

# Corporate Trust CONNECTION

spring 2009

## From the U.S. Bank Corporate Trust Services President

Historic, unprecedented, troubling – adjectives used all too frequently when describing our current economic situation. The financial industry has been in the middle of the crisis with some of the largest banks in the country – and world – experiencing charge-offs at levels never imagined and stock prices at all-time lows. There continues to be grave concern over the financial stability of many banks in this country while the outlook for the overall economy remains uncertain. During these troubling times, it is important to know that your trustee has the financial strength and strong capital base to weather the economic storm we are experiencing.

At U.S. Bank, we understand you have many things you are concerned about during these tough times. Our goal is to not be one of them. I am writing this column to provide you with some information about U.S. Bank and the commitment you have from us to be the best bank and corporate trustee in America. We strive to be a valued partner and want to help you and your business navigate through the turbulent market that is affecting us all.



*Bryan Calder  
President,  
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Corporate Trust  
Services*

While other banks are pulling back, U.S. Bank continues to invest in its people and businesses and has a particular interest in the business of corporate trust.

During these challenging times, U.S. Bank has emerged as the highest-rated large bank in the country by S&P and Moody's, and one of the few large banks to continue to be profitable. Not only do we remain profitable, but U.S. Bank has gained market share in virtually every business as a result of a flight to quality by many of our clients.

As the third largest bank in market value in the nation,\* U.S. Bank welcomes the responsibility of being a leader among our peers and a key driver in helping America to emerge from this current recession. We feel we are in a unique position given our financial strength, and as such, need to be responsible stewards of the government assistance that was provided a few months ago.

Our Corporate Trust Services business had a very strong 2008. We continue

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\* Based on Market Value as of February 4, 2009.  
Source: Company reports and FactSet.

## Did You Know?

- The *Minneapolis Star Tribune* gave Chairman, President and CEO Richard Davis a nod for his success in “building a more employee-engaged culture.” The article states that U.S. Bancorp “is considered one of America’s strongest banks.” (“While others cut, real lenders stand by their people,” February 22, 2009)
- *American Banker* says U.S. Bank stands to gain business as corporations “pull back from bigger lenders.” The magazine says we’re at the top of a short list of banks that have “burnished their reputations” with corporate clients as a result of handling the financial crisis. (“Survey: Reputation Edge for Regionals,” February 25, 2009)
- U.S. Bancorp gained a mention from the *St. Paul Pioneer Press*, describing consumers’ shift away from the stock market toward savings. “At Minneapolis-based U.S. Bancorp, for example, total deposits, which include savings, money market and checking accounts, increased nearly 10 percent compared with the same period the previous year,” says the Press. (“Sitting on the sidelines,” February 22, 2009)

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## Spotlight on the Alabama Office

Nestled at the foothills of the Appalachian Mountains is Birmingham, the largest city in Alabama. Nicknamed “The Magic City” due to its rapid growth, Birmingham is home to a U.S. Bank Corporate Trust Services office.

### Serving the Heart of Dixie

The Alabama office serves the entire state and counts the Birmingham Water Works among its largest and longest-term relationships. “We’ve worked on many bond issuances, as well as the entire range of corporate trust transactions,” Account Manager Felicia Cannon says. “We also do a considerable amount of work with municipalities and hospitals.”

The Alabama office, the result of a number of acquisitions, has helped expand the U.S. Bank footprint as well as provide another venue for delivering the personalized service our customers expect and deserve. Cannon emphasizes the “Southern comfort” factor.

“Our account managers [four account managers, including Cannon] have a combined 71 years of experience in corporate trust,” Cannon says. “Our local presence is important to our customers. They feel comfortable with us since we’ve had such long-term relationships, and they like working with people in the same community.” The office also has a history of promoting volunteer work in the community.



*Pictured left to right, back row: Allen Hines, Trust Review; Bart Donaldson, Corporate Trust Services; Woodie Alston, Corporate Trust Services; Bob Heigl, TFM. Left to right, front row: Stephanie G. Miller, TFM; Sandy Gresham, Corporate Trust Services; Felicia Cannon, Corporate Trust Services; Josh Padgham, Corporate Trust Services.*

The loyalty of the Alabama office’s customers is a testament to the service level, experience and knowledge of the industry of its employees, particularly since there are no retail U.S. Bank branches in the state.

The Alabama office also has an account set-up specialist as well as a Trust Financial Management (TFM) team, one of several throughout the country who handle all the cash and investment transactions associated with the municipal and corporate products of Corporate Trust Services.

### Meeting the Challenges

“We know the business well,” Cannon says. “And we can anticipate issues and take steps to make sure things go smoothly. Everyone here strives to go above and beyond our customers’ expectations.”

If you’re in Birmingham, be sure to stop by the U.S. Bank Corporate Trust Services office for a little Southern hospitality. If you have questions about the services we can provide, please contact your account manager.

## U.S. Bank Receives Patriot Award from the Department of Defense

U.S. Bank received the Patriot Award from the U.S. Department of Defense at a ceremony held on November 13, 2008, at the Hines Center, located just outside of Owensboro, Ky. The award was given to Richard Davis, chairman, president and CEO of U.S. Bancorp, as part of a celebration with area U.S. Bank employees.

The Department of Defense gives the Patriot Award to corporations that support employee participation in the National Guard and Reserve Forces. The award cites that such support contributes to “national security and protects our liberty and freedom.” It was given to Davis by Sgt. 1st Class Daren Bowen, a representative of

the Kentucky National Guard. U.S. Bank Home Mortgage employee Sgt. Anthony Weil, who is presently serving in Iraq, nominated U.S. Bank for this award.

Previously, U.S. Bank Home Mortgage has been awarded the Kentucky National Guard “Supporter of the Year” Award (2005) and the Army National Guard “Defender of Freedom” Award.

Earlier in the week, more than 1,400 U.S. Bank active military and veteran personnel each received a framed certificate of appreciation for serving our nation from Davis, along with an exclusively designed U.S. Bank lapel pin that combines the U.S. Bank logo with the American flag

and says “proud to serve.” U.S. Bank military personnel are also able to use this special insignia on their U.S. Bank business cards.

“We know that you are proud to serve our country and we are equally proud to be associated with you,” said Davis. Davis invited active military and veteran personnel to take part in a military service company appreciation conference call, along with Rick Hartnack, a Vietnam veteran and vice chairman of consumer banking for U.S. Bancorp.

# U.S. Bank Earns Most Respected Companies in the World Honors

U.S. Bancorp garnered high honors on *Barron's* list of the world's Top 100 most respected companies.

U.S. Bancorp placed 29<sup>th</sup> on the magazine's list, which asks professional money managers to rate the 100 largest companies in the world (as measured by total market value on December 31, 2008). The "Most Respected Companies Survey" gathered responses from 82 investors across the country.

This was U.S. Bancorp's first time on the list, which is in its fifth year of publication. More than 60 percent of those polled said they highly respect or respect U.S. Bancorp.

"This is an award that all U.S. Bank employees share," says Richard Davis, chairman, president and CEO. "Every day, our employees bring leadership and business ethics to the forefront of what we do. Our favorable placement shows that we're raising the bar and remaining strong in character during economically adverse times," says Davis.

## About the Ratings

Survey participants were asked to grade each company with four selections: Highly Respect, Respect, Respect Somewhat or Don't Respect, with a point value assigned to each response.

Respondents told *Barron's* that the most important criteria in evaluating the respectability of a company was strong management, sound business strategy, a competitive edge and ethical practices.

Johnson & Johnson took first place in the survey for the second year in a row, followed by Berkshire Hathaway and Procter & Gamble. Only four United States banks made the list this year.



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## From the U.S. Bank Corporate Trust Services President *continued from front*

to be an industry leader and one of the largest corporate trust providers in the country. We were proactive last year in providing assistance to our clients and in taking a lead in a number of issues the industry faced during the credit crisis of 2008. The turmoil in the markets created many first-ever requests from our clients, including a historic level of activity with tender options bonds, GIC draws, document reviews and corporate restructurings. The industry was stress-tested, real time.

I am proud to say that we were able to meet our clients' needs and continue to work with them as the markets begin to heal themselves. We are fortunate to have a professional team of account managers, trust finance staff, trust review and support services teams who were all called on to meet these challenges head-on. Our team did so, while maintaining the high level of service our clients expect and have come to rely upon.

Due to the strength of our organization, U.S. Bank is fortunate to be able to offer our services to governmental agencies for consideration in assisting in the administration of recently announced government economic programs, including the Troubled Asset Relief Program (TARP). In fact, U.S. Bank recently was appointed the Collateral Agent and Depository for the Federal Reserve Bank

of New York's previously announced Money Market Investor Funding Facility (MMIFF), which was established to facilitate sales of money market instruments in the secondary market, which the Federal Reserve Bank feels should give money market mutual funds and other money market investors confidence that they can extend the terms of their investments and still maintain appropriate liquidity positions.\*\*

As you can see from our financial stability and profitability, our continued increase in new business, and our efforts to undertake long-term projects that assist in healing our economy, U.S. Bank and our Corporate Trust Services department are in this business for the long haul. We have been here to serve you and all of our clients in the past, we are here to serve you today, and we have firm intentions of being here tomorrow and long into the future to assist you with all of your future trust and financial requirements.

**Bryan Calder**  
President  
U.S. Bank Corporate Trust Services

\*\* Federal Reserve Bank of New York, January 7, 2009

# Understanding Account Categories

In the current economic environment, it's not surprising that people are asking about how their accounts are titled and what government protections may be in place. Following is a brief description of account types.

**Deposit accounts.** Deposit accounts, which are those where the depositor can make deposits and withdrawals such as checking, savings and certificates of deposit, become liabilities of the bank owed to the depositor. The bank promises to repay the amount on deposit plus interest, where applicable. Currently, the Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per depositor\* and per legal category in each FDIC-insured bank. In addition, through December 31, 2009, certain non-interest-bearing accounts at participating banks are fully insured by the FDIC.\* To learn more about deposit insurance, visit [www.fdic.gov](http://www.fdic.gov).

**Trust and fiduciary accounts.** Typical fiduciary accounts may include trusts; estates; guardianships; conservatorships; and various corporate agencies such as paying agent, bond registrar and transfer agent. Assets other than cash held in trust and fiduciary accounts are segregated from the bank's assets and are not assets or liabilities of the bank. Ownership, including ownership of certificates of deposit, remains vested in the individuals or entities for whom the bank or financial institution is acting as trustee or fiduciary; therefore, the assets are not subject to the claims of the bank's or financial institution's creditors. Cash in non-interest-bearing transaction accounts held in trust and fiduciary accounts may be fully insured by the FDIC.\*

**Custodial accounts.** Custodial account assets also are not assets or liabilities of the bank or financial institution and remain segregated from the bank's assets. As with trust and fiduciary accounts,



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ownership remains with the individuals or entities for whom the bank is holding the assets. The same FDIC insurance eligibility requirements and limits apply.

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\* The FDIC announced on October 3, 2008, that FDIC deposit insurance would temporarily increase from \$100,000 to \$250,000 per depositor, through December 31, 2009. The basic insurance limit will return to \$100,000 per depositor after December 31, 2009; certain retirement accounts will remain insured to \$250,000. On October 14, 2008, the FDIC announced that non-interest-bearing deposit accounts at participating financial institutions would be fully insured for the entire amount of the non-interest-bearing deposit until December 31, 2009.

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Comments and suggestions for the newsletter are welcome and should be forwarded to Jessica Johnson, *Corporate Trust Connection*, U.S. Bank Corporate Trust Services, (651) 495-3928 (phone) or [marketing.corporatetrust@usbank.com](mailto:marketing.corporatetrust@usbank.com) (e-mail). For more information, visit our Web site at [usbank.com/corporatetrust](http://usbank.com/corporatetrust).

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