TREASURY MONTHLY INTERMEDIATION SNAPSHOT

Name of institution: U.S. Bancorp | **Submission date: 3/31/09** | **Person to be contacted about this report: Anthony D. Kelley**

PART I. QUANTITATIVE OVERVIEW

SCHEDULE A: CONSUMER LENDING (Millions $)	2008 DEC	2009 JAN	2009 FEB	Key	Comments
1. First Mortgage					
a. Average Loan Balance (Daily Average Total Outstanding)	$35,066	$35,085	$36,609	Residential Real Estate includes Loans held for sale and all 1-4 family secured by closed end first liens. Average balances include the acquisition of Downey and PFF. 90% of originations are held for sale.	**Includes both loans originated for the balance sheet as well as loans originated for sale. Demand for refinancing is strong as customers refinance into lower interest rates.**
b. Total Originations	$2,985	$4,041	$4,642	Includes both loans originated for the balance sheet as well as loans originated for sale.	
(1) Refinancings	$1,367	$2,990	$3,853	Of the originations during the month, the amount that were for the refinance of a current mortgage.	
(2) New Home Purchases	$1,618	$1,051	$789	Of the originations during the month, the amount that was for new home purchases.	
2. Home Equity					
a. Average Total Loan Balance	$19,105	$19,206	$19,101	Home equity includes all 1-4 family open end revolving and closed end junior liens.	**Overall demand for home equity increased during the month relative to January 2009.**
b. Originations (New Lines+Line Increases)	$413	$348	$440	Originations include the loan amount for closed end junior liens and the line amount for open-end revolving.	
c. Total Used and Unused Commitments	$34,838	$34,813	$34,627	Ending balance for Total Used and Ending unfunded for Unused Commitments.	
3. US Card - Managed					
a. Average Total Loan Balance - Managed	$13,399	$13,586	$13,506	Credit card includes consumer credit cards only.	**Credit Card balances remained relatively flat during the month. New account originations increased.**
b. New Account Originations (Initial Line Amt)	$1,115	$691	$818	Originations include initial line amounts for new cards but not line increases for existing customers.	
c. Total Used and Unused Commitments	$71,139	$70,950	$71,601	Ending balance for Total Used and Ending unfunded for Unused Lines	
4. Other Consumer					
a. Average Total Loan Balance	$28,611	$29,186	$29,452	Other consumer includes consumer installment loans, other revolving (i.e. overdraft lines and unsecured lines of credit), consumer leases, student loans, and consumer loans secured by securities.	**Demand for auto loans and leases declined due to a decline in the overall demand for auto loans and consumer spending. Student loan originations seasonally declined relative to last month.**
b. Originations	$1,030	$1,383	$733	Originations during the month of the above mentioned products.	

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SCHEDULE B: COMMERCIAL LENDING (Millions $)	DEC	JAN	FEB	Key	Comments
1. C & I					
a. Average Total Loan and Lease Balance	$54,831	$55,520	$54,791	Commercial loans include loans to depository institutions, agricultural loans to others than farmers, commercial and industrial loans, leases, loans to finance RE not secured by RE, and all other loans (i.e. State and Political and tax exempt.)	**Slight decline in line usage for C&I borrowers. Demand for expansion or growth initiatives remains weak.**
b. Renewal of Existing Accounts	$4,851	$4,177	$2,819	Renewal of existing accounts represents the commitment balance.	
c. New Commitments	$4,222	$2,044	$2,388	New commitments issued during the month for either new or existing customers	
2. Commercial Real Estate					
a. Average Total Loan and Lease Balance	$36,530	$37,071	$37,261	Commercial RE loans include construction loans, land development loans, secured by farmland, secured by multifamily, and other commercial RE loans.	**Increased activity due to the lack of a CMBS market for short term bridge financing to complete projects. New loan demand on construction lending is still down due to current market conditions and the decrease in construction activity.**
b. Renewal of Existing Accounts	$1,706	$676	$1,030	Renewal of existing accounts represents the commitment balance.	
c. New Commitments	$940	$506	$386	New commitments issued during the month for either new or existing customers	
SCHEDULE C: OTHER INTERMEDIATION ACTIVITIES (Millions $)					
1. MBS/ABS Net Purchased Volume					
a. Mortgage Backed Securities	$611	$1,491	-$718	MBS/ABS includes net securities acquired during the quarter. Activity in the fourth quarter was all MBS.	**Net sales during the month.**
b. Asset Backed Securities	$0	$0	$0		
2. Secured Lending (Repo, PB, Margin Lending)					
a. Average Total Matched Book (Repo/Reverse Repo)[1]	N/A	N/A	N/A		
b. Average Total Debit Balances[2]	N/A	N/A	N/A		
3. Underwriting					
a. Total Equity Underwriting	N/A	N/A	N/A		
b. Total Debt Underwriting	N/A	N/A	N/A		

Notes:
1. Not applicable if matched book activity does not exceed $50 billion.
2. Applicable only for institutions offering prime brokerage or other margin lending services to clients.

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PART II. QUALITATIVE OVERVIEW

Please provide a brief overview of the intermediation activity during the month. This discussion should include a general commentary on the lending environment, loan demand, any changes in lending standards and terms, and any other intermediation activity.

Company Description

Minneapolis-based U.S. Bancorp ("USB"), with $266 billion in assets, is the parent company of U.S. Bank. The Company operates 2,791 banking offices and 4,897 ATMs in 24 states, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.

Total Loans and Leases: During the month of February 2009, total commercial loans declined 1.3 percent when compared to January 2009, driven primarily by a slight decline in usage of revolving lines of credit. Total commercial real estate grew 0.5 percent. Residential mortgages grew 4.3 percent, while originations of mortgages held for sale increased substantially during the month. Consumer loans were flat during the month as credit card and home equity balances declined slightly.

C&I

Loan demand related to business investment and growth initiatives (e.g. expansion capex and/or acquisitions) continues to be weak, but many customers have increased borrowing in order to offset reduced operating cash flow and/or to finance operating activities that would have normally been executed in the public markets or the private non-bank markets. Generally, the Bank's underwriting standards did not change during the month, however, new transactions continue to be underwritten with financing structures and leverage levels that consider risks that reflect the current state of market conditions. We are benefiting from a flight-to-quality, as we continue to see new lending opportunities and actively work with existing customers on new money requests, extensions, amendments and waivers.

Demand for Small Business credit is still relatively strong, evidenced by application volume. Approval rates are generally lower than prior year, due to weakening performance of borrowers in higher risk segments (e.g., contractors). Common metrics of origination quality, such as booked credit scores and proportion of high risk industries, are similar or better than they were a year ago.

CRE

Overall new loan demand for commercial real estate remains low due to the lack of new construction activity and the condition of the real estate markets. Our investor and developer portfolio has historically focused on construction lending, so new deal requests have decreased, but bridge or short term financing is still in demand. The lack of a permanent or CMBS market continues to bring clients to

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the Bank to seek short term financing of completed projects. In general, our underwriting standards tightened somewhat to reflect the uncertainties in the market.

First Mortgage

Overall demand for residential mortgages during the month was high due to the favorable interest rate environment concluding with over $4.6 billion in originations. Refinance activity was high during the month, representing 83% of new originations. Over ninety percent of the originations are approved under government agency programs and are underwritten based on standards for approval under those programs. For mortgage loans retained in the Bank's portfolio, underwriting guidelines have not changed; however, loan-to-value standards continue to reflect current real estate market conditions and continued declines in home prices.

Credit Card

Overall demand for credit card balances was flat during the month, with a modest decline in average loans of $80 million, representing a slight decrease in line utilization. The Bank's portfolio is primarily a prime portfolio and lending criteria for new accounts has remained consistent with that standard. Payment rates (payments / balances) have decreased, revolve rates (percent of accounts revolving) have increased, and average balances have remained flat to December 2008. This is partially offset by a reduction in the average transaction volume per account which is a reflection of the slowing economy and lower consumer spending. During February 2009, the Bank experienced seasonally consistent application volume and new account originations compared to prior month.

Consumer Loans

Overall demand for new loans has declined in the consumer loan portfolio. Specifically, within the auto loan and lease portfolio, demand declined as the overall demand for autos has declined. Demand for Student Loans was low due to seasonal factors and the seasonally high disbursements in January 2009. Also, demand for revolving credit remains strong, while home equity demand increased slightly during the month. Over the last twelve months, changes in underwriting standards have been made to respond to the changing market conditions for new and used auto values and changing residual values for auto leases.