Morgan Stanley Financials Conference 2012

Richard K. Davis

Chairman, President and CEO

June 12, 2012

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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. Continued 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 negatively 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, 2011, 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.

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.

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U.S. Bancorp

- Overview
- Capital Management
- Investing for Growth

U.S. Bancorp Businesses

1Q12 Dimensions

Asset Size	$341 billion
Deposits	$234 billion
Loans	$212 billion
Customers	17.4 million
NYSE Traded	USB
Market Capitalization*	$56 billion
Founded	1863
Bank Branches	3,080
ATMs	5,061

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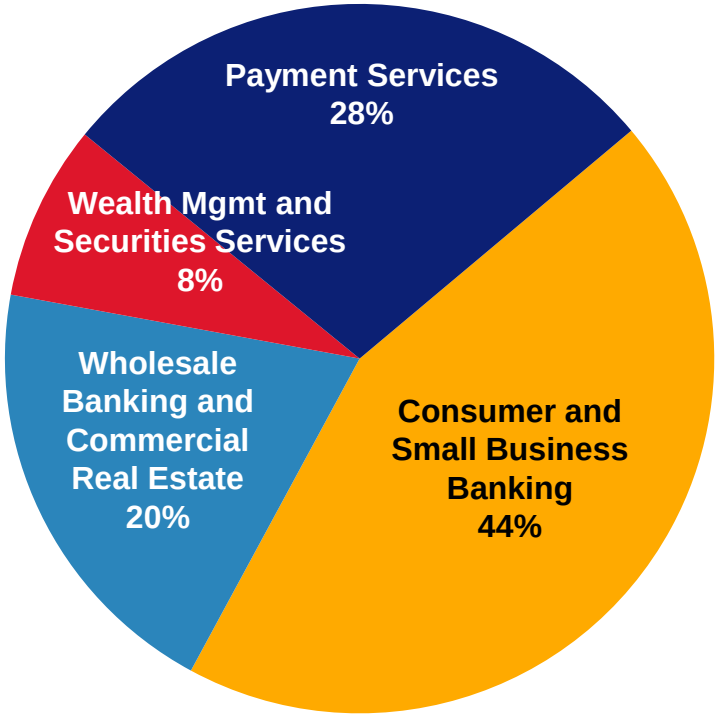
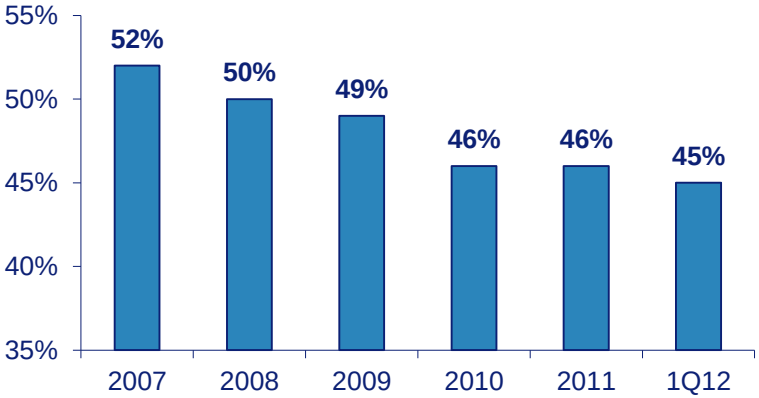
* As of June 1, 2012

Diversification

Revenue Mix By Business Line



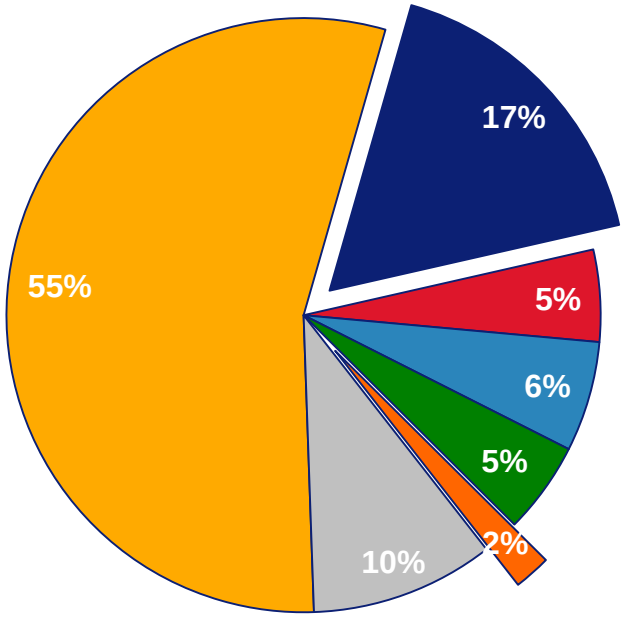
Fee Income / Total Revenue

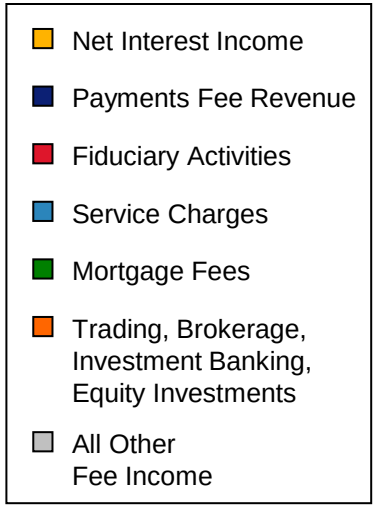


2011 full year, taxable-equivalent basis
Excluding securities gains (losses) net

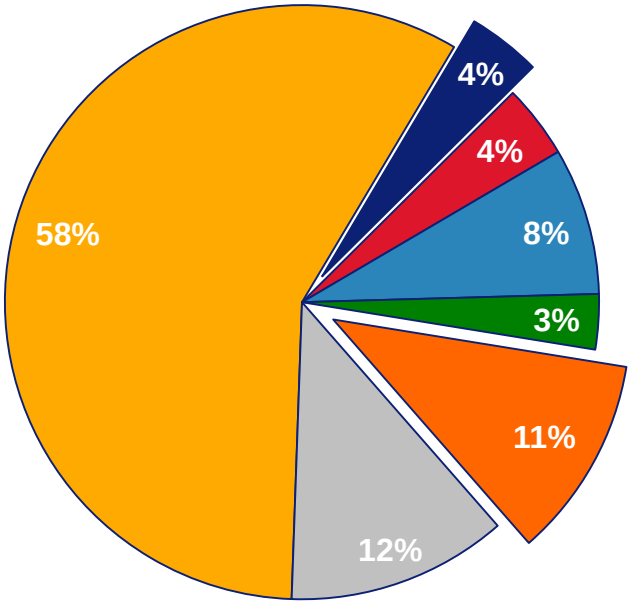
Diversification

U.S. Bancorp Revenue Mix





Peer Bank Average Revenue Mix



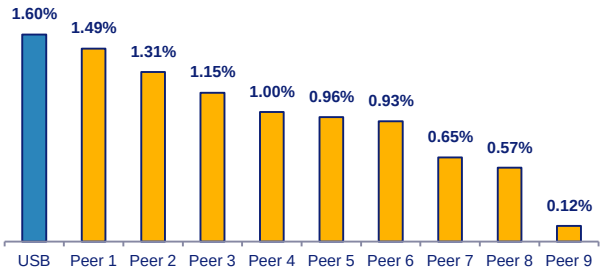
Source: FRY-9C and company reports, 2011 full year, USB excludes $46 million FCB gain and $263 million merchant processing settlement
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

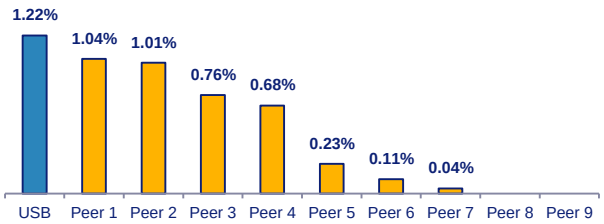
Performance Metrics

1Q12

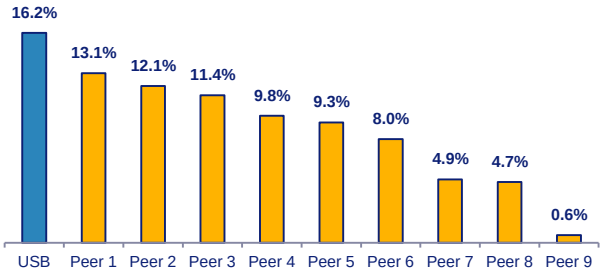
Since 1Q08

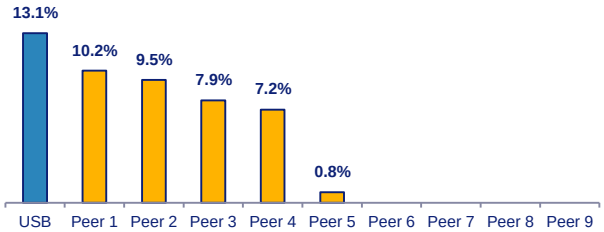
Return on Average Assets



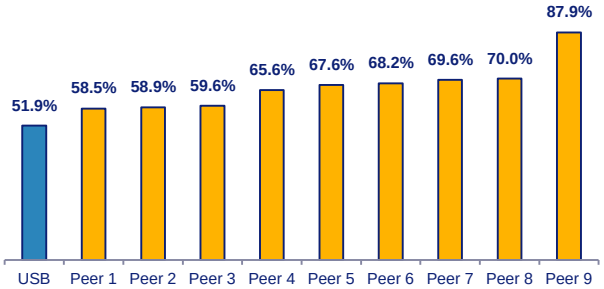


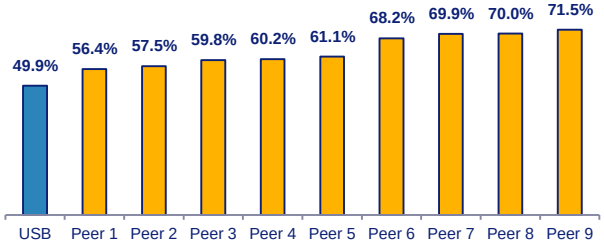
Return on Average Common Equity





Efficiency Ratio



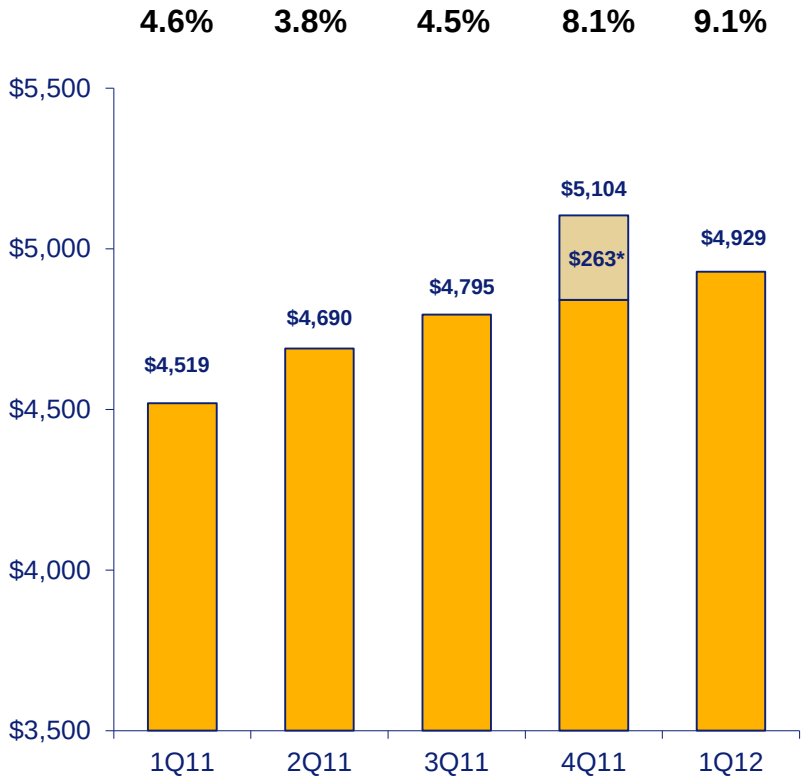


Source: SNL and company reports
Peer banks: BAC, BBT, FITB, JPM, KEY, PNC, RF, STI and WFC

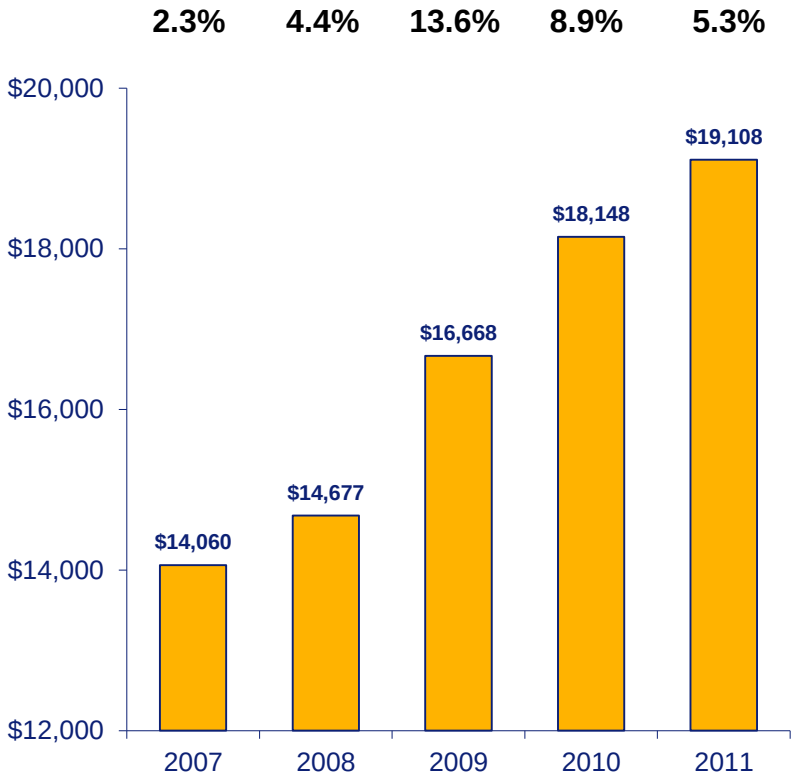
Revenue Growth

USB Record Revenue 2011

Prior 5 Quarters Year-Over-Year Growth



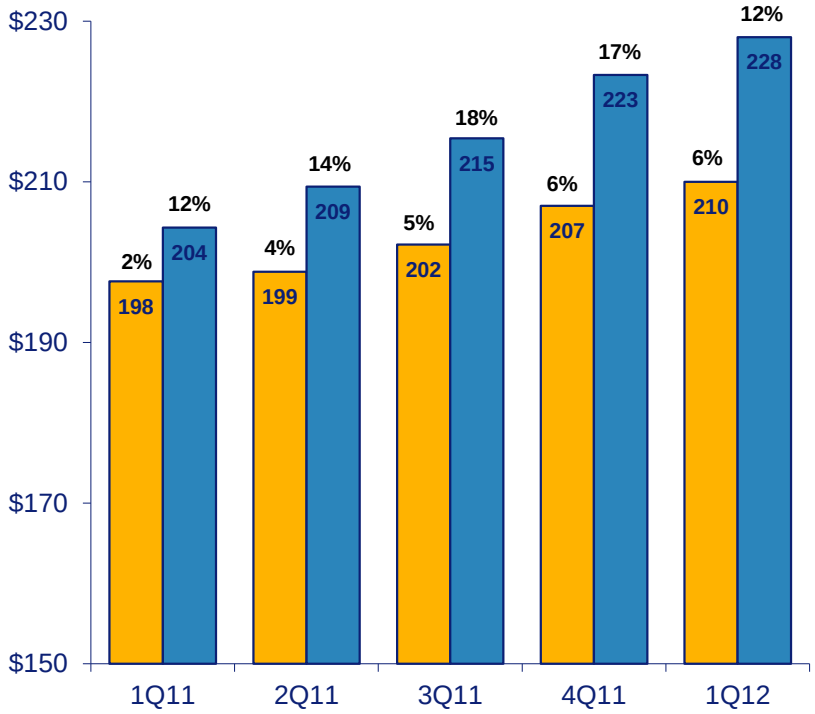
Prior 5 Years Year-Over-Year Growth



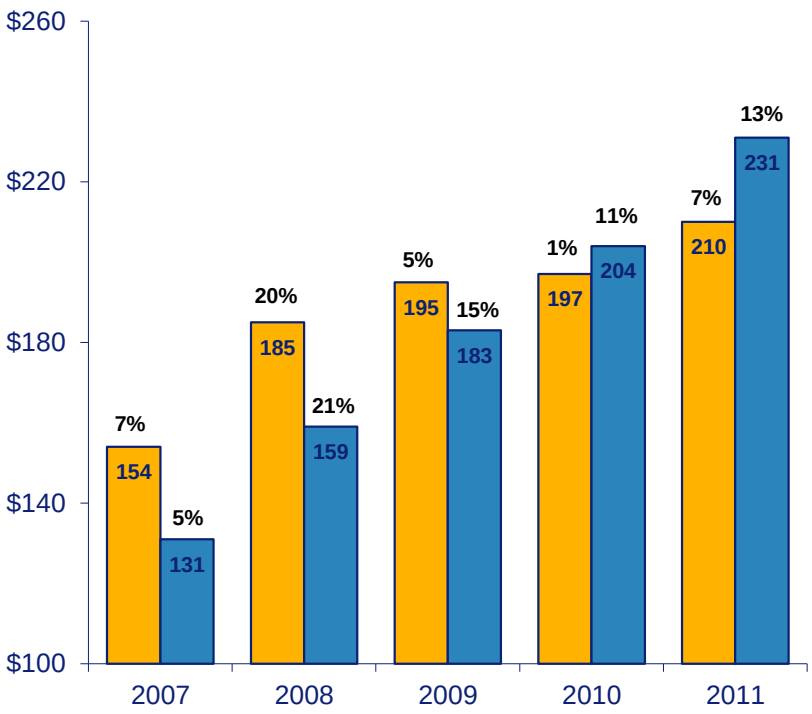
* Gain on merchant processing agreement settlement
$ in millions, taxable-equivalent basis

Loan and Deposit Growth

Prior 5 Quarters Average Balances Year-Over-Year Growth



Prior 5 Years Ending Balances Year-Over-Year Growth

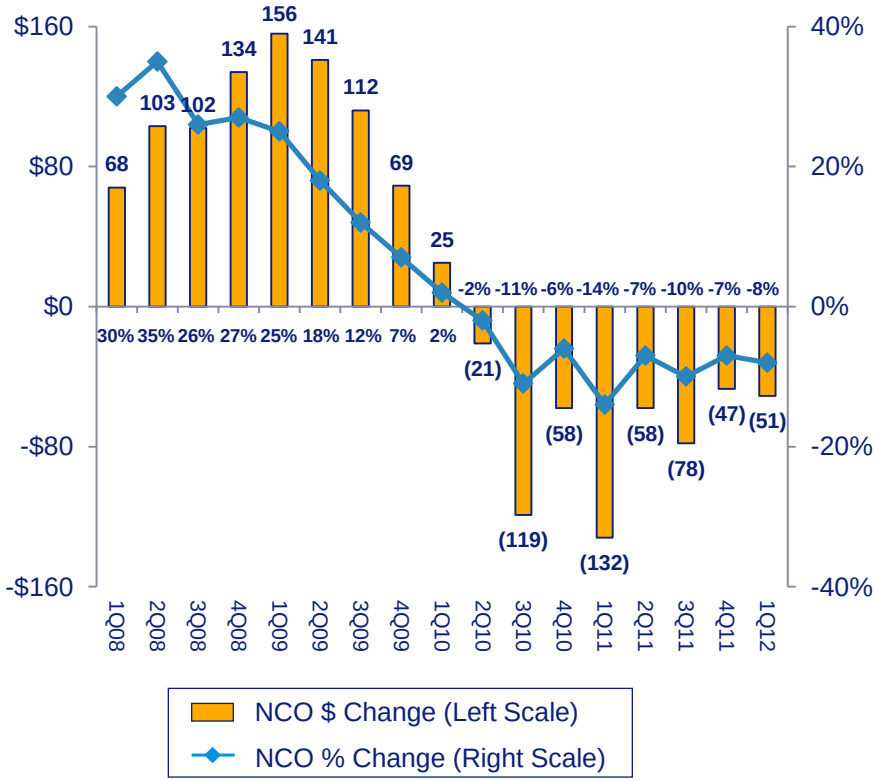


Loans Deposits

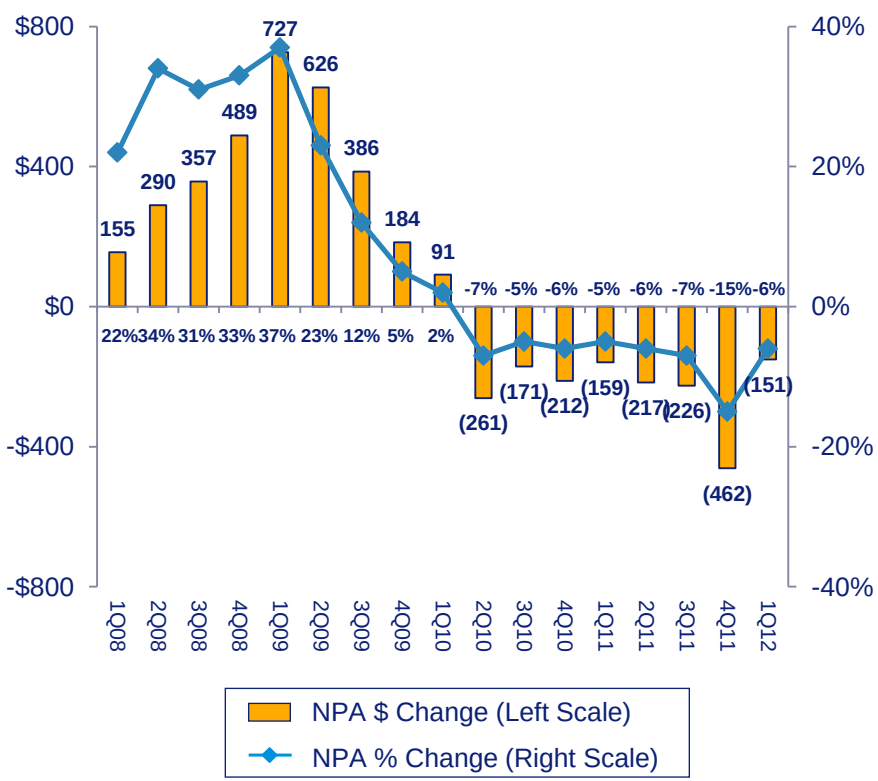
$ in billions

Credit Quality

Change in Net Charge-offs



Change in Nonperforming Assets*



$ in millions, linked quarter change

* Excluding Covered Assets (assets subject to loss sharing agreements with FDIC), 1Q11 change in NPAs excludes FCB acquisition ($287 million)

U.S. Bancorp

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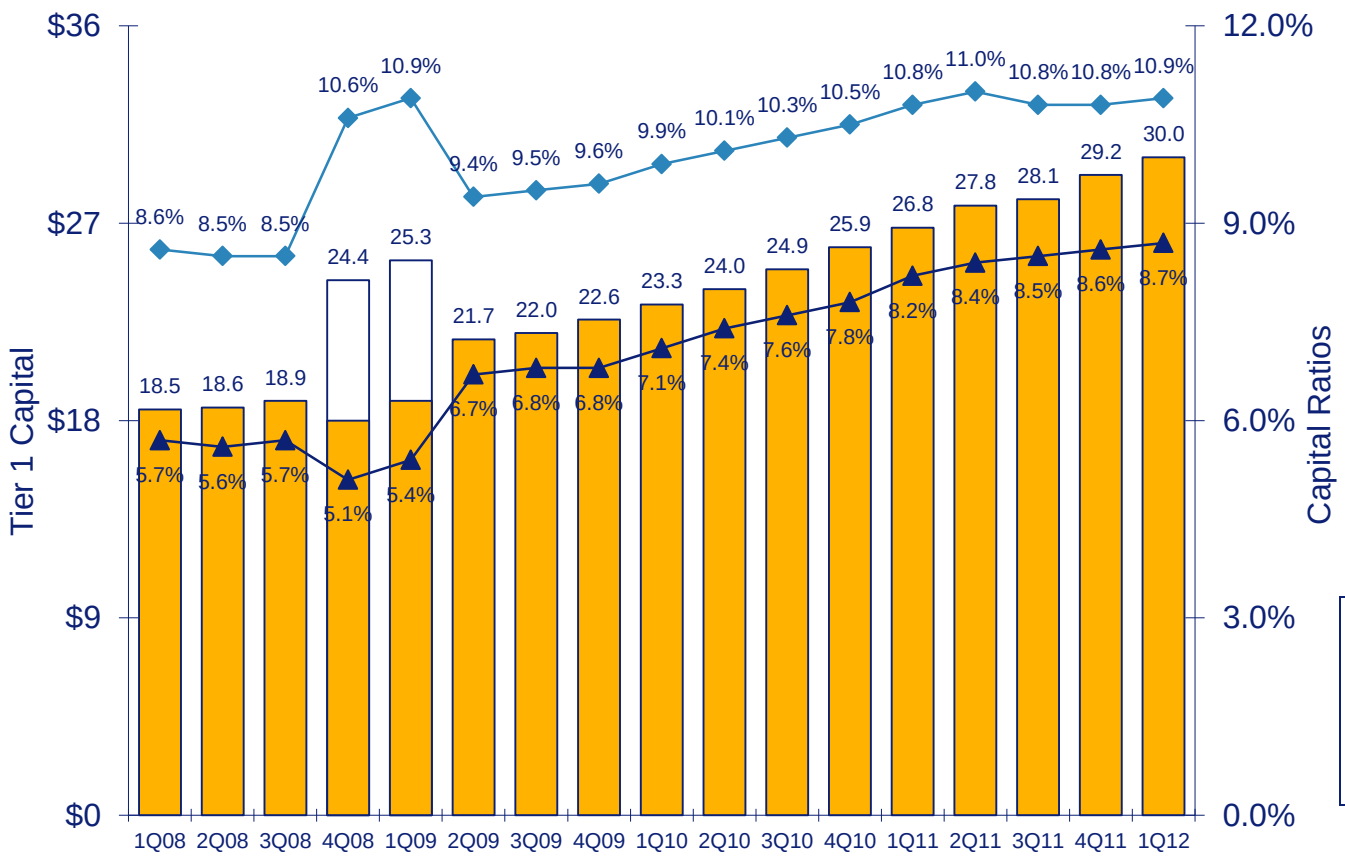
Capital Position



1Q12 Tier 1 Common Ratio Basel III:

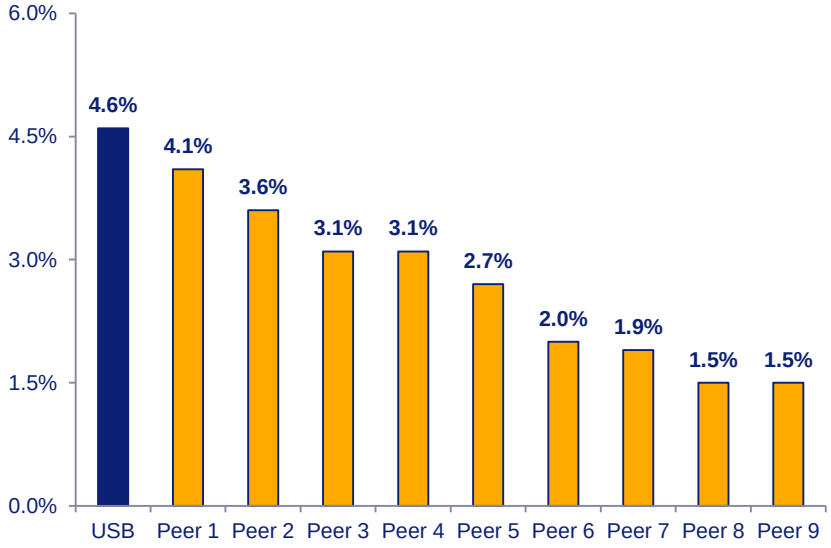
8.4%*

* Not adjusted for the June 7th notices of proposed rulemaking (NPRs)
$ in billions

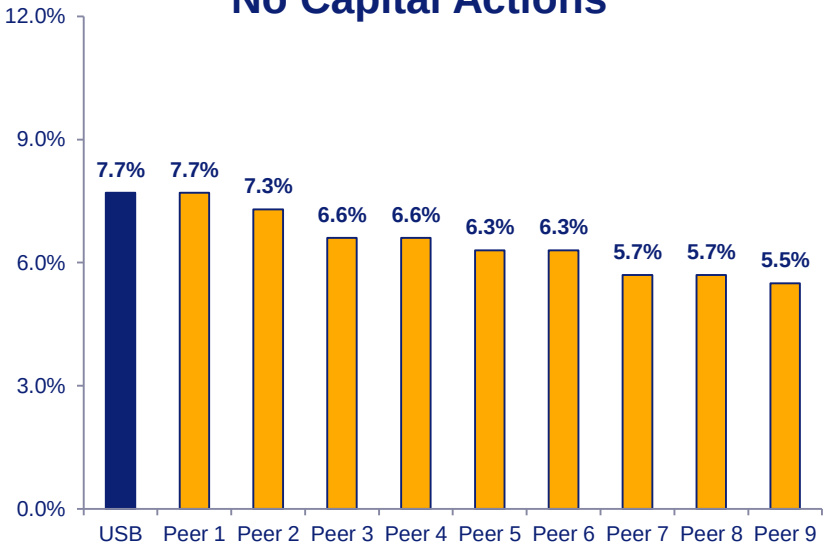
2012 Stress Test

- The company's Stress Test results confirmed, once again, the fundamental strength of U.S. Bancorp's business model and capital position, even when viewed under a remarkably stressed hypothetical economic scenario

PPNR % Average Assets



Tier 1 Common Minimum No Capital Actions



PPNR = Pre-Provision Net Revenue
Source: Federal Reserve, Supervisory Stress Scenario, March 13, 2012

Capital Actions

- Dividend increase and share repurchase authorization announced March 13th
  - Annual dividend raised from $0.50 to $0.78, a 56% increase
  - One year share repurchase authorization of 100 million shares

Earnings Distribution

	Reinvest	Acquisitions	Dividends	Share Repurchases
Targets:	20 - 40%		30 - 40%	30 - 40%
1Q12 Actual:	34%		29%	37%

U.S. Bancorp

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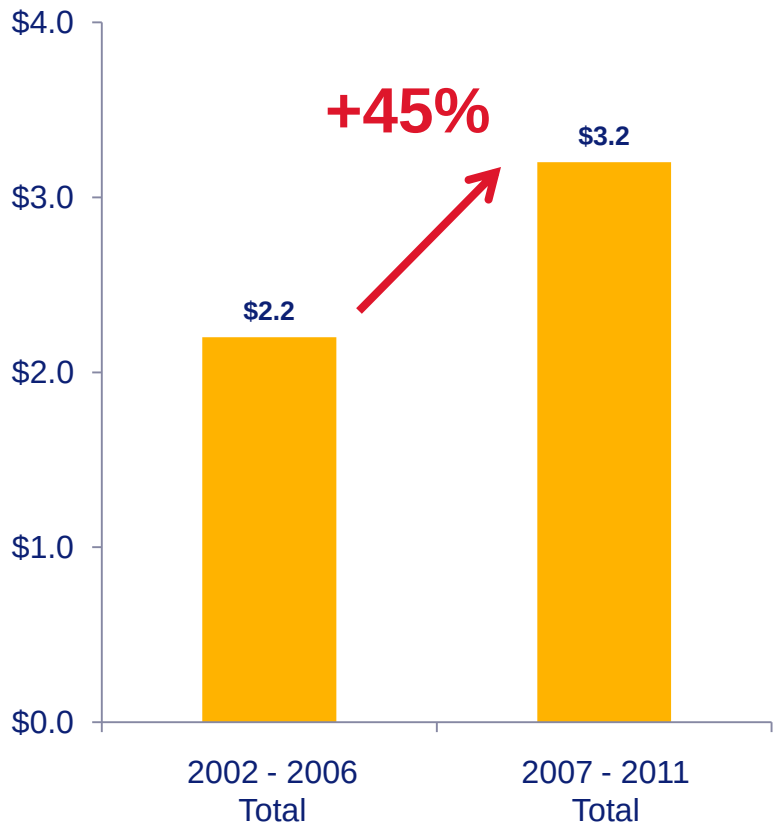
Capital Expenditures



Investments

- Mortgage banking
- In-store and on-site branches
- Wholesale banking expansion
- Ascent Private Capital Management
- International payments expansion
- Internet and mobile banking channels
- Tier 4 data center
- Call center telephony
- Distribution channel integration

$ in billions
Approved by Capital Expenditure Committee

Acquisitions

Acquisitions

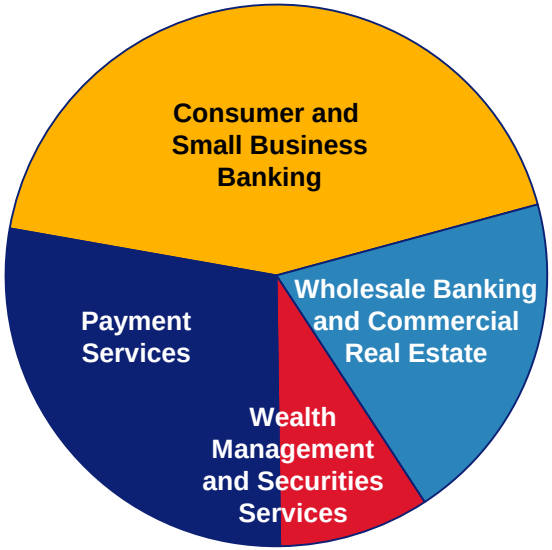
Payments

- **Financial institutions credit card portfolio of FIA Card Services**
- Merchant processing portfolio of Santander-Mexico
- Merchant processing portfolio of Citizens National Bank
- Credit card portfolios from Citi
- Merchant processing portfolio of MB Financial Bank
- Credit card portfolio of Town North Bank
- Southern DataComm
- AIMS Logistics
- Numerous small portfolios
- Joint ventures:
  - Brazil merchant services company
  - Syncada

Divestitures

- Divestiture of FAF Advisors long-term asset management business

Acquired Since 1Q08	
Loans	$30 billion
Deposits	$30 billion
Card Assets	$3.2 billion
Trust Assets under Administration	$1.1 trillion



Consumer and Wholesale

- **Banking operations of BankEast (Knoxville, Tennessee)**
- **Banking operations of First Community Bank (New Mexico)**
- Banking subsidiaries of FBOP Corporation
- BB&T's Nevada banking operations
- First Bank of Idaho
- Downey Savings & Loan Association
- PFF Bank & Trust
- Mellon 1st Business Bank

Trust Businesses

- **Institutional trust business of Union Bank**
- **Indiana corporate trust business of UMB Bank**
- Bank of America's securitization trust administration business
- Corporate trust administration business of F.N.B. Corporation
- Corporate trust business of AmeriServ Financial
- Bond trustee business of First Citizens bank
- Mutual fund servicing division of Fiduciary Management, Inc

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Growing Market Share

	USB Market Share		Market Share Change
	1Q07	1Q12	
Core Deposits	2.0%	2.7%	▲
Consumer Loans	1.8%	3.0%	▲
Mortgage Origination	0.7%	4.4%	▲
C&I Loans	3.2%	3.6%	▲
CRE Loans	1.6%	2.4%	▲

Source: SNL and National Mortgage News
Mortgage Origination as of 4Q11 (latest information available)

	USB Market Share		Market Share Change
	2007	2011	
Credit Card (total volume)	4%	6%	▲
Fund Services (# of funds)	18%	22%	▲
Wealth Management (AUM)	1%	1%	▬

Source: Nilson (card), Visa and MasterCard issuers;
Investment Co Institute (fund services); Barron's (wealth management)

	USB Market Rank		Market Share Change
	2007	2011	
Middle Market Loan Bookrunner	19th	7th	▲
Investment Grade Loan Bookrunner	11th	6th	▲
Investment Grade Bond Lead / Co-lead	NA	10th	▲

Source: Thomson Reuters based on number of issues

	USB Market Share		Market Share Change
	2007	1Q12	
Municipal Trust	27%	29%	▲
Corporate Trust	8%	24%	▲
Structured Trust	12%	17%	▲

Source: Securities Data Corp, # of issues

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Summary

Long-term Goals

- Optimal business line mix
- Investments generating positive returns
- Profitability:
  - ROE 16-19%
  - ROA 1.60-1.90%
  - Efficiency Ratio low 50s
- Capital distributions:
  - Earnings distribution 60-80%

Current Status

- ✓ Four simple and stable business lines
- ✓ Mortgage, wealth management, corporate banking, international payments, branch technology, internet and mobile channels
- ✓ 1Q12 Profitability:
  - ROE 16.2%
  - ROA 1.60%
  - Efficiency Ratio 51.9%
- ✓ 1Q12 Capital distributions:
  - Distributed 66% of earnings (dividends 29%, share repurchases 37%)

Momentum continues

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Appendix

Non-GAAP Financial Measures

$ in millions	1Q12	4Q11	3Q11	2Q11	1Q11
Total equity	$ 36,914	$ 34,971	$ 34,210	$ 33,341	$ 31,335
Preferred stock	(3,694)	(2,606)	(2,606)	(2,606)	(1,930)
Noncontrolling interests	(1,014)	(993)	(980)	(889)	(828)
Goodwill (net of deferred tax liability)	(8,233)	(8,239)	(8,265)	(8,300)	(8,317)
Intangible assets (exclude mortgage servicing rights)	(1,182)	(1,217)	(1,209)	(1,277)	(1,342)
Tangible common equity (a)	22,791	21,916	21,150	20,269	18,918
Tier 1 Capital, determined in accordance with prescribed regulatory requirements using Basel I definition	29,976	29,173	28,081	27,795	26,821
Trust preferred securities	(1,800)	(2,675)	(2,675)	(3,267)	(3,949)
Preferred stock	(3,694)	(2,606)	(2,606)	(2,606)	(1,930)
Noncontrolling interests, less preferred stock not eligible for Tier I capital	(686)	(687)	(695)	(695)	(694)
Tier 1 common equity using Basel I definition (b)	23,796	23,205	22,105	21,227	20,248
Tier 1 capital, determined in accordance with prescribed regulatory requirements using anticipated Basel III definition	27,578	25,636	24,902	23,931	21,855
Preferred stock	(3,694)	(2,606)	(2,606)	(2,606)	(1,930)
Noncontrolling interests of real estate investment trusts	(659)	(664)	(667)	(667)	(667)
Tier 1 common equity using anticipated Basel III definition (c)	23,225	22,366	21,629	20,658	19,258
Total assets	340,762	340,122	330,141	320,874	311,462
Goodwill (net of deferred tax liability)	(8,233)	(8,239)	(8,265)	(8,300)	(8,317)
Intangible assets (exclude mortgage servicing rights)	(1,182)	(1,217)	(1,209)	(1,277)	(1,342)
Tangible assets (d)	331,347	330,666	320,667	311,297	301,803
Risk-weighted assets, determined in accordance with prescribed regulatory requirements using Basel I definition (e)	274,847	271,333	261,115	252,882	247,486
Risk-weighted assets using anticipated Basel III definitions (f)	277,856	274,351	264,103	256,205	250,931
Ratios					
Tangible common equity to tangible assets (a)/(d)	6.9%	6.6%	6.6%	6.5%	6.3%
Tier 1 common equity to risk-weighted assets using Basel I definition (b)/(e)	8.7%	8.6%	8.5%	8.4%	8.2%
Tier 1 common equity to risk-weighted assets using anticipated Basel III definition (c)/(f)	8.4%	8.2%	8.2%	8.1%	7.7%
Tangible common equity to risk-weighted assets (a)/(e)	8.3%	8.1%	8.1%	8.0%	7.6%

Anticipated Basel III definitions reflect adjustments for changes to the related elements as proposed in December 2010 by regulatory agencies

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