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## U.S. Bancorp Q3 2008 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Your first question comes from Matt O'Connor - UBS.

#### Matt O'Connor - UBS

In the past you said you are not too interested in buying large franchises that are under pressure. I'm wondering how programs being implemented by the government would impact that, specifically the ability to offload some of the assets and obviously the potential for the capital infusion. How does that change your thinking with potentially consolidation that could occur?

#### Richard Davis

It makes it a little easier to do those things, but first and foremost whether the capital is less expensive or the opportunity of the [inaudible] is present we are going to continue to look at deals on an accretive basis where they make sense and where they would fit into this company's long-term structure.

It would definitely make it more attractive and so some of our positioning and our targets look more attractive and our valuation is easier now, but to the extent that it has to hit all of the normal bellwether marks and the expectations we have for the near term and long term, it still has to be a good deal.

So it doesn't really change our philosophy but it does make it easier to find our way to partnerships that might be more accretive sooner.

#### Matt O'Connor - UBS

Separately, has the pick up in deposit growth continued into October? In which markets in particular are you seeing the largest accelerated growth?

#### Richard Davis

It has actually accelerated into October. I don't think there's been a day in October we haven't seen a net inflow at an exceptional level. It happens in most of the places where you have seen some of the more headline-stressed companies so it's intuitive. Where we have branches in and around locations where the banks have been partnered with others, we have found our way through higher deposit growth. So primarily on the west coast and in Ohio and in some of the core markets that some of the

smaller community banks might have also some stress. But it's intuitive, it's exactly where you think it would be.

October is reflective of more consumer and small business, lots of numbers of accounts moving over. Through September and even last quarter it was primarily large municipal and large corporate accounts moving money in so now we're seeing the whole effect of the flight to quality.

**Operator**

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