

EXHIBIT B

US BANCORP \DE\ (USB)

10-K

Annual report pursuant to section 13 and 15(d)

Filed on 2/28/2011

Filed Period 12/31/2010



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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549
Form 10-K

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
 For the fiscal year ended December 31, 2010
- or
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
 For the transition period from to

Commission file number: 1-6880

U.S. Bancorp

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

41-0255900
(I.R.S. Employer Identification No.)

800 Nicollet Mall, Minneapolis, Minnesota 55402
(Address of principal executive offices) (Zip Code)

(651) 446-3000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.01 par value per share	New York Stock Exchange
Depository Shares (each representing 1/100th interest in a share of Series A Non-Cumulative Perpetual Preferred Stock, par value \$1.00)	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series B Non-Cumulative Preferred Stock, par value \$1.00)	New York Stock Exchange
Depository Shares (each representing 1/1,000th interest in a share of Series D Non-Cumulative Preferred Stock, par value \$1.00)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

As of June 30, 2010, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was \$42.8 billion based on the closing sale price as reported on the New York Stock Exchange.

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at January 31, 2011
Common Stock, \$.01 par value per share	1,921,945,830 shares

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believes its policies, procedures and internal controls related to foreclosure practices materially follow established safeguards and legal requirements, the Company intends to comply with the expected requirements of the regulators in all respects. The Company does not believe those requirements will materially affect its financial position, results of operations, or ability to conduct normal business activities. In addition, the Company expects monetary penalties may be assessed but does not know the amount of any such penalties.

The Company's financial strength, business model, credit culture and focus on efficiency have enabled it to deliver consistently profitable financial performance while operating in a very turbulent environment. Given the current economic environment, the Company will continue to focus on managing credit losses and operating costs, while also utilizing its financial strength to grow market share and profitability. Despite the expectation of significant impacts to the industry from recently enacted legislation, the Company believes it is well positioned for long-term growth in earnings per common share and an industry-leading return on common equity. The Company intends to achieve these financial objectives by providing high-quality customer service, ensuring regulatory compliance, continuing to carefully manage costs and, where appropriate, strategically investing in businesses that diversify and generate revenues, enhance the Company's distribution network and expand its product offerings.

Earnings Summary The Company reported net income attributable to U.S. Bancorp of \$3.3 billion in 2010, or \$1.73 per diluted common share, compared with \$2.2 billion, or \$.97 per diluted common share, in 2009. Return on average assets and return on average common equity were 1.16 percent and 12.7 percent, respectively, in 2010, compared with .82 percent and 8.2 percent, respectively, in 2009. Diluted earnings per common share for 2010 included a non-recurring \$.05 benefit related to an exchange of newly issued perpetual preferred stock for outstanding income trust securities ("ITS exchange"), net of related debt extinguishment costs. Also impacting 2010 were \$175 million of provision for credit losses in excess of net charge-offs, net securities losses of \$78 million, and a \$103 million gain (\$41 million after tax) resulting from the exchange of the Company's long-term asset management business for an equity interest in Nuveen Investments and cash consideration ("Nuveen Gain"). The results for 2009 included \$1.7 billion of provision for credit losses in excess of net charge-offs, net securities losses of \$451 million, a \$123 million FDIC special assessment, a \$92 million gain from a corporate real estate transaction and a reduction to earnings per share from the recognition of \$154 million of unaccreted preferred stock discount as a result of the redemption of preferred stock previously issued to the U.S. Department of the Treasury.

Total net revenue, on a taxable-equivalent basis, for 2010 was \$1.5 billion (8.9 percent) higher than 2009, reflecting a 12.3 percent increase in net interest income and a 5.1 percent increase in total noninterest income. Net interest income increased in 2010 as a result of an increase in average earning assets and continued growth in low cost core deposit funding. Noninterest income increased principally due to higher payments-related and commercial products revenue and a decrease in net securities losses, partially offset by lower deposit service charges, trust and investment management fees and mortgage banking revenue.

Total noninterest expense in 2010 increased \$1.1 billion (13.3 percent), compared with 2009, primarily due to the impact of acquisitions, higher total compensation and employee benefits expense and costs related to investments in affordable housing and other tax-advantaged projects, partially offset by lower FDIC deposit insurance expense due to the special assessment in 2009.

Acquisitions In 2009, the Company acquired the banking operations of First Bank of Oak Park Corporation ("FBOP") in an FDIC assisted transaction, and in 2008 the Company acquired the banking operations of Downey Savings and Loan Association, F.A. and PFF Bank and Trust ("Downey" and "PFF", respectively) in FDIC assisted transactions. Through these acquisitions, the Company increased its deposit base and branch franchise. In total, the Company acquired approximately \$35 billion of assets in these acquisitions, most of which are covered under loss sharing agreements with the FDIC ("covered" assets). Under the terms of the loss sharing agreements, the FDIC will reimburse the Company for most of the losses on the covered assets.

In 2010, the Company acquired the securitization trust administration business of Bank of America, N.A. This transaction included the acquisition of \$1.1 trillion of assets under administration and provided the Company with approximately \$8 billion of deposits as of December 31, 2010.

In January 2011, the Company acquired the banking operations of First Community Bank of New Mexico ("FCB") from the FDIC. The FCB transaction did not include a loss sharing agreement. The Company acquired 38 branch locations and approximately \$2.1 billion in assets, assumed approximately \$1.8 billion in liabilities, and received approximately \$412 million in cash from the FDIC.