U.S. Bancorp

1Q10 Earnings Conference Call

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Chairman, President and CEO

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April 20, 2010

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Forward-looking Statements and Additional Information

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

This presentation contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which could adversely affect our revenues and the values of our assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional credit losses and deterioration in asset values. In addition, 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, 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.

For discussion of these and other risks that may cause actual results to differ from expectations, refer to U.S. Bancorp's Annual Report on Form 10-K for the year ended December 31, 2009, on file with the Securities and Exchange Commission, including the sections entitled "Risk Factors" and "Corporate Risk Profile" contained in Exhibit 13, and all subsequent filings with the Securities and Exchange Commission under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events.

This presentation includes non-GAAP financial measures to describe U.S. Bancorp's performance. The reconciliations of those measures to GAAP measures are provided within or in the appendix of the presentation. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.

1Q10 Highlights

- ✓ Net income of $669 million; $.34 per diluted common share
- ✓ Total net revenue of $4.3 billion, up 11.3% vs. 1Q09
- ✓ Achieved positive operating leverage vs. 4Q09; industry leading efficiency ratio of 49.0%
- ✓ Strong average deposit growth of 13.7% (4.5% excluding acquisitions) and average loan growth of 3.9% (decline of 2.9% excluding acquisitions) vs. 1Q09
- ✓ Net charge-offs and nonperforming assets (excluding covered assets) increased at a moderating rate; provision for credit losses declined for the second consecutive quarter, lowest level since 4Q08
- ✓ Early and late stage loan delinquencies (excluding nonperforming loans) as a percentage of ending loan balances declined for all major loan categories on a linked quarter basis
- ✓ Capital generation continues to strengthen capital position
  - Tier 1 capital ratio of 9.9%
  - Tier 1 common equity ratio of 7.1%

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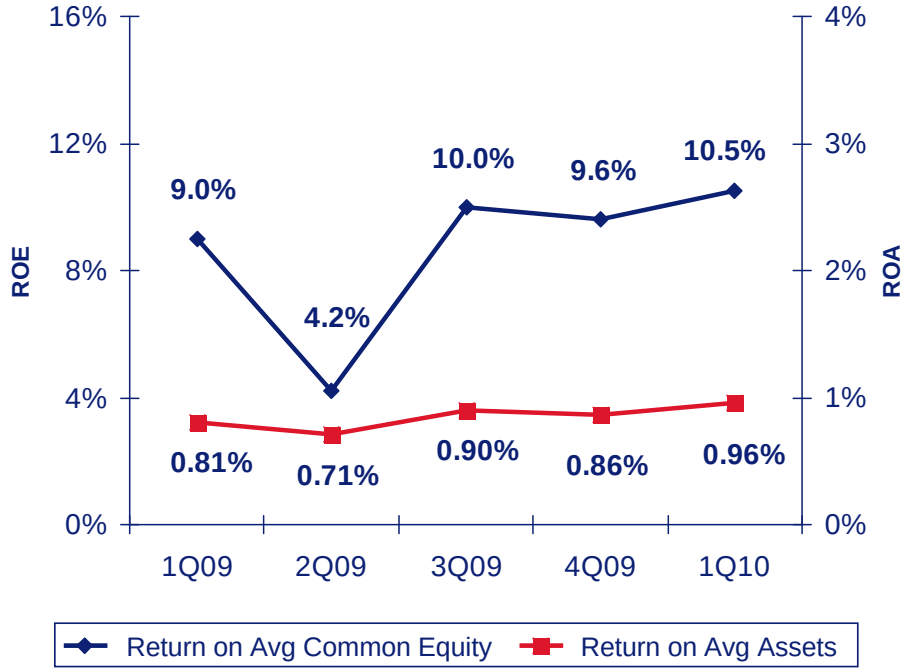
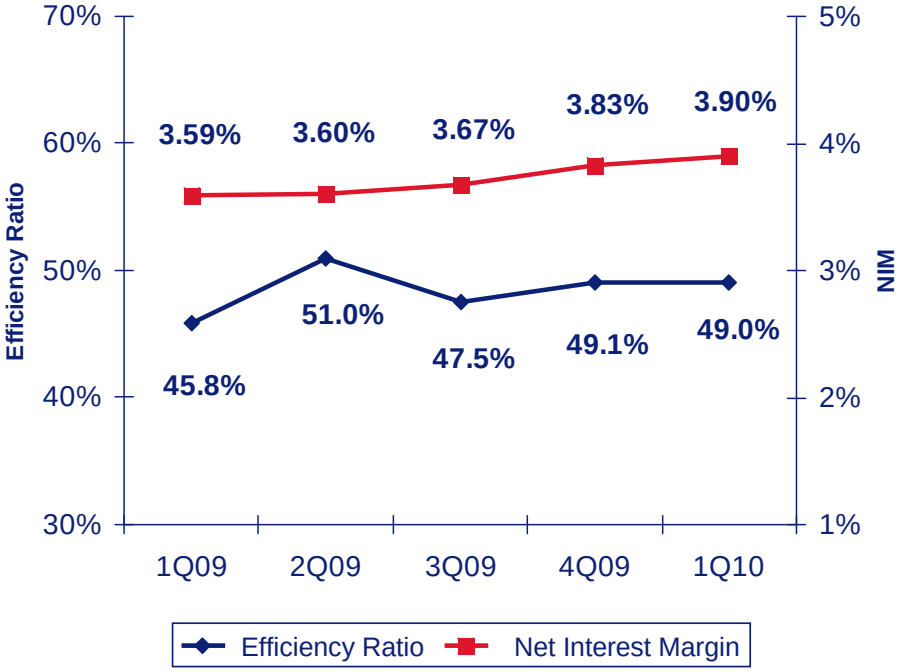
Performance Ratios

ROE and ROA



Efficiency Ratio and Net Interest Margin



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

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Capital Position

$ in billions

	1Q09	2Q09	3Q09	4Q09	1Q10
Shareholders' equity	$ 27.2	$ 24.2	$ 25.2	$ 26.0	$ 26.7
Tier 1 capital	25.3	21.7	22.0	22.6	23.3
Total risk-based capital	33.5	30.0	30.1	30.5	30.9
Tier 1 capital ratio	10.9%	9.4%	9.5%	9.6%	9.9%
Tier 1 common equity ratio	5.4%	6.7%	6.8%	6.8%	7.1%
Total risk-based capital ratio	14.4%	13.0%	13.0%	12.9%	13.2%
Leverage ratio	9.8%	8.4%	8.6%	8.5%	8.6%
Tangible common equity ratio	3.8%	5.1%	5.4%	5.3%	5.6%
Tangible common equity as a percent of risk-weighted assets	4.2%	5.7%	6.0%	6.1%	6.5%

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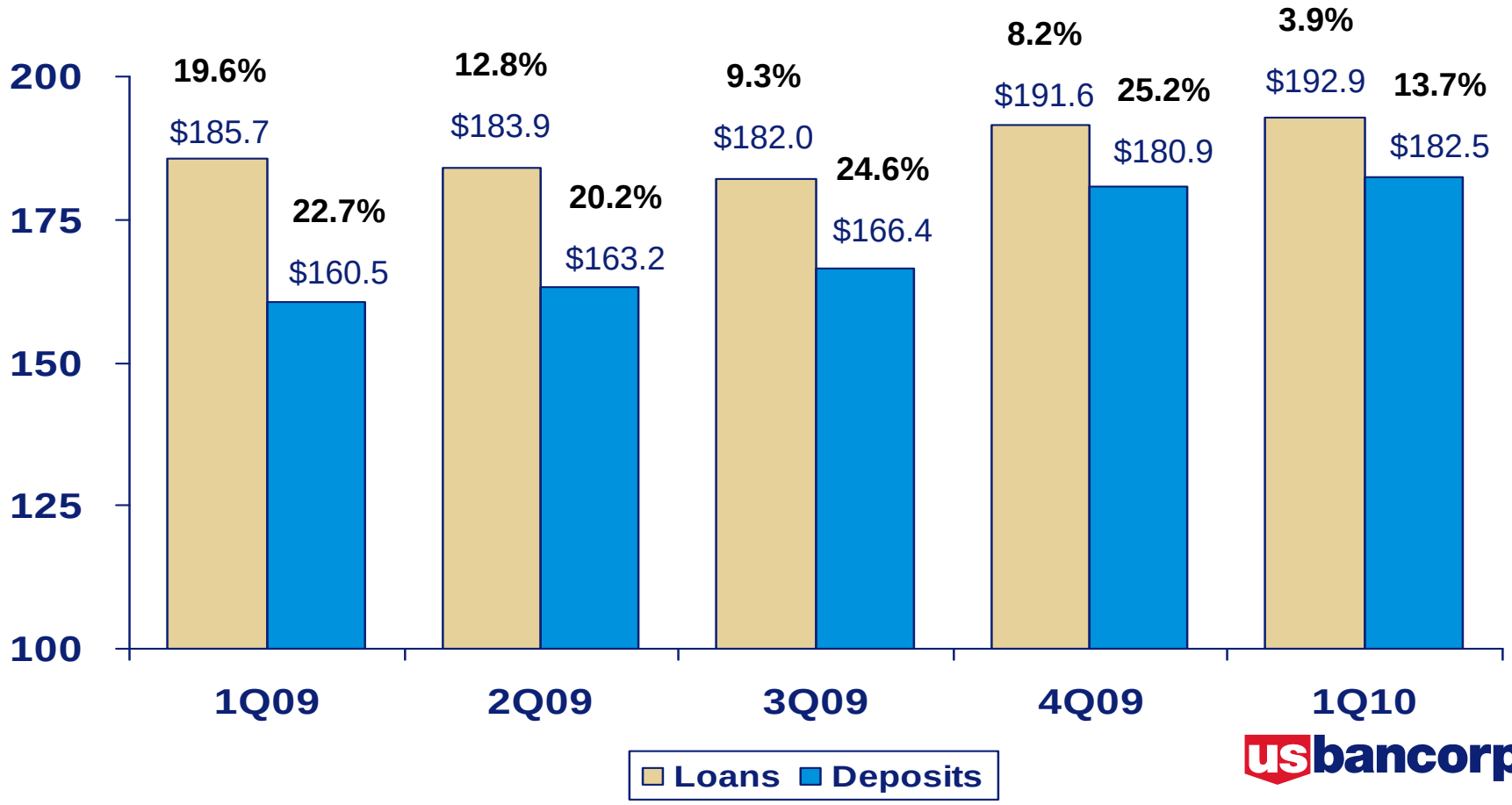
Loan and Deposit Growth

$ in billions

Average Balances
Year-Over-Year Growth

1Q10 Acquisition Adjusted
Loan Growth = (2.9%)
Deposit Growth = 4.5%



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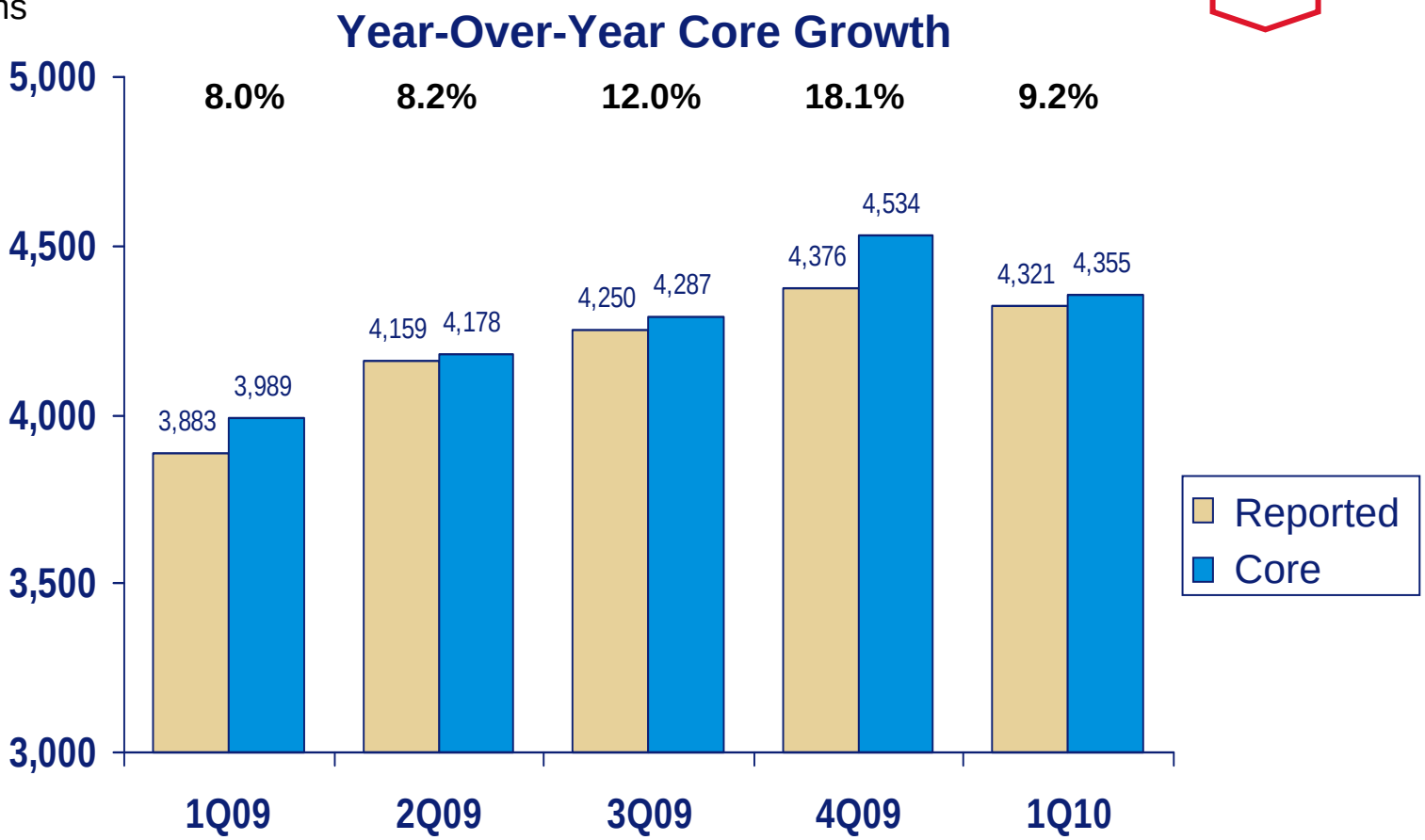
Revenue Growth

$ in millions



Significant Items Excluded for Core Basis	1Q09	2Q09	3Q09	4Q09	1Q10
Valuation losses	$ (198)	$ (19)	$ (76)	$ (158)	$ (34)
Other non-operating gains	92	-	39	-	-
Total	$ (106)	$ (19)	$ (37)	$ (158)	$ (34)

Taxable-equivalent basis

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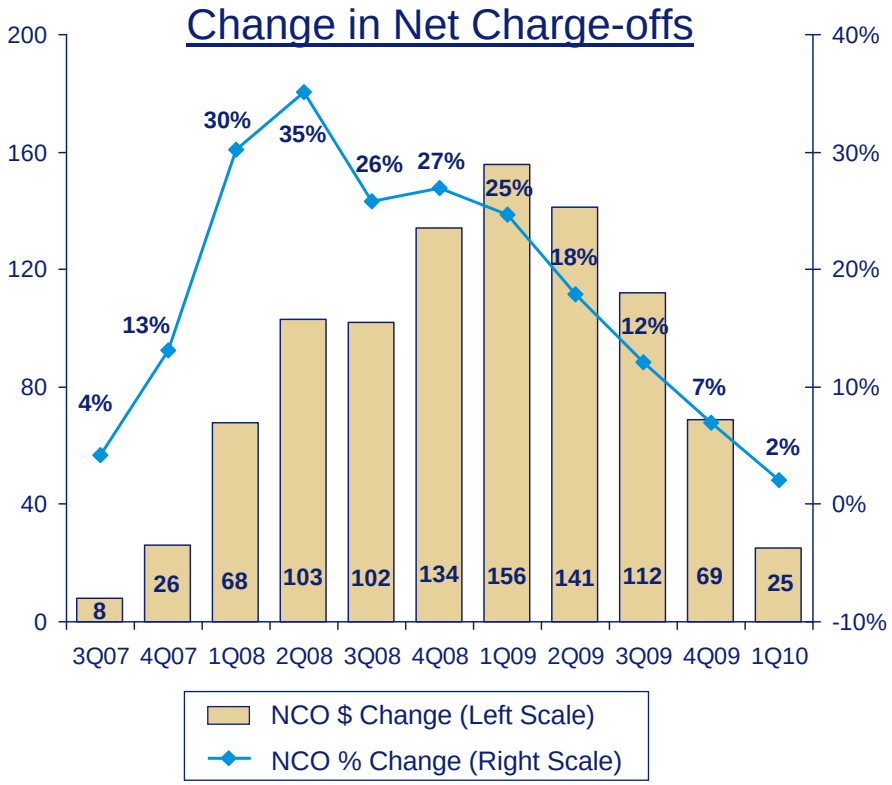
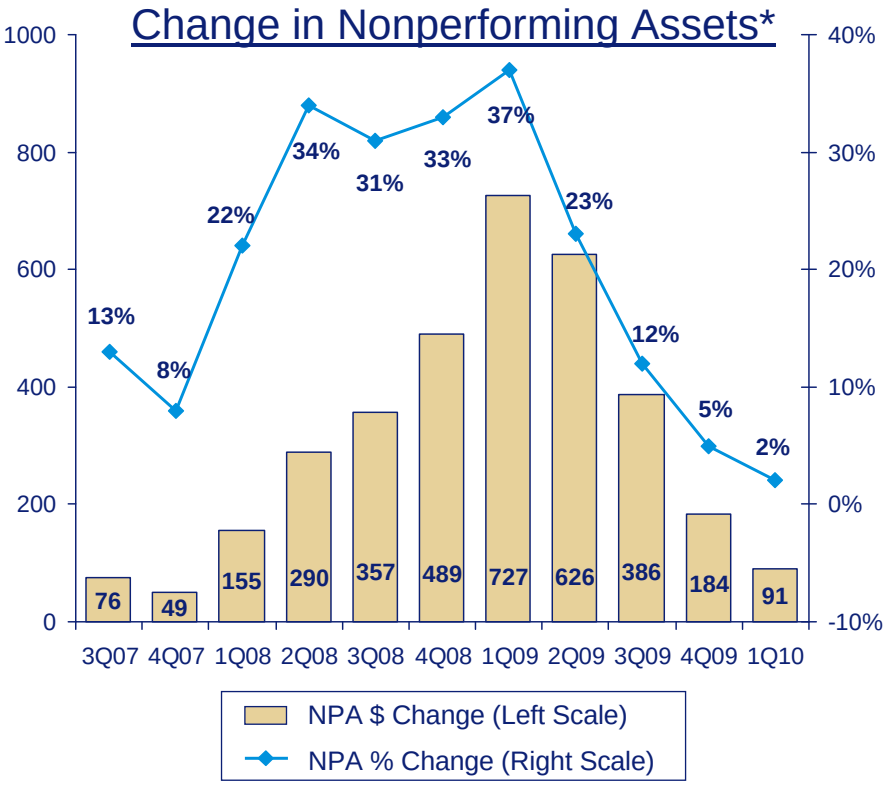
Credit Quality

- ✓ The Company expects the level of Net Charge-offs and Nonperforming Assets, excluding covered assets, to remain relatively stable during 2Q10





$ in millions, linked quarter change
* Excluding Covered Assets (assets subject to loss sharing agreements with FDIC)

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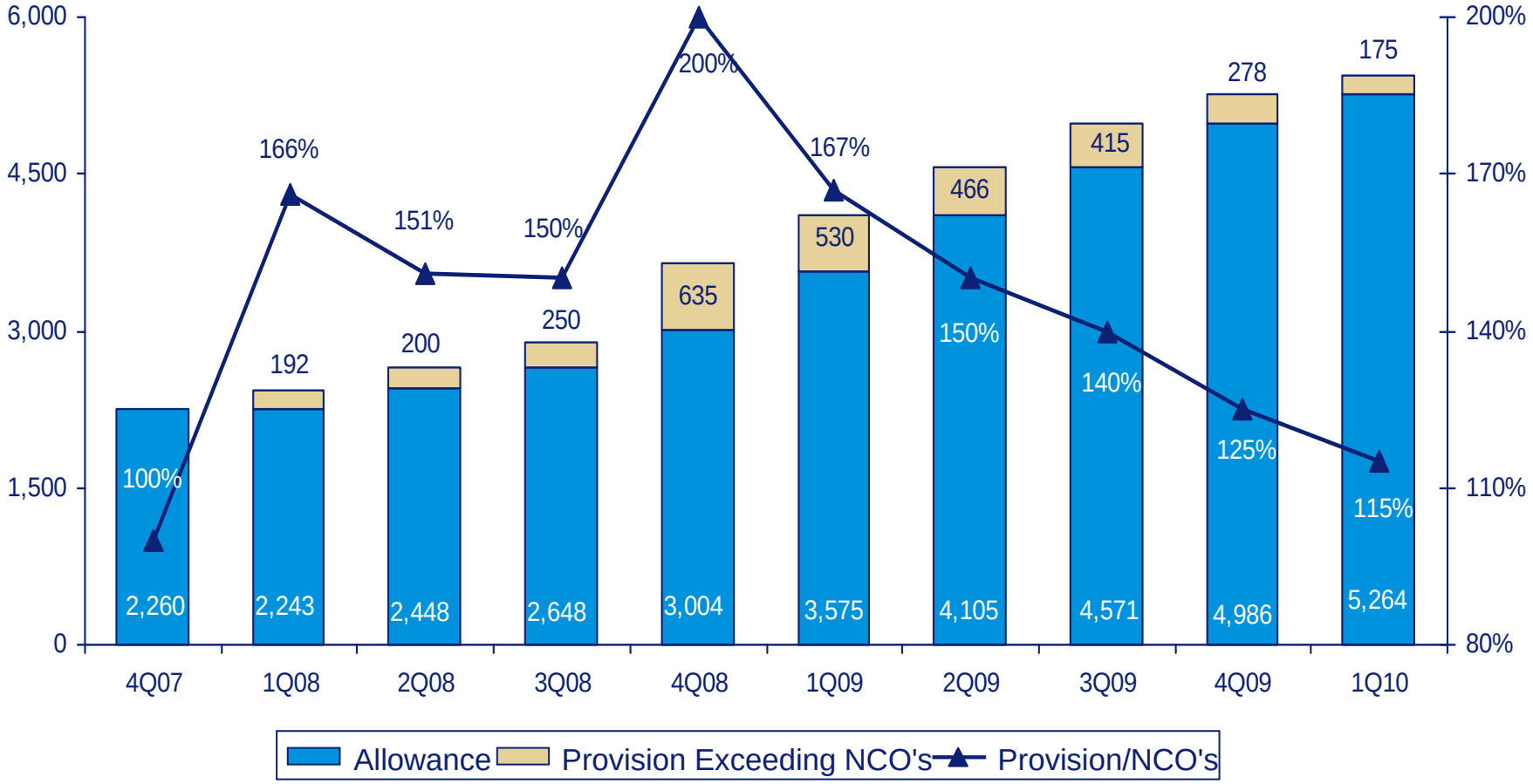
Credit Quality - Reserves

$ in millions

Allowance for Credit Losses



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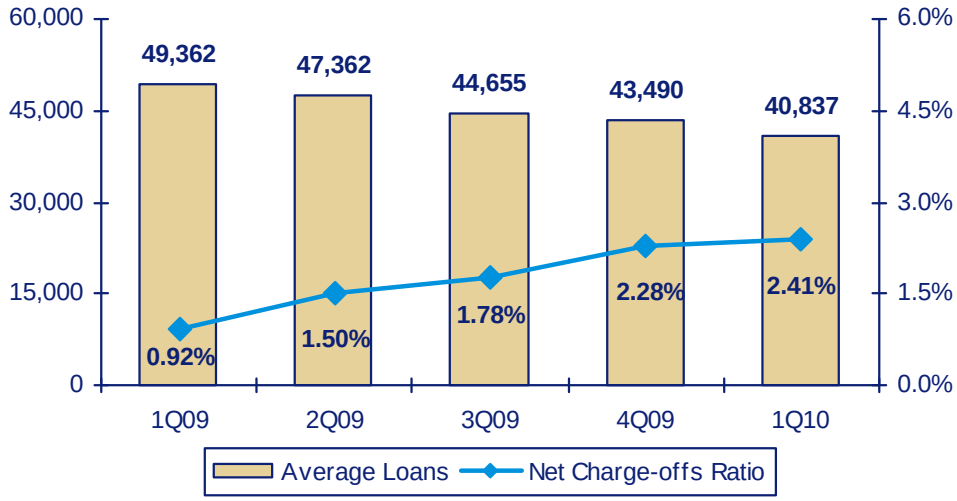
Credit Quality - Commercial Loans

$ in millions

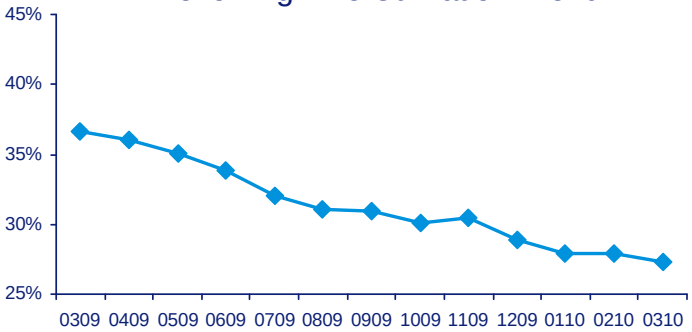
Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	49,362	43,490	40,837
30-89 Delinquencies	1.05%	1.02%	0.91%
90+ Delinquencies	0.22%	0.25%	0.21%
Nonperforming Loans	1.35%	2.05%	1.90%

Revolving Line Utilization Trend



Comments

- ✓ Utilization continues to decline resulting in a $1.5 billion decline in average balances for the quarter
- ✓ Delinquencies and nonperforming loans are down for the quarter
- ✓ Asset quality measures are improving

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Credit Quality - Commercial Leases

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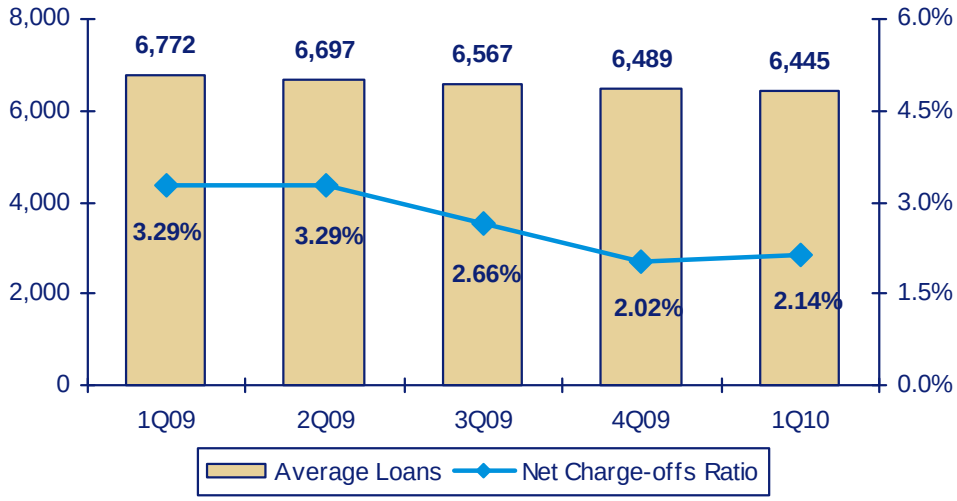
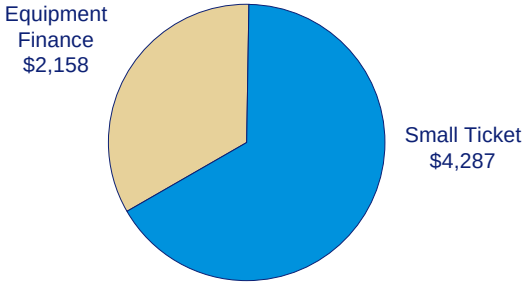
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	6,772	6,489	6,445
30-89 Delinquencies	2.94%	2.07%	1.91%
90+ Delinquencies	--%	--%	--%
Nonperforming Loans	1.75%	1.91%	1.77%



Comments

✓ Delinquency and nonperforming levels continue to decline as net charge-offs stabilize

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Credit Quality - Commercial Real Estate

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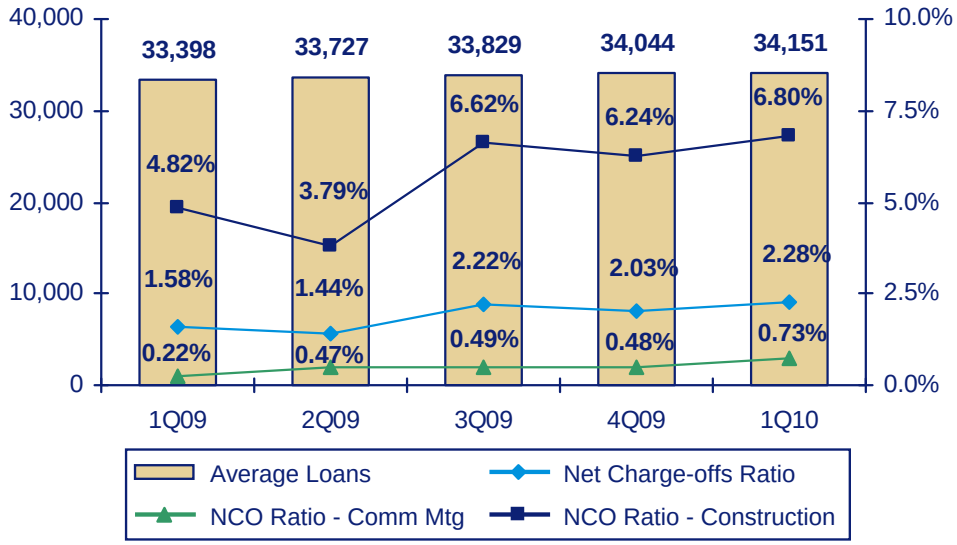
$ in millions

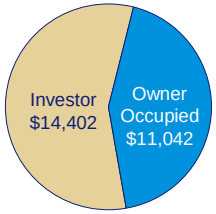
Average Loans and Net Charge-offs Ratios



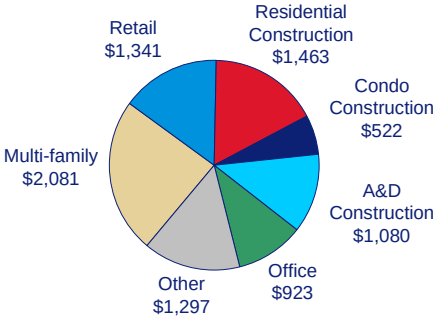
Key Statistics

	1Q09	4Q09	1Q10
Average Loans	33,398	34,044	34,151
30-89 Delinquencies	2.90%	1.49%	1.44%
90+ Delinquencies	0.07%	0.02%	0.01%
Nonperforming Loans	3.80%	5.20%	5.36%

CRE Mortgage



CRE Construction



Comments

- ✓ The key credit statistics for CRE mortgage portfolio remain strong and reflect stable trends
- ✓ Residential construction (including condo) has declined from $4.7 billion in 3Q07 to $2.0 billion in 1Q10
- ✓ CRE construction delinquencies have improved significantly year over year, net charge-offs have stabilized, but remain elevated; property values are stabilizing

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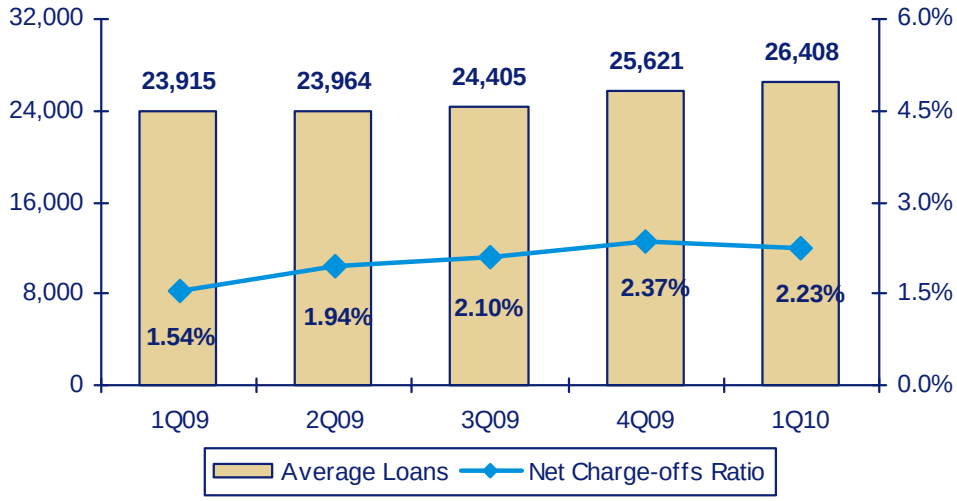
Credit Quality - Residential Mortgage

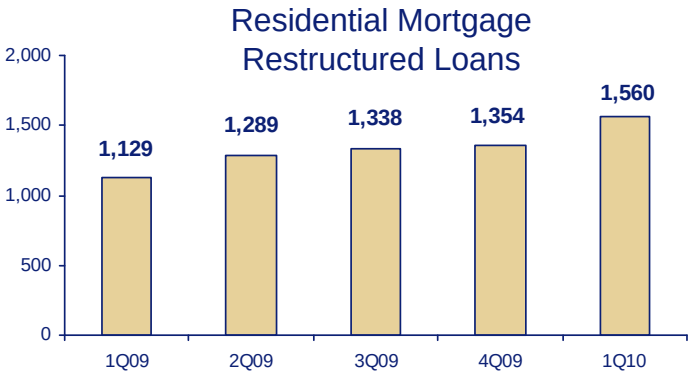
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	23,915	25,621	26,408
30-89 Delinquencies	1.99%	2.36%	1.96%
90+ Delinquencies	2.03%	2.80%	2.26%
Nonperforming Loans	0.99%	1.79%	2.07%



Comments

- ✓ Successfully modified 4,611 loans under the HAMP program (owned and serviced), representing $1.0B
- ✓ Significant improvement in both early and late stage delinquencies

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Credit Quality - Home Equity

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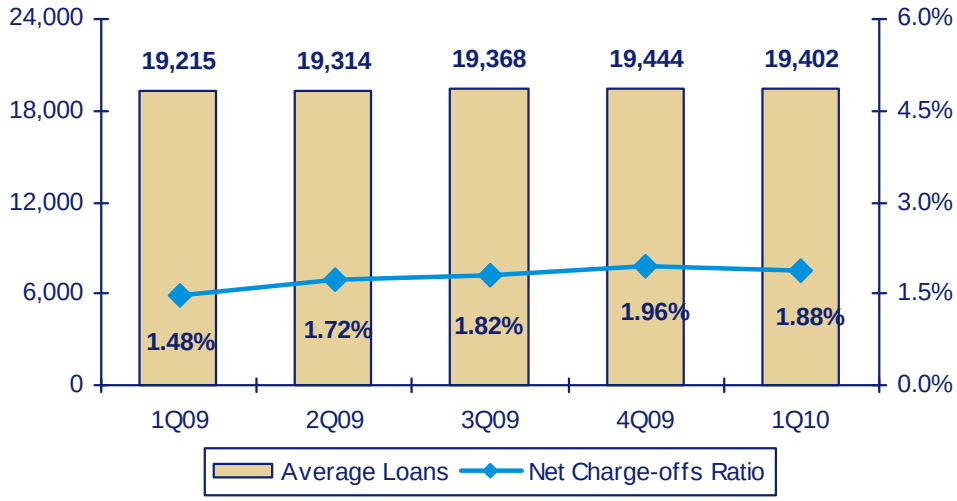
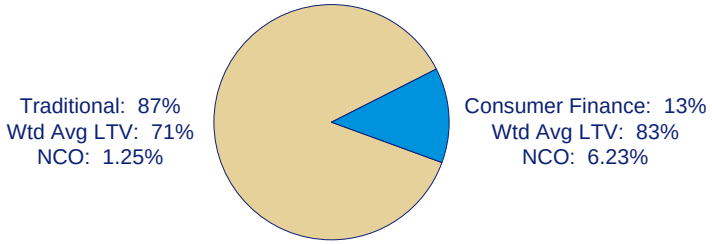
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	19,215	19,444	19,402
30-89 Delinquencies	0.83%	0.93%	0.85%
90+ Delinquencies	0.64%	0.78%	0.69%
Nonperforming Loans	0.16%	0.16%	0.17%



Comments

- ✓ Strong credit quality portfolio (weighted average FICO 745, CTLV 73%) originated primarily through the retail branch network to existing bank customers on their primary residence
- ✓ Historically low and stable utilization rates, currently at 49%
- ✓ Overall credit losses and delinquencies declined on a linked quarter basis

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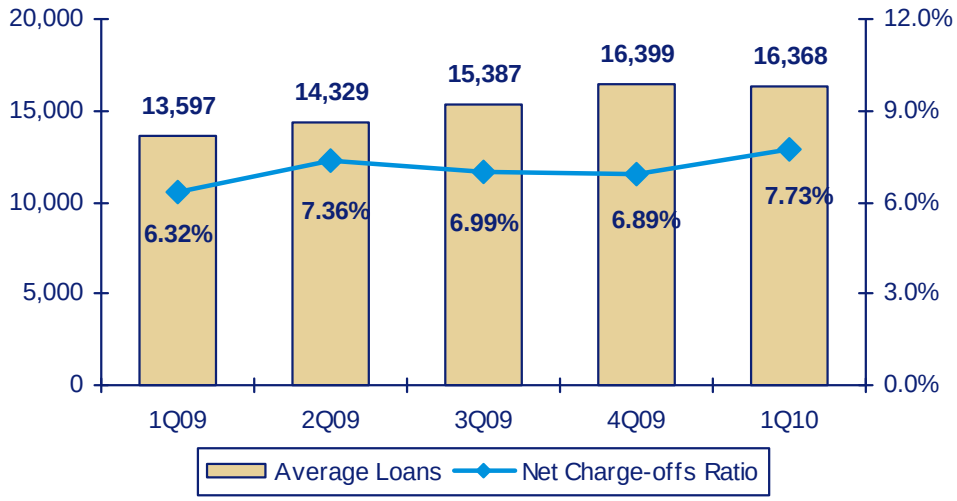
Credit Quality - Credit Card

$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	13,597	16,399	16,368
30-89 Delinquencies	2.62%	2.38%	2.35%
90+ Delinquencies	2.56%	2.59%	2.57%
Nonperforming Loans	0.66%	0.84%	1.02%

Impact of Acquired Portfolios
Net Charge-off Ratio

	3Q09	4Q09	1Q10
As Reported	6.99%	6.89%	7.73%
Excluding Acquired*	7.30%	7.46%	8.42%

Comments

- ✓ Average loans have decreased slightly on a linked quarter basis and increased 20.4% year over year due to new accounts, balance growth initiatives and portfolio acquisitions
- ✓ Delinquencies have stabilized; outlook is for net charge-offs to stabilize

* Excluding portfolio purchases where the acquired loans were recorded at fair value at the purchase date

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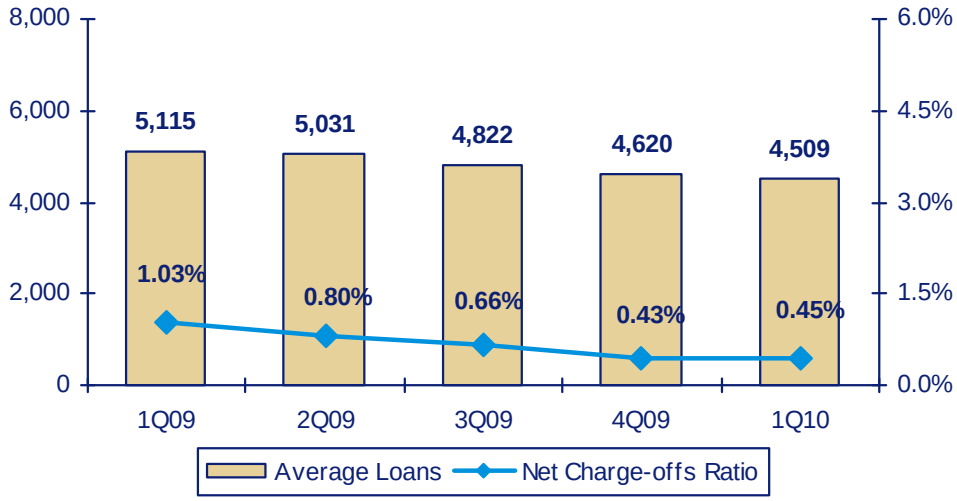
Credit Quality - Retail Leasing

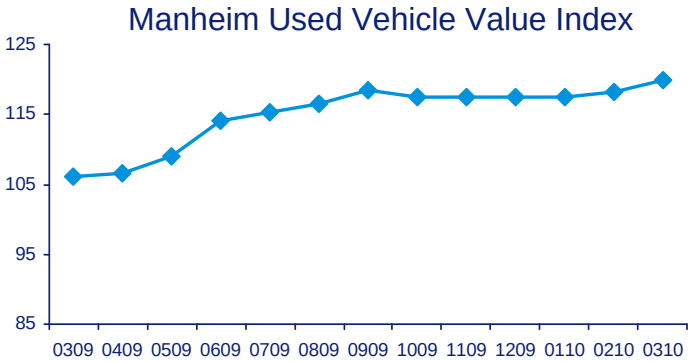
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	5,115	4,620	4,509
30-89 Delinquencies	0.85%	0.74%	0.56%
90+ Delinquencies	0.14%	0.11%	0.07%
Nonperforming Loans	--%	--%	--%



Comments

- ✓ Retail leasing delinquency rates continue to improve
- ✓ Strong used auto values continue to reduce end of term risk and net charge-offs

Manheim used vehicle value index source: www.manheimconsulting.com, January 1995 = 100

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Credit Quality - Other Retail

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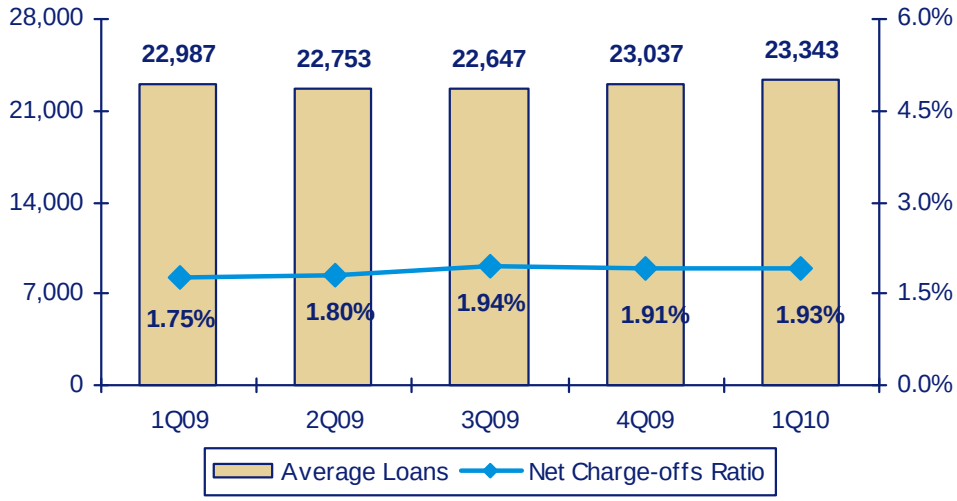
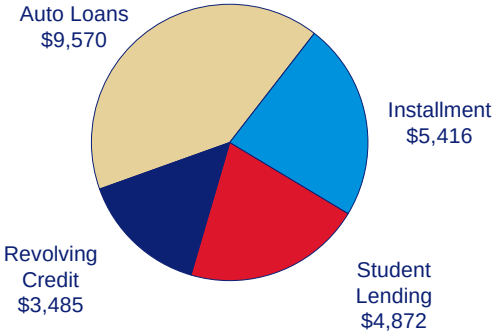
$ in millions

Average Loans and Net Charge-offs Ratios



Key Statistics

	1Q09	4Q09	1Q10
Average Loans	22,987	23,037	23,343
30-89 Delinquencies	1.00%	1.11%	0.89%
90+ Delinquencies	0.39%	0.40%	0.35%
Nonperforming Loans	0.07%	0.13%	0.14%



Comments

- ✓ Overall delinquencies declined on a linked quarter basis
- ✓ Auto loan portfolio net charge-off rate declined to 1.14% in 1Q10, down from 1.17% in 4Q09 and 1.68% in 1Q09

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Earnings Summary

$ in millions, except per-share data

	1Q10	4Q09	1Q09	% B/(W) vs 4Q09	% B/(W) vs 1Q09
Net Interest Income	$ 2,403	$ 2,360	$ 2,095	1.8	14.7
Noninterest Income	1,918	2,016	1,788	(4.9)	7.3
Total Revenue	**4,321**	**4,376**	**3,883**	**(1.3)**	**11.3**
Noninterest Expense	2,136	2,228	1,871	4.1	(14.2)
Operating Income	**2,185**	**2,148**	**2,012**	**1.7**	**8.6**
Net Charge-offs	1,135	1,110	788	(2.3)	(44.0)
Excess Provision	175	278	530	37.1	67.0
Income before Taxes	**875**	**760**	**694**	**15.1**	**26.1**
Applicable Income Taxes	212	158	149	(34.2)	(42.3)
Noncontrolling Interests	6	-	(16)	--	--
Net Income	**669**	**602**	**529**	**11.1**	**26.5**
Preferred Dividends	21	22	110	4.5	80.9
NI to Common	**$ 648**	**$ 580**	**$ 419**	**11.7**	**54.7**
Diluted EPS	$ 0.34	$ 0.30	$ 0.24	13.3	41.7
Average Diluted Shares	1,919	1,917	1,760	(0.1)	(9.0)

Taxable-equivalent basis

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1Q10 Results - Key Drivers

vs. 1Q09

- ✓ Net Revenue growth of 11.3% (9.2% excluding significant items)
  - Net interest income growth of 14.7%; net interest margin of 3.90% vs. 3.59%
  - Noninterest income growth of 7.3% (3.1% excluding significant items)
  - Significant items: net change of $72 million
- ✓ Noninterest expense growth of 14.2% (7.7% excluding acquisitions)
- ✓ Provision for credit losses lower by $8 million
  - Net charge-offs higher by $347 million
  - Provision in excess of credit losses of $175 million; $530 million in 1Q09

vs. 4Q09

- ✓ Net Revenue decline of 1.3% (decline of 3.9% excluding net securities losses)
  - Net interest income growth of 1.8%; net interest margin of 3.90% vs. 3.83%
  - Noninterest income declined 4.9% (decline of 10.2% excluding net securities losses)
  - Significant items: net change of $124 million
- ✓ Noninterest expense decline of 4.1% (decline of 6.7% excluding acquisitions)
- ✓ Provision for credit losses lower by $78 million
  - Net charge-offs higher by $25 million
  - Provision in excess of credit losses of $175 million; $278 million in 4Q09

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Significant Items

$ in millions

	1Q10	4Q09	1Q09
Revenue Items			
Securities gains (losses), net	$ (34)	$ (158)	$ (198)
Other non-operating gains (losses)	-	-	92
Expense Items			
Provision in excess of net charge-offs	175	278	530

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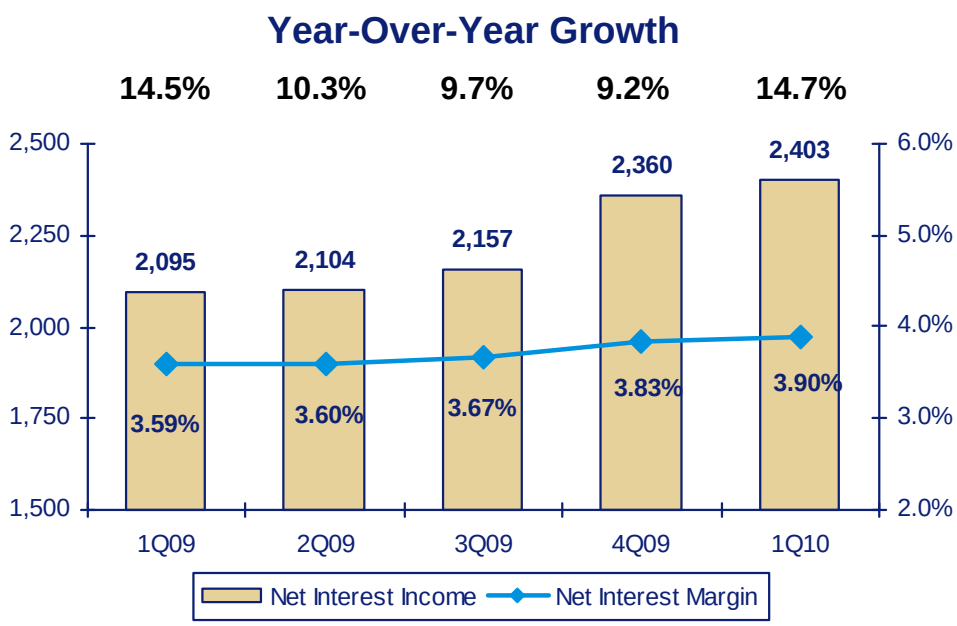
Net Interest Income

$ in millions

Net Interest Income



Key Points

vs. 1Q09

- ✓ Average earning assets grew by $13.5 billion, or 5.7% (0.1% excluding acquisitions)
- ✓ Net interest margin higher by 31 bp (3.90% vs. 3.59%) driven by:
  - Growth in low cost deposits vs. wholesale funding
  - Favorable funding rates

vs. 4Q09

- ✓ Average earning assets grew by $3.4 billion, or 1.4% (decline of 0.2% excluding acquisitions)
- ✓ Net interest margin higher by 7 bp (3.90% vs. 3.83%) driven by:
  - Growth in low cost deposits
  - Favorable funding rates

Taxable-equivalent basis

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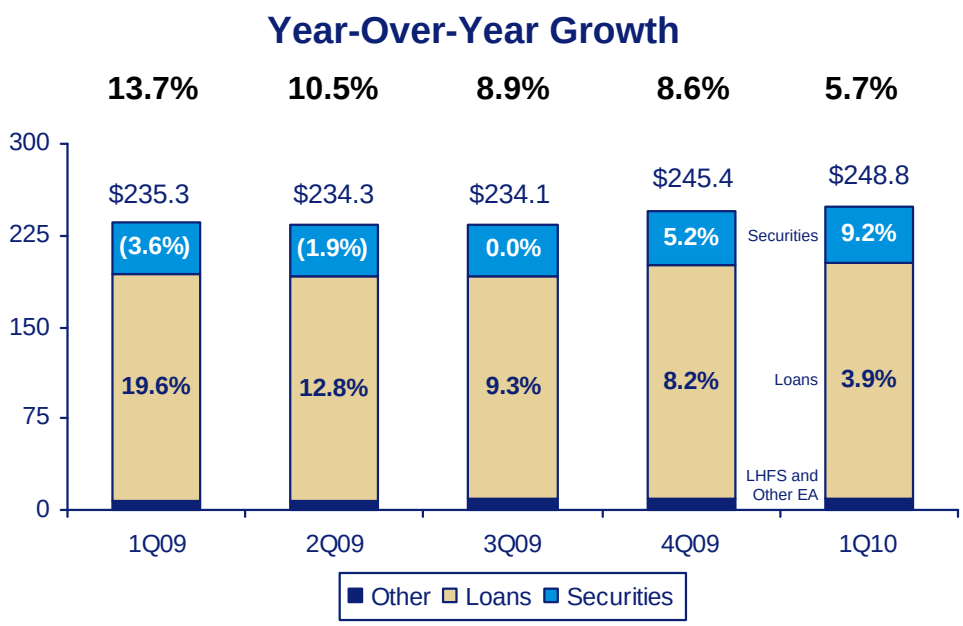
Average Earning Assets

$ in billions

Average Earning Assets



Key Points

vs. 1Q09

- ✓ Average earning assets grew by $13.5 billion, or 5.7% (0.1% excluding acquisitions)
- ✓ Average total loans grew by $7.2 billion, or 3.9% (decline of 2.9% excluding acquisitions)
- ✓ Average investment securities grew by $3.9 billion, or 9.2%

vs. 4Q09

- ✓ Average earning assets grew by $3.4 billion, or 1.4% (decline of 0.2% excluding acquisitions)
- ✓ Average total loans grew by $1.3 billion, or 0.6% (decline of 1.4% excluding acquisitions)
- ✓ Average investment securities grew by $2.1 billion, or 4.7%

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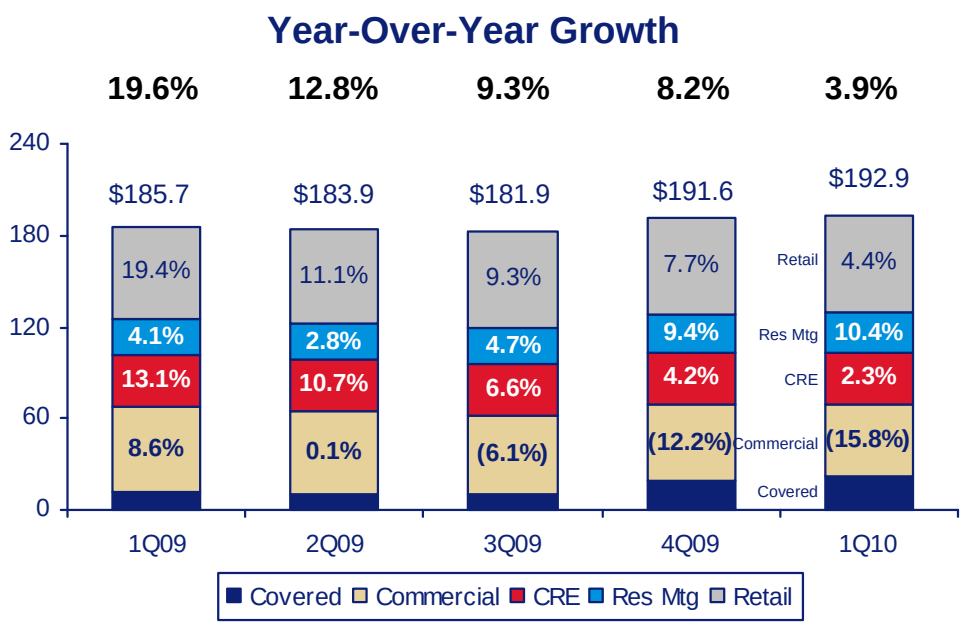
Average Loans

$ in billions

Average Loans



Key Points

vs. 1Q09

- ✓ Average total loans grew by $7.2 billion, or 3.9% (decline of 2.9% excluding acquisitions)
- ✓ Average total commercial loans declined $8.9 billion, or 15.8%, primarily due to reduction in utilization of revolving lines of credit (28% 1Q10 vs. 37% 1Q09) and reduced demand for new loans
- ✓ Acquisition impact primarily in average covered loans which grew by $10.1 billion

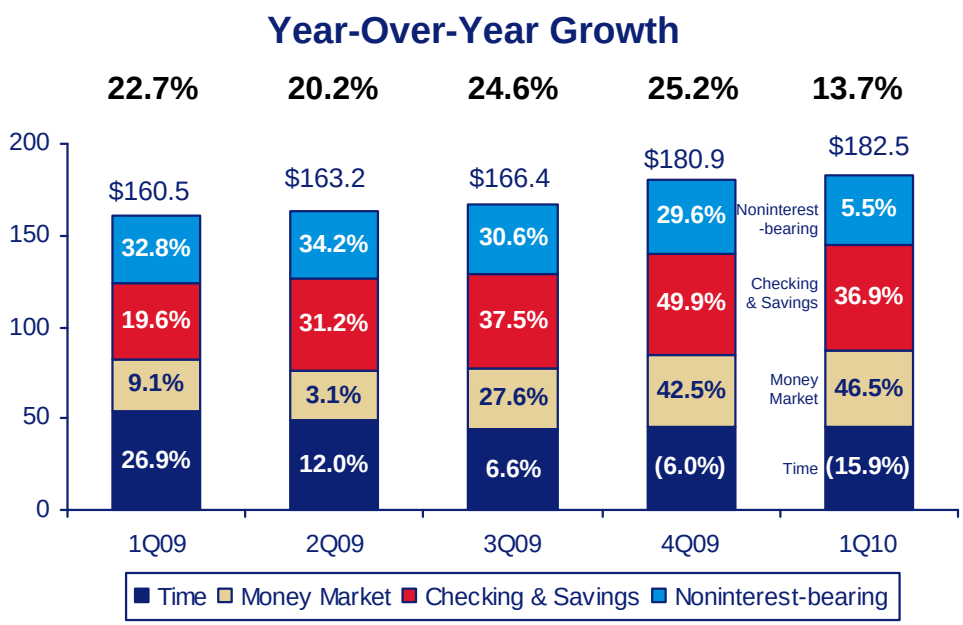
vs. 4Q09

- ✓ Average total loans grew by $1.3 billion, or 0.6% (decline of 1.4% excluding acquisitions)
- ✓ Average total commercial loans declined by $2.7 billion, or 5.4%, primarily due to utilization rates (28% 1Q10 vs. 30% 4Q09) and reduced demand for new loans
- ✓ Average covered loans grew by $2.9 billion, due to acquisition of FBOP Banks (closed October 30, 2009)

Average Deposits

$ in billions

Average Deposits



Key Points

vs. 1Q09

- ✓ Average total deposits grew by $22.0 billion, or 13.7% (4.5% excluding acquisitions)
- ✓ Average low cost deposits (NIB, interest checking, money market and savings), excluding acquisitions, grew $25.0 billion, or 23.5%
- ✓ Growth in low cost deposits led to reduction in wholesale time deposits, contributing to net interest margin expansion

vs. 4Q09

- ✓ Average total deposits grew by $1.6 billion, or 0.9% (decline of 1.7% excluding acquisitions)
- ✓ Average low cost deposits, excluding acquisitions, declined by $0.2 billion, or 0.1%

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Noninterest Income

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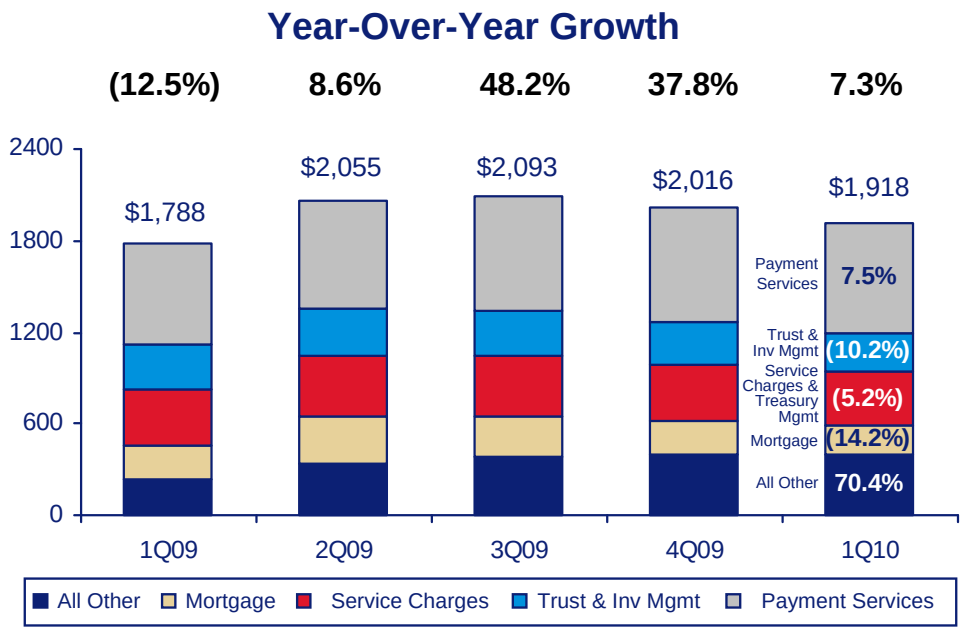
$ in millions

Noninterest Income



Significant Noninterest Income Items

	1Q09	2Q09	3Q09	4Q09	1Q10
Valuation losses	$ (198)	$ (19)	$ (76)	$ (158)	$ (34)
Other non-operating gains	92	-	39	-	-
Total	$ (106)	$ (19)	$ (37)	$ (158)	$ (34)

Payment services = credit and debit card revenue, corporate payment products revenue and merchant processing services

Key Points

vs. 1Q09

- ✓ Noninterest income grew by $130 million, or 7.3% (3.1% excluding significant items), driven by:
  - Payments revenue (7.5% growth)
  - Commercial products revenue (24.8% growth)
  - Higher other revenue
    - Lower end of term lease residual valuation losses
  - Mortgage banking revenue decline of $33 million
    - 33% reduction in production volume
    - Favorable change in MSR hedge ($42 1Q10 vs. $2 1Q09)
- ✓ Significant items, including net securities losses, were favorable by $72 million

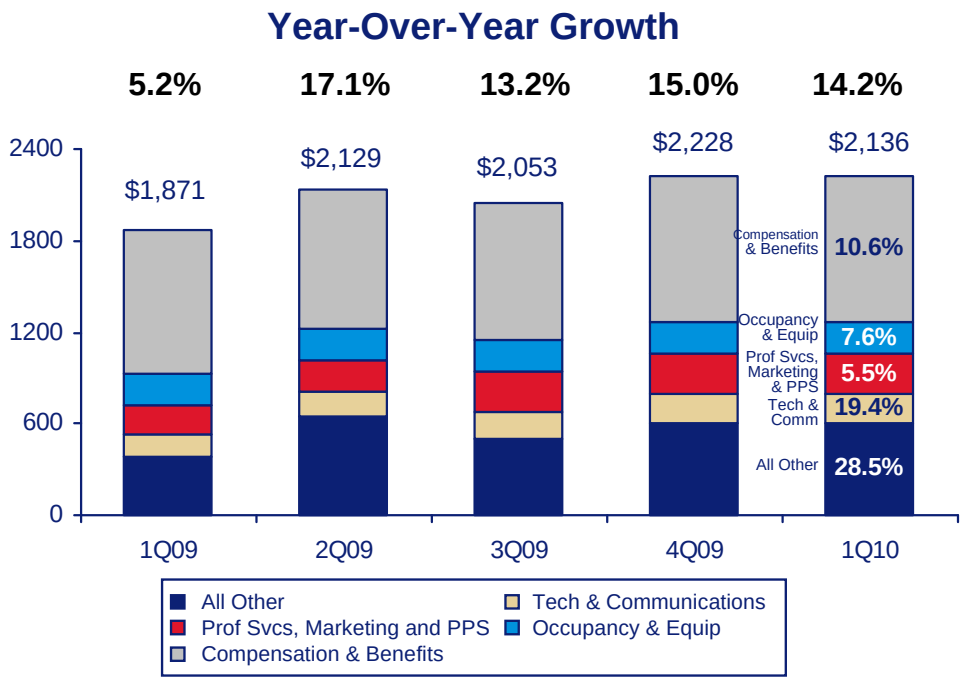
vs. 4Q09

- ✓ Noninterest income was lower by $98 million, or 4.9% (10.2% excluding significant items), driven by:
  - Payments revenue and deposit service charges seasonally lower
  - Mortgage banking revenue decline of $18 million
    - 19% reduction in production volume
  - Lower commercial products revenue and trust & investment management fees
  - Lower other revenue
    - Payment contract termination gain 4Q09
    - Unfavorable change in lease residual valuation losses
- ✓ Significant items, including net securities losses, favorable by $124 million

Noninterest Expense

$ in millions

Noninterest Expense



Significant Noninterest Expense Items	1Q09	2Q09	3Q09	4Q09	1Q10
FDIC special assessment	$ -	$ 123	$ -	$ -	$ -
Total	$ -	$ 123	$ -	$ -	$ -

Key Points

vs. 1Q09

- ✓ Noninterest expense was higher by $265 million, or 14.2% (7.7% excluding acquisitions), majority of variance driven by:
  - Acquisitions ($121 million of increase)
  - Tax credit amortization ($42 million of increase)
  - FDIC expense
  - Other loan expense

vs. 4Q09

- ✓ Noninterest expense was lower by $92 million, or 4.1% (6.7% excluding acquisitions), majority of variance driven by:
  - Tax credit amortization ($58 million of decrease)
  - Marketing and business development ($45 million of decrease)
  - Professional services ($23 million of decrease)
  - Partially offset by acquisition expense ($53 million increase) and compensation and employee benefits (seasonal increase in payroll taxes and incentive accruals and increased pension costs)

Positioned for Growth

Opportunities

- ✓ Core businesses continue to perform
- ✓ Solid capital and liquidity position and strong capital generation
- ✓ Positioned to capitalize on economic recovery
  - "Flight to Quality"
  - Investing for growth – organic initiatives, M&A and joint ventures
  - USB prepared to opportunistically acquire
  - Core businesses are scalable and can be leveraged as the economy recovers

Challenges

- ✓ Credit quality
- ✓ Regulatory / legislative oversight and actions

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Appendix

Non-Regulatory Capital Ratios

$ in millions

	1Q09	2Q09	3Q09	4Q09	1Q10
Total equity	$ 27,942	$ 24,886	$ 25,880	$ 26,661	$ 27,388
Preferred stock	(7,939)	(1,500)	(1,500)	(1,500)	(1,500)
Noncontrolling interests	(719)	(715)	(709)	(698)	(679)
Goodwill (net of deferred tax liability)	(8,001)	(8,035)	(8,161)	(8,482)	(8,374)
Intangible assets (exclude mortgage servicing rights)	(1,516)	(1,479)	(1,604)	(1,657)	(1,610)
Tangible common equity (a)	9,767	13,157	13,906	14,324	15,225
Tier 1 Capital, determined in accordance with prescribed regulatory requirements	25,284	21,710	21,990	22,610	23,278
Trust preferred securities	(4,024)	(4,024)	(4,024)	(4,524)	(4,524)
Preferred stock	(7,939)	(1,500)	(1,500)	(1,500)	(1,500)
Noncontrolling interests, less preferred stock not eligible for Tier 1 capital	(692)	(692)	(692)	(692)	(692)
Tier 1 common equity (b)	12,629	15,494	15,774	15,894	16,562
Total assets	263,624	265,560	265,058	281,176	282,428
Goodwill (net of deferred tax liability)	(8,001)	(8,035)	(8,161)	(8,482)	(8,374)
Intangible assets (exclude mortgage servicing rights)	(1,516)	(1,479)	(1,604)	(1,657)	(1,610)
Tangible assets (c)	254,107	256,046	255,293	271,037	272,444
Risk-weighted assets, determined in accordance with prescribed regulatory requirements (d)	232,043	231,821	231,993	235,233	234,042
Ratios					
Tangible common equity to tangible assets (a)/(c)	3.8%	5.1%	5.4%	5.3%	5.6%
Tier 1 common equity to risk-weighted assets (b)/(d)	5.4%	6.7%	6.8%	6.8%	7.1%
Tangible common equity to risk-weighted assets (a)/(d)	4.2%	5.7%	6.0%	6.1%	6.5%

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April 20, 2010

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