News Release

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U.S. BANCORP REPORTS NET INCOME FOR THE SECOND QUARTER OF 2009

Achieves Record Total Net Revenue of $4.2 Billion

MINNEAPOLIS, July 22, 2009 -- U.S. Bancorp (NYSE: USB) today reported net income of $471 million for the second quarter of 2009. Diluted earnings per common share of $.12 in the current quarter were lower than the $.53 and $.24 diluted earnings per common share in the second quarter of 2008 and the first quarter of 2009, respectively. Significant items impacting the second quarter of 2009 results included an FDIC special assessment equal to $.05 per diluted common share and the accelerated amortization of the discount associated with the TARP preferred stock ("deemed dividend") redeemed on June 17, 2009, equal to $.08 per diluted common share. In addition, the Company recorded a provision for credit losses in excess of net charge-offs equal to $.20 per diluted common share. Results for the second quarter were driven by record total net revenue of $4.2 billion due to strong year-over-year growth in net interest income and record mortgage banking revenue. Highlights for the second quarter of 2009 included:

- Strong average loan growth of 12.8 percent (5.3 percent excluding acquisitions) over the second quarter of 2008, driven by average retail loan growth of 11.1 percent, led by credit card balances, home equity lines and student loans. New lending activity during the second quarter included:
  - $8.9 billion of new commercial and commercial real estate commitments
  - $16.6 billion of commercial and commercial real estate commitment renewals
  - $2.5 billion of lines related to new credit card accounts
  - $4.1 billion of other retail originations
- Strong average deposit growth of 20.2 percent (11.2 percent excluding acquisitions) over the second quarter of 2008, including:
  - Average noninterest-bearing deposits growth of 34.2 percent
  - Average total savings deposits growth of 19.7 percent

- Net interest income growth of 10.3 percent over the second quarter of 2008, driven by average earning assets growth of 10.5 percent
- Stable net interest margin percentage of 3.60 percent for the second quarter of 2009, compared with 3.59 percent in the first quarter of 2009 and 3.61 percent in the second quarter of 2008
- Record mortgage banking revenue for the quarter, driven by:
  - Record mortgage loan production volume of $16.3 billion
  - Loan applications totaling $21.6 billion
- Credit costs, as expected, trended higher and the allowance for credit losses increased:
  - Provision for credit losses exceeded net charge-offs by $466 million, or approximately 50 percent of net charge-offs for the quarter, resulting in an increase to the allowance for credit losses
  - Net charge-offs and nonperforming assets increased, but the rate of growth moderated to 17.9 percent and 17.8 percent, respectively, on a linked quarter basis
  - Allowance to period-end loans increased to 2.51 percent at June 30, 2009, compared with 2.23 percent at March 31, 2009
  - Allowance to nonperforming assets was 114 percent at June 30, 2009, compared with 120 percent at March 31, 2009
- Strong capital ratios at June 30, 2009:
  - Tier 1 capital ratio of 9.4 percent
  - Total risk-based capital ratio of 13.0 percent
  - Tier 1 common equity ratio of 6.7 percent

EARNINGS SUMMARY **Table 1**

($ in millions, except per-share data)

	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Net income attributable to U.S. Bancorp	$471	$529	$950	(11.0)	(50.4)	$1,000	$2,040	(51.0)
Diluted earnings per common share	.12	.24	.53	(50.0)	(77.4)	.36	1.14	(68.4)
Return on average assets (%)	.71	.81	1.58			.76	1.71	
Return on average common equity (%)	4.2	9.0	17.9			6.4	19.5	
Net interest margin (%)	3.60	3.59	3.61			3.59	3.58	
Efficiency ratio (%)	51.0	45.8	47.1			48.4	45.0	
Tangible efficiency ratio (%) (a)	48.7	43.6	44.8			46.2	42.9	
Dividends declared per common share	$.050	$.050	$.425	–	(88.2)	$.100	$.850	(88.2)
Book value per common share (period-end)	11.86	10.96	11.67	8.2	1.6			

(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 of $471 million for the second quarter of 2009, compared with $950 million for the second quarter of 2008 and $529 million for the first quarter of 2009. Diluted earnings per common share of $.12 in the second quarter of 2009 were $.41 lower than second quarter of 2008 and $.12 lower on a linked quarter basis. Return on average assets and return on average common equity were .71 percent and 4.2 percent, respectively, for the second quarter of 2009, compared with 1.58 percent and 17.9 percent, respectively, for the second quarter of 2008. Significant items in the second quarter of 2009 results included a $123 million accrual for an FDIC special assessment to be paid in the third quarter of 2009, $19 million ($.01 per diluted common share) of net securities losses and the $154 million deemed dividend associated with the TARP redemption. In addition, the Company continued to strengthen its allowance for credit losses by recording $466 million of provision for credit losses in excess of net charge-offs to reflect continued credit deterioration given the current economic environment. These significant items, in total, reduced second quarter of 2009 diluted earnings per common share by approximately $.34. In the second quarter of 2008, significant items reduced diluted earnings per common share by approximately $.11, including provision for credit losses in excess of net charge-offs of $200 million and net securities losses of $63 million. In the first quarter of 2009, significant items 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. In total, these significant items reduced first quarter of 2009 diluted earnings per common share by approximately $.28.

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U.S. Bancorp Chairman, President and Chief Executive Officer Richard K. Davis said, "Today we reported the Company's second quarter earnings which, although lower than the same quarter of 2008 and the prior quarter, continued to demonstrate U.S. Bancorp's core earnings strength during a period of unsurpassed challenges and economic stress for the financial services industry. I am proud of our earnings for the second quarter, but I am more proud of the Company's ability to produce these results while navigating through the regulatory and market hurdles necessary to emerge as one of the country's strongest institutions.

"The Company achieved record net revenue of $4.2 billion in the second quarter, as we experienced growth in our balance sheet and fee-based businesses. Our balance sheet businesses have capitalized on the "flight to quality" over the past number of quarters, adding loan and deposit customers and balances, leading to growth in net interest income. In addition to record mortgage loan production of over $16 billion this quarter, we originated more than $4 billion of new consumer loans and over $25 billion of new and renewed commercial and commercial real estate commitments. I am especially pleased with the positive growth trends in deposits as it is further evidence that our Company is viewed as one of the safest and most stable institutions in the country. Our fee revenue in the second quarter also benefited significantly from the flow of new mortgage activity, as well as our strong payments, trust, corporate and commercial fee-related businesses. Expenses this quarter were well-contained, with the increase year-over-year almost entirely due to higher FDIC insurance costs and acquisitions. The Company-wide five percent expense contingency plans are now fully implemented and contributing to the Company's controlled expense levels and bottom line results. Importantly, on a year-over-year basis, the Company experienced positive core operating leverage.

"During the second quarter, a number of events occurred that were of particular significance to our shareholders, customers, and, in fact, our Company as a whole, and the sequence of these events culminated on June 17th with the redemption of the $6.6 billion of preferred stock issued to the U.S. Treasury under the Capital Purchase Program. Prior to obtaining permission to redeem the TARP funds, our Company was required to complete a number of prescribed steps, including passing the Supervisory Capital Assessment Program, or "stress test," issuing non-guaranteed debt and completing a common stock offering. On May 8th we announced that we had passed the stress test and within a week of that announcement successfully issued $1 billion of non-guaranteed debt and approximately $2.7 billion of new common equity. I am exceedingly proud of our Company's stress test results, which were ranked the best among our peers in the categories of

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"Resources to Absorb Losses to Risk-Weighted Assets" and "Total Loan Loss Rates," as well as the success we had in raising non-guaranteed debt at very attractive spreads and, finally, our ability to raise common equity in a well-received offering. Lastly, on July 15th, we repurchased the 10-year warrant that was issued in conjunction with the preferred stock, effectively concluding our participation in the Treasury's Capital Purchase Program. All of these significant events and successful outcomes further validated the strength and stability of U.S. Bancorp.

"Our capital position remains strong with a Tier 1 capital ratio of 9.4 percent at June 30, 2009, above the 6.0 percent well-capitalized ratio as defined by the regulators. In addition, the issuance of new common equity strengthened the Tier 1 common equity ratio from 5.4 percent at March 31, 2009, to 6.7 percent at June 30, 2009. Our capital position is solid and it provides a strong base of support at this point in the cycle for our on-going operations, including lending activity and growth initiatives.

"Credit costs, as expected, continued to have a negative impact on earnings in the second quarter, but the rate of growth on a linked quarter basis in both dollars of net charge-offs and nonperforming assets moderated. For the sixth consecutive quarter, we added to the reserve for credit losses. Specifically, incremental provision expense was approximately 50 percent of net charge-offs in the second quarter versus approximately 67 percent of net charge-offs in the first quarter of 2009. The additional provision expense led to a rise in the allowance for credit losses as a percent of period end loans to 2.51 percent at June 30, 2009, from 2.23 percent at March 31, 2009. We expect to continue to build reserves until we see consistent evidence of a leveling-off or decline in net charge-offs. As the results of the stress test indicated, we have the capital and earnings power to cover future losses, even under more adverse economic conditions.

"Finally, I would like to take this opportunity to thank all of our employees for their support, hard work and dedication to serving our customers and communities during these very stressful times. I would also like to thank the taxpayers for their investment in our Company over the past eight months, as the financial markets were calmed via government actions and support.

"Although the challenges continue and some uncertainty remains in the economy as a whole, our Company is focused on the future and on every opportunity to capitalize on the strength of our balance sheet, the breadth of our franchise and the depth of our diversified mix of businesses. We look forward to continuing to serve our customers, support our communities and employees and assist the government in their efforts to stimulate the economy, while creating long-term value for our shareholders."

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The Company's net income for the second quarter of 2009 decreased by $479 million (50.4 percent) from the same period of 2008 and by $58 million (11.0 percent) on a linked quarter basis. The reduction in net income year-over-year and on a linked quarter basis was principally the result of an increase in the provision for credit losses and higher noninterest expense due principally to the FDIC special assessment and acquisition costs, partially offset by a favorable variance in total net revenue.

Total net revenue on a taxable-equivalent basis for the second quarter of 2009 was $4,159 million; $359 million (9.4 percent) higher than the second quarter of 2008, reflecting a 10.3 percent increase in net interest income and an 8.6 percent increase in noninterest income. The increase in net interest income year-over-year was the result of growth in average earning assets. Noninterest income increased over a year ago, principally due to strong growth in mortgage banking revenue, higher commercial products revenue and lower net securities losses, partially offset by lower payments-related revenue, trust and investment management fees and deposit service charges, all of which were affected by the impact of the slowing economy on equity markets and consumer spending. Additionally, the current quarter was impacted by declining valuations of equity investments. Noninterest income on a linked quarter basis was higher primarily due to mortgage banking revenue, seasonally higher deposit service charges and payments-related revenue, along with lower net securities losses, partially offset by the $92 million gain from a corporate real estate transaction recorded in the first quarter of 2009.

Total noninterest expense in the second quarter of 2009 was $2,129 million; $311 million (17.1 percent) higher than the second quarter of 2008, and $258 million (13.8 percent) higher than the first quarter of 2009. The increase in total noninterest expense year-over-year was primarily due to higher FDIC deposit insurance expense, including the $123 million special assessment, marketing and litigation related-costs and acquisitions, which were partially offset by focused reductions in costs as a result of the implementation of the Company's cost containment plan in the first quarter of 2009. The increase in total noninterest expense on a linked quarter basis was due to higher FDIC deposit insurance expense, marketing expense, business integration and litigation related-costs, partially offset by cost containment activities.

The Company's provision for credit losses reflected current adverse economic conditions. The provision for credit losses for the second quarter of 2009 was $1,395 million, an increase of $77 million over the first quarter of 2009 and $799 million over the second quarter of 2008. The provision for credit losses exceeded net charge-offs by $466 million in the second quarter of 2009, $530 million in the first quarter of 2009, and $200 million in the second quarter of 2008. The increase in the provision for credit losses

reflected continuing stress in residential real estate markets, driven by declining home prices in most geographic regions. It also reflected deteriorating economic conditions and the corresponding impact on the commercial, commercial real estate and consumer loan portfolios. Net charge-offs in the second quarter of 2009 were $929 million, compared with $788 million in the first quarter of 2009 and $396 million in the second quarter of 2008. Given current economic conditions and the continuing weakness in home prices and the economy in general, the Company expects net charge-offs will remain elevated for the remainder of 2009.

Nonperforming assets were $4,016 million at June 30, 2009, compared with $3,410 million at March 31, 2009, and $1,135 million at June 30, 2008. At June 30, 2009, $10.5 billion of the Company's assets were covered by loss sharing agreements ("covered assets"), including $682 million of nonperforming assets, compared with $702 million of nonperforming covered assets at March 31, 2009. The majority of these covered nonperforming assets were considered credit-impaired at acquisition and were recorded at their estimated fair value at the date of acquisition. The remaining linked quarter and year-over-year increase in nonperforming assets was driven by continuing stress in residential home construction and related industries, as well as the residential mortgage portfolio, an increase in foreclosed properties, and the impact of the economic slowdown on commercial customers. The ratio of the allowance for credit losses to period-end loans, excluding covered assets, was 2.66 percent at June 30, 2009, compared with 2.37 percent at March 31, 2009, and 1.60 percent at June 30, 2008. The ratio of the allowance for credit losses to period-end loans, including covered assets, was 2.51 percent at June 30, 2009, compared with 2.23 percent at March 31, 2009. The Company anticipates that nonperforming assets will continue to increase during 2009 as economic conditions affect an increasing number of borrowers in both the commercial and consumer loan categories.

INCOME STATEMENT HIGHLIGHTS **Table 2**

(Taxable-equivalent basis, $ in millions, except per-share data)	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Net interest income	$2,104	$2,095	$1,908	.4	10.3	$4,199	$3,738	12.3
Noninterest income	2,055	1,788	1,892	14.9	8.6	3,843	3,936	(2.4)
Total net revenue	4,159	3,883	3,800	7.1	9.4	8,042	7,674	4.8
Noninterest expense	2,129	1,871	1,818	13.8	17.1	4,000	3,597	11.2
Income before provision and taxes	2,030	2,012	1,982	.9	2.4	4,042	4,077	(.9)
Provision for credit losses	1,395	1,318	596	5.8	nm	2,713	1,081	nm
Income before taxes	635	694	1,386	(8.5)	(54.2)	1,329	2,996	(55.6)
Taxable-equivalent adjustment	50	48	33	4.2	51.5	98	60	63.3
Applicable income taxes	100	101	386	(1.0)	(74.1)	201	862	(76.7)
Net income	485	545	967	(11.0)	(49.8)	1,030	2,074	(50.3)
Net income attributable to noncontrolling interests	(14)	(16)	(17)	12.5	17.6	(30)	(34)	11.8
Net income attributable to U.S. Bancorp	$471	$529	$950	(11.0)	(50.4)	$1,000	$2,040	(51.0)
Net income applicable to U.S. Bancorp common shareholders	$221	$419	$926	(47.3)	(76.1)	$640	$2,003	(68.0)
Diluted earnings per common share	$.12	$.24	$.53	(50.0)	(77.4)	$.36	$1.14	(68.4)

Net Interest Income

Second quarter net interest income on a taxable-equivalent basis was $2,104 million, compared with $1,908 million in the second quarter of 2008, an increase of $196 million (10.3 percent). The increase was primarily the result of growth in average earning assets. Average earning assets were higher by $22.2 billion (10.5 percent) than the second quarter of 2008, driven by an increase of $20.8 billion (12.8 percent) in average loans. During the second quarter of 2009, the net interest margin was 3.60 percent compared with 3.61 percent in the second quarter of 2008 and 3.59 percent in the first quarter of 2009. Net interest income remained relatively flat on a linked quarter basis. Given the current interest rate environment, the net interest margin is expected to remain relatively stable for the remainder of 2009.

NET INTEREST INCOME **Table 3**

(Taxable-equivalent basis; $ in millions)

	2Q 2009	1Q 2009	2Q 2008	Change 2Q09 vs 1Q09	Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Change
Components of net interest income								
Income on earning assets	$2,893	$2,920	$3,067	$(27)	$(174)	$5,813	$6,325	$(512)
Expense on interest-bearing liabilities	789	825	1,159	(36)	(370)	1,614	2,587	(973)
Net interest income	$2,104	$2,095	$1,908	$9	$196	$4,199	$3,738	$461
Average yields and rates paid								
Earning assets yield	4.95%	5.01%	5.81%	(.06)%	(.86)%	4.98%	6.06%	(1.08)%
Rate paid on interest-bearing liabilities	1.65	1.72	2.53	(.07)	(.88)	1.68	2.86	(1.18)
Gross interest margin	3.30%	3.29%	3.28%	.01%	.02%	3.30%	3.20%	.10%
Net interest margin	3.60%	3.59%	3.61%	.01%	(.01)%	3.59%	3.58%	.01%
Average balances								
Investment securities	$42,189	$42,321	$42,999	$(132)	$(810)	$42,255	$43,446	$(1,191)
Loans	183,878	185,705	163,070	(1,827)	20,808	184,786	159,151	25,635
Earning assets	234,265	235,314	212,089	(1,049)	22,176	234,786	209,552	25,234
Interest-bearing liabilities	192,238	194,509	183,855	(2,271)	8,383	193,367	181,653	11,714
Net free funds (a)	42,027	40,805	28,234	1,222	13,793	41,419	27,899	13,520

(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)

	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Commercial	$47,362	$49,362	$47,648	(4.1)	(.6)	$48,357	$46,559	3.9
Lease financing	6,697	6,772	6,331	(1.1)	5.8	6,734	6,285	7.1
Total commercial	54,059	56,134	53,979	(3.7)	.1	55,091	52,844	4.3
Commercial mortgages	23,875	23,553	21,192	1.4	12.7	23,714	20,765	14.2
Construction and development	9,852	9,845	9,281	.1	6.2	9,849	9,240	6.6
Total commercial real estate	33,727	33,398	30,473	1.0	10.7	33,563	30,005	11.9
Residential mortgages	23,964	23,915	23,307	.2	2.8	23,940	23,142	3.4
Credit card	14,329	13,597	11,559	5.4	24.0	13,965	11,304	23.5
Retail leasing	5,031	5,115	5,523	(1.6)	(8.9)	5,073	5,662	(10.4)
Home equity and second mortgages	19,314	19,215	17,106	.5	12.9	19,263	16,817	14.5
Other retail	22,753	22,987	21,123	(1.0)	7.7	22,869	19,377	18.0
Total retail	61,427	60,914	55,311	.8	11.1	61,170	53,160	15.1
Total loans, excluding covered assets	173,177	174,361	163,070	(.7)	6.2	173,764	159,151	9.2
Covered assets	10,701	11,344	--	(5.7)	nm	11,022	--	nm
Total loans	$183,878	$185,705	$163,070	(1.0)	12.8	$184,786	$159,151	16.1

Total average loans, excluding covered assets, were $10.1 billion (6.2 percent) higher in the second quarter of 2009 than the second quarter of 2008, driven by growth in most loan categories. Average total retail loans grew $6.1 billion, total commercial real estate loans grew $3.3 billion, residential mortgages grew $657 million and total commercial loans grew $80 million. Retail loan growth, year-over-year, was driven by increases in credit cards, home equity lines and federally-guaranteed student loans. Total average loans, excluding covered assets, were $1.2 billion (.7 percent) lower in the second quarter of 2009 than the first quarter of 2009, as increases in credit card (5.4 percent) and commercial real estate loans (1.0 percent) were more than offset by a decline in total commercial loans (3.7 percent) primarily due to reductions in commitment utilization by corporate borrowers. Average covered assets related to the November 2008 acquisitions of Downey Savings & Loan Association, F.A. and PFF Bank and Trust ("Downey" and "PFF", respectively) were $10.7 billion in the second quarter of 2009 compared with $11.3 billion in the first quarter of 2009.

Average investment securities in the second quarter of 2009 were $810 million (1.9 percent) lower than the second quarter of 2008 and slightly lower (.3 percent) than the first quarter of 2009. The composition of the Company's investment portfolio remained principally the same.

AVERAGE DEPOSITS **Table 5**

($ in millions)

	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Noninterest-bearing deposits	$37,388	$36,020	$27,851	3.8	34.2	$36,707	$27,485	33.6
Interest-bearing savings deposits								
Interest checking	37,393	32,039	32,479	16.7	15.1	34,730	31,390	10.6
Money market savings	27,250	27,927	26,426	(2.4)	3.1	27,586	26,008	6.1
Savings accounts	12,278	10,339	5,377	18.8	nm	11,314	5,256	nm
Total of savings deposits	76,921	70,305	64,282	9.4	19.7	73,630	62,654	17.5
Time certificates of deposit less than $100,000	17,968	18,132	12,635	(.9)	42.2	18,050	13,121	37.6
Time deposits greater than $100,000	30,943	36,071	31,041	(14.2)	(.3)	33,493	30,073	11.4
Total interest-bearing deposits	125,832	124,508	107,958	1.1	16.6	125,173	105,848	18.3
Total deposits	$163,220	$160,528	$135,809	1.7	20.2	$161,880	$133,333	21.4

Average total deposits for the second quarter of 2009 increased $27.4 billion (20.2 percent) over the second quarter of 2008. Excluding deposits from 2008 acquisitions (Mellon 1st Business Bank, Downey and PFF) and the FDIC-assisted First Bank of Idaho acquisition in April of 2009, average total deposits increased $15.1 billion (11.2 percent) over the second quarter of 2008. Noninterest-bearing deposits increased $9.5 billion (34.2 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 higher year-over-year by $12.6 billion (19.7 percent) with increases in all categories, the result of growth in Consumer Banking, government, broker-dealer and institutional trust customers and the impact of acquisitions. Contributing to the increase in savings accounts was strong participation in a new savings product introduced nation-wide by Consumer Banking late in the third quarter of 2008. Average time certificates of deposit less than $100,000 were higher year-over-year by $5.3 billion (42.2 percent) primarily due to acquisitions, while average time deposits greater than $100,000 decreased slightly (.3 percent), as the favorable variance from acquisitions was offset by the impact of wholesale funding decisions.

Average total deposits increased $2.7 billion (1.7 percent) over the first quarter of 2009. Average noninterest-bearing deposits for the second quarter of 2009 were $1.4 billion (3.8 percent) higher than the

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prior quarter primarily due to increases in the Consumer and Wholesale business lines. Total average savings deposits increased $6.6 billion (9.4 percent) over the first quarter of 2009, with increases in interest checking and savings balances, partially offset by a decrease in money market balances. This growth was principally the result of increases in corporate and institutional trust, broker-dealer and government balances, as well as continuing strong participation in the new savings product introduced by Consumer Banking late in the third quarter 2008. Average time certificates of deposit less than $100,000 decreased slightly (.9 percent) from the prior quarter, while average time deposits greater than $100,000 decreased by $5.1 billion (14.2 percent) from the first quarter of 2009, reflecting the Company's reduction in wholesale funding needs as a result of core deposit growth.

NONINTEREST INCOME **Table 6**

($ in millions)	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Credit and debit card revenue	$259	$256	$266	1.2	(2.6)	$515	$514	.2
Corporate payment products revenue	168	154	174	9.1	(3.4)	322	338	(4.7)
Merchant processing services	278	258	309	7.8	(10.0)	536	580	(7.6)
ATM processing services	104	102	93	2.0	11.8	206	177	16.4
Trust and investment management fees	304	294	350	3.4	(13.1)	598	685	(12.7)
Deposit service charges	250	226	278	10.6	(10.1)	476	535	(11.0)
Treasury management fees	142	137	137	3.6	3.6	279	261	6.9
Commercial products revenue	144	129	117	11.6	23.1	273	229	19.2
Mortgage banking revenue	308	233	81	32.2	nm	541	186	nm
Investment products fees and commissions	27	28	37	(3.6)	(27.0)	55	73	(24.7)
Securities gains (losses), net	(19)	(198)	(63)	90.4	69.8	(217)	(314)	30.9
Other	90	169	113	(46.7)	(20.4)	259	672	(61.5)
Total noninterest income	$2,055	$1,788	$1,892	14.9	8.6	$3,843	$3,936	(2.4)

Noninterest Income

Second quarter noninterest income was $2,055 million; $163 million (8.6 percent) higher than the second quarter of 2008 and $267 million (14.9 percent) higher than the first quarter of 2009. Noninterest income increased over the second quarter of 2008 due to a significant rise in mortgage banking revenue as the lower rate environment drove record mortgage loan production and increased profitability on loan sales. Noninterest income also benefited from higher ATM processing services of $11 million (11.8 percent) related to growth in transaction volumes and business expansion, an increase in treasury management fees of $5 million (3.6 percent) as transaction volumes grew, and an increase in commercial products revenue of $27 million (23.1 percent) due to higher letter of credit, capital markets and other commercial loan fees. Net securities losses were lower than a year ago by $44 million (69.8 percent), due to lower impairment charges and higher net securities gains. Fee-based revenue in certain categories decreased year-over-year because of weaker economic conditions, which adversely impacted consumer and business spending. Credit and debit card revenue, corporate payment products revenue and merchant processing services revenue were lower in the second quarter of 2009 than the second quarter of 2008 by $7 million (2.6 percent), $6 million (3.4 percent) and $31 million (10.0 percent), respectively, as transaction volumes declined. Deposit service charges decreased $28 million (10.1 percent), primarily due to lower overdraft fees, with a decrease in the number of overdraft incidences more than offsetting account growth. Trust and investment management fees declined $46 million (13.1 percent) and investment products fees and commissions declined $10 million (27.0 percent) with both variances reflecting adverse equity market conditions. Other income decreased $23 million (20.4 percent), mainly due to declining valuations of equity investments.

Noninterest income was higher by $267 million (14.9 percent) in the second quarter of 2009 than the first quarter of 2009, reflecting the strong mortgage banking production environment during the current quarter and lower net securities losses. Mortgage banking revenue increased $75 million, with approximately $22 billion in applications received and over $16 billion in loans closed. The Company sells the majority of these loans to government-sponsored enterprises. Corporate payment products revenue and merchant processing services revenue increased $14 million (9.1 percent) and $20 million (7.8 percent) due primarily to seasonally higher sales volumes and improved pricing. Trust and investment management fees were higher by $10 million (3.4 percent) chiefly due to seasonal tax preparation fees. Deposit service charges and treasury management fees were $24 million (10.6 percent) and $5 million (3.6 percent) higher

on a linked quarter basis, respectively, principally due to seasonally higher transaction volumes. Net securities losses were $179 million lower due primarily to lower other-than-temporary impairments. Partially offsetting these positive variances was a reduction in other income of $79 million (46.7 percent) largely reflecting the first quarter of 2009 gain from a corporate real estate transaction.

NONINTEREST EXPENSE **Table 7**

($ in millions)

	2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	Percent Change 2Q09 vs 2Q08	YTD 2009	YTD 2008	Percent Change
Compensation	$764	$786	$761	(2.8)	.4	$1,550	$1,506	2.9
Employee benefits	140	155	129	(9.7)	8.5	295	266	10.9
Net occupancy and equipment	208	211	190	(1.4)	9.5	419	380	10.3
Professional services	59	52	59	13.5	--	111	106	4.7
Marketing and business development	80	56	66	42.9	21.2	136	145	(6.2)
Technology and communications	157	155	149	1.3	5.4	312	289	8.0
Postage, printing and supplies	72	74	73	(2.7)	(1.4)	146	144	1.4
Other intangibles	95	91	87	4.4	9.2	186	174	6.9
Other	554	291	304	90.4	82.2	845	587	44.0
Total noninterest expense	$2,129	$1,871	$1,818	13.8	17.1	$4,000	$3,597	11.2

Noninterest Expense

Noninterest expense in the second quarter of 2009 totaled $2,129 million, an increase of $311 million (17.1 percent) over the second quarter of 2008 and an increase of $258 million (13.8 percent) over the first quarter of 2009. The increase in noninterest expense from a year ago was principally due to the impact of higher FDIC deposit insurance expense and bank acquisitions. Compensation expense increased $3 million (.4 percent) over the second quarter of 2008 as increases due to acquisitions were offset by reductions from cost containment efforts. Employee benefits expense increased $11 million (8.5 percent) reflecting higher pension costs associated with previous period declines in the value of pension assets. Net occupancy and equipment expense and technology and communications expense rose by $18 million (9.5 percent) and $8 million (5.4 percent), respectively, over the second quarter of 2008, primarily due to acquisitions, as well as branch-based and other business expansion initiatives. Marketing and business development expense was higher by $14 million (21.2 percent) due to costs related to new credit card product initiatives. Other intangibles expense increased $8 million (9.2 percent) due to acquisitions. An increase in other expense of $250 million (82.2 percent) was mainly due to higher FDIC deposit insurance expense, the result of the

(MORE)

current quarter's special assessment and the use of assessment credits in the second quarter of 2008. In addition, other expense included increased costs for other real estate owned, mortgage servicing, litigation and acquisition integration.

Noninterest expense increased $258 million (13.8 percent) in the second quarter of 2009 over the first quarter of 2009. Marketing and business development expense was higher by $24 million (42.9 percent) due to new credit card product initiatives and the timing of other product campaigns. Other expense rose by $263 million (90.4 percent) on a linked quarter basis due to increased FDIC deposit insurance expense, as well as increased costs for other real estate owned, mortgage servicing, litigation and acquisition integration. Partially offsetting these unfavorable variances were declines in compensation and employee benefits expenses of $22 million (2.8 percent) and $15 million (9.7 percent), respectively. Compensation expense decreased due to the impact of the cost containment plan. Employee benefits expense decreased due to seasonally lower payroll taxes.

Provision for Income Taxes

The provision for income taxes for the second quarter of 2009 resulted in a tax rate on a taxable-equivalent basis of 23.6 percent (effective tax rate of 17.1 percent) compared with 30.2 percent (effective tax rate of 28.5 percent) in the second quarter of 2008 and 21.5 percent (effective tax rate of 15.6 percent) in the first quarter of 2009. The decline in the effective tax rate as compared with the same quarter of 2008 reflects the marginal impact of the decline in pretax earnings.

ALLOWANCE FOR CREDIT LOSSES					Table 9
($ in millions)	2Q 2009	1Q 2009	4Q 2008	3Q 2008	2Q 2008
Balance, beginning of period	$4,105	$3,639	$2,898	$2,648	$2,435
Net charge-offs					
Commercial	177	112	108	57	51
Lease financing	55	55	31	22	18
Total commercial	232	167	139	79	69
Commercial mortgages	28	13	14	9	6
Construction and development	93	117	63	56	12
Total commercial real estate	121	130	77	65	18
Residential mortgages	116	91	84	71	53
Credit card	263	212	169	149	139
Retail leasing	10	13	11	9	8
Home equity and second mortgages	83	70	52	48	48
Other retail	102	99	95	77	61
Total retail	458	394	327	283	256
Total net charge-offs, excluding covered assets	927	782	627	498	396
Covered assets	2	6	5	--	--
Total net charge-offs	929	788	632	498	396
Provision for credit losses	1,395	1,318	1,267	748	596
Acquisitions and other changes	–	(64)	106	--	13
Balance, end of period	$4,571	$4,105	$3,639	$2,898	$2,648
Components					
Allowance for loan losses	$4,377	$3,947	$3,514	$2,767	$2,518
Liability for unfunded credit commitments	194	158	125	131	130
Total allowance for credit losses	$4,571	$4,105	$3,639	$2,898	$2,648
Gross charge-offs	$992	$840	$678	$544	$439
Gross recoveries	$63	$52	$46	$46	$43
Allowance for credit losses as a percentage of					
Period-end loans, excluding covered assets	2.66	2.37	2.09	1.71	1.60
Nonperforming loans, excluding covered assets	152	169	206	222	273
Nonperforming assets, excluding covered assets	137	152	184	194	233
Period-end loans	2.51	2.23	1.96	1.71	1.60
Nonperforming loans	124	131	151	222	273
Nonperforming assets	114	120	139	194	233

Credit Quality

During the second quarter of 2009, credit losses and nonperforming assets continued to trend higher, but at a more moderate rate, reflecting the adverse recessionary impacts of the current economic environment. The allowance for credit losses was $4,571 million at June 30, 2009, compared with $4,105 million at March 31, 2009, and $2,648 million at June 30, 2008. Total net charge-offs in the second quarter of 2009 were

$929 million, compared with $788 million in the first quarter of 2009, and $396 million in the second quarter of 2008. The increase in total net charge-offs compared with a year ago was driven by factors affecting the residential housing markets, including homebuilding and related industries, and credit costs associated with credit card and other consumer and commercial loans as the economy weakened. As a result of the continued stress in the residential housing markets, homebuilding and related industry sectors, and increasing weakness in other commercial, commercial real estate and consumer portfolios, the Company recorded $466 million of provision for credit losses in excess of net charge-offs, increasing the allowance for credit losses during the second quarter of 2009.

Commercial and commercial real estate loan net charge-offs increased to $353 million in the second quarter of 2009 (1.61 percent of average loans outstanding) compared with $297 million (1.35 percent of average loans outstanding) in the first quarter of 2009 and $87 million (.41 percent of average loans outstanding) in the second quarter of 2008. This increasing trend reflected continuing stress in housing, especially residential homebuilding and related industry sectors, along with the impact of the deteriorating economic conditions on commercial loan portfolios.

Residential mortgage loan net charge-offs increased to $116 million in the second quarter of 2009 (1.94 percent of average loans outstanding) compared with $91 million (1.54 percent of average loans outstanding) in the first quarter of 2009 and $53 million (.91 percent of average loans outstanding) in the second quarter of 2008. Total retail loan net charge-offs were $458 million (2.99 percent of average loans outstanding) in the second quarter of 2009 compared with $394 million (2.62 percent of average loans outstanding) in the first quarter of 2009 and $256 million (1.86 percent of average loans outstanding) in the second quarter of 2008. The increased 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 2.51 percent (2.66 percent excluding covered assets) at June 30, 2009, compared with 2.23 percent (2.37 percent excluding covered assets) at March 31, 2009, and 1.60 percent at June 30, 2008. The ratio of the allowance for credit losses to nonperforming loans was 124 percent (152 percent excluding covered assets) at June 30, 2009, compared with 131 percent (169 percent excluding covered assets) at March 31, 2009, and 273 percent at June 30, 2008.

CREDIT RATIOS **Table 10**

(Percent)	2Q 2009	1Q 2009	4Q 2008	3Q 2008	2Q 2008
Net charge-offs ratios (a)					
Commercial	1.50	.92	.85	.47	.43
Lease financing	3.29	3.29	1.87	1.36	1.14
Total commercial	1.72	1.21	.97	.58	.51
Commercial mortgages	.47	.22	.24	.16	.11
Construction and development	3.79	4.82	2.59	2.36	.52
Total commercial real estate	1.44	1.58	.94	.81	.24
Residential mortgages	1.94	1.54	1.43	1.21	.91
Credit card	7.36	6.32	5.18	4.85	4.84
Retail leasing	.80	1.03	.86	.69	.58
Home equity and second mortgages	1.72	1.48	1.11	1.07	1.13
Other retail	1.80	1.75	1.70	1.41	1.16
Total retail	2.99	2.62	2.21	1.98	1.86
Total net charge-offs, excluding covered assets	2.15	1.82	1.45	1.19	.98
Covered assets	.07	.21	.38	--	--
Total net charge-offs	2.03	1.72	1.42	1.19	.98
Delinquent loan ratios - 90 days or more past due **excluding** nonperforming loans (b)					
Commercial	.16	.19	.13	.11	.09
Commercial real estate	.22	.07	.11	.05	.09
Residential mortgages	2.11	2.03	1.55	1.34	1.09
Retail	.94	.94	.82	.68	.63
Total loans, excluding covered assets	.72	.68	.56	.46	.41
Covered assets	7.60	6.76	5.13	--	--
Total loans	1.12	1.05	.84	.46	.41
Delinquent loan ratios - 90 days or more past due **including** nonperforming loans (b)					
Commercial	1.89	1.59	.82	.76	.71
Commercial real estate	5.05	3.87	3.34	2.25	1.57
Residential mortgages	3.46	3.02	2.44	2.00	1.55
Retail	1.19	1.16	.97	.81	.74
Total loans, excluding covered assets	2.48	2.08	1.57	1.23	1.00
Covered assets	14.10	13.11	10.74	--	--
Total loans	3.15	2.74	2.14	1.23	1.00

(a) annualized and calculated on average loan balances
(b) ratios are expressed as a percent of ending loan balances

ASSET QUALITY **Table 11**

($ in millions)

	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sep 30 2008	Jun 30 2008
Nonperforming loans					
Commercial	$785	$651	$290	$280	$265
Lease financing	123	119	102	85	75
Total commercial	908	770	392	365	340
Commercial mortgages	471	392	294	164	139
Construction and development	1,156	887	780	545	326
Total commercial real estate	1,627	1,279	1,074	709	465
Residential mortgages	324	239	210	155	108
Retail	155	135	92	74	58
Total nonperforming loans, excluding covered assets	3,014	2,423	1,768	1,303	971
Covered assets	682	702	643	--	–
Total nonperforming loans	3,696	3,125	2,411	1,303	971
Other real estate	293	257	190	164	142
Other nonperforming assets	27	28	23	25	22
Total nonperforming assets (a)	$4,016	$3,410	$2,624	$1,492	$1,135
Accruing loans 90 days or more past due, excluding covered assets	$1,245	$1,185	$967	$787	$687
Accruing loans 90 days or more past due	$2,042	$1,932	$1,554	$787	$687
Restructured loans that continue to accrue interest	$2,107	$1,901	$1,509	$1,180	$1,029
Nonperforming assets to loans plus ORE, excluding covered assets (%)	1.94	1.56	1.14	.88	.68
Nonperforming assets to loans plus ORE (%)	2.20	1.85	1.42	.88	.68

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

Nonperforming assets at June 30, 2009, totaled $4,016 million, compared with $3,410 million at March 31, 2009, and $1,135 million at June 30, 2008. Included in June 30, 2009, nonperforming assets were $682 million of covered assets. The ratio of nonperforming assets to loans and other real estate was 2.20 percent (1.94 percent excluding covered assets) at June 30, 2009, compared with 1.85 percent (1.56 percent excluding covered assets) at March 31, 2009, and .68 percent at June 30, 2008. The increase in nonperforming assets compared with a year ago was driven primarily by the residential construction portfolio and related industries, as well as the residential mortgage portfolio, an increase in foreclosed residential properties and the impact of the economic slowdown on other commercial customers. The Company expects nonperforming assets to continue to increase as difficult economic conditions affect more borrowers within both consumer and commercial loan portfolios. Accruing loans 90 days or more past due

increased to $2,042 million ($1,245 million excluding covered assets) at June 30, 2009, compared with $1,932 million ($1,185 million excluding covered assets) at March 31, 2009, and $687 million at June 30, 2008. The year-over-year increase in delinquent loans that continue to accrue interest was primarily related to loans acquired under loss sharing arrangements. The increase excluding covered assets of $558 million reflected stress in residential mortgages, commercial, construction, credit cards, and home equity loans. Restructured loans that continue to accrue interest have also increased compared with the second quarter of 2008 and the first quarter of 2009, reflecting the impact of loan modifications for certain residential mortgage customers in light of current economic conditions. The Company expects this trend to continue as the Company works to modify loans for borrowers who are having financial difficulties.

CAPITAL POSITION **Table 12**

($ in millions)	Jun 30 2009	Mar 31 2009	Dec 31 2008	Sep 30 2008	Jun 30 2008
Total U.S. Bancorp shareholders' equity	$24,171	$27,223	$26,300	$21,675	$21,828
Tier 1 capital	21,710	25,284	24,426	18,877	18,624
Total risk-based capital	30,039	33,504	32,897	27,403	27,502
Tier 1 capital ratio	9.4 %	10.9 %	10.6 %	8.5 %	8.5 %
Total risk-based capital ratio	13.0	14.4	14.3	12.3	12.5
Leverage ratio	8.4	9.8	9.8	8.0	7.9
Tier 1 common equity ratio	6.7	5.4	5.1	5.7	5.6
Tangible common equity ratio	5.1	3.8	3.3	4.5	4.6
Tangible common equity as a percent of risk-weighted assets	5.7	4.2	3.7	4.8	4.9

Total U.S. Bancorp shareholders' equity was $24.2 billion at June 30, 2009, compared with $27.2 billion at March 31, 2009, and $21.8 billion at June 30, 2008. The reduction from the first quarter of 2009 was due to the current quarter redemption of $6.6 billion of preferred stock previously held by the U.S. Department of the Treasury, partially offset by approximately $2.7 billion (153 million shares) raised from a public offering of common stock. The Company issued the preferred stock and warrant to the U.S. Department of the Treasury in the fourth quarter of 2008. With the full redemption of the preferred stock, only the warrant remained outstanding at June 30, 2009. The Company repurchased the warrant on July 15, 2009, for $139 million. The Tier 1 capital ratio was 9.4 percent at June 30, 2009, compared with 10.9 percent at March 31, 2009, and 8.5 percent at June 30, 2008. The Tier 1 common equity ratio was 6.7 percent at June 30, 2009, compared with 5.4 percent at March 31, 2009, and 5.6 percent at June 30, 2008.

Tangible common equity divided by tangible assets was 5.1 percent at June 30, 2009, compared with 3.8 percent at March 31, 2009, and 4.6 percent at June 30, 2008. All regulatory ratios continue to be in excess of "well-capitalized" requirements.

COMMON SHARES — **Table 13**

(Millions)	2Q 2009	1Q 2009	4Q 2008	3Q 2008	2Q 2008
Beginning shares outstanding	1,759	1,755	1,754	1,741	1,738
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	153	4	1	13	3
Ending shares outstanding	1,912	1,759	1,755	1,754	1,741

LINE OF BUSINESS FINANCIAL PERFORMANCE (a) — **Table 14**

($ in millions)

Business Line	Net Income Attributable to U.S. Bancorp 2Q 2009	1Q 2009	2Q 2008	Percent Change 2Q09 vs 1Q09	2Q09 vs 2Q08	Net Income Attributable to U.S. Bancorp YTD 2009	YTD 2008	Percent Change	2Q 2009 Earnings Composition
Wholesale Banking	$107	$19	$280	nm	(61.8)	$126	$536	(76.5)	23 %
Consumer Banking	172	210	219	(18.1)	(21.5)	382	558	(31.5)	36
Wealth Management & Securities Services	92	95	124	(3.2)	(25.8)	187	250	(25.2)	20
Payment Services	62	98	246	(36.7)	(74.8)	160	456	(64.9)	13
Treasury and Corporate Support	38	107	81	(64.5)	(53.1)	145	240	(39.6)	8
Consolidated Company	$471	$529	$950	(11.0)	(50.4)	$1,000	$2,040	(51.0)	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 2009, line of business results were restated and presented on a comparable basis for organization and methodology changes to more closely align capital allocation with Basel II requirements and to allocate the provision for credit losses based on net charge-offs and changes in the risks of specific loan portfolios. Previously, the provision for credit losses in excess of net charge-offs remained in Treasury and Corporate Support, and the other lines of business' results included only the portion of the provision for credit losses equal to net charge-offs.

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, and public sector clients. Wholesale Banking recorded net income of $107 million in the second quarter of 2009, compared with $280 million of net income in the second quarter of 2008 and $19 million of net income in the first quarter of 2009. Stronger total net revenue year-over-year was more than offset by an increase in the provision for credit losses and an increase in total noninterest expense. Net interest income increased $53 million (11.1 percent) year-over-year due to strong growth in average earning assets and deposits, partially offset by the impact of declining rates on the margin benefit from deposits. Total noninterest income increased $8 million (3.4 percent) as growth in treasury management, letters of credit, commercial loan, capital markets and foreign exchange fees was partially offset by declining valuations on equity investments and commercial leasing activities. Total noninterest expense increased by $15 million (5.6 percent) over a year ago primarily due to an increase in FDIC deposit insurance expense. The provision for credit losses was $319 million higher year-over-year due to an increase in net charge-offs and continued deterioration in the credit quality of commercial and commercial real estate loans.

Wholesale Banking's contribution to net income in the second quarter of 2009 was $88 million higher than the first quarter of 2009. The increase was principally due to lower provision for credit losses. Although net charge-offs increased $43 million on a linked quarter basis, the deterioration of credit quality moderated somewhat relative to the previous quarter. Total net revenue was higher on a linked quarter basis due to an increase in total noninterest income (14.2 percent), partially offset by a decrease in net interest

income (1.7 percent). The increase in total noninterest income was due to higher treasury management fees and higher commercial products revenue including, standby letters of credit, syndication, capital markets and other loan fees. In addition, equity investment valuation losses were lower than the first quarter of 2009. The decline in net interest income was due to lower average loan balances, reflecting lower commitment utilization by wholesale customers and the impact of declining rates on the margin benefit from deposits, partially offset by growth in average deposit balances and improved spreads on new loan activity. Total noninterest expense increased $18 million (6.8 percent) due to higher FDIC deposit insurance expense and seasonally higher processing costs.

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 $172 million of the Company's net income in the second quarter of 2009, a $47 million (21.5 percent) decrease from the second quarter of 2008, and a $38 million (18.1 percent) decrease from the prior quarter. Within Consumer Banking, the retail banking division accounted for $10 million of the total contribution, 94.5 percent below the same quarter of last year and an 88.2 percent decrease on a linked quarter basis. The decrease in the retail banking division from the same period of 2008 was due to an increase in the provision for credit losses and an increase in total noninterest expense. Net interest income for the retail banking division increased $15 million (1.7 percent) year-over-year as higher average loan and deposit balances, including the impact of Downey and PFF, and yield-related loan fees were partially offset by a reduction in the margin benefit from deposits in a declining interest rate environment. Total noninterest income for the retail banking division decreased $14 million (2.8 percent) from a year ago due to lower deposit service charges, trust and investment management fees and equity investment revenue. This decrease was partially offset by growth in ATM processing services fees, a gain on sale of student loans and lower retail lease residual losses. Total noninterest expense for the division in the second quarter of 2009 was 14.1 percent higher year-over-year, principally due to acquisitions and higher FDIC deposit insurance expense. The provision for credit losses for the retail banking division increased due to year-over-year growth in net charge-offs and continued stress in residential mortgages, home equity and other installment and consumer loan portfolios. In the second quarter of 2009, the mortgage banking division's contribution was $162 million, a $125 million increase over the second quarter of 2008. The increase in the mortgage banking division's contribution was the result

of higher total net revenue, partially offset by higher total noninterest expense and provision for credit losses. The division's total net revenue increased by $263 million over a year ago, reflecting record mortgage loan production, improved loan sale profitability and an increase in net interest income. Total noninterest expense for the mortgage banking division increased $42 million (53.8 percent) over the second quarter of 2008 primarily due to higher production levels over a year ago and servicing costs associated with other real estate owned and foreclosures.

Consumer Banking's contribution in the second quarter of 2009 was lower by $38 million (18.1 percent) than the first quarter of 2009 as strong mortgage banking revenue was offset by an increase in the provision for credit losses. Within Consumer Banking, the retail banking division's contribution decreased 88.2 percent on a linked quarter basis, as increases in the provision for credit losses and total noninterest expense were partially offset by higher total net revenue. Total net revenue for the retail banking division increased $37 million (2.8 percent) due principally to seasonally higher deposit service charges and lower retail lease residual losses. The favorable variance in total noninterest income was partially offset by a 1.5 percent decrease in net interest income, as the benefit of deposit growth was offset by lower loan volumes and the impact of declining rates on the margin benefit from deposits. Total noninterest expense for the retail banking division increased $23 million (2.9 percent) on a linked quarter basis. This increase was due primarily to higher FDIC deposit insurance expense and litigation-related costs, partially offset by the impact of cost containment activities. The provision for credit losses for the division increased by $132 million (33.2 percent), driven by an increase in net charge-offs and continued deterioration in the credit quality of consumer loans compared with the first quarter of 2009. The contribution of the mortgage banking division increased $37 million over the first quarter of 2009, driven by record mortgage production. Total net revenue increased by $86 million due to strong growth in mortgage banking revenue. Additionally, net interest income increased 8.6 percent primarily due to increased volumes in the mortgages held-for-sale portfolio. Total noninterest expense in the mortgage banking division increased by $19 million (18.8 percent) over the first quarter of 2009, reflecting the higher volume of activity.

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 $92 million of the Company's net income in the second quarter of 2009, a 25.8 percent decrease from the second quarter of 2008 and a 3.2

percent decrease from the first quarter of 2009. Total net revenue year-over-year decreased $68 million (15.1 percent). Net interest income fell by $16 million (16.2 percent), primarily due to a decline in the margin benefit from average deposit balances, while total noninterest income decreased by $52 million (14.8 percent), reflecting the impact of unfavorable equity market conditions compared with a year ago. Total noninterest expense was 8.3 percent lower than the same quarter of 2008 primarily due to lower compensation and employee benefits expense and other intangibles expense, partially offset by higher FDIC deposit insurance expense.

The decrease in the business line's contribution in the second quarter of 2009 compared with the prior quarter was the result of lower total net revenue (5.2 percent), partially offset by lower total noninterest expense (5.7 percent). Total net revenue was lower principally due to the impact of declining rates on the margin benefit from deposits. In addition, total noninterest income was lower by 1.3 percent as higher trust and investment management fees were offset by market-related valuation losses.

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 $62 million of the Company's net income in the second quarter of 2009, a decrease of 74.8 percent from the same period of 2008 and 36.7 percent from the prior quarter. The decline year-over-year was due primarily to a $284 million increase in the provision for credit losses driven by an increase in net charge-offs and an increase in provision expense related to credit card portfolio growth, higher delinquency rates and changing economic conditions from a year ago. Total net revenue was relatively flat, as higher net interest income (16.6 percent) was offset by lower total noninterest income (5.1 percent). Net interest income increased $40 million due to strong growth in credit card balances, partially offset by the cost of rebates on the government card program, while total noninterest income decreased $39 million year-over-year, due to lower merchant processing services and corporate payment products revenues largely reflecting a decline in transaction volumes.

Payment Services' contribution in the second quarter of 2009 decreased $36 million (36.7 percent) from the first quarter of 2009 due to an increase in the provision for credit losses (18.2 percent) and total noninterest expense (5.6 percent), partially offset by an increase in total net revenue. Total net revenue increased $42 million (4.4 percent) over the first quarter of 2009. Net interest income increased $7 million

(2.6 percent) on a linked quarter basis due to loan growth, partially offset by lower late fees and the cost of rebates on the government card program. Total noninterest income grew 5.1 percent due to seasonally higher transaction volumes and improved pricing. Total noninterest expense increased $21 million (5.6 percent) due principally to marketing expense for new credit card product initiatives. The provision for credit losses increased by $77 million (18.2 percent) due to an increase in net charge-offs and in provision expense in excess of net charge-offs compared with the first quarter of 2009.

Treasury and Corporate Support includes the Company's investment portfolios, funding, 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 $38 million in the second quarter of 2009, compared with net income of $81 million in the second quarter of 2008 and net income of $107 million in the first quarter of 2009. Net interest income increased $67 million in the current quarter over the second quarter of 2008, reflecting the impact of the current rate environment, wholesale funding decisions and the Company's asset/liability position. Total noninterest income increased $34 million, primarily due to lower net securities losses. Total noninterest expense increased $167 million due principally to the FDIC special assessment and increased acquisition integration costs.

Net income in the second quarter of 2009 was higher on a linked quarter basis as total net revenue increased $111 million, primarily due to the impact of changes in the interest rate environment and lower net securities losses, offset by the impact of the first quarter of 2009 gain from a corporate real estate transaction. Total noninterest expense was higher by $191 million, reflecting the FDIC special assessment and higher litigation and acquisition integration costs.

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.

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 AT 8:00 AM (CDT) ON WEDNESDAY, JULY 22, 2009. The conference call will be available by telephone or on the Internet. 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 15285592. 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

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Wednesday, July 22nd, and will run through Wednesday, July 29th, at 11:00 PM (CDT). 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 15285592. To access the webcast go to 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 $266 billion in assets, is the parent company of U.S. Bank National Association, the 6th largest commercial bank in the United States. The Company operates 2,850 banking offices and 5,173 ATMs in 24 states, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. 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. These statements often include the words "may," "could," "would," "should," "believes," "expects," "anticipates," "estimates," "intends," "plans," "targets," "potentially," "probably," "projects," "outlook" or similar expressions. 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. A continuation of the recent turbulence in the global financial markets, particularly if it worsens, could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities, and indirectly by affecting our counterparties and the economy generally. Dramatic declines in the housing market in the past year have resulted in significant write-downs of asset values by financial institutions. Concerns about the stability of the financial markets generally have reduced the availability of funding to certain financial institutions, leading to a tightening of credit, reduction of business activity, and increased market volatility. There can be no assurance that any governmental program or legislation will help to stabilize the U.S. financial system or alleviate the industry or economic factors that may adversely impact our business. In addition, our 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, by changes in the creditworthiness and performance of our counterparties, and by changes in the competitive landscape. Our 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 our loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in our 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.

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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, 2008, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile," 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 the Company undertakes no obligation to update them in light of new information or future events.

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U.S. Bancorp

Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended June 30, 2009	Three Months Ended June 30, 2008	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008
Interest Income				
Loans	$2,345	$2,429	$4,695	$4,989
Loans held for sale	71	49	134	122
Investment securities	402	494	836	1,029
Other interest income	22	43	42	80
Total interest income	2,840	3,015	5,707	6,220
Interest Expense				
Deposits	314	458	638	1,064
Short-term borrowings	131	263	274	585
Long-term debt	341	419	694	893
Total interest expense	786	1,140	1,606	2,542
Net interest income	2,054	1,875	4,101	3,678
Provision for credit losses	1,395	596	2,713	1,081
Net interest income after provision for credit losses	659	1,279	1,388	2,597
Noninterest Income				
Credit and debit card revenue	259	266	515	514
Corporate payment products revenue	168	174	322	338
Merchant processing services	278	309	536	580
ATM processing services	104	93	206	177
Trust and investment management fees	304	350	598	685
Deposit service charges	250	278	476	535
Treasury management fees	142	137	279	261
Commercial products revenue	144	117	273	229
Mortgage banking revenue	308	81	541	186
Investment products fees and commissions	27	37	55	73
Securities gains (losses), net	(19)	(63)	(217)	(314)
Other	90	113	259	672
Total noninterest income	2,055	1,892	3,843	3,936
Noninterest Expense				
Compensation	764	761	1,550	1,506
Employee benefits	140	129	295	266
Net occupancy and equipment	208	190	419	380
Professional services	59	59	111	106
Marketing and business development	80	66	136	145
Technology and communications	157	149	312	289
Postage, printing and supplies	72	73	146	144
Other intangibles	95	87	186	174
Other	554	304	845	587
Total noninterest expense	2,129	1,818	4,000	3,597
Income before income taxes	585	1,353	1,231	2,936
Applicable income taxes	100	386	201	862
Net income	485	967	1,030	2,074
Net income attributable to noncontrolling interests	(14)	(17)	(30)	(34)
Net income attributable to U.S. Bancorp	$471	$950	$1,000	$2,040
Net income applicable to U.S. Bancorp common shareholders	$221	$926	$640	$2,003
Earnings per common share	$.12	$.53	$.36	$1.15
Diluted earnings per common share	$.12	$.53	$.36	$1.14
Dividends declared per common share	$.050	$.425	$.100	$.850
Average common shares outstanding	1,833	1,740	1,794	1,735
Average diluted common shares outstanding	1,840	1,755	1,801	1,752

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	June 30, 2009	December 31, 2008	June 30, 2008
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	$6,381	$6,859	$7,956
Investment securities			
Held-to-maturity	49	53	64
Available-for-sale	40,756	39,468	41,058
Loans held for sale	7,370	3,210	3,788
Loans			
Commercial	52,730	56,618	55,138
Commercial real estate	33,696	33,213	31,247
Residential mortgages	23,970	23,580	23,301
Retail	61,427	60,368	56,204
Total loans, excluding covered assets	171,823	173,779	165,890
Covered assets	10,489	11,450	--
Total loans	182,312	185,229	165,890
Less allowance for loan losses	(4,377)	(3,514)	(2,518)
Net loans	177,935	181,715	163,372
Premises and equipment	2,073	1,790	1,811
Goodwill	8,451	8,571	7,851
Other intangible assets	2,961	2,834	3,313
Other assets	19,584	21,412	17,325
Total assets	$265,560	$265,912	$246,538
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	$35,684	$37,494	$33,970
Interest-bearing	97,691	85,886	76,300
Time deposits greater than $100,000	30,508	35,970	24,861
Total deposits	163,883	159,350	135,131
Short-term borrowings	29,698	33,983	41,107
Long-term debt	39,196	38,359	39,943
Other liabilities	7,897	7,187	7,771
Total liabilities	240,674	238,879	223,952
Shareholders' equity			
Preferred stock	1,500	7,931	1,500
Common stock	21	20	20
Capital surplus	8,434	5,830	5,682
Retained earnings	23,140	22,541	23,220
Less treasury stock	(6,540)	(6,659)	(7,075)
Accumulated other comprehensive income (loss)	(2,384)	(3,363)	(1,519)
Total U.S. Bancorp shareholders' equity	24,171	26,300	21,828
Noncontrolling interests	715	733	758
Total equity	24,886	27,033	22,586
Total liabilities and equity	$265,560	$265,912	$246,538

Supplemental Analyst Schedules

2Q 2009

U.S. Bancorp

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended June 30, 2009	Three Months Ended March 31, 2009	Three Months Ended June 30, 2008	Percent Change v. June 30, 2009 March 31, 2009	Percent Change v. June 30, 2009 June 30, 2008
Net interest income (taxable-equivalent basis)	$2,104	$2,095	$1,908	.4 %	10.3 %
Noninterest income	2,055	1,788	1,892	14.9	8.6
Total net revenue	4,159	3,883	3,800	7.1	9.4
Noninterest expense	2,129	1,871	1,818	13.8	17.1
Income before provision and income taxes	2,030	2,012	1,982	.9	2.4
Provision for credit losses	1,395	1,318	596	5.8	*
Income before income taxes	635	694	1,386	(8.5)	(54.2)
Taxable-equivalent adjustment	50	48	33	4.2	51.5
Applicable income taxes	100	101	386	(1.0)	(74.1)
Net income	485	545	967	(11.0)	(49.8)
Net income attributable to noncontrolling interests	(14)	(16)	(17)	12.5	17.6
Net income attributable to U.S. Bancorp	$471	$529	$950	(11.0)	(50.4)
Net income applicable to U.S. Bancorp common shareholders	$221	$419	$926	(47.3)	(76.1)
Diluted earnings per common share	$.12	$.24	$.53	(50.0)	(77.4)
Revenue per diluted common share (a)	$2.27	$2.32	$2.20	(2.2)	3.2
Financial Ratios					
Net interest margin (b)	3.60 %	3.59 %	3.61 %		
Interest yield on average loans (b)	5.14	5.14	6.01		
Rate paid on interest-bearing liabilities (b)	1.65	1.72	2.53		
Return on average assets	.71	.81	1.58		
Return on average common equity	4.2	9.0	17.9		
Efficiency ratio (c)	51.0	45.8	47.1		
Tangible efficiency ratio (d)	48.7	43.6	44.8		

* 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

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Six Months Ended June 30, 2009	Six Months Ended June 30, 2008	Percent Change
Net interest income (taxable-equivalent basis)	$4,199	$3,738	12.3 %
Noninterest income	3,843	3,936	(2.4)
Total net revenue	8,042	7,674	4.8
Noninterest expense	4,000	3,597	11.2
Income before provision and income taxes	4,042	4,077	(.9)
Provision for credit losses	2,713	1,081	*
Income before income taxes	1,329	2,996	(55.6)
Taxable-equivalent adjustment	98	60	63.3
Applicable income taxes	201	862	(76.7)
Net income	1,030	2,074	(50.3)
Net income attributable to noncontrolling interests	(30)	(34)	11.8
Net income attributable to U.S. Bancorp	$1,000	$2,040	(51.0)
Net income applicable to U.S. Bancorp common shareholders	$640	$2,003	(68.0)
Diluted earnings per common share	$.36	$1.14	(68.4)
Revenue per diluted common share (a)	$4.59	$4.56	.7
Financial Ratios			
Net interest margin (b)	3.59 %	3.58 %	
Interest yield on average loans (b)	5.14	6.32	
Rate paid on interest-bearing liabilities (b)	1.68	2.86	
Return on average assets	.76	1.71	
Return on average common equity	6.4	19.5	
Efficiency ratio (c)	48.4	45.0	
Tangible efficiency ratio (d)	46.2	42.9	

* 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 June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Interest Income					
Loans	$2,345	$2,350	$2,575	$2,487	$2,429
Loans held for sale	71	63	53	52	49
Investment securities	402	434	477	478	494
Other interest income	22	20	36	40	43
Total interest income	2,840	2,867	3,141	3,057	3,015
Interest Expense					
Deposits	314	324	392	425	458
Short-term borrowings	131	143	205	276	263
Long-term debt	341	353	423	423	419
Total interest expense	786	820	1,020	1,124	1,140
Net interest income	2,054	2,047	2,121	1,933	1,875
Provision for credit losses	1,395	1,318	1,267	748	596
Net interest income after provision for credit losses	659	729	854	1,185	1,279
Noninterest Income					
Credit and debit card revenue	259	256	256	269	266
Corporate payment products revenue	168	154	154	179	174
Merchant processing services	278	258	271	300	309
ATM processing services	104	102	95	94	93
Trust and investment management fees	304	294	300	329	350
Deposit service charges	250	226	260	286	278
Treasury management fees	142	137	128	128	137
Commercial products revenue	144	129	131	132	117
Mortgage banking revenue	308	233	23	61	81
Investment products fees and commissions	27	28	37	37	37
Securities gains (losses), net	(19)	(198)	(253)	(411)	(63)
Other	90	169	61	8	113
Total noninterest income	2,055	1,788	1,463	1,412	1,892
Noninterest Expense					
Compensation	764	786	770	763	761
Employee benefits	140	155	124	125	129
Net occupancy and equipment	208	211	202	199	190
Professional services	59	52	73	61	59
Marketing and business development	80	56	90	75	66
Technology and communications	157	155	156	153	149
Postage, printing and supplies	72	74	77	73	73
Other intangibles	95	91	93	88	87
Other	554	291	353	276	304
Total noninterest expense	2,129	1,871	1,938	1,813	1,818
Income before income taxes	585	646	379	784	1,353
Applicable income taxes	100	101	27	198	386
Net income	485	545	352	586	967
Net income attributable to noncontrolling interests	(14)	(16)	(22)	(10)	(17)
Net income attributable to U.S. Bancorp	$471	$529	$330	$576	$950
Net income applicable to U.S. Bancorp common shareholders	$221	$419	$259	$557	$926
Earnings per common share	$.12	$.24	$.15	$.32	$.53
Diluted earnings per common share	$.12	$.24	$.15	$.32	$.53
Dividends declared per common share	$.050	$.050	$.425	$.425	$.425
Average common shares outstanding	1,833	1,754	1,754	1,743	1,740
Average diluted common shares outstanding	1,840	1,760	1,763	1,756	1,755
Financial Ratios					
Net interest margin (a)	3.60 %	3.59 %	3.81 %	3.65 %	3.61 %
Interest yield on average loans (a)	5.14	5.14	5.81	5.97	6.01
Rate paid on interest-bearing liabilities (a)	1.65	1.72	2.16	2.45	2.53
Return on average assets	.71	.81	.51	.94	1.58
Return on average common equity	4.2	9.0	5.3	10.8	17.9
Efficiency ratio (b)	51.0	45.8	50.0	47.8	47.1
Tangible efficiency ratio (c)	48.7	43.6	47.6	45.5	44.8

(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)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Assets	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Cash and due from banks	$6,381	$6,154	$6,859	$7,118	$7,956
Investment securities					
Held-to-maturity	49	51	53	64	64
Available-for-sale	40,756	39,215	39,468	39,285	41,058
Loans held for sale	7,370	4,656	3,210	3,116	3,788
Loans					
Commercial	52,730	54,923	56,618	56,454	55,138
Commercial real estate	33,696	33,630	33,213	32,177	31,247
Residential mortgages	23,970	24,022	23,580	23,341	23,301
Retail	61,427	60,814	60,368	57,891	56,204
Total loans, excluding covered assets	171,823	173,389	173,779	169,863	165,890
Covered assets	10,489	11,053	11,450	--	--
Total loans	182,312	184,442	185,229	169,863	165,890
Less allowance for loan losses	(4,377)	(3,947)	(3,514)	(2,767)	(2,518)
Net loans	177,935	180,495	181,715	167,096	163,372
Premises and equipment	2,073	2,057	1,790	1,775	1,811
Goodwill	8,451	8,419	8,571	7,816	7,851
Other intangible assets	2,961	2,698	2,834	3,242	3,313
Other assets	19,584	19,879	21,412	17,543	17,325
Total assets	$265,560	$263,624	$265,912	$247,055	$246,538
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	$35,684	$38,704	$37,494	$35,476	$33,970
Interest-bearing	97,691	90,689	85,886	76,697	76,300
Time deposits greater than $100,000	30,508	33,173	35,970	27,331	24,861
Total deposits	163,883	162,566	159,350	139,504	135,131
Short-term borrowings	29,698	26,007	33,983	37,423	41,107
Long-term debt	39,196	38,825	38,359	40,110	39,943
Other liabilities	7,897	8,284	7,187	7,595	7,771
Total liabilities	240,674	235,682	238,879	224,632	223,952
Shareholders' equity					
Preferred stock	1,500	7,939	7,931	1,500	1,500
Common stock	21	20	20	20	20
Capital surplus	8,434	5,744	5,830	5,646	5,682
Retained earnings	23,140	23,015	22,541	23,032	23,220
Less treasury stock	(6,540)	(6,546)	(6,659)	(6,695)	(7,075)
Accumulated other comprehensive income (loss)	(2,384)	(2,949)	(3,363)	(1,828)	(1,519)
Total U.S. Bancorp shareholders' equity	24,171	27,223	26,300	21,675	21,828
Noncontrolling interests	715	719	733	748	758
Total equity	24,886	27,942	27,033	22,423	22,586
Total liabilities and equity	$265,560	$263,624	$265,912	$247,055	$246,538

U.S. Bancorp

Consolidated Quarterly Average Balance Sheet

(Dollars in Millions, Unaudited)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Assets					
Investment securities	$42,189	$42,321	$41,974	$42,548	$42,999
Loans held for sale	6,092	5,191	3,634	3,495	3,417
Loans					
Commercial					
Commercial	47,362	49,362	50,328	48,137	47,648
Lease financing	6,697	6,772	6,608	6,436	6,331
Total commercial	54,059	56,134	56,936	54,573	53,979
Commercial real estate					
Commercial mortgages	23,875	23,553	22,967	22,302	21,192
Construction and development	9,852	9,845	9,691	9,446	9,281
Total commercial real estate	33,727	33,398	32,658	31,748	30,473
Residential mortgages	23,964	23,915	23,430	23,309	23,307
Retail					
Credit card	14,329	13,597	12,976	12,217	11,559
Retail leasing	5,031	5,115	5,062	5,200	5,523
Home equity and second mortgages	19,314	19,215	18,691	17,858	17,106
Other retail	22,753	22,987	22,247	21,655	21,123
Total retail	61,427	60,914	58,976	56,930	55,311
Total loans, excluding covered assets	173,177	174,361	172,000	166,560	163,070
Covered assets	10,701	11,344	5,205	--	--
Total loans	183,878	185,705	177,205	166,560	163,070
Other earning assets	2,106	2,097	3,173	2,370	2,603
Total earning assets	234,265	235,314	225,986	214,973	212,089
Allowance for loan losses	(4,260)	(3,755)	(3,048)	(2,686)	(2,292)
Unrealized gain (loss) on available-for-sale securities	(1,857)	(2,577)	(3,233)	(2,368)	(1,548)
Other assets	37,959	37,255	35,269	33,704	33,972
Total assets	$266,107	$266,237	$254,974	$243,623	$242,221
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	$37,388	$36,020	$31,639	$28,322	$27,851
Interest-bearing deposits					
Interest checking	37,393	32,039	29,467	32,304	32,479
Money market savings	27,250	27,927	27,009	26,167	26,426
Savings accounts	12,278	10,339	7,657	5,531	5,377
Time certificates of deposit less than $100,000	17,968	18,132	15,414	12,669	12,635
Time deposits greater than $100,000	30,943	36,071	33,283	28,546	31,041
Total interest-bearing deposits	125,832	124,508	112,830	105,217	107,958
Short-term borrowings	27,638	32,217	38,737	40,277	38,018
Long-term debt	38,768	37,784	39,289	40,000	37,879
Total interest-bearing liabilities	192,238	194,509	190,856	185,494	183,855
Other liabilities	7,565	8,163	7,258	7,069	7,434
Shareholders' equity					
Preferred equity	6,951	7,935	4,881	1,500	1,500
Common equity	21,251	18,884	19,604	20,483	20,820
Total U.S. Bancorp shareholders' equity	28,202	26,819	24,485	21,983	22,320
Noncontrolling interests	714	726	736	755	761
Total equity	28,916	27,545	25,221	22,738	23,081
Total liabilities and equity	$266,107	$266,237	$254,974	$243,623	$242,221

U.S. Bancorp

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

	For the Three Months Ended June 30,						
	2009			2008			
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$42,189	$443	4.20 %	$42,999	$538	5.01 %	(1.9) %
Loans held for sale	6,092	71	4.65	3,417	49	5.70	78.3
Loans (b)							
Commercial	54,059	523	3.89	53,979	645	4.80	.1
Commercial real estate	33,727	361	4.29	30,473	429	5.67	10.7
Residential mortgages	23,964	338	5.64	23,307	354	6.08	2.8
Retail	61,427	1,011	6.60	55,311	1,009	7.34	11.1
Total loans, excluding covered assets	173,177	2,233	5.17	163,070	2,437	6.01	6.2
Covered assets	10,701	124	4.66	--	--	--	*
Total loans	183,878	2,357	5.14	163,070	2,437	6.01	12.8
Other earning assets	2,106	22	4.16	2,603	43	6.58	(19.1)
Total earning assets	234,265	2,893	4.95	212,089	3,067	5.81	10.5
Allowance for loan losses	(4,260)			(2,292)			(85.9)
Unrealized gain (loss) on available-for-sale securities	(1,857)			(1,548)			(20.0)
Other assets	37,959			33,972			11.7
Total assets	$266,107			$242,221			9.9
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$37,388			$27,851			34.2
Interest-bearing deposits							
Interest checking	37,393	21	.23	32,479	67	.83	15.1
Money market savings	27,250	34	.50	26,426	79	1.21	3.1
Savings accounts	12,278	16	.52	5,377	2	.18	*
Time certificates of deposit less than $100,000	17,968	123	2.73	12,635	109	3.48	42.2
Time deposits greater than $100,000	30,943	120	1.56	31,041	201	2.59	(.3)
Total interest-bearing deposits	125,832	314	1.00	107,958	458	1.71	16.6
Short-term borrowings	27,638	134	1.96	38,018	282	2.99	(27.3)
Long-term debt	38,768	341	3.53	37,879	419	4.44	2.3
Total interest-bearing liabilities	192,238	789	1.65	183,855	1,159	2.53	4.6
Other liabilities	7,565			7,434			1.8
Shareholders' equity							
Preferred equity	6,951			1,500			*
Common equity	21,251			20,820			2.1
Total U.S. Bancorp shareholders' equity	28,202			22,320			26.4
Noncontrolling interests	714			761			(6.2)
Total equity	28,916			23,081			25.3
Total liabilities and equity	$266,107			$242,221			9.9 %
Net interest income		$2,104			$1,908		
Gross interest margin			3.30 %			3.28 %	
Gross interest margin without taxable-equivalent increments			3.21			3.22	
Percent of Earning Assets							
Interest income			4.95 %			5.81 %	
Interest expense			1.35			2.20	
Net interest margin			3.60 %			3.61 %	
Net interest margin without taxable-equivalent increments			3.51 %			3.55 %	

* 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						
	June 30, 2009			March 31, 2009			
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$42,189	$443	4.20 %	$42,321	$477	4.51 %	(.3) %
Loans held for sale	6,092	71	4.65	5,191	63	4.87	17.4
Loans (b)							
Commercial	54,059	523	3.89	56,134	534	3.84	(3.7)
Commercial real estate	33,727	361	4.29	33,398	357	4.33	1.0
Residential mortgages	23,964	338	5.64	23,915	346	5.81	.2
Retail	61,427	1,011	6.60	60,914	992	6.61	.8
Total loans, excluding covered assets	173,177	2,233	5.17	174,361	2,229	5.17	(.7)
Covered assets	10,701	124	4.66	11,344	131	4.68	(5.7)
Total loans	183,878	2,357	5.14	185,705	2,360	5.14	(1.0)
Other earning assets	2,106	22	4.16	2,097	20	3.83	.4
Total earning assets	234,265	2,893	4.95	235,314	2,920	5.01	(.4)
Allowance for loan losses	(4,260)			(3,755)			(13.4)
Unrealized gain (loss) on available-for-sale securities	(1,857)			(2,577)			27.9
Other assets	37,959			37,255			1.9
Total assets	$266,107			$266,237			--
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$37,388			$36,020			3.8
Interest-bearing deposits							
Interest checking	37,393	21	.23	32,039	15	.18	16.7
Money market savings	27,250	34	.50	27,927	37	.54	(2.4)
Savings accounts	12,278	16	.52	10,339	14	.56	18.8
Time certificates of deposit less than $100,000	17,968	123	2.73	18,132	128	2.87	(.9)
Time deposits greater than $100,000	30,943	120	1.56	36,071	130	1.46	(14.2)
Total interest-bearing deposits	125,832	314	1.00	124,508	324	1.06	1.1
Short-term borrowings	27,638	134	1.96	32,217	148	1.86	(14.2)
Long-term debt	38,768	341	3.53	37,784	353	3.78	2.6
Total interest-bearing liabilities	192,238	789	1.65	194,509	825	1.72	(1.2)
Other liabilities	7,565			8,163			(7.3)
Shareholders' equity							
Preferred equity	6,951			7,935			(12.4)
Common equity	21,251			18,884			12.5
Total U.S. Bancorp shareholders' equity	28,202			26,819			5.2
Noncontrolling interests	714			726			(1.7)
Total equity	28,916			27,545			5.0
Total liabilities and equity	$266,107			$266,237			-- %
Net interest income		$2,104			$2,095		
Gross interest margin			3.30 %			3.29 %	
Gross interest margin without taxable-equivalent increments			3.21			3.21	
Percent of Earning Assets							
Interest income			4.95 %			5.01 %	
Interest expense			1.35			1.42	
Net interest margin			3.60 %			3.59 %	
Net interest margin without taxable-equivalent increments			3.51 %			3.51 %	

(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)

(Dollars in Millions) (Unaudited)	For the Six Months Ended June 30, 2009 Average Balances	Interest	Yields and Rates	2008 Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$42,255	$920	4.35 %	$43,446	$1,118	5.15 %	(2.7) %
Loans held for sale	5,644	134	4.75	4,267	122	5.71	32.3
Loans (b)							
Commercial	55,091	1,057	3.86	52,844	1,366	5.19	4.3
Commercial real estate	33,563	718	4.31	30,005	892	5.98	11.9
Residential mortgages	23,940	684	5.73	23,142	712	6.16	3.4
Retail	61,170	2,003	6.60	53,160	2,035	7.70	15.1
Total loans, excluding covered assets	173,764	4,462	5.17	159,151	5,005	6.32	9.2
Covered assets	11,022	255	4.66	--	--	--	*
Total loans	184,786	4,717	5.14	159,151	5,005	6.32	16.1
Other earning assets	2,101	42	4.00	2,688	80	5.96	(21.8)
Total earning assets	234,786	5,813	4.98	209,552	6,325	6.06	12.0
Allowance for loan losses	(4,009)			(2,183)			(83.6)
Unrealized gain (loss) on available-for-sale securities	(2,215)			(1,327)			(66.9)
Other assets	37,609			33,406			12.6
Total assets	$266,171			$239,448			11.2
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$36,707			$27,485			33.6
Interest-bearing deposits							
Interest checking	34,730	36	.21	31,390	155	.99	10.6
Money market savings	27,586	71	.52	26,008	193	1.49	6.1
Savings accounts	11,314	30	.54	5,256	5	.20	*
Time certificates of deposit less than $100,000	18,050	251	2.80	13,121	248	3.81	37.6
Time deposits greater than $100,000	33,493	250	1.50	30,073	463	3.09	11.4
Total interest-bearing deposits	125,173	638	1.03	105,848	1,064	2.02	18.3
Short-term borrowings	29,915	282	1.90	36,954	630	3.43	(19.0)
Long-term debt	38,279	694	3.65	38,851	893	4.62	(1.5)
Total interest-bearing liabilities	193,367	1,614	1.68	181,653	2,587	2.86	6.4
Other liabilities	7,863			7,648			2.8
Shareholders' equity							
Preferred equity	7,440			1,291			*
Common equity	20,074			20,608			(2.6)
Total U.S. Bancorp shareholders' equity	27,514			21,899			25.6
Noncontrolling interests	720			763			(5.6)
Total equity	28,234			22,662			24.6
Total liabilities and equity	$266,171			$239,448			11.2 %
Net interest income		$4,199			$3,738		
Gross interest margin			3.30 %			3.20 %	
Gross interest margin without taxable-equivalent increments			3.22			3.14	
Percent of Earning Assets							
Interest income			4.98 %			6.06 %	
Interest expense			1.39			2.48	
Net interest margin			3.59 %			3.58 %	
Net interest margin without taxable-equivalent increments			3.51 %			3.52 %	

* 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

Loan Portfolio

(Dollars in Millions, Unaudited)	June 30, 2009 Amount	June 30, 2009 Percent of Total	March 31, 2009 Amount	March 31, 2009 Percent of Total	December 31, 2008 Amount	December 31, 2008 Percent of Total	September 30, 2008 Amount	September 30, 2008 Percent of Total	June 30, 2008 Amount	June 30, 2008 Percent of Total
Commercial										
Commercial	$46,073	25.2 %	$48,128	26.1 %	$49,759	26.9 %	$49,938	29.4 %	$48,714	29.4 %
Lease financing	6,657	3.7	6,795	3.7	6,859	3.7	6,516	3.8	6,424	3.9
Total commercial	52,730	28.9	54,923	29.8	56,618	30.6	56,454	33.2	55,138	33.3
Commercial real estate										
Commercial mortgages	23,978	13.2	23,811	12.9	23,434	12.6	22,671	13.4	21,948	13.2
Construction and development	9,718	5.3	9,819	5.3	9,779	5.3	9,506	5.6	9,299	5.6
Total commercial real estate	33,696	18.5	33,630	18.2	33,213	17.9	32,177	19.0	31,247	18.8
Residential mortgages										
Residential mortgages	18,665	10.2	18,621	10.1	18,232	9.8	17,899	10.5	17,745	10.7
Home equity loans, first liens	5,305	2.9	5,401	2.9	5,348	2.9	5,442	3.2	5,556	3.3
Total residential mortgages	23,970	13.1	24,022	13.0	23,580	12.7	23,341	13.7	23,301	14.0
Retail										
Credit card	14,874	8.2	13,726	7.4	13,520	7.3	12,501	7.4	11,930	7.2
Retail leasing	4,955	2.7	5,075	2.8	5,126	2.8	5,065	3.0	5,367	3.2
Home equity and second mortgages	19,328	10.6	19,201	10.4	19,177	10.3	18,207	10.7	17,536	10.6
Other retail										
Revolving credit	3,358	1.8	3,238	1.8	3,205	1.7	3,041	1.8	2,835	1.7
Installment	5,499	3.0	5,443	2.9	5,525	3.0	5,587	3.3	5,518	3.4
Automobile	9,104	5.0	9,030	4.9	9,212	5.0	9,235	5.4	9,487	5.7
Student	4,309	2.4	5,101	2.8	4,603	2.5	4,255	2.5	3,531	2.1
Total other retail	22,270	12.2	22,812	12.4	22,545	12.2	22,118	13.0	21,371	12.9
Total retail	61,427	33.7	60,814	33.0	60,368	32.6	57,891	34.1	56,204	33.9
Total loans, excluding covered assets	171,823	94.2	173,389	94.0	173,779	93.8	169,863	100.0	165,890	100.0
Covered assets	10,489	5.8	11,053	6.0	11,450	6.2	--	--	--	--
Total loans	$182,312	100.0 %	$184,442	100.0 %	$185,229	100.0 %	$169,863	100.0 %	$165,890	100.0 %

U.S. Bancorp

Supplemental Financial Data

(Dollars in Millions, Unaudited)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Book value of intangibles					
Goodwill	$8,451	$8,419	$8,571	$7,816	$7,851
Merchant processing contracts	517	535	564	607	648
Core deposit benefits	285	305	376	182	199
Mortgage servicing rights	1,482	1,182	1,194	1,750	1,731
Trust relationships	248	262	277	294	311
Other identified intangibles	429	414	423	409	424
Total	$11,412	$11,117	$11,405	$11,058	$11,164

	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
Amortization of intangibles					
Merchant processing contracts	$29	$28	$34	$34	$34
Core deposit benefits	25	25	21	17	15
Trust relationships	15	15	17	17	17
Other identified intangibles	26	23	21	20	21
Total	$95	$91	$93	$88	$87
Mortgage banking revenue					
Origination and sales	$249	$217	$43	$50	$73
Loan servicing	126	117	109	101	99
Mortgage servicing rights fair value adjustment	(67)	(101)	(129)	(90)	(91)
Total mortgage banking revenue	$308	$233	$23	$61	$81
Mortgage production volume	$16,267	$13,431	$8,117	$7,564	$9,061
Mortgages serviced for others	$134,686	$126,700	$120,339	$112,877	$107,334

A summary of the Company's mortgage servicing rights and related characteristics by portfolio as of June 30, 2009, was as follows:

(Dollars in Millions)	MRBP (a)	Government	Conventional	Total
Servicing portfolio	$12,342	$17,360	$104,984	$134,686
Fair market value	$190	$192	$1,100	$1,482
Value (bps) (b)	154	111	105	110
Weighted-average servicing fees (bps)	40	41	33	35
Multiple (value/servicing fees)	3.85	2.71	3.18	3.14
Weighted-average note rate	5.95 %	6.00 %	5.77 %	5.82 %
Age (in years)	3.5	2.4	2.7	2.7
Expected life (in years)	7.3	3.9	4.5	4.7
Discount rate	11.5 %	11.4 %	10.5 %	10.7 %

(a) MRBP represents mortgage revenue bond programs.

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

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking Jun 30, 2009	Wholesale Banking Jun 30, 2008	Wholesale Banking Percent Change	Consumer Banking Jun 30, 2009	Consumer Banking Jun 30, 2008	Consumer Banking Percent Change	Wealth Management & Securities Services Jun 30, 2009	Wealth Management & Securities Services Jun 30, 2008	Wealth Management & Securities Services Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$530	$477	11.1 %	$994	$942	5.5 %	$83	$99	(16.2) %
Noninterest income	242	244	(.8)	791	579	36.6	300	352	(14.8)
Securities gains (losses), net	--	(10)	**	--	--	--	--	--	--
Total net revenue	772	711	8.6	1,785	1,521	17.4	383	451	(15.1)
Noninterest expense	276	263	4.9	923	788	17.1	216	235	(8.1)
Other intangibles	6	4	50.0	24	15	60.0	17	19	(10.5)
Total noninterest expense	282	267	5.6	947	803	17.9	233	254	(8.3)
Income before provision and income taxes	490	444	10.4	838	718	16.7	150	197	(23.9)
Provision for credit losses	322	3	**	567	374	51.6	5	2	**
Income before income taxes	168	441	(61.9)	271	344	(21.2)	145	195	(25.6)
Income taxes and taxable-equivalent adjustment	61	160	(61.9)	99	125	(20.8)	53	71	(25.4)
Net income	107	281	(61.9)	172	219	(21.5)	92	124	(25.8)
Net (income) loss attributable to noncontrolling interests	--	(1)	**	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	$107	$280	(61.8)	$172	$219	(21.5)	$92	$124	(25.8)
Average Balance Sheet Data									
Loans	$62,740	$58,326	7.6 %	$96,362	$82,228	17.2 %	$3,823	$4,211	(9.2) %
Other earning assets	96	364	(73.6)	6,391	3,665	74.4	122	66	84.8
Goodwill	1,475	1,385	6.5	3,104	2,420	28.3	1,562	1,562	--
Other intangible assets	93	49	89.8	1,570	1,712	(8.3)	265	337	(21.4)
Assets	67,280	63,862	5.4	110,048	92,378	19.1	6,167	6,554	(5.9)
Noninterest-bearing deposits	17,363	10,731	61.8	14,238	12,105	17.6	4,944	4,181	18.2
Interest-bearing deposits	31,987	30,742	4.0	73,054	56,497	29.3	17,327	13,545	27.9
Total deposits	49,350	41,473	19.0	87,292	68,602	27.2	22,271	17,726	25.6
Total U.S. Bancorp shareholders' equity	5,614	6,192	(9.3)	6,713	5,725	17.3	2,123	2,292	(7.4)

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Jun 30, 2009	Payment Services Jun 30, 2008	Payment Services Percent Change	Treasury and Corporate Support Jun 30, 2009	Treasury and Corporate Support Jun 30, 2008	Treasury and Corporate Support Percent Change	Consolidated Company Jun 30, 2009	Consolidated Company Jun 30, 2008	Consolidated Company Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$281	$241	16.6 %	$216	$149	45.0 %	$2,104	$1,908	10.3 %
Noninterest income	723	762	(5.1)	18	18	--	2,074	1,955	6.1
Securities gains (losses), net	--	--	--	(19)	(53)	64.2	(19)	(63)	69.8
Total net revenue	1,004	1,003	.1	215	114	88.6	4,159	3,800	9.4
Noninterest expense	348	341	2.1	271	104	**	2,034	1,731	17.5
Other intangibles	48	49	(2.0)	--	--	--	95	87	9.2
Total noninterest expense	396	390	1.5	271	104	**	2,129	1,818	17.1
Income before provision and income taxes	608	613	(.8)	(56)	10	**	2,030	1,982	2.4
Provision for credit losses	501	217	**	--	--	--	1,395	596	**
Income before income taxes	107	396	(73.0)	(56)	10	**	635	1,386	(54.2)
Income taxes and taxable-equivalent adjustment	39	144	(72.9)	(102)	(81)	(25.9)	150	419	(64.2)
Net income	68	252	(73.0)	46	91	(49.5)	485	967	(49.8)
Net (income) loss attributable to noncontrolling interests	(6)	(6)	--	(8)	(10)	20.0	(14)	(17)	17.6
Net income attributable to U.S. Bancorp	$62	$246	(74.8)	$38	$81	(53.1)	$471	$950	(50.4)
Average Balance Sheet Data									
Loans	$19,914	$17,128	16.3 %	$1,039	$1,177	(11.7) %	$183,878	$163,070	12.8 %
Other earning assets	173	153	13.1	43,605	44,771	(2.6)	50,387	49,019	2.8
Goodwill	2,302	2,371	(2.9)	--	--	--	8,443	7,738	9.1
Other intangible assets	873	1,027	(15.0)	8	--	**	2,809	3,125	(10.1)
Assets	24,094	22,294	8.1	58,518	57,133	2.4	266,107	242,221	9.9
Noninterest-bearing deposits	492	490	.4	351	344	2.0	37,388	27,851	34.2
Interest-bearing deposits	102	57	78.9	3,362	7,117	(52.8)	125,832	107,958	16.6
Total deposits	594	547	8.6	3,713	7,461	(50.2)	163,220	135,809	20.2
Total U.S. Bancorp shareholders' equity	4,617	4,595	.5	9,135	3,516	**	28,202	22,320	26.4

* Preliminary data

** Not meaningful

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking Jun 30, 2009	Wholesale Banking Mar 31, 2009	Wholesale Banking Percent Change	Consumer Banking Jun 30, 2009	Consumer Banking Mar 31, 2009	Consumer Banking Percent Change	Wealth Management & Securities Services Jun 30, 2009	Wealth Management & Securities Services Mar 31, 2009	Wealth Management & Securities Services Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$530	$539	(1.7) %	$994	$1,000	(.6) %	$83	$100	(17.0) %
Noninterest income	242	215	12.6	791	662	19.5	300	304	(1.3)
Securities gains (losses), net	--	(3)	**	--	--	--	--	--	--
Total net revenue	772	751	2.8	1,785	1,662	7.4	383	404	(5.2)
Noninterest expense	276	258	7.0	923	882	4.6	216	230	(6.1)
Other intangibles	6	6	--	24	23	4.3	17	17	--
Total noninterest expense	282	264	6.8	947	905	4.6	233	247	(5.7)
Income before provision and income taxes	490	487	.6	838	757	10.7	150	157	(4.5)
Provision for credit losses	322	459	(29.8)	567	427	32.8	5	8	(37.5)
Income before income taxes	168	28	**	271	330	(17.9)	145	149	(2.7)
Income taxes and taxable-equivalent adjustment	61	10	**	99	120	(17.5)	53	54	(1.9)
Net income	107	18	**	172	210	(18.1)	92	95	(3.2)
Net (income) loss attributable to noncontrolling interests	--	1	**	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	$107	$19	**	$172	$210	(18.1)	$92	$95	(3.2)
Average Balance Sheet Data									
Loans	$62,740	$64,368	(2.5) %	$96,362	$97,317	(1.0) %	$3,823	$3,951	(3.2) %
Other earning assets	96	135	(28.9)	6,391	5,462	17.0	122	97	25.8
Goodwill	1,475	1,475	--	3,104	3,230	(3.9)	1,562	1,562	--
Other intangible assets	93	101	(7.9)	1,570	1,483	5.9	265	282	(6.0)
Assets	67,280	69,515	(3.2)	110,048	110,394	(.3)	6,167	6,351	(2.9)
Noninterest-bearing deposits	17,363	16,219	7.1	14,238	13,846	2.8	4,944	4,992	(1.0)
Interest-bearing deposits	31,987	31,543	1.4	73,054	70,835	3.1	17,327	16,335	6.1
Total deposits	49,350	47,762	3.3	87,292	84,681	3.1	22,271	21,327	4.4
Total U.S. Bancorp shareholders' equity	5,614	5,580	.6	6,713	6,897	(2.7)	2,123	2,149	(1.2)

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Jun 30, 2009	Payment Services Mar 31, 2009	Payment Services Percent Change	Treasury and Corporate Support Jun 30, 2009	Treasury and Corporate Support Mar 31, 2009	Treasury and Corporate Support Percent Change	Consolidated Company Jun 30, 2009	Consolidated Company Mar 31, 2009	Consolidated Company Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$281	$274	2.6 %	$216	$182	18.7 %	$2,104	$2,095	.4 %
Noninterest income	723	688	5.1	18	117	(84.6)	2,074	1,986	4.4
Securities gains (losses), net	--	--	--	(19)	(195)	90.3	(19)	(198)	90.4
Total net revenue	1,004	962	4.4	215	104	**	4,159	3,883	7.1
Noninterest expense	348	330	5.5	271	80	**	2,034	1,780	14.3
Other intangibles	48	45	6.7	--	--	--	95	91	4.4
Total noninterest expense	396	375	5.6	271	80	**	2,129	1,871	13.8
Income before provision and income taxes	608	587	3.6	(56)	24	**	2,030	2,012	.9
Provision for credit losses	501	424	18.2	--	--	--	1,395	1,318	5.8
Income before income taxes	107	163	(34.4)	(56)	24	**	635	694	(8.5)
Income taxes and taxable-equivalent adjustment	39	59	(33.9)	(102)	(94)	(8.5)	150	149	.7
Net income	68	104	(34.6)	46	118	(61.0)	485	545	(11.0)
Net (income) loss attributable to noncontrolling interests	(6)	(6)	--	(8)	(11)	27.3	(14)	(16)	12.5
Net income attributable to U.S. Bancorp	$62	$98	(36.7)	$38	$107	(64.5)	$471	$529	(11.0)
Average Balance Sheet Data									
Loans	$19,914	$18,959	5.0 %	$1,039	$1,110	(6.4) %	$183,878	$185,705	(1.0) %
Other earning assets	173	158	9.5	43,605	43,757	(.3)	50,387	49,609	1.6
Goodwill	2,302	2,291	.5	--	--	--	8,443	8,558	(1.3)
Other intangible assets	873	896	(2.6)	8	--	**	2,809	2,762	1.7
Assets	24,094	23,339	3.2	58,518	56,638	3.3	266,107	266,237	--
Noninterest-bearing deposits	492	575	(14.4)	351	388	(9.5)	37,388	36,020	3.8
Interest-bearing deposits	102	94	8.5	3,362	5,701	(41.0)	125,832	124,508	1.1
Total deposits	594	669	(11.2)	3,713	6,089	(39.0)	163,220	160,528	1.7
Total U.S. Bancorp shareholders' equity	4,617	4,581	.8	9,135	7,612	20.0	28,202	26,819	5.2

* Preliminary data

** Not meaningful

U.S. Bancorp

Line of Business Financial Performance*

Six Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking Jun 30, 2009	Wholesale Banking Jun 30, 2008	Wholesale Banking Percent Change	Consumer Banking Jun 30, 2009	Consumer Banking Jun 30, 2008	Consumer Banking Percent Change	Wealth Management & Securities Services Jun 30, 2009	Wealth Management & Securities Services Jun 30, 2008	Wealth Management & Securities Services Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$1,069	$964	10.9 %	$1,994	$1,886	5.7 %	$183	$205	(10.7) %
Noninterest income	457	435	5.1	1,453	1,166	24.6	604	695	(13.1)
Securities gains (losses), net	(3)	(11)	72.7	--	--	--	--	--	--
Total net revenue	1,523	1,388	9.7	3,447	3,052	12.9	787	900	(12.6)
Noninterest expense	534	516	3.5	1,805	1,546	16.8	446	464	(3.9)
Other intangibles	12	7	71.4	47	29	62.1	34	40	(15.0)
Total noninterest expense	546	523	4.4	1,852	1,575	17.6	480	504	(4.8)
Income before provision and income taxes	977	865	12.9	1,595	1,477	8.0	307	396	(22.5)
Provision for credit losses	781	22	**	994	600	65.7	13	3	**
Income before income taxes	196	843	(76.7)	601	877	(31.5)	294	393	(25.2)
Income taxes and taxable-equivalent adjustment	71	307	(76.9)	219	319	(31.3)	107	143	(25.2)
Net income	125	536	(76.7)	382	558	(31.5)	187	250	(25.2)
Net (income) loss attributable to noncontrolling interests	1	--	**	--	--	--	--	--	--
Net income attributable to U.S. Bancorp	$126	$536	(76.5)	$382	$558	(31.5)	$187	$250	(25.2)
Average Balance Sheet Data									
Loans	$63,548	$57,426	10.7 %	$96,836	$79,904	21.2 %	$3,887	$4,303	(9.7) %
Other earning assets	114	311	(63.3)	5,930	4,577	29.6	109	70	55.7
Goodwill	1,475	1,356	8.8	3,167	2,419	30.9	1,562	1,563	(.1)
Other intangible assets	97	40	**	1,528	1,611	(5.2)	273	346	(21.1)
Assets	68,388	62,604	9.2	110,222	90,915	21.2	6,258	6,677	(6.3)
Noninterest-bearing deposits	16,794	10,531	59.5	14,044	11,900	18.0	4,967	4,279	16.1
Interest-bearing deposits	31,766	29,518	7.6	71,949	56,721	26.8	16,835	13,100	28.5
Total deposits	48,560	40,049	21.3	85,993	68,621	25.3	21,802	17,379	25.5
Total U.S. Bancorp shareholders' equity	5,597	6,050	(7.5)	6,804	5,689	19.6	2,136	2,307	(7.4)

Six Months Ended (Dollars in Millions, Unaudited)	Payment Services Jun 30, 2009	Payment Services Jun 30, 2008	Payment Services Percent Change	Treasury and Corporate Support Jun 30, 2009	Treasury and Corporate Support Jun 30, 2008	Treasury and Corporate Support Percent Change	Consolidated Company Jun 30, 2009	Consolidated Company Jun 30, 2008	Consolidated Company Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$555	$493	12.6 %	$398	$190	** %	$4,199	$3,738	12.3 %
Noninterest income	1,411	1,461	(3.4)	135	493	(72.6)	4,060	4,250	(4.5)
Securities gains (losses), net	--	--	--	(214)	(303)	29.4	(217)	(314)	30.9
Total net revenue	1,966	1,954	.6	319	380	(16.1)	8,042	7,674	4.8
Noninterest expense	678	664	2.1	351	233	50.6	3,814	3,423	11.4
Other intangibles	93	98	(5.1)	--	--	--	186	174	6.9
Total noninterest expense	771	762	1.2	351	233	50.6	4,000	3,597	11.2
Income before provision and income taxes	1,195	1,192	.3	(32)	147	**	4,042	4,077	(.9)
Provision for credit losses	925	457	**	--	(1)	**	2,713	1,081	**
Income before income taxes	270	735	(63.3)	(32)	148	**	1,329	2,996	(55.6)
Income taxes and taxable-equivalent adjustment	98	266	(63.2)	(196)	(113)	(73.5)	299	922	(67.6)
Net income	172	469	(63.3)	164	261	(37.2)	1,030	2,074	(50.3)
Net (income) loss attributable to noncontrolling interests	(12)	(13)	7.7	(19)	(21)	9.5	(30)	(34)	11.8
Net income attributable to U.S. Bancorp	$160	$456	(64.9)	$145	$240	(39.6)	$1,000	2,040	(51.0)
Average Balance Sheet Data									
Loans	$19,439	$16,712	16.3 %	$1,076	$806	33.5 %	$184,786	$159,151	16.1 %
Other earning assets	166	166	--	43,681	45,277	(3.5)	50,000	50,401	(.8)
Goodwill	2,296	2,363	(2.8)	--	--	--	8,500	7,701	10.4
Other intangible assets	884	1,026	(13.8)	4	1	**	2,786	3,024	(7.9)
Assets	23,718	21,465	10.5	57,585	57,787	(.3)	266,171	239,448	11.2
Noninterest-bearing deposits	533	479	11.3	369	296	24.7	36,707	27,485	33.6
Interest-bearing deposits	98	53	84.9	4,525	6,456	(29.9)	125,173	105,848	18.3
Total deposits	631	532	18.6	4,894	6,752	(27.5)	161,880	133,333	21.4
Total U.S. Bancorp shareholders' equity	4,599	4,536	1.4	8,378	3,317	**	27,514	21,899	25.6

* Preliminary data

** Not meaningful

Supplemental Credit Schedules

2Q 2009

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$2,687	$2,802	$2,923	$3,042	$3,128
Nonperforming loans	112	93	87	66	46
Delinquency Ratios					
30-89 days past due	7.44 %	6.10 %	8.14 %	6.15 %	4.54 %
90 days or more past due	5.36	5.78	4.86	4.21	3.45
Nonperforming loans	4.17	3.32	2.98	2.17	1.47
Other Borrowers					
Loans outstanding	$7,070	$7,040	$6,944	$6,865	$6,845
Nonperforming loans	111	80	71	47	26
Delinquency Ratios					
30-89 days past due	2.35 %	1.97 %	2.20 %	1.65 %	1.11 %
90 days or more past due	2.08	2.23	1.66	1.24	.98
Nonperforming loans	1.57	1.14	1.02	.68	.38
OTHER RETAIL DIVISIONS					
Loans outstanding	$14,213	$14,180	$13,713	$13,434	$13,328
Nonperforming loans	101	66	52	42	36
Delinquency Ratios					
30-89 days past due	1.31 %	1.18 %	1.06 %	.88 %	.82 %
90 days or more past due	1.51	1.18	.80	.74	.59
Nonperforming loans	.71	.47	.38	.31	.27

	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$43	$35	$38	$33	$25
Net charge-off ratio	6.34 %	5.00 %	5.10 %	4.28 %	3.19 %
Other Borrowers					
Net charge-offs	$51	$38	$33	$27	$17
Net charge-off ratio	2.91 %	2.18 %	1.90 %	1.56 %	1.00 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$22	$18	$13	$11	$11
Net charge-off ratio	.62 %	.52 %	.38 %	.33 %	.33 %

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)

June 30, 2009	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	$2,687	11 %	624	83 %
Other borrowers	7,070	30	731	83
Other Retail Divisions	14,213	59	733	68
Total	$23,970	100 %	720	74 %

Three Months Ended June 30, 2009	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$8	645	61 %
Other borrowers	390	751	74
Other Retail Divisions	464	747	66
Total	$862	747	69 %

June 30, 2009	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	$210	7.8 %	$9	4.3 %
Florida	178	6.6	21	11.8
Pennsylvania	154	5.7	6	3.9
Tennessee	144	5.4	2	1.4
Missouri	126	4.7	2	1.6
Other	1,875	69.8	72	3.8
Total	$2,687	100.0 %	$112	4.2 %
Other Borrowers				
California	$740	10.5 %	$10	1.4 %
Minnesota	662	9.4	9	1.4
Colorado	538	7.6	8	1.5
Washington	436	6.2	6	1.4
Missouri	435	6.1	3	.7
Other	4,259	60.2	75	1.8
Total	$7,070	100.0 %	$111	1.6 %
Other Retail Divisions				
Minnesota	$1,344	9.5 %	$10	.7 %
California	1,143	8.0	15	1.3
Colorado	948	6.7	3	.3
Ohio	932	6.6	5	.5
Illinois	902	6.3	6	.7
Other	8,944	62.9	62	.7
Total	$14,213	100.0 %	$101	.7 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$678	$708	$739	$783	$793
Nonperforming loans	1	--	1	--	1
Delinquency Ratios					
30-89 days past due	5.16 %	4.24 %	6.22 %	4.85 %	4.04 %
90 days or more past due	3.83	4.52	3.92	3.45	3.03
Nonperforming loans	.15	--	.14	--	.13
Other Borrowers					
Loans outstanding	$1,785	$1,728	$1,423	$1,361	$1,305
Nonperforming loans	5	11	2	3	2
Delinquency Ratios					
30-89 days past due	1.51 %	1.33 %	1.69 %	1.40 %	1.23 %
90 days or more past due	1.40	1.33	1.55	.96	1.07
Nonperforming loans	.28	.64	.14	.22	.15
OTHER RETAIL DIVISIONS					
Loans outstanding	$16,865	$16,765	$17,015	$16,063	$15,438
Nonperforming loans	21	19	11	10	8
Delinquency Ratios					
30-89 days past due	.69 %	.64 %	.59 %	.44 %	.41 %
90 days or more past due	.51	.40	.32	.28	.23
Nonperforming loans	.12	.11	.06	.06	.05

	Three Months Ended				
	June 30, 2009	March 31, 2009	December 31, 2008	September 30, 2008	June 30, 2008
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$22	$19	$21	$20	$25
Net charge-off ratio	12.84 %	10.81 %	11.05 %	10.23 %	12.44 %
Other Borrowers					
Net charge-offs	$21	$18	$10	$11	$10
Net charge-off ratio	4.76 %	4.28 %	2.84 %	3.22 %	3.29 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$40	$33	$21	$17	$13
Net charge-off ratio	.95 %	.80 %	.51 %	.43 %	.35 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)

June 30, 2009	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	$678	4 %	654	91 %
Other borrowers	1,785	9	731	83
Other Retail Divisions	16,865	87	748	72
Total	$19,328	100 %	743	73 %

Three Months Ended June 30, 2009	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$18	678	81 %
Other borrowers	159	754	73
Other Retail Divisions	1,296	772	66
Total	$1,473	769	67 %

June 30, 2009	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	$61	9.0 %	$ --	-- %
Colorado	52	7.7	--	--
Minnesota	51	7.5	--	--
Washington	41	6.0	--	--
Missouri	37	5.5	--	--
Other	436	64.3	1	.2
Total	$678	100.0 %	$1	.1 %
Other Borrowers				
California	$446	25.0 %	$2	.4 %
Colorado	183	10.3	1	.5
Minnesota	140	7.8	--	--
Washington	131	7.3	--	--
Oregon	75	4.2	--	--
Other	810	45.4	2	.2
Total	$1,785	100.0 %	$5	.3 %
Other Retail Divisions				
Minnesota	$2,986	17.7 %	$2	.1 %
California	2,326	13.8	4	.2
Colorado	1,361	8.1	1	.1
Oregon	1,270	7.5	1	.1
Washington	1,257	7.5	1	.1
Other	7,665	45.4	12	.2
Total	$16,865	100.0 %	$21	.1 %