News Release

Contacts:
Steve Dale — Media — (612) 303-0784
Judith T. Murphy — Investors/Analysts — (612) 303-0783

U.S. BANCORP REPORTS NET INCOME
FOR THE FIRST QUARTER OF 2010

Reports 42 percent Growth in Earnings per Diluted Common Share

MINNEAPOLIS, April 20, 2010 -- U.S. Bancorp (NYSE: USB) today reported net income of $669 million for the first quarter of 2010, or $.34 per diluted common share. Earnings for the first quarter were driven by total net revenue of $4.3 billion, the result of strong year-over-year growth in both net interest income and fee revenue. Highlights for the first quarter of 2010 included:

- Strong new lending activity of $36.5 billion during the first quarter including:
  - $6.6 billion of new commercial and commercial real estate commitments
  - $14.6 billion of commercial and commercial real estate commitment renewals
  - $2.0 billion of lines related to new credit card accounts
  - $13.3 billion of mortgage production and other retail originations
- Significant growth in average deposits of 13.7 percent (4.5 percent excluding acquisitions) over the first quarter of 2009, including:
  - 5.5 percent growth in average noninterest-bearing deposits
  - 40.7 percent growth in average total savings deposits
- Solid growth in total net revenue of 11.3 percent over the first quarter of 2009 (6.7 percent excluding the impact of net securities losses)
- Net interest income growth of 14.7 percent over the first quarter of 2009, driven by a 5.7 percent increase in average earning assets and growth in lower cost core deposit funding
- Net interest margin of 3.90 percent for the first quarter of 2010, compared with 3.59 percent in the first quarter of 2009 (and 3.83 percent in the fourth quarter of 2009)

- Strong year-over-year growth in payments-related fee income and commercial products revenue, driven by:
  - Higher merchant processing services revenue (13.2 percent) and corporate payment products revenue (9.1 percent)
  - A 24.8 percent increase in commercial products revenue (principally commercial loan fees and standby letters of credit fees)
- Positive operating leverage on a linked quarter basis; industry leading efficiency ratio of 49.0 percent in the first quarter of 2010
- Provision for credit losses exceeded net charge-offs by $175 million, or approximately 15 percent of net charge-offs for the quarter, resulting in an increase to the allowance for credit losses
  - Second consecutive quarterly decrease in the provision for credit losses; lowest level since the fourth quarter of 2008
  - Net charge-offs increased but the rate of growth decreased to only 2.3 percent on a linked quarter basis
  - Nonperforming assets increased but the rate of growth (excluding covered assets) decreased to 2.3 percent on a linked quarter basis
  - Early and late stage loan delinquencies (excluding covered loans) as a percentage of ending loan balances declined in all major loan categories on a linked quarter basis
  - Allowance to period-end loans (excluding covered loans) was 3.20 percent at March 31, 2010, compared with 3.04 percent at December 31, 2009
  - Allowance to nonperforming assets (excluding covered assets) was 136 percent at March 31, 2010, compared with 135 percent at December 31, 2009
- Capital generation continues to strengthen capital position; ratios at March 31, 2010:
  - Tier 1 capital ratio of 9.9 percent
  - Total risk-based capital ratio of 13.2 percent
  - Tier 1 common equity ratio of 7.1 percent

EARNINGS SUMMARY					Table 1
($ in millions, except per-share data)	1Q 2010	4Q 2009	1Q 2009	Percent Change 1Q10 vs 4Q09	Percent Change 1Q10 vs 1Q09
Net income attributable to U.S. Bancorp	$669	$602	$529	11.1	26.5
Diluted earnings per common share	$.34	$.30	$.24	13.3	41.7
Return on average assets (%)	.96	.86	.81		
Return on average common equity (%)	10.5	9.6	9.0		
Net interest margin (%)	3.90	3.83	3.59		
Efficiency ratio (%)	49.0	49.1	45.8		
Tangible efficiency ratio (%) (a)	46.8	46.8	43.6		
Dividends declared per common share	$.05	$.05	$.05	--	--
Book value per common share (period-end)	$13.16	$12.79	$10.96	2.9	20.1

(a) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization.

U.S. Bancorp reported net income attributable to shareholders of $669 million for the first quarter of 2010, 26.5 percent higher than the $529 million for the first quarter of 2009 and 11.1 percent higher than $602 million for the fourth quarter of 2009. Diluted earnings per common share of $.34 in the first quarter of 2010 were $.10 higher than the first quarter of 2009 and $.04 higher on a linked quarter basis. Return on average assets and return on average common equity were .96 percent and 10.5 percent, respectively, for the first quarter of 2010, compared with .81 percent and 9.0 percent, respectively, for the first quarter of 2009. The Company continued to strengthen its allowance for credit losses in the first quarter of 2010 by recording $175 million of provision for credit losses in excess of net charge-offs. Also impacting the first quarter of 2010 was $34 million of net securities losses, including $46 million of impairments, partially offset by $12 million of gains on securities. These items, in total, reduced first quarter of 2010 diluted earnings per common share by approximately $.08. In the first quarter of 2009, significant items, which included provision for credit losses in excess of net charge-offs of $530 million, net securities losses of $198 million and a $92 million gain from a corporate real estate transaction, reduced diluted earnings per common share by approximately $.28. In the fourth quarter of 2009, significant items, which included $278 million of provision for credit losses in excess of net charge-offs and $158 million of net securities losses reduced diluted earnings per common share by approximately $.18.

U.S. Bancorp Chairman, President and Chief Executive Officer Richard K. Davis said, “Our first quarter earnings of $.34 per diluted common share were approximately 42 percent higher than the same quarter of 2009 and were driven by solid year-over-year growth in total net revenue, moderating credit costs and on-going operational efficiency. Total net revenue benefited from earning asset and deposit growth, as well as an expanded net interest margin, while higher fee revenue, notably in payments and corporate banking, reflected our on-going investments and business line growth initiatives.

“As expected, the Company recorded modest linked quarter growth in net charge-offs and nonperforming assets, with both credit metrics increasing by just over 2 percent, excluding covered assets. Importantly, early and late stage delinquencies in all major loan categories, excluding covered loans, were lower at March 31st than at year end 2009. This favorable change in delinquencies, in addition to the quarter’s modest increase in net charge-offs and nonperforming assets, supports our expectation that the level of both net charge-offs and nonperforming assets, excluding covered assets, will remain relatively stable in the second quarter of this year. Similar to the prior eight quarters, the Company recorded provision in excess of net charge-offs, further building and strengthening the allowance for credit losses. As we near the inflection point in credit quality, however, we expect that the corresponding reduction in reserve build will continue to result in lower provision expense going forward.

“As a result of our distinctive mix of businesses, efficiency and overall profitability, our Company continues to generate significant capital each quarter. The strength of our capital generation is exemplified by the steady increase in the Company’s capital ratios. At March 31, 2010, the Tier 1 capital ratio was 9.9 percent, and the Tier 1 common equity ratio was 7.1 percent, both higher than the ratios at December 31, 2009, of 9.6 percent and 6.8 percent, respectively. Given our ability to generate significant capital, even under adverse economic conditions, we are confident that our earnings can support a higher dividend. As I have indicated in the past, however, our earnings are not the only factor in determining whether or not we can raise the dividend. At this time we are deferring action on the dividend until we see evidence of a sustainable economic recovery and receive clear capital guidelines and approval from our regulators.

“As a Company, we are confident and focused on the future. We are investing in our businesses, branches, employees and infrastructure. We continue to build deeper relationships with our clients, while transitioning from providing high quality customer service to being recognized for providing a great, high quality customer experience. We have not, however, lost sight of the prudent operating and risk management principles of our past – principles that have allowed our Company to successfully navigate an uncertain economy and unprecedented changes in the financial services industry. There is more change to come, and we have taken a leadership position to help ensure that the industry and, importantly, our Company play a vital role in the economic recovery.

"Our first quarter results demonstrated the underlying strength of our business model, and I am confident that our Company's momentum will accelerate as the economy recovers. We have the depth, breadth and strength to grow and prosper in the years ahead for the benefit of our customers, employees, the communities we serve and our shareholders."

The Company's net income attributable to shareholders for the first quarter of 2010 was higher than the same period of 2009 by $140 million (26.5 percent) and higher than the fourth quarter of 2009 by $67 million (11.1 percent). The increase in net income year-over-year was principally the result of strong growth in total net revenue, driven by an increase in both net interest income and fee-based revenues, partially offset by an increase in noninterest expense. Compared with the prior quarter, favorable variances in net interest income and noninterest expense, a decline in net securities losses and a lower provision for credit losses were partially offset by seasonal decreases in noninterest income.

Total net revenue on a taxable-equivalent basis for the first quarter of 2010 was $4,321 million; $438 million (11.3 percent) higher than the first quarter of 2009, reflecting a 14.7 percent increase in net interest income and a 7.3 percent increase in noninterest income. The increase in net interest income year-over-year was largely the result of growth in average earning assets and an increase in lower cost core deposit funding, while noninterest income increased year-over-year principally due to higher payments-related and commercial products revenue and a decrease in net securities losses. Total net revenue was $55 million (1.3 percent) lower on a linked quarter basis. Net interest income was 1.8 percent higher than the fourth quarter of 2009 due to the October 30, 2009, acquisition of the banking operations of First Bank of Oak Park Corporation ("FBOP"), as well as an increase in the Company's core deposits and lower funding rates, while noninterest income declined 4.9 percent from the prior quarter, primarily due to seasonally lower payments-related revenue and deposit service charges, lower mortgage banking revenue and other income.

Total noninterest expense in the first quarter of 2010 was $2,136 million; $265 million (14.2 percent) higher than the first quarter of 2009, but $92 million (4.1 percent) lower than the fourth quarter of 2009. The increase in total noninterest expense year-over-year was primarily due to the impact of acquisitions, as well as higher FDIC deposit insurance expense and costs related to affordable housing and other tax-advantaged projects. The decrease in total noninterest expense on a linked quarter basis was primarily due to the impact of seasonally higher fourth quarter of 2009 costs related to investments in affordable housing, professional services and marketing and business development expenses, partially offset by higher salaries and benefits.

The Company's provision for credit losses declined from a year ago and on a linked quarter basis, reflecting a decrease in the rate of deterioration in the credit portfolio. The provision for credit losses for the first quarter of 2010 was $1,310 million, a decline of $78 million from the fourth quarter of 2009 and $8 million from the first quarter of 2009. The provision for credit losses exceeded net charge-offs by $175 million in the first quarter of 2010, $278 million in the fourth quarter of 2009, and $530 million in the first quarter of 2009. Net charge-offs in the first quarter of 2010 were $1,135 million, compared with $1,110 million in the fourth quarter of 2009 and $788 million in the first quarter of 2009. Given current economic conditions, the Company expects the level of net charge-offs to remain relatively stable in the second quarter of 2010.

Total nonperforming assets were $6,380 million at March 31, 2010, compared with $5,907 million at December 31, 2009, and $3,410 million at March 31, 2009. Nonperforming assets include assets originated by the Company, as well as loans and other real estate acquired under FDIC loss sharing agreements ("covered assets") that substantially reduce the risk of credit losses to the Company. The majority of the nonperforming covered assets were considered credit-impaired at acquisition and were recorded at their estimated fair value at the date of acquisition. The fourth quarter of 2009 FBOP acquisition accounted for $1.9 billion of the $3.0 billion year-over-year increase in nonperforming assets. At March 31, 2010, total nonperforming assets, excluding covered assets, were $3,995 million compared with $3,904 million at December 31, 2009, and $2,708 million at March 31, 2009. Excluding covered assets, the linked quarter and year-over-year increase in nonperforming assets was driven by stress in residential home construction and related industries and the residential mortgage portfolio, as well as an increase in foreclosed properties and the impact of the economic slowdown on commercial and consumer customers. The ratio of the allowance for credit losses to period-end loans, excluding covered loans, was 3.20 percent at March 31, 2010, compared with 3.04 percent at December 31, 2009, and 2.37 percent at March 31, 2009. The ratio of the allowance for credit losses to period-end loans, including covered loans, was 2.85 percent at March 31, 2010, compared with 2.70 percent at December 31, 2009, and 2.23 percent at March 31, 2009. The Company expects total nonperforming assets, excluding covered assets, to remain relatively stable in the second quarter.

INCOME STATEMENT HIGHLIGHTS					Table 2
(Taxable-equivalent basis, $ in millions, except per-share data)	1Q 2010	4Q 2009	1Q 2009	Percent Change 1Q10 vs 4Q09	Percent Change 1Q10 vs 1Q09
Net interest income	$2,403	$2,360	$2,095	1.8	14.7
Noninterest income	1,918	2,016	1,788	(4.9)	7.3
Total net revenue	4,321	4,376	3,883	(1.3)	11.3
Noninterest expense	2,136	2,228	1,871	(4.1)	14.2
Income before provision and taxes	2,185	2,148	2,012	1.7	8.6
Provision for credit losses	1,310	1,388	1,318	(5.6)	(.6)
Income before taxes	875	760	694	15.1	26.1
Taxable-equivalent adjustment	51	50	48	2.0	6.3
Applicable income taxes	161	108	101	49.1	59.4
Net income	663	602	545	10.1	21.7
Net income attributable to noncontrolling interests	6	--	(16)	nm	nm
Net income attributable to U.S. Bancorp	$669	$602	$529	11.1	26.5
Net income applicable to U.S. Bancorp common shareholders	$648	$580	$419	11.7	54.7
Diluted earnings per common share	$.34	$.30	$.24	13.3	41.7

Net Interest Income

Net interest income on a taxable-equivalent basis in the first quarter of 2010 was $2,403 million, compared with $2,095 million in the first quarter of 2009, an increase of $308 million (14.7 percent). The increase was primarily the result of growth in average earning assets, which were higher by $13.5 billion (5.7 percent) than the first quarter of 2009, driven by an increase of $7.2 billion (3.9 percent) in average loans and $3.9 billion (9.2 percent) in average investment securities. In addition, net interest margin was higher principally due to the impact of favorable funding rates. Net interest income grew 1.8 percent on a linked quarter basis, primarily due to the FBOP acquisition, as well as higher core deposits and favorable funding rates. During the first quarter of 2010, the net interest margin was 3.90 percent compared with 3.59 percent in the first quarter of 2009 and 3.83 percent in the fourth quarter of 2009.

NET INTEREST INCOME **Table 3**

(Taxable-equivalent basis; $ in millions)

	1Q 2010	4Q 2009	1Q 2009	Change 1Q10 vs 4Q09	Change 1Q10 vs 1Q09
Components of net interest income					
Income on earning assets	$3,046	$3,026	$2,920	$20	$126
Expense on interest-bearing liabilities	643	666	825	(23)	(182)
Net interest income	$2,403	$2,360	$2,095	$43	$308
Average yields and rates paid					
Earning assets yield	4.94%	4.91%	5.01%	.03%	(.07)%
Rate paid on interest-bearing liabilities	1.24	1.31	1.72	(.07)	(.48)
Gross interest margin	3.70%	3.60%	3.29%	.10%	.41%
Net interest margin	3.90%	3.83%	3.59%	.07%	.31%
Average balances					
Investment securities	$46,211	$44,149	$42,321	$2,062	$3,890
Loans	192,878	191,648	185,705	1,230	7,173
Earning assets	248,828	245,383	235,314	3,445	13,514
Interest-bearing liabilities	209,538	201,447	194,509	8,091	15,029
Net free funds (a)	39,290	43,936	40,805	(4,646)	(1,515)

(a) Represents noninterest-bearing deposits, other noninterest-bearing liabilities and equity, allowance for loan losses and unrealized gain (loss) on available-for-sale securities less non-earning assets.

AVERAGE LOANS					Table 4
($ in millions)	1Q 2010	4Q 2009	1Q 2009	Percent Change 1Q10 vs 4Q09	Percent Change 1Q10 vs 1Q09
Commercial	$40,837	$43,490	$49,362	(6.1)	(17.3)
Lease financing	6,445	6,489	6,772	(.7)	(4.8)
Total commercial	47,282	49,979	56,134	(5.4)	(15.8)
Commercial mortgages	25,444	24,895	23,553	2.2	8.0
Construction and development	8,707	9,149	9,845	(4.8)	(11.6)
Total commercial real estate	34,151	34,044	33,398	.3	2.3
Residential mortgages	26,408	25,621	23,915	3.1	10.4
Credit card	16,368	16,399	13,597	(.2)	20.4
Retail leasing	4,509	4,620	5,115	(2.4)	(11.8)
Home equity and second mortgages	19,402	19,444	19,215	(.2)	1.0
Other retail	23,343	23,037	22,987	1.3	1.5
Total retail	63,622	63,500	60,914	.2	4.4
Total loans, excluding covered loans	171,463	173,144	174,361	(1.0)	(1.7)
Covered loans	21,415	18,504	11,344	15.7	88.8
Total loans	$192,878	$191,648	$185,705	.6	3.9

Total average loans were $7.2 billion (3.9 percent) higher in the first quarter of 2010 than the first quarter of 2009, primarily driven by growth in covered loans (88.8 percent), residential mortgages (10.4 percent) and total retail loans (4.4 percent). Average total retail loans grew $2.7 billion, residential mortgages grew $2.5 billion and total commercial real estate loans grew $.8 billion year-over-year. Growth in these categories was partially offset by an $8.9 billion decline in total average commercial loans, principally due to lower utilization of existing commitments and reduced demand for new loans. Retail loan growth, year-over-year, was driven by increases in credit cards, home equity and second mortgages and other retail, primarily auto loans. Included in the growth in credit cards were approximately $1.3 billion of portfolio purchases in the third quarter of 2009. Total average loans were $1.2 billion (.6 percent) higher in the first quarter of 2010 than the fourth quarter of 2009, as increases in covered loans (15.7 percent) and residential mortgages (3.1 percent) were offset by a decline in total commercial loans (5.4 percent), primarily due to lower commitment utilization by corporate borrowers and reduced demand for new loans.

Average investment securities in the first quarter of 2010 were $3.9 billion (9.2 percent) higher year-over-year and $2.1 billion (4.7 percent) higher than the fourth quarter of 2009. The increases over the prior year and linked quarter were primarily due to purchases of U.S. government agency-related securities.

AVERAGE DEPOSITS					Table 5
($ in millions)	1Q 2010	4Q 2009	1Q 2009	Percent Change 1Q10 vs 4Q09	Percent Change 1Q10 vs 1Q09
Noninterest-bearing deposits	$38,000	$40,990	$36,020	(7.3)	5.5
Interest-bearing savings deposits					
Interest checking	39,994	39,714	32,039	.7	24.8
Money market savings	40,902	38,485	27,927	6.3	46.5
Savings accounts	18,029	15,926	10,339	13.2	74.4
Total of savings deposits	98,925	94,125	70,305	5.1	40.7
Time certificates of deposit less than $100,000	18,335	18,438	18,132	(.6)	1.1
Time deposits greater than $100,000	27,271	27,336	36,071	(.2)	(24.4)
Total interest-bearing deposits	144,531	139,899	124,508	3.3	16.1
Total deposits	$182,531	$180,889	$160,528	.9	13.7

Average total deposits for the first quarter of 2010 were $22.0 billion (13.7 percent) higher than the first quarter of 2009. Excluding deposits from acquisitions, average total deposits increased $7.2 billion (4.5 percent) over the first quarter of 2009. Noninterest-bearing deposits increased $2.0 billion (5.5 percent) year-over-year, primarily due to growth in the Consumer and Wholesale Banking business lines and the impact of acquisitions. Average total savings deposits were $28.6 billion (40.7 percent) higher year-over-year, the result of growth in Consumer Banking, broker-dealer and institutional trust customers and the impact of acquisitions. Average time certificates of deposit less than $100,000 were $203 million (1.1 percent) higher year-over-year, as acquisition-related growth was partially offset by a decrease in Consumer Banking balances. Average time deposits greater than $100,000 decreased $8.8 billion (24.4 percent), reflecting a decrease in overall wholesale funding requirements, partially offset by the impact of acquisitions.

Average total deposits increased $1.6 billion (.9 percent) over the fourth quarter of 2009, primarily due to strong growth in total average savings deposits, which increased $4.8 billion (5.1 percent), partially offset by lower noninterest-bearing and time deposits. The growth in total average savings deposits was the result of increases in corporate and institutional trust, Consumer Banking and the impact of the FBOP acquisition. Average noninterest-bearing deposits decreased due to lower balances in corporate trust and Wholesale Banking. Average time certificates of deposit remained relatively stable.

NONINTEREST INCOME					Table 6
($ in millions)	1Q 2010	4Q 2009	1Q 2009	Percent Change 1Q10 vs 4Q09	Percent Change 1Q10 vs 1Q09
Credit and debit card revenue	$258	$273	$256	(5.5)	.8
Corporate payment products revenue	168	166	154	1.2	9.1
Merchant processing services	292	312	258	(6.4)	13.2
ATM processing services	105	101	102	4.0	2.9
Trust and investment management fees	264	277	294	(4.7)	(10.2)
Deposit service charges	207	238	226	(13.0)	(8.4)
Treasury management fees	137	132	137	3.8	--
Commercial products revenue	161	185	129	(13.0)	24.8
Mortgage banking revenue	200	218	233	(8.3)	(14.2)
Investment products fees and commissions	25	27	28	(7.4)	(10.7)
Securities gains (losses), net	(34)	(158)	(198)	78.5	82.8
Other	135	245	169	(44.9)	(20.1)
Total noninterest income	$1,918	$2,016	$1,788	(4.9)	7.3

<u>Noninterest Income</u>

First quarter noninterest income was $1,918 million; $130 million (7.3 percent) higher than the first quarter of 2009 and $98 million (4.9 percent) lower than the fourth quarter of 2009. The improvement in noninterest income over the first quarter of 2009 included a favorable variance in net securities losses of $164 million. Noninterest income benefited from $50 million (7.5 percent) in higher fee-based payments-related income and an increase in commercial products revenue of $32 million (24.8 percent), which was attributable to higher standby letters of credit, capital markets and other commercial loan fees. Trust and investment management fees declined $30 million (10.2 percent) year-over-year, as low interest rates negatively impacted money market investment fees and lower money market fund balances led to a decline in account-level fees. Deposit service charges decreased $19 million (8.4 percent) as a result of lower overdraft incidences and the impact of revised overdraft fee policies. Mortgage banking revenue declined $33 million (14.2 percent) from the first quarter of 2009 principally due to lower production revenue, partially offset by higher servicing income and a favorable net change in the valuation of mortgage servicing rights ("MSRs") and related economic hedging activities. Other income decreased $34 million (20.1 percent), the net result of the gain on a corporate real estate transaction that occurred in the first quarter of 2009 and lower retail lease residual valuation losses and improved equity investment income.

Noninterest income was $98 million (4.9 percent) lower in the first quarter of 2010 than the fourth quarter of 2009. Seasonally lower transaction volumes led to a decline in credit and debit card revenue of $15 million (5.5 percent) on a linked quarter basis. Merchant processing services revenue decreased $20 million (6.4 percent) from the fourth quarter of 2009 due to seasonally lower volumes and lower rates. Trust and investment management fees were lower by $13 million (4.7 percent) as a result of lower account-level fees and the impact of interest rates on money market investment fees. Deposit service charges declined $31 million (13.0 percent) on a linked quarter basis due principally to seasonally lower volumes and the impact of revised overdraft fee policies. Commercial products revenue was $24 million (13.0 percent) lower than the fourth quarter of 2009 as a result of lower syndication fees and commercial leasing revenue. Mortgage banking revenue declined $18 million (8.3 percent) due to lower mortgage production, partially offset by a favorable net change in the valuation of MSRs and related economic hedging activities and an increase in servicing income. The decrease of $110 million in other income on a linked quarter basis reflected a payments-related gain in the fourth quarter of 2009, lower equity investment income and the impact of retail lease residual valuation losses. Partially offsetting these variances was a decrease in net securities losses of $124 million.

NONINTEREST EXPENSE					**Table 7**
($ in millions)	**1Q 2010**	**4Q 2009**	**1Q 2009**	**Percent Change 1Q10 vs 4Q09**	**Percent Change 1Q10 vs 1Q09**
Compensation	$861	$816	$786	5.5	9.5
Employee benefits	180	145	155	24.1	16.1
Net occupancy and equipment	227	214	211	6.1	7.6
Professional services	58	81	52	(28.4)	11.5
Marketing and business development	60	105	56	(42.9)	7.1
Technology and communications	185	186	155	(.5)	19.4
Postage, printing and supplies	74	70	74	5.7	--
Other intangibles	97	107	91	(9.3)	6.6
Other	394	504	291	(21.8)	35.4
Total noninterest expense	$2,136	$2,228	$1,871	(4.1)	14.2

Noninterest Expense

Noninterest expense in the first quarter of 2010 totaled $2,136 million, an increase of $265 million (14.2 percent) over the first quarter of 2009, but a $92 million decrease (4.1 percent) from the fourth quarter of 2009. The increase in noninterest expense over a year ago was principally due to acquisitions, higher FDIC deposit insurance expense and costs related to investments in affordable housing and other tax-advantaged projects. Compensation expense increased $75 million (9.5 percent) and employee benefits expense increased $25 million (16.1 percent), primarily reflecting acquisitions and higher pension costs. Net occupancy and equipment expense increased $16 million (7.6 percent), while professional services expense increased $6 million (11.5 percent) year-over-year, principally due to acquisitions and other business initiatives. Technology and communications expense increased $30 million (19.4 percent), as a result of payments-related initiatives, including the formation of a joint venture. Other expense increased $103 million (35.4 percent) due to higher FDIC deposit insurance expense, costs related to investments in affordable housing and other tax-advantaged projects, higher merchant processing expense, growth in mortgage servicing expense and costs associated with other real estate owned.

Noninterest expense decreased $92 million (4.1 percent) in the first quarter of 2010 compared with the fourth quarter of 2009. The decrease was primarily due to seasonally higher fourth quarter of 2009 costs related to investments in affordable housing and other tax-advantaged projects. Professional services expense was seasonally lower by $23 million (28.4 percent) across the majority of business lines. Marketing and business development expense was lower by $45 million (42.9 percent), compared with the fourth quarter of 2009, reflecting the timing of credit card product initiatives and other marketing campaigns. Other intangibles expense declined $10 million (9.3 percent) on a linked quarter basis. Partially offsetting these favorable variances was an increase in compensation and employee benefits expense of $80 million (8.3 percent), principally due to the FBOP acquisition, increased pension costs, a seasonal increase in payroll taxes and incentive accruals. Net occupancy and equipment expense also increased on a linked quarter basis by $13 million (6.1 percent), primarily due to the impact of acquisitions.

Provision for Income Taxes

The provision for income taxes for the first quarter of 2010 resulted in a tax rate on a taxable-equivalent basis of 24.2 percent (effective tax rate of 19.5 percent), compared with 21.5 percent (effective tax rate of 15.6 percent) in the first quarter of 2009 and 20.8 percent (effective tax rate of 15.2 percent) in the fourth quarter of 2009. The increase in the effective tax rate as compared with the same quarter of 2009 principally reflects the marginal impact of higher pretax earnings year-over-year.

ALLOWANCE FOR CREDIT LOSSES					Table 8
($ in millions)	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Balance, beginning of period	$5,264	$4,986	$4,571	$4,105	$3,639
Net charge-offs					
Commercial	243	250	200	177	112
Lease financing	34	33	44	55	55
Total commercial	277	283	244	232	167
Commercial mortgages	46	30	30	28	13
Construction and development	146	144	159	93	117
Total commercial real estate	192	174	189	121	130
Residential mortgages	145	153	129	116	91
Credit card	312	285	271	263	212
Retail leasing	5	5	8	10	13
Home equity and second mortgages	90	96	89	83	70
Other retail	111	111	111	102	99
Total retail	518	497	479	458	394
Total net charge-offs, excluding covered loans	1,132	1,107	1,041	927	782
Covered loans	3	3	--	2	6
Total net charge-offs	1,135	1,110	1,041	929	788
Provision for credit losses	1,310	1,388	1,456	1,395	1,318
Acquisitions and other changes	--	--	--	--	(64)
Balance, end of period	$5,439	$5,264	$4,986	$4,571	$4,105
Components					
Allowance for loan losses	$5,235	$5,079	$4,825	$4,377	$3,947
Liability for unfunded credit commitments	204	185	161	194	158
Total allowance for credit losses	$5,439	$5,264	$4,986	$4,571	$4,105
Gross charge-offs	$1,206	$1,174	$1,105	$992	$840
Gross recoveries	$71	$64	$64	$63	$52
Allowance for credit losses as a percentage of					
Period-end loans, excluding covered loans	3.20	3.04	2.88	2.66	2.37
Nonperforming loans, excluding covered loans	156	153	150	152	169
Nonperforming assets, excluding covered assets	136	135	134	137	152
Period-end loans	2.85	2.70	2.73	2.51	2.23
Nonperforming loans	109	110	136	135	144
Nonperforming assets	85	89	114	114	120

Credit Quality

Net charge-offs and nonperforming assets continued to trend higher, however, the rate of increase continued to moderate during the first quarter of 2010, excluding covered assets. The allowance for credit losses was $5,439 million at March 31, 2010, compared with $5,264 million at December 31, 2009, and $4,105 million at March 31, 2009. Total net charge-offs in the first quarter of 2010 were $1,135 million, compared with $1,110 million in the fourth quarter of 2009, and $788 million in the first quarter of 2009. The increase in total net charge-offs compared with a year ago was driven by economic factors affecting the residential housing markets, including homebuilding and related industries, commercial real estate properties and credit costs associated with credit card and other consumer and commercial loans as the economy weakened. As a result of continuing stress in the economic conditions, the Company recorded $175 million of provision for credit losses in excess of net charge-offs, increasing the allowance for credit losses during the first quarter of 2010.

Commercial and commercial real estate loan net charge-offs increased to $469 million in the first quarter of 2010 (2.34 percent of average loans outstanding) compared with $457 million (2.16 percent of average loans outstanding) in the fourth quarter of 2009 and $297 million (1.35 percent of average loans outstanding) in the first quarter of 2009. This increasing trend reflected stress in commercial real estate and residential housing, especially homebuilding and related industry sectors, along with the impact of current economic conditions on the Company's commercial loan portfolios.

Residential mortgage loan net charge-offs decreased to $145 million (2.23 percent of average loans outstanding) in the first quarter of 2010 from $153 million (2.37 percent of average loans outstanding) in the fourth quarter of 2009, reflecting the positive impact of restructuring programs, but were higher than the $91 million (1.54 percent of average loans outstanding) in the first quarter of 2009. Total retail loan net charge-offs were $518 million (3.30 percent of average loans outstanding) in the first quarter of 2010 compared with $497 million (3.11 percent of average loans outstanding) in the fourth quarter of 2009 and $394 million (2.62 percent of average loans outstanding) in the first quarter of 2009. The increased year-over-year residential mortgage and retail loan credit losses reflected the adverse impact of current economic conditions on consumers, as rising unemployment levels increased losses in prime-based residential portfolios.

The ratio of the allowance for credit losses to period-end loans was 2.85 percent (3.20 percent excluding covered loans) at March 31, 2010, compared with 2.70 percent (3.04 percent excluding covered loans) at December 31, 2009, and 2.23 percent (2.37 percent excluding covered loans) at March 31, 2009. The ratio of the allowance for credit losses to nonperforming loans was 109 percent (156 percent excluding covered loans) at March 31, 2010, compared with 110 percent (153 percent excluding covered loans) at December 31, 2009, and 144 percent (169 percent excluding covered loans) at March 31, 2009.

CREDIT RATIOS — **Table 9**

(Percent)	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Net charge-offs ratios (a)					
Commercial	2.41	2.28	1.78	1.50	.92
Lease financing	2.14	2.02	2.66	3.29	3.29
Total commercial	2.38	2.25	1.89	1.72	1.21
Commercial mortgages	.73	.48	.49	.47	.22
Construction and development	6.80	6.24	6.62	3.79	4.82
Total commercial real estate	2.28	2.03	2.22	1.44	1.58
Residential mortgages	2.23	2.37	2.10	1.94	1.54
Credit card (b)	7.73	6.89	6.99	7.36	6.32
Retail leasing	.45	.43	.66	.80	1.03
Home equity and second mortgages	1.88	1.96	1.82	1.72	1.48
Other retail	1.93	1.91	1.94	1.80	1.75
Total retail	3.30	3.11	3.05	2.99	2.62
Total net charge-offs, excluding covered loans	2.68	2.54	2.41	2.15	1.82
Covered loans	.06	.06	--	.07	.21
Total net charge-offs	2.39	2.30	2.27	2.03	1.72
Delinquent loan ratios - 90 days or more past due **excluding** nonperforming loans (c)					
Commercial	.18	.22	.17	.16	.19
Commercial real estate	.01	.02	.12	.22	.07
Residential mortgages	2.26	2.80	2.32	2.11	2.03
Retail	1.00	1.07	1.00	.94	.94
Total loans, excluding covered loans	.78	.88	.78	.72	.68
Covered loans	3.90	3.59	8.18	7.83	6.93
Total loans	1.12	1.19	1.16	1.12	1.05
Delinquent loan ratios - 90 days or more past due **including** nonperforming loans (c)					
Commercial	2.06	2.25	2.19	1.89	1.59
Commercial real estate	5.37	5.22	5.22	5.05	3.87
Residential mortgages	4.33	4.59	3.86	3.46	3.02
Retail	1.37	1.39	1.28	1.19	1.16
Total loans, excluding covered loans	2.82	2.87	2.69	2.48	2.08
Covered loans	11.19	9.76	11.97	11.45	10.94
Total loans	3.74	3.64	3.18	2.98	2.60

(a) Annualized and calculated on average loan balances
(b) Net charge-offs as a percent of average loans outstanding, excluding portfolio purchases where the acquired loans were recorded at fair value at the purchase date, were 8.42 percent for the first quarter of 2010, 7.46 percent for fourth quarter of 2009 and 7.30 percent for the third quarter of 2009.
(c) Ratios are expressed as a percent of ending loan balances.

ASSET QUALITY					Table 10
($ in millions)	Mar 31 2010	Dec 31 2009	Sep 30 2009	Jun 30 2009	Mar 31 2009
Nonperforming loans					
Commercial	$758	$866	$908	$785	$651
Lease financing	113	125	119	123	119
Total commercial	871	991	1,027	908	770
Commercial mortgages	596	581	502	471	392
Construction and development	1,236	1,192	1,230	1,156	887
Total commercial real estate	1,832	1,773	1,732	1,627	1,279
Residential mortgages	550	467	383	324	239
Retail	229	204	174	155	135
Total nonperforming loans, excluding covered loans	3,482	3,435	3,316	3,014	2,423
Covered loans	1,524	1,350	362	368	433
Total nonperforming loans	5,006	4,785	3,678	3,382	2,856
Other real estate	482	437	366	293	257
Covered other real estate	861	653	310	314	269
Other nonperforming assets	31	32	38	27	28
Total nonperforming assets (a)	$6,380	$5,907	$4,392	$4,016	$3,410
Total nonperforming assets, exluding covered assets	$3,995	$3,904	$3,720	$3,334	$2,708
Accruing loans 90 days or more past due, excluding covered loans	$1,321	$1,525	$1,344	$1,245	$1,185
Accruing loans 90 days or more past due	$2,138	$2,309	$2,125	$2,042	$1,932
Restructured loans that continue to accrue interest	$2,516	$2,278	$2,254	$2,107	$1,901
Nonperforming assets to loans plus ORE, excluding covered assets (%)	2.34	2.25	2.14	1.94	1.56
Nonperforming assets to loans plus ORE (%)	3.31	3.02	2.39	2.20	1.85

(a) Does not include accruing loans 90 days or more past due or restructured loans that continue to accrue interest.

Nonperforming assets at March 31, 2010, totaled $6,380 million, compared with $5,907 million at December 31, 2009, and $3,410 million at March 31, 2009. Included in March 31, 2010, nonperforming assets were $2,385 million of assets covered under loss sharing agreements with the FDIC that substantially reduce the risk of credit losses to the Company. The ratio of nonperforming assets to loans and other real estate was 3.31 percent (2.34 percent excluding covered assets) at March 31, 2010, compared with 3.02 percent (2.25 percent excluding covered assets) at December 31, 2009, and 1.85 percent (1.56 percent excluding covered assets) at March 31, 2009. The increase in nonperforming assets, excluding covered assets, compared with a year ago was driven primarily by the residential construction portfolio and related industries and the residential mortgage portfolio, as well as an increase in foreclosed residential properties and the impact of the economic slowdown on other commercial and consumer customers. Given current economic conditions, the Company expects nonperforming assets, excluding covered assets, to remain relatively stable next quarter. Accruing loans 90 days or more past due were $2,138 million ($1,321 million excluding covered loans) at March 31, 2010, compared with $2,309 million ($1,525 million excluding covered loans) at December 31, 2009, and $1,932 million ($1,185 million excluding covered loans) at March 31, 2009. The year-over-year increase of $136 million (excluding covered loans) reflected stress in residential mortgages, commercial, construction, credit cards, and home equity loans. Restructured loans that continue to accrue interest have increased, compared with the first quarter of 2009 and the fourth quarter of 2009, reflecting the impact of loan modifications for certain residential mortgage and consumer credit card customers in light of current economic conditions. The Company expects this trend to continue as the Company actively works with customers to modify loans for borrowers who are having financial difficulties.

CAPITAL POSITION					Table 11
($ in millions)	Mar 31 2010	Dec 31 2009	Sep 30 2009	Jun 30 2009	Mar 31 2009
Total U.S. Bancorp shareholders' equity	$26,709	$25,963	$25,171	$24,171	$27,223
Tier 1 capital	23,278	22,610	21,990	21,710	25,284
Total risk-based capital	30,858	30,458	30,126	30,039	33,504
Tier 1 capital ratio	9.9 %	9.6 %	9.5 %	9.4 %	10.9 %
Total risk-based capital ratio	13.2	12.9	13.0	13.0	14.4
Leverage ratio	8.6	8.5	8.6	8.4	9.8
Tier 1 common equity ratio	7.1	6.8	6.8	6.7	5.4
Tangible common equity ratio	5.6	5.3	5.4	5.1	3.8
Tangible common equity as a percent of risk-weighted assets	6.5	6.1	6.0	5.7	4.2

Total U.S. Bancorp shareholders' equity was $26.7 billion at March 31, 2010, compared with $26.0 billion at December 31, 2009, and $27.2 billion at March 31, 2009. The year-over-year decrease was a result of the Company's redemption of $6.6 billion of preferred stock previously held by the U.S. Department of the Treasury in the second quarter of 2009, partially offset by earnings and a $2.7 billion (153 million shares) common stock offering in the second quarter of 2009. The Tier 1 capital ratio was 9.9 percent at March 31, 2010, compared with 9.6 percent at December 31, 2009, and 10.9 percent at March 31, 2009. The Tier 1 common equity ratio was 7.1 percent at March 31, 2010, compared with 6.8 percent at December 31, 2009, and 5.4 percent at March 31, 2009. The tangible common equity ratio was 5.6 percent at March 31, 2010, compared with 5.3 percent at December 31, 2009, and 3.8 percent at March 31, 2009. All regulatory ratios continue to be in excess of "well-capitalized" requirements.

COMMON SHARES					Table 12
(Millions)	1Q 2010	4Q 2009	3Q 2009	2Q 2009	1Q 2009
Beginning shares outstanding	1,913	1,912	1,912	1,759	1,755
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	4	1	--	153	4
Shares repurchased for stock option plans	(1)	--	--	--	--
Ending shares outstanding	1,916	1,913	1,912	1,912	1,759

LINE OF BUSINESS FINANCIAL PERFORMANCE (a)						Table 13
($ in millions)						
	Net Income Attributable to U.S. Bancorp			Percent Change		1Q 2010
Business Line	1Q 2010	4Q 2009	1Q 2009	1Q10 vs 4Q09	1Q10 vs 1Q09	Earnings Composition
Wholesale Banking	$9	$62	$2	(85.5)	nm	1 %
Consumer Banking	197	235	213	(16.2)	(7.5)	30
Wealth Management & Securities Services	55	68	93	(19.1)	(40.9)	8
Payment Services	121	67	89	80.6	36.0	18
Treasury and Corporate Support	287	170	132	68.8	nm	43
Consolidated Company	$669	$602	$529	11.1	26.5	100 %

(a) preliminary data

Lines of Business

The Company's major lines of business are Wholesale Banking, Consumer Banking, Wealth Management & Securities Services, Payment Services, and Treasury and Corporate Support. These operating segments are components of the Company about which financial information is prepared and is evaluated regularly by management in deciding how to allocate resources and assess performance. Noninterest expenses incurred by centrally managed operations or business lines that directly support another business line's operations are charged to the applicable business line based on its utilization of those services primarily measured by the volume of customer activities, number of employees or other relevant factors. These allocated expenses are reported as net shared services expense within noninterest expense. Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2010, certain organization and methodology changes were made and, accordingly, prior period results were restated and presented on a comparable basis.

Wholesale Banking offers lending, equipment finance and small-ticket leasing, depository, treasury management, capital markets, foreign exchange, international trade services and other financial services to middle market, large corporate, commercial real estate, financial institution and public sector clients. Wholesale Banking contributed $9 million of the Company's net income in the first quarter of 2010, compared with $2 million in the first quarter of 2009 and $62 million in the fourth quarter of 2009. Wholesale Banking's net income increased by $7 million over the same quarter of 2009 due to higher total net revenue partially offset by higher total noninterest expense. Net interest income decreased $32 million (6.1 percent) year-over-year due to a decrease in average total loans as a result of lower utilization of existing commitments and reduced demand for new loans, as well as the impact of declining rates on the margin benefit from deposits, partly offset by improved spreads on loans and higher average deposit balances. Total noninterest income increased $63 million (29.9 percent) due to higher equity investment income and strong growth in commercial products revenue including, standby letters of credit, commercial loan and capital markets fees. Total noninterest expense increased $17 million (6.4 percent) over a year ago, primarily due to higher compensation and employee benefits, an increase in FDIC deposit insurance expense and increased costs related to other real estate owned. The provision for credit losses was $3 million (.6 percent) higher year-over-year due to an increase in net charge-offs partially offset by a reduction in the reserve allocation.

Wholesale Banking's contribution to net income in the first quarter of 2010 was $53 million (85.5 percent) lower than the fourth quarter of 2009. This decline was principally due to an increase in the provision for credit losses and lower total net revenue, partially offset by lower total noninterest expense. Total net revenue was lower on a linked quarter basis as reduced demand for new loans, as well as the impact of declining rates on the margin benefit from deposits, partially offset by improved spreads on loans, led to a $10 million (2.0 percent) decline in net interest income. The $16 million (5.5 percent) decrease in total noninterest income was the result of lower commercial leasing revenue, equity investment income and capital markets-related income. Total noninterest expense decreased $20 million (6.6 percent) principally due to lower costs for other real estate owned. The provision for credit losses increased $80 million (20.6 percent) compared with the fourth quarter of 2009, due to increased net charge-offs and an increase in allocated reserves.

Consumer Banking delivers products and services through banking offices, telephone servicing and sales, on-line services, direct mail and ATM processing. It encompasses community banking, metropolitan banking, in-store banking, small business banking, consumer lending, mortgage banking, consumer finance, workplace banking, student banking and 24-hour banking. Consumer Banking contributed $197 million of the Company's net income in the first quarter of 2010, a $16 million (7.5 percent) decrease from the first quarter of 2009, and a $38 million (16.2 percent) decrease from the prior quarter. Within Consumer Banking, the retail banking division accounted for $98 million of the total contribution, 4.3 percent above the same quarter of last year, but 12.5 percent lower on a linked quarter basis. The increase in the retail banking division's contribution over the same period of 2009 was due to a favorable change in the provision for credit losses and higher total net revenue, partially offset by higher total noninterest expense. Total noninterest income for the retail banking division increased 6.2 percent over a year ago due to improvement in retail lease residual valuation losses and higher ATM processing services fees, partially offset by lower deposit service charges. Total noninterest expense for the retail banking division in the first quarter of 2010 was 6.5 percent higher year-over-year, principally due to higher FDIC deposit insurance expense and increased net occupancy and equipment expense. The provision for credit losses for the retail banking division was lower than the same quarter of last year, as stress within the residential mortgages, home equity, and other installment and consumer loan portfolios moderated. In the first quarter of 2010, the mortgage banking division's contribution was $99 million, a 16.8 decrease from the first quarter of 2009. The division's total net revenue decreased 4.1 percent from a year ago, reflecting lower mortgage loan production, including lower interest income on average mortgage loans held for sale. Total noninterest expense for the mortgage banking division increased 19.8 percent over the first quarter of 2009 primarily due to higher servicing costs associated with other real estate owned and foreclosures. The provision for credit losses decreased 6.7 percent for the mortgage banking division.

Consumer Banking's contribution in the first quarter of 2010 was lower by $38 million (16.2 percent) than the fourth quarter of 2009 due to lower total net revenue and higher total noninterest expense, partially offset by a favorable change in the provision for credit losses. Within Consumer Banking, the retail banking division's contribution decreased 12.5 percent on a linked quarter basis due to unfavorable variances in total net revenue and total noninterest expense, partially offset by lower provision for credit losses. Total net revenue for the retail banking division decreased 4.9 percent, principally due to lower total noninterest income due to seasonally lower deposit service charges and the impact of retail lease residual valuation losses. Total noninterest expense for the retail banking division increased 2.4 percent on a linked quarter basis, the result of higher net occupancy and equipment expense, compensation and employee benefits expense and shared services expense. The provision for credit losses for the division decreased 16.1 percent as deterioration in the credit quality of consumer loan portfolios moderated compared with the fourth quarter of 2009. The contribution of the mortgage banking division decreased 19.5 percent from the fourth quarter of 2009 driven by lower mortgage production. Total net revenue decreased 7.3 percent due to a 5.8 percent decrease in net interest income, the result of a decline in the mortgages held for sale portfolio and lower mortgage banking revenue. Total noninterest expense increased by 5.2 percent, due to costs for other real estate and foreclosures. The mortgage banking division's provision for credit losses increased 33.3 percent on a linked quarter basis.

Wealth Management & Securities Services provides trust, private banking, financial advisory, investment management, retail brokerage services, insurance, custody and mutual fund servicing through five businesses: Wealth Management, Corporate Trust, FAF Advisors, Institutional Trust & Custody and Fund Services. Wealth Management & Securities Services contributed $55 million of the Company's net income in the first quarter of 2010, a 40.9 percent decrease from the first quarter of 2009 and a 19.1 percent decrease from the fourth quarter of 2009. Total net revenue year-over-year decreased by $61 million (15.2 percent). Net interest income was lower by $24 million (26.1 percent), primarily due to a decline in the margin benefit from average deposit balances, and total noninterest income declined $37 million (12.0 percent) as low interest rates negatively impacted money market investment fees and lower money market fund balances led to a decline in account-level fees. Total noninterest expense was relatively flat, increasing $3 million (1.2 percent), and was offset by a $4 million (50.0 percent) decrease in the provision for credit losses.

The decrease in the business line's contribution in the first quarter of 2010 compared with the prior quarter was the result of lower total net revenue (4.8 percent) and higher total noninterest expense (3.3 percent). Net interest income was flat, while total noninterest income was lower (5.6 percent) due to lower trust and investment management account-level fees and the impact of interest rates on money market investment fees. The increase in total noninterest expense was primarily due to higher compensation and employee benefit expense and FDIC deposit insurance expense partially offset by lower other intangibles expense.

Payment Services includes consumer and business credit cards, stored-value cards, debit cards, corporate and purchasing card services, consumer lines of credit and merchant processing. Payment Services' offerings are highly inter-related with banking products and services of the other lines of business and rely on access to the bank subsidiary's settlement network, lower cost funding available to the Company, cross-selling opportunities and operating efficiencies. Payment Services contributed $121 million of the Company's net income in the first quarter of 2010, an increase of 36.0 percent from the same period of 2009, and an 80.6 percent increase over the prior quarter. The increase year-over-year was primarily due to an increase in total net revenue. Total net revenue increased $128 million (13.4 percent) year-over-year. Net interest income increased $77 million (28.7 percent) due to strong growth in credit card balances and improved loan spreads, partially offset by the cost of rebates on the government card program. Total noninterest income increased $51 million (7.4 percent) year-over-year, primarily due to higher merchant processing services and corporate payment products revenues the result of volume growth including business expansion. Total noninterest expense increased $52 million (13.8 percent), driven by higher technology and communications expense, the result of increased volume and the formation of a joint venture, and higher other intangibles expense. The provision for credit losses increased $23 million (5.3 percent) primarily due to higher net charge-offs.

Payment Services' contribution in the first quarter of 2010 was $54 million (80.6 percent) higher than the fourth quarter of 2009 and was driven by a lower provision for credit losses and a favorable variance in total noninterest expense. Total net revenue declined $40 million (3.6 percent) from the fourth quarter of 2009. Net interest income increased $26 million (8.2 percent) on a linked quarter basis primarily due to improved loan spreads. This favorable variance was offset by a $66 million (8.2 percent) decline in total noninterest income due to seasonally lower volumes. The timing of credit card related marketing programs was the principal driver of the $37 million (8.0 percent) linked quarter reduction in total noninterest expense. The provision for credit losses decreased $88 million (16.2 percent) due to a relatively more stable outlook on the credit card portfolios.

Treasury and Corporate Support includes the Company's investment portfolios, funding, recently acquired assets and assumed liabilities prior to assignment to business lines, capital management, asset securitization, interest rate risk management, the net effect of transfer pricing related to average balances and the residual aggregate of those expenses associated with corporate activities that are managed on a consolidated basis. Treasury and Corporate Support recorded net income of $287 million in the first quarter of 2010, compared with net income of $132 million in the first quarter of 2009 and net income of $170 million in the fourth quarter of 2009. Net interest income increased $279 million over the first quarter of 2009, reflecting the impact of the FBOP acquisition, the current rate environment, wholesale funding decisions and the Company's asset/liability position. Total noninterest income increased $55 million (71.4 percent) year-over-year, primarily due to lower net securities losses, partially offset by a gain on a corporate real estate transaction that occurred in the first quarter of 2009. Total noninterest expense increased $122 million reflecting the impact of the FBOP acquisition and costs related to affordable housing and other tax-advantaged projects.

Net income in the first quarter of 2010 was higher on a linked quarter basis due to favorable variances in total net revenue and total noninterest expense. Total net revenue increased $121 million (32.6 percent) as net interest income improved by 8.9 percent driven by the FBOP acquisition and total noninterest income improved by 78.2 percent, principally due to lower net securities losses. The decrease in total noninterest expense from the fourth quarter of 2009 was due to seasonally lower costs related to affordable housing and other tax-advantaged projects, partially offset by the impact of the FBOP acquisition.

Additional schedules containing more detailed information about the Company's business line results are available on the web at usbank.com or by calling Investor Relations at 612-303-0781.

On Tuesday, April 20, 2010, at 8:00 a.m. (CT) Richard K. Davis, chairman, president and chief executive officer, and Andrew Cecere, vice chairman and chief financial officer, will host a conference call to review the financial results. The conference call will be available by telephone or on the Internet. A presentation will be used during the call and will be available on the Company's website at www.usbank.com. To access the conference call from locations within the United States and Canada, please dial 866-316-1409. Participants calling from outside the United States and Canada, please dial 706-634-9086. The conference ID number for all participants is 59327064. For those unable to participate during the live call, a recording of the call will be available approximately two hours after the conference call ends on Tuesday, April 20th, and will run through Tuesday, April 27th, at 11:00 p.m. (CT). To access the recorded message within the United States and Canada, dial 800-642-1687. If calling from outside the United States and Canada, please dial 706-645-9291 to access the recording. The conference ID is 59327064. To access the webcast and presentation go to http://www.usbank.com and click on "About U.S. Bancorp" and then "Investor/Shareholder Information." The webcast link can be found under "Webcasts and Presentations."

Minneapolis-based U.S. Bancorp ("USB"), with $282 billion in assets, is the parent company of U.S. Bank National Association, the 5th largest commercial bank in the United States. The Company operates 3,025 banking offices in 24 states and 5,312 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at usbank.com.

Forward-Looking Statements

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

This press release 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 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. 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, 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 U.S. Bancorp undertakes no obligation to update them in light of new information or future events.

Non-Regulatory Capital Ratios

In addition to capital ratios defined by banking regulators, the Company considers other ratios when evaluating capital utilization and adequacy, including:

- Tangible common equity to tangible assets,
- Tier 1 common equity to risk-weighted assets, and
- Tangible common equity to risk-weighted assets.

These non-regulatory capital ratios are viewed by management as useful additional methods of reflecting the level of capital available to withstand unexpected market conditions. Additionally, presentation of these ratios allows readers to compare the Company's capitalization to other financial services companies. These ratios differ from capital ratios defined by banking regulators principally in that the numerator excludes shareholders' equity associated with preferred securities, the nature and extent of which varies among different financial services companies. These ratios are not determined in accordance with generally accepted accounting principals ("GAAP") and are not defined in federal banking regulations. As a result, these non-regulatory capital ratios disclosed by the Company may be considered non-GAAP financial measures.

Despite the importance of these non-regulatory capital ratios to the Company, there are no standardized definitions for them, and, as a result, the Company's calculation methods may differ from those used by other financial services companies. Also, there may be limits in the usefulness of these measures to investors. As a result, the Company encourages readers to consider the consolidated financial statements and other financial information contained in this press release in their entirety, and not to rely on any single financial measure. A table follows that shows the Company's calculation of the non-regulatory capital ratios.

###

U.S. Bancorp

Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2010	2009
Interest Income		
Loans	$2,505	$2,350
Loans held for sale	44	63
Investment securities	410	434
Other interest income	34	20
Total interest income	2,993	2,867
Interest Expense		
Deposits	236	324
Short-term borrowings	128	143
Long-term debt	277	353
Total interest expense	641	820
Net interest income	2,352	2,047
Provision for credit losses	1,310	1,318
Net interest income after provision for credit losses	1,042	729
Noninterest Income		
Credit and debit card revenue	258	256
Corporate payment products revenue	168	154
Merchant processing services	292	258
ATM processing services	105	102
Trust and investment management fees	264	294
Deposit service charges	207	226
Treasury management fees	137	137
Commercial products revenue	161	129
Mortgage banking revenue	200	233
Investment products fees and commissions	25	28
Securities gains (losses), net	(34)	(198)
Other	135	169
Total noninterest income	1,918	1,788
Noninterest Expense		
Compensation	861	786
Employee benefits	180	155
Net occupancy and equipment	227	211
Professional services	58	52
Marketing and business development	60	56
Technology and communications	185	155
Postage, printing and supplies	74	74
Other intangibles	97	91
Other	394	291
Total noninterest expense	2,136	1,871
Income before income taxes	824	646
Applicable income taxes	161	101
Net income	663	545
Net income attributable to noncontrolling interests	6	(16)
Net income attributable to U.S. Bancorp	$669	$529
Net income applicable to U.S. Bancorp common shareholders	$648	$419
Earnings per common share	$.34	$.24
Diluted earnings per common share	$.34	$.24
Dividends declared per common share	$.05	$.05
Average common shares outstanding	1,910	1,754
Average diluted common shares outstanding	1,919	1,760

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	March 31, 2010	December 31, 2009	March 31, 2009
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	$8,380	$6,206	$6,154
Investment securities			
Held-to-maturity	625	47	51
Available-for-sale	46,288	44,721	39,215
Loans held for sale	3,884	4,772	4,656
Loans			
Commercial	46,312	48,792	54,923
Commercial real estate	34,207	34,093	33,630
Residential mortgages	26,520	26,056	24,022
Retail	63,191	63,955	60,814
Total loans, excluding covered loans	170,230	172,896	173,389
Covered loans	20,923	21,859	10,784
Total loans	191,153	194,755	184,173
Less allowance for loan losses	(5,235)	(5,079)	(3,947)
Net loans	185,918	189,676	180,226
Premises and equipment	2,246	2,263	2,057
Goodwill	9,007	9,011	8,419
Other intangible assets	3,388	3,406	2,698
Other assets	22,692	21,074	20,148
Total assets	$282,428	$281,176	$263,624
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	$38,913	$38,186	$38,704
Interest-bearing	117,922	115,135	90,689
Time deposits greater than $100,000	27,204	29,921	33,173
Total deposits	184,039	183,242	162,566
Short-term borrowings	31,196	31,312	26,007
Long-term debt	32,399	32,580	38,825
Other liabilities	7,406	7,381	8,284
Total liabilities	255,040	254,515	235,682
Shareholders' equity			
Preferred stock	1,500	1,500	7,939
Common stock	21	21	20
Capital surplus	8,267	8,319	5,744
Retained earnings	24,597	24,116	23,015
Less treasury stock	(6,409)	(6,509)	(6,546)
Accumulated other comprehensive income (loss)	(1,267)	(1,484)	(2,949)
Total U.S. Bancorp shareholders' equity	26,709	25,963	27,223
Noncontrolling interests	679	698	719
Total equity	27,388	26,661	27,942
Total liabilities and equity	$282,428	$281,176	$263,624

U.S. Bancorp

Non-Regulatory Capital Ratios

(Dollars in Millions, Unaudited)	March 31, 2010 *	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Total equity	$27,388	$26,661	$25,880	$24,886	$27,942
Preferred stock	(1,500)	(1,500)	(1,500)	(1,500)	(7,939)
Noncontrolling interests	(679)	(698)	(709)	(715)	(719)
Goodwill (net of deferred tax liability)	(8,374)	(8,482)	(8,161)	(8,035)	(8,001)
Intangible assets, other than mortgage servicing rights	(1,610)	(1,657)	(1,604)	(1,479)	(1,516)
Tangible common equity (a)	15,225	14,324	13,906	13,157	9,767
Tier 1 capital, determined in accordance with prescribed regulatory requirements	23,278	22,610	21,990	21,710	25,284
Trust preferred securities	(4,524)	(4,524)	(4,024)	(4,024)	(4,024)
Preferred stock	(1,500)	(1,500)	(1,500)	(1,500)	(7,939)
Noncontrolling interests, less preferred stock not eligible for Tier 1 capital	(692)	(692)	(692)	(692)	(692)
Tier 1 common equity (b)	16,562	15,894	15,774	15,494	12,629
Total assets	282,428	281,176	265,058	265,560	263,624
Goodwill (net of deferred tax liability)	(8,374)	(8,482)	(8,161)	(8,035)	(8,001)
Intangible assets, other than mortgage servicing rights	(1,610)	(1,657)	(1,604)	(1,479)	(1,516)
Tangible assets (c)	272,444	271,037	255,293	256,046	254,107
Risk-weighted assets, determined in accordance with prescribed regulatory requirements (d)	234,042	235,233	231,993	231,821	232,043
Ratios					
Tangible common equity to tangible assets (a)/(c)	5.6 %	5.3 %	5.4 %	5.1 %	3.8 %
Tier 1 common equity to risk-weighted assets (b)/(d)	7.1	6.8	6.8	6.7	5.4
Tangible common equity to risk-weighted assets (a)/(d)	6.5	6.1	6.0	5.7	4.2

* Preliminary data. Subject to change prior to filings with applicable regulatory agencies.

Supplemental Analyst Schedules

1Q 2010

U.S. Bancorp

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2010	December 31, 2009	March 31, 2009	Percent Change v. March 31, 2010 December 31, 2009	March 31, 2009
Net interest income (taxable-equivalent basis)	$2,403	$2,360	$2,095	1.8 %	14.7 %
Noninterest income	1,918	2,016	1,788	(4.9)	7.3
Total net revenue	4,321	4,376	3,883	(1.3)	11.3
Noninterest expense	2,136	2,228	1,871	(4.1)	14.2
Income before provision and income taxes	2,185	2,148	2,012	1.7	8.6
Provision for credit losses	1,310	1,388	1,318	(5.6)	(.6)
Income before income taxes	875	760	694	15.1	26.1
Taxable-equivalent adjustment	51	50	48	2.0	6.3
Applicable income taxes	161	108	101	49.1	59.4
Net income	663	602	545	10.1	21.7
Net income attributable to noncontrolling interests	6	--	(16)	*	*
Net income attributable to U.S. Bancorp	$669	$602	$529	11.1	26.5
Net income applicable to U.S. Bancorp common shareholders	$648	$580	$419	11.7	54.7
Diluted earnings per common share	$.34	$.30	$.24	13.3	41.7
Revenue per diluted common share (a)	$2.27	$2.37	$2.32	(4.2)	(2.2)
Financial Ratios					
Net interest margin (b)	3.90 %	3.83 %	3.59 %		
Interest yield on average loans (b)	5.28	5.20	5.14		
Rate paid on interest-bearing liabilities (b)	1.24	1.31	1.72		
Return on average assets	.96	.86	.81		
Return on average common equity	10.5	9.6	9.0		
Efficiency ratio (c)	49.0	49.1	45.8		
Tangible efficiency ratio (d)	46.8	46.8	43.6		

* Not meaningful

(a) Computed as the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses), divided by average diluted common shares outstanding

(b) On a taxable-equivalent basis

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

(d) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

U.S. Bancorp

Quarterly Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Interest Income					
Loans	$2,505	$2,496	$2,373	$2,345	$2,350
Loans held for sale	44	56	87	71	63
Investment securities	410	396	374	402	434
Other interest income	34	26	23	22	20
Total interest income	2,993	2,974	2,857	2,840	2,867
Interest Expense					
Deposits	236	265	299	314	324
Short-term borrowings	128	127	138	131	143
Long-term debt	277	272	313	341	353
Total interest expense	641	664	750	786	820
Net interest income	2,352	2,310	2,107	2,054	2,047
Provision for credit losses	1,310	1,388	1,456	1,395	1,318
Net interest income after provision for credit losses	1,042	922	651	659	729
Noninterest Income					
Credit and debit card revenue	258	273	267	259	256
Corporate payment products revenue	168	166	181	168	154
Merchant processing services	292	312	300	278	258
ATM processing services	105	101	103	104	102
Trust and investment management fees	264	277	293	304	294
Deposit service charges	207	238	256	250	226
Treasury management fees	137	132	141	142	137
Commercial products revenue	161	185	157	144	129
Mortgage banking revenue	200	218	276	308	233
Investment products fees and commissions	25	27	27	27	28
Securities gains (losses), net	(34)	(158)	(76)	(19)	(198)
Other	135	245	168	90	169
Total noninterest income	1,918	2,016	2,093	2,055	1,788
Noninterest Expense					
Compensation	861	816	769	764	786
Employee benefits	180	145	134	140	155
Net occupancy and equipment	227	214	203	208	211
Professional services	58	81	63	59	52
Marketing and business development	60	105	137	80	56
Technology and communications	185	186	175	157	155
Postage, printing and supplies	74	70	72	72	74
Other intangibles	97	107	94	95	91
Other	394	504	406	554	291
Total noninterest expense	2,136	2,228	2,053	2,129	1,871
Income before income taxes	824	710	691	585	646
Applicable income taxes	161	108	86	100	101
Net income	663	602	605	485	545
Net income attributable to noncontrolling interests	6	--	(2)	(14)	(16)
Net income attributable to U.S. Bancorp	$669	$602	$603	$471	$529
Net income applicable to U.S. Bancorp common shareholders	$648	$580	$583	$221	$419
Earnings per common share	$.34	$.30	$.31	$.12	$.24
Diluted earnings per common share	$.34	$.30	$.30	$.12	$.24
Dividends declared per common share	$.05	$.05	$.05	$.05	$.05
Average common shares outstanding	1,910	1,908	1,908	1,833	1,754
Average diluted common shares outstanding	1,919	1,917	1,917	1,840	1,760
Financial Ratios					
Net interest margin (a)	3.90 %	3.83 %	3.67 %	3.60 %	3.59 %
Interest yield on average loans (a)	5.28	5.20	5.21	5.14	5.14
Rate paid on interest-bearing liabilities (a)	1.24	1.31	1.54	1.65	1.72
Return on average assets	.96	.86	.90	.71	.81
Return on average common equity	10.5	9.6	10.0	4.2	9.0
Efficiency ratio (b)	49.0	49.1	47.5	51.0	45.8
Tangible efficiency ratio (c)	46.8	46.8	45.3	48.7	43.6

(a) On a taxable-equivalent basis

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

(c) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding net securities gains (losses) and intangible amortization

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Assets	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)
Cash and due from banks	$8,380	$6,206	$5,016	$6,381	$6,154
Investment securities					
Held-to-maturity	625	47	48	49	51
Available-for-sale	46,288	44,721	42,288	40,756	39,215
Loans held for sale	3,884	4,772	6,030	7,370	4,656
Loans					
Commercial	46,312	48,792	50,712	52,730	54,923
Commercial real estate	34,207	34,093	33,896	33,696	33,630
Residential mortgages	26,520	26,056	24,947	23,970	24,022
Retail	63,191	63,955	63,642	61,427	60,814
Total loans, excluding covered loans	170,230	172,896	173,197	171,823	173,389
Covered loans	20,923	21,859	9,549	10,175	10,784
Total loans	191,153	194,755	182,746	181,998	184,173
Less allowance for loan losses	(5,235)	(5,079)	(4,825)	(4,377)	(3,947)
Net loans	185,918	189,676	177,921	177,621	180,226
Premises and equipment	2,246	2,263	2,251	2,073	2,057
Goodwill	9,007	9,011	8,597	8,451	8,419
Other intangible assets	3,388	3,406	3,158	2,961	2,698
Other assets	22,692	21,074	19,749	19,898	20,148
Total assets	$282,428	$281,176	$265,058	$265,560	$263,624
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	$38,913	$38,186	$34,250	$35,684	$38,704
Interest-bearing	117,922	115,135	104,950	97,691	90,689
Time deposits greater than $100,000	27,204	29,921	30,555	30,508	33,173
Total deposits	184,039	183,242	169,755	163,883	162,566
Short-term borrowings	31,196	31,312	28,166	29,698	26,007
Long-term debt	32,399	32,580	33,249	39,196	38,825
Other liabilities	7,406	7,381	8,008	7,897	8,284
Total liabilities	255,040	254,515	239,178	240,674	235,682
Shareholders' equity					
Preferred stock	1,500	1,500	1,500	1,500	7,939
Common stock	21	21	21	21	20
Capital surplus	8,267	8,319	8,308	8,434	5,744
Retained earnings	24,597	24,116	23,629	23,140	23,015
Less treasury stock	(6,409)	(6,509)	(6,534)	(6,540)	(6,546)
Accumulated other comprehensive income (loss)	(1,267)	(1,484)	(1,753)	(2,384)	(2,949)
Total U.S. Bancorp shareholders' equity	26,709	25,963	25,171	24,171	27,223
Noncontrolling interests	679	698	709	715	719
Total equity	27,388	26,661	25,880	24,886	27,942
Total liabilities and equity	$282,428	$281,176	$265,058	$265,560	$263,624

U.S. Bancorp

Consolidated Quarterly Average Balance Sheet

(Dollars in Millions, Unaudited)	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Assets					
Investment securities	$46,211	$44,149	$42,558	$42,189	$42,321
Loans held for sale	3,932	4,628	7,359	6,092	5,191
Loans					
Commercial					
Commercial	40,837	43,490	44,655	47,362	49,362
Lease financing	6,445	6,489	6,567	6,697	6,772
Total commercial	47,282	49,979	51,222	54,059	56,134
Commercial real estate					
Commercial mortgages	25,444	24,895	24,296	23,875	23,553
Construction and development	8,707	9,149	9,533	9,852	9,845
Total commercial real estate	34,151	34,044	33,829	33,727	33,398
Residential mortgages	26,408	25,621	24,405	23,964	23,915
Retail					
Credit card	16,368	16,399	15,387	14,329	13,597
Retail leasing	4,509	4,620	4,822	5,031	5,115
Home equity and second mortgages	19,402	19,444	19,368	19,314	19,215
Other retail	23,343	23,037	22,647	22,753	22,987
Total retail	63,622	63,500	62,224	61,427	60,914
Total loans, excluding covered loans	171,463	173,144	171,680	173,177	174,361
Covered loans	21,415	18,504	10,288	10,701	11,344
Total loans	192,878	191,648	181,968	183,878	185,705
Other earning assets	5,807	4,958	2,226	2,106	2,097
Total earning assets	248,828	245,383	234,111	234,265	235,314
Allowance for loan losses	(5,312)	(5,101)	(4,673)	(4,260)	(3,755)
Unrealized gain (loss) on available-for-sale securities	(407)	(649)	(1,318)	(1,857)	(2,577)
Other assets	38,613	36,978	36,291	37,959	37,255
Total assets	$281,722	$276,611	$264,411	$266,107	$266,237
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	$38,000	$40,990	$36,982	$37,388	$36,020
Interest-bearing deposits					
Interest checking	39,994	39,714	38,218	37,393	32,039
Money market savings	40,902	38,485	33,387	27,250	27,927
Savings accounts	18,029	15,926	13,824	12,278	10,339
Time certificates of deposit less than $100,000	18,335	18,438	16,985	17,968	18,132
Time deposits greater than $100,000	27,271	27,336	26,966	30,943	36,071
Total interest-bearing deposits	144,531	139,899	129,380	125,832	124,508
Short-term borrowings	32,551	28,764	28,025	27,638	32,217
Long-term debt	32,456	32,784	36,797	38,768	37,784
Total interest-bearing liabilities	209,538	201,447	194,202	192,238	194,509
Other liabilities	7,092	7,908	7,838	7,565	8,163
Shareholders' equity					
Preferred equity	1,500	1,500	1,500	6,951	7,935
Common equity	24,914	24,061	23,179	21,251	18,884
Total U.S. Bancorp shareholders' equity	26,414	25,561	24,679	28,202	26,819
Noncontrolling interests	678	705	710	714	726
Total equity	27,092	26,266	25,389	28,916	27,545
Total liabilities and equity	$281,722	$276,611	$264,411	$266,107	$266,237

U.S. Bancorp

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

	For the Three Months Ended March 31,						
	2010			2009			
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$46,211	$451	3.90 %	$42,321	$477	4.51 %	9.2 %
Loans held for sale	3,932	44	4.50	5,191	63	4.87	(24.3)
Loans (b)							
Commercial	47,282	483	4.13	56,134	534	3.84	(15.8)
Commercial real estate	34,151	370	4.39	33,398	357	4.33	2.3
Residential mortgages	26,408	347	5.27	23,915	346	5.81	10.4
Retail	63,622	1,064	6.78	60,914	992	6.61	4.4
Total loans, excluding covered loans	171,463	2,264	5.34	174,361	2,229	5.17	(1.7)
Covered loans	21,415	253	4.77	11,344	131	4.68	88.8
Total loans	192,878	2,517	5.28	185,705	2,360	5.14	3.9
Other earning assets	5,807	34	2.39	2,097	20	3.83	*
Total earning assets	248,828	3,046	4.94	235,314	2,920	5.01	5.7
Allowance for loan losses	(5,312)			(3,755)			(41.5)
Unrealized gain (loss) on available-for-sale securities	(407)			(2,577)			84.2
Other assets	38,613			37,255			3.6
Total assets	$281,722			$266,237			5.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$38,000			$36,020			5.5
Interest-bearing deposits							
Interest checking	39,994	19	.19	32,039	15	.18	24.8
Money market savings	40,902	37	.36	27,927	37	.54	46.5
Savings accounts	18,029	25	.57	10,339	14	.56	74.4
Time certificates of deposit less than $100,000	18,335	80	1.77	18,132	128	2.87	1.1
Time deposits greater than $100,000	27,271	75	1.12	36,071	130	1.46	(24.4)
Total interest-bearing deposits	144,531	236	.66	124,508	324	1.06	16.1
Short-term borrowings	32,551	130	1.62	32,217	148	1.86	1.0
Long-term debt	32,456	277	3.45	37,784	353	3.78	(14.1)
Total interest-bearing liabilities	209,538	643	1.24	194,509	825	1.72	7.7
Other liabilities	7,092			8,163			(13.1)
Shareholders' equity							
Preferred equity	1,500			7,935			(81.1)
Common equity	24,914			18,884			31.9
Total U.S. Bancorp shareholders' equity	26,414			26,819			(1.5)
Noncontrolling interests	678			726			(6.6)
Total equity	27,092			27,545			(1.6)
Total liabilities and equity	$281,722			$266,237			5.8 %
Net interest income		$2,403			$2,095		
Gross interest margin			3.70 %			3.29 %	
Gross interest margin without taxable-equivalent increments			3.62			3.21	
Percent of Earning Assets							
Interest income			4.94 %			5.01 %	
Interest expense			1.04			1.42	
Net interest margin			3.90 %			3.59 %	
Net interest margin without taxable-equivalent increments			3.82 %			3.51 %	

* Not meaningful

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.

(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

U.S. Bancorp

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

	For the Three Months Ended							
	March 31, 2010			December 31, 2009				
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$46,211	$451	3.90 %	$44,149	$436	3.95 %	4.7 %
Loans held for sale	3,932	44	4.50	4,628	56	4.81	(15.0)
Loans (b)							
Commercial	47,282	483	4.13	49,979	504	4.01	(5.4)
Commercial real estate	34,151	370	4.39	34,044	368	4.29	.3
Residential mortgages	26,408	347	5.27	25,621	353	5.51	3.1
Retail	63,622	1,064	6.78	63,500	1,075	6.72	.2
Total loans, excluding covered loans	171,463	2,264	5.34	173,144	2,300	5.28	(1.0)
Covered loans	21,415	253	4.77	18,504	208	4.45	15.7
Total loans	192,878	2,517	5.28	191,648	2,508	5.20	.6
Other earning assets	5,807	34	2.39	4,958	26	2.16	17.1
Total earning assets	248,828	3,046	4.94	245,383	3,026	4.91	1.4
Allowance for loan losses	(5,312)			(5,101)			(4.1)
Unrealized gain (loss) on available-for-sale securities	(407)			(649)			37.3
Other assets	38,613			36,978			4.4
Total assets	$281,722			$276,611			1.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$38,000			$40,990			(7.3)
Interest-bearing deposits							
Interest checking	39,994	19	.19	39,714	21	.21	.7
Money market savings	40,902	37	.36	38,485	37	.38	6.3
Savings accounts	18,029	25	.57	15,926	22	.54	13.2
Time certificates of deposit less than $100,000	18,335	80	1.77	18,438	95	2.05	(.6)
Time deposits greater than $100,000	27,271	75	1.12	27,336	90	1.31	(.2)
Total interest-bearing deposits	144,531	236	.66	139,899	265	.75	3.3
Short-term borrowings	32,551	130	1.62	28,764	129	1.78	13.2
Long-term debt	32,456	277	3.45	32,784	272	3.29	(1.0)
Total interest-bearing liabilities	209,538	643	1.24	201,447	666	1.31	4.0
Other liabilities	7,092			7,908			(10.3)
Shareholders' equity							
Preferred equity	1,500			1,500			--
Common equity	24,914			24,061			3.5
Total U.S. Bancorp shareholders' equity	26,414			25,561			3.3
Noncontrolling interests	678			705			(3.8)
Total equity	27,092			26,266			3.1
Total liabilities and equity	$281,722			$276,611			1.8 %
Net interest income		$2,403			$2,360		
Gross interest margin			3.70 %			3.60 %	
Gross interest margin without taxable-equivalent increments			3.62			3.52	
Percent of Earning Assets							
Interest income			4.94 %			4.91 %	
Interest expense			1.04			1.08	
Net interest margin			3.90 %			3.83 %	
Net interest margin without taxable-equivalent increments			3.82 %			3.75 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis utilizing a tax rate of 35 percent.
(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

U.S. Bancorp

Loan Portfolio

(Dollars in Millions, Unaudited)	March 31, 2010 Amount	March 31, 2010 Percent of Total	December 31, 2009 Amount	December 31, 2009 Percent of Total	September 30, 2009 Amount	September 30, 2009 Percent of Total	June 30, 2009 Amount	June 30, 2009 Percent of Total	March 31, 2009 Amount	March 31, 2009 Percent of Total
Commercial										
Commercial	$39,937	20.9 %	$42,255	21.7 %	$44,166	24.2 %	$46,073	25.3 %	$48,128	26.1 %
Lease financing	6,375	3.3	6,537	3.4	6,546	3.6	6,657	3.7	6,795	3.7
Total commercial	46,312	24.2	48,792	25.1	50,712	27.8	52,730	29.0	54,923	29.8
Commercial real estate										
Commercial mortgages	25,501	13.3	25,306	13.0	24,649	13.5	23,978	13.2	23,811	12.9
Construction and development	8,706	4.6	8,787	4.5	9,247	5.0	9,718	5.3	9,819	5.4
Total commercial real estate	34,207	17.9	34,093	17.5	33,896	18.5	33,696	18.5	33,630	18.3
Residential mortgages										
Residential mortgages	21,037	11.0	20,581	10.6	19,634	10.8	18,665	10.3	18,621	10.1
Home equity loans, first liens	5,483	2.9	5,475	2.8	5,313	2.9	5,305	2.9	5,401	2.9
Total residential mortgages	26,520	13.9	26,056	13.4	24,947	13.7	23,970	13.2	24,022	13.0
Retail										
Credit card	16,222	8.5	16,814	8.6	16,402	9.0	14,874	8.2	13,726	7.4
Retail leasing	4,446	2.4	4,568	2.3	4,696	2.6	4,955	2.7	5,075	2.8
Home equity and second mortgages	19,322	10.1	19,439	10.0	19,427	10.6	19,328	10.6	19,201	10.4
Other retail										
Revolving credit	3,431	1.8	3,506	1.8	3,428	1.9	3,358	1.8	3,238	1.8
Installment	5,433	2.8	5,455	2.8	5,532	3.0	5,499	3.0	5,443	2.9
Automobile	9,662	5.1	9,544	4.9	9,426	5.1	9,104	5.0	9,030	4.9
Student	4,675	2.4	4,629	2.4	4,731	2.6	4,309	2.4	5,101	2.8
Total other retail	23,201	12.1	23,134	11.9	23,117	12.6	22,270	12.2	22,812	12.4
Total retail	63,191	33.1	63,955	32.8	63,642	34.8	61,427	33.7	60,814	33.0
Total loans, excluding covered loans	170,230	89.1	172,896	88.8	173,197	94.8	171,823	94.4	173,389	94.1
Covered loans	20,923	10.9	21,859	11.2	9,549	5.2	10,175	5.6	10,784	5.9
Total loans	$191,153	100.0 %	$194,755	100.0 %	$182,746	100.0 %	$181,998	100.0 %	$184,173	100.0 %

U.S. Bancorp

Supplemental Financial Data

(Dollars in Millions, Unaudited)	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Book value of intangibles					
Goodwill	$9,007	$9,011	$8,597	$8,451	$8,419
Merchant processing contracts	494	473	500	517	535
Core deposit benefits	356	383	261	285	305
Mortgage servicing rights	1,778	1,749	1,554	1,482	1,182
Trust relationships	209	222	233	248	262
Other identified intangibles	551	579	610	429	414
Total	$12,395	$12,417	$11,755	$11,412	$11,117

	Three Months Ended				
	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
Amortization of intangibles					
Merchant processing contracts	$26	$30	$30	$29	$28
Core deposit benefits	29	28	25	25	25
Trust relationships	12	17	15	15	15
Other identified intangibles	30	32	24	26	23
Total	$97	$107	$94	$95	$91
Mortgage banking revenue					
Origination and sales	$93	$132	$157	$249	$217
Loan servicing	142	138	131	126	117
Mortgage servicing rights fair value adjustment (c)	(35)	(52)	(12)	(67)	(101)
Total mortgage banking revenue	$200	$218	$276	$308	$233
Mortgage production volume	$8,980	$11,072	$14,802	$16,267	$13,431
Mortgages serviced for others	$156,512	$150,783	$144,953	$134,686	$126,700

A summary of the Company's mortgage servicing rights and related characteristics by portfolio as of March 31, 2010, was as follows:

(Dollars in Millions)	MRBP (a)	Government	Conventional	Total
Servicing portfolio	$11,985	$23,275	$121,252	$156,512
Fair market value	$168	$311	$1,299	$1,778
Value (bps) (b)	140	134	107	114
Weighted-average servicing fees (bps)	40	40	32	34
Multiple (value/servicing fees)	3.50	3.35	3.34	3.35
Weighted-average note rate	5.91 %	5.60 %	5.49 %	5.54 %
Age (in years)	4.0	2.1	2.6	2.6
Expected life (in years)	6.4	5.0	5.4	5.4
Discount rate	11.5 %	11.2 %	10.3 %	10.5 %

(a) MRBP represents mortgage revenue bond programs.

(b) Value is calculated as fair market value divided by the servicing portfolio.

(c) Fair value adjustment includes payment decay and assumptions change impact net of hedge.

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking Mar 31, 2010	Wholesale Banking Mar 31, 2009	Percent Change	Consumer Banking Mar 31, 2010	Consumer Banking Mar 31, 2009	Percent Change	Wealth Management & Securities Services Mar 31, 2010	Wealth Management & Securities Services Mar 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$489	$521	(6.1) %	$987	$979	.8 %	$68	$92	(26.1) %
Noninterest income	274	214	28.0	653	655	(.3)	272	309	(12.0)
Securities gains (losses), net	--	(3)	**	--	--	--	--	--	--
Total net revenue	763	732	4.2	1,640	1,634	.4	340	401	(15.2)
Noninterest expense	279	260	7.3	941	864	8.9	236	230	2.6
Other intangibles	4	6	(33.3)	17	23	(26.1)	14	17	(17.6)
Total noninterest expense	283	266	6.4	958	887	8.0	250	247	1.2
Income before provision and income taxes	480	466	3.0	682	747	(8.7)	90	154	(41.6)
Provision for credit losses	468	465	.6	373	412	(9.5)	4	8	(50.0)
Income before income taxes	12	1	**	309	335	(7.8)	86	146	(41.1)
Income taxes and taxable-equivalent adjustment	4	--	**	112	122	(8.2)	31	53	(41.5)
Net income	8	1	**	197	213	(7.5)	55	93	(40.9)
Net (income) loss attributable to noncontrolling interests	1	1	--	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	$9	$2	**	$197	$213	(7.5)	$55	$93	(40.9)
Average Balance Sheet Data									
Loans	$56,980	$64,375	(11.5) %	$96,081	$96,267	(.2) %	$3,574	$3,849	(7.1) %
Other earning assets	611	135	**	4,314	5,462	(21.0)	85	97	(12.4)
Goodwill	1,475	1,475	--	3,246	3,231	.5	1,564	1,562	.1
Other intangible assets	76	99	(23.2)	1,909	1,484	28.6	221	282	(21.6)
Assets	61,798	69,814	(11.5)	108,208	109,263	(1.0)	5,849	6,246	(6.4)
Noninterest-bearing deposits	16,984	16,210	4.8	14,067	13,889	1.3	5,363	4,971	7.9
Interest-bearing deposits	34,377	31,655	8.6	72,767	70,953	2.6	23,620	16,242	45.4
Total deposits	51,361	47,865	7.3	86,834	84,842	2.3	28,983	21,213	36.6
Total U.S. Bancorp shareholders' equity	6,273	5,724	9.6	8,060	7,109	13.4	2,186	2,156	1.4

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Mar 31, 2010	Payment Services Mar 31, 2009	Percent Change	Treasury and Corporate Support Mar 31, 2010	Treasury and Corporate Support Mar 31, 2009	Percent Change	Consolidated Company Mar 31, 2010	Consolidated Company Mar 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$345	$268	28.7 %	$514	$235	** %	$2,403	$2,095	14.7 %
Noninterest income	741	690	7.4	12	118	(89.8)	1,952	1,986	(1.7)
Securities gains (losses), net	--	--	--	(34)	(195)	82.6	(34)	(198)	82.8
Total net revenue	1,086	958	13.4	492	158	**	4,321	3,883	11.3
Noninterest expense	376	331	13.6	207	95	**	2,039	1,780	14.6
Other intangibles	52	45	15.6	10	--	**	97	91	6.6
Total noninterest expense	428	376	13.8	217	95	**	2,136	1,871	14.2
Income before provision and income taxes	658	582	13.1	275	63	**	2,185	2,012	8.6
Provision for credit losses	456	433	5.3	9	--	**	1,310	1,318	(.6)
Income before income taxes	202	149	35.6	266	63	**	875	694	26.1
Income taxes and taxable-equivalent adjustment	74	54	37.0	(9)	(80)	88.8	212	149	42.3
Net income	128	95	34.7	275	143	92.3	663	545	21.7
Net (income) loss attributable to noncontrolling interests	(7)	(6)	(16.7)	12	(11)	**	6	(16)	**
Net income attributable to U.S. Bancorp	$121	$89	36.0	$287	$132	**	$669	$529	26.5
Average Balance Sheet Data									
Loans	$22,295	$18,959	17.6 %	$13,948	$2,255	** %	$192,878	$185,705	3.9 %
Other earning assets	251	158	58.9	50,689	43,757	15.8	55,950	49,609	12.8
Goodwill	2,312	2,290	1.0	413	--	**	9,010	8,558	5.3
Other intangible assets	1,004	897	11.9	148	--	**	3,358	2,762	21.6
Assets	26,949	23,298	15.7	78,918	57,616	37.0	281,722	266,237	5.8
Noninterest-bearing deposits	609	574	6.1	977	376	**	38,000	36,020	5.5
Interest-bearing deposits	127	94	35.1	13,640	5,564	**	144,531	124,508	16.1
Total deposits	736	668	10.2	14,617	5,940	**	182,531	160,528	13.7
Total U.S. Bancorp shareholders' equity	5,229	4,475	16.8	4,666	7,355	(36.6)	26,414	26,819	(1.5)

* Preliminary data
** Not meaningful

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking Mar 31, 2010	Wholesale Banking Dec 31, 2009	Percent Change	Consumer Banking Mar 31, 2010	Consumer Banking Dec 31, 2009	Percent Change	Wealth Management & Securities Services Mar 31, 2010	Wealth Management & Securities Services Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$489	$499	(2.0) %	$987	$1,001	(1.4) %	$68	$69	(1.4) %
Noninterest income	274	290	(5.5)	653	732	(10.8)	272	288	(5.6)
Securities gains (losses), net	--	--	--	--	--	--	--	--	--
Total net revenue	763	789	(3.3)	1,640	1,733	(5.4)	340	357	(4.8)
Noninterest expense	279	297	(6.1)	941	912	3.2	236	223	5.8
Other intangibles	4	6	(33.3)	17	20	(15.0)	14	19	(26.3)
Total noninterest expense	283	303	(6.6)	958	932	2.8	250	242	3.3
Income before provision and income taxes	480	486	(1.2)	682	801	(14.9)	90	115	(21.7)
Provision for credit losses	468	388	20.6	373	432	(13.7)	4	8	(50.0)
Income before income taxes	12	98	(87.8)	309	369	(16.3)	86	107	(19.6)
Income taxes and taxable-equivalent adjustment	4	36	(88.9)	112	134	(16.4)	31	39	(20.5)
Net income	8	62	(87.1)	197	235	(16.2)	55	68	(19.1)
Net (income) loss attributable to noncontrolling interests	1	--	**	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	$9	$62	(85.5)	$197	$235	(16.2)	$55	$68	(19.1)
Average Balance Sheet Data									
Loans	$56,980	$58,658	(2.9) %	$96,081	$95,842	.2 %	$3,574	$3,647	(2.0) %
Other earning assets	611	432	41.4	4,314	4,991	(13.6)	85	128	(33.6)
Goodwill	1,475	1,475	--	3,246	3,239	.2	1,564	1,564	--
Other intangible assets	76	81	(6.2)	1,909	1,808	5.6	221	237	(6.8)
Assets	61,798	63,123	(2.1)	108,208	107,967	.2	5,849	6,042	(3.2)
Noninterest-bearing deposits	16,984	18,807	(9.7)	14,067	14,359	(2.0)	5,363	6,509	(17.6)
Interest-bearing deposits	34,377	36,365	(5.5)	72,767	72,422	.5	23,620	21,104	11.9
Total deposits	51,361	55,172	(6.9)	86,834	86,781	.1	28,983	27,613	5.0
Total U.S. Bancorp shareholders' equity	6,273	5,605	11.9	8,060	7,162	12.5	2,186	2,105	3.8

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Mar 31, 2010	Payment Services Dec 31, 2009	Percent Change	Treasury and Corporate Support Mar 31, 2010	Treasury and Corporate Support Dec 31, 2009	Percent Change	Consolidated Company Mar 31, 2010	Consolidated Company Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$345	$319	8.2 %	$514	$472	8.9 %	$2,403	$2,360	1.8 %
Noninterest income	741	807	(8.2)	12	57	(78.9)	1,952	2,174	(10.2)
Securities gains (losses), net	--	--	--	(34)	(158)	78.5	(34)	(158)	78.5
Total net revenue	1,086	1,126	(3.6)	492	371	32.6	4,321	4,376	(1.3)
Noninterest expense	376	407	(7.6)	207	282	(26.6)	2,039	2,121	(3.9)
Other intangibles	52	58	(10.3)	10	4	**	97	107	(9.3)
Total noninterest expense	428	465	(8.0)	217	286	(24.1)	2,136	2,228	(4.1)
Income before provision and income taxes	658	661	(.5)	275	85	**	2,185	2,148	1.7
Provision for credit losses	456	544	(16.2)	9	16	(43.8)	1,310	1,388	(5.6)
Income before income taxes	202	117	72.6	266	69	**	875	760	15.1
Income taxes and taxable-equivalent adjustment	74	43	72.1	(9)	(94)	90.4	212	158	34.2
Net income	128	74	73.0	275	163	68.7	663	602	10.1
Net (income) loss attributable to noncontrolling interests	(7)	(7)	--	12	7	71.4	6	--	**
Net income attributable to U.S. Bancorp	$121	$67	80.6	$287	$170	68.8	$669	$602	11.1
Average Balance Sheet Data									
Loans	$22,295	$22,538	(1.1) %	$13,948	$10,963	27.2 %	$192,878	$191,648	.6 %
Other earning assets	251	269	(6.7)	50,689	47,915	5.8	55,950	53,735	4.1
Goodwill	2,312	2,325	(.6)	413	389	6.2	9,010	8,992	.2
Other intangible assets	1,004	1,027	(2.2)	148	85	74.1	3,358	3,238	3.7
Assets	26,949	26,611	1.3	78,918	72,868	8.3	281,722	276,611	1.8
Noninterest-bearing deposits	609	552	10.3	977	763	28.0	38,000	40,990	(7.3)
Interest-bearing deposits	127	111	14.4	13,640	9,897	37.8	144,531	139,899	3.3
Total deposits	736	663	11.0	14,617	10,660	37.1	182,531	180,889	.9
Total U.S. Bancorp shareholders' equity	5,229	4,639	12.7	4,666	6,050	(22.9)	26,414	25,561	3.3

* Preliminary data

** Not meaningful

Supplemental Credit Schedules

1Q 2010

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$2,402	$2,484	$2,589	$2,687	$2,802
Nonperforming loans	150	137	120	112	93
Delinquency Ratios					
30-89 days past due	6.91 %	8.86 %	8.85 %	7.44 %	6.10 %
90 days or more past due	6.66	8.05	6.45	5.36	5.78
Nonperforming loans	6.24	5.52	4.63	4.17	3.32
Other Borrowers					
Loans outstanding	$7,967	$7,788	$7,507	$7,070	$7,040
Nonperforming loans	183	175	124	111	80
Delinquency Ratios					
30-89 days past due	2.01 %	2.44 %	2.48 %	2.35 %	1.97 %
90 days or more past due	2.12	2.71	2.45	2.08	2.23
Nonperforming loans	2.30	2.25	1.65	1.57	1.14
OTHER RETAIL DIVISIONS					
Loans outstanding	$16,151	$15,784	$14,851	$14,213	$14,180
Nonperforming loans	217	155	139	101	66
Delinquency Ratios					
30-89 days past due	1.20 %	1.30 %	1.21 %	1.31 %	1.18 %
90 days or more past due	1.67	2.02	1.54	1.51	1.18
Nonperforming loans	1.34	.98	.94	.71	.47

	Three Months Ended				
	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$40	$43	$40	$43	$35
Net charge-off ratio	6.67 %	6.76 %	6.06 %	6.34 %	5.00 %
Other Borrowers					
Net charge-offs	$66	$76	$53	$51	$38
Net charge-off ratio	3.38 %	3.91 %	2.85 %	2.91 %	2.18 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$39	$34	$36	$22	$18
Net charge-off ratio	.98 %	.88 %	.99 %	.62 %	.52 %

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)

March 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average FICO Score	Weighted Average Loan-to-Value
PORTFOLIO PROFILE				
Consumer Finance Division				
Sub-prime borrowers	$2,402	9 %	624	81 %
Other borrowers	7,967	30	735	80
Other Retail Divisions	16,151	61	736	66
Total	$26,520	100 %	726	72 %

Three Months Ended March 31, 2010	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$7	616	70 %
Other borrowers	495	749	75
Other Retail Divisions	669	752	67
Total	$1,171	750	71 %

March 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES				
Consumer Finance Division				
Sub-prime Borrowers				
Ohio	$193	8.0 %	$10	5.2 %
Florida	150	6.2	21	14.0
Pennsylvania	140	5.8	7	5.0
Tennessee	126	5.3	3	2.4
Missouri	115	4.8	3	2.6
Other	1,678	69.9	106	6.3
Total	$2,402	100.0 %	$150	6.2 %
Other Borrowers				
California	$976	12.3 %	$21	2.2 %
Minnesota	640	8.0	13	2.0
Colorado	583	7.3	11	1.9
Illinois	538	6.8	11	2.0
Washington	504	6.3	13	2.6
Other	4,726	59.3	114	2.4
Total	$7,967	100.0 %	$183	2.3 %
Other Retail Divisions				
California	$1,552	9.6 %	$28	1.8 %
Minnesota	1,463	9.1	14	1.0
Colorado	1,071	6.6	8	.7
Ohio	1,047	6.5	8	.8
Illinois	1,039	6.4	18	1.7
Other	9,979	61.8	141	1.4
Total	$16,151	100.0 %	$217	1.3 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$600	$617	$648	$678	$708
Nonperforming loans	--	1	--	1	--
Delinquency Ratios					
30-89 days past due	4.50 %	5.51 %	6.17 %	5.16 %	4.24 %
90 days or more past due	3.67	3.89	4.01	3.83	4.52
Nonperforming loans	--	.16	--	.15	--
Other Borrowers					
Loans outstanding	$1,871	$1,863	$1,834	$1,785	$1,728
Nonperforming loans	4	4	4	5	11
Delinquency Ratios					
30-89 days past due	1.23 %	1.56 %	1.58 %	1.51 %	1.33 %
90 days or more past due	1.18	1.40	1.53	1.40	1.33
Nonperforming loans	.21	.21	.22	.28	.64
OTHER RETAIL DIVISIONS					
Loans outstanding	$16,851	$16,959	$16,945	$16,865	$16,765
Nonperforming loans	28	27	21	21	19
Delinquency Ratios					
30-89 days past due	.68 %	.70 %	.74 %	.69 %	.64 %
90 days or more past due	.53	.60	.59	.51	.40
Nonperforming loans	.17	.16	.12	.12	.11

	Three Months Ended				
	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$17	$20	$18	$22	$19
Net charge-off ratio	11.32 %	12.66 %	10.87 %	12.84 %	10.81 %
Other Borrowers					
Net charge-offs	$21	$21	$19	$21	$18
Net charge-off ratio	4.57 %	4.50 %	4.14 %	4.76 %	4.28 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$52	$55	$52	$40	$33
Net charge-off ratio	1.25 %	1.29 %	1.22 %	.95 %	.80 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)

March 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average FICO Score	Weighted Average Loan-to-Value
PORTFOLIO PROFILE				
Consumer Finance Division				
Sub-prime borrowers	$600	3 %	656	89 %
Other borrowers	1,871	10	733	81
Other Retail Divisions	16,851	87	750	71
Total	$19,322	100 %	745	73 %

Three Months Ended March 31, 2010	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$3	630	77 %
Other borrowers	100	748	74
Other Retail Divisions	884	770	67
Total	$987	767	68 %

March 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES				
Consumer Finance Division				
Sub-prime Borrowers				
Ohio	$56	9.3 %	$ --	-- %
Minnesota	48	8.0	--	--
Colorado	47	7.8	--	--
Washington	37	6.2	--	--
Missouri	34	5.7	--	--
Other	378	63.0	--	--
Total	$600	100.0 %	--	-- %
Other Borrowers				
California	$474	25.3 %	$3	.6 %
Colorado	190	10.2	--	--
Minnesota	139	7.4	--	--
Washington	139	7.4	--	--
Oregon	79	4.2	--	--
Other	850	45.5	1	.1
Total	$1,871	100.0 %	$4	.2 %
Other Retail Divisions				
Minnesota	$2,963	17.6 %	$3	.1 %
California	2,350	14.0	4	.2
Colorado	1,371	8.1	2	.1
Washington	1,267	7.5	2	.2
Oregon	1,254	7.4	2	.2
Other	7,646	45.4	15	.2
Total	$16,851	100.0 %	$28	.2 %