

BancAnalysts Association of Boston Conference

Andy Cecere

Vice Chairman and CFO

November 7, 2008



Forward-looking Statements

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. These statements often include the words “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “potentially,” “probably,” “projects,” “outlook” or similar expressions. 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, including continued deterioration in general business and economic conditions and in the financial markets; changes in interest rates; deterioration in the credit quality of our loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in our 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, market risk, operational risk, legal risk, and regulatory and compliance risk. A continuation of the recent turbulence in significant portions of the global financial markets, particularly if it worsens, could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities, and indirectly by affecting our counterparties and the economy generally. Dramatic declines in the housing market in the past year have resulted in significant write-downs of asset values by financial institutions. Concerns about the stability of the financial markets generally have reduced the availability of funding to certain financial institutions, leading to a tightening of credit, reduction of business activity, and increased market volatility. There can be no assurance that the Emergency Economic Stabilization Act of 2008, the actions taken by the U.S. Treasury Department thereunder, or any other governmental program, will help to stabilize the U.S. financial system or alleviate the industry or economic factors that may adversely impact our business. In addition, our business and financial performance could be impacted as the financial industry restructures in the current environment, by changes in the creditworthiness and performance of our counterparties, by changes in the competitive landscape, and by increased regulation or other adverse effects of recently enacted legislation and FDIC actions.

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, 2007, on file with the Securities and Exchange Commission, including the sections entitled “Risk Factors” and “Corporate Risk Profile,” 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. 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.

U.S. Bancorp Businesses



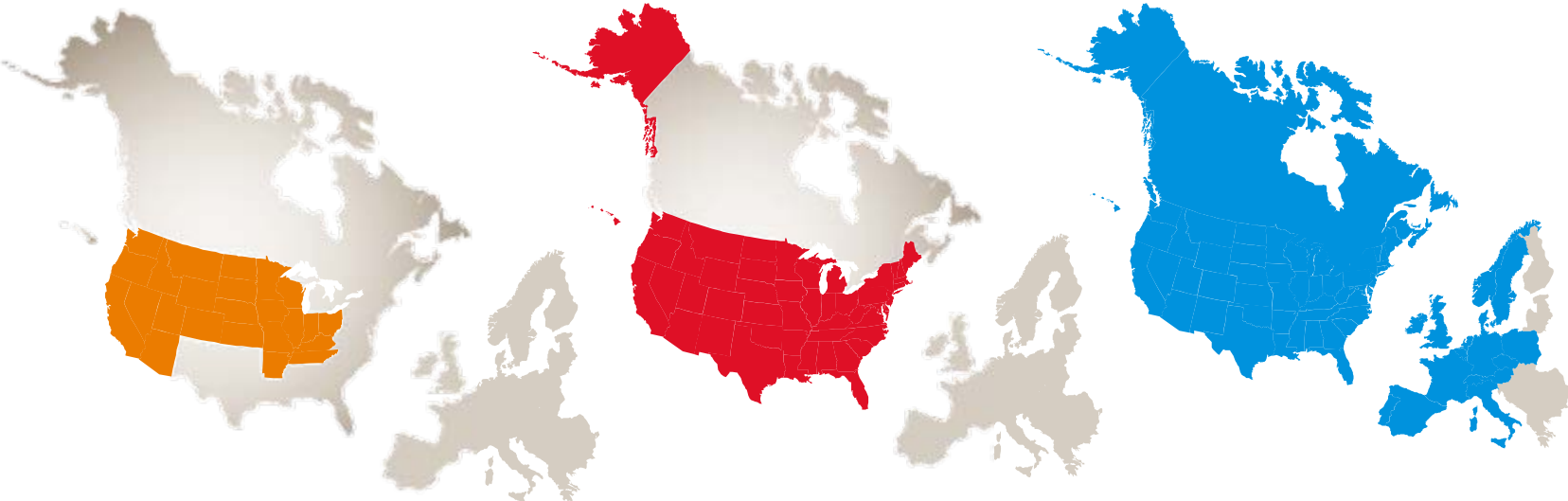
**Consumer and
Business Banking**

**Wholesale
Banking**

Payments

Wealth Management

Trust Services

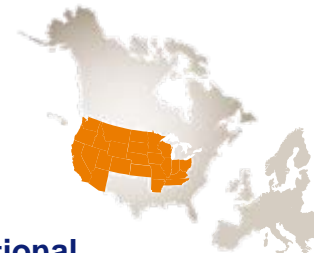


U.S. Bancorp Businesses

3Q08 Dimensions

• Asset Size	\$247 billion
• Deposits	\$140 billion
• Loans	\$170 billion
• Customers	14.9 million
• NYSE Traded	USB
• Market Capitalization*	\$52 billion
• Founded	1863
• Bank Branches	2,556
• ATMs	4,903

Regional
Consumer and Business Banking
Wealth Management



National
Wholesale Banking
Trust Services



Global
Payments



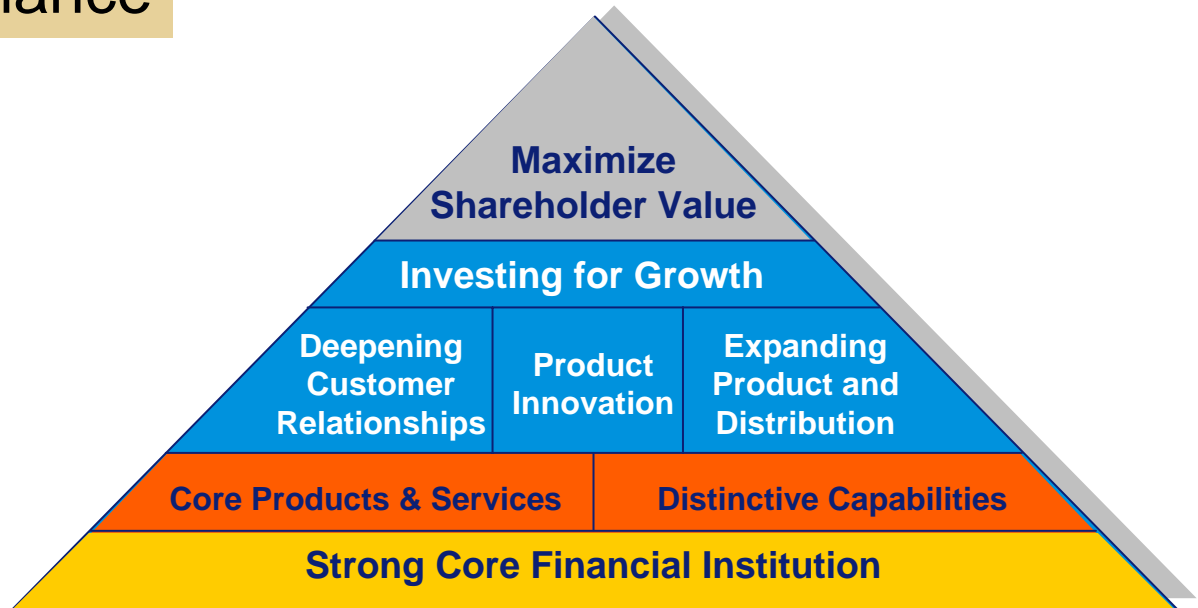
* Market Value as of October 31, 2008

U.S. Bancorp – Positioned for Growth

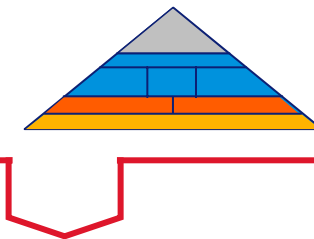
✓ Financial Performance

✓ Credit Quality

✓ Focus on Growth



Performance Metrics

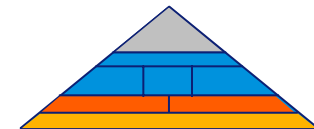


3Q08 YTD

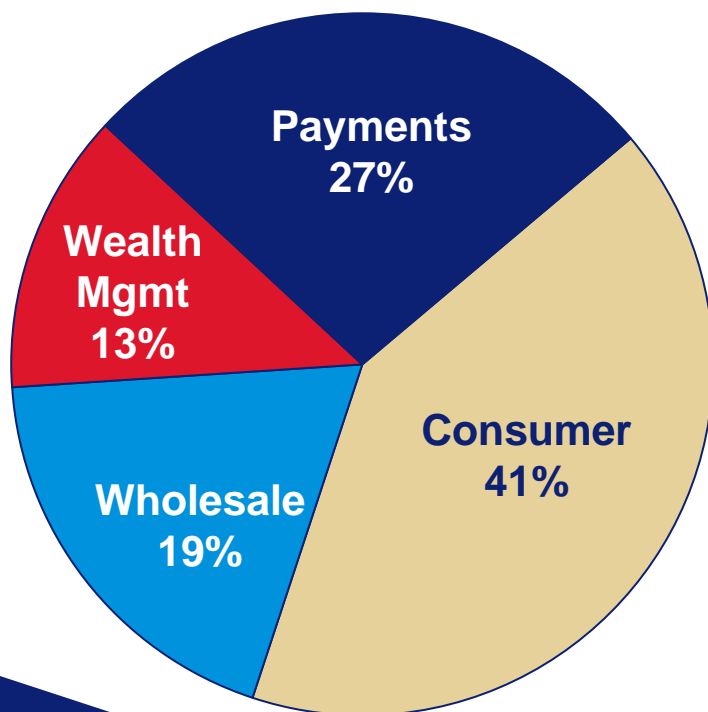
	<u>USB</u>	<u>Peer Median</u>	<u>USB Rank</u>
Return on Assets	1.45%	0.51%	1
Return on Common Equity	16.6%	4.9%	1
Efficiency Ratio	46.3%	62.1%	1
Net Interest Margin	3.60%	3.30%	3

Source: company reports
Peer Banks: BAC, BBT, CMA, FITB, KEY,
NCC, PNC, RF, STI, USB, WB and WFC

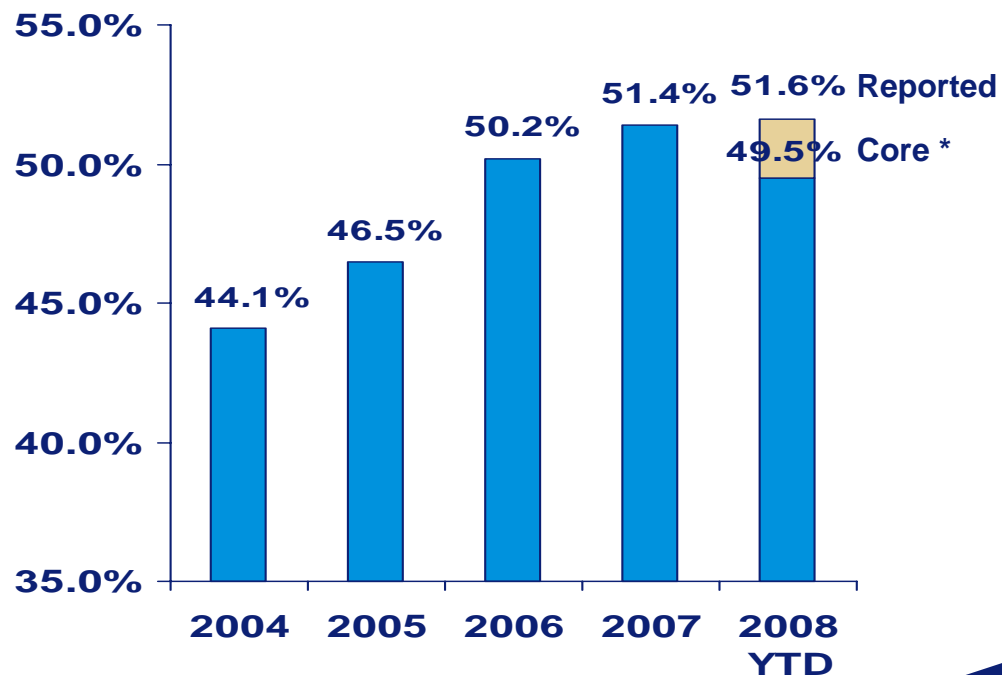
Profitability



Revenue Mix By Business Line



Fee Income / Total Revenue

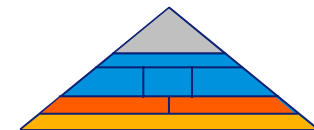


3Q08 YTD

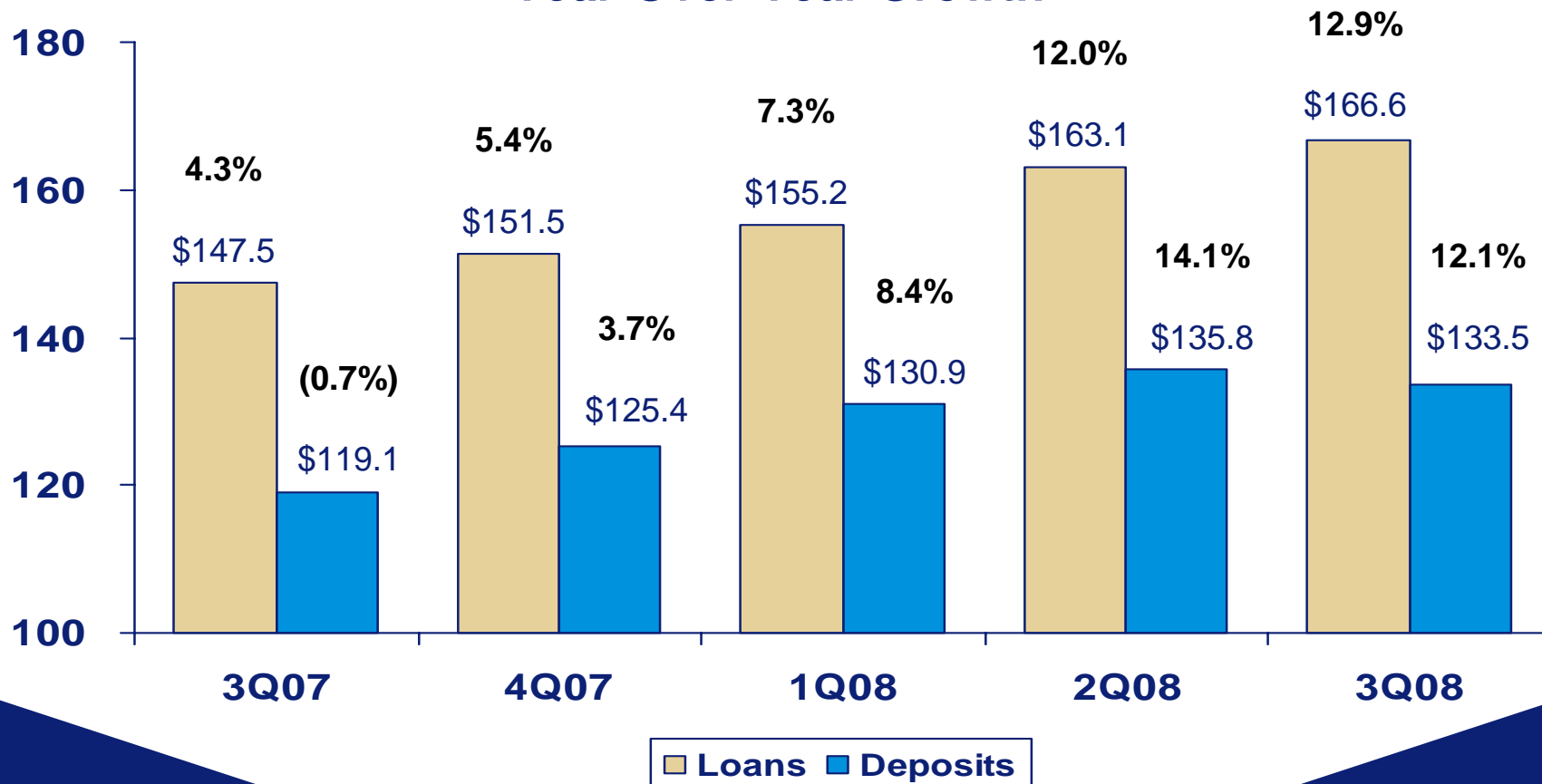
Excluding securities gains (losses) net

* Core fee income excludes \$492 million VISA gain

Loan and Deposit Growth

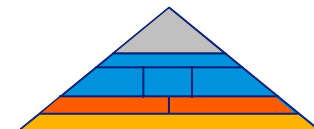


Average Balances
Year-Over-Year Growth



\$ in billions

Profitability



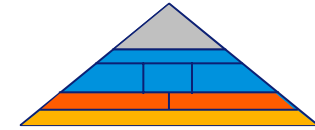
Operating Income Year-Over-Year YTD Growth

	YTD 3Q08	YTD 3Q07	B/(W) %	Core *
Total revenue	11,053	10,486	5.4%	8.7%
Noninterest expense	5,454	5,018	(8.7%)	(10.3%)
Operating income	5,599	5,468	2.4%	7.4%
Net charge-offs	1,187	567	(109.3%)	
Reserve build	642	-	NA	
Income before taxes	3,770	4,901	(23.1%)	

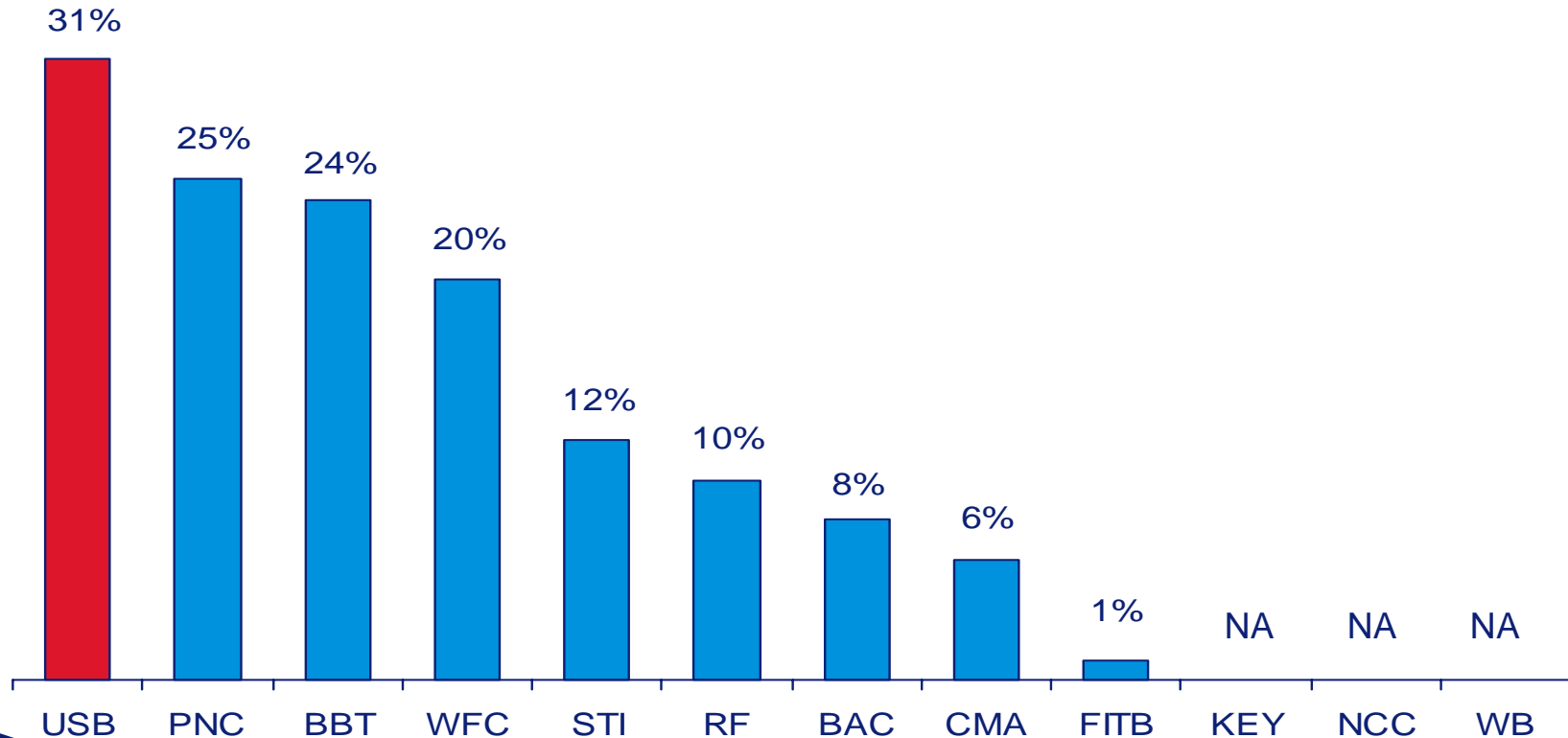
\$ in millions; taxable-equivalent basis; * Core basis excludes the following significant items:

3Q08 YTD: Visa gain/stock sale 492, structured investments & MBS's (576), GSEs (97), preferred securities (68), valuation losses related to bankruptcy of investment banking firm (39), SFAS 157 adoption (62), foundation contribution 25, other expense items 22, incremental provision (642); 3Q07 YTD: Visa litigation 115

Industry Leading Capital Generation

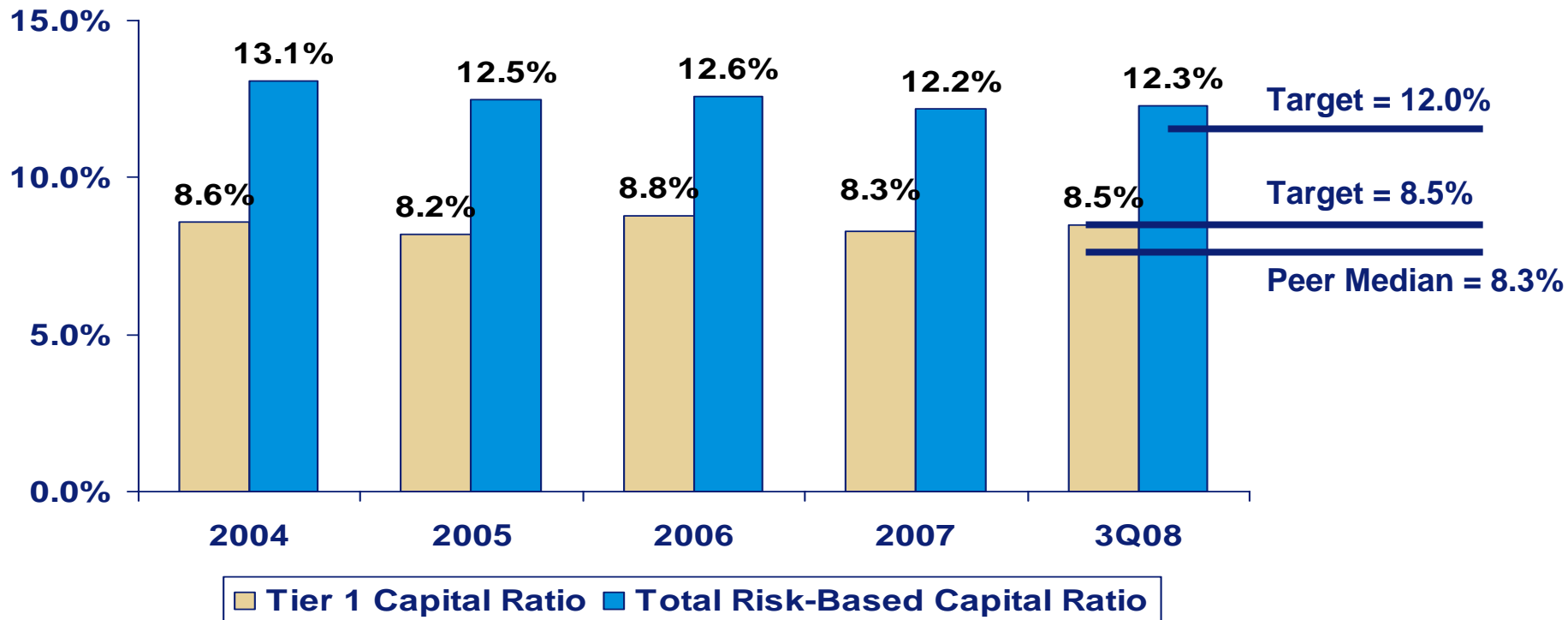
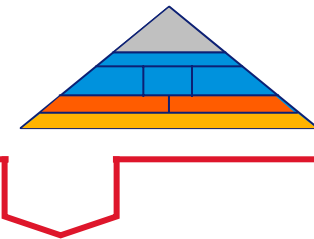


Return on Tangible Equity



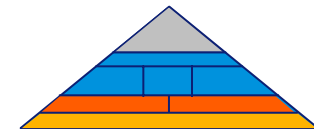
Trailing 4 quarters, Source: SNL
Net income adj for tax-affected amortization
NA = negative return

Capital Ratios



Source: SNL
 Peer Banks: BAC, BBT, CMA, FITB, KEY,
 NCC, PNC, RF, STI, USB, WB and WFC

Performance Summary



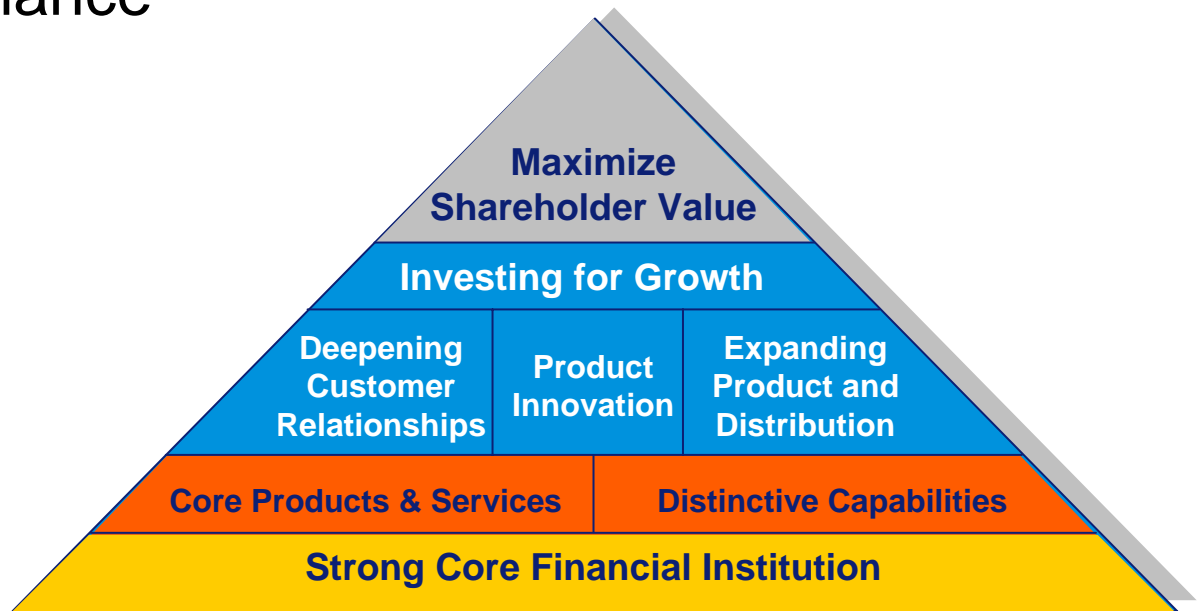
- ✓ Industry-leading profitability
- ✓ Advantageous mix of fee-based businesses
- ✓ Accelerating loan and deposit growth
- ✓ Revenue growth driven by increases in both net interest income and fees
- ✓ Solid growth in core operating income
- ✓ Industry-leading capital generation
- ✓ Strong capital position

U.S. Bancorp – Positioned for Growth

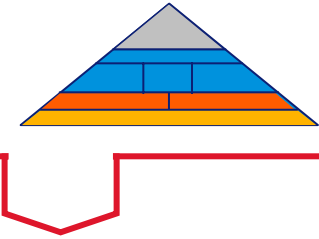
✓ Financial Performance

✓ Credit Quality

✓ Focus on Growth



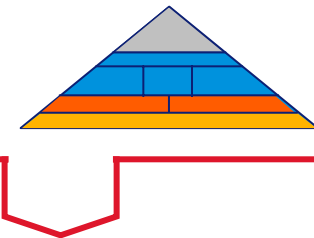
Credit Quality



Credit quality positively impacted by:

- ✓ Conservative approach to risk management
- ✓ Diversification of portfolio by industry, geography and customer segments
- ✓ Limited amount of leveraged lending: 1.7% of total loans
- ✓ Predominantly prime-based residential mortgage and home equity portfolio
- ✓ Prime credit card portfolio

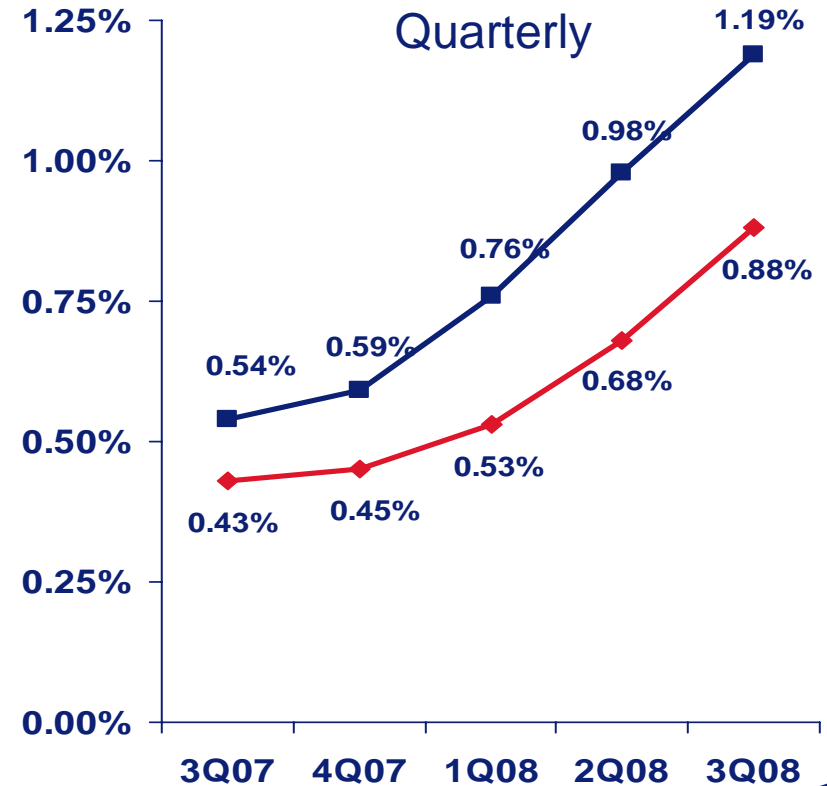
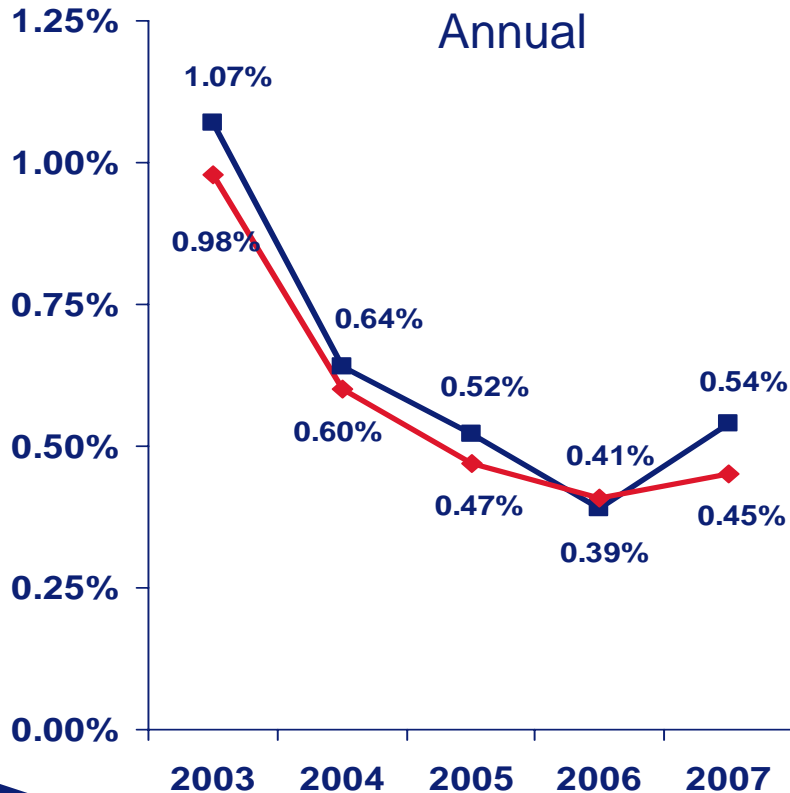
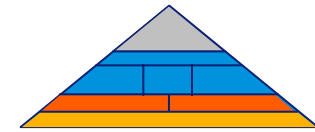
Credit Quality



Credit quality negatively impacted by:

- ✓ Residential construction: \$3.5 billion (represents only 2.1% of total loans)
- ✓ Consumer Finance Division residential and home equity portfolio, including \$3.8 billion of sub-prime loans (represents only 2.2% of total loans)
- ✓ Continuing economic slowdown, led by home sales and pricing and the impact of higher commodity prices on businesses and consumers

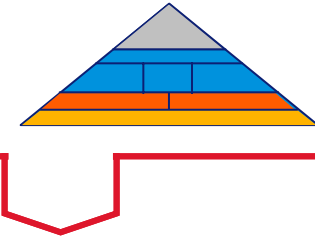
Credit Quality



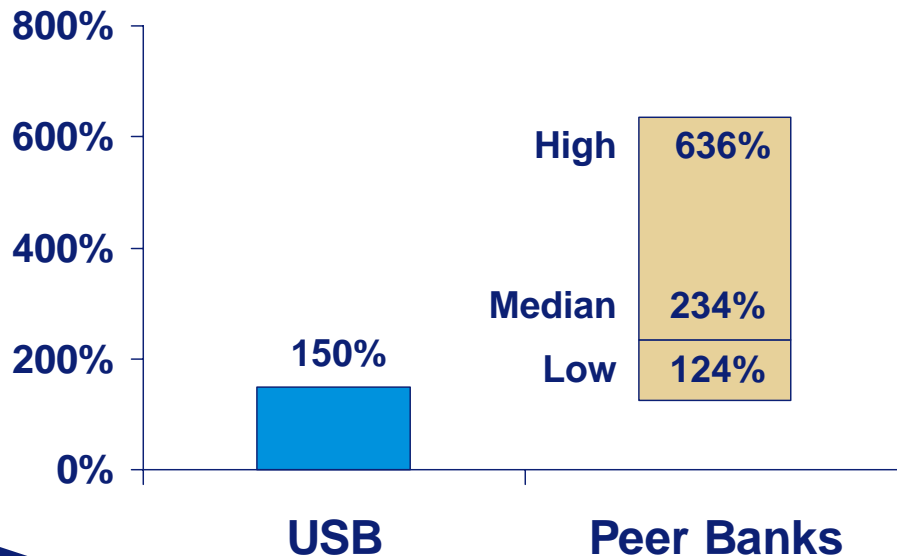
■ Net Charge-off Ratio ◆ NPA Ratio

NCO Ratio = net charge-offs annualized as a % of average loans
 NPA Ratio = nonperforming assets to total loans and other real estate

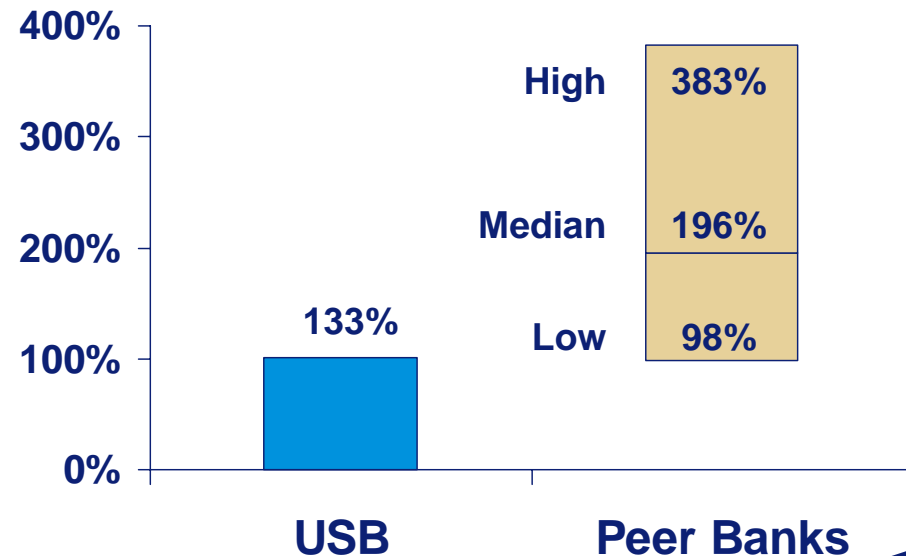
Credit Quality - Peer Comparison



**Growth in
Net Charge-offs
3Q08 vs 3Q07**

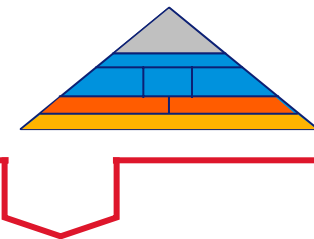


**Growth in
Nonperforming Assets
3Q08 vs 3Q07**



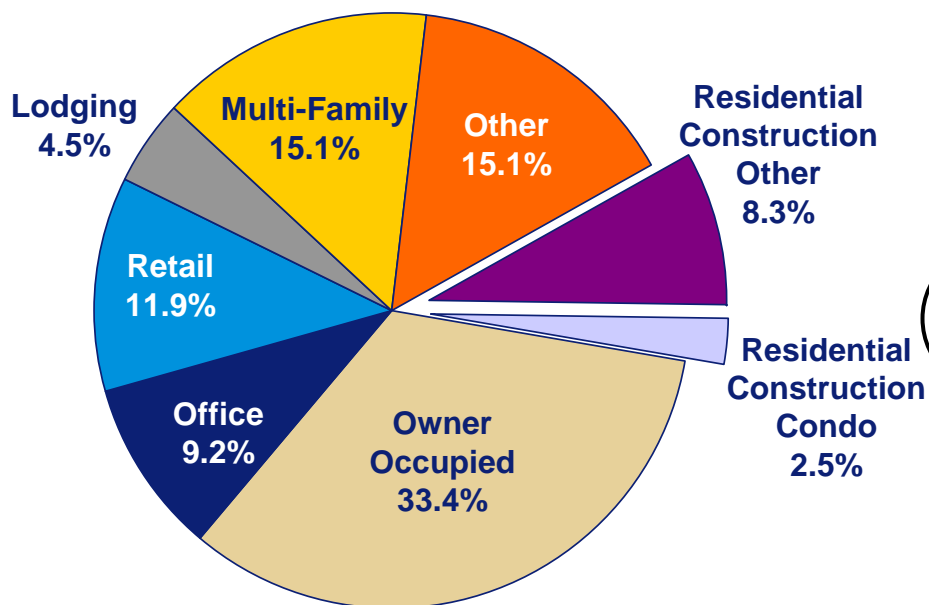
Source: company reports
Peer Banks: BAC, BBT, CMA, FITB, KEY,
NCC, PNC, RF, STI, USB, WB and WFC

Commercial Real Estate

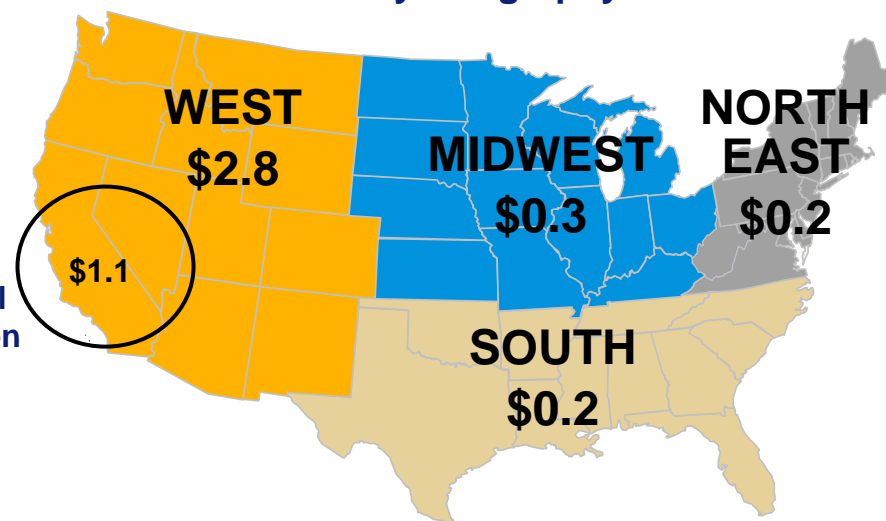


By Property Type, \$32.2 Billion

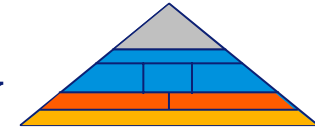
- ✓ Balance of the portfolio is well-diversified by property type, with over one third owner occupied
- ✓ Residential Construction portfolio showing stress - \$3.5 billion portfolio
- ✓ Limited exposure to condo projects - \$0.8 billion



Residential Construction By Geography



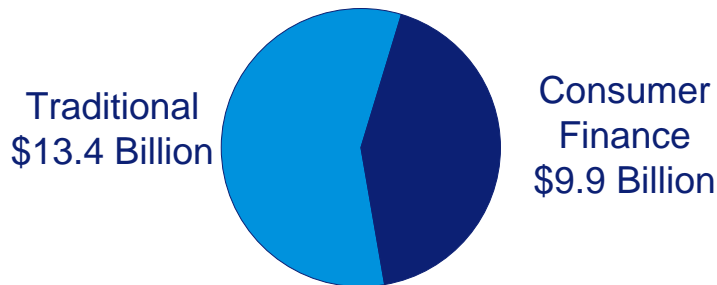
Residential Mortgage & Home Equity



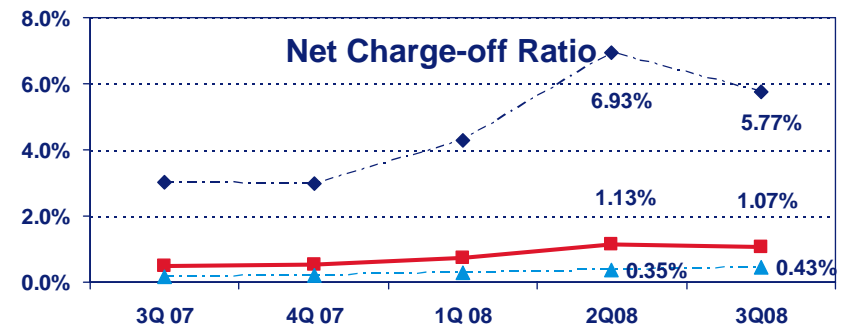
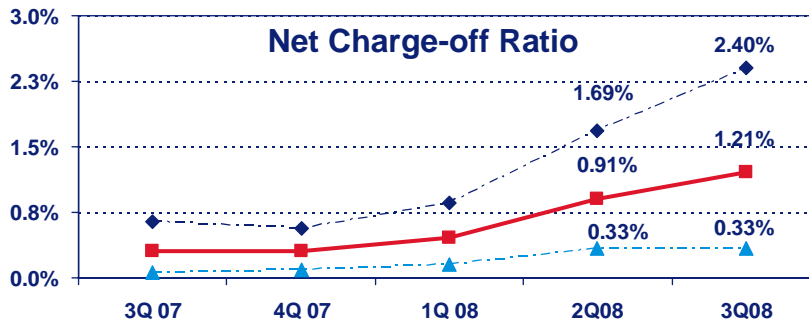
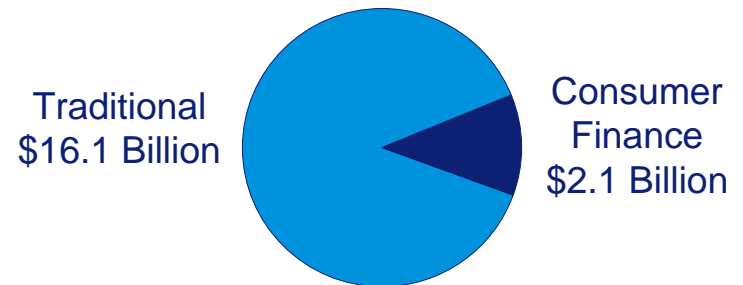
Residential Mortgages & Home Equity, \$41.5 Billion

- ✓ Credit trends continue to show strong credit quality in the traditional portfolio
- ✓ Stress primarily in the Consumer Finance Division portfolio

Residential Mortgages



Home Equity

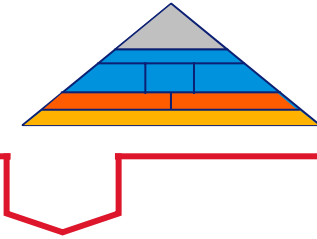


▲ Traditional ◆ Consumer Finance ■ Total

As of 9/30/08

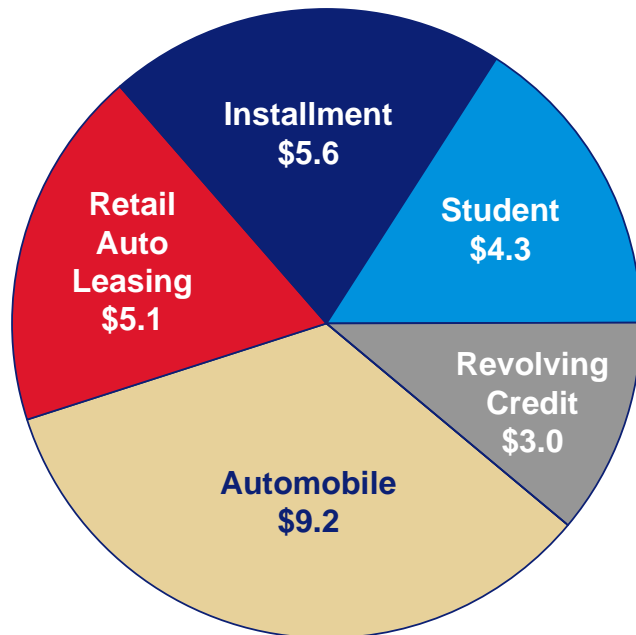
NCO Ratio = net charge-offs annualized as a % of average loans

Other Retail Loans

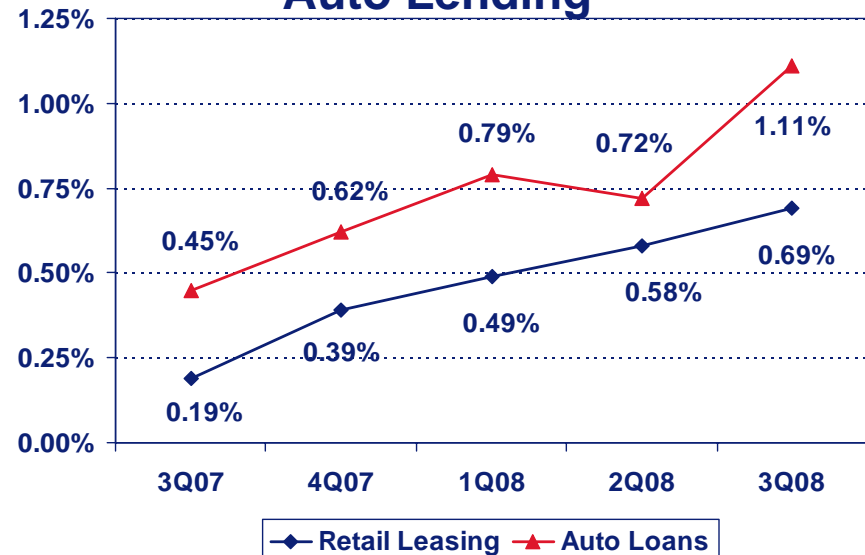


By Loan Type, \$27.2 Billion

- ✓ Retail auto leasing - high quality portfolio (average FICO 754): however, end of term lease valuations are deteriorating
- ✓ Auto loans - high quality portfolio (average FICO 744): both direct (~20%) and indirect (~80%) originations



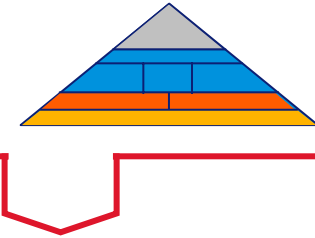
Net Charge-off Ratio Auto Lending



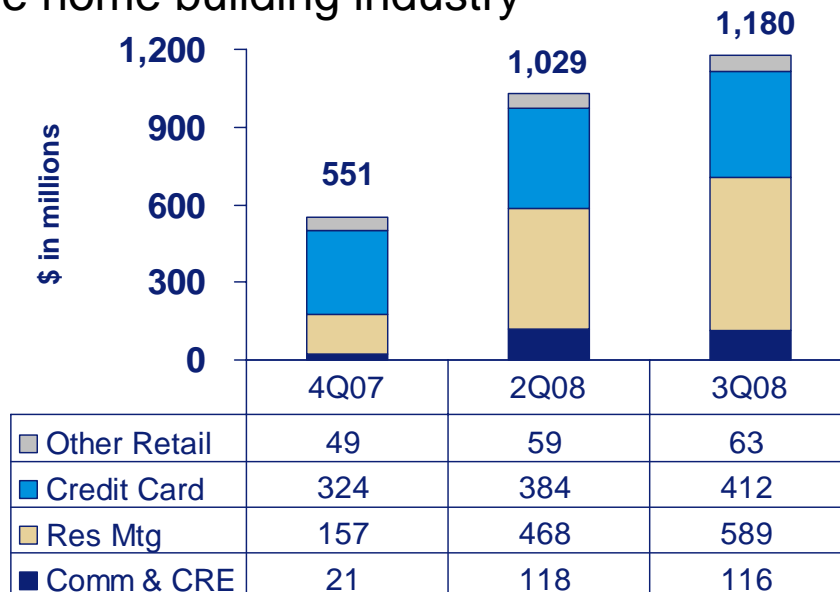
As of 9/30/08

NCO Ratio = net charge-offs annualized as a % of average loans

Restructured Loans

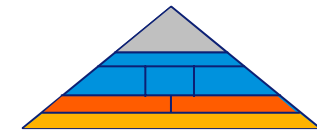


- ✓ In late 2005 implemented programs to identify and assist retail customers to meet minimum payment requirements
- ✓ In late 2007 began implementing a mortgage loan restructuring program for certain qualifying borrowers
 - Sub-prime borrowers, that are current in their repayment status, are allowed to retain the lower of their existing interest rate or the market rate as of their interest reset date
- ✓ In 2008 Commercial and CRE restructuring activity increased due to stress in the home building industry



➤ Expect restructured loan balances to continue to increase as more customers are qualified for programs

Reserve Methodology



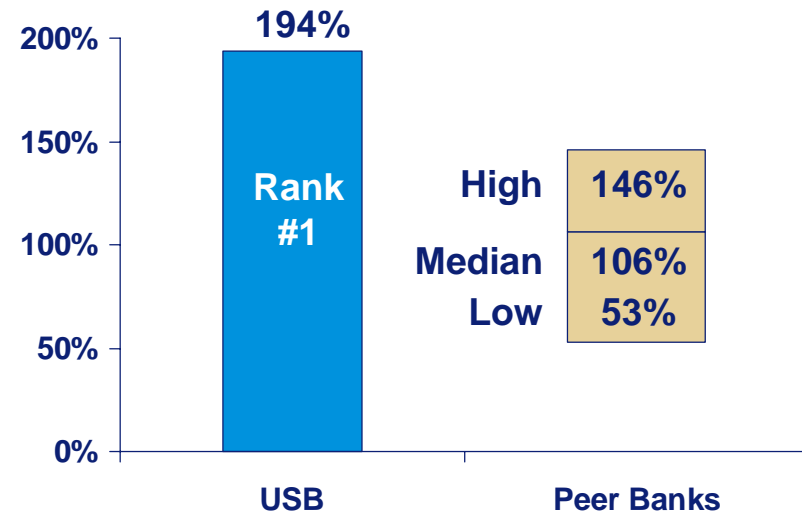
Reserve Methodology

- ✓ Wholesale Portfolio - a function of risk ratings and net inherent loss rates
- ✓ Retail / Small Business - a function of a rolling 1 year estimate of losses
- ✓ Impaired loans - specific reserve for non-accrual and restructured loans
- ✓ Reserve methodology also includes management judgement and considers uncertainty/volatility of loss estimates given current economic conditions

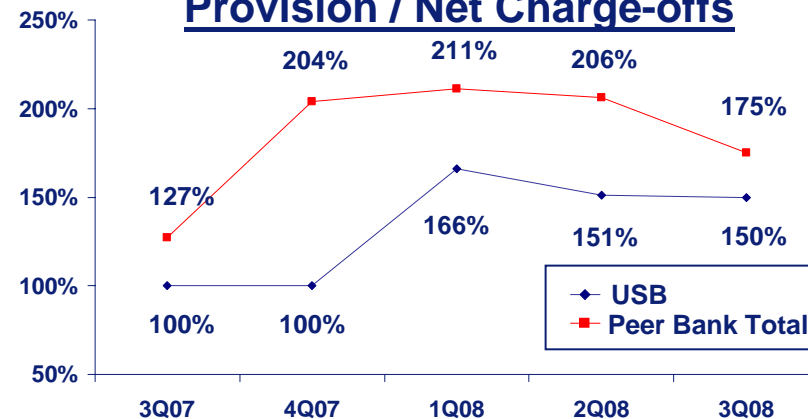
Reserve Build

- ✓ Later and less severe than peers
- ✓ Continue building reserve until the outlook for credit improves

3Q08 Allowance / NPA's



Provision / Net Charge-offs

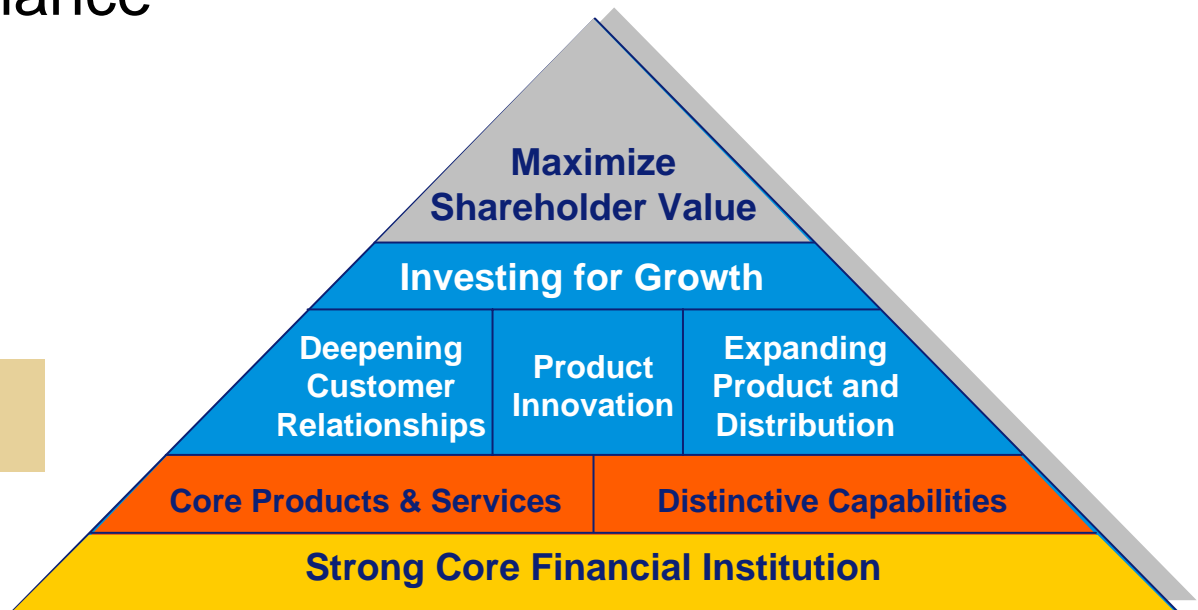


U.S. Bancorp – Positioned for Growth

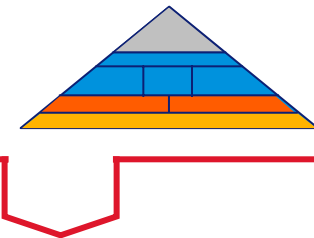
✓ Financial Performance

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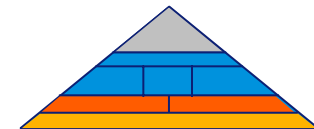
Investing for Growth



Disciplined Decision-making Approach to Acquisitions and Organic Growth Initiatives

- ✓ Centrally managed review process, which includes data gathering, USB business line “expert” review and valuation analysis
- ✓ Acquisition sponsored by business line Vice Chairman
- ✓ Investment Committee reviews strategic rationale and financial analysis
- ✓ Due diligence performed and managed centrally
- ✓ Investment Committee gives final approval of acquisition based on results of due diligence

Acquisition Investments



Invested \$4+ Billion Since 2002

✓ **Consumer and Wholesale**

- Mellon 1st Business Bank
- United Financial Corp
- Vail Banks, Inc
- Bay View Bank
- Leader Mortgage Co

✓ **Wealth Management**

- LaSalle Bank Corporate Trust
- SunTrust Corporate Trust
- Wachovia Corporate Trust and Institutional Custody
- National City Corporate Trust
- State Street Corporate Trust

✓ **Merchant Payment Services**

- Southern DataComm
- First Horizon Merchant Services
- Citibank Card Acceptance
- Certegy Merchant Acquiring
- SouthTrust Merchant Portfolio
- euroConex
- Union Bank Merchant Portfolio

✓ **Corporate Payment Systems**

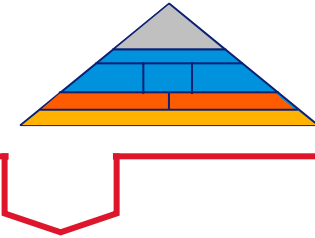
- AIMS Logistics
- Schneider Payment Services
- Multi Service Aviation Business
- Advent Business Systems

✓ **Transaction Services**

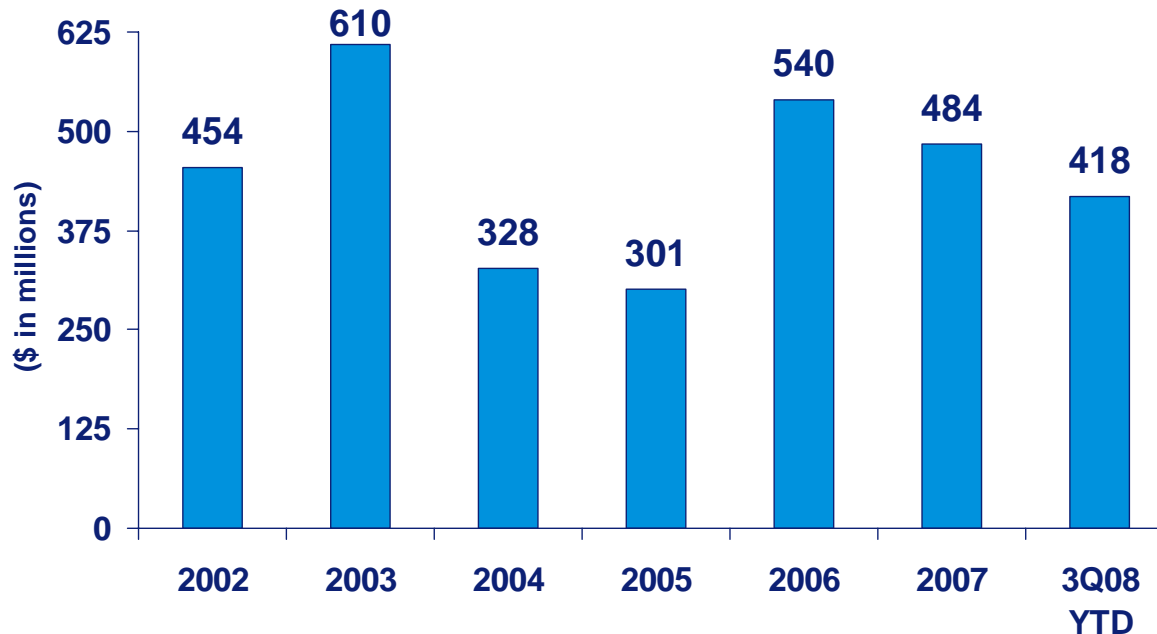
- Genpass, Inc



Capital Investments



Average \$450+ Million per Year Since 2002



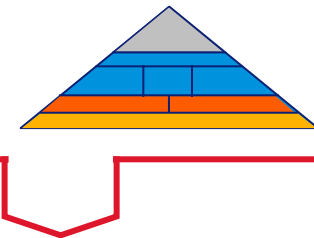
Corporate-wide

- ✓ Enterprise Revenue Office
- ✓ Employee Engagement
- ✓ National Media Campaign

Business Line

- ✓ National Corporate Banking
- ✓ PowerBank
- ✓ In-Store & On-Site Banking
- ✓ Wealth Mgmt Initiative
- ✓ Healthcare Payments
- ✓ International Payments Expansion
- ✓ ... and more

Investment Decision Criteria



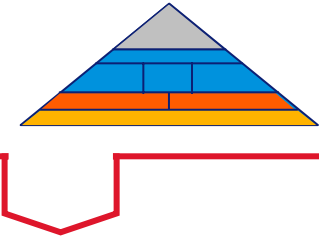
Financial

- ✓ SVA - Net Present Value (NPV)
- ✓ Internal Rate of Return (IRR)
- ✓ Accretion / Dilution
- ✓ Optimal Capital Structure

Non-Financial

- ✓ Strategic Fit
- ✓ Competitive Advantage
- ✓ Integration / Execution / Business Risk

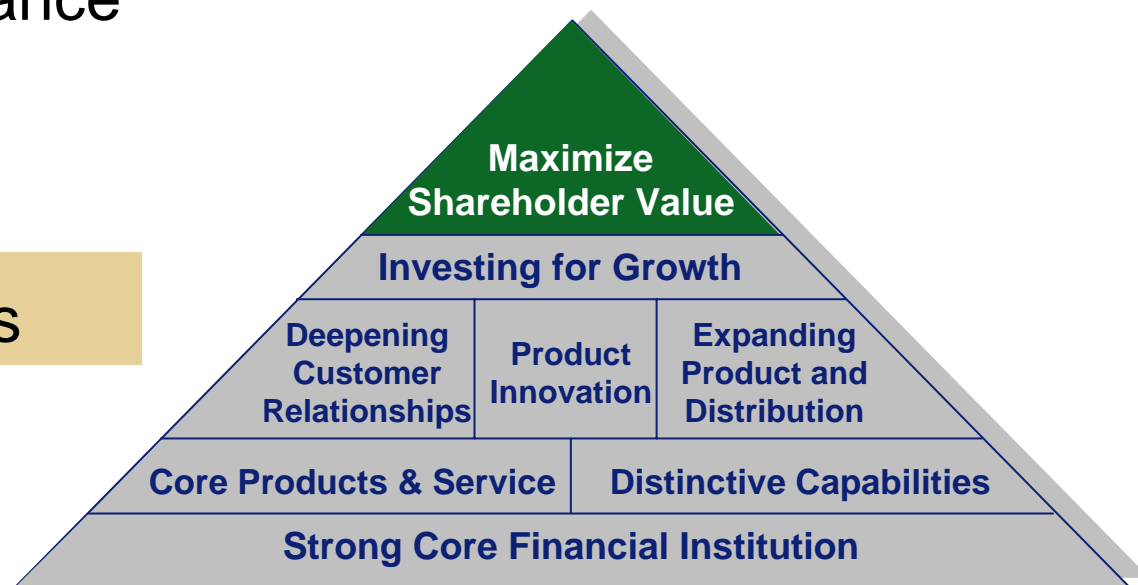
TARP - Capital Purchase Program



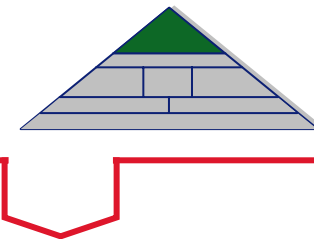
- U.S. Bancorp will issue \$6.6 billion of preferred stock and related warrants to the U.S. Treasury
- Rating agencies view participation favorably
- USB shareholders will benefit due to an overall lower cost of capital and accelerated earnings growth due to higher retained earnings
- The capital will augment our capacity to engage in increased lending activity and invest for future growth

Maximize Shareholder Value

- ✓ Financial Performance
- ✓ Credit Quality
- ✓ Focus on Growth
- ✓ Shareholder Focus

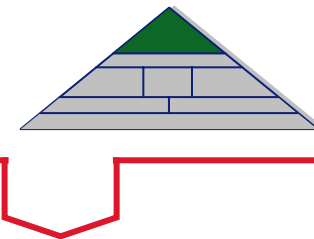


Shareholder Focus



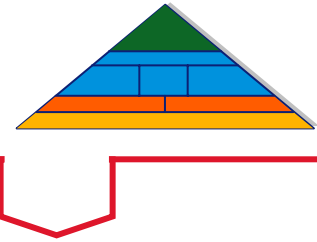
- ✓ Lower risk, lower volatility in earnings stream given current market environment
- ✓ Industry-leading profitability
- ✓ High return of earnings to shareholders - U.S. Bancorp has paid a dividend for 145 consecutive years
- ✓ Strong capital and liquidity positions
- ✓ Excellent cost control
- ✓ Investing for future growth

Total Shareholder Return



As of 10/31/08	1 Year	3 Year	5 Year
U.S. Bancorp	(5.3)%	5.1%	6.6%
S&P 500 Commercial Bank Index	(32.8)%	(10.6)%	(3.3)%
S&P 500 Index	(36.1)%	(5.2)%	0.3%

Source: FactSet
Annualized returns



Consistent

Predictable

Repeatable

BancAnalysts Association of Boston Conference

Andy Cecere

Vice Chairman and CFO

November 7, 2008

