

U.S. Bancorp Investor Day

Corporate and Commercial Banking

Leslie Godridge & Jim Kelligrew

Vice Chairs and Co-Heads, Corporate and Commercial Banking

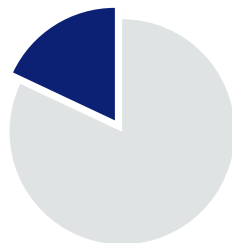
September 12, 2019



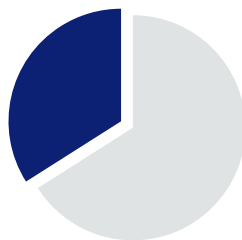
Corporate and Commercial Banking

Contribution to USB:

18% of USB's total net revenue



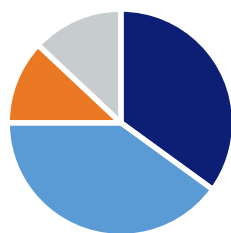
34% of USB's total average loans



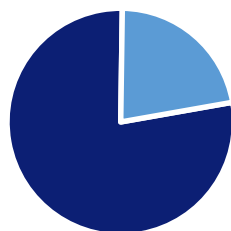
32% of USB's total average deposits



Corporate and Commercial Banking total net revenue breakdown:



Net interest income from loans – 35%
 Net interest income from deposits – 40%
 Treasury Management – 12%
 Fixed Income & Capital Markets – 13%



78% NII
 22% fee income

1H19 highlights:

\$ in millions	1H19	change vs. 1H18
Net interest income	\$1,444	(0.3) %
Noninterest income	454	5.6
Net revenue	1,898	1.1
Noninterest expense	820	2.1
Net Income	818	1.7

	1H19	change vs. 1H18
Net interest margin	2.91 %	(11 bps)
Efficiency ratio *	43.2	40 bps
Return on average assets	1.56	(2 bps)

\$ in millions	1H19	change vs. 1H18
Fixed income & capital markets	\$268	8.5 %

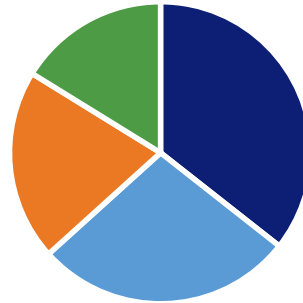
Full-year 2018 data unless otherwise noted; net interest income ("NII") and net interest margin on a taxable-equivalent basis

Total net revenue, average loan and average deposit percentages exclude Treasury and Corporate Support; see slide 4 in Agenda, Forward-looking Statements and Non-GAAP Financial Measures presentation for calculations

* Non-GAAP, see slide 8 in Agenda, Forward-looking Statements and Non-GAAP Financial Measures presentation for calculation

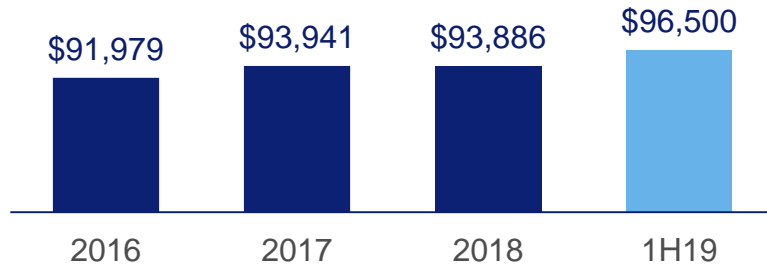
Financial Highlights

Average Loans by Segment
2Q19

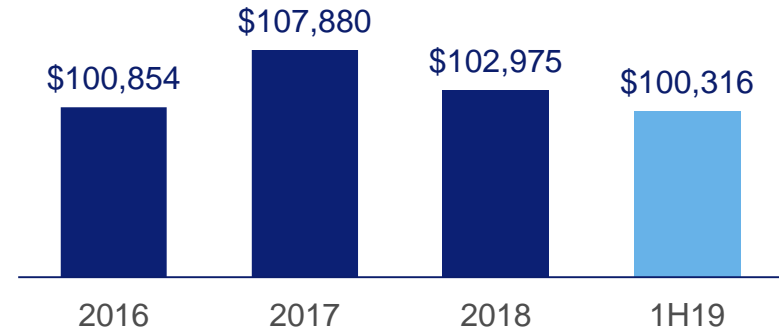


Large Corporate – **36%**
 Commercial Real Estate – **28%**
 Specialized Finance – **20%**
 Middle Market – **16%**

Average Loans
2016-2018 CAGR: 1.0%



Average Deposits
2016-2018 CAGR: 1.0%



\$ in millions

Our Competitive Advantages

Highest debt ratings ----- **counterparty of choice**

Best-in-class risk discipline ----- **safety and dependability**

Differentiated payments and trust solutions,
with a One U.S. Bank approach to creating value ----- **holistic set of products and solutions**

Culture of innovation underpinning B2B opportunities ----- **value-add and digitally-enabled solutions**



Our Strategy and Key Initiatives



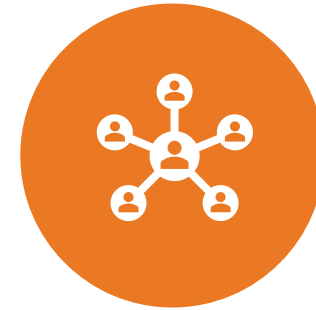
Expanding Reach

We are selectively entering new markets, expanding our presence in current markets and enhancing our product offerings.



Deepening Relationships

We are growing our lead relationships in our lending and capital markets businesses and providing a holistic offering to our clients by leveraging One U.S. Bank.



Digitization of Business Payments

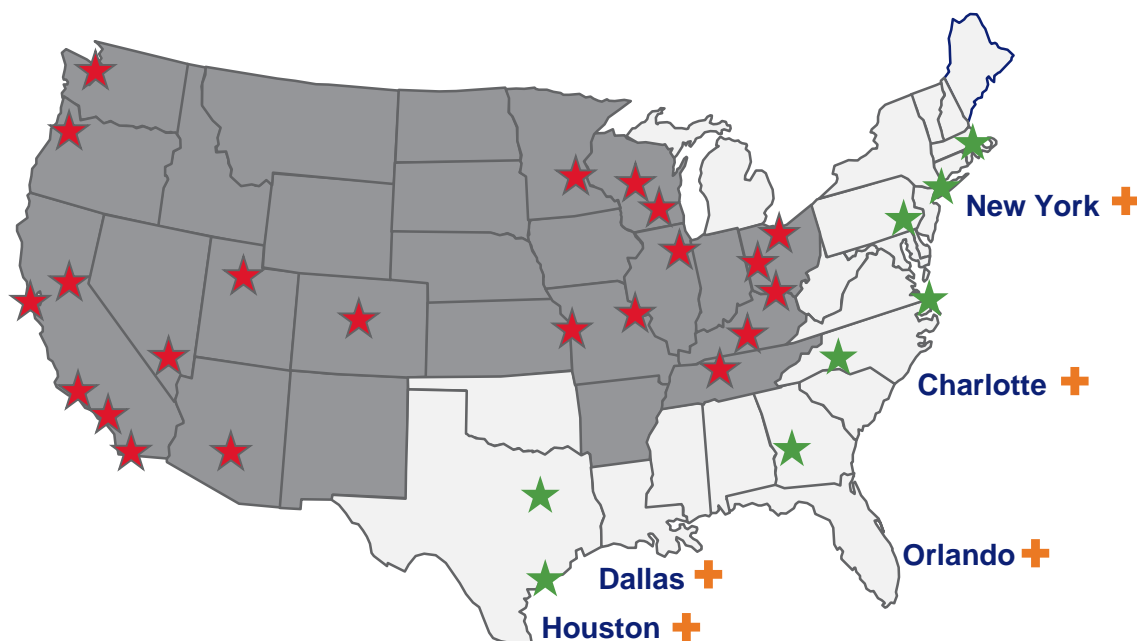
We are investing in our payments and digital capabilities to help our clients simplify, optimize and grow their businesses.



Expanding Our Reach

We are **extending our distribution**.

- Selectively expanding our middle market presence
- Driving deeper penetration in the mid-corporate segment
- Expanding capital markets coverage in key industries



We are enhancing and deepening our product set with **new and complementary solutions** as well as **digital and tech-driven improvements** to our existing solutions.



Asset-backed
warehouse lending



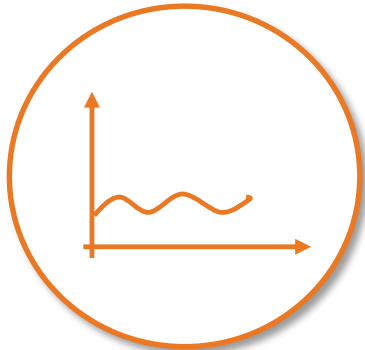
Modernized
treasury management platform



Targeted money movement solutions
with a focus on key industry verticals

Deepening Relationships: Uptiering Credit

Our competitive advantages, industry specialization and breadth of product offerings provide **up-tiering opportunities** throughout the cycle.



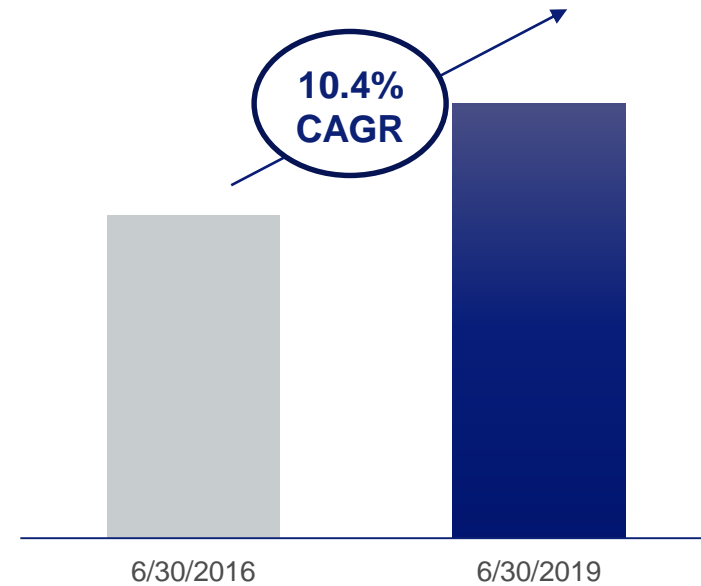
Our **best-in-class debt ratings and consistency** help us win lead roles as competitors pull back or have headline risk.



Our **expertise in key industry verticals** enables us to successfully uptier credit relationships while prudently managing risk.



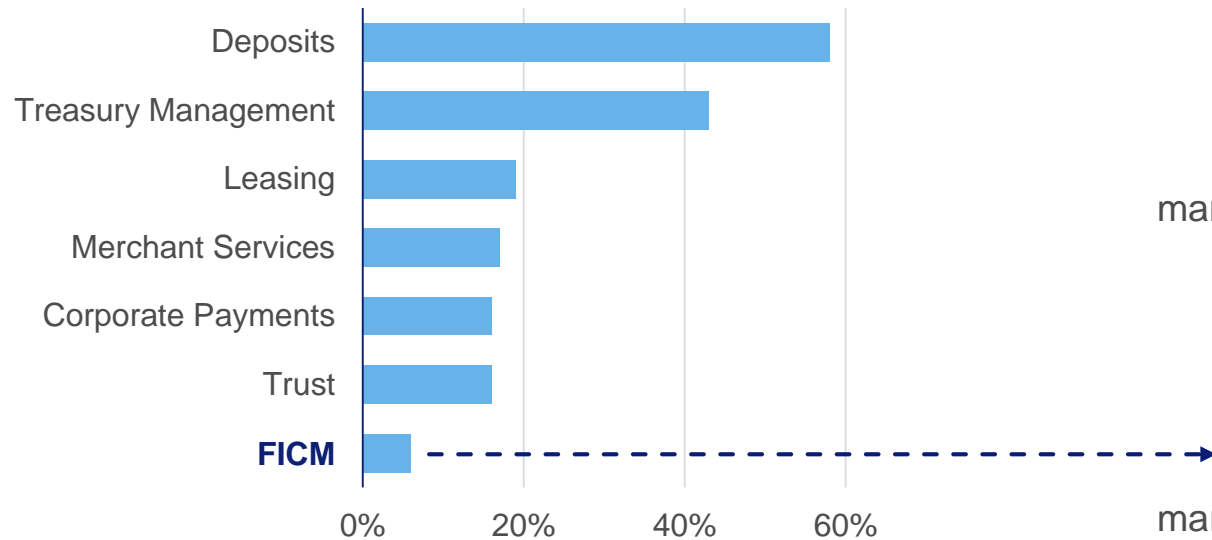
Solid growth in our **lead loan relationships**



Deepening Relationships With Our Broad Product Set

Our credit relationships provide an important gateway to **deeper product penetration** as well as **customer relationships that extend across business lines**.

Non-credit product penetration



Domestic investment grade bond rankings

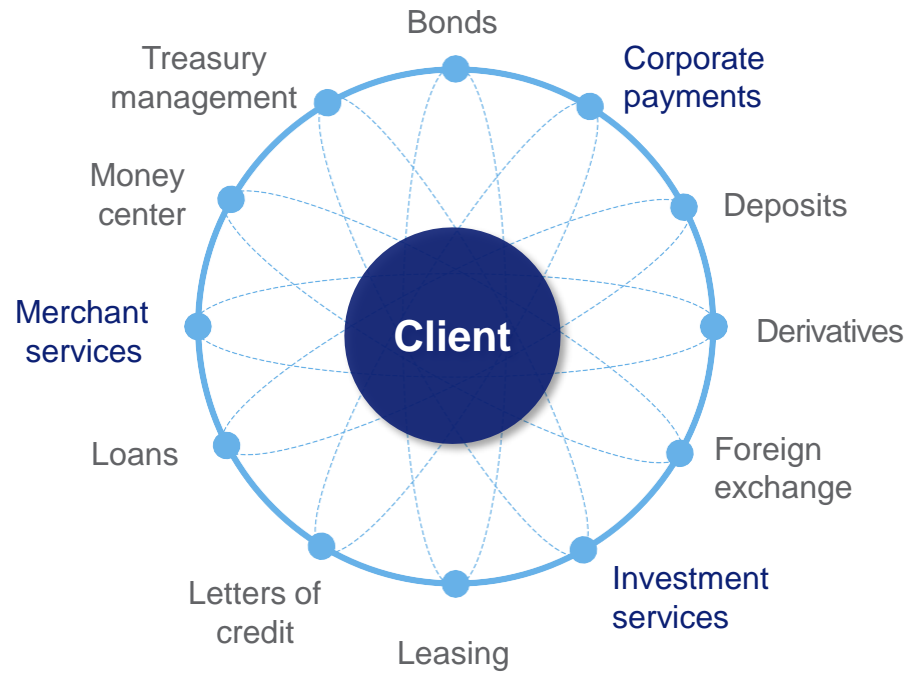
Lead & Co-managed Business		
	1H2016	1H2019
rank	#6	#5
market share	33.5%	42.0%

Lead Managed Business		
	1H2016	1H2019
rank	#11	#9
market share	13.3%	20.4%

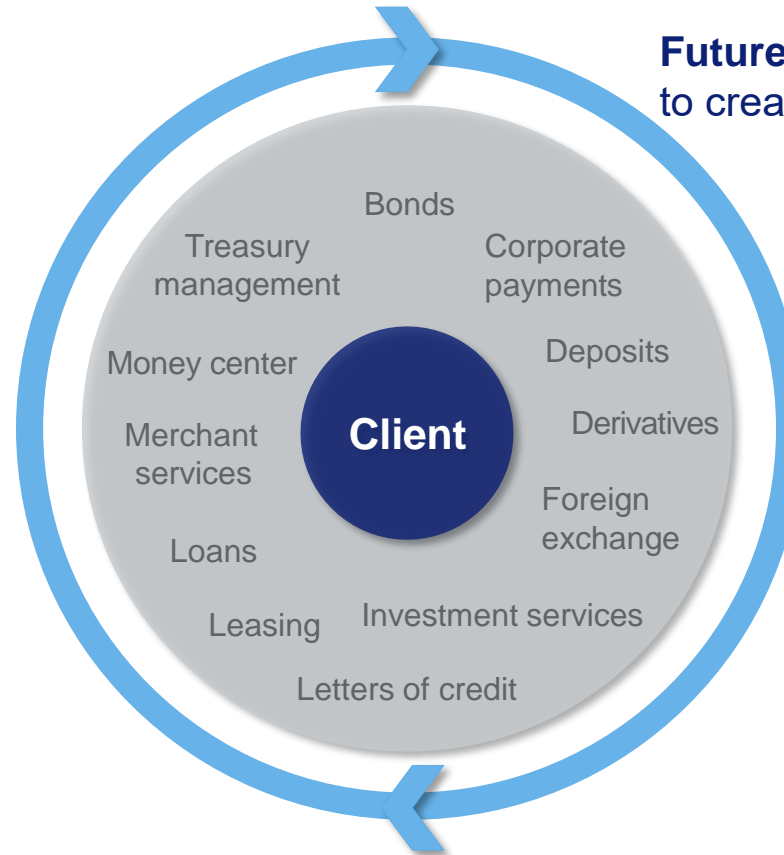
Leveraging the Strength of One U.S. Bank

We are **partnering across U.S. Bank** to integrate our holistic array of products and solutions.

Present-state: full set of point solutions



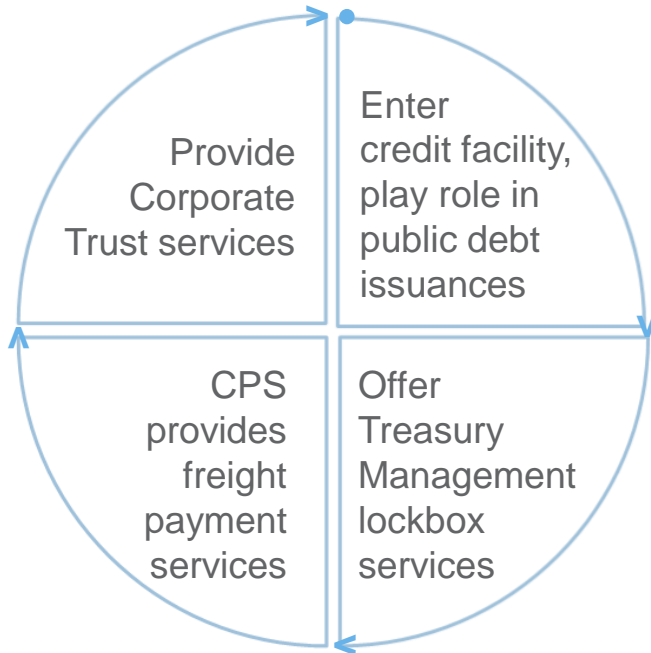
Future-state: integration of solutions to create client experiences that are...



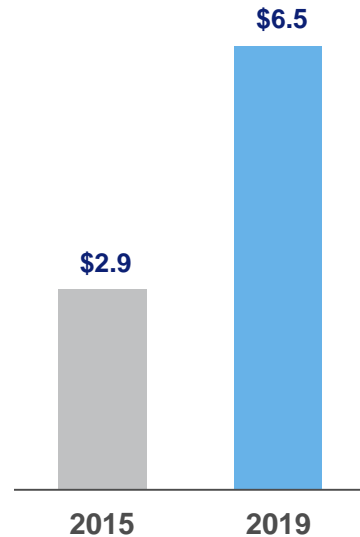
- seamless**
- autonomous**
- real-time**
- optimized**

Deepening Relationships as One U.S. Bank

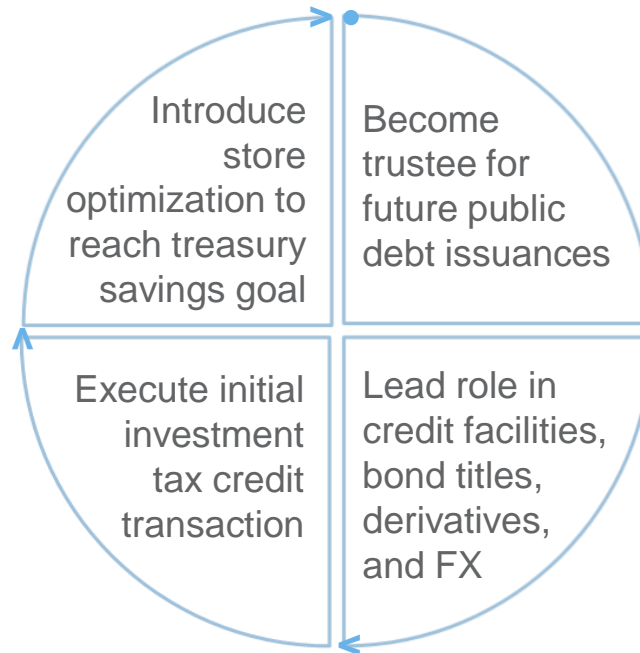
Client 1: auto manufacturer



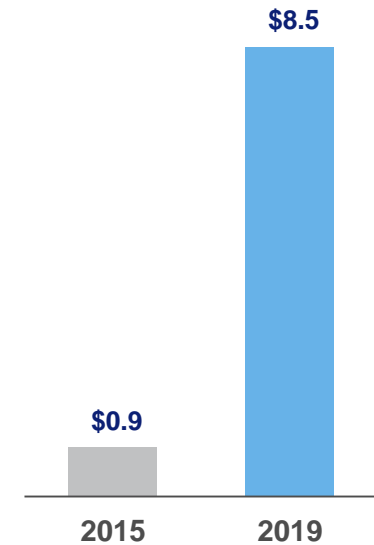
2x
revenue growth



Client 2: consumer beverage



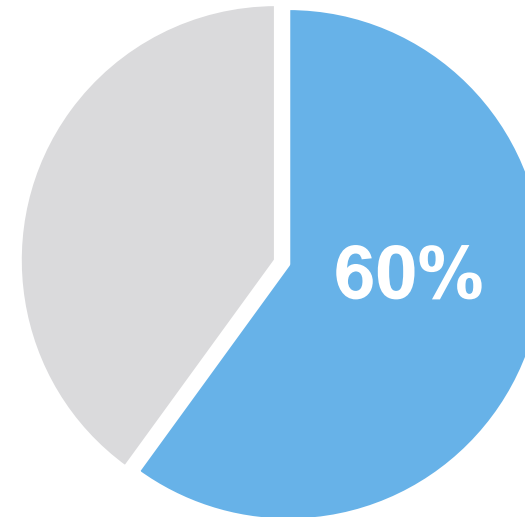
9x
revenue growth



Digitization of Business Payments: the B2B Opportunity



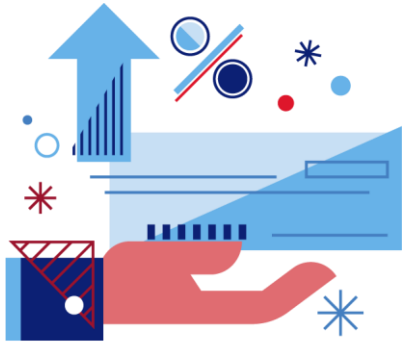
estimated size of
U.S. B2B market



paper-based B2B payments
in North America

Pivoting Toward the Future: Digitization of Business Payments

As the pace of digital adoption accelerates, we see tremendous opportunity to **add value for our customers throughout the working capital lifecycle.**



our clients' priorities

simplify operations
manage risk

optimize cash flow
utilize data to support decision-making



where we're investing

real-time payment solutions
simplified connectivity and onboarding

digital user interaction
data-driven insights



In Summary...

We are:

- Leveraging our competitive advantages
- Building on the success of past investments
- Expanding our reach through increased distribution and enhanced product capabilities
- Investing in the digitization of business payments

We expect to:

- Deepen client relationships
- Continue to gain share via opportunities in lending and capital markets
- Capture market share in the emerging business payments space as the shift toward digital accelerates

