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2012 U.S. Bank
Small Business Annual Survey

May 30, 2012



About the Survey

BACKGROUND

The third annual *U.S. Bank Small Business Survey* monitors the attitudes, perceptions and outlook of small business owners across our 25 state national footprint

APPROACH

The survey was conducted between March and April of 2012 among 3,220 small business owners with less than \$10 million in annual revenues

- Overall national sample represents 1,018 small business owners within our footprint.
- In addition, an over-sample of 2,202 small business owners were surveyed in 11 select markets: Arizona, Northern California, Southern California, Colorado, Illinois, Minnesota, Missouri, Ohio, Oregon, Washington and Wisconsin

Key Findings

ECONOMIC CONDITIONS

Outlook improves in light of continued caution, regional variances

BUSINESS CONDITIONS

Stable overall with larger businesses showing highest prospects for growth

BUSINESS CHALLENGES

Economic uncertainty still top challenge; fewer concerned by sales volatility

2012 ELECTION ISSUES

Healthcare the most important business issue on the ticket this year

WORK/LIFE BALANCE

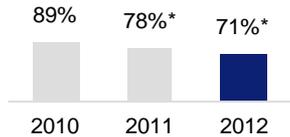
Owners of smaller businesses have the most balance and flexibility

BANKING RELATIONSHIP

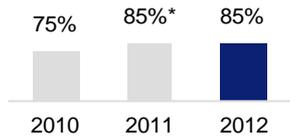
When it comes to banking not all small business needs are the same

Outlook improves in light of continued caution, regional variances

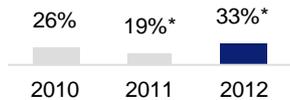
Fewer believe the U.S. economy is still in a recession:



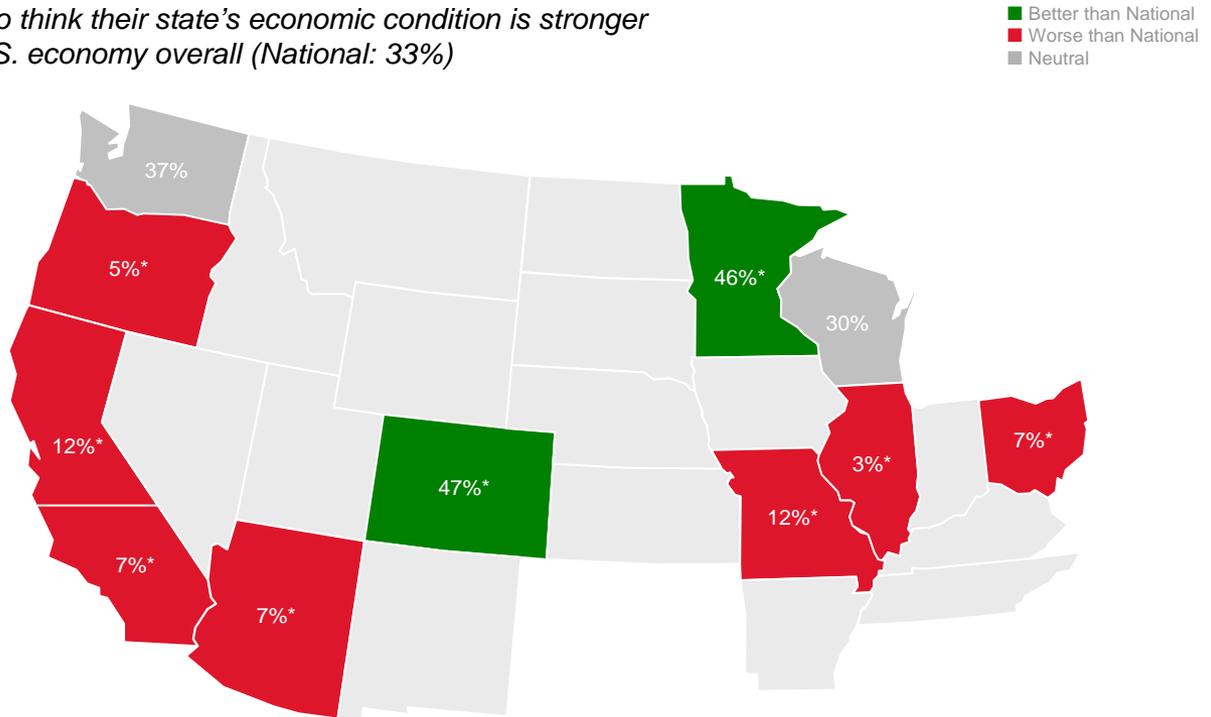
A similar amount think the U.S. economy will still be in a recession next year:



More feel their state's economic condition is stronger than the U.S. economy overall:



Percent who think their state's economic condition is stronger than the U.S. economy overall (National: 33%)



Female (78%) and rural (77%) owners are more likely to think we're currently in a recession

Owners under 45 years old (91%) are more likely to believe we'll still be in a recession next year

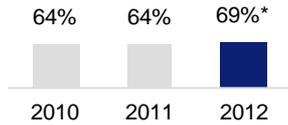
Rural owners (42%) and businesses with at least \$1 million in sales (39%) are more likely to say conditions in their local market are stronger than the U.S. economy overall

* Significant at 95% confidence level over prior year.

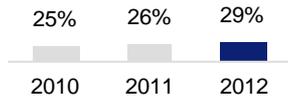
BUSINESS CONDITIONS

Stable overall with larger businesses showing highest prospects for growth

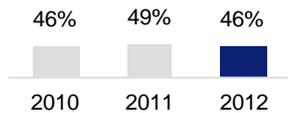
More describe the financial health of their business as good to excellent:



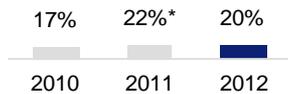
A similar amount report revenue higher this year over last year:



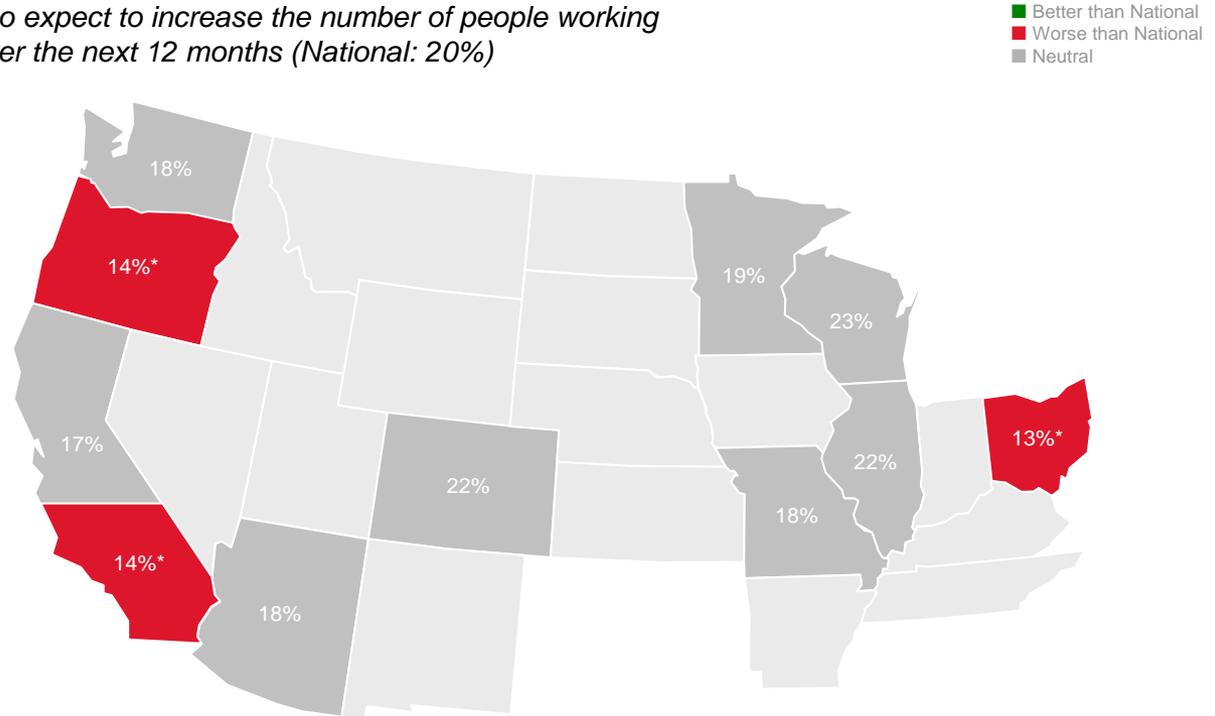
A similar amount expect revenue to be higher next year:



A similar amount plan to increase the number of people working for them over the next 12 months:



Percent who expect to increase the number of people working for them over the next 12 months (National: 20%)



Owners with at least \$1 million in annual sales are more likely to report revenue increases over last year (40%), expect revenue to grow next year (58%), and plan hiring increases over the next 12 months (34%)

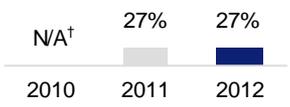
Similarly, owners with 5 or more employees are more likely to report revenue increases over last year (35%), expect revenue to grow next year (52%), and plan hiring increases over the next 12 months (32%)

* Significant at 95% confidence level over prior year.

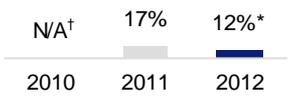
BUSINESS CHALLENGES

Economic uncertainty still top challenge; fewer concerned by sales volatility

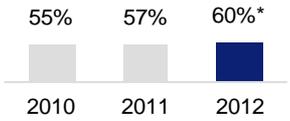
Economic uncertainty is the most significant challenge facing their business for the last 2 years:



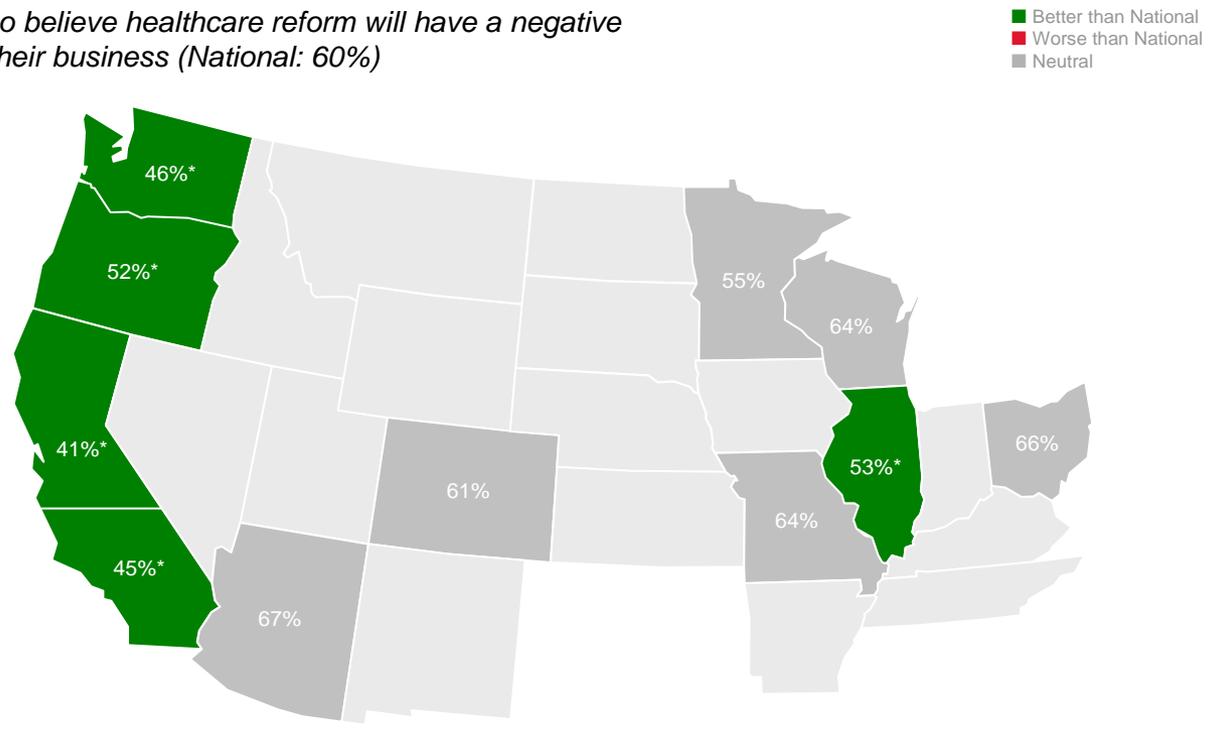
Poor sales, the second biggest challenge over the last 2 years, is less of a concern in 2012:



A growing number continue to think healthcare reform will negatively impact their business:



Percent who believe healthcare reform will have a negative impact on their business (National: 60%)



Owners in Financial Services and Agriculture/Farming industries and businesses with over \$1 million in revenue are more likely to cite government regulation; owners in Hospitality are more likely to say inflation

Owners who are male (64%), over 45 years old (63%), have at least \$1 million in sales (74%) or 5 or more employees (68%) are more likely to be against healthcare reform

Only 35% of owners with at least 2 employees or 55 years and older have an exit or succession plan in place

† 2010 data not available.
 * Significant at 95% confidence level over prior year with the exception of healthcare reform (significant over 2010).

Healthcare the most important business issue on the ticket this year

Business issues that will have the greatest impact on their 2012 presidential election vote†:

- 1 Healthcare/Medicare (61%)
- 2 Jobs/Unemployment (57%)
- 3 Taxes (47%)
- 4 Federal Deficit/Debt (47%)

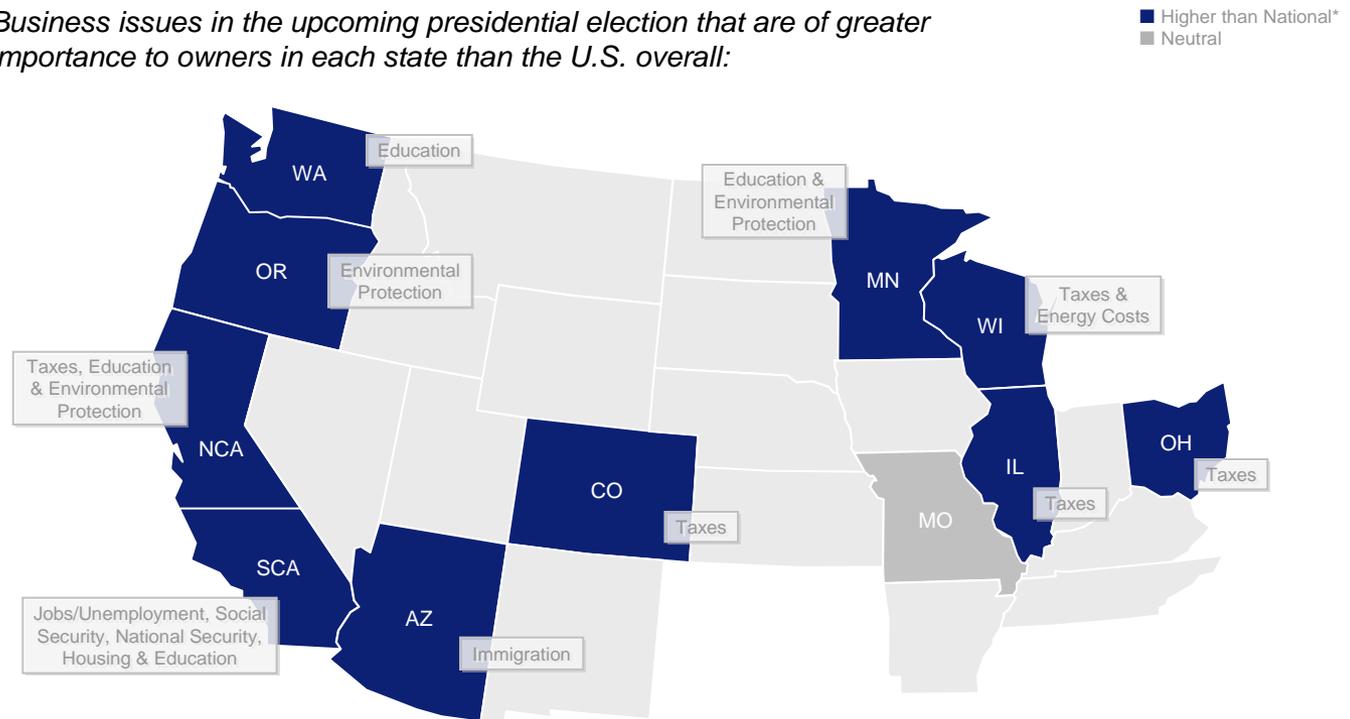
Issues that are more important since the 2008 election†:

- 1 Healthcare/Medicare (65%)
- 2 Federal Deficit/Debt (64%)
- 3 Jobs/Unemployment (59%)
- 4 Energy Costs (56%)
- 5 Taxes (54%)

If President of the U.S. for one day, the one thing they would do to help small businesses:

- 1 Lower Taxes/Tax Breaks (20%)
- 2 Reduce Regulations (17%)
- 3 Health Insurance Issues (15%)

Business issues in the upcoming presidential election that are of greater importance to owners in each state than the U.S. overall:



Female owners say Healthcare/Medicare, Social Security, Recesson, Cost of Living/Inflation and Education issues will impact their vote more than males

Cost of Living/Inflation more likely to impact owners younger than 45 years old; Recessonary issues will not have as big of an impact on those 55 years and older

Rural business owners say Energy Costs will have a greater impact on their vote than urban and suburban owners, but feel Jobs/Unemployment will have a lesser impact

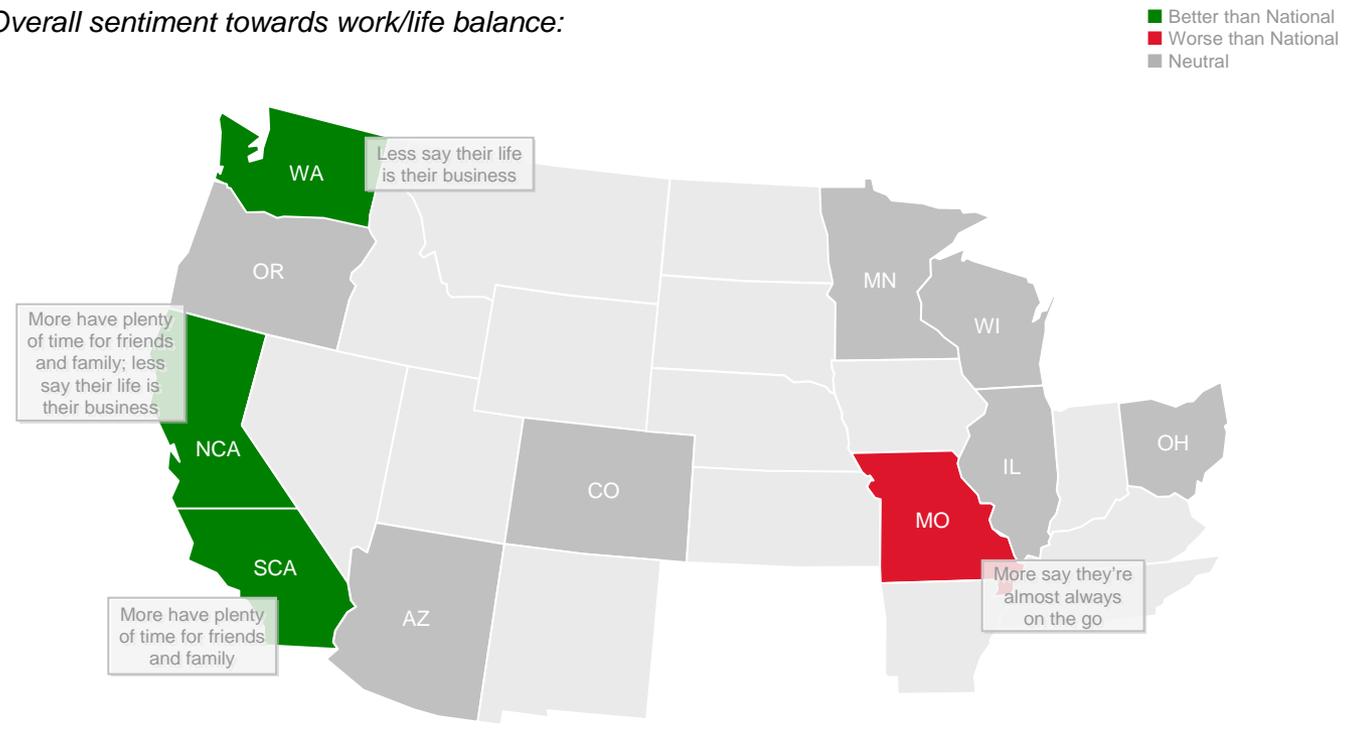
† Multiple-select answer.

* Issues by state are significant at 95% confidence over National.

Owners of smaller businesses have the most balance and flexibility

- **65%**
 say they are almost always on the go
- **57%**
 think it's important their business gives back to the community
- **54%**
 can take time off whenever they want
- **51%**
 expect to take at least 2 weeks of vacation this year
- **47%**
 feel they have plenty of time for friends and family
- **45%***
 say business is their life and life is their business

Overall sentiment towards work/life balance:



More sole proprietors feel they have plenty of time for friends and family and can take time off whenever they want

Businesses with at least \$100,000 in revenue or 5 or more employees are more likely to say their business is their life and be almost always on the go

Females and owners with over \$200,000 in revenue or at least 2 employees think it's more important their business gives back to the community

* Significant at 95% confidence level over prior year.
 Note: Work/life sentiments by state are significant at 95% confidence level over National.

BANKING RELATIONSHIP

When it comes to banking not all small business needs are the same

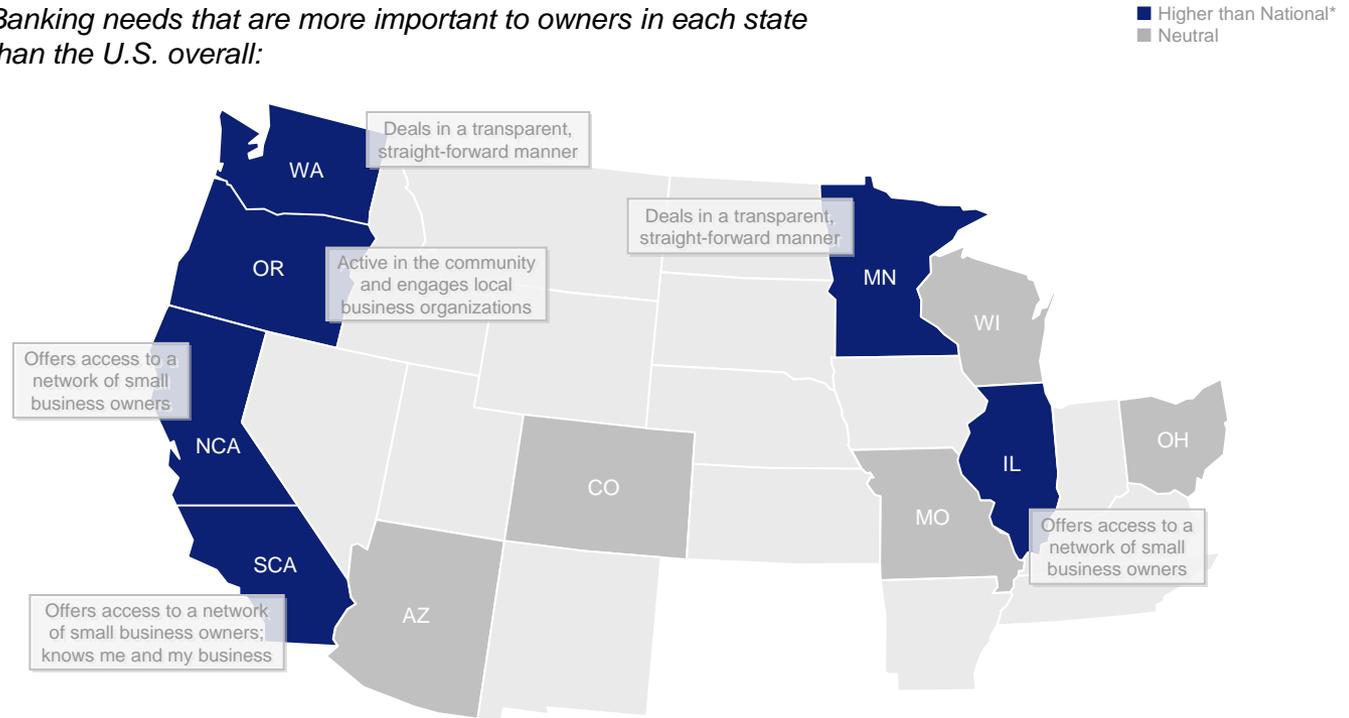
Top 5 most important things they expect from their business bank:

- 1 Offers services to help manage financial transactions
- 2 Knows me and my business
- 3 Deals in a transparent, straight-forward manner
- 4 Makes money more available
- 5 Adjusts to meet my individual needs

Things they wish they were getting more of from their business bank:

- 1 Adjusts to meet my individual needs
- 2 Makes money more available
- 3 Knows me and my business
- 4 Serves as a business partner
- 5 Serves as a financial mentor

Banking needs that are more important to owners in each state than the U.S. overall:



Businesses with higher revenue and more employees generally want their bank to serve as a business partner, assist with retirement and succession planning, and know them and their business on a more individual level

Businesses with lower revenue and fewer employees generally want their bank to contribute to the community; sole proprietors want their bank to think big and act small and are more likely to be content with the current offering they are receiving from their bank

* Banking needs by state are significant at 95% confidence level over National.

National Demographics

Years in Business

| | |
|-----------------|-----|
| 1-2 yrs. | 9% |
| 3-4 yrs. | 9% |
| 5-9 yrs. | 18% |
| 10-19 yrs. | 26% |
| 20 or more yrs. | 37% |

Number of Employees

| | |
|-----------------------|-----|
| 1 (no employees) | 26% |
| 2-4 employees | 31% |
| 5-9 employees | 17% |
| 10-19 employees | 10% |
| 20-39 employees | 7% |
| 40-99 employees | 6% |
| 100 or more employees | 3% |

Annual Revenue (2010)

| | |
|------------------|-----|
| Less than \$100K | 30% |
| \$100K-\$199K | 14% |
| \$200K-\$499K | 18% |
| \$500K-\$999K | 12% |
| \$1.0M-\$4.9M | 16% |
| \$5.0M or more | 8% |

Type of Business

| | |
|-----------------------------|-----|
| Other | 33% |
| Consulting | 13% |
| Retail Sales | 11% |
| Construction | 5% |
| Finance/Accounting | 5% |
| Manufacturing | 5% |
| Real Estate | 5% |
| Computer Technology | 4% |
| Agricultural/Farming | 3% |
| Insurance | 3% |
| Wholesale | 3% |
| Advertising/Marketing | 2% |
| Food Industry/Restaurant | 2% |
| Health Care/Health Services | 2% |
| Hospitality | 2% |
| Transportation / Trucking | 2% |

Employment Type

| | |
|-------------------------------|-----|
| 100% Part-Time | 7% |
| More Part-Time than Full-Time | 26% |
| More Full-Time than Part-Time | 32% |
| 100% Full-Time | 35% |

Location

| | |
|----------|-----|
| Suburban | 48% |
| Urban | 31% |
| Rural | 20% |

Age

| | |
|-------------|-----|
| 18-24 | 0% |
| 25-34 | 6% |
| 35-44 | 13% |
| 45-54 | 24% |
| 55-64 | 40% |
| 65 and over | 17% |

Gender

| | |
|--------|-----|
| Male | 58% |
| Female | 42% |

Race

| | |
|------------------|-----|
| White | 93% |
| Other/Unknown | 3% |
| Asian | 2% |
| Hispanic | 2% |
| African American | 1% |

Note: Percentages net of refusals to answer and blank responses; sets not totaling 100% are due to rounding.

Market Profiles

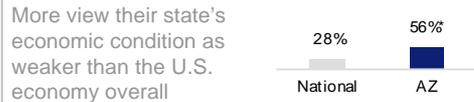
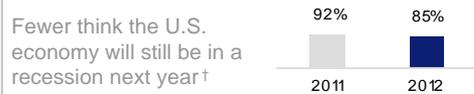
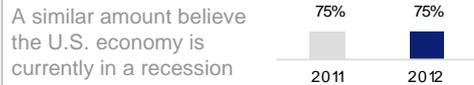
Arizona
Northern California
Southern California
Colorado
Illinois
Minnesota
Missouri
Ohio
Oregon
Washington
Wisconsin
National*

* National represents U.S. Bank's 25 state footprint.



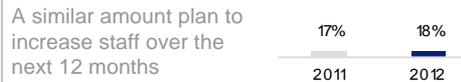
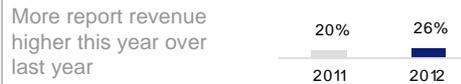
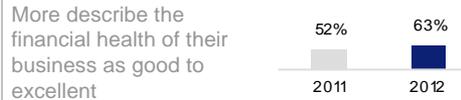
ECONOMIC CONDITIONS

Still feels like a recession both nationally and at home



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

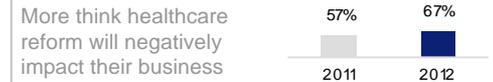


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Government Regulation
- 3 Competition From Large Businesses
- 4 Poor Sales
- 5 Taxes



2012 ELECTION ISSUES

Healthcare is the most important business issue in the election

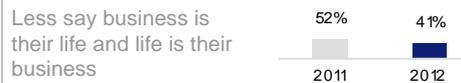
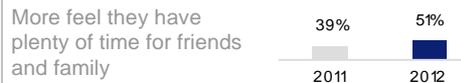
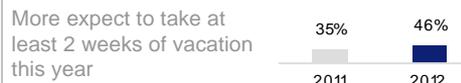
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Federal Deficit/Debt
- 4 Taxes
- 5 Immigration

Immigration issues are more important to business owners in Arizona than the rest of the country

WORK/LIFE BALANCE

Owners finding more balance and flexibility despite economic outlook



BANKING RELATIONSHIP

Looking for a partner that knows their business, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

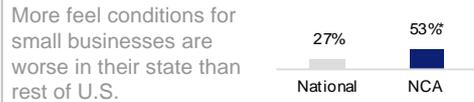
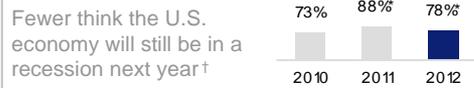
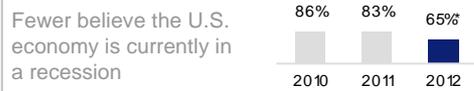
- 1 Make money more available
- 2 Know me and my business
- 3 Adjust to meet my individual needs
- 4 Serve as a business partner
- 5 Offer access to network of business owners

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
 * Significant at 95% confidence level. † Represents the percentage of those who believe the U.S. economy is currently in a recession.

Northern California

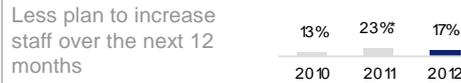
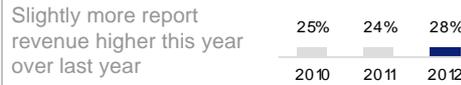
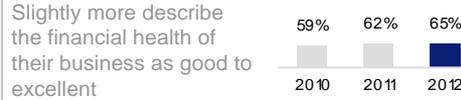
ECONOMIC CONDITIONS

National outlook improving, local market lagging rest of country



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

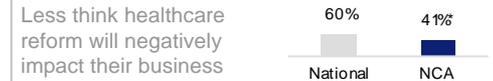


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Competition From Large Businesses
- 4 Government Regulation
- 5 Taxes



2012 ELECTION ISSUES

Healthcare and unemployment are the biggest business issues

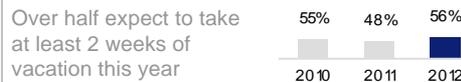
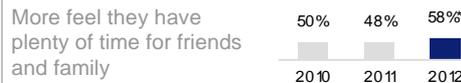
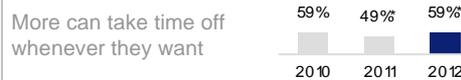
Top 5 business issues in the upcoming presidential election:

- 1 Jobs/Unemployment
- 2 Healthcare/Medicare
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

Taxes, Education and Environmental Protection issues are more important to owners in Northern California than the rest of the country

WORK/LIFE BALANCE

Owners finding more balance and flexibility despite economic outlook



BANKING RELATIONSHIP

Looking for a partner that knows their business, provides guidance

Top 5 things they wish they were getting more of from their business bank:

- 1 Know me and my business
- 2 Serve as a financial mentor
- 3 Offer access to network of business owners
- 4 Provide financial advice
- 5 Serve as a business partner

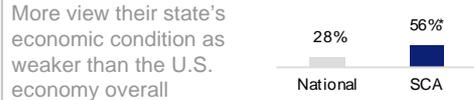
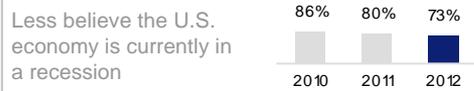
Offering access to a network of business owners is more important to owners in Northern California than the rest of the country

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Southern California

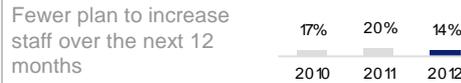
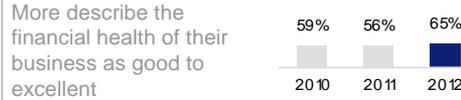
ECONOMIC CONDITIONS

National outlook mixed, local market lagging rest of country



BUSINESS CONDITIONS

Businesses appear stable but growth prospects remain stagnant

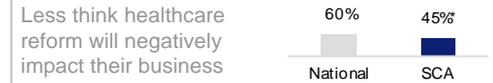


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Competition From Large Businesses
- 4 Government Regulation
- 5 Collecting on Accounts Receivables



2012 ELECTION ISSUES

Unemployment and healthcare are the biggest business issues

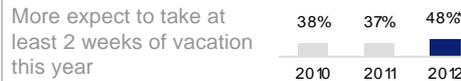
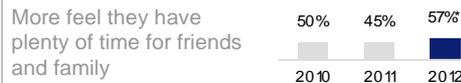
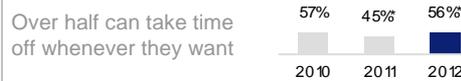
Top 5 business issues in the upcoming presidential election:

- 1 Jobs/Unemployment
- 2 Healthcare/Medicare
- 3 Taxes
- 4 Social Security
- 5 Federal Deficit/Debt

Jobs/Unemployment, Social Security, National Security, Housing & Education issues are more important to owners here than rest of U.S.

WORK/LIFE BALANCE

Owners finding more balance and flexibility despite economic outlook



BANKING RELATIONSHIP

Looking for a partner that knows their business, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

- 1 Know me and my business
- 2 Adjust to meet my individual needs
- 3 Make money more available
- 4 Serve as a business partner
- 5 Serve as a financial mentor

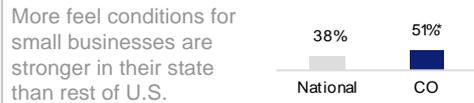
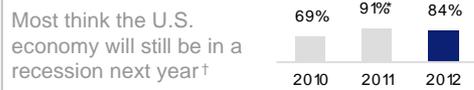
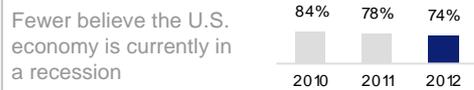
Knowing me and my business and offering access to a network of business owners are more important to owners here than rest of U.S.

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Colorado

ECONOMIC CONDITIONS

National outlook mixed, local economy outpacing rest of country



2012 ELECTION ISSUES

Unemployment and healthcare are the biggest business issues

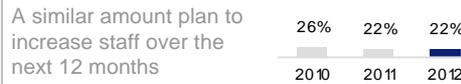
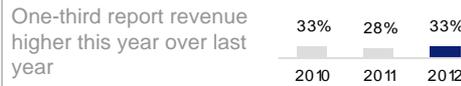
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- 2 Healthcare/Medicare
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- 5 Social Security

Tax issues are more important to business owners in Colorado than the rest of the country

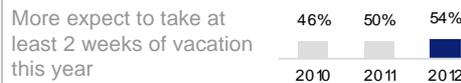
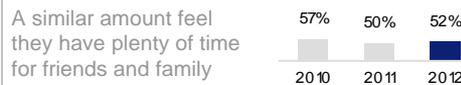
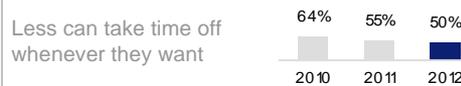
BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations



WORK/LIFE BALANCE

Owners split on their ability to find the right balance and flexibility

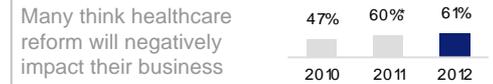


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Government Regulation
- 4 Taxes
- 5 Competition From Large Businesses



BANKING RELATIONSHIP

Looking for a partner that knows their business, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

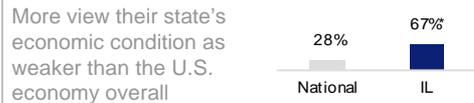
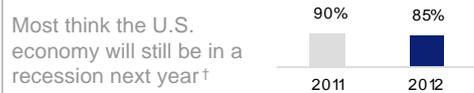
- 1 Make money more available
- 2 Know me and my business
- 3 Serve as a business partner
- 4 Adjust to meet my individual needs
- 5 Offer access to network of business owners

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
 * Significant at 95% confidence level. † Represents the percentage of those who believe the U.S. economy is currently in a recession.



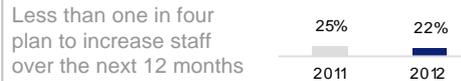
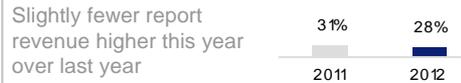
ECONOMIC CONDITIONS

National outlook mixed, local market lagging rest of country



BUSINESS CONDITIONS

Businesses appear stable but growth prospects remain stagnant

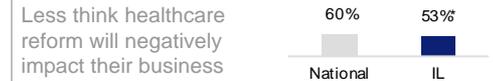


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Competition From Large Businesses
- 4 Taxes
- 5 Healthcare Costs



2012 ELECTION ISSUES

Unemployment and healthcare are the biggest business issues

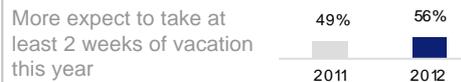
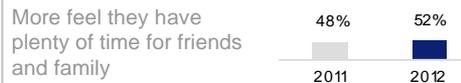
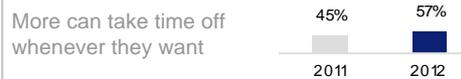
Top 5 business issues in the upcoming presidential election:

- 1 Jobs/Unemployment
- 2 Healthcare/Medicare
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

Tax issues are more important to business owners in Illinois than the rest of the country

WORK/LIFE BALANCE

Owners finding more balance and flexibility despite economic outlook



BANKING RELATIONSHIP

Looking for a partner that helps network, knows their business

Top 5 things they wish they were getting more of from their business bank:

- 1 Offer access to network of business owners
- 2 Serve as a financial mentor
- 3 Serve as a business partner
- 4 Know me and my business
- 5 Adjust to meet my individual needs

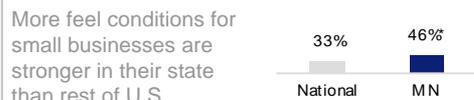
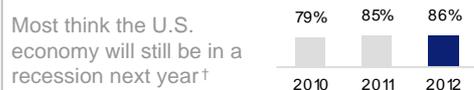
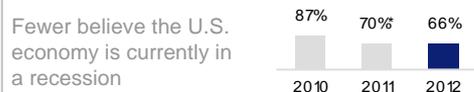
Offering access to a network of business owners is more important to owners in Illinois than the rest of the country

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
 * Significant at 95% confidence level. † Represents the percentage of those who believe the U.S. economy is currently in a recession.



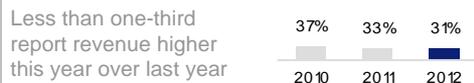
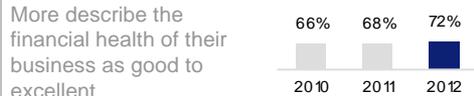
ECONOMIC CONDITIONS

National outlook mixed, local economy outpacing rest of country



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

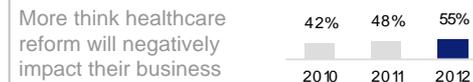


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Government Regulation
- 3 Poor Sales
- 4 Taxes
- 5 Healthcare Costs



2012 ELECTION ISSUES

Healthcare is the most important business issue in the election

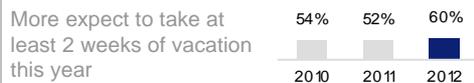
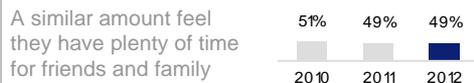
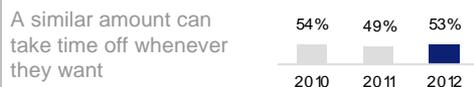
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

Education and Environmental Protection issues are more important to business owners in Minnesota than the rest of the country

WORK/LIFE BALANCE

Owners split on their ability to find the right balance and flexibility



BANKING RELATIONSHIP

Looking for a partner that provides guidance, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

- 1 Make money more available
- 2 Provide financial advice
- 3 Serve as a business partner
- 4 Serve as a financial mentor
- 5 Adjust to meet my individual needs

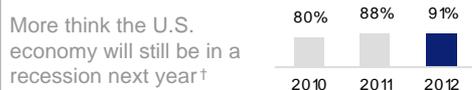
Dealing in a transparent, straight-forward manner is more important to owners in Minnesota than the rest of the country

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
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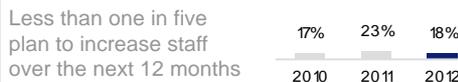
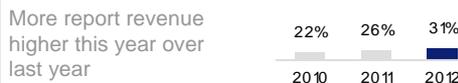
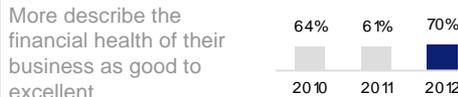
ECONOMIC CONDITIONS

Still feels like a recession both nationally and at home



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

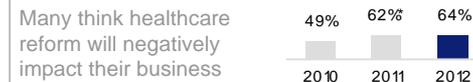


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Government Regulation
- 3 Poor Sales
- 4 Healthcare Costs
- 5 Taxes



2012 ELECTION ISSUES

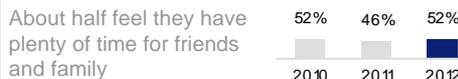
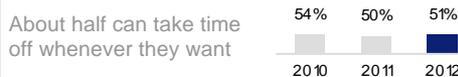
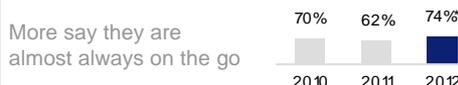
Healthcare is the most important business issue in the election

Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Taxes
- 3 Jobs/Unemployment
- 4 Federal Deficit/Debt
- 5 Social Security

WORK/LIFE BALANCE

Owners more on the go, split on their ability to find the right balance



BANKING RELATIONSHIP

Looking for a partner that helps network, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

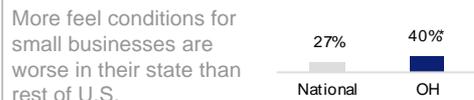
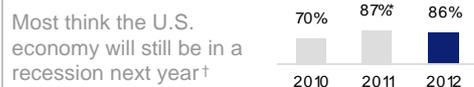
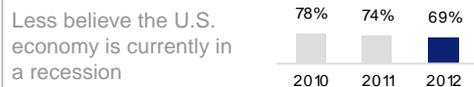
- 1 Offer access to network of business owners
- 2 Adjust to meet my individual needs
- 3 Make money more available
- 4 Provide financial advice
- 5 Know me and my business

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
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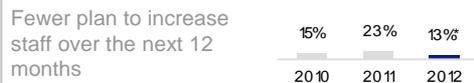
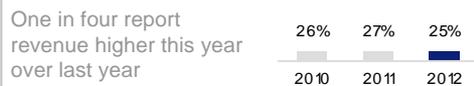
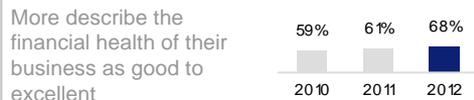
ECONOMIC CONDITIONS

National outlook mixed, local market lagging rest of country



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

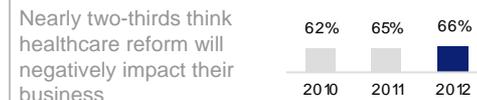


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Competition From Large Businesses
- 4 Taxes
- 5 Healthcare Costs



2012 ELECTION ISSUES

Healthcare and unemployment are the biggest business issues

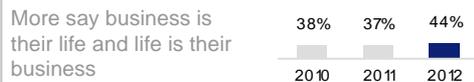
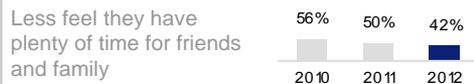
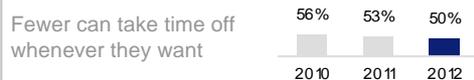
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

Tax issues are more important to business owners in Ohio than the rest of the country

WORK/LIFE BALANCE

Difficult climate causing more to sacrifice balance and flexibility



BANKING RELATIONSHIP

Looking for a partner that meets unique needs, helps network

Top 5 things they wish they were getting more of from their business bank:

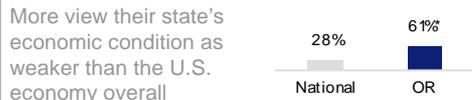
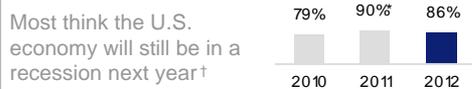
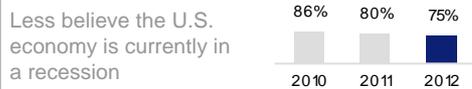
- 1 Adjust to meet my individual needs
- 2 Offer access to network of business owners
- 3 Serve as a business partner
- 4 Know me and my business
- 5 Make money more available

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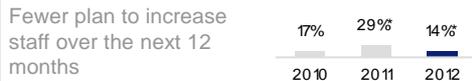
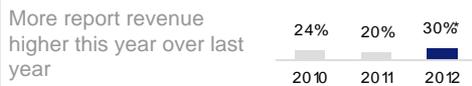
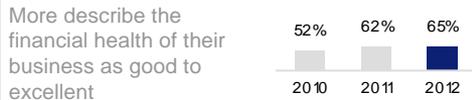
ECONOMIC CONDITIONS

National outlook mixed, local market lagging rest of country



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations

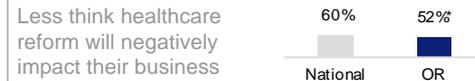


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Competition From Large Businesses
- 4 Taxes
- 5 Government Regulation



2012 ELECTION ISSUES

Healthcare and unemployment are the biggest business issues

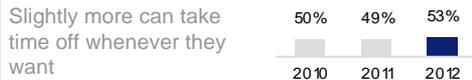
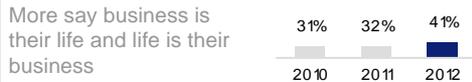
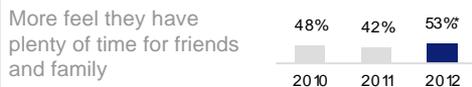
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Recession

Environmental Protection issues are more important to business owners in Oregon than the rest of the country

WORK/LIFE BALANCE

Some finding more balance, others say business is becoming their life



BANKING RELATIONSHIP

Looking for a partner that provides guidance, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

- 1 Make money more available
- 2 Serve as a financial mentor
- 3 Serve as a business partner
- 4 Adjust to meet my individual needs
- 5 Offer access to network of business owners

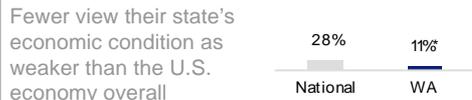
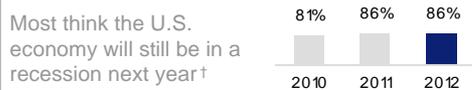
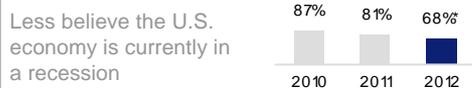
Banks active in the community, engaging local business organizations is more important to owners in Oregon than the rest of the country

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
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Washington

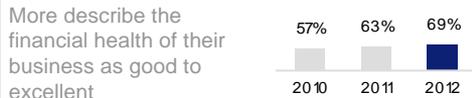
ECONOMIC CONDITIONS

National outlook mixed, local economy outpacing rest of country



BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations



BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Government Regulation
- 4 Taxes
- 5 Competition From Large Businesses



2012 ELECTION ISSUES

Healthcare is the most important business issue in the election

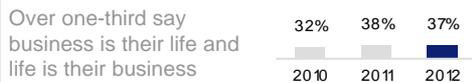
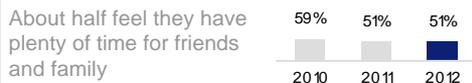
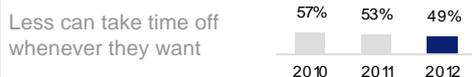
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

Education issues are more important to business owners in Washington than the rest of the country

WORK/LIFE BALANCE

Owners showing signs of reduced balance and flexibility



BANKING RELATIONSHIP

Looking for a partner that meets unique needs, knows their business

Top 5 things they wish they were getting more of from their business bank:

- 1 Adjust to meet my individual needs
- 2 Know me and my business
- 3 Make money more available
- 4 Think big and act small
- 5 Offer access to network of business owners

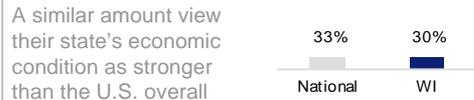
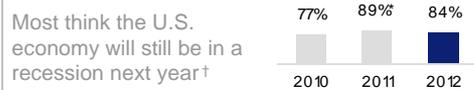
Dealing in a transparent, straight-forward manner is more important to owners in Washington than the rest of the country

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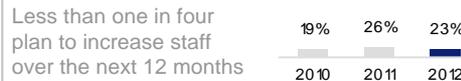
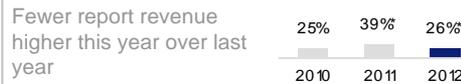
ECONOMIC CONDITIONS

National outlook unchanged, local market on par with rest of country



BUSINESS CONDITIONS

Businesses appear stable but growth prospects remain stagnant

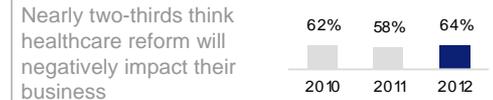


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Government Regulation
- 4 Competition From Large Businesses
- 5 Taxes



2012 ELECTION ISSUES

Healthcare is the most important business issue in the election

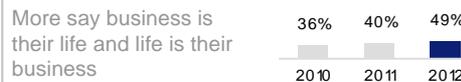
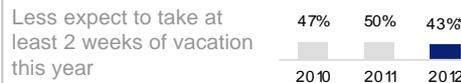
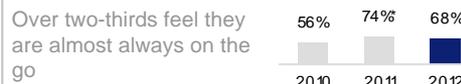
Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Taxes
- 3 Jobs/Unemployment
- 4 Federal Deficit/Debt
- 5 Energy Costs

Taxes and Energy Costs are more important to business owners in Wisconsin than the rest of the country

WORK/LIFE BALANCE

Difficult climate causing more to sacrifice balance and flexibility



BANKING RELATIONSHIP

Looking for a partner that knows their business, meets unique needs

Top 5 things they wish they were getting more of from their business bank:

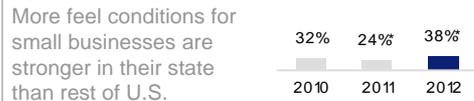
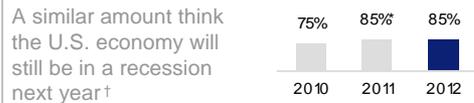
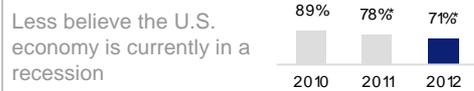
- 1 Know me and my business
- 2 Adjust to meet my individual needs
- 3 Make money more available
- 4 Serve as a business partner
- 5 Help with business succession planning/exit strategy

Survey conducted March-April 2012. National represents U.S. Bank's 25 state footprint.
 * Significant at 95% confidence level. † Represents the percentage of those who believe the U.S. economy is currently in a recession.

National

ECONOMIC CONDITIONS

National and local markets improving despite cautious outlook



2012 ELECTION ISSUES

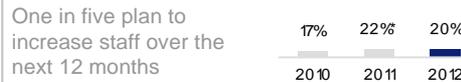
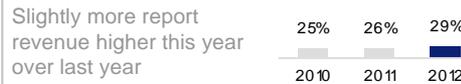
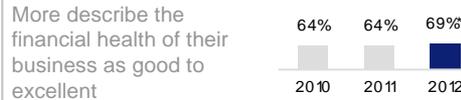
Healthcare is the most important business issue in the election

Top 5 business issues in the upcoming presidential election:

- 1 Healthcare/Medicare
- 2 Jobs/Unemployment
- 3 Taxes
- 4 Federal Deficit/Debt
- 5 Social Security

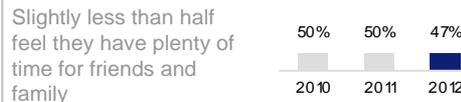
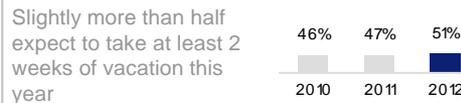
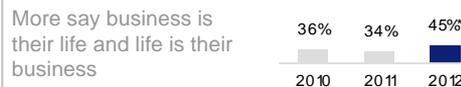
BUSINESS CONDITIONS

Businesses appear stable with tempered growth expectations



WORK/LIFE BALANCE

More saying business is becoming their life, split on finding balance

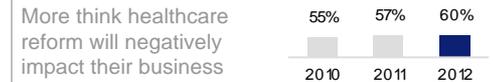


BUSINESS CHALLENGES

Economic uncertainty continues to be the biggest concern

Top 5 challenges facing businesses today:

- 1 Economic Uncertainty
- 2 Poor Sales
- 3 Government Regulation
- 4 Competition From Large Businesses
- 5 Taxes



BANKING RELATIONSHIP

Looking for a partner that meets unique needs, knows their business

Top 5 things they wish they were getting more of from their business bank:

- 1 Adjust to meet my individual needs
- 2 Make money more available
- 3 Know me and my business
- 4 Serve as a business partner
- 5 Serve as a financial mentor

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