

US BANCORP \DE\
Form 10-Q
August 08, 2011

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

**☐ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2011

OR

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from (not applicable)

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, including zip code)

651-466-3000

(Registrant's telephone number, including area code)

(not applicable)

(Former name, former address and former fiscal year, if changed since last report)

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, 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 Web site, 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 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

Non-accelerated filer

(Do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

YES NO

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

Class	Outstanding as of July 31, 2011
Common Stock, \$.01 Par Value	1,920,925,356 shares

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Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995.

This quarterly report on Form 10-Q 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. Continued 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 negatively 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, 2010, 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.

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	Three Months Ended June 30,			Six Months Ended June 30,		Per Ch
	2011	2010	Percent Change	2011	2010	
and Shares in Millions, Except Per Share Data)						
Consolidated Income Statement						
Interest income (taxable-equivalent basis) (a)	\$ 2,544	\$ 2,409	5.6%	\$ 5,051	\$ 4,812	
Interest income	2,154	2,131	1.1	4,171	4,083	
Provision for credit losses gains (losses), net	(8)	(21)	61.9	(13)	(55)	
Net revenue	4,690	4,519	3.8	9,209	8,840	
Interest expense	2,425	2,377	2.0	4,739	4,513	
Provision for credit losses	572	1,139	(49.8)	1,327	2,449	
Income before taxes	1,693	1,003	68.8	3,143	1,878	
Provision for income tax expense-equivalent adjustment	56	52	7.7	111	103	
Provision for income taxes	458	199	*	824	360	
Income	1,179	752	56.8	2,208	1,415	
(Income) loss attributable to noncontrolling interests	24	14	71.4	41	20	
Income attributable to U.S. Bancorp	\$ 1,203	\$ 766	57.0	\$ 2,249	\$ 1,435	
Income applicable to U.S. Bancorp common shareholders	\$ 1,167	\$ 862	35.4	\$ 2,170	\$ 1,510	
Common Share						
Earnings per share	\$.61	\$.45	35.6%	\$ 1.13	\$.79	
Adjusted earnings per share	.60	.45	33.3	1.12	.79	
Dividends declared per share	.125	.050	*	.250	.100	
Book value per share	15.50	13.69	13.2			
Market value per share	25.51	22.35	14.1			
Weighted average common shares outstanding	1,921	1,912	.5	1,920	1,911	
Weighted average diluted common shares outstanding	1,929	1,921	.4	1,929	1,920	
Financial Ratios						
Return on average assets	1.54%	1.09%		1.46%	1.03%	
Return on average common equity	15.9	13.4		15.2	12.0	
Interest margin (taxable-equivalent basis) (a)	3.67	3.90		3.68	3.90	
Liquidity ratio (b)	51.6	52.4		51.4	50.7	
Asset Balances						
Total assets	\$ 198,810	\$ 191,161	4.0%	\$ 198,194	\$ 192,015	
Assets held for sale	3,118	4,048	(23.0)	4,603	3,990	
Investment securities	62,955	47,140	33.5	59,698	46,678	
Other assets	277,571	247,446	12.2	275,766	248,133	
Interest-bearing deposits	312,610	281,340	11.1	310,266	281,530	
Other interest-bearing deposits	48,721	39,917	22.1	46,467	38,964	

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erm borrowings

209,411	183,318	14.2	206,871	182,927
29,008				