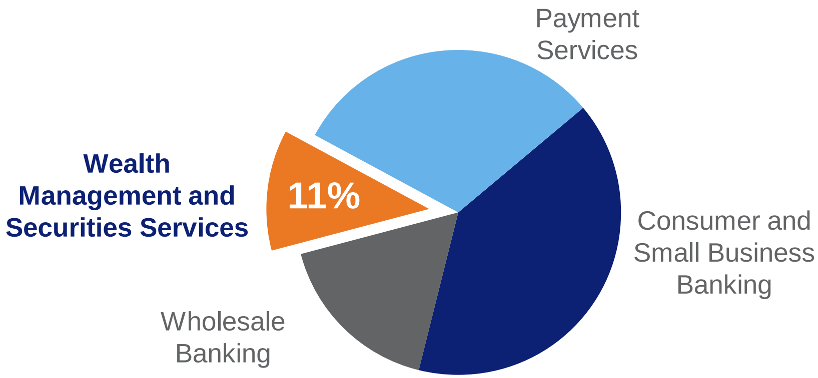
Wealth Management and Securities Services

Investor Day 2016

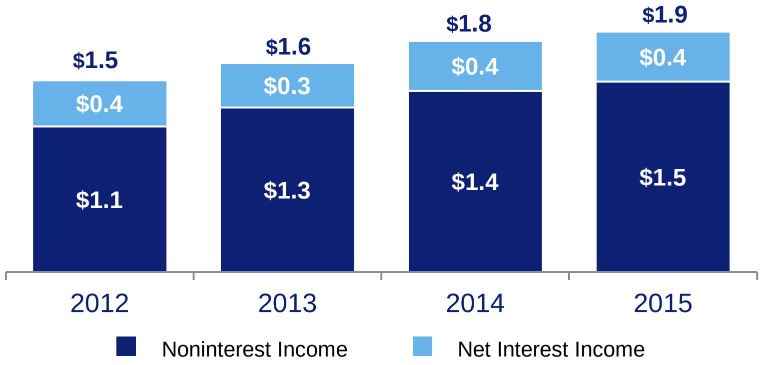
usbancorp®

Wealth Management and Securities Services

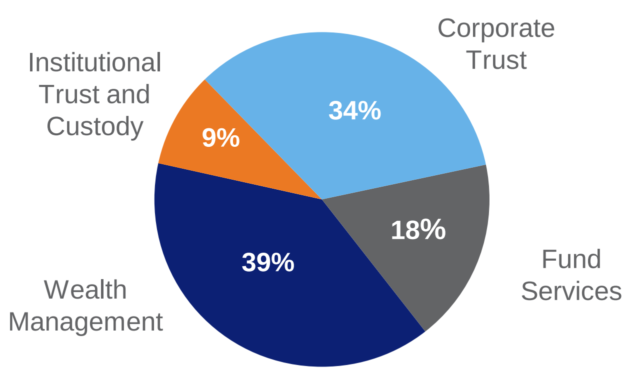
Revenue Contribution to USB



Revenue Breakdown ($bn)



Business Line Highlights - % of Revenue



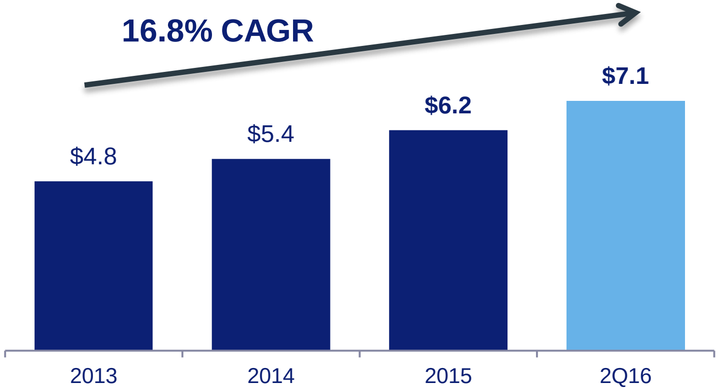
Key Metrics

($ in millions, except AUA, AUM and ratios)		2Q16YTD
Net Interest Income	$	239
Noninterest Income		780
Noninterest Expense		738
Net Income	$	180
Fee Income Ratio		77%
		2Q16
AUM (in billions)	$	118.2
AUA (in billions)		5,414
Average Loans		7,051
Average Deposits		61,472

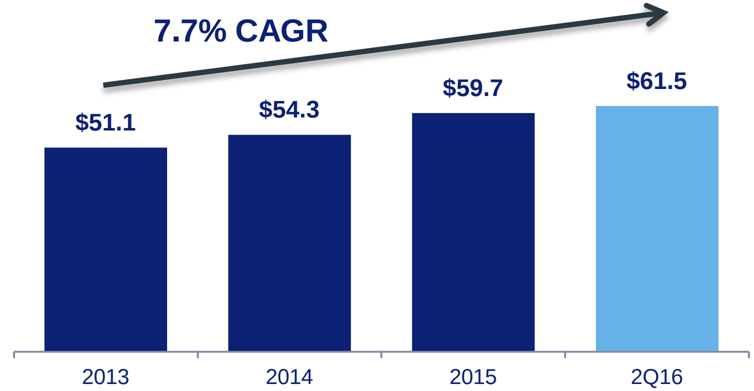
AuA = Assets under Administration; AuM = Assets under Management
Full year 2015, taxable-equivalent basis; Business line revenue percentages exclude Treasury and Corporate Support, see Financial Management presentation, slide 27

Historical Financial Highlights

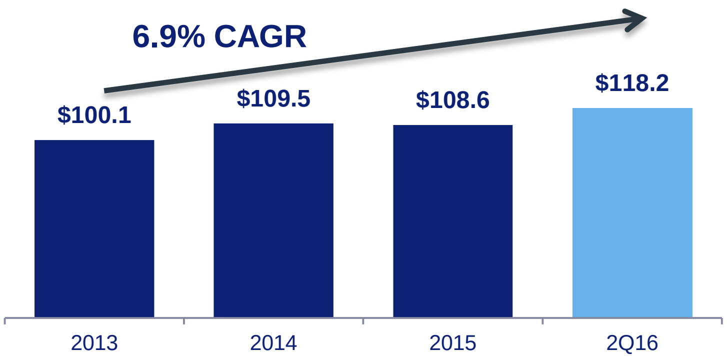
Average Loans ($bn)



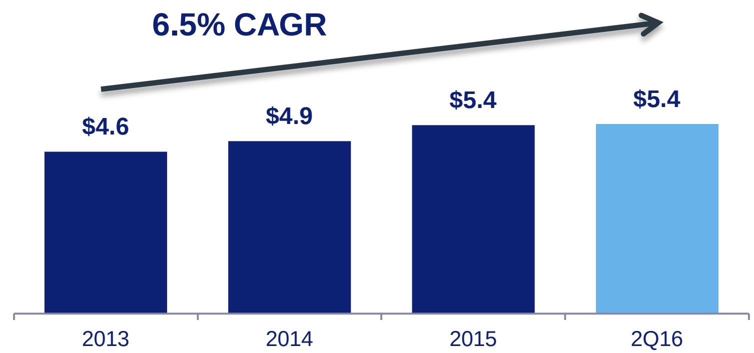
Average Deposits ($bn)



Total Assets under Management ($bn)

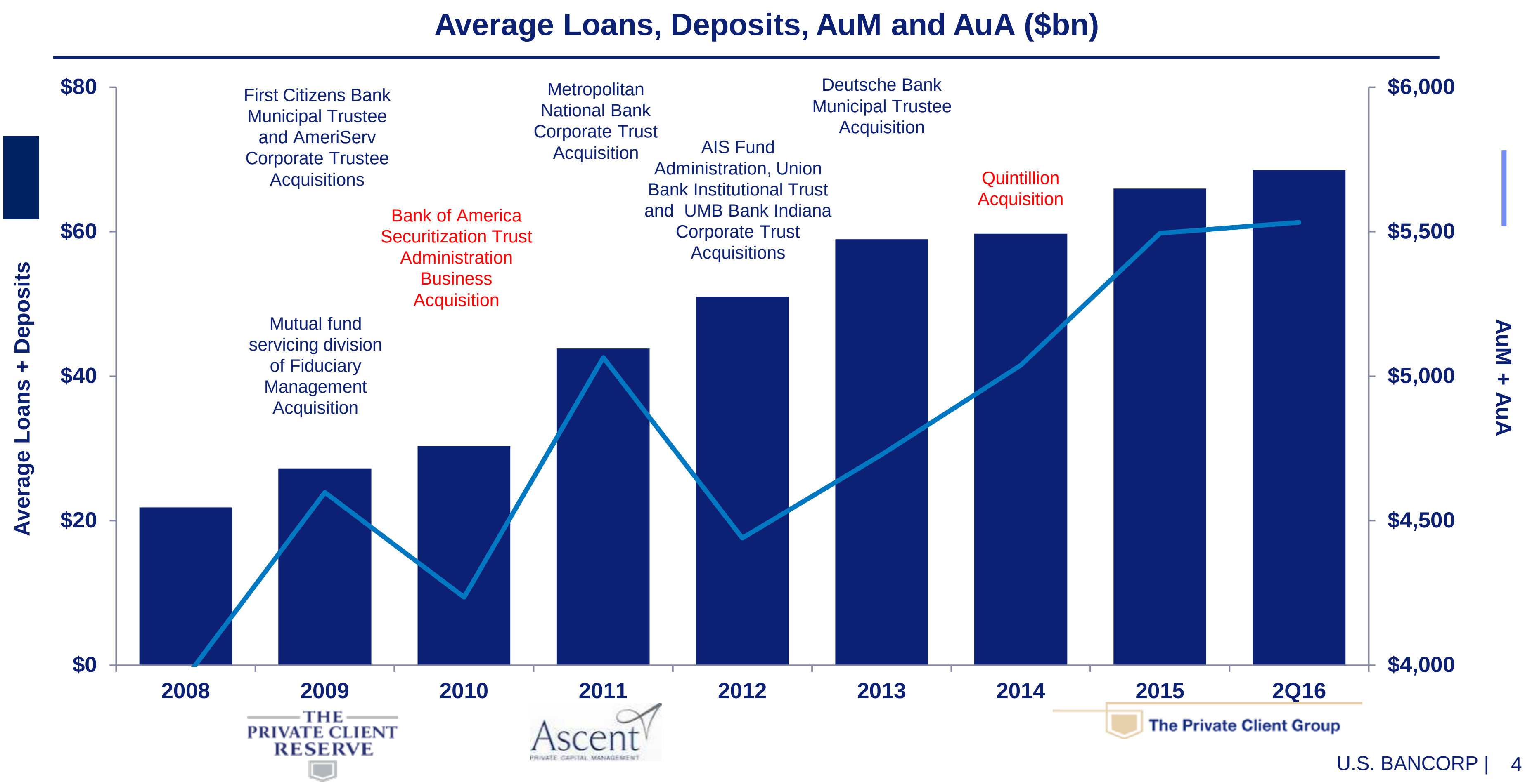


Total Assets under Administration ($tn)



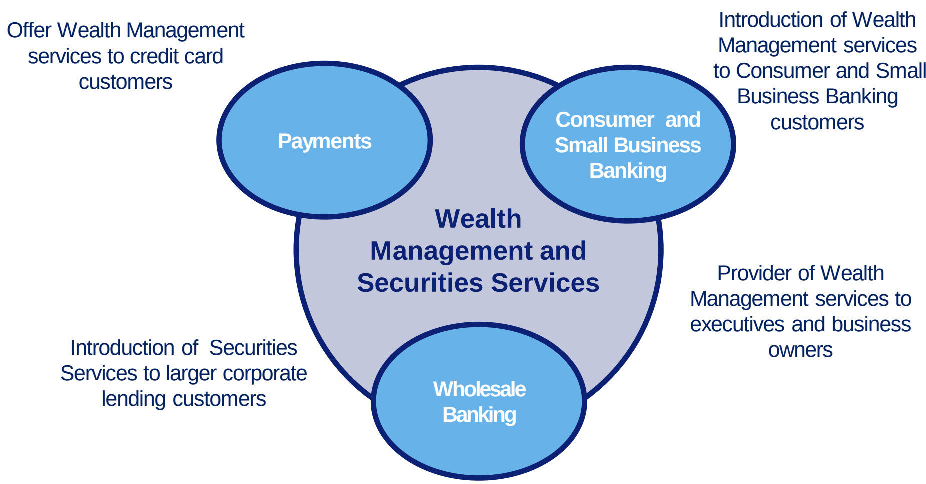
Track Record of Growth

We have experienced strong growth since the financial crisis, driven by organic growth, market segmentation and acquisitions



Competitive Advantages

An Integrated Component of our Business



Competitive Advantages

- Scale and product breadth
- Trusted brand
- Talent management and investment
- Client experience and segmentation
- Partnership opportunities
- European presence

Scale/recognition	2013 Share	2016 Share
• #1 U.S. Municipal Trustee	31%	31%
• #2 U.S. Corporate Trustee	29%	26%
• #1 U.S. Structured Trustee	27%	32%
• #3 Third Party Mutual Fund Servicer	27%	26%

Wealth Management customer loyalty is at record levels – up each of the last three years.

Bloomberg
Top 5 fastest-growing family offices

PAM AWARDS 2016 Recognized four years in a row

FAMILY WEALTH REPORT NEW YORK AWARDS 2016

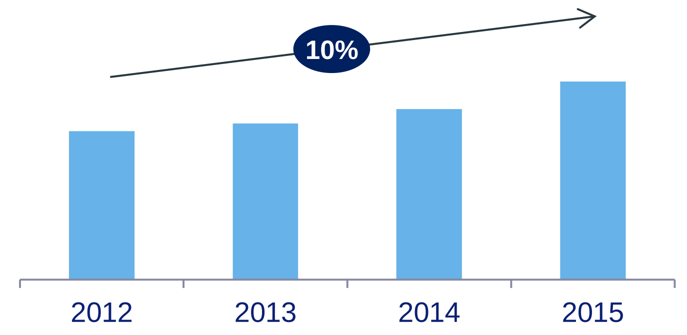
Wealth Management

Invested in a Growing Business

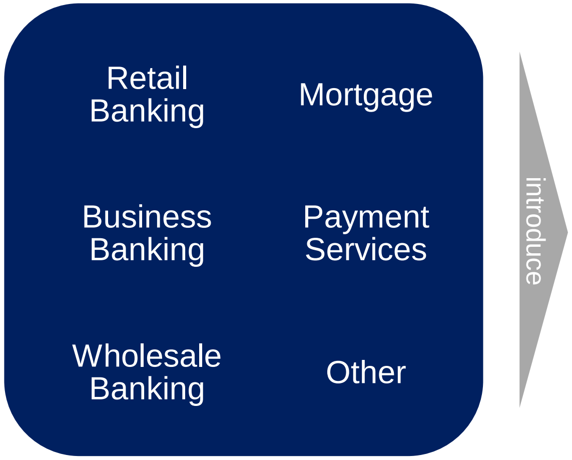
CAGR (2012-2015)

Net Interest Income	6%
Noninterest Income	7%
Income per FTE	6%
Pretax income	15%

Investment in technology (CAGR)



U.S. Bank households
(8MM+)



Wealth Management segments

Expectations Change with the Environment

Changing environment

- Aging and diverse population
- Massive wealth distribution
- More competition for talent
- Immediacy of information

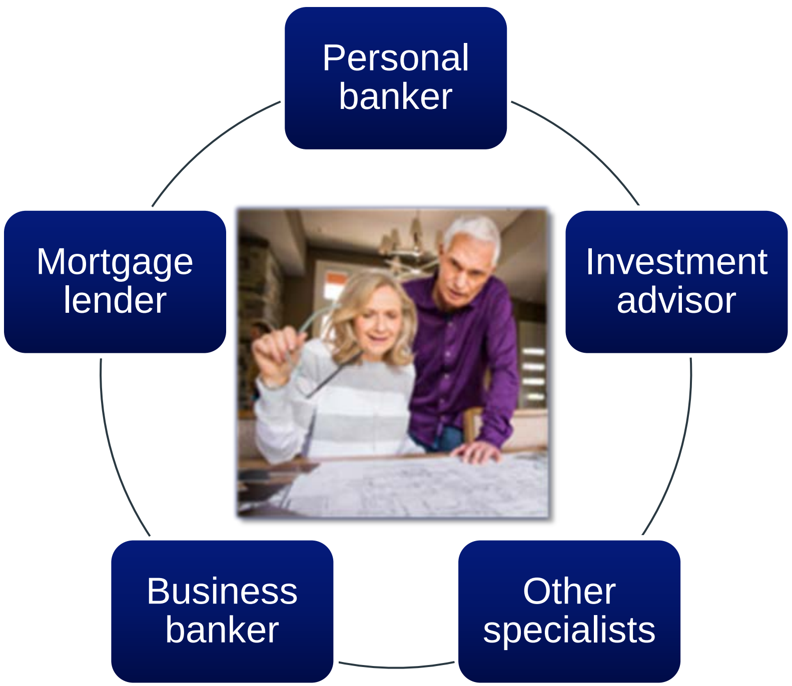
Client expectations and values

- Distinctive experience
- Holistic goals-based advice
- Technology enabled customized solutions
- Simple access anytime and anywhere

Segmentation ● Auto-Investing ● Technology

Bringing the Whole Bank to Affluent Customers

A team-based approach



Defining characteristics

- Goals-based planning to meet financial objectives
- Comprehensive, unbiased advisory capabilities
- Collaborative relationship with client
- Joint books of business and branch coverage
- Linked goals and compensation

Extending Auto-Investing to Reach Clients

FinTech	U.S. Bank Wealth Management	Established institutions
Low cost	Fully integrated access to Wealth Management services	***Trusted brand***
Online advice	Partnering with client-facing technology platforms	***Reputable and strong***
Social community	Best-thinking content	***Good customer service***
Algorithm-based investment advice	Goals-based planning services	***Customized client experience***
	Protocols to introduce digital clients to advisors where appropriate	

Most Trusted Choice Wins

Well Positioned for Regulatory Changes

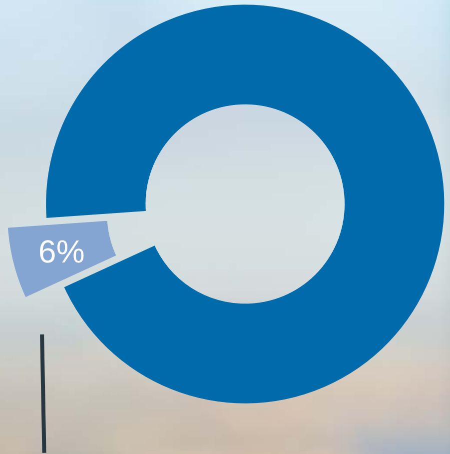
Short-term plan

- Regulatory compliance
- Client segmentation
- Product rationalization
- Service standards

Long-term benefits

- Enhanced and defined client experience
- More scalable platform
- Improved cost of delivery

Wealth Management Revenue



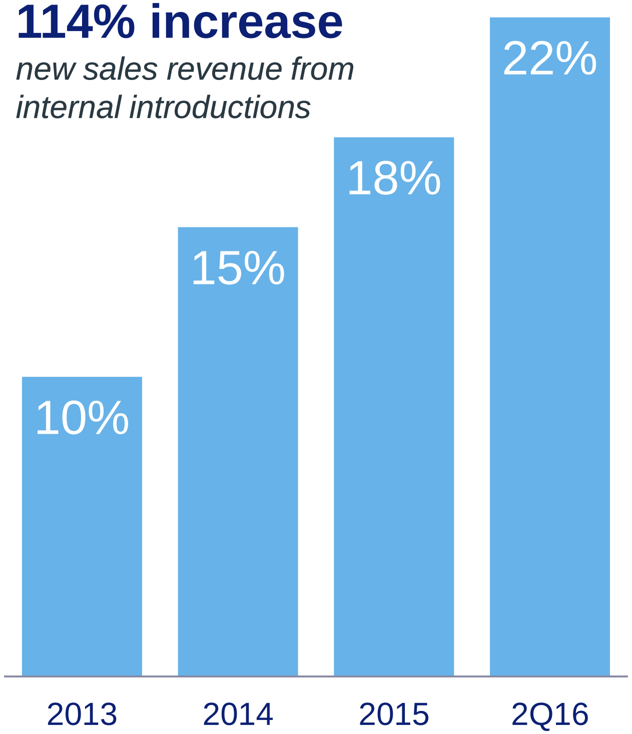
Directly impacted by Department of Labor fiduciary regulations

Growing Introductions through Data Analytics

Contribution from Internal Introductions

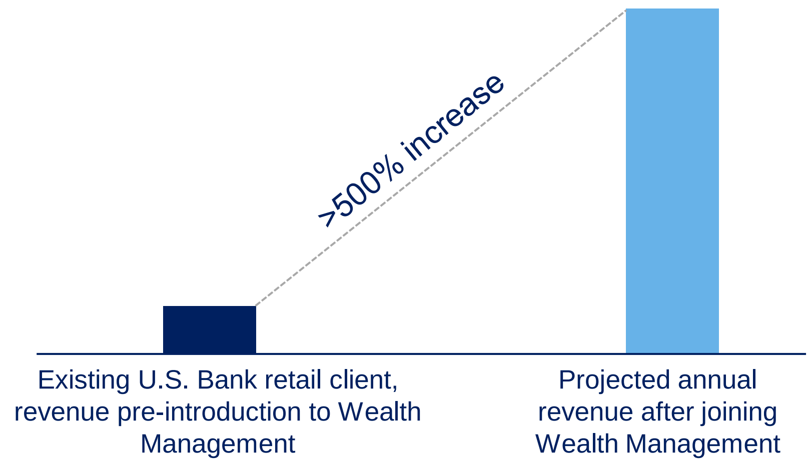
114% increase

new sales revenue from internal introductions

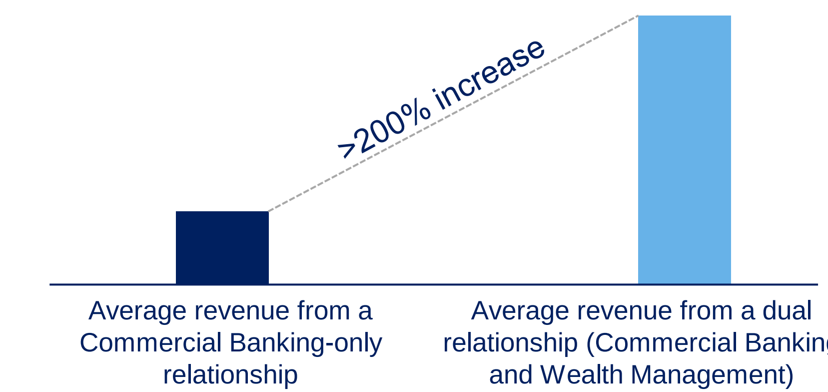


Leveraging Big Data analytics and data aggregation

Consumer Banking



Commercial Banking



Figures reflect Ascent / Private Client Reserve

Securities Services

What We Do

Corporations
Municipalities
SPVs

Global Corporate Trust Services
Trustee
Administration
Agency

Bondholders
Deal parties

Mutual funds
Alternative investment funds

Fund Services
Administration
Compliance
Accounting
Investor services
Custody
Distribution
Treasury management

Fund management
Fund investors

RIAs
Corporations
Foundations/nonprofits

Institutional Trust and Custody
Trust
Custody
Asset management portfolio solutions
Securities lending
Benefit payment services

Institution management
Beneficiaries

Investments position us for continued growth

Investments in technology, people and processes have positioned us for growth

- Operational scale
- Client-centric service
- Technology enhancements
- Geographic expansion
- Established position
- Acquisitions

Global Corporate Trust is building on strengths

Investments

Results

- Built operational scale and barriers to entry
- Attracted best talent
- Delivered differentiated experience

Acquisitions

Results

- 21 acquisitions in 23 years
- Established European presence

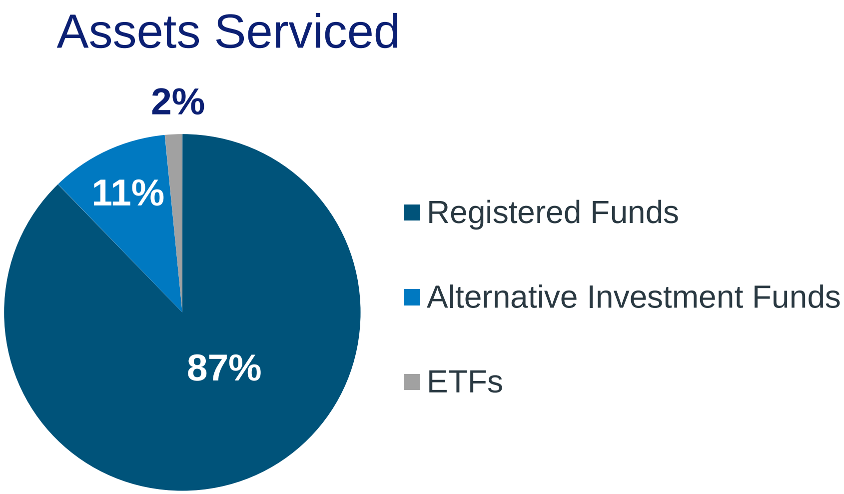
Commitment

Results

- Capitalized on disruption
- Leveraged economic recovery

Fund Services continues to grow

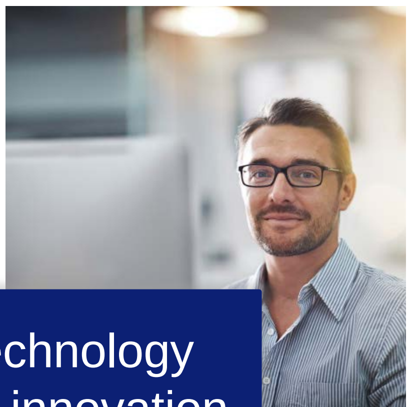
- Product expansion
- Acquisitions
- Industry expertise
- Technology enhancements
- U.S. and European presence



Market trend	Our position
Operations outsourcing to address regulatory changes, scale requirements, technology and service expertise	Comprehensive services, scale, technology and expertise to meet investment manager needs
Demand for combined registered and unregistered capabilities	‘40 Act and Alternative Investment administration services to meet demand
Global investment managers require global administration	Extension of U.S. and European capabilities
Increased investor demand for alternative investment funds	Expansion of Alternative Investment capabilities/client base
Fragmented market of administrators	Continued acquisition strategy

We are growing and expanding Securities Services

We're focused on investment, organic growth and global growth to drive the expansion of Securities Services



Technology and innovation

- Leverage scale
- Improve client experience (web)
- Expand digital and data
- Automate

Product expansion

- Extend existing products
- Develop and deliver new products
- Move forward with Federal government initiatives

European growth strategy

- Grow Global Corporate Trust Services
- Grow Fund Services

What Is Next?

Collaboration and operational scale support continued growth

Securities Services
Building on a position of strength

Technology and innovation

- Big Data analytics
- Web portal
- Auto-investing

Most Trusted Choice

Competitive advantage

Market share growth

Expansion and growth

- Affluent segment
- Product expansion
- Securities Services European growth strategy

Wealth Management
Delivering an exceptional client experience