



Wholesale Banking and Commercial Real Estate

Joe Hoesley, *Vice Chairman*

Dick Payne, *Vice Chairman*

All of **us** serving you®

September 12, 2013



Forward-looking Statements and Additional Information



The following information appears in accordance with the Private Securities Litigation Reform Act of 1995:

This presentation contains forward-looking statements about U.S. Bancorp. 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 the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Continued stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional credit losses and deterioration in asset values. In addition, U.S. Bancorp's business and financial performance is likely to be negatively impacted by recently enacted and future legislation and regulation. U.S. Bancorp's results could also be adversely affected by deterioration in general business and economic conditions; changes in interest rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in its investment securities portfolio; legal and regulatory developments; increased competition from both banks and non-banks; changes in customer behavior and preferences; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, residual value risk, market risk, operational risk, interest rate risk and liquidity risk.

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, 2012, 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. However, factors other than these could also adversely affect U.S. Bancorp's results, and you should not consider these factors to be a complete set of all potential risks. 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.

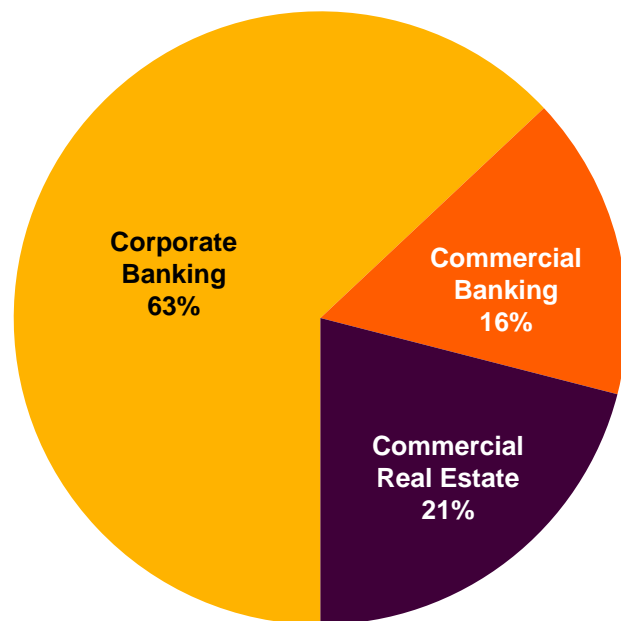
This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The reconciliations of those measures to GAAP measures are provided within or in the appendix of the presentation. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.



Wholesale Banking and Commercial Real Estate Profile



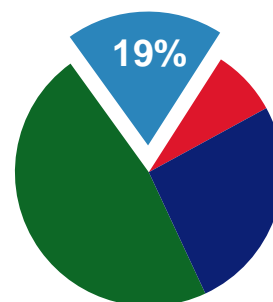
Revenue Mix



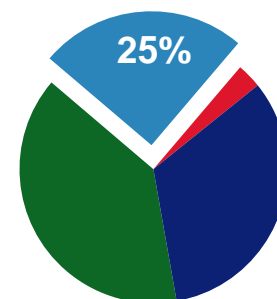
% of Revenue



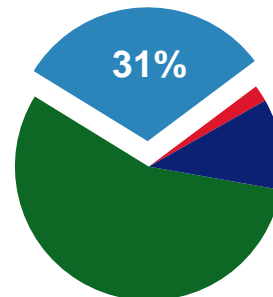
Contribution to U.S. Bancorp



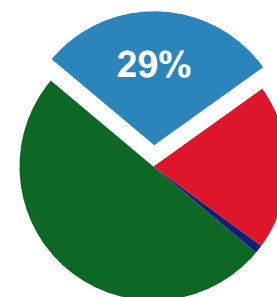
Revenue



Pre-provision Income



Loans



Deposits



Full year 2012, excluding Treasury and Corporate Support



Financial Performance



Performance Highlights (2010 - 2012 CAGR)

- Loan commitments growth of 19.1% and average loan growth of 9.4%
- Average deposit growth of 12.2%
- Total net revenue growth of 3.0%
- Noninterest expense growth of 2.1%

Key Drivers

- Expanded distribution, new customer relationships and “flight-to-quality”
- Expanded distribution, new customer relationships, Building Deeper Relationships initiatives and “flight-to-quality”
- Balance sheet growth, product expansion, Building Deeper Relationships initiatives, partially offset by lower margin benefit from deposits
- Disciplined cost control



Competitive Advantages



Wholesale Banking and Commercial Real Estate

USB Relative Position

Versus Larger Competitors

Versus Smaller Competitors

Balance Sheet Strength



Debt Ratings



Cost of Funds



Regulatory Capital Requirements



Middle Market Franchise



Breadth and Depth of Capabilities



Customer Experience



Advantaged



Competitive



Disadvantaged



Market Position



Business Category	Market Rank	Market Share	
		1Q07	2Q13
Balance Sheet	#4 Commercial Real Estate Bank Lender	1.6%	2.5%
	#5 Commitments	3.7%	5.1%
	#5 C&I Bank Lender	3.2%	3.7%
<hr/>			
Debt Capital Markets		2007	2012
	#5 Investment Grade Loan Bookrunner	0.3%	2.3%
	#6 Middle Market Loan Bookrunner	1.2%	7.0%
	#6 Commercial Real Estate Loan Bookrunner	2.2%	4.3%
	#8 Investment Grade Bond Bookrunner	NA	2.4%
	#12 Real Estate Investment Trust Bond Bookrunner	NA	1.8%



Source: SNL, Securities Data Corp and Thompson Reuters
Presented as deal count rank and domestic share, based on principal amount



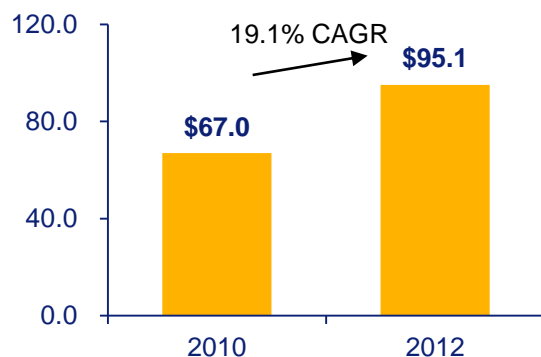
Growth Accelerators



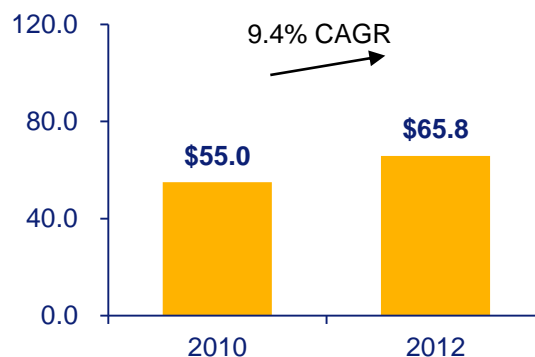
Growth Accelerators

- Positioning for an improving economy
- Delivering on Client Advocacy
- Client growth in other U.S. Bank lines of business
- Leveraging “flight-to-quality”

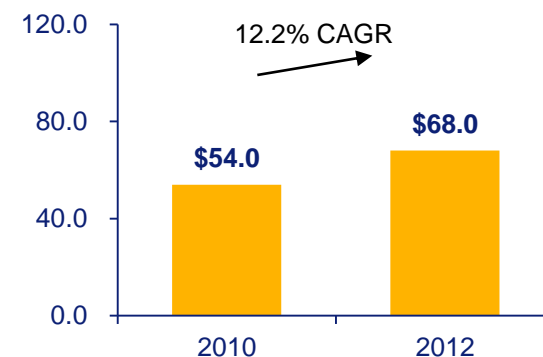
Average Commitments



Average Loans



Average Deposits



2010 Business Unit Growth Strategies



Strategy	Accomplishments	Status
▪ Expanding distribution	<ul style="list-style-type: none">• Expanded into high potential markets• Enhanced RM market coverage teams• More than 450 new Wholesale relationships*	Continuing
▪ Expanding low-risk capital markets activities	<ul style="list-style-type: none">• Entered municipal bond and private placements business• Invested in foreign exchange and derivatives	Continuing
▪ Building Deeper Relationships	<ul style="list-style-type: none">• Conducted ~19,000 relationship reviews since 2010• ~\$435MM of incremental revenue in 2012	Continuing
▪ Customer experience	<ul style="list-style-type: none">• Increased client satisfaction scores as measured by Greenwich	Continuing



* New Wholesale relationships with annual revenue > \$50,000

Extending the Advantage



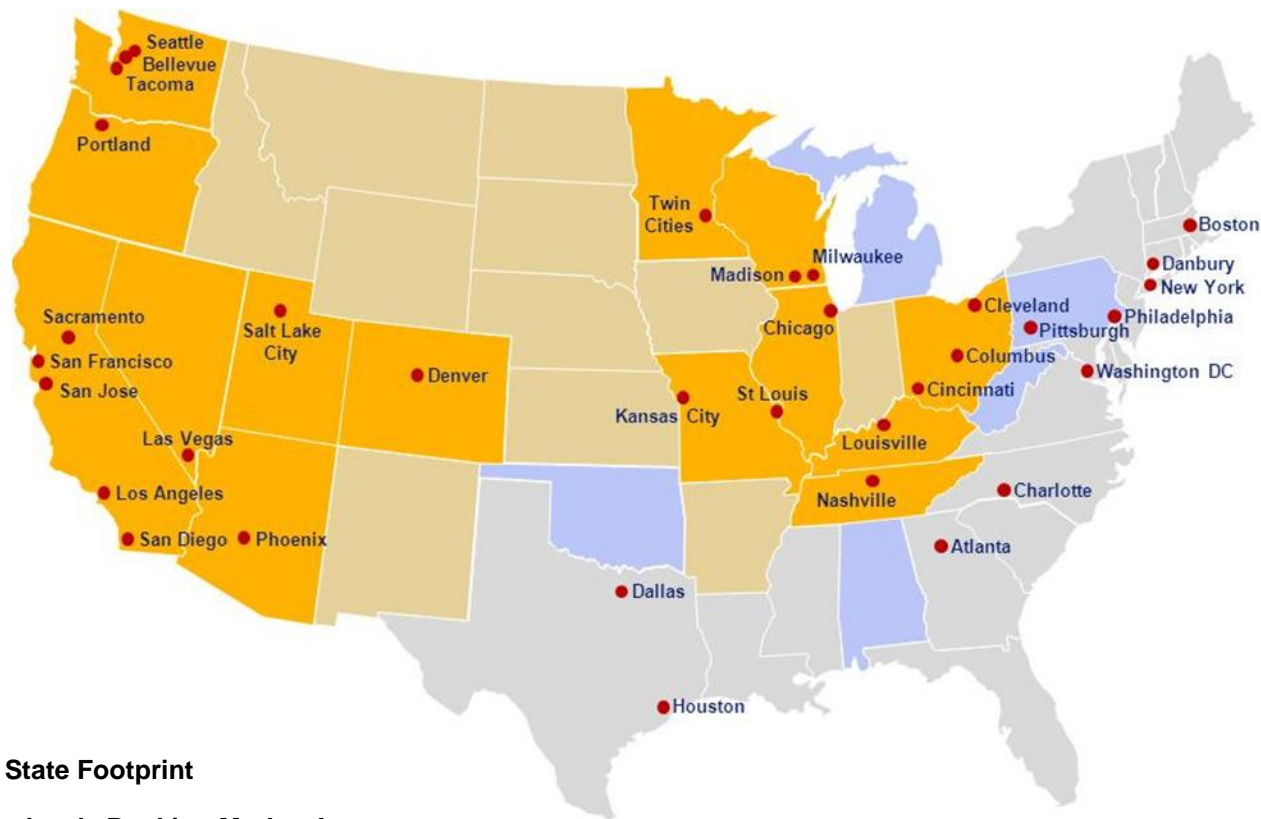
- Optimizing distribution
- Building Deeper Relationships - Fortune 1000
- Optimizing low-risk capital markets product set
- Client Advocacy



Optimizing Distribution

EXTENDING
THE ADVANTAGE

- Geographic expansion
- Expanded client segmentation
- Enhanced Relationship Manager and Product Partner coverage models



Building Deeper Relationships - Fortune 1000



Competitive Advantages and Investments Have Significantly Improved Ability to Build Deeper Relationships with Fortune 1000

Competitive Advantages

- Debt Ratings
- Cost of Funds
- Regulatory Capital Requirements

Investments

- Expanded Distribution
- Low-risk Capital Markets
- Talent

	<u>2010</u>	<u>2012*</u>	<u>% Change</u>
Fortune 1000 Clients	797	867	8.8%
Fortune 1000 Annualized Revenue	~\$612MM	~\$855MM	39.7%
Fortune 1000 Commitments	\$29.1B	\$51.3B	76.3%



* Fortune list published in 2013

Optimizing Low-risk Capital Markets Product Set

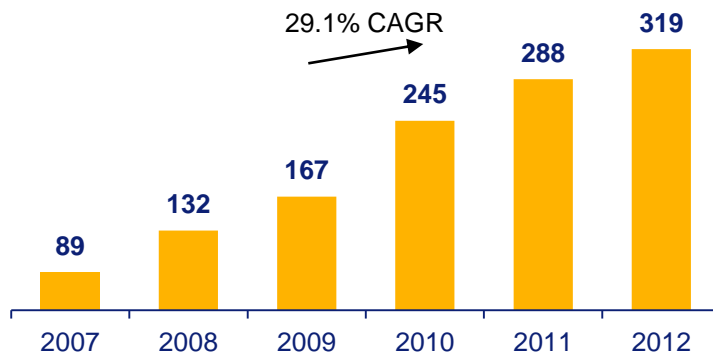
EXTENDING
THE ADVANTAGE

2007 - 2013

- High Grade Bond business
- Private Placements
- Loan Sales & Trading

Capital Markets Revenue*

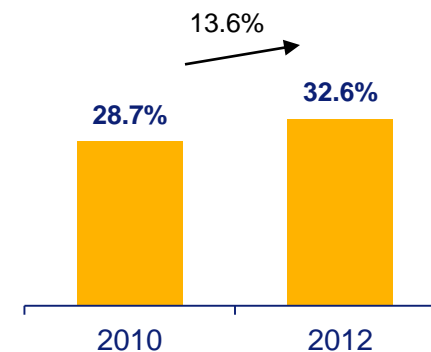
\$ in millions



2014 and Beyond

- Municipal Securities investment
- Derivative investment
- Foreign Exchange investment

Capital Markets Penetration**



* Total U.S. Bancorp, included in Commercial Products Revenue

** Capital Markets penetration analysis based on clients with annual revenue > \$50,000

usbancorp

Client Advocacy



- All Wholesale Banking and Commercial Real Estate Team Leaders, Relationship Managers, Product Partners and Credit Partners have been through the three day Client Advocacy Program
- Objective is to focus on the success of the client by delivering the assets and capabilities of the entire Bank in a timely, transparent and simple manner
- Cultural change is taking root and results are evident, as Relationship Managers begin to apply the skills and tools that the Client Advocacy Program provides



Client Advocacy is a culture that requires **All of US** to individually and collectively focus on, champion for, and accelerate client success, building loyalty and driving mutual benefits for our clients at U.S. Bank.

Our goal is clear:
To earn the **First Call and Last Look** from our clients and achieve **Absolute Client Loyalty**.



Current Growth Drivers



Revenue Drivers

- Commitments
- Loan volume
- Deposit volume
- Treasury management sales
- Commercial product sales including capital markets and letter of credit

Business Unit Strategies

- **Optimizing distribution**
- **Optimizing low-risk capital markets product set**
- **Building Deeper Relationships**
- **Client Advocacy**

Environmental Factors

Opportunities

- Strong economic recovery
- Market share and “share of wallet” expansion

Challenges

- Slow economic recovery
- Pricing and structure more competitive
- Commercial real estate stabilizing, but not robust





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