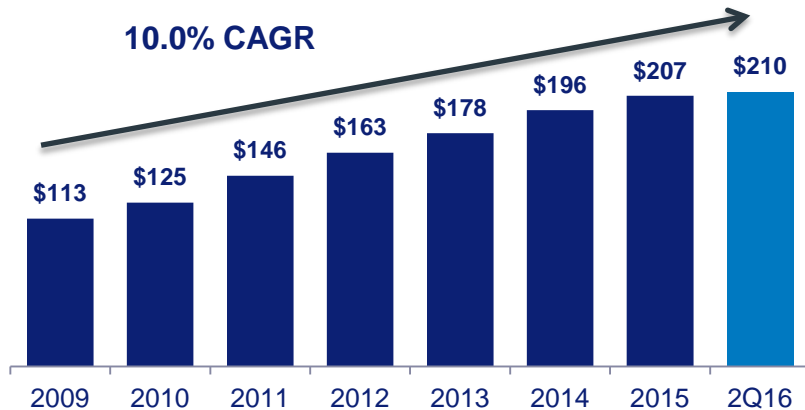
Average Loans (\$bn)



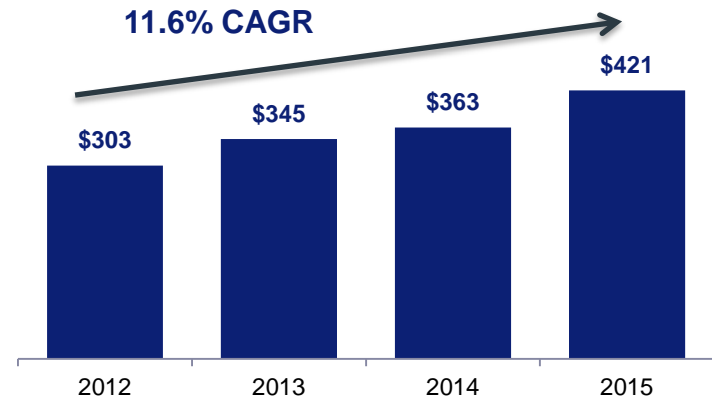
Average Deposits (\$bn)



Total Commitments (\$bn)

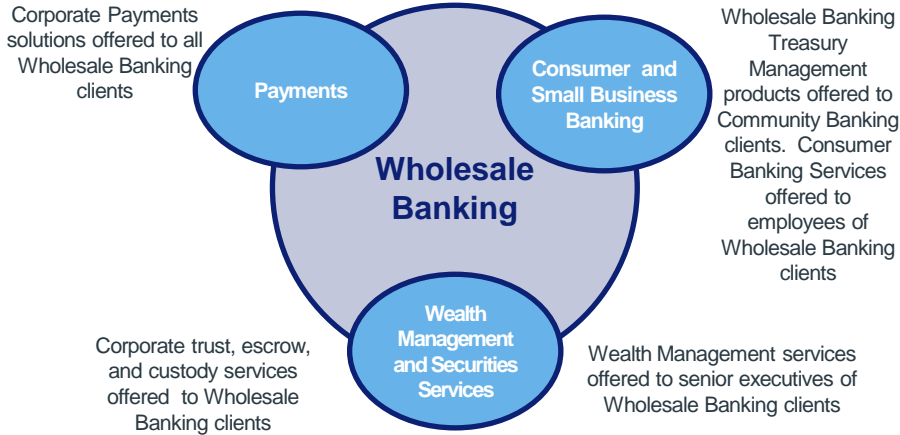


Fixed Income and Capital Markets Revenue (\$mm)



# Competitive Advantages

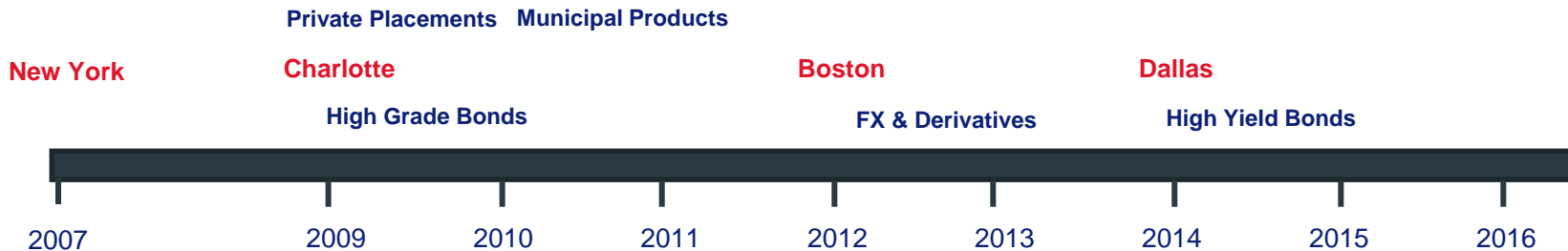
## An integrated component of our business



## Competitive advantages

- Strong financial performance with optimal size
- Best-in-class debt ratings making us the counterparty of choice
- Diverse mix of revenue
- Effective partnerships across U.S. Bank

## New products, enhancements and offices



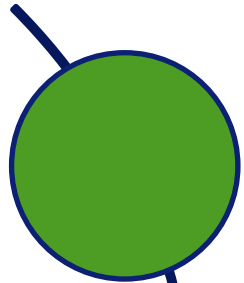
# We are growing in the market

Category	Market Rank	2Q07	2Q16
<b>Credit Products</b>	Commercial Real Estate Bank Lender	#7	#4
	C&I Bank Lender	#5	#4
<b>Bank Products</b>	U.S. Corporate Trustee <sup>(1)</sup>	#4	#2
	Treasury Management & Purchasing Card <sup>(2)</sup>	#6	#5
	Overall U.S. Loan Bookrunner <sup>(4)</sup>	#21	#5
	Commercial Real Estate Loan Bookrunner	#7	#4
	U.S. Investment Grade Loan Bookrunner	#12	#5
	U.S. Middle Market Loan Bookrunner	#17	#6
	Foreign Exchange Revenue <sup>(5)</sup>	#7	#5
	Investment Grade Domestic Bond Lead and Co-Manager <sup>(6)</sup>	N/A	#6
	Municipal VRDN Remarketing Agent	N/A	#9

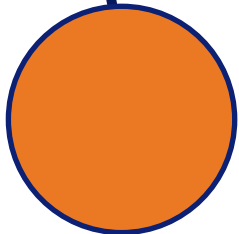
*(1) Based on the number of issues; (2) Based on an annual E&Y survey completed in 2007 using 12/31/06 data and most recently completed in 2015 using 12/31/14 data; (3) Sources: SNL Financial, E&Y and Thomson Reuters, presented as deal count rank except Municipal Variable Rate Demand Note Remarketing Agent is based upon amount outstanding; (4) 1H07 rank is for Lead Arranger, category changed to Bookrunner in 2009; (5) FR Y-9C data for overall revenue as of 6/30/16, includes other FX revenue in addition to traditional FX revenues from market making and hedging with clients; (6) U.S. Bank did not have a platform in 2007, but partnered with Piper Jaffray*

# Uniquely Positioned to Gain Market Share

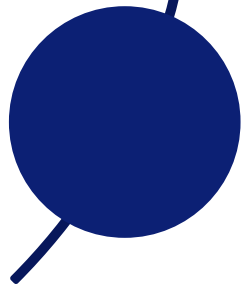
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Strong financial performance with optimal size



Change in competitive landscape



Uptiering client relationships



# Strong Financial Performance with Optimal Size

## Superior debt ratings

### Pricing power

- Credit products
- Deposit products
- Fee products

### “Favored” counterparty

- Bolster derivatives and foreign exchange activity
- Competitor credit rating downgrades create swap novation opportunities

## Strong balance sheet

### Capacity

- Meaningful ability to uptier to lead positions

## Disciplined risk culture

### Stability

- Customers view us as a reliable partner
- Allows for consistent, stable approach to the market



# Change in Competitive Landscape

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## Competitors are retrenching

Global/European Banks are reducing investment banking assets, re-focusing business strategies, exiting markets and scaling back geographic footprints

### Uptier credit commitments

- Pursue target list of companies
- Fill loan syndication gaps

## Lower funding costs

### Pricing power

- Credit products
- Deposit products
- Fee products

# Uptiering Client Relationships

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## Diverse product suite

### Customer penetration and loyalty

- Uptiering relationships translates into greater lead opportunities
- Lead relationships utilize the most products

## Deeper relationships drive higher revenue per client

### Increase products per customer

- Treasury Management
- Foreign Exchange and Derivatives
- Asset Based Finance and Equipment Leasing partnerships

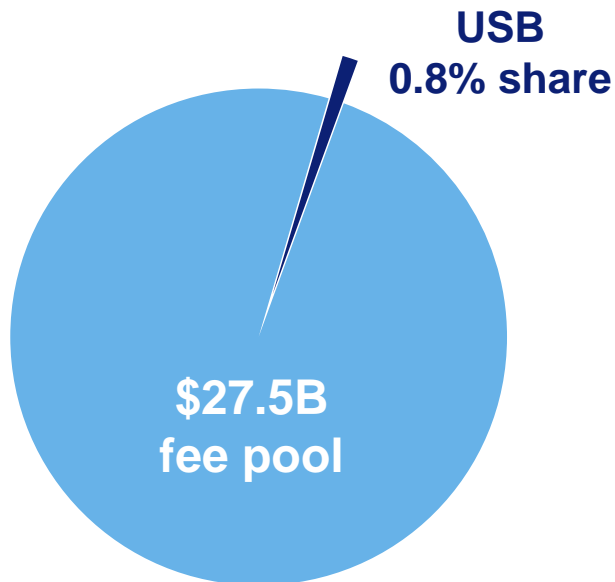
### Work horizontally with other parts of U.S. Bank

- Payment Services
- Wealth Management
- Securities Services

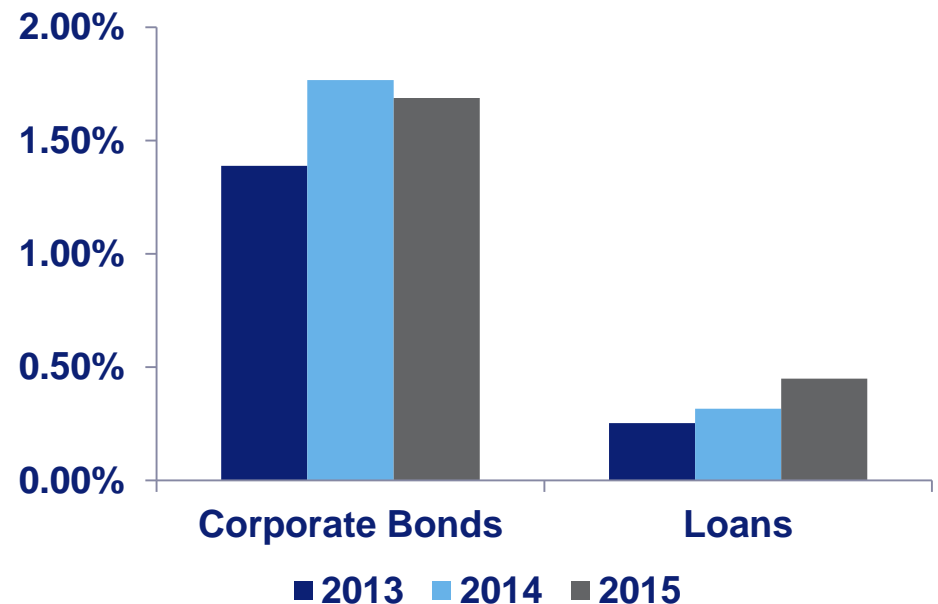
# Positioned to Continue to Gain Market Share

Under-penetrated debt products create fee opportunity

## Estimated U.S. Loan and Bond Fee Pool (2015)

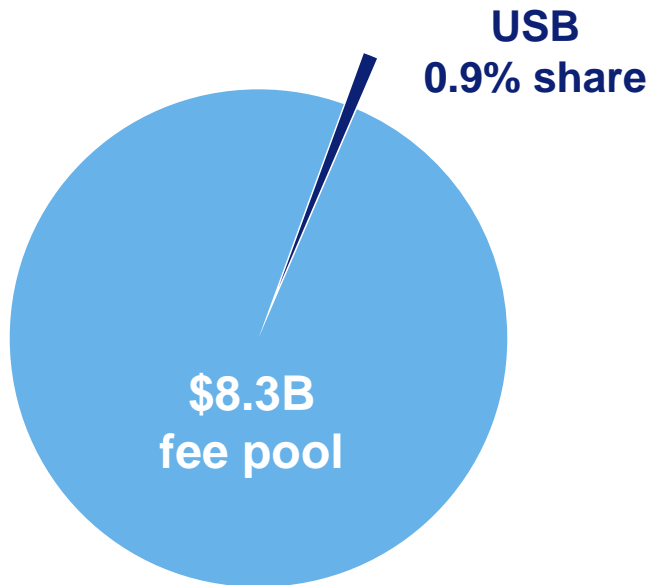


## U.S. Bank Loan and Bond Share Growth

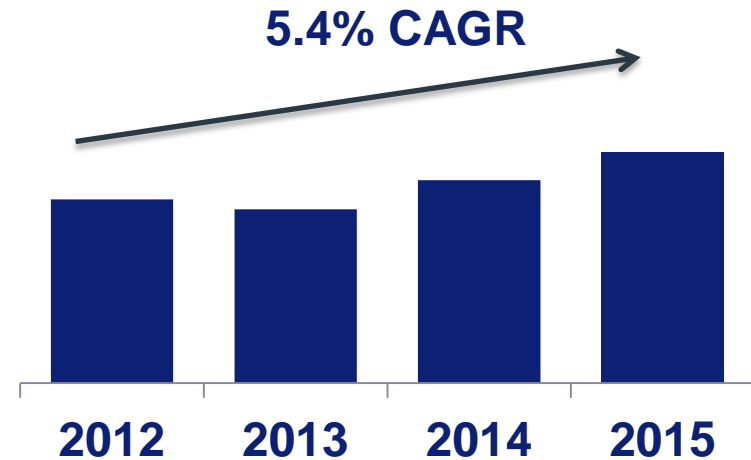


# Positioned for Continued Growth in Foreign Exchange

**Estimated Total Available FX Revenue (2015)**



**Foreign Exchange Fee Revenue (\$mm)**



# Positioned for Increases in Corporate Bond Lead Managed Business

## 2016 Lead & Co-Managed Business

“Footprint”

2016 Domestic Investment Grade League Table (1H)					
Rank	Lead & Co-Manager	Proceeds (US\$ MM)	Market Share	# of Issues	
2009 Dec	1 Wells Fargo & Co	256,056	48.31%	186	
	2 Bank of America Merrill Lynch	283,068	46.23%	178	
	3 JP Morgan	306,506	44.16%	170	
	4 Citi	250,418	43.12%	166	
	5 Morgan Stanley	182,779	37.40%	144	
	6 US Bancorp	198,135	33.51%	129	
	7 RBC Capital Markets	175,126	31.95%	123	
	8 Barclays	228,658	30.65%	118	
	5* Goldman Sachs & Co	206,413	29.87%	115	
	7 Morgan S	194,032	29.35%	113	
	8 RBS	221,905	27.27%	105	
	9 Mitsubisi	217,505	24.68%	95	
	10 BNP Par	180,013	21.30%	82	
	11 Deutsche	173,183	18.70%	72	
	12 UBS	114,180	18.44%	71	
	13 Credit Su	158,894	18.18%	70	
	14 Williams	110,443	17.92%	69	
	15 Scotiaba	127,068	17.92%	69	
	16 HSBC H	116,075	17.66%	68	
	17 Mizuho F	178,075	17.14%	66	
	18 Bank of New York Mellon Corp	53,208	16.84%	49	
	19 SunTrust Banks	32,705	16.49%	48	
	20 US Bancorp	40,184	12.71%	37	

## 2016 Lead Managed Business

“Opportunity”

2016 Domestic Investment Grade League Table (1H)					
Rank	Bookrunner	Proceeds (US\$ MM)	Market Share	# of Issues	
2009	1 Bank of America Merrill Lynch	253,969	38.44%	148	
	2 JP Morgan	276,268	36.62%	141	
	3 Wells Fargo & Co	168,368	32.99%	127	
	4 Citi	208,223	29.61%	114	
	5 Morgan Stanley	133,595	27.79%	107	
	6 Goldman Sachs & Co	163,249	20.52%	79	
	7 Barclays	156,865	20.00%	77	
	5 Goldm	84,213	17.92%	69	
	6 Barcla	93,263	14.55%	56	
	7 UBS	123,605	14.29%	55	
	8 Wells	49,248	13.25%	51	
	9 Deuts	60,984	12.47%	48	
	9* RBS	69,539	9.87%	38	
	11 Credit	67,665	8.83%	34	
	12 BNP F	41,633	8.83%	34	
	13 HSBC	68,539	6.49%	25	
	14 Scotia	36,911	5.45%	21	
	14* SunTr	24,574	4.94%	19	
	16 Mitsui	15,075	4.68%	18	
	17 Credit	27,350	4.42%	17	
	17* Bank of New York Mellon Corp	2,170	2.06%	6	
	...				
	25 US Bancorp	500	0.34%	1	

# The Market is Noticing

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*"The firm's progress in U.S. investment-grade corporate bond underwriting illustrates what it aims to achieve. **No bank** in the nation's top 20 for that business **has climbed as many rungs as U.S. Bancorp since 2008** without a massive acquisition, according to data compiled by Bloomberg."*

*Bloomberg News,  
July 8, 2016*

# Uniquely Positioned for Continued Growth

