











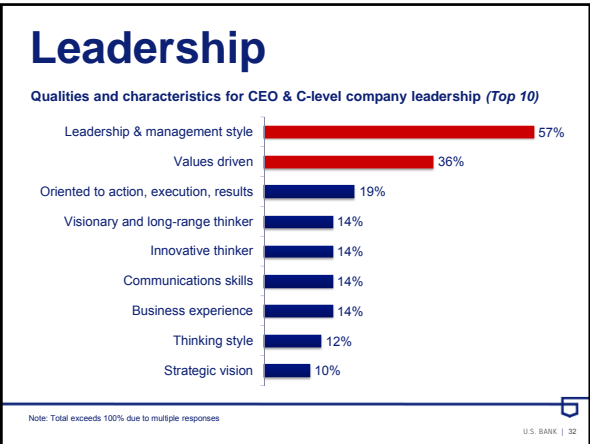
# Our Role as Leaders

**Inside Our Companies**

**Outside Our Companies**

**Inside Our Bank**

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# Leadership Traits

Life Long Learners

**VISIONARIES**

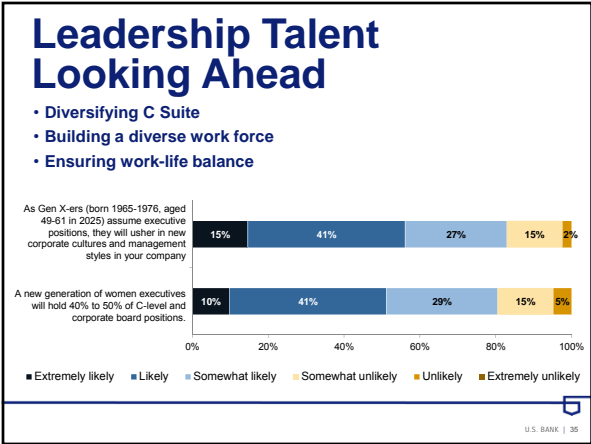
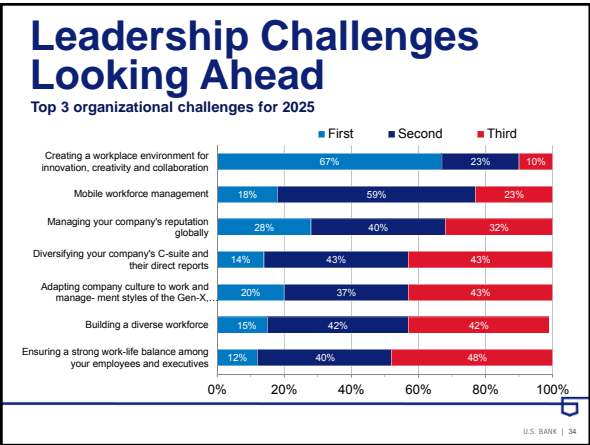
Empathy

Great Communicators

Strategic

**INTEGRITY**

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# Our Role as Leaders

**Inside Our Companies**

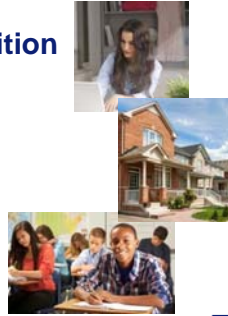
**Outside Our Companies**

**Inside Our Bank**

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## Representing Our Industry

- Setting Aside Competition to Drive Change
- Invest Politically
- Reputation Protection & Development



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## Advocating for Civic Initiatives

- The Itasca Project
- New Version of the “Club Table”
- Civic is Greater than the “City”



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## Giving Back to our Communities

- Growing Jobs and Communities
- Advocating for Volunteerism and Engagement
- Financial Support for Philanthropies



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## Our Role as Leaders

Inside Our Companies  
 Outside Our Companies  
**Inside Our Bank**

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## Employee Engagement

- Future Vision
- Careers vs. Jobs
- Purpose



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## OUR PURPOSE, OUR VALUES

We invest our **hearts** and minds to power human **potential**.

- We do the right thing.
- We power potential.
- We stay a step ahead.
- We draw strength from diversity.
- We put people first.

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**Video**

THE TWO MOST IMPORTANT DAYS IN YOUR LIFE  
 ARE THE DAY YOU ARE BORN  
 AND THE DAY YOU FIND OUT WHY  
*- Mark Twain*



**Customer Expectations**

- Changing Behaviors
- Safety / Soundness
- Cascading Wealth
- Increasing Interest Rates

**Customer Preferences**

- **Federal Reserve Board of Governors 2016 survey:**
  - 87% of adults have a mobile phone
  - 77% of mobile phones are smartphones with internet capabilities
  - 53% of smartphone owners used one or more mobile banking offerings in 2015
  - 28% of smartphone users used mobile payment functions to:
    - Pay Bills
    - Make Internet Purchases
    - Complete In-store Purchases

**Customer Preferences**

**Evolution**

- **Product Innovation and Delivery Channels Across Business Lines**
- **Invested heavily in marketing, strategy, and data analytics to better understand how customers respond best to new offerings**
- **“Big Data” use is driving many innovations in product development and marketing strategies.**
- **Industry innovation has also increased competition from FinTech firms that are non-banks:**



## Risk Perspectives

- Changing Demands
- FinTech
- New Skill Sets
- Cyber Security

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## Risk Perspectives

- Banks' risk profiles impacted by product innovation and business line delivery channel evolution
- Increasing customer demands:
  - Next new product
  - Speed to market
  - Immediate access to funds and in money movement
  - Targeted product development and marketing
  - Knowing habits and anticipating wants
- FinTech firms introducing new and nimble competitors



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## Risk Perspectives

- FinTech firm competition has made banks better
- New skill sets and disciplines for banking practices:
  - Model Risks
  - Number of models rising dramatically
  - Model complexity is also increasing as models are required to "learn" customer behavior
  - Models are also used in risk management practices
- Increased dependence on models creates increased level of scrutiny
- Cyber Security risk spans across all risk management disciplines.

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## Board Education

- Credible Challenge
- Education and Training
- Strategic Planning
- Succession



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## Board Education

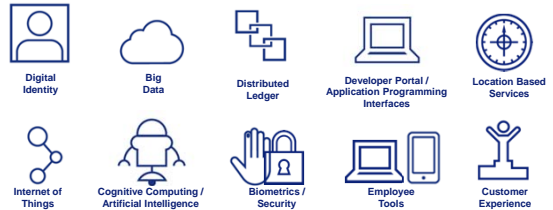
### FinTech – A World of Opportunity

- Not a threat, but a complement to the industry
- Helping to drive change in consumer behavior
- Consortiums in place to address industry needs (Zelle)
- Banks have the customers, deposits, security, and regulation
- Looking for opportunities to partner or buy, rather than build

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## Board Education

### Areas of Opportunity



Cybersecurity

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