News Release

Contacts:

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

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

Achieves Record Total Net Revenue of $4.7 Billion

MINNEAPOLIS, January 19, 2011 -- U.S. Bancorp (NYSE: USB) today reported net income of $974 million for the fourth quarter of 2010, or $.49 per diluted common share. Earnings for the fourth quarter of 2010 were driven by record total net revenue of $4.7 billion. Included in the fourth quarter of 2010 results was a $103 million gain ($41 million after tax) from the exchange of the long-term asset management business of FAF Advisors, Inc., an affiliate of the Company, for an equity interest in Nuveen Investments and cash consideration ("Nuveen Gain"). Additional significant items included a provision for credit losses lower than net charge-offs by $25 million and net securities losses of $14 million. In total, these items increased fourth quarter 2010 diluted earnings per common share by $.03. Highlights for the fourth quarter of 2010 included:

- Strong new lending activity of $65.6 billion during the fourth quarter, the highest level reported since before the fourth quarter of 2008, including:
  - $16.0 billion of new commercial and commercial real estate commitments
  - $21.5 billion of commercial and commercial real estate commitment renewals
  - $2.0 billion of lines related to new credit card accounts
  - $26.1 billion of mortgage and other retail originations
  - $203.2 billion of new lending activity for the full year, 9.9 percent higher than 2009
- Average total loan growth of 2.0 percent (.9 percent excluding acquisitions) over the fourth quarter of 2009
  - Average total loan growth of 1.5 percent over the third quarter of 2010
  - Average total commercial loan growth of 2.0 percent over the prior quarter
- Significant growth in average deposits of 5.2 percent (5.1 percent excluding acquisitions) over the fourth quarter of 2009, including:

- 4.8 percent growth in average noninterest-bearing deposits
- 11.5 percent growth in average total savings deposits

- Total net revenue growth of 7.9 percent over the fourth quarter of 2009, resulting in record total net revenue of $4.7 billion
- Net interest income growth of 5.9 percent over the fourth quarter of 2009, driven by a 5.9 percent increase in average earning assets and growth in lower cost core deposit funding
- Net interest margin of 3.83 percent for the fourth quarter of 2010, equal to the fourth quarter of 2009, and lower than the 3.91 percent in the third quarter of 2010
- Strong year-over-year growth in payments-related fee income, commercial products revenue and mortgage banking revenue, driven by:
  - Higher credit and debit card revenue (7.3 percent), corporate payment products revenue (4.2 percent) and merchant processing services revenue (3.5 percent)
  - A 12.4 percent increase in commercial products revenue (principally syndication revenue, standby letters of credit fees and commercial loan fees)
  - Mortgage production of $19.6 billion, leading to a 14.7 percent increase in mortgage banking revenue
- Net charge-offs and nonperforming assets declined on a linked quarter basis. Provision for credit losses was $25 million less than net charge-offs.
  - Fifth consecutive quarterly decrease in the provision for credit losses
  - Net charge-offs declined 5.8 percent from the third quarter of 2010
  - Nonperforming assets (excluding covered assets) decreased 6.0 percent from the third quarter of 2010
  - Early and late stage loan delinquencies (excluding covered loans) as a percentage of ending loan balances declined in most loan categories on a linked quarter basis
  - Allowance to period-end loans (excluding covered loans) was 3.03 percent at December 31, 2010, compared with 3.10 percent at September 30, 2010, and 3.04 percent at December 31, 2009

- Allowance to nonperforming assets (excluding covered assets) was 162 percent at December 31, 2010, compared with 153 percent at September 30, 2010, and 135 percent at December 31, 2009

➢ Strong capital generation continues to strengthen capital position; ratios at December 31, 2010 were:

- Tier 1 common equity ratio of 7.8 percent
- Tier 1 capital ratio of 10.5 percent
- Total risk based capital ratio of 13.3 percent

EARNINGS SUMMARY **Table 1**

($ in millions, except per-share data)

	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Net income attributable to U.S. Bancorp	$974	$908	$602	7.3	61.8	$3,317	$2,205	50.4
Diluted earnings per common share	$.49	$.45	$.30	8.9	63.3	$1.73	$.97	78.4
Return on average assets (%)	1.31	1.26	.86			1.16	.82	
Return on average common equity (%)	13.7	12.8	9.6			12.7	8.2	
Net interest margin (%)	3.83	3.91	3.83			3.88	3.67	
Efficiency ratio (%)	52.5	51.9	49.1			51.5	48.4	
Tangible efficiency ratio (%) (a)	50.6	49.9	46.8			49.5	46.1	
Dividends declared per common share	$.05	$.05	$.05	--	--	$.20	$.20	--
Book value per common share (period-end)	$14.36	$14.19	$12.79	1.2	12.3			

(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.

Net income attributable to U.S. Bancorp was $974 million for the fourth quarter of 2010, 61.8 percent higher than the $602 million for the fourth quarter of 2009 and 7.3 percent higher than the $908 million for the third quarter of 2010. Diluted earnings per common share of $.49 in the fourth quarter of 2010 were $.19 higher than the fourth quarter of 2009 and $.04 higher than the previous quarter. Return on average assets and return on average common equity were 1.31 percent and 13.7 percent, respectively, for the fourth quarter of 2010, compared with .86 percent and 9.6 percent, respectively, for the fourth quarter of 2009. Significant items in the fourth quarter of 2010, including the Nuveen Gain and a provision for credit losses less than net-charge-offs by $25 million, partially offset by net securities losses, resulted in a $.03 increase to diluted

earnings per common share. Significant items in the fourth quarter of 2009 that impact the comparison to current quarter results included provision for credit losses in excess of net charge-offs of $278 million and net securities losses of $158 million.

U.S. Bancorp Chairman, President and Chief Executive Officer Richard K. Davis said, "I am very proud of our Company's fourth quarter performance. Net income of $974 million, or $.49 per diluted common share, was driven, once again, by record total net revenue and declining credit costs. The results continued to reflect the benefits of our diversified business model, our recent investments and overall financial strength.

"The Company posted both year-over-year and linked quarter average total loan growth in the fourth quarter. The 1.5 percent linked quarter growth in total average loans (2.1 percent without covered assets) was supported by increases in all major loan categories. Importantly, this was the second consecutive quarter of growth in average commercial loans, despite a nominal decrease in the commercial loan utilization rate, indicating new and expanded lending activity from our commercial customers. Total average deposits also increased on a year-over-year and linked quarter basis by 5.2 percent and 4.2 percent, respectively.

"At year end our Company closed two transactions. On December 30th, we completed the acquisition of a securitization trust administration business. This transaction, which included $1.1 trillion of assets under administration and provided U.S. Bank with approximately $8 billion of deposits at close, further strengthens our Company's position as a leader in the structured finance trust business and is a great complement to our corporate and municipal trust business. It is a perfect example of the type of acquisition that we will continue to search for, as it adds scale and market share to one of our capital efficient, high return, fee-based processing businesses. Also, on December 31st, we completed a transaction in which we exchanged the long-term asset management business of FAF Advisors, Inc. for an equity stake in Nuveen Investments. This transaction involved a business in which we did not have the scale and distribution capabilities to compete effectively. Going forward, our customers and shareholders will benefit from this new strategic alliance, as our new partner brings a broader array of investment and distribution capabilities to the alliance, enhancing the long-term value of our past investment in the asset management business.

"Credit quality continued to improve in the fourth quarter. As expected, net charge-offs and nonperforming assets were lower than the previous quarter, declining by 5.8 percent and 6.0 percent, respectively. Given these positive trends and improvement in the underlying risk profile of the Company's loan portfolio, we released $25 million of loan loss reserves in the fourth quarter – our first such action since

the beginning of this credit cycle. Going forward, we will continue to monitor the improving credit trends and maintain our reserves at the appropriate level, given the Company's overall risk profile, all the while preserving, at all times, the strength of our balance sheet.

"We continued to generate significant capital this quarter, ending the year with a Tier 1 common equity ratio of 7.8 percent and a Tier 1 capital ratio of 10.5 percent. On January 7th, our Company, along with our peer banks, submitted a Comprehensive Capital Plan to the Federal Reserve System. As I have said before, raising the dividend remains a top priority for our management team and board of directors. Our strong capital position and ability to generate capital each quarter through solid operating earnings, even under the most severe economic conditions, gives us confidence in our ability to increase our dividend in 2011. Our shareholders deserve to be rewarded.

"Finally, I want to thank all of our employees for their dedication, hard work and the many contributions they have made throughout this past year. 2010 represented one of our strongest annual performances in many years. It was a year filled with challenges, but also one filled with opportunities – opportunities to acquire new customers, improve our processes, expand our franchise and build upon our reputation as a trusted provider of financial products and services. We are larger and stronger than we were at the beginning of this year and continue to gain momentum during this economic cycle. We are "positioned to win" – capable and well-prepared to adapt to a changing economic, legislative and regulatory environment, and focused on growing our business and achieving industry-leading performance and returns for the benefit of our customers, employees, communities and, importantly, our shareholders."

(MORE)

INCOME STATEMENT HIGHLIGHTS **Table 2**

(Taxable-equivalent basis, $ in millions, except per-share data)	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Net interest income	$2,499	$2,477	$2,360	.9	5.9	$9,788	$8,716	12.3
Noninterest income	2,222	2,110	2,016	5.3	10.2	8,360	7,952	5.1
Total net revenue	4,721	4,587	4,376	2.9	7.9	18,148	16,668	8.9
Noninterest expense	2,485	2,385	2,228	4.2	11.5	9,383	8,281	13.3
Income before provision and taxes	2,236	2,202	2,148	1.5	4.1	8,765	8,387	4.5
Provision for credit losses	912	995	1,388	(8.3)	(34.3)	4,356	5,557	(21.6)
Income before taxes	1,324	1,207	760	9.7	74.2	4,409	2,830	55.8
Taxable-equivalent adjustment	53	53	50	--	6.0	209	198	5.6
Applicable income taxes	315	260	108	21.2	nm	935	395	nm
Net income	956	894	602	6.9	58.8	3,265	2,237	46.0
Net (income) loss attributable to noncontrolling interests	18	14	--	28.6	nm	52	(32)	nm
Net income attributable to U.S. Bancorp	$974	$908	$602	7.3	61.8	$3,317	$2,205	50.4
Net income applicable to U.S. Bancorp common shareholders	$951	$871	$580	9.2	64.0	$3,332	$1,803	84.8
Diluted earnings per common share	$.49	$.45	$.30	8.9	63.3	$1.73	$.97	78.4

Net income attributable to U.S. Bancorp for the fourth quarter of 2010 was $372 million (61.8 percent) higher than the same period of 2009 and $66 million (7.3 percent) higher than the third quarter of 2010. The increase in net income year-over-year and on a linked quarter basis was principally the result of strong growth in total net revenue, driven by an increase in both net interest income and fee-based revenue, and lower provision for credit losses. These positive variances were partially offset by an increase in total noninterest expense.

Total net revenue on a taxable-equivalent basis for the fourth quarter of 2010 was $4,721 million; $345 million (7.9 percent) higher than the fourth quarter of 2009, reflecting a 5.9 percent increase in net interest income and a 10.2 percent increase in noninterest income. The increase in net interest income year-over-year was largely the result of an increase in average earning assets and continued growth in lower cost core deposit funding. Noninterest income increased year-over-year, primarily due to higher payments-related revenue, commercial products revenue, mortgage banking revenue, other income and lower net securities losses. Total net revenue on a taxable-equivalent basis was $134 million (2.9 percent) higher on a linked quarter basis, due to a .9 percent increase in net interest income and a 5.3 percent increase in noninterest income driven by higher payments-related revenue, trust and investment management fees, commercial

products revenue and other income. The positive variance in other income over the prior year and on a linked quarter basis reflected the impact of the Nuveen Gain.

Total noninterest expense in the fourth quarter of 2010 was $2,485 million; $257 million (11.5 percent) higher than the fourth quarter of 2009, and $100 million (4.2 percent) higher than the third quarter of 2010. The increase in total noninterest expense year-over-year was primarily due to the impact of acquisitions and higher compensation expense and employee benefits expense. The increase in total noninterest expense on a linked quarter basis was due to higher compensation, professional services expense and seasonally higher investments in affordable housing and other tax-advantaged projects.

The Company's provision for credit losses declined from a year ago and on a linked quarter basis. The provision for credit losses for the fourth quarter of 2010 was $912 million, $83 million lower than the third quarter of 2010 and $476 million lower than the fourth quarter of 2009. The provision for credit losses was $25 million lower than net charge-offs in the fourth quarter of 2010. In the third quarter of 2010, the provision for credit losses was equal to net charge-offs, while in the fourth quarter of 2009, it exceeded net charge-offs by $278 million. Net charge-offs in the fourth quarter of 2010 were $937 million, compared with $995 million in the third quarter of 2010, and $1,110 million in the fourth quarter of 2009. Given current economic conditions, the Company expects the level of net charge-offs to continue to trend lower in the first quarter of 2011.

Nonperforming assets include assets originated by the Company, as well as loans and other real estate acquired under FDIC loss sharing agreements ("covered assets") that substantially reduce the risk of credit losses to the Company. Excluding covered assets, nonperforming assets were $3,351 million at December 31, 2010, $3,563 million at September 30, 2010, and $3,904 million at December 31, 2009. The decline on both a linked quarter and year-over-year basis was led by reductions in nonperforming construction and land development assets as the Company continued to resolve and reduce exposure to these problem assets, in addition to improvement in other commercial portfolios, reflecting the stabilizing economy. However, there was continued stress in the residential mortgage portfolio, as well as an increase in foreclosed properties compared with a year ago, due to the overall duration of the economic slowdown. Covered nonperforming assets were $1,697 million at December 31, 2010, $1,851 million at September 30, 2010, and $2,003 million at December 31, 2009. The majority of the nonperforming covered assets were considered credit-impaired at acquisition and were recorded at their estimated fair value at the date of acquisition. The ratio of the allowance for credit losses to period-end loans, excluding covered loans, was 3.03 percent at December 31,

2010, compared with 3.10 percent at September 30, 2010, and 3.04 percent at December 31, 2009. The ratio of the allowance for credit losses to period-end loans, including covered loans, was 2.81 percent at December 31, 2010, compared with 2.85 percent at September 30, 2010, and 2.70 percent at December 31, 2009. The Company expects total nonperforming assets, excluding covered assets, to continue to trend lower in the first quarter of 2011.

NET INTEREST INCOME **Table 3**

(Taxable-equivalent basis; $ in millions)

	4Q 2010	3Q 2010	4Q 2009	Change 4Q10 vs 3Q10	Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Change
Components of net interest income								
Income on earning assets	$3,148	$3,132	$3,026	$16	$122	$12,375	$11,748	$627
Expense on interest-bearing liabilities	649	655	666	(6)	(17)	2,587	3,032	(445)
Net interest income	$2,499	$2,477	$2,360	$22	$139	$9,788	$8,716	$1,072
Average yields and rates paid								
Earning assets yield	4.82%	4.95%	4.91%	(.13)%	(.09)%	4.91%	4.95%	(.04)%
Rate paid on interest-bearing liabilities	1.21	1.25	1.31	(.04)	(.10)	1.24	1.55	(.31)
Gross interest margin	3.61%	3.70%	3.60%	(.09)%	.01%	3.67%	3.40%	.27%
Net interest margin	3.83%	3.91%	3.83%	(.08)%	-- %	3.88%	3.67%	.21%
Average balances								
Investment securities (a)	$49,790	$47,870	$44,149	$1,920	$5,641	$47,763	$42,809	$4,954
Loans	195,484	192,541	191,648	2,943	3,836	193,022	185,805	7,217
Earning assets	259,859	251,916	245,383	7,943	14,476	252,042	237,287	14,755
Interest-bearing liabilities	212,308	208,653	201,447	3,655	10,861	209,113	195,614	13,499
Net free funds (b)	47,551	43,263	43,936	4,288	3,615	42,929	41,673	1,256

(a) Excludes unrealized gain (loss)

(b) 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.

Net Interest Income

Net interest income on a taxable-equivalent basis in the fourth quarter of 2010 was $2,499 million, compared with $2,360 million in the fourth quarter of 2009, an increase of $139 million (5.9 percent). The increase was principally the result of growth in average earning assets. Average earning assets were $14.5 billion (5.9 percent) higher than the fourth quarter of 2009, driven by increases of $3.8 billion (2.0 percent) in average loans and $5.6 billion (12.8 percent) in average investment securities. Net interest income increased $22 million (.9 percent) on a linked quarter basis, mainly a result of an increase in average earning

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assets. The net interest margin was 3.83 percent in the fourth quarter of 2010 and 2009, and 3.91 percent in the third quarter of 2010. Net interest margin was flat year-over-year, as the impact of favorable funding rates was offset by a reduction in the yield on residential mortgages and investment securities. The decline in net interest margin on a linked quarter basis reflected the reduction in the yield on residential mortgages and investment securities and the impact of the new legislation on credit card yields.

AVERAGE LOANS **Table 4**

($ in millions)	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Commercial	$41,700	$40,726	$43,490	2.4	(4.1)	$40,840	$46,197	(11.6)
Lease financing	6,012	6,058	6,489	(.8)	(7.4)	6,188	6,630	(6.7)
Total commercial	47,712	46,784	49,979	2.0	(4.5)	47,028	52,827	(11.0)
Commercial mortgages	26,750	26,008	24,895	2.9	7.5	25,956	24,159	7.4
Construction and development	7,827	8,182	9,149	(4.3)	(14.4)	8,313	9,592	(13.3)
Total commercial real estate	34,577	34,190	34,044	1.1	1.6	34,269	33,751	1.5
Residential mortgages	29,659	27,890	25,621	6.3	15.8	27,704	24,481	13.2
Credit card	16,403	16,510	16,399	(.6)	--	16,403	14,937	9.8
Retail leasing	4,459	4,289	4,620	4.0	(3.5)	4,405	4,895	(10.0)
Home equity and second mortgages	19,119	19,289	19,444	(.9)	(1.7)	19,285	19,335	(.3)
Other retail	24,983	24,281	23,037	2.9	8.4	23,996	22,856	5.0
Total retail	64,964	64,369	63,500	.9	2.3	64,089	62,023	3.3
Total loans, excluding covered loans	176,912	173,233	173,144	2.1	2.2	173,090	173,082	--
Covered loans	18,572	19,308	18,504	(3.8)	.4	19,932	12,723	56.7
Total loans	$195,484	$192,541	$191,648	1.5	2.0	$193,022	$185,805	3.9

Total average loans were $3.8 billion (2.0 percent) higher in the fourth quarter of 2010 than the fourth quarter of 2009, driven by growth in residential mortgages (15.8 percent) and total retail loans (2.3 percent), driven principally by growth in installment loans. These increases were partially offset by a 4.5 percent decline in total average commercial loans, principally due to lower utilization of existing commitments and reduced demand for new loans. Total average loans were $2.9 billion (1.5 percent) higher in the fourth quarter of 2010 than the third quarter of 2010, as increases in the majority of loan categories, including residential mortgages (6.3 percent), other retail loans (2.9 percent) and total commercial loans (2.0 percent), were partially offset by lower covered loans (3.8 percent). These increases were driven by higher demand for loans and lines by new and existing credit-worthy borrowers.

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Average investment securities in the fourth quarter of 2010 were $5.6 billion (12.8 percent) higher year-over-year and $1.9 billion (4.0 percent) higher than the prior quarter. The increases over the prior year and linked quarter were primarily due to purchases of U.S. Treasury and government agency-backed securities.

AVERAGE DEPOSITS **Table 5**

($ in millions)	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Noninterest-bearing deposits	$42,950	$39,732	$40,990	8.1	4.8	$40,162	$37,856	6.1
Interest-bearing savings deposits								
Interest checking	41,920	39,308	39,714	6.6	5.6	40,184	36,866	9.0
Money market savings	39,585	38,005	38,485	4.2	2.9	39,679	31,795	24.8
Savings accounts	23,470	22,008	15,926	6.6	47.4	20,903	13,109	59.5
Total of savings deposits	104,975	99,321	94,125	5.7	11.5	100,766	81,770	23.2
Time certificates of deposit less than $100,000	15,212	16,024	18,438	(5.1)	(17.5)	16,628	17,879	(7.0)
Time deposits greater than $100,000	27,176	27,583	27,336	(1.5)	(.6)	27,165	30,296	(10.3)
Total interest-bearing deposits	147,363	142,928	139,899	3.1	5.3	144,559	129,945	11.2
Total deposits	$190,313	$182,660	$180,889	4.2	5.2	$184,721	$167,801	10.1

Average total deposits for the fourth quarter of 2010 were $9.4 billion (5.2 percent) higher than the fourth quarter of 2009. Noninterest-bearing deposits increased $2.0 billion (4.8 percent) year-over-year, principally due to growth in Consumer and Small Business Banking balances. Average total savings deposits were $10.9 billion (11.5 percent) higher year-over-year, the result of growth in Consumer and Small Business Banking and institutional and corporate trust balances. Average time certificates of deposit less than $100,000 were $3.2 billion (17.5 percent) lower year-over-year, reflecting maturities and lower renewals given the current rate environment.

Average total deposits increased $7.7 billion (4.2 percent) over the third quarter of 2010. Noninterest-bearing deposits increased $3.2 billion (8.1 percent) with increases across the majority of the business lines. Total average savings deposits increased $5.7 billion (5.7 percent) on a linked quarter basis due to higher corporate trust and broker dealer balances and increased balances in Consumer and Small Business Banking. These increases were partially offset by declines in both average time deposits less than $100,000 of $812 million (5.1 percent) and average time deposits over $100,000 of $407 million (1.5 percent), reflecting maturities and lower renewals given the low interest rate environment and wholesale funding decisions.

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NONINTEREST INCOME **Table 6**

($ in millions)	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Credit and debit card revenue	$293	$274	$273	6.9	7.3	$1,091	$1,055	3.4
Corporate payment products revenue	173	191	166	(9.4)	4.2	710	669	6.1
Merchant processing services	323	318	312	1.6	3.5	1,253	1,148	9.1
ATM processing services	105	105	101	--	4.0	423	410	3.2
Trust and investment management fees	282	267	277	5.6	1.8	1,080	1,168	(7.5)
Deposit service charges	144	160	238	(10.0)	(39.5)	710	970	(26.8)
Treasury management fees	134	139	132	(3.6)	1.5	555	552	.5
Commercial products revenue	208	197	185	5.6	12.4	771	615	25.4
Mortgage banking revenue	250	310	218	(19.4)	14.7	1,003	1,035	(3.1)
Investment products fees and commissions	29	27	27	7.4	7.4	111	109	1.8
Securities gains (losses), net	(14)	(9)	(158)	(55.6)	91.1	(78)	(451)	82.7
Other	295	131	245	nm	20.4	731	672	8.8
Total noninterest income	$2,222	$2,110	$2,016	5.3	10.2	$8,360	$7,952	5.1

Noninterest Income

Fourth quarter noninterest income was $2,222 million; $206 million (10.2 percent) higher than the fourth quarter of 2009 and $112 million (5.3 percent) higher than the third quarter of 2010. Year-over-year, noninterest income benefited from payments-related revenues, which were $38 million (5.1 percent) higher, largely due to increased transaction volumes and business expansion, and a $23 million (12.4 percent) increase in commercial products revenue, attributable to higher standby letters of credit fees, commercial loan and syndication fees and other capital markets revenue. Additionally, mortgage banking revenue was higher than the fourth quarter of 2009 by $32 million (14.7 percent), driven by higher origination and sales and servicing revenue, partially offset by a lower net valuation of mortgage servicing rights ("MSRs"). Total noninterest income was also favorably impacted by a year-over-year change in net securities losses, which were $144 million (91.1 percent), lower than the prior year. Other income increased by $50 million over the fourth quarter of 2009, principally due to the Nuveen Gain and a gain related to the Company's investment in Visa Inc. (NYSE: V) ("Visa Gain"), partially offset by a fourth quarter of 2009 payments-related contract termination gain, lower customer derivative revenue and lower retail lease residual valuation income. Offsetting these positive variances was a decrease in deposit service charges of $94 million (39.5 percent) the result of revised overdraft fee policies, partially offset by core account growth.

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Noninterest income was $112 million (5.3 percent) higher in the fourth quarter of 2010 than the third quarter of 2010. Payments-related revenue increased $6 million (.8 percent), primarily driven by higher credit and debit card transaction volumes, partially offset by seasonally lower transaction volumes in corporate payment products. Trust and investment management fees were $15 million (5.6 percent) higher on a linked quarter basis principally due to the impact of improved market conditions. The increase in commercial products revenue of $11 million (5.6 percent) over the third quarter of 2010 was attributable to higher syndication fees, foreign exchange revenue, standby letters of credit fees and commercial loan fees. Other income increased by $164 million over the third quarter of 2010, principally due to the Nuveen Gain, the Visa Gain and higher customer derivative and equity investment revenue. Offsetting these favorable variances on a linked quarter basis were declines in deposit service charges of $16 million (10.0 percent), reflecting the impact of revised overdraft fee policies, and mortgage banking revenue of $60 million (19.4 percent) due to lower mortgage origination and sales revenue.

NONINTEREST EXPENSE **Table 7**

($ in millions)	4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	Percent Change 4Q10 vs 4Q09	Full Year 2010	Full Year 2009	Percent Change
Compensation	$999	$973	$816	2.7	22.4	$3,779	$3,135	20.5
Employee benefits	171	171	145	--	17.9	694	574	20.9
Net occupancy and equipment	237	229	214	3.5	10.7	919	836	9.9
Professional services	97	78	81	24.4	19.8	306	255	20.0
Marketing and business development	106	108	105	(1.9)	1.0	360	378	(4.8)
Technology and communications	187	186	186	.5	.5	744	673	10.5
Postage, printing and supplies	78	74	70	5.4	11.4	301	288	4.5
Other intangibles	89	90	107	(1.1)	(16.8)	367	387	(5.2)
Other	521	476	504	9.5	3.4	1,913	1,755	9.0
Total noninterest expense	$2,485	$2,385	$2,228	4.2	11.5	$9,383	$8,281	13.3

Noninterest Expense

Noninterest expense in the fourth quarter of 2010 totaled $2,485 million, an increase of $257 million (11.5 percent) over the fourth quarter of 2009, and a $100 million increase (4.2 percent) over the third quarter of 2010. The increase in noninterest expense over the same quarter of last year was principally due to the impact of acquisitions and increased compensation and employee benefits expense. Compensation and employee benefits expense increased by $183 million (22.4 percent) and $26 million (17.9 percent), respectively, year-over-year, primarily because of acquisitions, branch expansion and other business initiatives, higher incentives related to the Company's improved financial results and merit increases. Net occupancy and equipment expense increased $23 million (10.7 percent), year-over-year, principally due to acquisitions and other business expansion and technology initiatives. Professional services expense was $16 million (19.8 percent) higher year-over-year, due to technology-related projects and other projects across multiple business lines. Postage, printing and supplies expense increased $8 million (11.4 percent) over the fourth quarter of 2009, principally due to payments-related business initiatives. Other expense was higher by $17 million (3.4 percent) largely due to costs associated with other real estate owned, acquisition integration and insurance and litigation matters. Other intangibles expense decreased $18 million compared with the prior year due to the reduction or completion of amortization of certain intangibles.

Noninterest expense was $100 million (4.2 percent) higher on a linked quarter basis. Compensation expense increased $26 million (2.7 percent), principally due to branch expansion and other business initiatives, as well as higher commissions. Net occupancy and equipment was $8 million (3.5 percent) higher, primarily due to technology-related and other business initiatives. Professional services expense was $19 million (24.4 percent) higher on a linked quarter basis, primarily due to technology and customer experience-related projects and seasonality. In addition, other expense increased $45 million (9.5 percent) over the third quarter of 2010, principally due to seasonally higher investments in affordable housing and other tax-advantaged projects and higher acquisition integration costs, partially offset by lower costs associated with other real estate owned.

Provision for Income Taxes

The provision for income taxes for the fourth quarter of 2010 resulted in a tax rate on a taxable-equivalent basis of 27.8 percent (effective tax rate of 24.8 percent), compared with 20.8 percent (effective tax rate of 15.2 percent) in the fourth quarter of 2009 and 25.9 percent (effective tax rate of 22.5 percent) in the third quarter of 2010. The increase in the effective tax rate principally reflected the marginal impact of higher pretax earnings and the Nuveen Gain.

ALLOWANCE FOR CREDIT LOSSES **Table 8**

($ in millions)	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009
Balance, beginning of period	$5,540	$5,536	$5,439	$5,264	$4,986
Net charge-offs					
Commercial	117	153	223	243	250
Lease financing	17	18	22	34	33
Total commercial	134	171	245	277	283
Commercial mortgages	90	113	71	46	30
Construction and development	129	94	156	146	144
Total commercial real estate	219	207	227	192	174
Residential mortgages	131	132	138	145	153
Credit card	275	296	317	312	285
Retail leasing	1	2	4	5	5
Home equity and second mortgages	83	79	79	90	96
Other retail	91	101	99	111	111
Total retail	450	478	499	518	497
Total net charge-offs, excluding covered loans	934	988	1,109	1,132	1,107
Covered loans	3	7	5	3	3
Total net charge-offs	937	995	1,114	1,135	1,110
Provision for credit losses	912	995	1,139	1,310	1,388
Net change for credit losses to be reimbursed by the FDIC	16	4	72	--	--
Balance, end of period	$5,531	$5,540	$5,536	$5,439	$5,264
Components					
Allowance for loan losses, excluding losses to be reimbursed by the FDIC	$5,218	$5,245	$5,248	$5,235	$5,079
Allowance for credit losses to be reimbursed by the FDIC	92	76	72	--	--
Liability for unfunded credit commitments	221	219	216	204	185
Total allowance for credit losses	$5,531	$5,540	$5,536	$5,439	$5,264
Gross charge-offs	$1,035	$1,069	$1,186	$1,206	$1,174
Gross recoveries	$98	$74	$72	$71	$64
Allowance for credit losses as a percentage of					
Period-end loans, excluding covered loans	3.03	3.10	3.18	3.20	3.04
Nonperforming loans, excluding covered loans	192	181	168	156	153
Nonperforming assets, excluding covered assets	162	153	146	136	135
Period-end loans	2.81	2.85	2.89	2.85	2.70
Nonperforming loans	136	133	120	109	110
Nonperforming assets	110	102	94	85	89

Credit Quality

Net charge-offs and nonperforming assets declined on a linked quarter and year-over-year basis as economic conditions stabilized. The allowance for credit losses was $5,531 million at December 31, 2010, compared with $5,540 million at September 30, 2010, and $5,264 million at December 31, 2009. Total net charge-offs in the fourth quarter of 2010 were $937 million, compared with $995 million in the third quarter of 2010, and $1,110 million in the fourth quarter of 2009. The decrease in total net charge-offs was principally due to improvement in the commercial, credit card and other retail portfolios. The Company recorded $912 million of provision for credit losses, $25 million less than net charge-offs during the fourth quarter of 2010. The allowance for credit losses reimbursable by the FDIC was higher by $16 million.

Commercial and commercial real estate loan net charge-offs decreased to $353 million in the fourth quarter of 2010 (1.70 percent of average loans outstanding) compared with $378 million (1.85 percent of average loans outstanding) in the third quarter of 2010 and $457 million (2.16 percent of average loans outstanding) in the fourth quarter of 2009. The decrease primarily reflected the impact of more stable economic conditions on the Company's commercial loan portfolios.

Residential mortgage loan net charge-offs decreased to $131 million (1.75 percent of average loans outstanding) in the fourth quarter of 2010 compared with $132 million (1.88 percent of average loans outstanding) in the third quarter of 2010 and $153 million (2.37 percent of average loans outstanding) in the fourth quarter of 2009. Total retail loan net charge-offs were $450 million (2.75 percent of average loans outstanding) in the fourth quarter of 2010, lower than the $478 million (2.95 percent of average loans outstanding) in the third quarter of 2010 and the $497 million (3.11 percent of average loans outstanding) in the fourth quarter of 2009.

The ratio of the allowance for credit losses to period-end loans was 2.81 percent (3.03 percent excluding covered loans) at December 31, 2010, compared with 2.85 percent (3.10 percent excluding covered loans) at September 30, 2010, and 2.70 percent (3.04 percent excluding covered loans) at December 31, 2009. The ratio of the allowance for credit losses to nonperforming loans was 136 percent (192 percent excluding covered loans) at December 31, 2010, compared with 133 percent (181 percent excluding covered loans) at September 30, 2010, and 110 percent (153 percent excluding covered loans) at December 31, 2009.

CREDIT RATIOS **Table 9**

(Percent)	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009
Net charge-offs ratios (a)					
Commercial	1.11	1.49	2.23	2.41	2.28
Lease financing	1.12	1.18	1.41	2.14	2.02
Total commercial	1.11	1.45	2.12	2.38	2.25
Commercial mortgages	1.33	1.72	1.11	.73	.48
Construction and development	6.54	4.56	7.31	6.80	6.24
Total commercial real estate	2.51	2.40	2.67	2.28	2.03
Residential mortgages	1.75	1.88	2.06	2.23	2.37
Credit card (b)	6.65	7.11	7.79	7.73	6.89
Retail leasing	.09	.19	.37	.45	.43
Home equity and second mortgages	1.72	1.62	1.64	1.88	1.96
Other retail	1.45	1.65	1.70	1.93	1.91
Total retail	2.75	2.95	3.16	3.30	3.11
Total net charge-offs, excluding covered loans	2.09	2.26	2.61	2.68	2.54
Covered loans	.06	.14	.10	.06	.06
Total net charge-offs	1.90	2.05	2.34	2.39	2.30
Delinquent loan ratios - 90 days or more past due **excluding** nonperforming loans (c)					
Commercial	.13	.19	.21	.18	.22
Commercial real estate	--	.05	.09	.01	.02
Residential mortgages	1.63	1.75	1.85	2.26	2.80
Retail	.81	.85	.95	1.00	1.07
Total loans, excluding covered loans	.61	.66	.72	.78	.88
Covered loans	6.04	4.96	4.91	3.90	3.59
Total loans	1.11	1.08	1.16	1.12	1.19
Delinquent loan ratios - 90 days or more past due **including** nonperforming loans (c)					
Commercial	1.37	1.67	1.89	2.06	2.25
Commercial real estate	3.73	4.20	4.84	5.37	5.22
Residential mortgages	3.70	3.90	4.08	4.33	4.59
Retail	1.26	1.26	1.32	1.37	1.39
Total loans, excluding covered loans	2.19	2.37	2.61	2.82	2.87
Covered loans	12.94	11.12	11.72	11.19	9.76
Total loans	3.17	3.23	3.56	3.74	3.64

(a) Annualized and calculated on average loan balances

(b) Net charge-offs as a percent of average loans outstanding, excluding portfolio purchases where the acquired loans were recorded at fair value at the purchase date were 7.21 percent for the fourth quarter of 2010, 7.84 percent for the third quarter of 2010, 8.53 percent for the second quarter of 2010, 8.42 percent for the first quarter of 2010 and 7.46 percent for the fourth quarter of 2009.

(c) Ratios are expressed as a percent of ending loan balances.

ASSET QUALITY **Table 10**

($ in millions)

	Dec 31 2010	Sep 30 2010	Jun 30 2010	Mar 31 2010	Dec 31 2009
Nonperforming loans					
Commercial	$519	$594	$669	$758	$866
Lease financing	78	111	115	113	125
Total commercial	597	705	784	871	991
Commercial mortgages	545	624	601	596	581
Construction and development	748	799	1,013	1,236	1,192
Total commercial real estate	1,293	1,423	1,614	1,832	1,773
Residential mortgages	636	614	607	550	467
Retail	293	262	237	229	204
Total nonperforming loans, excluding covered loans	2,819	3,004	3,242	3,482	3,435
Covered loans	1,244	1,172	1,360	1,524	1,350
Total nonperforming loans	4,063	4,176	4,602	5,006	4,785
Other real estate (a)	511	537	469	482	437
Covered other real estate (a)	453	679	791	861	653
Other nonperforming assets	21	22	23	31	32
Total nonperforming assets (b)	$5,048	$5,414	$5,885	$6,380	$5,907
Total nonperforming assets, excluding covered assets	$3,351	$3,563	$3,734	$3,995	$3,904
Accruing loans 90 days or more past due, excluding covered loans	$1,094	$1,165	$1,239	$1,321	$1,525
Accruing loans 90 days or more past due	$2,184	$2,110	$2,221	$2,138	$2,309
Restructured loans that continue to accrue interest (c)	$2,207	$2,180	$2,112	$2,008	$1,794
Nonperforming assets to loans plus ORE, excluding covered assets (%)	1.87	2.02	2.17	2.34	2.25
Nonperforming assets to loans plus ORE (%)	2.55	2.76	3.05	3.31	3.02

(a) Includes equity investments in entities whose only asset is other real estate owned
(b) Does not include accruing loans 90 days or more past due or restructured loans that continue to accrue interest
(c) Excludes temporary concessionary modifications under hardship programs

Nonperforming assets at December 31, 2010, totaled $5,048 million, compared with $5,414 million at September 30, 2010, and $5,907 million at December 31, 2009. Total nonperforming assets at December 31, 2010, included $1,697 million of assets covered under loss sharing agreements with the FDIC that substantially reduce the risk of credit losses to the Company. The ratio of nonperforming assets to loans and other real estate was 2.55 percent (1.87 percent excluding covered assets) at December 31, 2010, compared with 2.76 percent (2.02 percent excluding covered assets) at September 30, 2010, and 3.02 percent (2.25 percent excluding covered assets) at December 31, 2009. The decrease in nonperforming assets, excluding covered assets, compared with a year ago was driven primarily by the construction and land development

portfolios, as well as by improvement in other commercial portfolios. Given current economic conditions, the Company expects nonperforming assets, excluding covered assets, to trend lower in the first quarter of 2011.

Accruing loans 90 days or more past due were $2,184 million ($1,094 million excluding covered loans) at December 31, 2010, compared with $2,110 million ($1,165 million excluding covered loans) at September 30, 2010, and $2,309 million ($1,525 million excluding covered loans) at December 31, 2009. The increase in restructured loans that continue to accrue interest, compared with the fourth quarter of 2009 and the third quarter of 2010, reflected the impact of loan modifications for certain residential mortgage and consumer credit card customers in light of current economic conditions. The Company continues to work with customers to modify loans for borrowers who are having financial difficulties, including those acquired through FDIC-assisted acquisitions, but expects increases in restructured loans to continue to moderate.

CAPITAL POSITION — **Table 11**

($ in millions)	Dec 31 2010	Sep 30 2010	Jun 30 2010	Mar 31 2010	Dec 31 2009
Total U.S. Bancorp shareholders' equity	$29,519	$29,151	$28,169	$26,709	$25,963
Tier 1 capital	25,947	24,908	24,021	23,278	22,610
Total risk-based capital	33,033	32,265	31,890	30,858	30,458
Tier 1 capital ratio	10.5 %	10.3 %	10.1 %	9.9 %	9.6 %
Total risk-based capital ratio	13.3	13.3	13.4	13.2	12.9
Leverage ratio	9.1	9.0	8.8	8.6	8.5
Tier 1 common equity ratio	7.8	7.6	7.4	7.1	6.8
Tangible common equity ratio	6.0	6.2	6.0	5.6	5.3
Tangible common equity as a percent of risk-weighted assets	7.2	7.2	6.9	6.5	6.1

Total U.S. Bancorp shareholders' equity was $29.5 billion at December 31, 2010, compared with $29.2 billion at September 30, 2010, and $26.0 billion at December 31, 2009. The increase over the prior year principally reflected corporate earnings, as well as the issuance, net of related discount, of $430 million of perpetual preferred stock in exchange for certain income trust securities in the second quarter of 2010. The Tier 1 capital ratio was 10.5 percent at December 31, 2010, compared with 10.3 percent at September 30, 2010, and 9.6 percent at December 31, 2009. The Tier 1 common equity ratio was 7.8 percent at December 31, 2010, compared with 7.6 percent at September 30, 2010, and 6.8 percent at December 31, 2009. The tangible common equity ratio was 6.0 percent at December 31, 2010, compared with 6.2 percent at

September 30, 2010, and 5.3 percent at December 31, 2009. All regulatory ratios continue to be in excess of "well-capitalized" requirements.

COMMON SHARES **Table 12**

(Millions)	4Q 2010	3Q 2010	2Q 2010	1Q 2010	4Q 2009
Beginning shares outstanding	1,918	1,917	1,916	1,913	1,912
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	3	1	1	4	1
Shares repurchased for stock option plans	--	--	--	(1)	--
Ending shares outstanding	1,921	1,918	1,917	1,916	1,913

LINE OF BUSINESS FINANCIAL PERFORMANCE (a) **Table 13**

($ in millions)

Business Line	Net Income Attributable to U.S. Bancorp 4Q 2010	3Q 2010	4Q 2009	Percent Change 4Q10 vs 3Q10	4Q10 vs 4Q09	Net Income Attributable to U.S. Bancorp Full Year 2010	Full Year 2009	Percent Change	4Q 2010 Earnings Composition
Wholesale Banking and Commercial Real Estate	$172	$136	$57	26.5	nm	$408	$144	nm	18 %
Consumer and Small Business Banking	151	240	243	(37.1)	(37.9)	729	878	(17.0)	15
Wealth Management and Securities Services	55	53	69	3.8	(20.3)	220	334	(34.1)	6
Payment Services	266	215	60	23.7	nm	773	278	nm	27
Treasury and Corporate Support	330	264	173	25.0	90.8	1,187	571	nm	34
Consolidated Company	$974	$908	$602	7.3	61.8	$3,317	$2,205	50.4	100 %

(a) preliminary data

Lines of Business

The Company's major lines of business are Wholesale Banking and Commercial Real Estate, Consumer and Small Business Banking, Wealth Management and Securities Services, Payment Services, and Treasury and Corporate Support. These operating segments are components of the Company about which financial information is prepared and is evaluated regularly by management in deciding how to allocate resources and assess performance. Noninterest expenses incurred by centrally managed operations or business lines that directly support another business line's operations are charged to the applicable business line based on its

utilization of those services primarily measured by the volume of customer activities, number of employees or other relevant factors. These allocated expenses are reported as net shared services expense within noninterest expense. Designations, assignments and allocations change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to the Company's diverse customer base. During 2010, certain organization and methodology changes were made and, accordingly, prior period results were restated and presented on a comparable basis. Starting with the third quarter of 2010, lines of business results include the impact of transferring the operating activities of the First Bank of Oak Park ("FBOP") acquisition to the appropriate operating segments. Covered commercial and commercial real estate credit-impaired loans and related other real estate owned remain in Treasury and Corporate Support.

Wholesale Banking and Commercial Real Estate offers lending, equipment finance and small-ticket leasing, depository, treasury management, capital markets, foreign exchange, international trade services and other financial services to middle market, large corporate, commercial real estate, financial institution and public sector clients. Wholesale Banking and Commercial Real Estate contributed $172 million of the Company's net income in the fourth quarter of 2010, compared with $57 million in the fourth quarter of 2009 and $136 million in the third quarter of 2010. Wholesale Banking and Commercial Real Estate's net income increased $115 million over the same quarter of 2009 due to higher total net revenue and lower provision for credit losses, partially offset by an increase in total noninterest expense. Net interest income increased $62 million (12.7 percent) year-over-year due to improved spreads on new loans, an increase in loan fees and the impact of the FBOP acquisition, partially offset by a decrease in average total loans and the impact of declining rates on the margin benefit from deposits. Total noninterest income increased $16 million (5.5 percent), mainly due to strong growth in commercial products revenue including standby letters of credit, commercial loan, syndication and other capital markets fees, partially offset by lower commercial leasing revenue. Total noninterest expense increased $57 million (18.9 percent) over a year ago, primarily due to higher compensation and employee benefits expense and increased litigation costs. The provision for credit losses was $161 million (41.6 percent) lower year-over-year due to a reduction in net charge-offs and a decrease in reserve allocation.

Wholesale Banking and Commercial Real Estate's contribution to net income in the fourth quarter of 2010 was $36 million (26.5 percent) higher than the third quarter of 2010. This improvement was due to higher total net revenue and a reduction in the provision for credit losses, partially offset by an increase in

total noninterest expense. Total net revenue was higher by $35 million (4.3 percent). Net interest income was $10 million (1.8 percent) higher on a linked quarter basis due to improved loan spreads and higher average loan and deposit balances as well as an increase in loan fees. The $25 million (8.9 percent) increase in total noninterest income was the result of improved customer derivative revenue and higher commercial products revenue. Total noninterest expense increased by $40 million (12.5 percent), principally due to increased litigation costs. The provision for credit losses decreased $62 million (21.5 percent) on a linked quarter basis due to lower net charge-offs and a decrease in allocated reserves.

Consumer and Small Business 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 and Small Business Banking contributed $151 million of the Company's net income in the fourth quarter of 2010, a $92 million (37.9 percent) decrease from the fourth quarter of 2009, and an $89 million (37.1 percent) decrease from the prior quarter. Within Consumer and Small Business Banking, the retail banking division reported a $113 million reduction in its contribution from the same quarter of last year, and $58 million reduction in its contribution from the previous quarter. The decrease in the retail banking division's contribution from the same period of 2009 was due to lower total net revenue, higher total noninterest expense and an increase in the provision for credit losses. Retail banking's net interest income increased 7.3 percent over the fourth quarter of 2009, principally due to higher loan and deposit volumes, partially offset by the impact of lower rates on the margin benefit from deposits. Total noninterest income for the retail banking division decreased 24.7 percent from a year ago due to a reduction in deposit service charges, reflecting the impact of revised overdraft fee policies, and lower retail lease residual valuation income. Total noninterest expense for the retail banking division in the fourth quarter of 2010 was 11.9 percent higher year-over-year, principally due to higher compensation and employee benefits expense, processing costs, net occupancy and equipment expenses related to business expansion and costs related to other real estate owned. The provision for credit losses for the retail banking division was higher than the same quarter of last year due to an increase in the allocated reserves, reflecting the impact of portfolio growth and increased loan modifications. In the fourth quarter of 2010, the mortgage banking division's contribution was $151 million, a 16.2 increase over the fourth quarter of 2009. The division's total net revenue increased 25.5 percent over a year ago, reflecting increased interest income on higher mortgage loans held-for-sale average balances and higher origination

and sales and servicing revenue, partially offset by a lower net valuation of MSRs. Total noninterest expense for the mortgage banking division increased 31.9 percent over the fourth quarter of 2009, primarily due to higher compensation and employee benefits expense related to increased loan production. The provision for credit losses increased 64.0 percent year-over-year, reflecting a change in the reserve allocation compared with the fourth quarter of 2009.

Consumer and Small Business Banking's contribution in the fourth quarter of 2010 was $89 million (37.1 percent) lower than the third quarter of 2010 due to lower total net revenue and higher provision for credit losses. Within Consumer and Small Business Banking, the retail banking division's contribution decreased $58 million on a linked quarter basis, principally due to a 29.7 percent increase in the provision for credit losses. Total net revenue for the retail banking division was relatively flat as a 1.7 percent increase in net interest income was offset by a 6.1 percent decrease in noninterest income, reflecting the impact of the revised overdraft fee policies on deposit service charges. Total noninterest expense for the retail banking division decreased 1.3 percent on a linked quarter basis due to lower fraud losses in the current quarter, partially offset by higher compensation and employee benefits expense. The provision for credit losses for the division increased 29.7 percent due to an unfavorable change in the reserve allocation. The contribution of the mortgage banking division decreased 17.0 percent from the third quarter of 2010, driven by lower total net revenue and an increase in total noninterest expense. Total net revenue decreased 9.0 percent due to lower mortgage origination and sales revenue, partially offset by a 10.7 percent increase in net interest income due to higher mortgage loans held-for-sale average balances. Total noninterest expense increased 7.7 percent due to higher commission and incentive expense. The mortgage banking division's provision for credit losses decreased 12.8 percent on a linked quarter basis due to a lower reserve allocation.

Wealth Management and Securities Services provides trust, private banking, financial advisory, investment management, retail brokerage services, insurance, custody and fund servicing through five businesses: Wealth Management, Corporate Trust, U.S. Bancorp Asset Management, Institutional Trust & Custody and Fund Services. Wealth Management and Securities Services contributed $55 million of the Company's net income in the fourth quarter of 2010, a 20.3 percent decrease from the fourth quarter of 2009, but a 3.8 percent increase from the third quarter of 2010. The decrease in the business line's contribution compared with the same quarter of 2009 was principally due to higher total noninterest expense, partially offset by an increase in total net revenue. Total net revenue increased by $13 million (3.7 percent) year-over-year. Net interest income was higher by $16 million (23.2 percent), primarily due to higher average

deposit balances. Total noninterest income declined $3 million (1.1 percent), as improved trust and investment management fees were offset by a market valuation loss. Total noninterest expense increased by $37 million (15.5 percent), due to higher compensation and employee benefits expense and processing costs, partially offset by a reduction in other intangibles expense. The provision for credit losses decreased by $2 million (40.0 percent) due to a reduction in the reserve allocation, partially offset by an increase in net charge-offs.

The business line's contribution in the fourth quarter of 2010 was higher than the prior quarter by $2 million (3.8 percent). Total net revenue increased $4 million (1.1 percent), principally due to a 1.8 percent increase in total noninterest income driven by increased fees due to improved market conditions, partially offset by a market valuation loss. Total noninterest expense increased $13 million (4.9 percent) on a linked quarter basis primarily due to higher compensation and employee benefits expense. The provision for credit losses was $12 million (80.0 percent) lower compared with the prior quarter due to a reduction in net charge-offs and a lower reserve allocation.

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 contributed $266 million of the Company's net income in the fourth quarter of 2010, an increase of $206 million over the same period of 2009, and an increase of $51 million (23.7 percent) over the prior quarter. The increase year-over-year was primarily due to a lower provision for credit losses. Total net revenue increased $12 million (1.1 percent) year-over-year. Net interest income increased $5 million (1.6 percent), while total noninterest income increased $7 million (.9 percent) year-over-year, primarily due to increased transaction volumes, including business expansion, partially offset by a fourth quarter of 2009 contract termination gain. Total noninterest expense increased $43 million (9.2 percent), driven by higher compensation and employee benefits expense and processing costs, partially offset by lower other intangibles expense. The provision for credit losses decreased $352 million (63.1 percent) due to lower net charge-offs and a favorable change in the reserve allocation due to improved loss rates.

Payment Services' contribution in the fourth quarter of 2010 was $51 million (23.7 percent) higher than the third quarter of 2010 and was driven by lower provision for credit losses. Total net revenue was essentially flat compared with the third quarter of 2010 as a 1.2 percent increase in total noninterest income, principally due to higher volumes, was offset by a 2.7 percent decrease in net interest income due to the impact of new legislation on credit card yields. Total noninterest expense increased $25 million (5.2

percent) on a linked quarter basis, principally due to marketing programs. The provision for credit losses decreased $101 million (32.9 percent) due to lower net charge-offs and a reduction in the reserve allocation, as the outlook for future losses on the credit card portfolios moderated.

Treasury and Corporate Support includes the Company's investment portfolios, covered commercial and commercial real estate credit-impaired loans and related OREO, 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 $330 million in the fourth quarter of 2010, compared with net income of $173 million in the fourth quarter of 2009 and net income of $264 million in the third quarter of 2010. Net interest income decreased $65 million (14.1 percent) from the fourth quarter of 2009, reflecting the impact of the current rate environment, wholesale funding decisions and the Company's asset/liability position. Total noninterest income increased by $280 million, year-over-year, primarily due to the Nuveen Gain, the Visa Gain and lower securities impairments. Total noninterest expense decreased $17 million (6.4 percent) as a result of lower costs related to affordable housing and other tax-advantaged projects and a favorable variance in the shared services allocation.

Net income in the fourth quarter of 2010 was higher on a linked quarter basis, principally due to an increase in total net revenue. Total net revenue was higher than the third quarter of 2010 by $146 million (34.4 percent), largely due to the Nuveen and Visa Gains. The $23 million (10.1 percent) increase in total noninterest expense from the third quarter of 2010 was primarily due to seasonally higher costs related to affordable housing and other tax-advantaged projects.

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

On Wednesday, January 19, 2011, at 7:30 a.m. (CST) Richard K. Davis, chairman, president and chief executive officer, and Andrew Cecere, vice chairman and chief financial officer, will host a conference call to review the financial results. The conference call will be available by telephone or on the Internet. A presentation will be used during the call and will be available on the Company's website at www.usbank.com. To access the conference call from locations within the United States and Canada, please dial 866-316-1409. Participants calling from outside the United States and Canada, please dial 706-634-9086. The conference ID number for all participants is 34425534. 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 Wednesday, January 19th, and will run through Wednesday, January 26th, at 11:00 p.m. (CST). 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 34425534. To access the webcast and presentation go to www.usbank.com and click on "About U.S. Bank". The "Webcasts & Presentations" link can be found under the Investor/Shareholder information heading, which is at the left side of the bottom of the page.

Minneapolis-based U.S. Bancorp ("USB"), with $308 billion in assets, is the parent company of U.S. Bank National Association, the 5th largest commercial bank in the United States. The Company operates 3,031 banking offices in 24 states and 5,310 ATMs and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions. Visit U.S. Bancorp on the web at usbank.com.

(MORE)

Forward-Looking Statements

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

This press release contains forward-looking statements about U.S. Bancorp. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements and are based on the information available to, and assumptions and estimates made by, management as of the date made. These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. Global and domestic economies could fail to recover from the recent economic downturn or could experience another severe contraction, which could adversely affect U.S. Bancorp's revenues and the values of its assets and liabilities. Global financial markets could experience a recurrence of significant turbulence, which could reduce the availability of funding to certain financial institutions and lead to a tightening of credit, a reduction of business activity, and increased market volatility. Stress in the commercial real estate markets, as well as a delay or failure of recovery in the residential real estate markets, could cause additional credit losses and deterioration in asset values. In addition, U.S. Bancorp's business and financial performance is likely to be impacted by effects of recently enacted and future legislation and regulation. U.S. Bancorp's results could also be adversely affected by continued deterioration in general business and economic conditions; changes in interest rates; deterioration in the credit quality of its loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in its investment securities portfolio; legal and regulatory developments; increased competition from both banks and non-banks; changes in customer behavior and preferences; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, residual value risk, market risk, operational risk, interest rate risk, and liquidity risk.

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

Non-Regulatory Capital Ratios

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

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

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

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

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(MORE)

U.S. Bancorp

Consolidated Statement of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Year Ended December 31, 2010	Year Ended December 31, 2009
Interest Income				
Loans	$2,565	$2,496	$10,145	$9,564
Loans held for sale	84	56	246	277
Investment securities	397	396	1,601	1,606
Other interest income	47	26	166	91
Total interest income	3,093	2,974	12,158	11,538
Interest Expense				
Deposits	232	265	928	1,202
Short-term borrowings	134	127	548	539
Long-term debt	281	272	1,103	1,279
Total interest expense	647	664	2,579	3,020
Net interest income	2,446	2,310	9,579	8,518
Provision for credit losses	912	1,388	4,356	5,557
Net interest income after provision for credit losses	1,534	922	5,223	2,961
Noninterest Income				
Credit and debit card revenue	293	273	1,091	1,055
Corporate payment products revenue	173	166	710	669
Merchant processing services	323	312	1,253	1,148
ATM processing services	105	101	423	410
Trust and investment management fees	282	277	1,080	1,168
Deposit service charges	144	238	710	970
Treasury management fees	134	132	555	552
Commercial products revenue	208	185	771	615
Mortgage banking revenue	250	218	1,003	1,035
Investment products fees and commissions	29	27	111	109
Securities gains (losses), net	(14)	(158)	(78)	(451)
Other	295	245	731	672
Total noninterest income	2,222	2,016	8,360	7,952
Noninterest Expense				
Compensation	999	816	3,779	3,135
Employee benefits	171	145	694	574
Net occupancy and equipment	237	214	919	836
Professional services	97	81	306	255
Marketing and business development	106	105	360	378
Technology and communications	187	186	744	673
Postage, printing and supplies	78	70	301	288
Other intangibles	89	107	367	387
Other	521	504	1,913	1,755
Total noninterest expense	2,485	2,228	9,383	8,281
Income before income taxes	1,271	710	4,200	2,632
Applicable income taxes	315	108	935	395
Net income	956	602	3,265	2,237
Net (income) loss attributable to noncontrolling interests	18	--	52	(32)
Net income attributable to U.S. Bancorp	$974	$602	$3,317	$2,205
Net income applicable to U.S. Bancorp common shareholders	$951	$580	$3,332	$1,803
Earnings per common share	$.50	$.30	$1.74	$.97
Diluted earnings per common share	$.49	$.30	$1.73	$.97
Dividends declared per common share	$.05	$.05	$.20	$.20
Average common shares outstanding	1,914	1,908	1,912	1,851
Average diluted common shares outstanding	1,922	1,917	1,921	1,859

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	December 31, 2010	December 31, 2009
Assets		
Cash and due from banks	$14,487	$6,206
Investment securities		
Held-to-maturity	1,469	47
Available-for-sale	51,509	44,721
Loans held for sale	8,371	4,772
Loans		
Commercial	48,398	48,792
Commercial real estate	34,695	34,093
Residential mortgages	30,732	26,056
Retail	65,194	63,955
Total loans, excluding covered loans	179,019	172,896
Covered loans	18,042	21,859
Total loans	197,061	194,755
Less allowance for loan losses	(5,310)	(5,079)
Net loans	191,751	189,676
Premises and equipment	2,487	2,263
Goodwill	8,954	9,011
Other intangible assets	3,213	3,406
Other assets	25,545	21,074
Total assets	$307,786	$281,176
Liabilities and Shareholders' Equity		
Deposits		
Noninterest-bearing	$45,314	$38,186
Interest-bearing	129,381	115,135
Time deposits greater than $100,000	29,557	29,921
Total deposits	204,252	183,242
Short-term borrowings	32,557	31,312
Long-term debt	31,537	32,580
Other liabilities	9,118	7,381
Total liabilities	277,464	254,515
Shareholders' equity		
Preferred stock	1,930	1,500
Common stock	21	21
Capital surplus	8,294	8,319
Retained earnings	27,005	24,116
Less treasury stock	(6,262)	(6,509)
Accumulated other comprehensive income (loss)	(1,469)	(1,484)
Total U.S. Bancorp shareholders' equity	29,519	25,963
Noncontrolling interests	803	698
Total equity	30,322	26,661
Total liabilities and equity	$307,786	$281,176

U.S. Bancorp

Non-Regulatory Capital Ratios

(Dollars in Millions, Unaudited)	December 31, 2010 *	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Total equity	$30,322	$29,943	$28,940	$27,388	$26,661
Preferred stock	(1,930)	(1,930)	(1,930)	(1,500)	(1,500)
Noncontrolling interests	(803)	(792)	(771)	(679)	(698)
Goodwill (net of deferred tax liability)	(8,337)	(8,429)	(8,425)	(8,374)	(8,482)
Intangible assets, other than mortgage servicing rights	(1,376)	(1,434)	(1,525)	(1,610)	(1,657)
Tangible common equity (a)	17,876	17,358	16,289	15,225	14,324
Tier 1 capital, determined in accordance with prescribed regulatory requirements	25,947	24,908	24,021	23,278	22,610
Trust preferred securities	(3,949)	(3,949)	(3,949)	(4,524)	(4,524)
Preferred stock	(1,930)	(1,930)	(1,930)	(1,500)	(1,500)
Noncontrolling interests, less preferred stock not eligible for Tier 1 capital	(692)	(694)	(694)	(692)	(692)
Tier 1 common equity (b)	19,376	18,335	17,448	16,562	15,894
Total assets	307,786	290,654	283,243	282,428	281,176
Goodwill (net of deferred tax liability)	(8,337)	(8,429)	(8,425)	(8,374)	(8,482)
Intangible assets, other than mortgage servicing rights	(1,376)	(1,434)	(1,525)	(1,610)	(1,657)
Tangible assets (c)	298,073	280,791	273,293	272,444	271,037
Risk-weighted assets, determined in accordance with prescribed regulatory requirements (d)	247,619	242,490	237,145	234,042	235,233
Ratios					
Tangible common equity to tangible assets (a)/(c)	6.0 %	6.2 %	6.0 %	5.6 %	5.3 %
Tier 1 common equity to risk-weighted assets (b)/(d)	7.8	7.6	7.4	7.1	6.8
Tangible common equity to risk-weighted assets (a)/(d)	7.2	7.2	6.9	6.5	6.1

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

Supplemental Analyst Schedules

4Q 2010

U.S. Bancorp

Income Statement Highlights

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended December 31, 2010	Three Months Ended September 30, 2010	Three Months Ended December 31, 2009	Percent Change v. December 31, 2010 September 30, 2010	Percent Change v. December 31, 2010 December 31, 2009
Net interest income (taxable-equivalent basis)	$2,499	$2,477	$2,360	.9 %	5.9 %
Noninterest income	2,222	2,110	2,016	5.3	10.2
Total net revenue	4,721	4,587	4,376	2.9	7.9
Noninterest expense	2,485	2,385	2,228	4.2	11.5
Income before provision and income taxes	2,236	2,202	2,148	1.5	4.1
Provision for credit losses	912	995	1,388	(8.3)	(34.3)
Income before income taxes	1,324	1,207	760	9.7	74.2
Taxable-equivalent adjustment	53	53	50	--	6.0
Applicable income taxes	315	260	108	21.2	*
Net income	956	894	602	6.9	58.8
Net (income) loss attributable to noncontrolling interests	18	14	--	28.6	*
Net income attributable to U.S. Bancorp	$974	$908	$602	7.3	61.8
Net income applicable to U.S. Bancorp common shareholders	$951	$871	$580	9.2	64.0
Diluted earnings per common share	$.49	$.45	$.30	8.9	63.3
Revenue per diluted common share (a)	$2.46	$2.39	$2.37	2.9	3.8
Financial Ratios					
Net interest margin (b)	3.83 %	3.91 %	3.83 %		
Interest yield on average loans (b)	5.24	5.31	5.20		
Rate paid on interest-bearing liabilities (b)	1.21	1.25	1.31		
Return on average assets	1.31	1.26	.86		
Return on average common equity	13.7	12.8	9.6		
Efficiency ratio (c)	52.5	51.9	49.1		
Tangible efficiency ratio (d)	50.6	49.9	46.8		

* 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)	Year Ended December 31, 2010	Year Ended December 31, 2009	Percent Change
Net interest income (taxable-equivalent basis)	$9,788	$8,716	12.3 %
Noninterest income	8,360	7,952	5.1
Total net revenue	18,148	16,668	8.9
Noninterest expense	9,383	8,281	13.3
Income before provision and income taxes	8,765	8,387	4.5
Provision for credit losses	4,356	5,557	(21.6)
Income before income taxes	4,409	2,830	55.8
Taxable-equivalent adjustment	209	198	5.6
Applicable income taxes	935	395	*
Net income	3,265	2,237	46.0
Net (income) loss attributable to noncontrolling interests	52	(32)	*
Net income attributable to U.S. Bancorp	$3,317	$2,205	50.4
Net income applicable to U.S. Bancorp common shareholders	$3,332	$1,803	84.8
Diluted earnings per common share	$1.73	$.97	78.4
Revenue per diluted common share (a)	$9.49	$9.21	3.0
Financial Ratios			
Net interest margin (b)	3.88 %	3.67 %	
Interest yield on average loans (b)	5.28	5.17	
Rate paid on interest-bearing liabilities (b)	1.24	1.55	
Return on average assets	1.16	.82	
Return on average common equity	12.7	8.2	
Efficiency ratio (c)	51.5	48.4	
Tangible efficiency ratio (d)	49.5	46.1	

* 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 December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Interest Income					
Loans	$2,565	$2,560	$2,515	$2,505	$2,496
Loans held for sale	84	71	47	44	56
Investment securities	397	400	394	410	396
Other interest income	47	46	39	34	26
Total interest income	3,093	3,077	2,995	2,993	2,974
Interest Expense					
Deposits	232	231	229	236	265
Short-term borrowings	134	149	137	128	127
Long-term debt	281	273	272	277	272
Total interest expense	647	653	638	641	664
Net interest income	2,446	2,424	2,357	2,352	2,310
Provision for credit losses	912	995	1,139	1,310	1,388
Net interest income after provision for credit losses	1,534	1,429	1,218	1,042	922
Noninterest Income					
Credit and debit card revenue	293	274	266	258	273
Corporate payment products revenue	173	191	178	168	166
Merchant processing services	323	318	320	292	312
ATM processing services	105	105	108	105	101
Trust and investment management fees	282	267	267	264	277
Deposit service charges	144	160	199	207	238
Treasury management fees	134	139	145	137	132
Commercial products revenue	208	197	205	161	185
Mortgage banking revenue	250	310	243	200	218
Investment products fees and commissions	29	27	30	25	27
Securities gains (losses), net	(14)	(9)	(21)	(34)	(158)
Other	295	131	170	135	245
Total noninterest income	2,222	2,110	2,110	1,918	2,016
Noninterest Expense					
Compensation	999	973	946	861	816
Employee benefits	171	171	172	180	145
Net occupancy and equipment	237	229	226	227	214
Professional services	97	78	73	58	81
Marketing and business development	106	108	86	60	105
Technology and communications	187	186	186	185	186
Postage, printing and supplies	78	74	75	74	70
Other intangibles	89	90	91	97	107
Other	521	476	522	394	504
Total noninterest expense	2,485	2,385	2,377	2,136	2,228
Income before income taxes	1,271	1,154	951	824	710
Applicable income taxes	315	260	199	161	108
Net income	956	894	752	663	602
Net (income) loss attributable to noncontrolling interests	18	14	14	6	--
Net income attributable to U.S. Bancorp	$974	$908	$766	$669	$602
Net income applicable to U.S. Bancorp common shareholders	$951	$871	$862	$648	$580
Earnings per common share	$.50	$.46	$.45	$.34	$.30
Diluted earnings per common share	$.49	$.45	$.45	$.34	$.30
Dividends declared per common share	$.05	$.05	$.05	$.05	$.05
Average common shares outstanding	1,914	1,913	1,912	1,910	1,908
Average diluted common shares outstanding	1,922	1,920	1,921	1,919	1,917
Financial Ratios					
Net interest margin (a)	3.83 %	3.91 %	3.90 %	3.90 %	3.83 %
Interest yield on average loans (a)	5.24	5.31	5.30	5.28	5.20
Rate paid on interest-bearing liabilities (a)	1.21	1.25	1.25	1.24	1.31
Return on average assets	1.31	1.26	1.09	.96	.86
Return on average common equity	13.7	12.8	13.4	10.5	9.6
Efficiency ratio (b)	52.5	51.9	52.4	49.0	49.1
Tangible efficiency ratio (c)	50.6	49.9	50.4	46.8	46.8

(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)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Assets		(Unaudited)	(Unaudited)	(Unaudited)	
Cash and due from banks	$14,487	$4,470	$5,033	$8,380	$6,206
Investment securities					
Held-to-maturity	1,469	557	590	625	47
Available-for-sale	51,509	48,406	47,777	46,288	44,721
Loans held for sale	8,371	8,438	4,912	3,884	4,772
Loans					
Commercial	48,398	47,627	46,766	46,312	48,792
Commercial real estate	34,695	34,318	33,944	34,207	34,093
Residential mortgages	30,732	28,587	27,252	26,520	26,056
Retail	65,194	65,047	63,639	63,191	63,955
Total loans, excluding covered loans	179,019	175,579	171,601	170,230	172,896
Covered loans	18,042	19,038	19,983	20,923	21,859
Total loans	197,061	194,617	191,584	191,153	194,755
Less allowance for loan losses	(5,310)	(5,321)	(5,320)	(5,235)	(5,079)
Net loans	191,751	189,296	186,264	185,918	189,676
Premises and equipment	2,487	2,304	2,257	2,246	2,263
Goodwill	8,954	9,024	9,002	9,007	9,011
Other intangible assets	3,213	2,856	3,068	3,388	3,406
Other assets	25,545	25,303	24,340	22,692	21,074
Total assets	$307,786	$290,654	$283,243	$282,428	$281,176
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	$45,314	$40,750	$41,673	$38,913	$38,186
Interest-bearing	129,381	118,863	113,024	117,922	115,135
Time deposits greater than $100,000	29,557	27,793	28,426	27,204	29,921
Total deposits	204,252	187,406	183,123	184,039	183,242
Short-term borrowings	32,557	34,341	33,797	31,196	31,312
Long-term debt	31,537	30,353	29,137	32,399	32,580
Other liabilities	9,118	8,611	8,246	7,406	7,381
Total liabilities	277,464	260,711	254,303	255,040	254,515
Shareholders' equity					
Preferred stock	1,930	1,930	1,930	1,500	1,500
Common stock	21	21	21	21	21
Capital surplus	8,294	8,310	8,292	8,267	8,319
Retained earnings	27,005	26,147	25,367	24,597	24,116
Less treasury stock	(6,262)	(6,363)	(6,381)	(6,409)	(6,509)
Accumulated other comprehensive income (loss)	(1,469)	(894)	(1,060)	(1,267)	(1,484)
Total U.S. Bancorp shareholders' equity	29,519	29,151	28,169	26,709	25,963
Noncontrolling interests	803	792	771	679	698
Total equity	30,322	29,943	28,940	27,388	26,661
Total liabilities and equity	$307,786	$290,654	$283,243	$282,428	$281,176

U.S. Bancorp

Consolidated Quarterly Average Balance Sheet

(Dollars in Millions, Unaudited)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Assets					
Investment securities	$49,790	$47,870	$47,140	$46,211	$44,149
Loans held for sale	7,967	6,465	4,048	3,932	4,628
Loans					
Commercial					
Commercial	41,700	40,726	40,095	40,837	43,490
Lease financing	6,012	6,058	6,245	6,445	6,489
Total commercial	47,712	46,784	46,340	47,282	49,979
Commercial real estate					
Commercial mortgages	26,750	26,008	25,606	25,444	24,895
Construction and development	7,827	8,182	8,558	8,707	9,149
Total commercial real estate	34,577	34,190	34,164	34,151	34,044
Residential mortgages	29,659	27,890	26,821	26,408	25,621
Retail					
Credit card	16,403	16,510	16,329	16,368	16,399
Retail leasing	4,459	4,289	4,364	4,509	4,620
Home equity and second mortgages	19,119	19,289	19,332	19,402	19,444
Other retail	24,983	24,281	23,357	23,343	23,037
Total retail	64,964	64,369	63,382	63,622	63,500
Total loans, excluding covered loans	176,912	173,233	170,707	171,463	173,144
Covered loans	18,572	19,308	20,454	21,415	18,504
Total loans	195,484	192,541	191,161	192,878	191,648
Other earning assets	6,618	5,040	5,097	5,807	4,958
Total earning assets	259,859	251,916	247,446	248,828	245,383
Allowance for loan losses	(5,435)	(5,406)	(5,443)	(5,312)	(5,101)
Unrealized gain (loss) on available-for-sale securities	315	475	(19)	(407)	(649)
Other assets	39,445	39,075	39,356	38,613	36,978
Total assets	$294,184	$286,060	$281,340	$281,722	$276,611
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	$42,950	$39,732	$39,917	$38,000	$40,990
Interest-bearing deposits					
Interest checking	41,920	39,308	39,503	39,994	39,714
Money market savings	39,585	38,005	40,256	40,902	38,485
Savings accounts	23,470	22,008	20,035	18,029	15,926
Time certificates of deposit less than $100,000	15,212	16,024	16,980	18,335	18,438
Time deposits greater than $100,000	27,176	27,583	26,627	27,271	27,336
Total interest-bearing deposits	147,363	142,928	143,401	144,531	139,899
Short-term borrowings	33,698	36,303	32,286	32,551	28,764
Long-term debt	31,247	29,422	30,242	32,456	32,784
Total interest-bearing liabilities	212,308	208,653	205,929	209,538	201,447
Other liabilities	8,703	8,003	7,328	7,092	7,908
Shareholders' equity					
Preferred equity	1,930	1,930	1,599	1,500	1,500
Common equity	27,504	26,957	25,820	24,914	24,061
Total U.S. Bancorp shareholders' equity	29,434	28,887	27,419	26,414	25,561
Noncontrolling interests	789	785	747	678	705
Total equity	30,223	29,672	28,166	27,092	26,266
Total liabilities and equity	$294,184	$286,060	$281,340	$281,722	$276,611

U.S. Bancorp

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

(Dollars in Millions) (Unaudited)	For the Three Months Ended December 31, 2010 Average Balances	Interest	Yields and Rates	2009 Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$49,790	$437	3.51 %	$44,149	$436	3.95 %	12.8 %
Loans held for sale	7,967	84	4.17	4,628	56	4.81	72.1
Loans (b)							
Commercial	47,712	505	4.21	49,979	504	4.01	(4.5)
Commercial real estate	34,577	393	4.51	34,044	368	4.29	1.6
Residential mortgages	29,659	377	5.08	25,621	353	5.51	15.8
Retail	64,964	1,065	6.50	63,500	1,075	6.72	2.3
Total loans, excluding covered loans	176,912	2,340	5.26	173,144	2,300	5.28	2.2
Covered loans	18,572	240	5.14	18,504	208	4.45	.4
Total loans	195,484	2,580	5.24	191,648	2,508	5.20	2.0
Other earning assets	6,618	47	2.83	4,958	26	2.16	33.5
Total earning assets	259,859	3,148	4.82	245,383	3,026	4.91	5.9
Allowance for loan losses	(5,435)			(5,101)			(6.5)
Unrealized gain (loss) on available-for-sale securities	315			(649)			*
Other assets	39,445			36,978			6.7
Total assets	$294,184			$276,611			6.4
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$42,950			$40,990			4.8
Interest-bearing deposits							
Interest checking	41,920	21	.20	39,714	21	.21	5.6
Money market savings	39,585	31	.30	38,485	37	.38	2.9
Savings accounts	23,470	34	.57	15,926	22	.54	47.4
Time certificates of deposit less than $100,000	15,212	73	1.90	18,438	95	2.05	(17.5)
Time deposits greater than $100,000	27,176	73	1.06	27,336	90	1.31	(.6)
Total interest-bearing deposits	147,363	232	.62	139,899	265	.75	5.3
Short-term borrowings	33,698	136	1.61	28,764	129	1.78	17.2
Long-term debt	31,247	281	3.57	32,784	272	3.29	(4.7)
Total interest-bearing liabilities	212,308	649	1.21	201,447	666	1.31	5.4
Other liabilities	8,703			7,908			10.1
Shareholders' equity							
Preferred equity	1,930			1,500			28.7
Common equity	27,504			24,061			14.3
Total U.S. Bancorp shareholders' equity	29,434			25,561			15.2
Noncontrolling interests	789			705			11.9
Total equity	30,223			26,266			15.1
Total liabilities and equity	$294,184			$276,611			6.4 %
Net interest income		$2,499			$2,360		
Gross interest margin			3.61 %			3.60 %	
Gross interest margin without taxable-equivalent increments			3.53			3.52	
Percent of Earning Assets							
Interest income			4.82 %			4.91 %	
Interest expense			.99			1.08	
Net interest margin			3.83 %			3.83 %	
Net interest margin without taxable-equivalent increments			3.75 %			3.75 %	

* 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						
	December 31, 2010			September 30, 2010			
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$49,790	$437	3.51 %	$47,870	$441	3.69 %	4.0 %
Loans held for sale	7,967	84	4.17	6,465	71	4.43	23.2
Loans (b)							
Commercial	47,712	505	4.21	46,784	501	4.26	2.0
Commercial real estate	34,577	393	4.51	34,190	390	4.52	1.1
Residential mortgages	29,659	377	5.08	27,890	361	5.17	6.3
Retail	64,964	1,065	6.50	64,369	1,082	6.67	.9
Total loans, excluding covered loans	176,912	2,340	5.26	173,233	2,334	5.35	2.1
Covered loans	18,572	240	5.14	19,308	240	4.93	(3.8)
Total loans	195,484	2,580	5.24	192,541	2,574	5.31	1.5
Other earning assets	6,618	47	2.83	5,040	46	3.61	31.3
Total earning assets	259,859	3,148	4.82	251,916	3,132	4.95	3.2
Allowance for loan losses	(5,435)			(5,406)			(.5)
Unrealized gain (loss) on available-for-sale securities	315			475			(33.7)
Other assets	39,445			39,075			.9
Total assets	$294,184			$286,060			2.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$42,950			$39,732			8.1
Interest-bearing deposits							
Interest checking	41,920	21	.20	39,308	19	.19	6.6
Money market savings	39,585	31	.30	38,005	31	.33	4.2
Savings accounts	23,470	34	.57	22,008	32	.59	6.6
Time certificates of deposit less than $100,000	15,212	73	1.90	16,024	75	1.86	(5.1)
Time deposits greater than $100,000	27,176	73	1.06	27,583	74	1.06	(1.5)
Total interest-bearing deposits	147,363	232	.62	142,928	231	.64	3.1
Short-term borrowings	33,698	136	1.61	36,303	151	1.65	(7.2)
Long-term debt	31,247	281	3.57	29,422	273	3.70	6.2
Total interest-bearing liabilities	212,308	649	1.21	208,653	655	1.25	1.8
Other liabilities	8,703			8,003			8.7
Shareholders' equity							
Preferred equity	1,930			1,930			--
Common equity	27,504			26,957			2.0
Total U.S. Bancorp shareholders' equity	29,434			28,887			1.9
Noncontrolling interests	789			785			.5
Total equity	30,223			29,672			1.9
Total liabilities and equity	$294,184			$286,060			2.8 %
Net interest income		$2,499			$2,477		
Gross interest margin			3.61 %			3.70 %	
Gross interest margin without taxable-equivalent increments			3.53			3.62	
Percent of Earning Assets							
Interest income			4.82 %			4.95 %	
Interest expense			.99			1.04	
Net interest margin			3.83 %			3.91 %	
Net interest margin without taxable-equivalent increments			3.75 %			3.83 %	

(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 Year Ended December 31, 2010 Average Balances	Interest	Yields and Rates	2009 Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Investment securities	$47,763	$1,763	3.69 %	$42,809	$1,770	4.13 %	11.6 %
Loans held for sale	5,616	246	4.37	5,820	277	4.76	(3.5)
Loans (b)							
Commercial	47,028	1,977	4.20	52,827	2,074	3.93	(11.0)
Commercial real estate	34,269	1,530	4.46	33,751	1,453	4.30	1.5
Residential mortgages	27,704	1,436	5.18	24,481	1,380	5.64	13.2
Retail	64,089	4,272	6.67	62,023	4,125	6.65	3.3
Total loans, excluding covered loans	173,090	9,215	5.32	173,082	9,032	5.22	--
Covered loans	19,932	985	4.94	12,723	578	4.54	56.7
Total loans	193,022	10,200	5.28	185,805	9,610	5.17	3.9
Other earning assets	5,641	166	2.94	2,853	91	3.20	97.7
Total earning assets	252,042	12,375	4.91	237,287	11,748	4.95	6.2
Allowance for loan losses	(5,399)			(4,451)			(21.3)
Unrealized gain (loss) on available-for-sale securities	94			(1,594)			*
Other assets	39,124			37,118			5.4
Total assets	$285,861			$268,360			6.5
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$40,162			$37,856			6.1
Interest-bearing deposits							
Interest checking	40,184	77	.19	36,866	78	.21	9.0
Money market savings	39,679	132	.33	31,795	145	.46	24.8
Savings accounts	20,903	121	.58	13,109	71	.54	59.5
Time certificates of deposit less than $100,000	16,628	303	1.82	17,879	461	2.58	(7.0)
Time deposits greater than $100,000	27,165	295	1.08	30,296	447	1.48	(10.3)
Total interest-bearing deposits	144,559	928	.64	129,945	1,202	.93	11.2
Short-term borrowings	33,719	556	1.65	29,149	551	1.89	15.7
Long-term debt	30,835	1,103	3.58	36,520	1,279	3.50	(15.6)
Total interest-bearing liabilities	209,113	2,587	1.24	195,614	3,032	1.55	6.9
Other liabilities	7,787			7,869			(1.0)
Shareholders' equity							
Preferred equity	1,742			4,445			(60.8)
Common equity	26,307			21,862			20.3
Total U.S. Bancorp shareholders' equity	28,049			26,307			6.6
Noncontrolling interests	750			714			5.0
Total equity	28,799			27,021			6.6
Total liabilities and equity	$285,861			$268,360			6.5 %
Net interest income		$9,788			$8,716		
Gross interest margin			3.67 %			3.40 %	
Gross interest margin without taxable-equivalent increments			3.59			3.32	
Percent of Earning Assets							
Interest income			4.91 %			4.95 %	
Interest expense			1.03			1.28	
Net interest margin			3.88 %			3.67 %	
Net interest margin without taxable-equivalent increments			3.80 %			3.59 %	

* 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)	December 31, 2010 Amount	Percent of Total	September 30, 2010 Amount	Percent of Total	June 30, 2010 Amount	Percent of Total	March 31, 2010 Amount	Percent of Total	December 31, 2009 Amount	Percent of Total
Commercial										
Commercial	$42,272	21.5 %	$41,565	21.4 %	$40,621	21.2 %	$39,937	20.9 %	$42,255	21.7 %
Lease financing	6,126	3.1	6,062	3.1	6,145	3.2	6,375	3.3	6,537	3.4
Total commercial	48,398	24.6	47,627	24.5	46,766	24.4	46,312	24.2	48,792	25.1
Commercial real estate										
Commercial mortgages	27,254	13.8	26,421	13.6	25,573	13.3	25,501	13.3	25,306	13.0
Construction and development	7,441	3.8	7,897	4.0	8,371	4.4	8,706	4.6	8,787	4.5
Total commercial real estate	34,695	17.6	34,318	17.6	33,944	17.7	34,207	17.9	34,093	17.5
Residential mortgages										
Residential mortgages	24,315	12.3	22,816	11.7	21,771	11.4	21,037	11.0	20,581	10.6
Home equity loans, first liens	6,417	3.3	5,771	3.0	5,481	2.9	5,483	2.9	5,475	2.8
Total residential mortgages	30,732	15.6	28,587	14.7	27,252	14.3	26,520	13.9	26,056	13.4
Retail										
Credit card	16,803	8.5	16,490	8.5	16,762	8.7	16,222	8.5	16,814	8.6
Retail leasing	4,569	2.3	4,334	2.2	4,303	2.3	4,446	2.4	4,568	2.3
Home equity and second mortgages	18,940	9.6	19,222	9.9	19,326	10.1	19,322	10.1	19,439	10.0
Other retail										
Revolving credit	3,472	1.8	3,488	1.8	3,467	1.8	3,431	1.8	3,506	1.8
Installment	5,459	2.8	5,630	2.9	5,588	2.9	5,433	2.8	5,455	2.8
Automobile	10,897	5.5	10,671	5.5	10,017	5.2	9,662	5.1	9,544	4.9
Student	5,054	2.5	5,212	2.6	4,176	2.2	4,675	2.4	4,629	2.4
Total other retail	24,882	12.6	25,001	12.8	23,248	12.1	23,201	12.1	23,134	11.9
Total retail	65,194	33.0	65,047	33.4	63,639	33.2	63,191	33.1	63,955	32.8
Total loans, excluding covered loans	179,019	90.8	175,579	90.2	171,601	89.6	170,230	89.1	172,896	88.8
Covered loans	18,042	9.2	19,038	9.8	19,983	10.4	20,923	10.9	21,859	11.2
Total loans	$197,061	100.0 %	$194,617	100.0 %	$191,584	100.0 %	$191,153	100.0 %	$194,755	100.0 %

U.S. Bancorp

Supplemental Financial Data

(Dollars in Millions, Unaudited)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Book value of intangibles					
Goodwill	$8,954	$9,024	$9,002	$9,007	$9,011
Merchant processing contracts	421	446	465	494	473
Core deposit benefits	283	306	330	356	383
Mortgage servicing rights	1,837	1,422	1,543	1,778	1,749
Trust relationships	200	185	197	209	222
Other identified intangibles	472	497	533	551	579
Total	$12,167	$11,880	$12,070	$12,395	$12,417

	Three Months Ended				
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
Amortization of intangibles					
Merchant processing contracts	$26	$25	$25	$26	$30
Core deposit benefits	23	24	26	29	28
Trust relationships	12	13	12	12	17
Other identified intangibles	28	28	28	30	32
Total	$89	$90	$91	$97	$107
Mortgage banking revenue					
Origination and sales	$186	$256	$121	$93	$132
Loan servicing	161	154	143	142	138
Mortgage servicing rights fair value adjustment (c)	(97)	(100)	(21)	(35)	(52)
Total mortgage banking revenue	$250	$310	$243	$200	$218
Mortgage production volume	$19,610	$16,579	$10,585	$8,980	$11,072
Mortgages serviced for others (d)	$173,919	$165,938	$163,231	$156,512	$150,783
Mortgages repurchased and make-whole payments made	$69	$53	$27	$23	$35
Realized losses on mortgage repurchases and make-whole payments	27	24	20	22	6
Mortgage representation and warranties reserve (d)	180	147	101	73	72

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

(Dollars in Millions)	MRBP (a)	Government	Conventional	Total
Servicing portfolio	$12,646	$28,880	$132,393	$173,919
Fair market value	$166	$342	$1,329	$1,837
Value (bps) (b)	131	118	100	106
Weighted-average servicing fees (bps)	40	38	30	32
Multiple (value/servicing fees)	3.28	3.11	3.33	3.31
Weighted-average note rate	5.75 %	5.35 %	5.27 %	5.32 %
Age (in years)	4.1	2.2	2.7	2.7
Expected prepayment (constant prepayment rate)	12.3 %	17.2 %	16.2 %	16.1 %
Expected life (in years)	6.7	5.1	5.3	5.4
Discount rate	11.9 %	11.4 %	10.3 %	10.6 %

(a) MRBP represents mortgage revenue bond programs.
(b) Value is calculated as fair market value divided by the servicing portfolio.
(c) Fair value adjustment includes payment decay and assumptions change impact net of hedge.
(d) Amounts reported reflect end of period balances.

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate Dec 31, 2010	Dec 31, 2009	Percent Change	Consumer and Small Business Banking Dec 31, 2010	Dec 31, 2009	Percent Change	Wealth Management and Securities Services Dec 31, 2010	Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$551	$489	12.7 %	$1,142	$1,021	11.9 %	$85	$69	23.2 %
Noninterest income	305	289	5.5	645	739	(12.7)	281	284	(1.1)
Securities gains (losses), net	--	--	--	--	--	--	--	--	--
Total net revenue	856	778	10.0	1,787	1,760	1.5	366	353	3.7
Noninterest expense	355	296	19.9	1,070	931	14.9	263	220	19.5
Other intangibles	4	6	(33.3)	22	24	(8.3)	13	19	(31.6)
Total noninterest expense	359	302	18.9	1,092	955	14.3	276	239	15.5
Income before provision and income taxes	497	476	4.4	695	805	(13.7)	90	114	(21.1)
Provision for credit losses	226	387	(41.6)	456	423	7.8	3	5	(40.0)
Income before income taxes	271	89	**	239	382	(37.4)	87	109	(20.2)
Income taxes and taxable-equivalent adjustment	99	32	**	87	139	(37.4)	32	40	(20.0)
Net income	172	57	**	152	243	(37.4)	55	69	(20.3)
Net (income) loss attributable to noncontrolling interests	--	--	--	(1)	--	**	--	--	--
Net income attributable to U.S. Bancorp	$172	$57	**	$151	$243	(37.9)	$55	$69	(20.3)
Average Balance Sheet Data									
Loans	$58,165	$59,532	(2.3) %	$102,760	$97,417	5.5 %	$3,711	$3,645	1.8 %
Other earning assets	1,066	432	**	8,541	5,020	70.1	89	122	(27.0)
Goodwill	1,608	1,598	.6	3,542	3,510	.9	1,514	1,514	--
Other intangible assets	63	81	(22.2)	1,839	1,885	(2.4)	182	237	(23.2)
Assets	63,371	64,130	(1.2)	119,595	109,964	8.8	6,081	5,975	1.8
Noninterest-bearing deposits	19,588	18,794	4.2	16,571	14,850	11.6	5,945	6,510	(8.7)
Interest-bearing deposits	34,185	36,356	(6.0)	85,513	81,297	5.2	27,254	21,090	29.2
Total deposits	53,773	55,150	(2.5)	102,084	96,147	6.2	33,199	27,600	20.3
Total U.S. Bancorp shareholders' equity	5,542	4,891	13.3	8,995	7,421	21.2	2,105	2,040	3.2

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Dec 31, 2010	Dec 31, 2009	Percent Change	Treasury and Corporate Support Dec 31, 2010	Dec 31, 2009	Percent Change	Consolidated Company Dec 31, 2010	Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$326	$321	1.6 %	$395	$460	(14.1) %	$2,499	$2,360	5.9 %
Noninterest income	815	808	.9	190	54	**	2,236	2,174	2.9
Securities gains (losses), net	--	--	--	(14)	(158)	91.1	(14)	(158)	91.1
Total net revenue	1,141	1,129	1.1	571	356	60.4	4,721	4,376	7.9
Noninterest expense	458	407	12.5	250	267	(6.4)	2,396	2,121	13.0
Other intangibles	50	58	(13.8)	--	--	--	89	107	(16.8)
Total noninterest expense	508	465	9.2	250	267	(6.4)	2,485	2,228	11.5
Income before provision and income taxes	633	664	(4.7)	321	89	**	2,236	2,148	4.1
Provision for credit losses	206	558	(63.1)	21	15	40.0	912	1,388	(34.3)
Income before income taxes	427	106	**	300	74	**	1,324	760	74.2
Income taxes and taxable-equivalent adjustment	155	39	**	(5)	(92)	94.6	368	158	**
Net income	272	67	**	305	166	83.7	956	602	58.8
Net (income) loss attributable to noncontrolling interests	(6)	(7)	14.3	25	7	**	18	--	**
Net income attributable to U.S. Bancorp	$266	$60	**	$330	$173	90.8	$974	$602	61.8
Average Balance Sheet Data									
Loans	$22,841	$22,538	1.3 %	$8,007	$8,516	(6.0) %	$195,484	$191,648	2.0 %
Other earning assets	304	269	13.0	54,375	47,892	13.5	64,375	53,735	19.8
Goodwill	2,352	2,370	(.8)	--	--	--	9,016	8,992	.3
Other intangible assets	875	1,028	(14.9)	6	7	(14.3)	2,965	3,238	(8.4)
Assets	27,499	26,655	3.2	77,638	69,887	11.1	294,184	276,611	6.4
Noninterest-bearing deposits	696	552	26.1	150	284	(47.2)	42,950	40,990	4.8
Interest-bearing deposits	156	111	40.5	255	1,045	(75.6)	147,363	139,899	5.3
Total deposits	852	663	28.5	405	1,329	(69.5)	190,313	180,889	5.2
Total U.S. Bancorp shareholders' equity	5,315	4,880	8.9	7,477	6,329	18.1	29,434	25,561	15.2

* Preliminary data

** Not meaningful

U.S. Bancorp

Line of Business Financial Performance*

Three Months Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate Dec 31, 2010	Sep 30, 2010	Percent Change	Consumer and Small Business Banking Dec 31, 2010	Sep 30, 2010	Percent Change	Wealth Management and Securities Services Dec 31, 2010	Sep 30, 2010	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$551	$541	1.8 %	$1,142	$1,109	3.0 %	$85	$86	(1.2) %
Noninterest income	305	281	8.5	645	730	(11.6)	281	276	1.8
Securities gains (losses), net	--	(1)	**	--	--	--	--	--	--
Total net revenue	856	821	4.3	1,787	1,839	(2.8)	366	362	1.1
Noninterest expense	355	315	12.7	1,070	1,070	--	263	250	5.2
Other intangibles	4	4	--	22	23	(4.3)	13	13	--
Total noninterest expense	359	319	12.5	1,092	1,093	(.1)	276	263	4.9
Income before provision and income taxes	497	502	(1.0)	695	746	(6.8)	90	99	(9.1)
Provision for credit losses	226	288	(21.5)	456	367	24.3	3	15	(80.0)
Income before income taxes	271	214	26.6	239	379	(36.9)	87	84	3.6
Income taxes and taxable-equivalent adjustment	99	78	26.9	87	138	(37.0)	32	31	3.2
Net income	172	136	26.5	152	241	(36.9)	55	53	3.8
Net (income) loss attributable to noncontrolling interests	--	--	--	(1)	(1)	--	--	--	--
Net income attributable to U.S. Bancorp	$172	$136	26.5	$151	$240	(37.1)	$55	$53	3.8
Average Balance Sheet Data									
Loans	$58,165	$57,361	1.4 %	$102,760	$100,313	2.4 %	$3,711	$3,619	2.5 %
Other earning assets	1,066	971	9.8	8,541	7,027	21.5	89	89	--
Goodwill	1,608	1,608	--	3,542	3,546	(.1)	1,514	1,515	(.1)
Other intangible assets	63	67	(6.0)	1,839	1,734	6.1	182	194	(6.2)
Assets	63,371	62,382	1.6	119,595	115,602	3.5	6,081	5,715	6.4
Noninterest-bearing deposits	19,588	18,255	7.3	16,571	15,742	5.3	5,945	4,930	20.6
Interest-bearing deposits	34,185	31,169	9.7	85,513	85,344	.2	27,254	25,676	6.1
Total deposits	53,773	49,424	8.8	102,084	101,086	1.0	33,199	30,606	8.5
Total U.S. Bancorp shareholders' equity	5,542	5,387	2.9	8,995	8,426	6.8	2,105	2,092	.6

Three Months Ended (Dollars in Millions, Unaudited)	Payment Services Dec 31, 2010	Sep 30, 2010	Percent Change	Treasury and Corporate Support Dec 31, 2010	Sep 30, 2010	Percent Change	Consolidated Company Dec 31, 2010	Sep 30, 2010	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$326	$335	(2.7) %	$395	$406	(2.7) %	$2,499	$2,477	.9 %
Noninterest income	815	805	1.2	190	27	**	2,236	2,119	5.5
Securities gains (losses), net	--	--	--	(14)	(8)	(75.0)	(14)	(9)	(55.6)
Total net revenue	1,141	1,140	.1	571	425	34.4	4,721	4,587	2.9
Noninterest expense	458	433	5.8	250	227	10.1	2,396	2,295	4.4
Other intangibles	50	50	--	--	--	--	89	90	(1.1)
Total noninterest expense	508	483	5.2	250	227	10.1	2,485	2,385	4.2
Income before provision and income taxes	633	657	(3.7)	321	198	62.1	2,236	2,202	1.5
Provision for credit losses	206	307	(32.9)	21	18	16.7	912	995	(8.3)
Income before income taxes	427	350	22.0	300	180	66.7	1,324	1,207	9.7
Income taxes and taxable-equivalent adjustment	155	127	22.0	(5)	(61)	91.8	368	313	17.6
Net income	272	223	22.0	305	241	26.6	956	894	6.9
Net (income) loss attributable to noncontrolling interests	(6)	(8)	25.0	25	23	8.7	18	14	28.6
Net income attributable to U.S. Bancorp	$266	$215	23.7	$330	$264	25.0	$974	$908	7.3
Average Balance Sheet Data									
Loans	$22,841	$22,829	.1 %	$8,007	$8,419	(4.9) %	$195,484	$192,541	1.5 %
Other earning assets	304	280	8.6	54,375	51,008	6.6	64,375	59,375	8.4
Goodwill	2,352	2,340	.5	--	--	--	9,016	9,009	.1
Other intangible assets	875	928	(5.7)	6	6	--	2,965	2,929	1.2
Assets	27,499	27,537	(.1)	77,638	74,824	3.8	294,184	286,060	2.8
Noninterest-bearing deposits	696	619	12.4	150	186	(19.4)	42,950	39,732	8.1
Interest-bearing deposits	156	149	4.7	255	590	(56.8)	147,363	142,928	3.1
Total deposits	852	768	10.9	405	776	(47.8)	190,313	182,660	4.2
Total U.S. Bancorp shareholders' equity	5,315	5,289	.5	7,477	7,693	(2.8)	29,434	28,887	1.9

* Preliminary data

** Not meaningful

U.S. Bancorp

Line of Business Financial Performance*

Year Ended (Dollars in Millions, Unaudited)	Wholesale Banking and Commercial Real Estate Dec 31, 2010	Dec 31, 2009	Percent Change	Consumer and Small Business Banking Dec 31, 2010	Dec 31, 2009	Percent Change	Wealth Management and Securities Services Dec 31, 2010	Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$2,089	$1,997	4.6 %	$4,309	$4,009	7.5 %	$320	$302	6.0 %
Noninterest income	1,151	984	17.0	2,738	2,962	(7.6)	1,101	1,187	(7.2)
Securities gains (losses), net	(1)	(3)	66.7	--	--	--	--	--	--
Total net revenue	3,239	2,978	8.8	7,047	6,971	1.1	1,421	1,489	(4.6)
Noninterest expense	1,261	1,093	15.4	4,179	3,616	15.6	1,000	867	15.3
Other intangibles	16	25	(36.0)	97	95	2.1	53	68	(22.1)
Total noninterest expense	1,277	1,118	14.2	4,276	3,711	15.2	1,053	935	12.6
Income before provision and income taxes	1,962	1,860	5.5	2,771	3,260	(15.0)	368	554	(33.6)
Provision for credit losses	1,322	1,632	(19.0)	1,620	1,877	(13.7)	22	29	(24.1)
Income before income taxes	640	228	**	1,151	1,383	(16.8)	346	525	(34.1)
Income taxes and taxable-equivalent adjustment	233	84	**	419	505	(17.0)	126	191	(34.0)
Net income	407	144	**	732	878	(16.6)	220	334	(34.1)
Net (income) loss attributable to noncontrolling interests	1	--	**	(3)	--	**	--	--	--
Net income attributable to U.S. Bancorp	$408	$144	**	$729	$878	(17.0)	$220	$334	(34.1)
Average Balance Sheet Data									
Loans	$58,005	$61,370	(5.5) %	$99,826	$96,553	3.4 %	$3,647	$3,682	(1.0) %
Other earning assets	856	186	**	6,116	6,150	(.6)	85	113	(24.8)
Goodwill	1,607	1,506	6.7	3,538	3,240	9.2	1,516	1,513	.2
Other intangible assets	69	90	(23.3)	1,907	1,677	13.7	201	258	(22.1)
Assets	63,187	66,238	(4.6)	114,272	110,203	3.7	5,860	5,988	(2.1)
Noninterest-bearing deposits	18,279	17,451	4.7	15,540	14,249	9.1	5,501	5,308	3.6
Interest-bearing deposits	32,835	34,145	(3.8)	85,482	74,726	14.4	25,456	18,215	39.8
Total deposits	51,114	51,596	(.9)	101,022	88,975	13.5	30,957	23,523	31.6
Total U.S. Bancorp shareholders' equity	5,477	4,940	10.9	8,513	7,400	15.0	2,109	2,061	2.3

Year Ended (Dollars in Millions, Unaudited)	Payment Services Dec 31, 2010	Dec 31, 2009	Percent Change	Treasury and Corporate Support Dec 31, 2010	Dec 31, 2009	Percent Change	Consolidated Company Dec 31, 2010	Dec 31, 2009	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$1,339	$1,170	14.4 %	$1,731	$1,238	39.8 %	$9,788	$8,716	12.3 %
Noninterest income	3,152	3,006	4.9	296	264	12.1	8,438	8,403	.4
Securities gains (losses), net	--	--	--	(77)	(448)	82.8	(78)	(451)	82.7
Total net revenue	4,491	4,176	7.5	1,950	1,054	85.0	18,148	16,668	8.9
Noninterest expense	1,695	1,508	12.4	881	810	8.8	9,016	7,894	14.2
Other intangibles	201	199	1.0	--	--	--	367	387	(5.2)
Total noninterest expense	1,896	1,707	11.1	881	810	8.8	9,383	8,281	13.3
Income before provision and income taxes	2,595	2,469	5.1	1,069	244	**	8,765	8,387	4.5
Provision for credit losses	1,334	1,994	(33.1)	58	25	**	4,356	5,557	(21.6)
Income before income taxes	1,261	475	**	1,011	219	**	4,409	2,830	55.8
Income taxes and taxable-equivalent adjustment	458	172	**	(92)	(359)	74.4	1,144	593	92.9
Net income	803	303	**	1,103	578	90.8	3,265	2,237	46.0
Net (income) loss attributable to noncontrolling interests	(30)	(25)	(20.0)	84	(7)	**	52	(32)	**
Net income attributable to U.S. Bancorp	$773	$278	**	$1,187	$571	**	$3,317	$2,205	50.4
Average Balance Sheet Data									
Loans	$22,618	$20,694	9.3 %	$8,926	$3,506	** %	$193,022	$185,805	3.9 %
Other earning assets	274	211	29.9	51,689	44,822	15.3	59,020	51,482	14.6
Goodwill	2,348	2,354	(.3)	--	(1)	**	9,009	8,612	4.6
Other intangible assets	943	935	.9	7	5	40.0	3,127	2,965	5.5
Assets	27,309	24,864	9.8	75,233	61,067	23.2	285,861	268,360	6.5
Noninterest-bearing deposits	634	539	17.6	208	309	(32.7)	40,162	37,856	6.1
Interest-bearing deposits	143	104	37.5	643	2,755	(76.7)	144,559	129,945	11.2
Total deposits	777	643	20.8	851	3,064	(72.2)	184,721	167,801	10.1
Total U.S. Bancorp shareholders' equity	5,310	4,772	11.3	6,640	7,134	(6.9)	28,049	26,307	6.6

* Preliminary data

** Not meaningful

Supplemental Credit Schedules

4Q 2010

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$2,129	$2,237	$2,321	$2,402	$2,484
Nonperforming loans	155	158	167	150	137
Delinquency Ratios					
30-89 days past due	6.62 %	6.39 %	5.90 %	6.91 %	8.86 %
90 days or more past due	5.45	5.23	5.21	6.66	8.05
Nonperforming loans	7.28	7.06	7.20	6.24	5.52
Other Borrowers					
Loans outstanding	$9,402	$8,716	$8,239	$7,967	$7,788
Nonperforming loans	190	190	203	183	175
Delinquency Ratios					
30-89 days past due	1.41 %	1.64 %	1.71 %	2.01 %	2.44 %
90 days or more past due	1.54	1.58	1.71	2.12	2.71
Nonperforming loans	2.02	2.18	2.46	2.30	2.25
OTHER RETAIL DIVISIONS					
Loans outstanding	$19,201	$17,634	$16,692	$16,151	$15,784
Nonperforming loans	291	266	237	217	155
Delinquency Ratios					
30-89 days past due	.95 %	1.05 %	1.19 %	1.20 %	1.30 %
90 days or more past due	1.24	1.39	1.45	1.67	2.02
Nonperforming loans	1.52	1.51	1.42	1.34	.98

	Three Months Ended				
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$35	$36	$36	$40	$43
Net charge-off ratio	6.44 %	6.30 %	6.15 %	6.67 %	6.76 %
Other Borrowers					
Net charge-offs	$57	$59	$61	$66	$76
Net charge-off ratio	2.47 %	2.74 %	3.01 %	3.38 %	3.91 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$39	$37	$41	$39	$34
Net charge-off ratio	.84 %	.86 %	1.01 %	.98 %	.88 %

U.S. Bancorp

Residential Mortgages

(Dollars in Millions, Unaudited)

December 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average FICO Score	Weighted Average Loan-to-Value
PORTFOLIO PROFILE				
Consumer Finance Division				
Sub-prime borrowers	$2,129	7 %	624	80 %
Other borrowers	9,402	31	740	78
Other Retail Divisions	19,201	62	744	65
Total	$30,732	100 %	734	70 %

Three Months Ended December 31, 2010	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$4	597	72 %
Other borrowers	1,217	758	74
Other Retail Divisions	2,144	766	62
Total	$3,365	763	66 %

December 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES				
Consumer Finance Division				
Sub-prime Borrowers				
Ohio	$174	8.2 %	$12	6.9 %
Florida	134	6.3	21	15.7
Pennsylvania	126	5.9	9	7.1
Tennessee	113	5.3	4	3.5
Missouri	99	4.6	3	3.0
Other	1,483	69.7	106	7.1
Total	$2,129	100.0 %	$155	7.3 %
Other Borrowers				
California	$1,243	13.2 %	$17	1.4 %
Illinois	784	8.3	12	1.5
Minnesota	637	6.8	17	2.7
Colorado	612	6.5	11	1.8
Washington	584	6.2	11	1.9
Other	5,542	59.0	122	2.2
Total	$9,402	100.0 %	$190	2.0 %
Other Retail Divisions				
California	$2,163	11.3 %	$37	1.7 %
Minnesota	1,708	8.9	17	1.0
Colorado	1,247	6.5	11	.9
Illinois	1,195	6.2	40	3.3
Ohio	1,177	6.1	9	.8
Other	11,711	61.0	177	1.5
Total	$19,201	100.0 %	$291	1.5 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Loans outstanding	$545	$544	$571	$600	$617
Nonperforming loans	--	--	--	--	1
Delinquency Ratios					
30-89 days past due	4.77 %	5.33 %	4.90 %	4.50 %	5.51 %
90 days or more past due	3.49	3.31	2.98	3.67	3.89
Nonperforming loans	--	--	--	--	.16
Other Borrowers					
Loans outstanding	$1,981	$1,899	$1,882	$1,871	$1,863
Nonperforming loans	5	4	4	4	4
Delinquency Ratios					
30-89 days past due	1.21 %	1.53 %	1.28 %	1.23 %	1.56 %
90 days or more past due	1.36	1.11	1.12	1.18	1.40
Nonperforming loans	.25	.21	.21	.21	.21
OTHER RETAIL DIVISIONS					
Loans outstanding	$16,414	$16,779	$16,873	$16,851	$16,959
Nonperforming loans	31	31	27	28	27
Delinquency Ratios					
30-89 days past due	.76 %	.72 %	.71 %	.68 %	.70 %
90 days or more past due	.62	.61	.55	.53	.60
Nonperforming loans	.19	.18	.16	.17	.16

	Three Months Ended				
	December 31, 2010	September 30, 2010	June 30, 2010	March 31, 2010	December 31, 2009
CONSUMER FINANCE DIVISION					
Sub-prime Borrowers					
Net charge-offs	$14	$13	$15	$17	$20
Net charge-off ratio	10.01 %	9.33 %	10.36 %	11.32 %	12.66 %
Other Borrowers					
Net charge-offs	$16	$17	$18	$21	$21
Net charge-off ratio	3.21 %	3.56 %	3.84 %	4.57 %	4.50 %
OTHER RETAIL DIVISIONS					
Net charge-offs	$53	$49	$46	$52	$55
Net charge-off ratio	1.27 %	1.15 %	1.09 %	1.25 %	1.29 %

U.S. Bancorp

Home Equity and Second Mortgages

(Dollars in Millions, Unaudited)

December 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Weighted Average FICO Score	Weighted Average Loan-to-Value
PORTFOLIO PROFILE				
Consumer Finance Division				
Sub-prime borrowers	$545	3 %	656	86 %
Other borrowers	1,981	10	733	79
Other Retail Divisions	16,414	87	751	71
Total	$18,940	100 %	746	72 %

Three Months Ended December 31, 2010	Loans Originated	Weighted Average FICO Score	Weighted Average Loan-to-Value
LOAN ORIGINATIONS			
Consumer Finance Division			
Sub-prime borrowers	$1	610	65 %
Other borrowers	115	750	73
Other Retail Divisions	1,053	772	67
Total	$1,169	769	68 %

December 31, 2010	Loans Outstanding	As a Percent of Total Loan Balances	Nonperforming Loans	As a Percent of Loan Balances
LOAN PORTFOLIO BY GEOGRAPHY - TOP STATES				
Consumer Finance Division				
Sub-prime Borrowers				
Ohio	$53	9.8 %	$ --	-- %
Minnesota	47	8.6	--	--
Colorado	41	7.5	--	--
Missouri	34	6.2	--	--
Washington	34	6.2	--	--
Other	336	61.7	--	--
Total	$545	100.0 %	$ --	-- %
Other Borrowers				
California	$502	25.3 %	$2	.4 %
Colorado	187	9.5	--	--
Minnesota	140	7.1	1	.7
Washington	139	7.0	--	--
Illinois	86	4.3	--	--
Other	927	46.8	2	.2
Total	$1,981	100.0 %	$5	.3 %
Other Retail Divisions				
Minnesota	$2,887	17.6 %	$5	.2 %
California	2,353	14.3	5	.2
Colorado	1,331	8.1	3	.2
Washington	1,251	7.6	3	.2
Oregon	1,198	7.3	1	.1
Other	7,394	45.1	14	.2
Total	$16,414	100.0 %	$31	.2 %