U.S. Bancorp

2Q10 Earnings Conference Call

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All of us serving you™

July 21, 2010

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Forward-looking Statements and Additional Information

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

This presentation contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which could adversely affect our revenues and the values of our assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional credit losses and deterioration in asset values. In addition, our business and financial performance could be impacted as the financial industry restructures in the current environment, by increased regulation of financial institutions or other effects of recently enacted legislation, and by changes in the competitive landscape. Our results could also be adversely affected by continued deterioration in general business and economic conditions; 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.

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, 2009, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events.

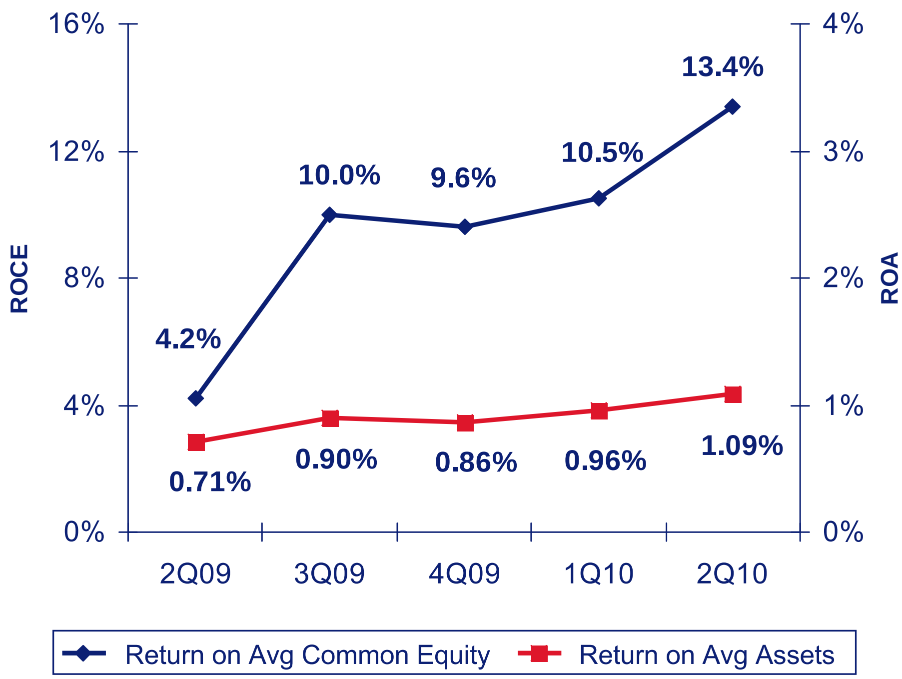
This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The reconciliations of those measures to GAAP measures are provided within or in the appendix of the presentation. These disclosures should not be viewed as a substitute for operating results determined in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

2Q10 Highlights

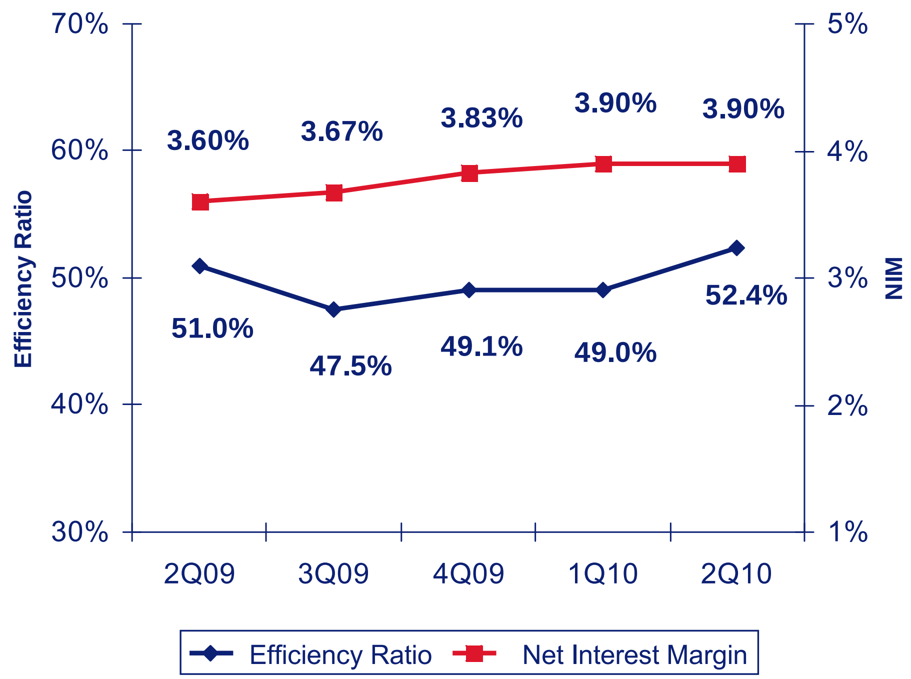
- ✓ Net income of $766 million; $0.45 per diluted common share (includes benefit of $0.05 related to an exchange of perpetual preferred stock for outstanding income trust securities)
- ✓ Record total net revenue of $4.5 billion, up 8.7% vs. 2Q09
  - Net interest income growth of 14.5% vs. 2Q09
  - Noninterest income growth of 2.7% vs. 2Q09
- ✓ Strong average deposit growth of 12.3% (4.1% excluding acquisitions) vs. 2Q09
- ✓ Average loan growth of 4.0% (decline of 2.7% excluding acquisitions) vs. 2Q09
- ✓ Linked quarter decline in net charge-offs and nonperforming assets; provision for credit losses declined for the third consecutive quarter (allowance for credit losses as a percentage of NPAs = 146%, excluding covered loans)
- ✓ Early and late stage loan delinquencies (excluding covered loans) as a percentage of ending loan balances declined in a majority of major loan categories on a linked quarter basis
- ✓ Capital generation continues to strengthen capital position
  - Tier 1 capital ratio of 10.1%
  - Tier 1 common equity ratio of 7.4%

Performance Ratios

ROCE and ROA



Efficiency Ratio and Net Interest Margin



Efficiency ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses) net

Capital Position

$ in billions

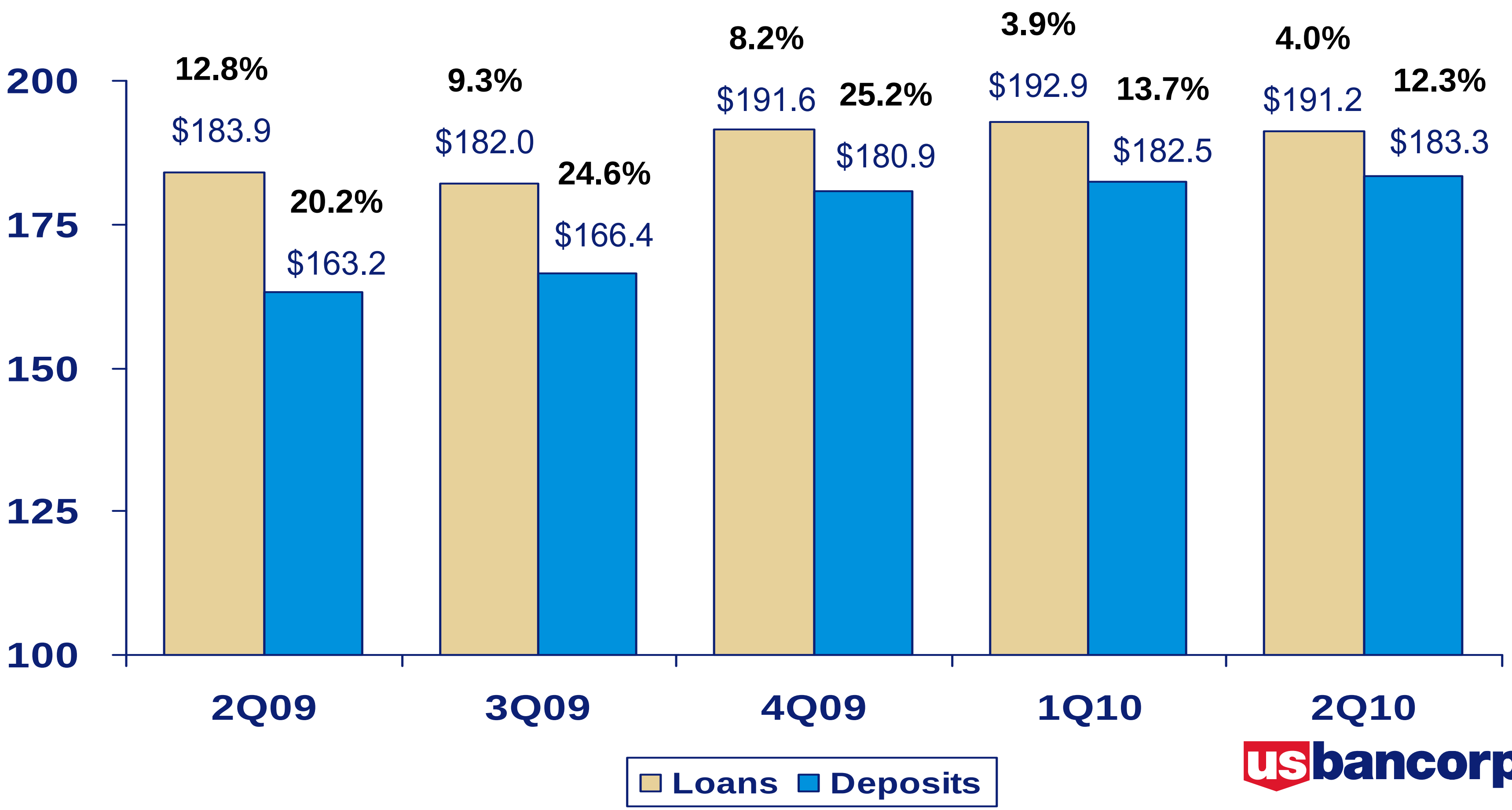
	2Q10	1Q10	4Q09	3Q09	2Q09
Shareholders' equity	$ 28.2	$ 26.7	$ 26.0	$ 25.2	$ 24.2
Tier 1 capital	24.0	23.3	22.6	22.0	21.7
Total risk-based capital	31.9	30.9	30.5	30.1	30.0
Tier 1 capital ratio	10.1%	9.9%	9.6%	9.5%	9.4%
Tier 1 common equity ratio	7.4%	7.1%	6.8%	6.8%	6.7%
Total risk-based capital ratio	13.4%	13.2%	12.9%	13.0%	13.0%
Leverage ratio	8.8%	8.6%	8.5%	8.6%	8.4%
Tangible common equity ratio	6.0%	5.6%	5.3%	5.4%	5.1%
Tangible common equity as a percent of risk-weighted assets	6.9%	6.5%	6.1%	6.0%	5.7%

Loan and Deposit Growth

$ in billions

Average Balances
Year-Over-Year Growth

2Q10 Acquisition Adjusted
Loan Growth = (2.7%)
Deposit Growth = 4.1%



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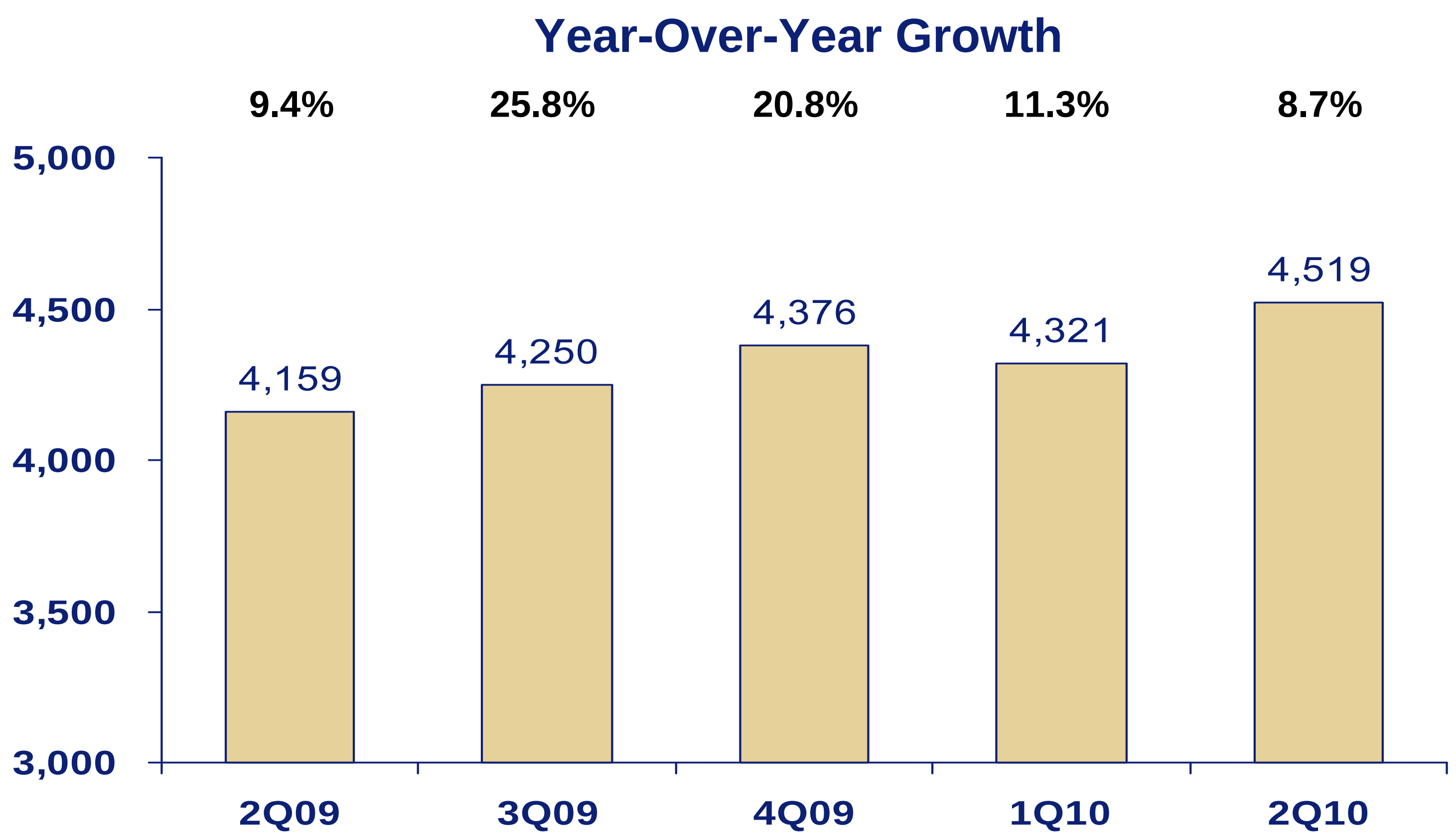
Revenue Growth

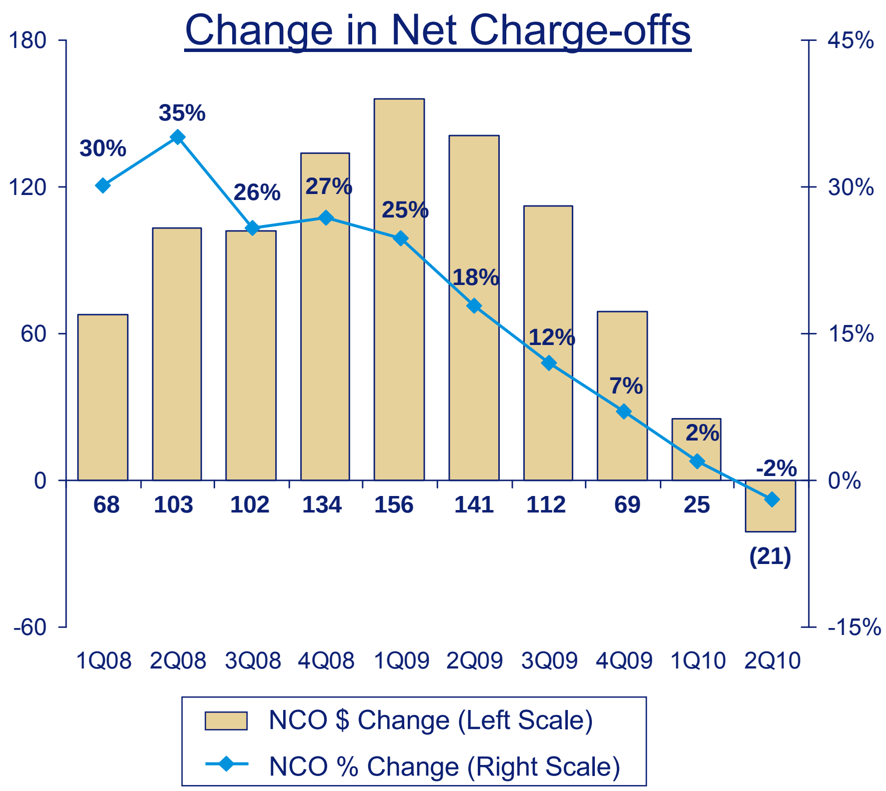
$ in millions

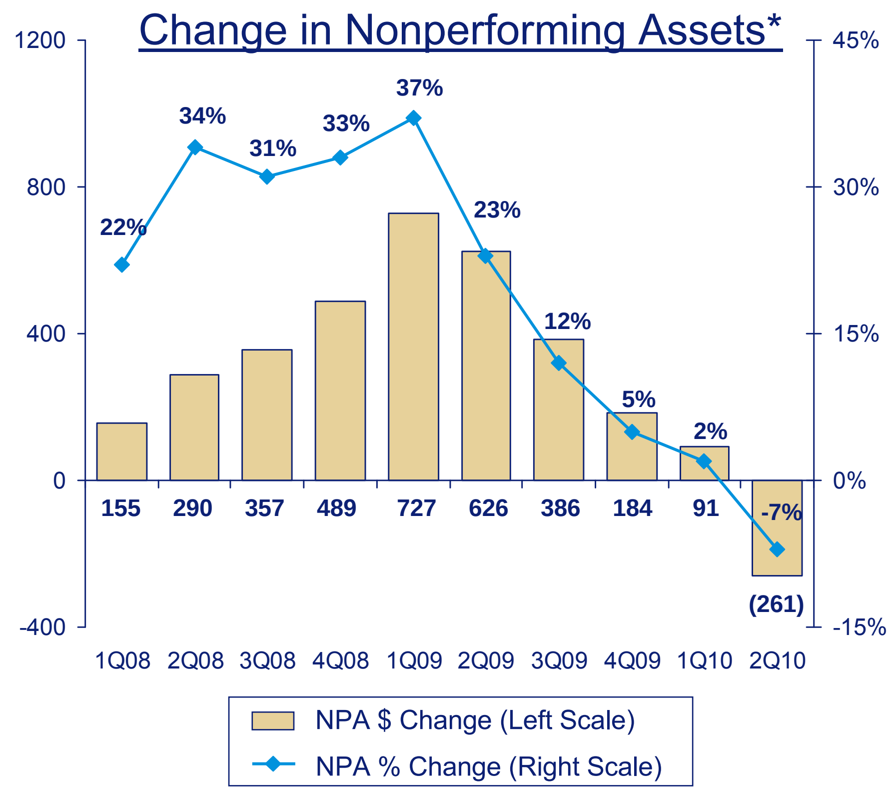


Taxable-equivalent basis

Credit Quality

✓ The Company expects the level of Net Charge-offs and Nonperforming Assets, excluding covered assets, to trend lower during 3Q10





$ in millions, linked quarter change

* Excluding Covered Assets (assets subject to loss sharing agreements with FDIC)

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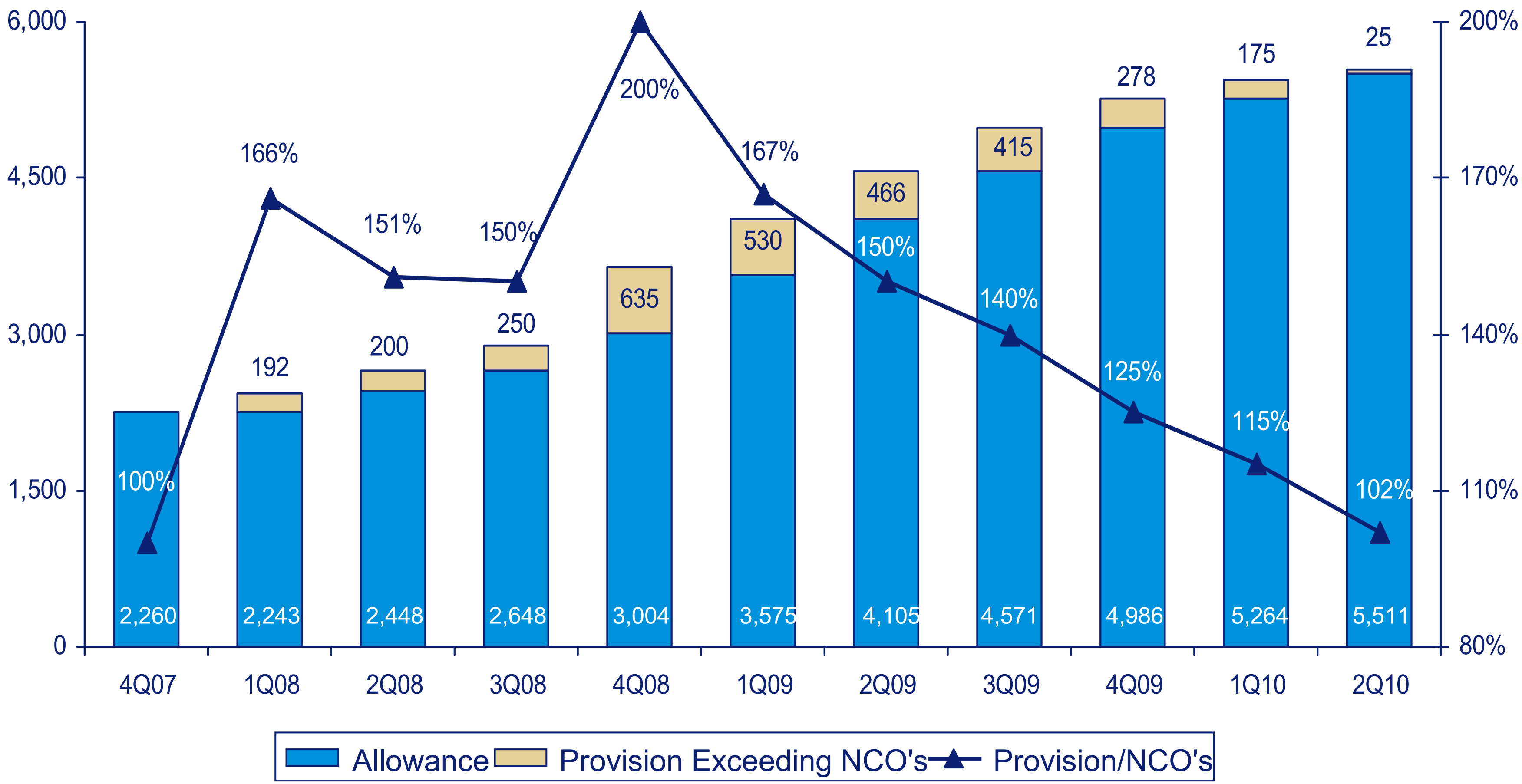
Credit Quality - Reserves

$ in millions

Allowance for Credit Losses



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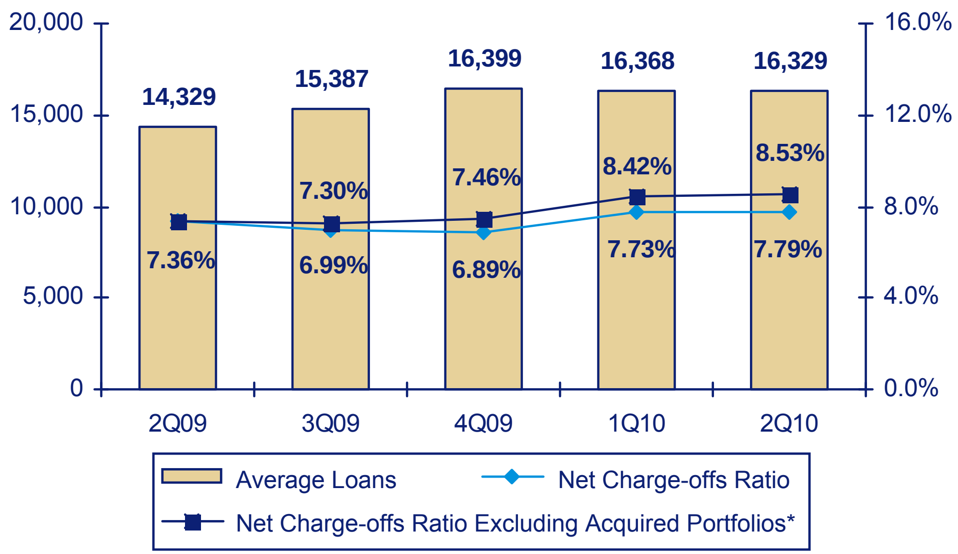
Credit Quality - Credit Card

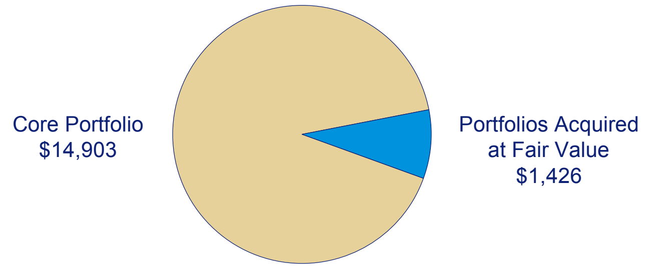
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	14,329	16,368	16,329
30-89 Delinquencies	2.38%	2.35%	1.86%
90+ Delinquencies	2.37%	2.57%	2.38%
Nonperforming Loans	0.72%	1.02%	1.04%



Comments

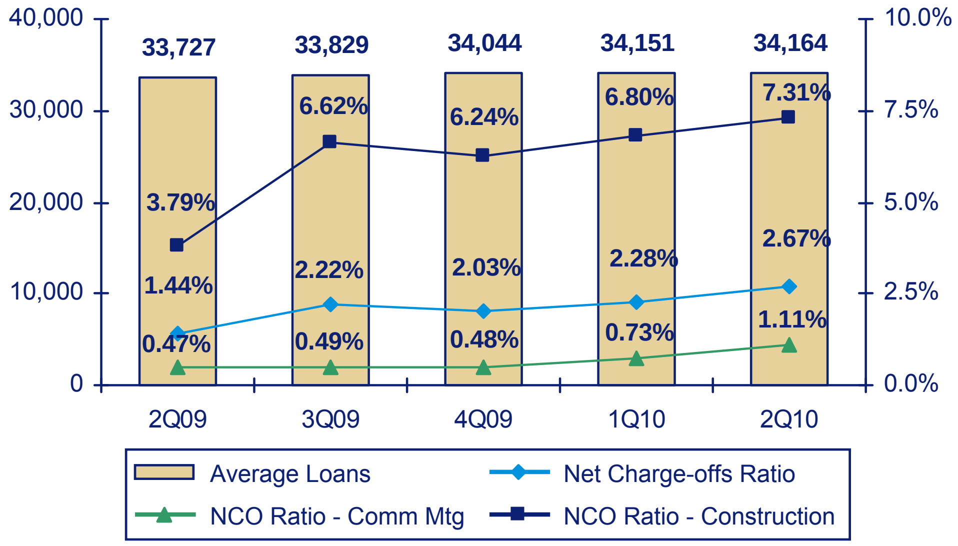
- ✓ Average loans decreased slightly on a linked quarter basis, but were higher by 14.0% year over year due primarily to portfolio acquisitions
- ✓ Significant improvement in both early and late stage delinquencies

* Excluding portfolio purchases where the acquired loans were recorded at fair value at the purchase date

Credit Quality - Commercial Real Estate

$ in millions

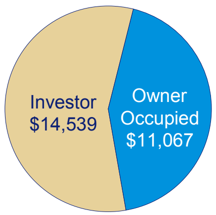
Average Loans and Net Charge-offs Ratios



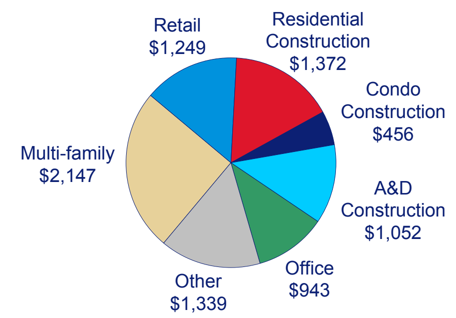
Key Statistics

	2Q09	1Q10	2Q10
Average Loans	33,727	34,151	34,164
30-89 Delinquencies	1.50%	1.44%	0.98%
90+ Delinquencies	0.22%	0.01%	0.09%
Nonperforming Loans	4.83%	5.36%	4.75%
Performing TDRs	132	87	69

CRE Mortgage



CRE Construction



Comments

- ✓ Residential construction (including condo) has declined from $4.7 billion in 3Q07 to $1.8 billion in 2Q10
- ✓ Overall delinquencies have improved significantly, but net charge-offs remain elevated
- ✓ Nonperforming loans as a percent of loans outstanding improved on a linked quarter basis

Earnings Summary

$ in millions, except per-share data

	2Q10	1Q10	2Q09	% B/(W) vs 1Q10	% B/(W) vs 2Q09	2Q10 YTD	2Q09 YTD	% B/(W)
Net Interest Income	$ 2,409	$ 2,403	$ 2,104	0.2	14.5	$ 4,812	$ 4,199	14.6
Noninterest Income	2,110	1,918	2,055	10.0	2.7	4,028	3,843	4.8
Total Revenue	**4,519**	**4,321**	**4,159**	**4.6**	**8.7**	**8,840**	**8,042**	**9.9**
Noninterest Expense	2,377	2,136	2,129	(11.3)	(11.6)	4,513	4,000	(12.8)
Operating Income	**2,142**	**2,185**	**2,030**	**(2.0)**	**5.5**	**4,327**	**4,042**	**7.1**
Net Charge-offs	1,114	1,135	929	1.9	(19.9)	2,249	1,717	(31.0)
Excess Provision	25	175	466	85.7	94.6	200	996	79.9
Income before Taxes	**1,003**	**875**	**635**	**14.6**	**58.0**	**1,878**	**1,329**	**41.3**
Applicable Income Taxes	251	212	150	(18.4)	(67.3)	463	299	(54.8)
Noncontrolling Interests	14	6	(14)	133.3	--	20	(30)	--
Net Income	**766**	**669**	**471**	**14.5**	**62.6**	**1,435**	**1,000**	**43.5**
Preferred Dividends/Other	(96)	21	250	--	--	(75)	360	--
NI to Common	**$ 862**	**$ 648**	**$ 221**	**33.0**	**290.0**	**$ 1,510**	**$ 640**	**135.9**
Diluted EPS	$ 0.45	$ 0.34	$ 0.12	32.4	275.0	$ 0.79	$ 0.36	119.4
Average Diluted Shares	1,921	1,919	1,840	(0.1)	(4.4)	1,920	1,801	(6.6)

Taxable-equivalent basis

2Q10 Results - Key Drivers

vs. 2Q09

- ✓ Net Revenue growth of 8.7% (8.0% excluding significant items)
  - Net interest income growth of 14.5%; net interest margin of 3.90% vs. 3.60%
  - Noninterest income growth of 2.7% (1.4% excluding significant items)
  - Significant items: net change of $26 million
- ✓ Noninterest expense growth of 11.6%
- ✓ Provision for credit losses lower by $256 million
  - Net charge-offs higher by $185 million
  - Provision in excess of credit losses of $25 million; $466 million in 2Q09

vs. 1Q10

- ✓ Net Revenue growth of 4.6% (3.6% excluding significant items)
  - Net interest income growth of 0.2%; net interest margin of 3.90% vs. 3.90%
  - Noninterest income growth 10.0% (7.7% excluding significant items)
  - Significant items: net change of $41 million
- ✓ Noninterest expense growth of 11.3%
- ✓ Provision for credit losses lower by $171 million
  - Net charge-offs lower by $21 million
  - Provision in excess of credit losses of $25 million; $175 million in 1Q10

Significant Items

$ in millions

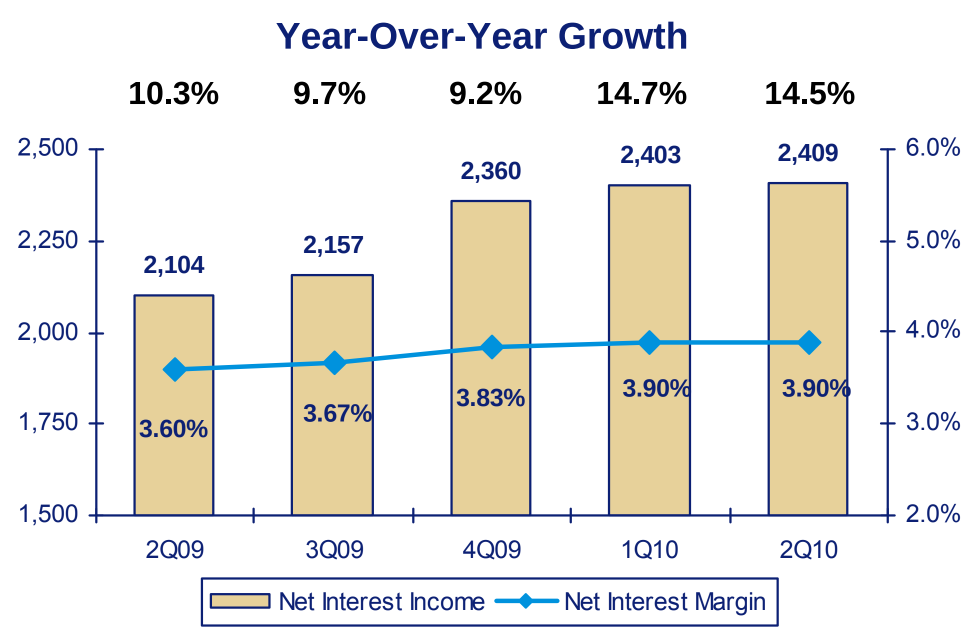
	2Q10	1Q10	2Q09	2Q10 YTD	2Q09 YTD
Revenue Items					
Securities gains (losses), net	$ (21)	$ (34)	$ (19)	$ (55)	$ (217)
Other non-operating gains (losses)	28	-	-	28	92
Expense Items					
ITS transaction debt extinguishment and expense	18	-	-	18	-
FDIC special assessment	-	-	123	-	123
Provision in excess of net charge-offs	25	175	466	200	996
ITS transaction equity impact (net of tax)*	118	-	-	118	-
TARP discount as deemed dividend*	-	-	(154)	-	(154)

* Not a component of net income, but does impact net income applicable to U.S. Bancorp common shareholders and earnings per diluted common share

Net Interest Income

$ in millions

Net Interest Income



Key Points

vs. 2Q09

- ✓ Average earning assets grew by $13.2 billion, or 5.6% (0.1% excluding acquisitions)
- ✓ Net interest margin higher by 30 bp (3.90% vs. 3.60%) driven by:
  - Growth in low cost deposits vs. wholesale funding
  - Favorable funding rates
  - Improved credit spreads

vs. 1Q10

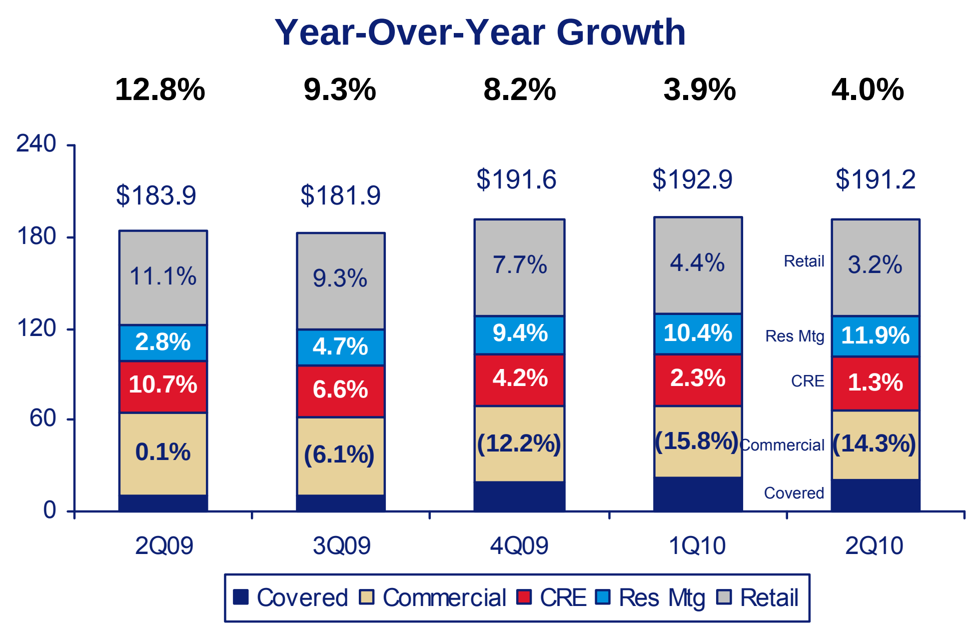
- ✓ Average earning assets declined by $1.4 billion, or 0.6%
- ✓ Net interest margin flat (3.90% vs. 3.90%) driven by:
  - Growth in low cost deposits
  - Favorable libor spreads
  - Offset by Card Act

Taxable-equivalent basis

Average Loans

$ in billions

Average Loans



Key Points

vs. 2Q09

- ✓ Average total loans grew by $7.3 billion, or 4.0% (declined by 2.7% excluding acquisitions)
- ✓ Average total commercial loans declined $7.7 billion, or 14.3%, primarily due to reduction in utilization of revolving lines of credit (27% 2Q10 vs. 35% 2Q09) and reduced demand for new loans
- ✓ Acquisition impact primarily in average covered loans which were higher by $9.8 billion

vs. 1Q10

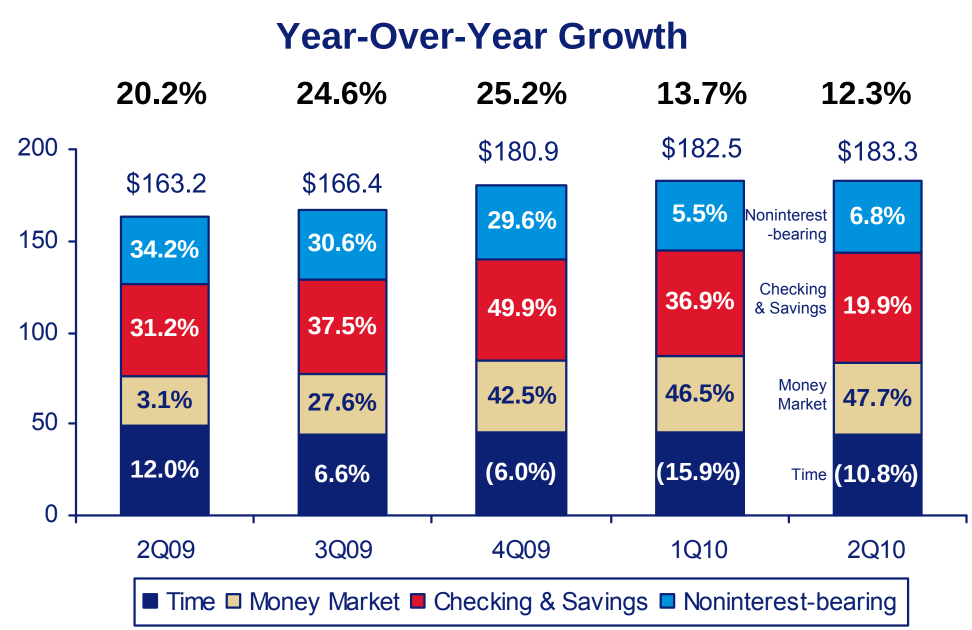
- ✓ Average total loans declined by $1.7 billion, or 0.9%
- ✓ Average total commercial loans declined by $0.9 billion, or 2.0%, primarily due to utilization rates (27% 2Q10 vs. 28% 1Q10) and reduced demand for new loans

Average Deposits

2Q10 Earnings Conference Call

$ in billions

Average Deposits



Key Points

vs. 2Q09

- ✓ Average total deposits grew by $20.1 billion, or 12.3% (4.1% excluding acquisitions)
- ✓ Average low cost deposits (NIB, interest checking, money market and savings), excluding acquisitions, grew $19.8 billion, or 17.4%
- ✓ Growth in low cost deposits led to reduction in wholesale time deposits, contributing to net interest margin expansion

vs. 1Q10

- ✓ Average total deposits grew by $0.8 billion, or 0.4%
- ✓ Average low cost deposits grew by $2.8 billion, or 2.0%

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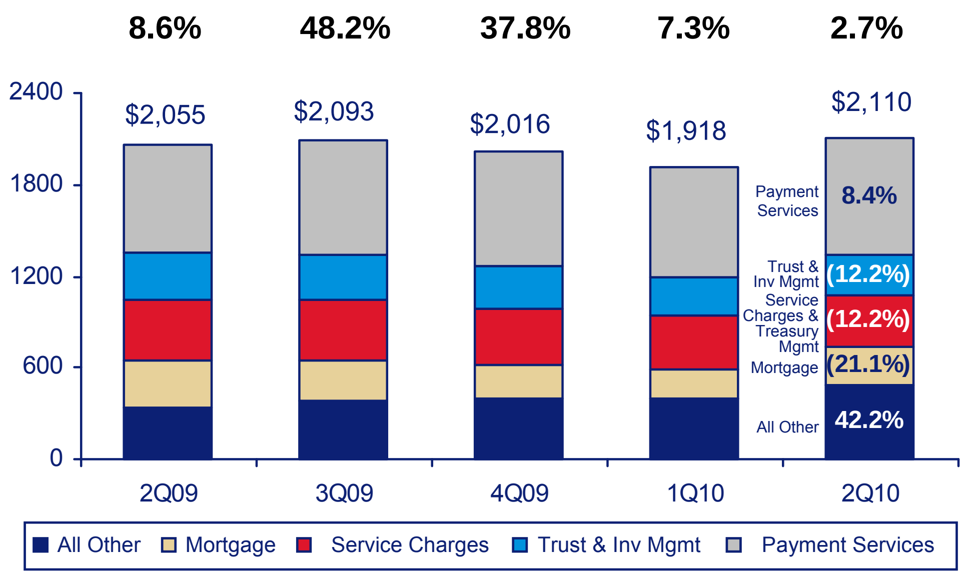
Noninterest Income

$ in millions

Noninterest Income

Year-Over-Year Growth



Significant Noninterest Income Items

	2Q09	3Q09	4Q09	1Q10	2Q10
Valuation losses	$ (19)	$ (76)	$ (158)	$ (34)	$ (21)
Other non-operating gains	-	39	-	-	28
Total	$ (19)	$ (37)	$ (158)	$ (34)	$ 7

Payment services = credit and debit card revenue, corporate payment products revenue and merchant processing services

Key Points

vs. 2Q09

- ✓ Noninterest income grew by $55 million, or 2.7% (1.4% excluding significant items), driven by:
  - Payments revenue (8.4% growth)
  - Commercial products revenue (42.4% growth)
  - Higher other revenue
    - 2Q10 Visa gain and 2Q09 equity investment losses
  - Mortgage banking revenue declined by $65 million
    - 35% reduction in production volume
    - Favorable change in servicing and MSR valuation (hedge $55 2Q10 vs. $45 2Q09)
  - Lower trust & investment management fees and deposit service charges
- ✓ Significant items, including net securities losses, were favorable by $26 million

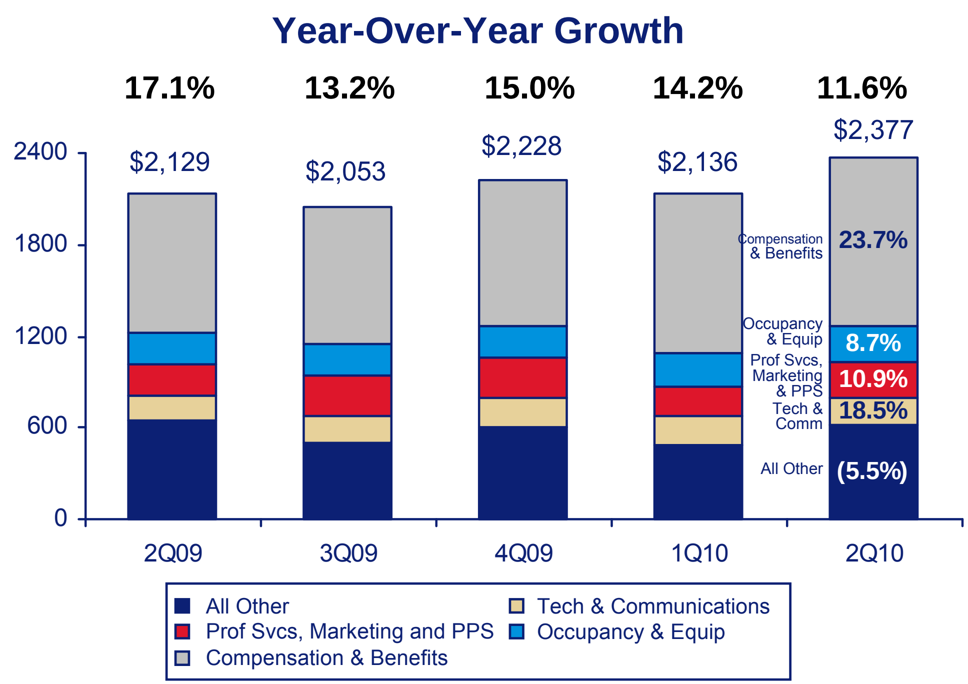
vs. 1Q10

- ✓ Noninterest income was higher by $192 million, or 10.0% (7.7% excluding significant items), driven by:
  - Payments revenue
  - Commercial products revenue
  - Mortgage banking revenue increase of $43 million
    - 18% increase in production volume
  - Higher other revenue
    - Visa gain
- ✓ Significant items, including net securities losses, favorable by $41 million

Noninterest Expense

$ in millions

Noninterest Expense



Significant Noninterest Expense Items

	2Q09	3Q09	4Q09	1Q10	2Q10
FDIC special assessment	$ 123	$ -	$ -	$ -	$ -
ITS transaction	-	-	-	-	18
Total	$ 123	$ -	$ -	$ -	$ 18

Key Points

vs. 2Q09

✓ Noninterest expense was higher by $248 million, or 11.6% (17.6% excluding significant items), majority of variance driven by:

- Acquisitions ($79 million of increase)
- Compensation and benefits
- Professional services & technology and communications
- Investments in affordable housing and other tax-advantaged projects ($66 million of increase)
- Investments in Corporate Banking and Wealth Management initiatives

vs. 1Q10

✓ Noninterest expense was higher by $241 million, or 11.3% (10.4% excluding significant items), majority of variance driven by:

- Compensation due to higher incentives and commissions
- Professional services (seasonally lower 1Q10)
- Marketing and business development
- Other expense due to integration costs, costs related to affordable housing and other tax-advantaged projects, and expense related to insurance and litigation matters

Regulatory / Legislative

✓ Existing Regulatory / Legislative oversight actions

	1H10 Actual	2H10 Estimate	FY 2010 Estimate
Overdraft Legislation	≈ \$60	≈ \$170 - \$220	≈ \$230 - \$280
Pricing and Policy Changes			
Card Act	≈ \$50	≈ \$120 - \$140	≈ \$170 - \$190
Net Interest Margin and Fee Income			

$ in millions, estimated reduction to revenue

Regulatory / Legislative

✓ Dodd-Frank Wall Street Reform and Consumer Protection Act

Direct Impact

Trust Preferred (Collins Amendment) - ≈ 140bp reduction to Tier 1 Ratio

Deposit Insurance Expense - ≈ $200 million increase for 2011

Interchange Fees (Durbin Amendment) - TBD

Specifics to be Determined - Expect Impact to be Immaterial

Volcker Rule

Transparency and Accountability for Derivatives

Mortgage Securitization

Mortgage Reform

Investor Protection (Fiduciary Duty)

Specifics to be Determined - Expect Increased Regulatory, Compliance and Legal Costs

Preemption

Consumer Financial Protection Bureau

Financial Stability Oversight Council

End "Too Big to Fail" Bailouts

Positioned for Growth

Opportunities

- ✓ Core businesses continue to perform strongly
- ✓ Solid capital and liquidity position and strong capital generation
- ✓ Positioned to capitalize on economic recovery
  - "Flight to Quality"
  - Investing for growth – organic initiatives, M&A and joint ventures
  - USB prepared to opportunistically acquire
  - Core businesses are scalable and can be leveraged as the economy recovers

Challenges

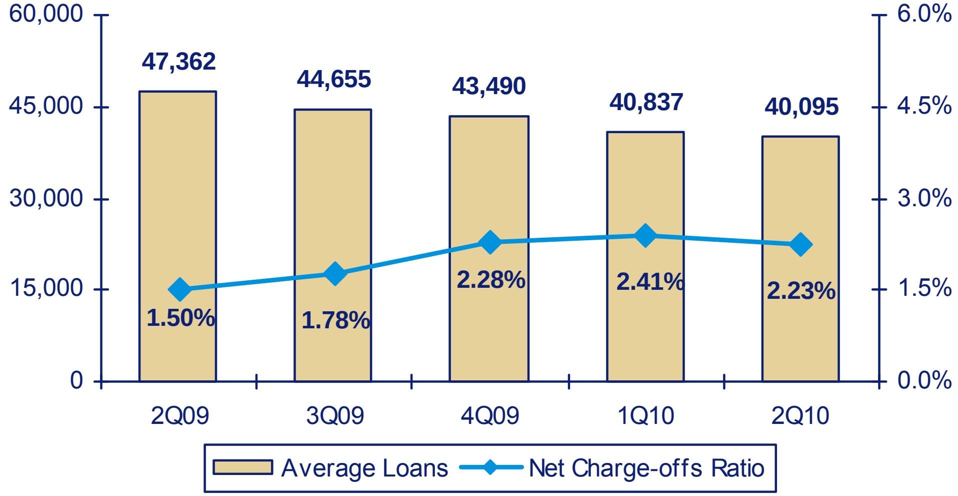
- ✓ Regulatory / legislative oversight and actions
- ✓ Economic growth / uncertainty

Appendix

Credit Quality - Commercial Loans

$ in millions

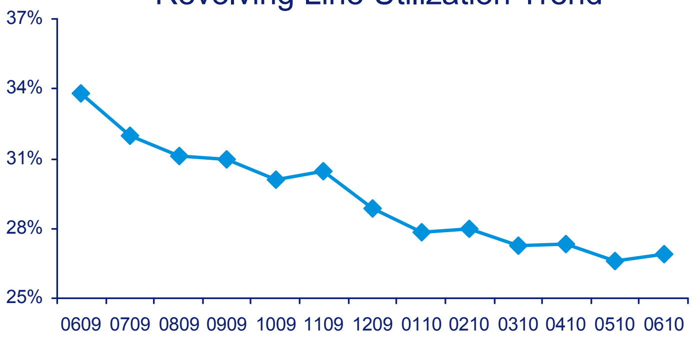
Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	47,362	40,837	40,095
30-89 Delinquencies	1.00%	0.91%	0.73%
90+ Delinquencies	0.19%	0.21%	0.24%
Nonperforming Loans	1.70%	1.90%	1.65%

Revolving Line Utilization Trend



Comments

- ✓ Commercial utilization declined slightly resulting in a $500 million decrease in average balances for the quarter
- ✓ Overall delinquencies and nonperforming loans as a percentage of loans outstanding have continued to show improvement
- ✓ Net charge-offs declined quarter over quarter

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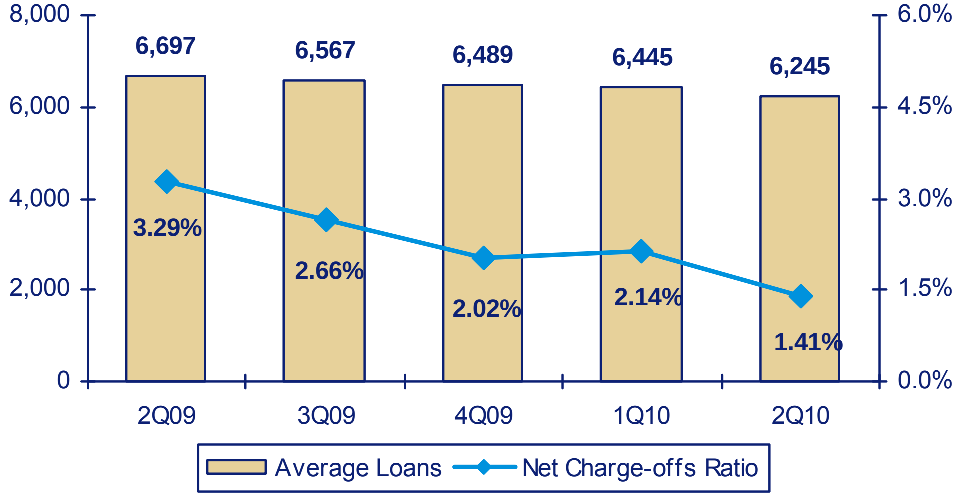
Credit Quality - Commercial Leases

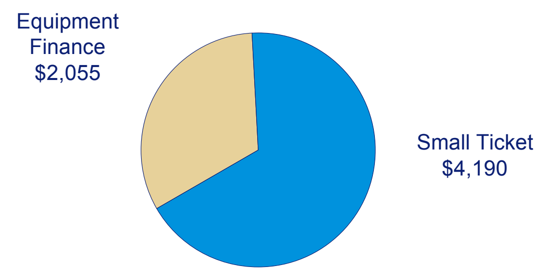
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	6,697	6,445	6,245
30-89 Delinquencies	2.36%	1.91%	1.55%
90+ Delinquencies	--%	--%	0.03%
Nonperforming Loans	1.85%	1.77%	1.87%



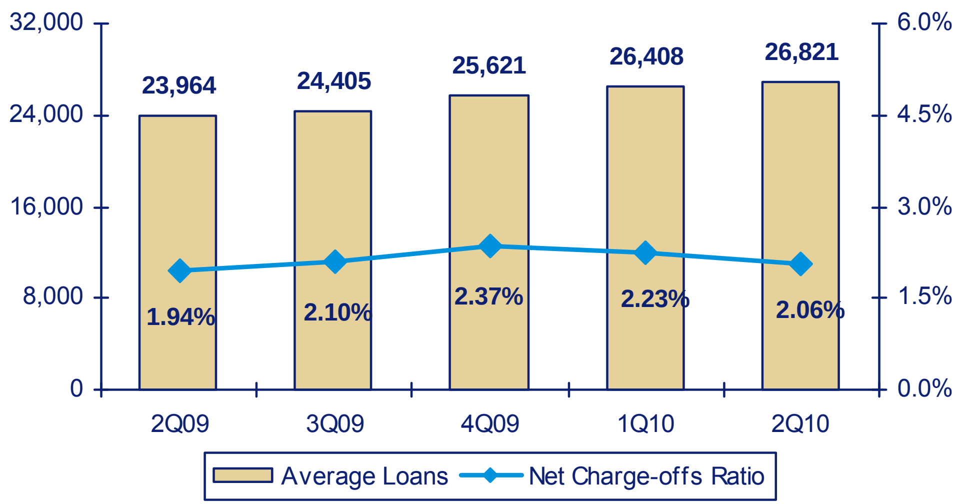
Comments

✓ Overall delinquencies continued to improve along with a significant reduction in net charge-offs

Credit Quality - Residential Mortgage

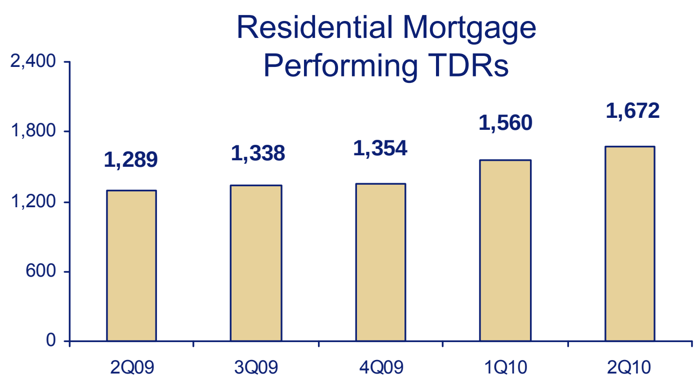
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	23,964	26,408	26,821
30-89 Delinquencies	2.30%	1.96%	1.75%
90+ Delinquencies	2.11%	2.26%	1.85%
Nonperforming Loans	1.35%	2.07%	2.23%



Comments

- ✓ Successfully modified 2,425 loans under the HAMP program (owned and serviced) in 2Q10, representing $512 million in balances
- ✓ Continued significant improvement in both early and late stage delinquencies
- ✓ Net charge-offs continue to decline

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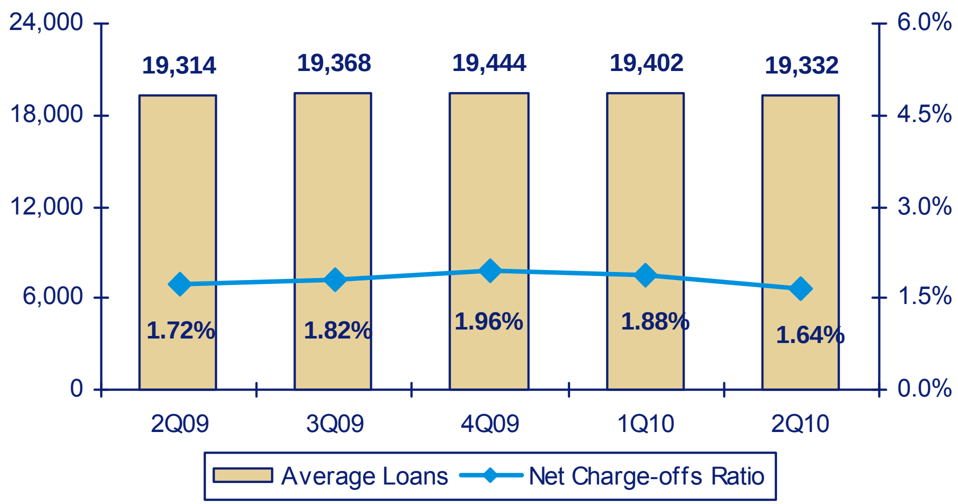
Credit Quality - Home Equity

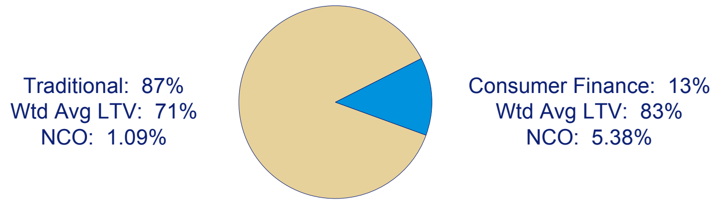
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	19,314	19,402	19,332
30-89 Delinquencies	0.93%	0.85%	0.89%
90+ Delinquencies	0.71%	0.69%	0.68%
Nonperforming Loans	0.14%	0.17%	0.16%



Comments

- ✓ Strong credit quality portfolio (weighted average FICO 746, CLTV 73%) originated primarily through the retail branch network to existing bank customers on their primary residence
- ✓ Net charge-offs continue to decline as delinquencies and nonperforming loans stabilize

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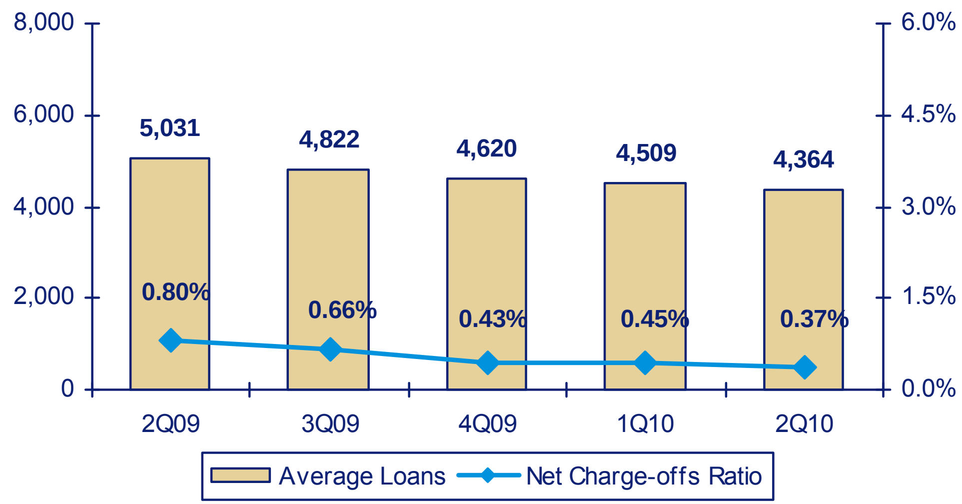
Credit Quality - Retail Leasing

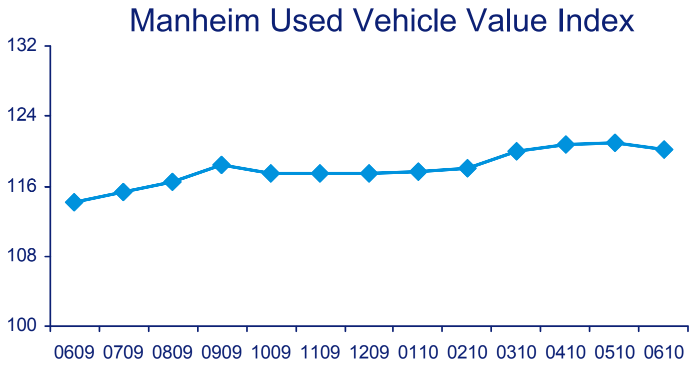
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	5,031	4,509	4,364
30-89 Delinquencies	0.85%	0.56%	0.46%
90+ Delinquencies	0.10%	0.07%	0.05%
Nonperforming Loans	--%	--%	--%



Comments

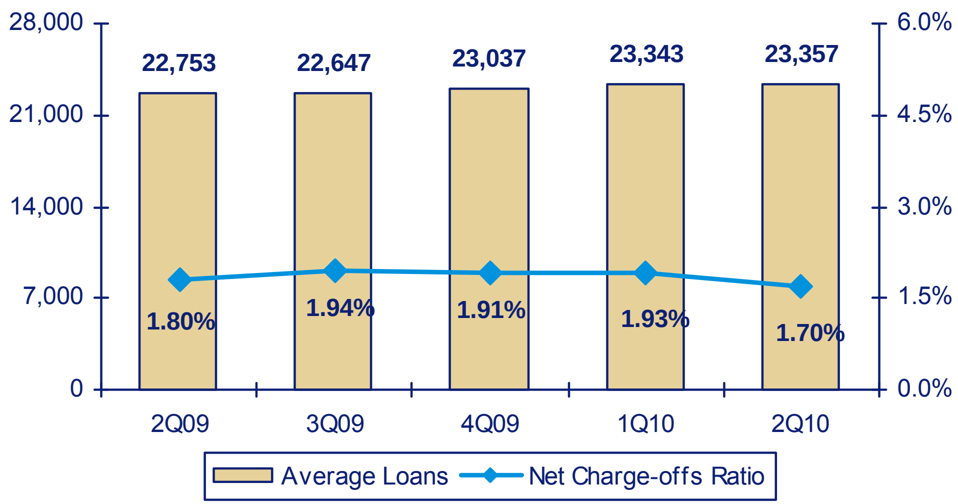
- ✓ Retail leasing net charge-offs and delinquency rates continue to improve
- ✓ Strong used auto values continue to reduce end of term risk and net charge-offs

Manheim used vehicle value index source: www.manheimconsulting.com, January 1995 = 100

Credit Quality - Other Retail

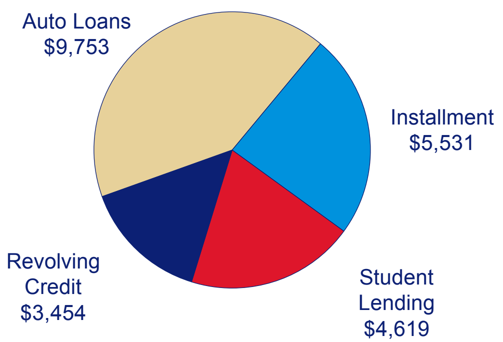
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	22,753	23,343	23,357
30-89 Delinquencies	1.09%	0.89%	0.85%
90+ Delinquencies	0.38%	0.35%	0.32%
Nonperforming Loans	0.09%	0.14%	0.13%



Comments

- ✓ Net charge-offs and delinquencies declined on a linked quarter basis
- ✓ Auto loan portfolio net charge-off rate declined to 0.70% in 2Q10, down from 1.14% in 1Q10 and 1.47% in 2Q09

Non-Regulatory Capital Ratios

2Q10 Earnings Conference Call

$ in millions

	2Q10	1Q10	4Q09	3Q09	2Q09
Total equity	$ 28,940	$ 27,388	$ 26,661	$ 25,880	$ 24,886
Preferred stock	(1,930)	(1,500)	(1,500)	(1,500)	(1,500)
Noncontrolling interests	(771)	(679)	(698)	(709)	(715)
Goodwill (net of deferred tax liability)	(8,425)	(8,374)	(8,482)	(8,161)	(8,035)
Intangible assets (exclude mortgage servicing rights)	(1,525)	(1,610)	(1,657)	(1,604)	(1,479)
Tangible common equity (a)	16,289	15,225	14,324	13,906	13,157
Tier 1 Capital, determined in accordance with prescribed regulatory requirements	24,021	23,278	22,610	21,990	21,710
Trust preferred securities	(3,949)	(4,524)	(4,524)	(4,024)	(4,024)
Preferred stock	(1,930)	(1,500)	(1,500)	(1,500)	(1,500)
Noncontrolling interests, less preferred stock not eligible for Tier 1 capital	(694)	(692)	(692)	(692)	(692)
Tier 1 common equity (b)	17,448	16,562	15,894	15,774	15,494
Total assets	283,243	282,428	281,176	265,058	265,560
Goodwill (net of deferred tax liability)	(8,425)	(8,374)	(8,482)	(8,161)	(8,035)
Intangible assets (exclude mortgage servicing rights)	(1,525)	(1,610)	(1,657)	(1,604)	(1,479)
Tangible assets (c)	273,293	272,444	271,037	255,293	256,046
Risk-weighted assets, determined in accordance with prescribed regulatory requirements (d)	237,145	234,042	235,233	231,993	231,821
Ratios					
Tangible common equity to tangible assets (a)/(c)	6.0%	5.6%	5.3%	5.4%	5.1%
Tier 1 common equity to risk-weighted assets (b)/(d)	7.4%	7.1%	6.8%	6.8%	6.7%
Tangible common equity to risk-weighted assets (a)/(d)	6.9%	6.5%	6.1%	6.0%	5.7%

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July 21, 2010

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