U.S. Bancorp Investor Conference

Payment Services

Pamela Joseph

Vice Chairman Payment Services

September 15, 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 U.S. Bancorp's revenues and the values of its 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, U.S. Bancorp's business and financial performance is likely to be impacted by effects of recently enacted and future legislation and regulation. U.S. Bancorp's 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 its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in its 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, residual value risk, market risk, operational risk, interest rate risk and liquidity 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 U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

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Payment Services

- ✓ Profile
- ✓ Growth Drivers
- ✓ Investing for Growth
- ✓ Long-term Growth Expectations
- ✓ Positioned to Win

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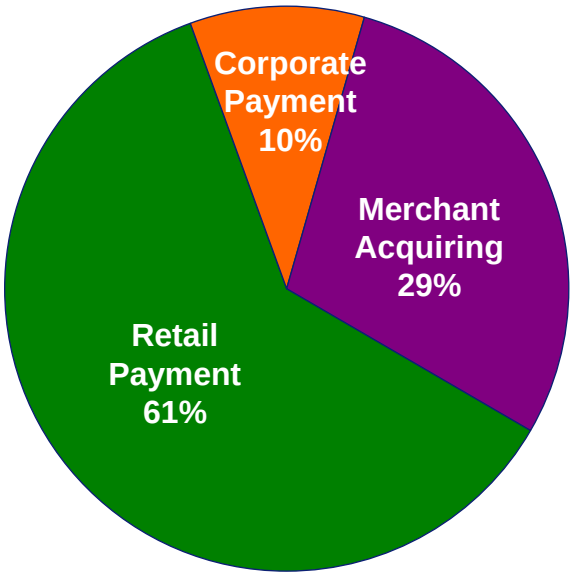
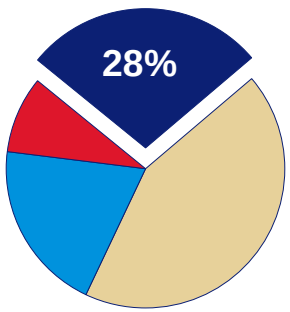
Profile

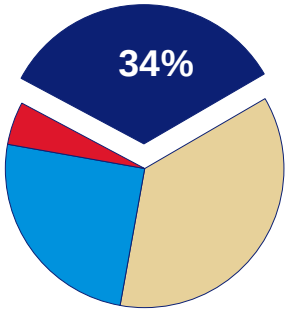
Revenue Mix



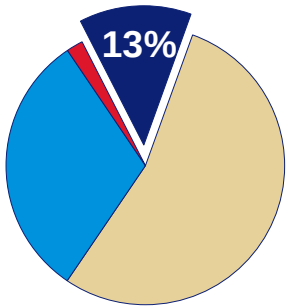
Contribution to U.S. Bancorp



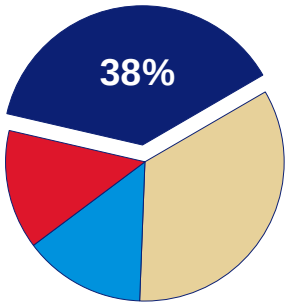
Revenue



Pre-provision Income



Loans



Fee Income

2Q10 YTD, excluding Treasury and Corporate Support

Profile - Scale and Market Share

Scale

Top 5:

- ✓ Fleet card issuer and largest freight payment network
- ✓ U.S. merchant acquirer
- ✓ Corporate card issuer
- ✓ Debit Card Issuer

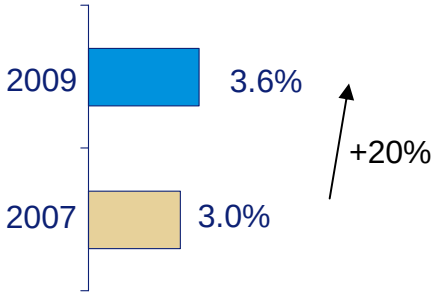
Top 10:

- ✓ Global merchant acquirer
- ✓ General purpose retail credit card issuer

Market Share

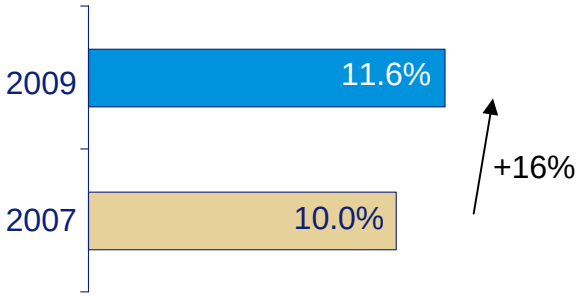
Retail Card

General Purpose Volume



Commercial Card

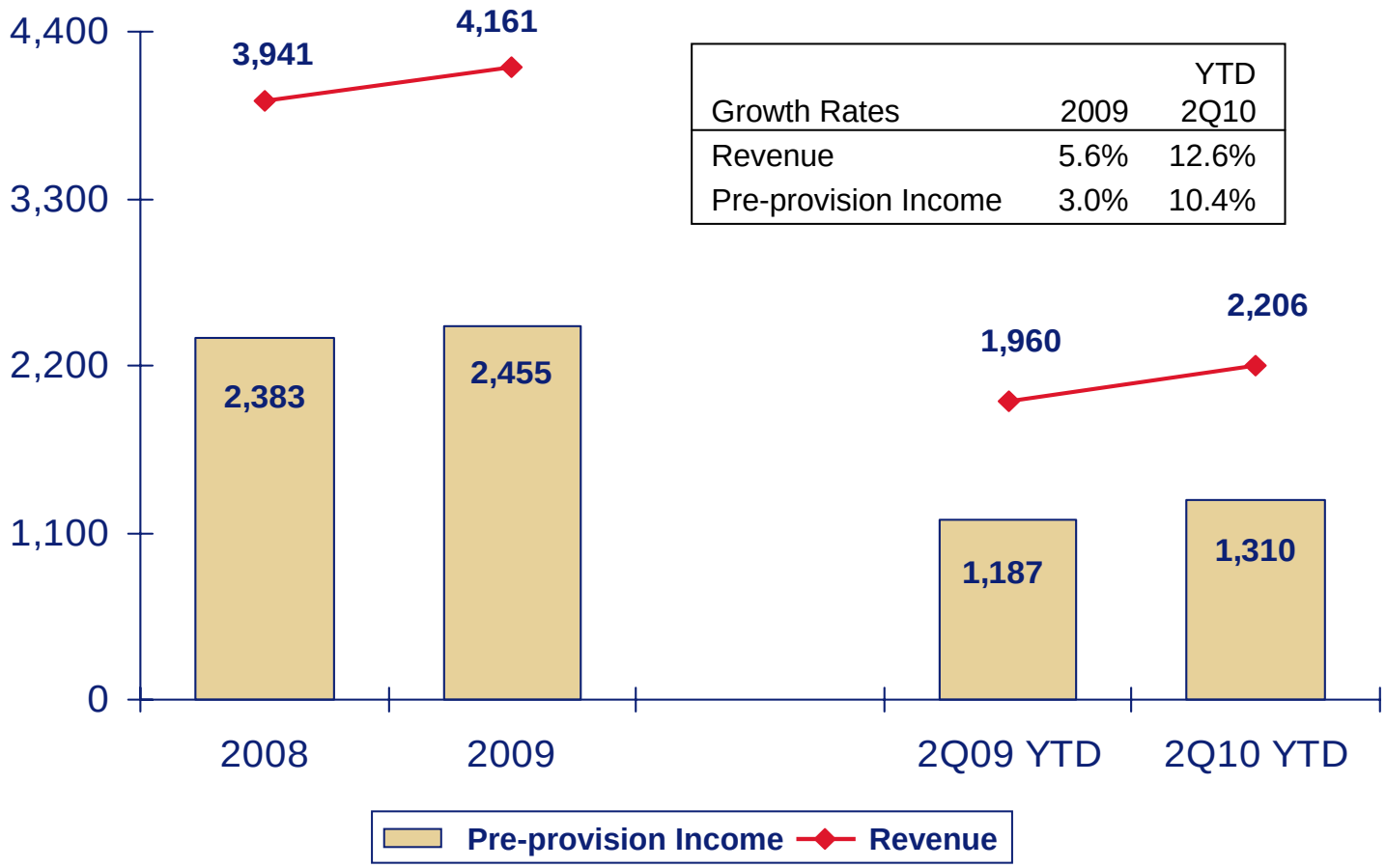
VISA/MC Purchase Volume



Source: The Nilson Report

Profile - Financial Performance

$ in millions



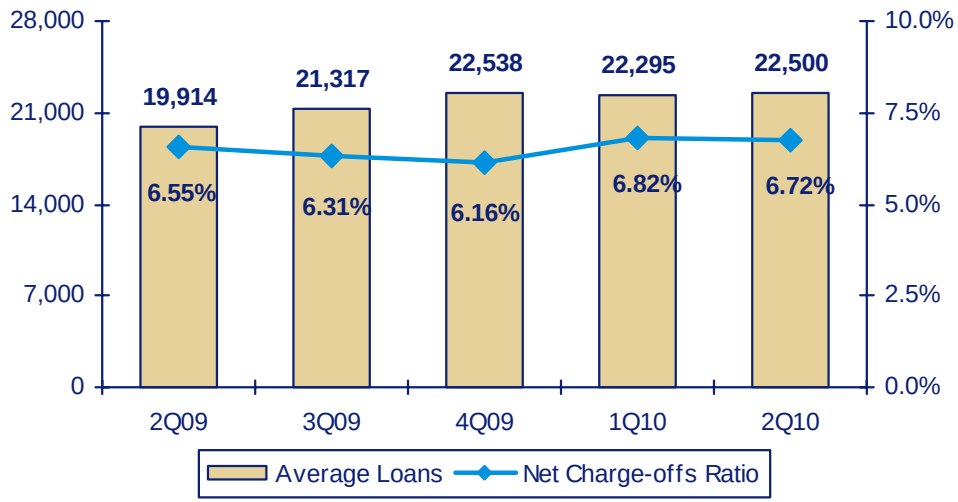
Growth Rates	2009	YTD 2Q10
Revenue	5.6%	12.6%
Pre-provision Income	3.0%	10.4%

Designations, assignments and allocations change from time to time as management systems are enhanced, methods evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. Accordingly, 2008 and 2009 results were restated and presented on a comparable basis.

Profile - Credit Metrics

- ✓ High quality consumer card portfolio producing best-in-class net charge-off rates
- ✓ Significant improvement in early stage delinquencies

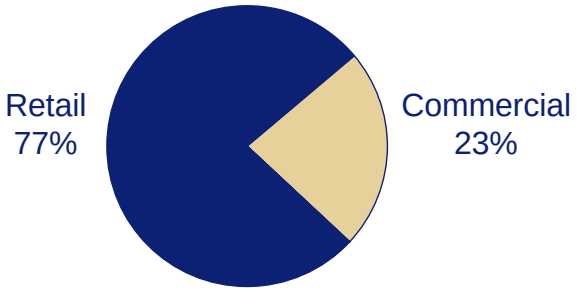
Average Loans and Net Charge-offs Ratios



Key Statistics

	2Q09	1Q10	2Q10
Average Loans	19,914	22,295	22,500
30-89 Delinquencies	2.60%	2.18%	1.86%
90+ Delinquencies	2.22%	2.19%	2.16%
Nonperforming Loans	0.62%	0.91%	0.94%

Loan Type

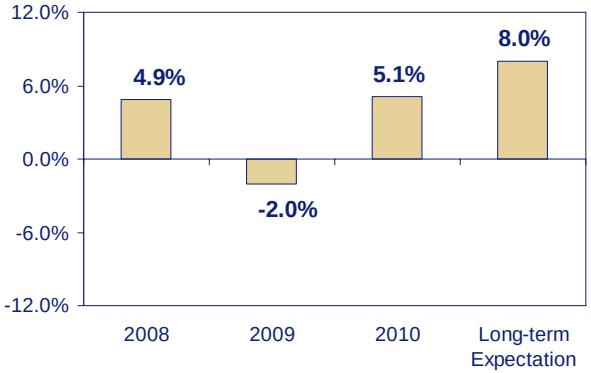


$ in millions, loan mix 2Q10

Growth Drivers

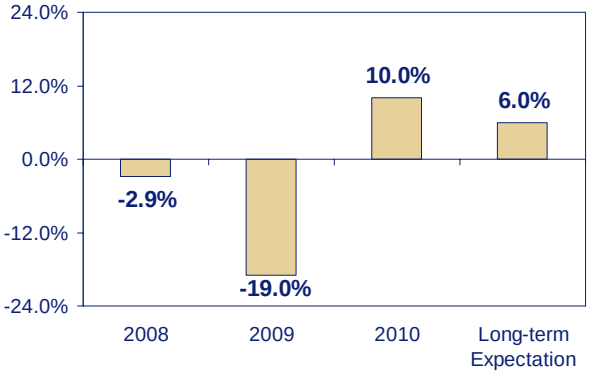
Leveraged to Economic Recovery

USB Credit and Debit Sales
(year-over-year growth)



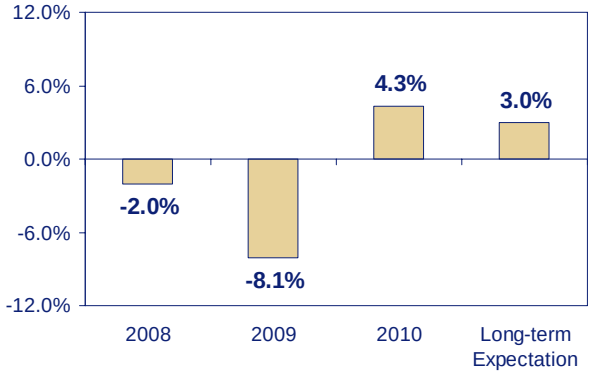
3 Year CAGR = +2.6%

USB Corporate Card Spend
(year-over-year growth)



3 Year CAGR = -4.7%

Elavon Same Store Sales
(year-over-year growth)



3 Year CAGR = -2.1%

2010 = YTD annualized, CAGR 2007-2010, excludes material (>$100 million) acquisitions
Credit and debit sales exclude pre-paid, Elavon represents global business

Growth Drivers

Revenue Drivers

- Retail loan growth
- Credit, debit and pre-paid card transaction volume
- Corporate card transaction volume
- Merchant transaction volume
- Merchant and corporate card services

Business Unit Strategies

- ✓ International expansion
- ✓ Agent bank issuing & acquiring
- ✓ FlexPerks rewards program
- ✓ Payments innovation
- ✓ Syncada joint venture
- ✓ Portfolio and merchant acquisitions
- ✓ Building deeper relationships
- ✓ Customer experience

Environmental Factors

Opportunities

- Economic recovery
- Additional partnership opportunities
- Migration from paper to electronic payments

Challenges

- CARD Act
- Durbin Amendment
- Economy
  - Reduced spend and borrowing

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Investing for Growth

International Expansion

Objective

- ✓ Build global scale by leveraging technology and proven business model through expansion into high-potential international markets

Progress

- ✓ Executed joint venture with Santander for Mexican acquiring marketplace
- ✓ Elavon currently negotiating merchant processing joint venture in Brazil (launch pad for South America)
- ✓ Elavon selected, with VISA, to form merchant acquiring joint venture with State Bank of India, largest bank in India (launch pad for Asia)
- ✓ Building out European Commercial Card Self Issuance capability for market launch in 2011

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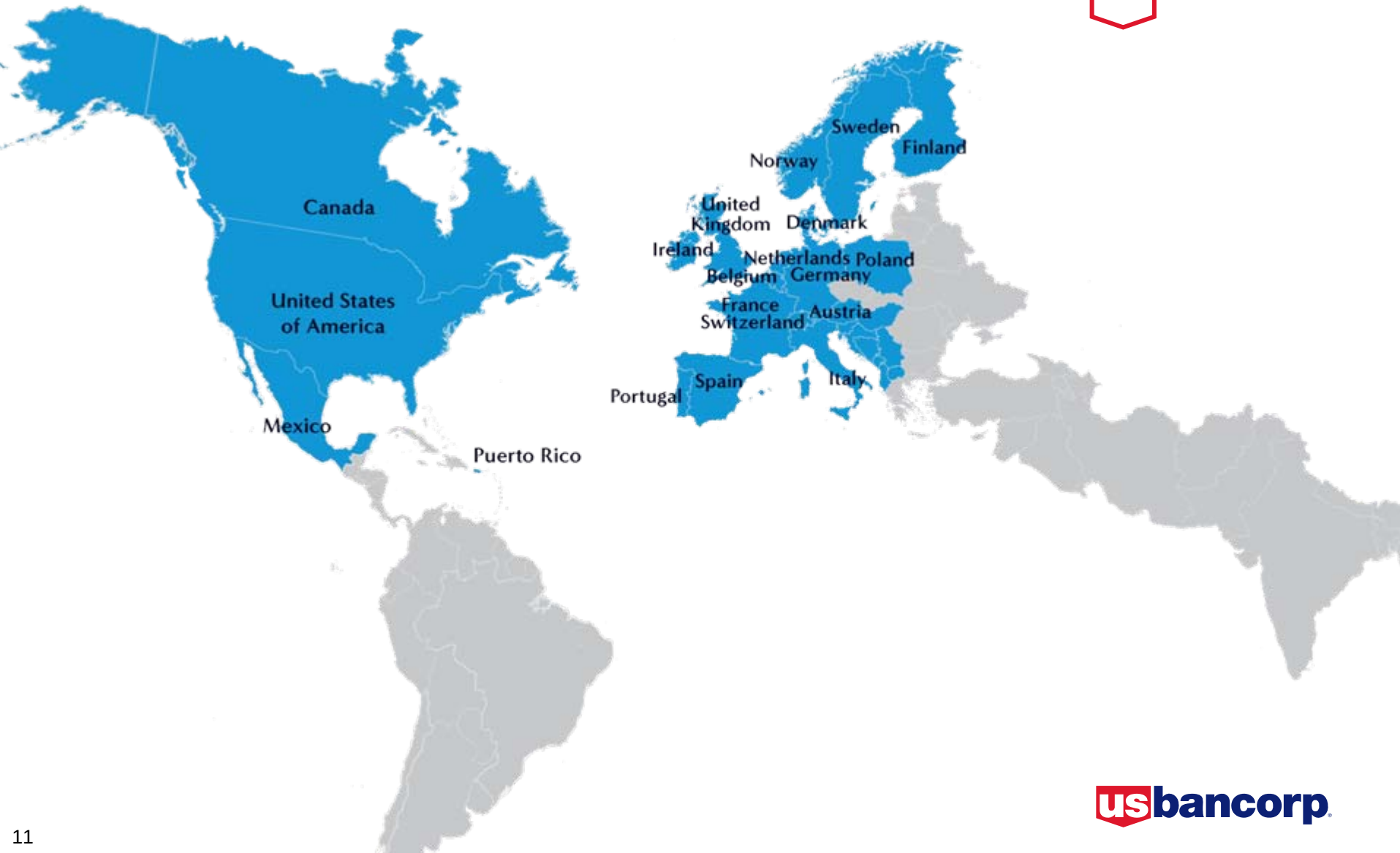
Investing for Growth



Investing for Growth

Investing for Growth

Agent Bank Issuing

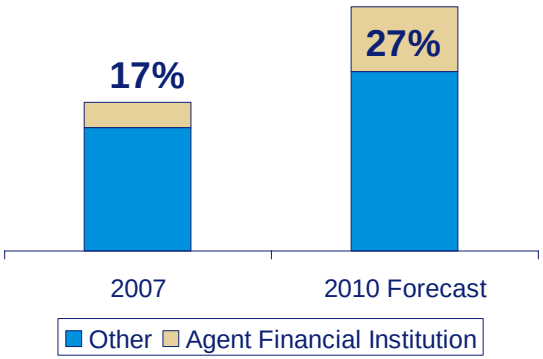
Objective

- ✓ Build national scale by white-labeling credit and debit card issuing and processing capabilities to banks and credit unions

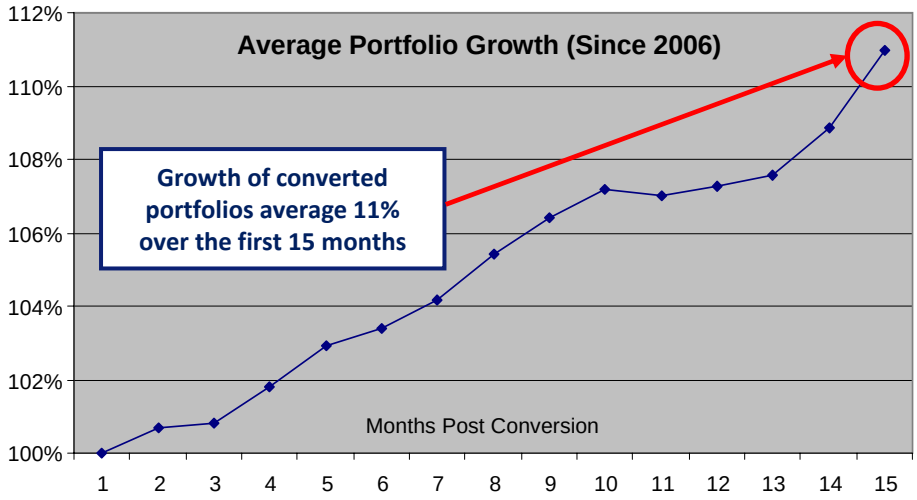
Progress

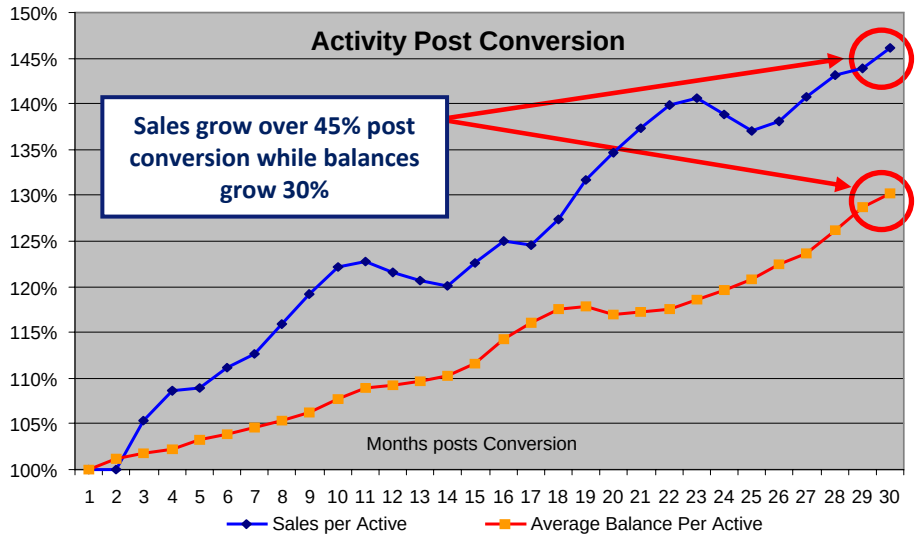
- ✓ Elan Financial Services is a leading agent credit card issuer in the market
  - 39% portfolio (average net receivable) growth (June 2009 vs June 2010)
- ✓ Current relationships with over 1,700 financial institutions
- ✓ Work currently underway to expand affluent, small business and pre-paid product sets

Elan continues to grow into a larger share of the overall card portfolio



Agent Bank Issuing





Proven history in successfully acquiring and growing financial institution portfolios:

- Over 300 portfolio acquisitions in last 5 years with average growth rate of 11% post conversion
- For acquired active accounts, average sales grow 45% while balances grow 30%

The Elan business model provides FI's seamless marketing and servicing, engaging the cardmember and driving profitable growth:

- Excellent rewards products
- Robust conversion and portfolio marketing
- Consistent communications from the partner to customers over the lifecycle of the card
- In-branch servicing capabilities integrated with partner systems to answer basic questions

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Investing for Growth

FlexPerks Rewards Program

Objective

- ✓ Build industry-leading suite of rewards cards with superior customer value, leveraging success of FlexPerks Travel Rewards transition

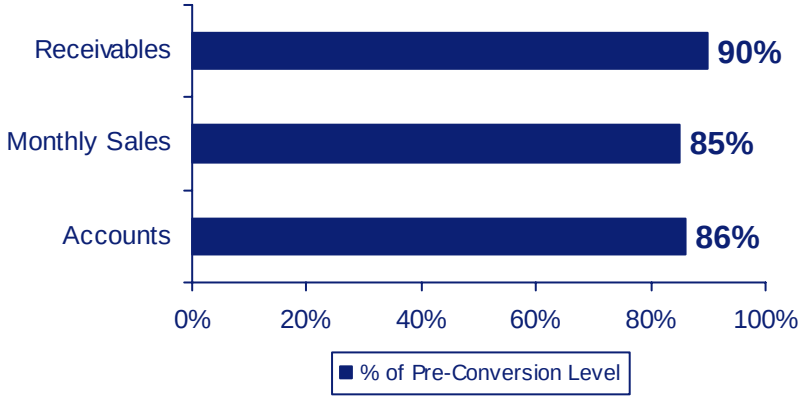
Progress

- ✓ Introduced premier FlexPerks rewards program and full suite of FlexPerks card products
  - Gives customers the flexibility to choose the rewards they want
- ✓ Award Winning Program:
  - Kiplinger's Personal Finance magazine names "Best Credit Card if You Want Travel Perks"

FlexPerks Rewards Program

Extraordinary Success

- ✓ $3 billion portfolio
- ✓ Unprecedented retention of legacy portfolio
- ✓ Early success in organic growth of new product through both USB enterprise and direct marketing
- ✓ Strategic plan in place for expanded growth both in and out of U.S. Bank footprint



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Investing for Growth

Product Innovation

Objective

- ✓ Elevate U.S. Bank's reputation as a leading player in payments innovation and emerging technologies

Progress

- ✓ Issue Dual Payment/Access Contactless Visa card
- ✓ Pilot Visa Money Transfer person-to-person mobile payment
- ✓ Contactless stickers & microtags
- ✓ Instant issued Visa Contactless Cards
- ✓ Real-time Alerts

Award Winning

WINNER 2010 paybeforeawards
Most Innovative Program

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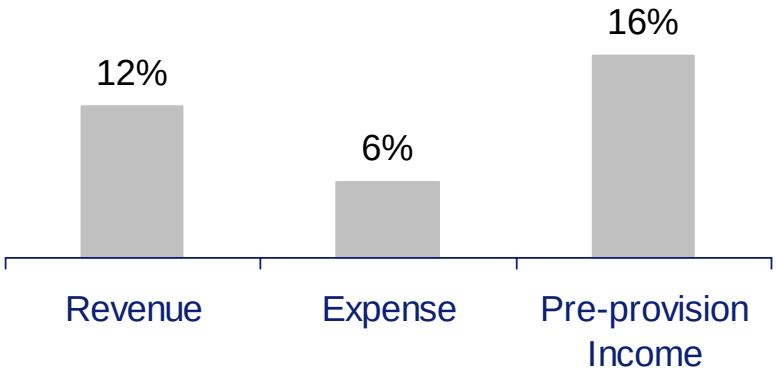
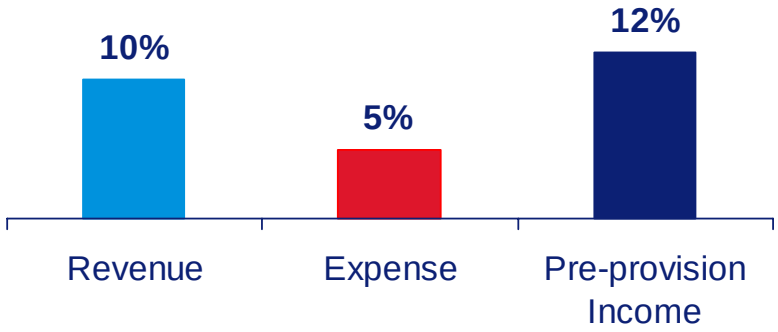
Long-term Growth Expectations

2007 Long-term Growth Expectations



Long-term Growth Expectations



Positioned to Win

Strong Defense

Conservative Credit Culture
Efficient Operating Model
Strong Capital Generation
Fortress Balance Sheet
Diversification of Risk
Low Revenue Volatility

Expense Driven

Investing for Growth

Enterprise Revenue Office
National Corporate Banking
National Mortgage Banking
Deposit Pricing Parity
Brand Development
Selective M&A / JVs

Conservative Credit Culture
Efficient Operating Model
Strong Capital Generation
Fortress Balance Sheet
Diversification of Risk
Low Revenue Volatility

Flight-to-Quality

Positioned to Win

Relevant Scale
Customer Experience
Leveraging Technology
Employee Engagement

Enterprise Revenue Office
National Corporate Banking
National Mortgage Banking
Deposit Pricing Parity
Brand Development
Selective M&A / JVs

Conservative Credit Culture
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Organic Market Share Gain

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