



UBS

European Investor Marketing

Fall 2004

Jerry A. Grundhofer
Chairman and CEO

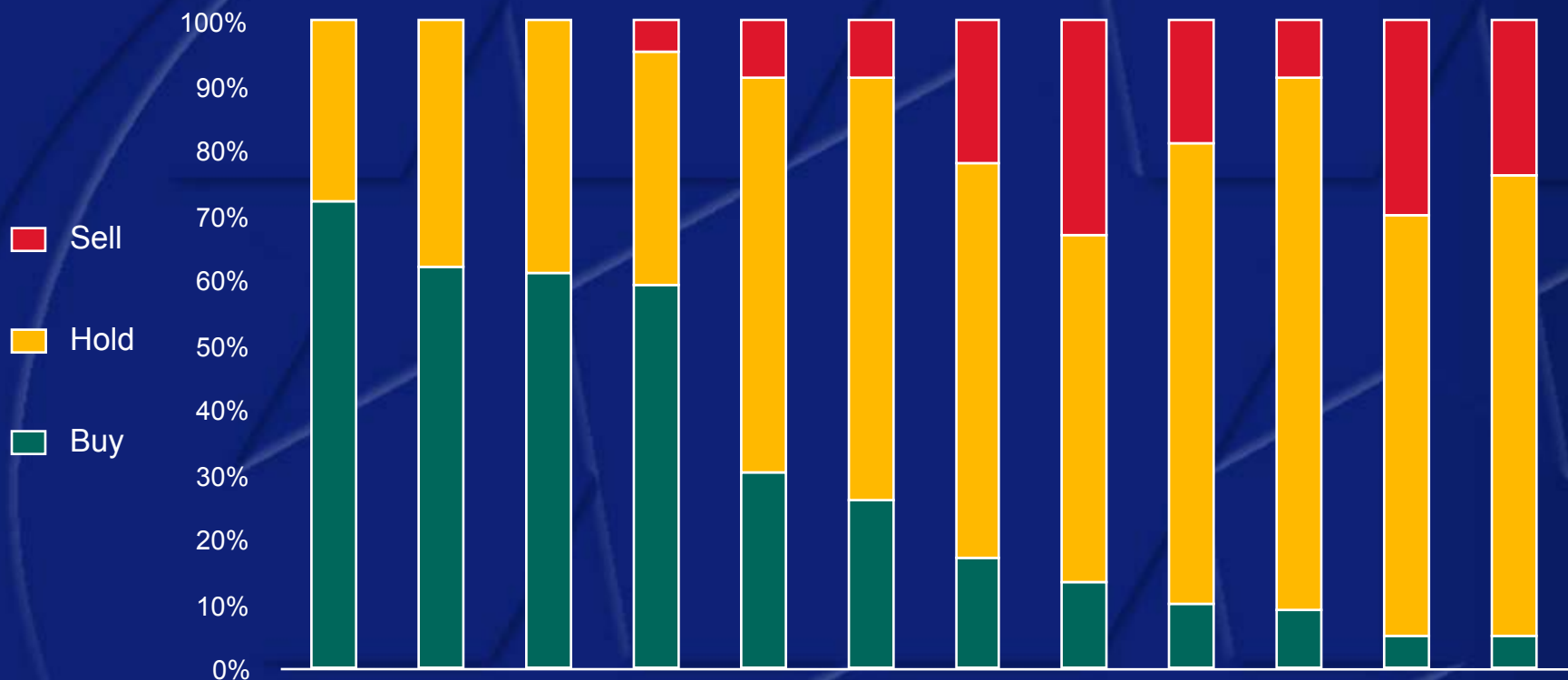
David M. Moffett
Vice Chairman and CFO



Forward-looking Statement

This presentation and corresponding material contain forward-looking statements. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words “may,” “could,” “would,” “should,” “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “targets,” “potentially,” “probably,” “projects,” “outlook” or similar expressions. These forward-looking statements cover, among other things, anticipated future revenue and expenses, and the future prospects of the Company. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including the following, in addition to those contained in the Company’s reports on file with the SEC: (i) general economic or industry conditions could be less favorable than expected, resulting in a deterioration in credit quality, a change in the allowance for credit losses, or a reduced demand for credit or fee-based products and services; (ii) changes in the domestic interest rate environment could reduce net interest income and could increase credit losses; (iii) the conditions of the securities markets could change, adversely affecting revenues from capital markets businesses, the value or credit quality of the Company’s assets, or the availability and terms of funding necessary to meet the Company’s liquidity needs; (iv) changes in the extensive laws, regulations and policies governing financial services companies could alter the Company’s business environment or affect operations; (v) the potential need to adapt to industry changes in information technology systems, on which the Company is highly dependent, could present operational issues or require significant capital spending; (vi) competitive pressures could intensify and affect the Company’s profitability, including as a result of continued industry consolidation, the increased availability of financial services from non-banks, technological developments, or bank regulatory reform; (vii) acquisitions may not produce revenue enhancements or cost savings at levels or within time frames originally anticipated, or may result in unforeseen integration difficulties; and (viii) capital investments in the Company’s businesses may not produce expected growth in earnings anticipated at the time of the expenditure. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update them in light of new information or future events.

Analyst Ratings & Expectations



	WFC	USB	BAC	WB	FITB	NCC	PNC	RF	STI	CMA	KEY	BBT
Target Price (Median)	\$66.00	\$32.50	\$49.50	\$53.00	\$56.00	\$40.00	\$54.00	\$35.00	\$70.00	\$57.50	\$32.00	\$40.40
Implied Upside	14.0%	16.7%	13.0%	13.2%	17.1%	7.2%	5.1%	2.9%	3.6%	-3.3%	-0.8%	2.3%
Dividend Yield	3.3%	3.4%	4.1%	3.9%	2.7%	3.8%	3.9%	3.9%	3.0%	3.5%	3.8%	3.5%
Total Shareholder Return	17.3%	20.1%	17.1%	17.1%	19.8%	11.0%	9.0%	6.8%	6.6%	0.2%	3.0%	5.8%

Source: First Call as of October 22, 2004

Valuation Metrics

	P/E Ratio		Price/ Tangible Book	Div Yield	YTD Total Return
	<u>2004</u>	<u>2005</u>			
U.S. Bancorp	12.7	11.5	4.4	3.4%	-2.7%
S&P 500 Bank	13.1	12.0	3.5	3.5%	6.1%
S&P 500	18.1	16.8	NA	1.8%	-0.1%

Source: FactSet as of October 22, 2004.

Building U.S. Bancorp

“Growth and Cost”

1993

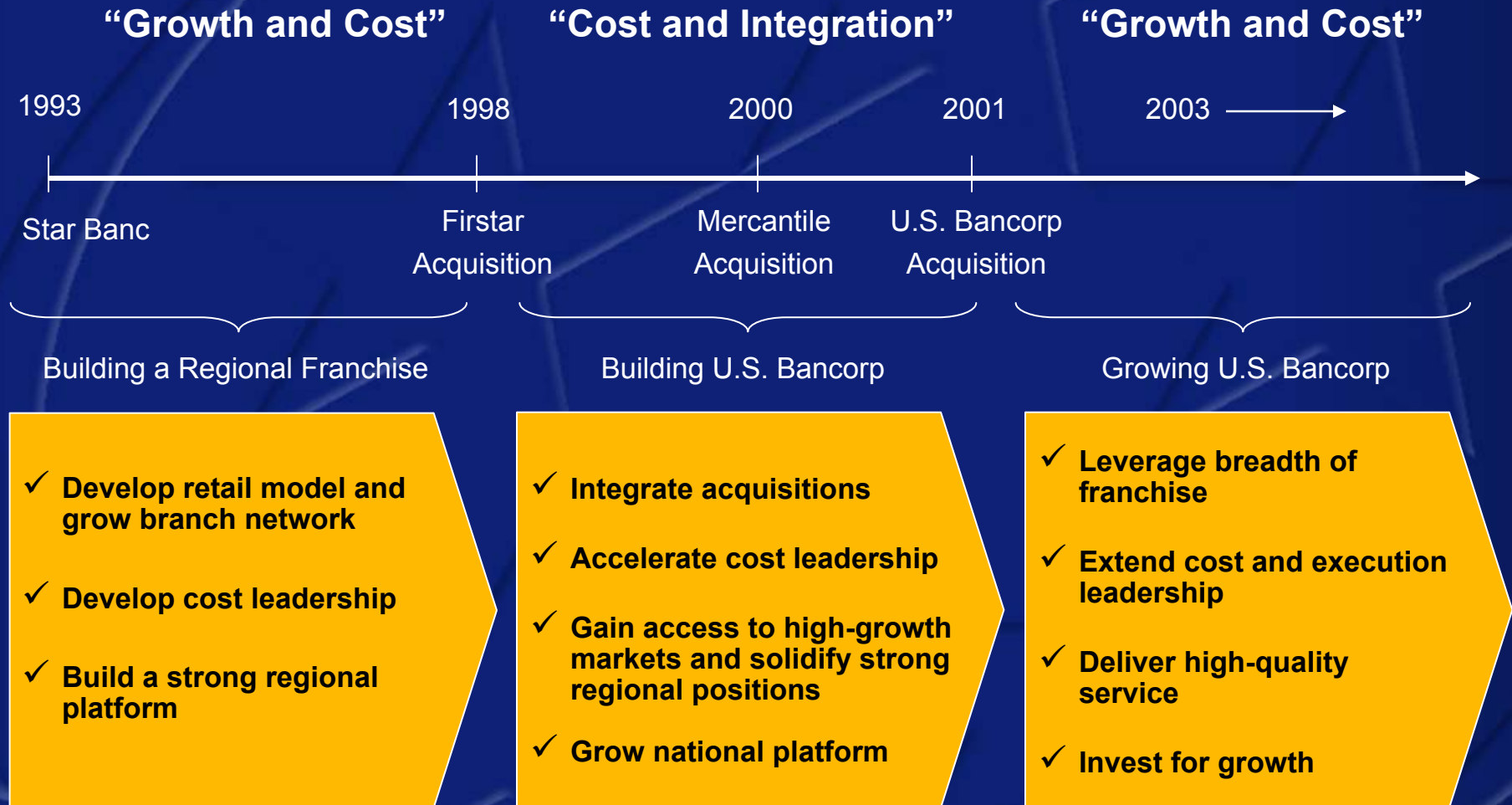
1998

Star Banc

Building a Regional Franchise

- ✓ Develop retail model and grow branch network
- ✓ Develop cost leadership
- ✓ Build a strong regional platform

Building U.S. Bancorp



Market Capitalization

October 22, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>\$Billions</u>
1	Citigroup	\$222.5
2	Bank of America	177.3
3	JP Morgan Chase	134.3
4	Wells Fargo	97.7
5	Wachovia	61.2
6	U.S. Bancorp	52.4
7	Fifth Third	26.8
8	National City	24.7
9	SunTrust	24.3
10	Bank of New York	24.2

Branches

October 22, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>Number</u>
1	Bank of America	5,938
2	Wells Fargo	3,110
3	Wachovia	2,597
4	JP Morgan Chase	2,517
5	U.S. Bancorp	2,346
6	BB&T	1,537
7	Regions	1,415
8	National City	1,301
9	SunTrust	1,261
10	Fifth Third	1,003

Total Deposits

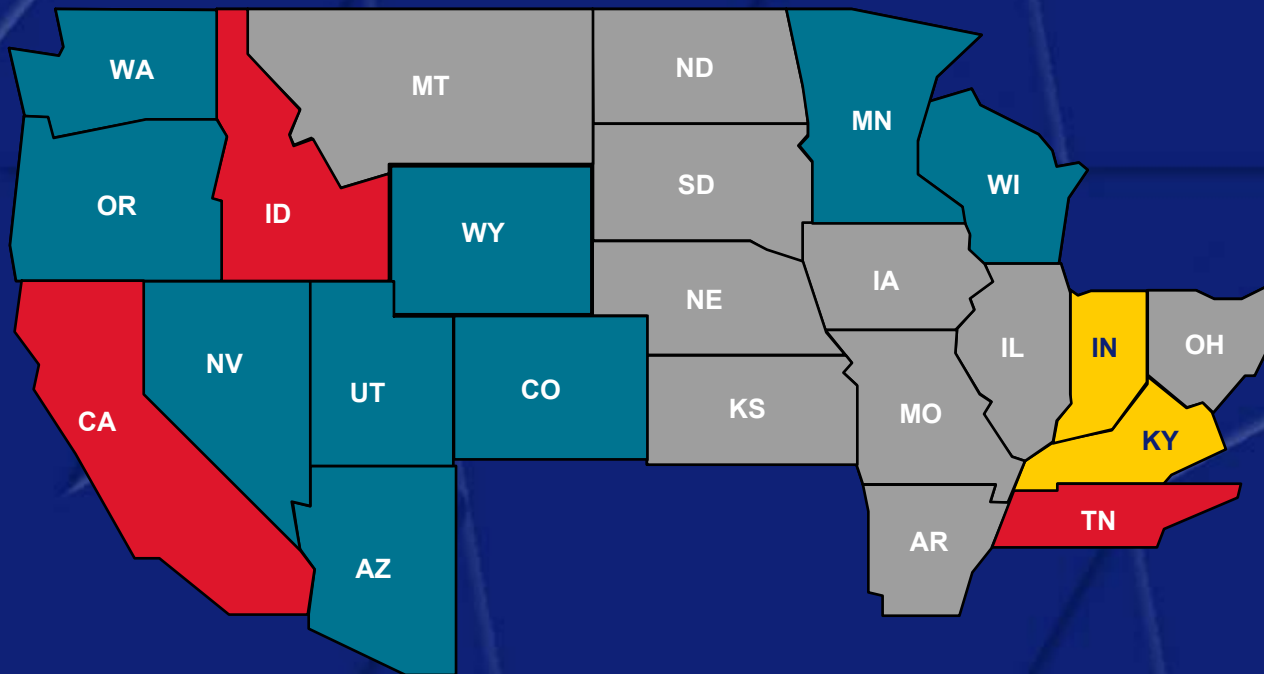
September 30, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>\$Billions</u>
1	Bank of America	\$591.3
2	Citigroup	534.5
3	JP Morgan Chase	496.5
4	Wells Fargo	268.8
5	Wachovia	253.0
6	U.S. Bancorp	115.6
7	SunTrust	85.5
8	National City	76.9
9	BB&T	65.8
10	Bank of New York	58.4

U.S. Bancorp Today

- ✓ **Attractive Regional Growth Franchise**
- ✓ **Diversified Business Mix With Scale**
- ✓ **Advantaged Revenue Mix**
- ✓ **Low-Cost Provider**
- ✓ **Growing Revenue Faster Than Expense**
- ✓ **Industry Leading Performance Metrics**
- ✓ **Achieving Top Quartile Credit Quality**
- ✓ **Industry Leading Capital Generation**
- ✓ **Returning 80% of Earnings to Shareholders**

Attractive Regional Growth Franchise



 Above Median Household and Income Growth

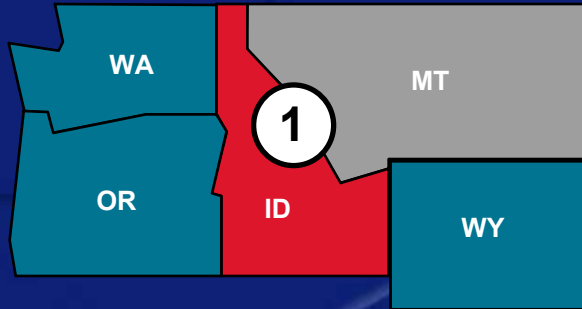
 Above Median Income Growth

 Above Median Household Growth

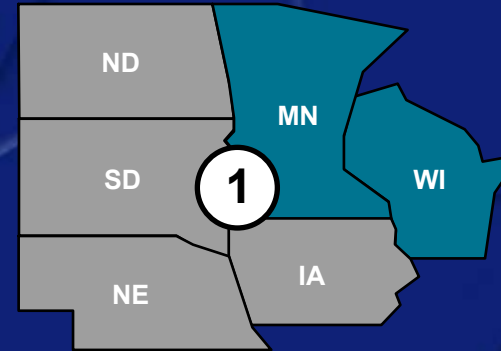
 Below Median Household and Income Growth

Powerful Distribution

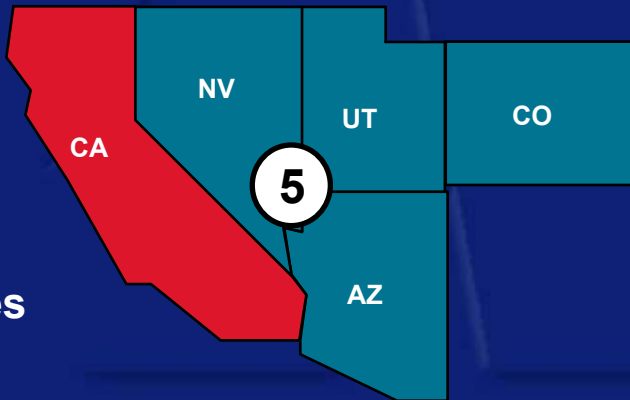
Northwest
477 Branches



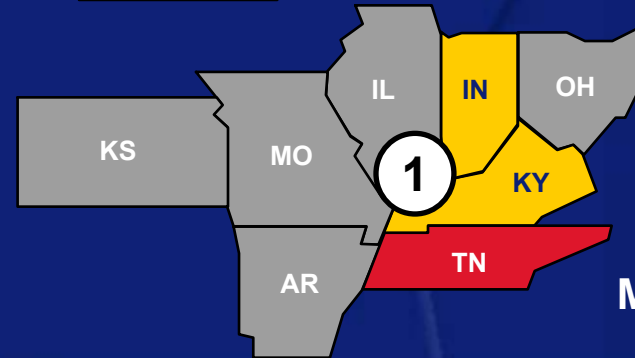
Upper
Midwest
436 Branches



West
518
Branches



Lower
Midwest
915
Branches



 Above Median Household and Income Growth

 Above Median Income Growth

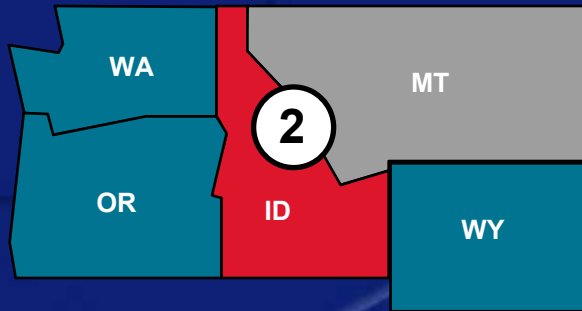
 Above Median Household Growth

 Below Median Household and Income Growth

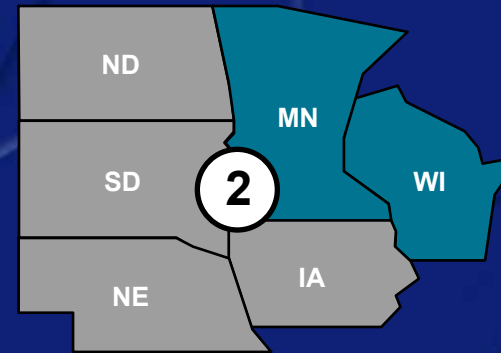
 Regional Rank Based On Number Of Bank Branches

High Deposit Share

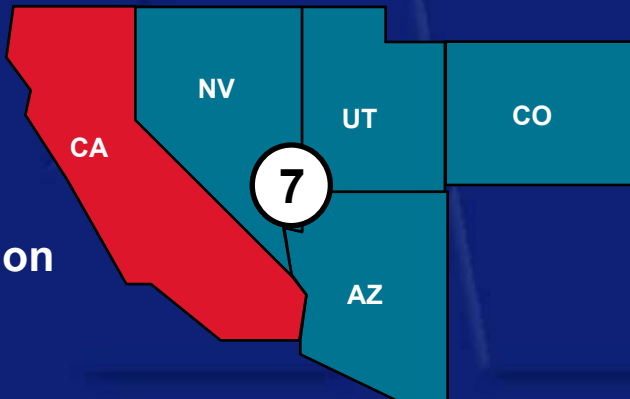
Northwest
\$21.5 Billion



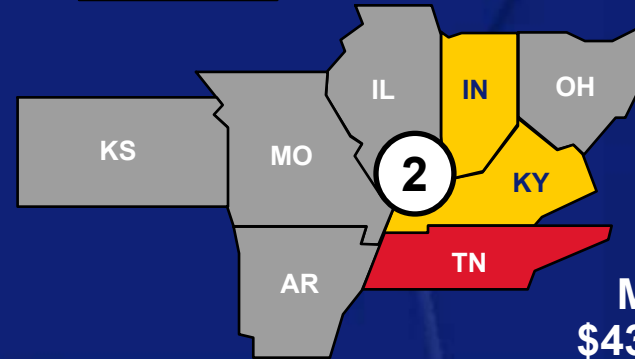
Upper
Midwest
\$40.1 Billion



West
\$20.2 Billion



Lower
Midwest
\$43.3 Billion



 Above Median Household and Income Growth

 Above Median Income Growth

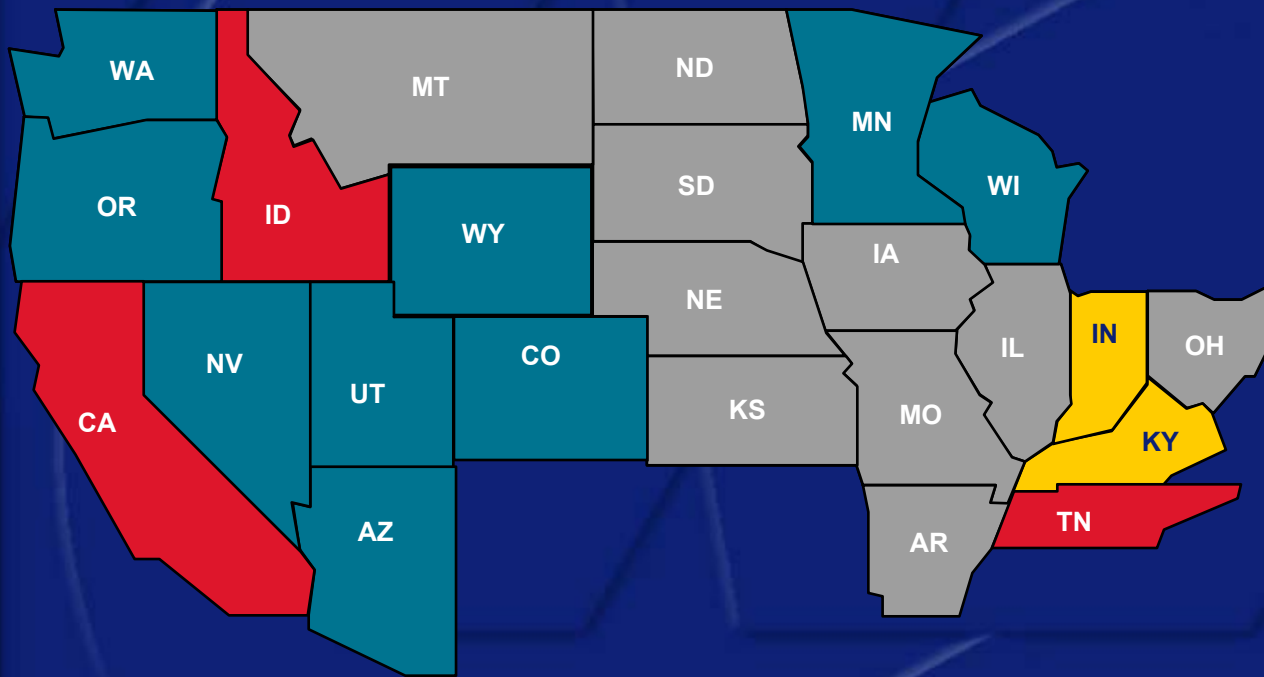
 Above Median Household Growth

 Below Median Household and Income Growth



Regional Rank Based On Bank Deposits

Investing in High Growth Markets With In-store Distribution



Above Median Household and Income Growth
 Above Median Household Growth

Above Median Income Growth
 Below Median Household and Income Growth

In-Store Branches

	2003	2004	2005
Arizona	3	31	48
California	3	79	102
Colorado	19	27	29
Idaho	11	11	11
Illinois	9	10	11
Indiana	2	2	3
Iowa	3	3	3
Kansas	2	2	2
Kentucky	24	22	22
Minnesota	14	14	14
Missouri	2	1	1
Nebraska	15	15	15
Nevada	13	23	25
Ohio	94	94	95
Oregon	17	18	18
Tennessee	2	9	11
Utah	3	18	22
Washington	34	34	34
Wisconsin	3	3	3
Total	273	416	469

Source: SNL

Diversified Business Mix With Scale

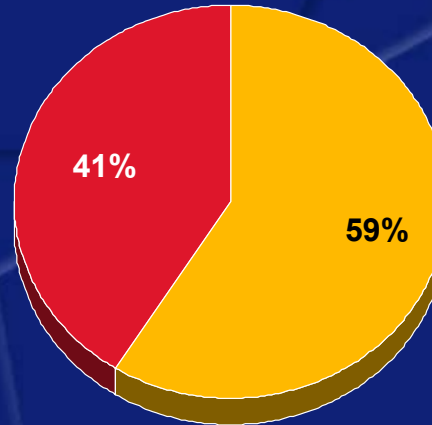
<u>Business Unit</u>	<u>% of USB Revenue</u>	<u>Footprint</u>	<u>Rank in Footprint</u>
Metropolitan Banking	15.3%	Regional	3
Community Banking	11.9%	Regional	1
Retail Credit Card	10.1%	National	7
Corporate Banking	6.3%	National	7
NOVA Information Systems	6.2%	National	3
Middle Market Banking	6.0%	Regional	3
Consumer Lending	4.9%	National	6
Mortgage Banking	4.3%	National	19
Private Client Group	3.8%	Regional	3
Commercial Real Estate	3.1%	National	4
Corporate Trust	2.2%	National	3
Asset Management	2.1%	National	45
Corporate Payment Systems	2.1%	National	1
Government Banking	1.0%	National	3
Fund Services	1.0%	National	3
Institutional Trust	0.8%	Regional	9

Advantaged Revenue Mix

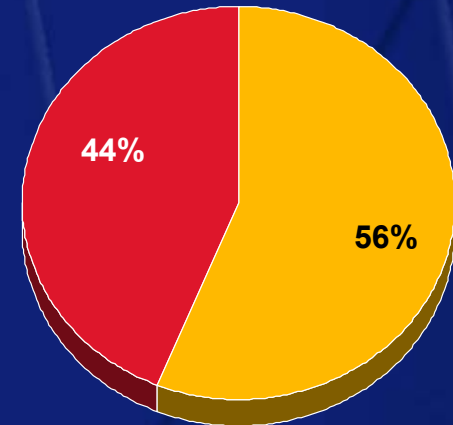
Total Revenue



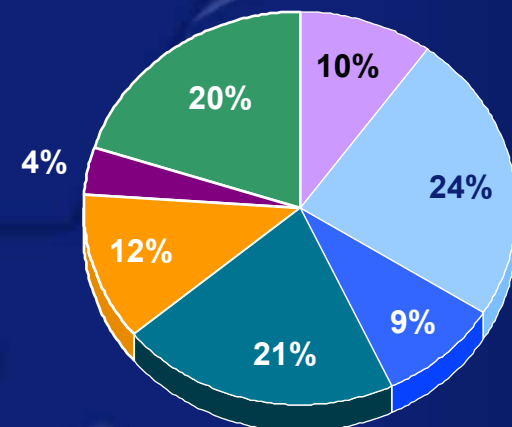
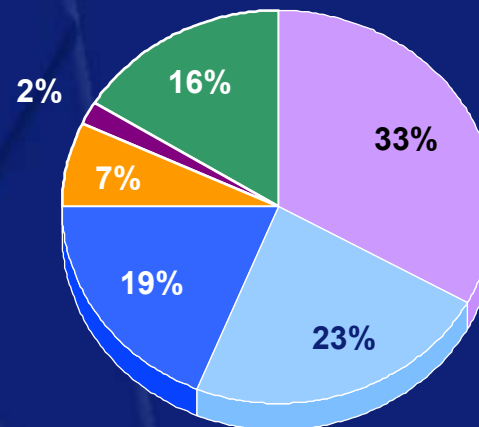
U.S. Bancorp



11 Bank Composite



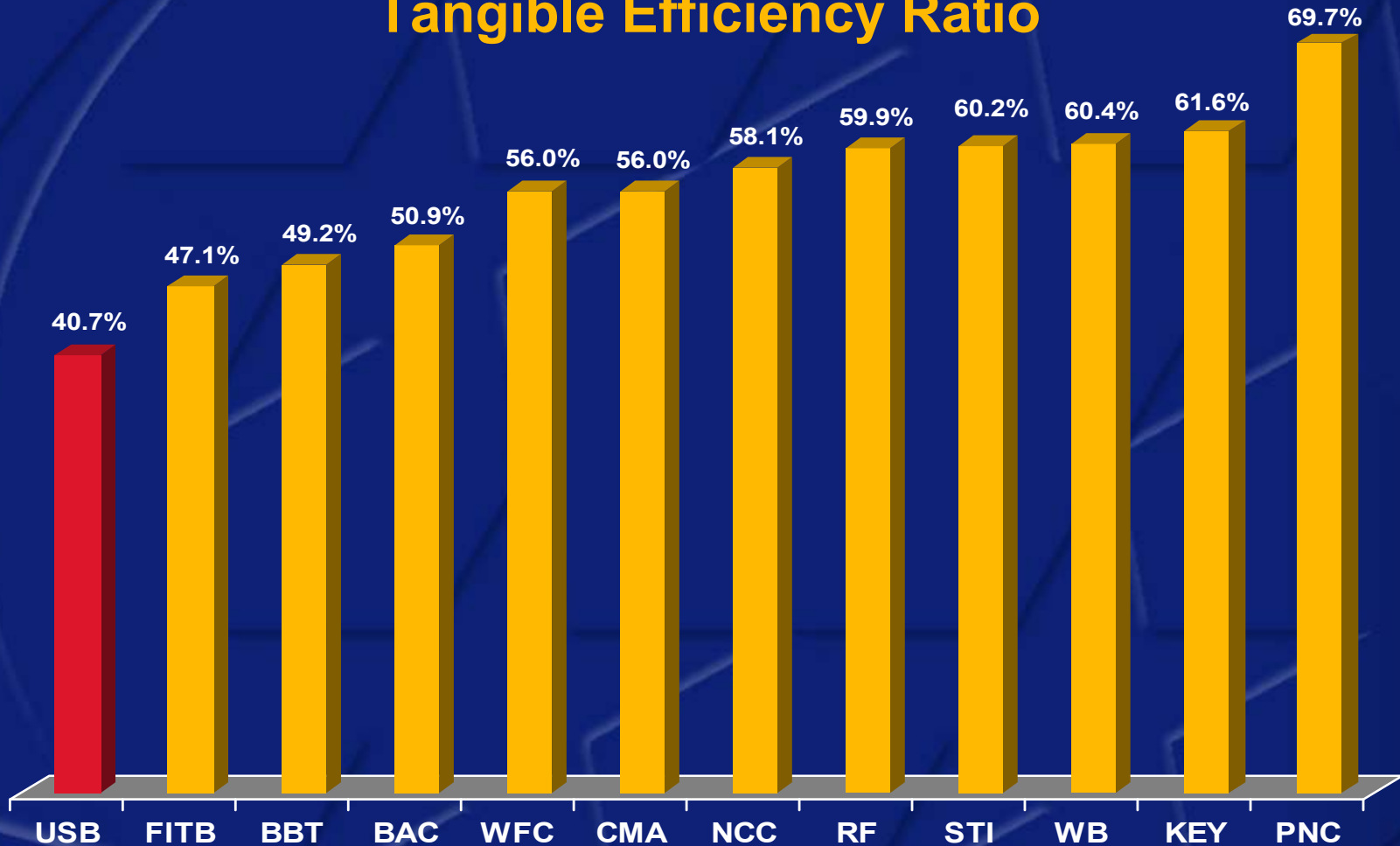
Fee Revenue



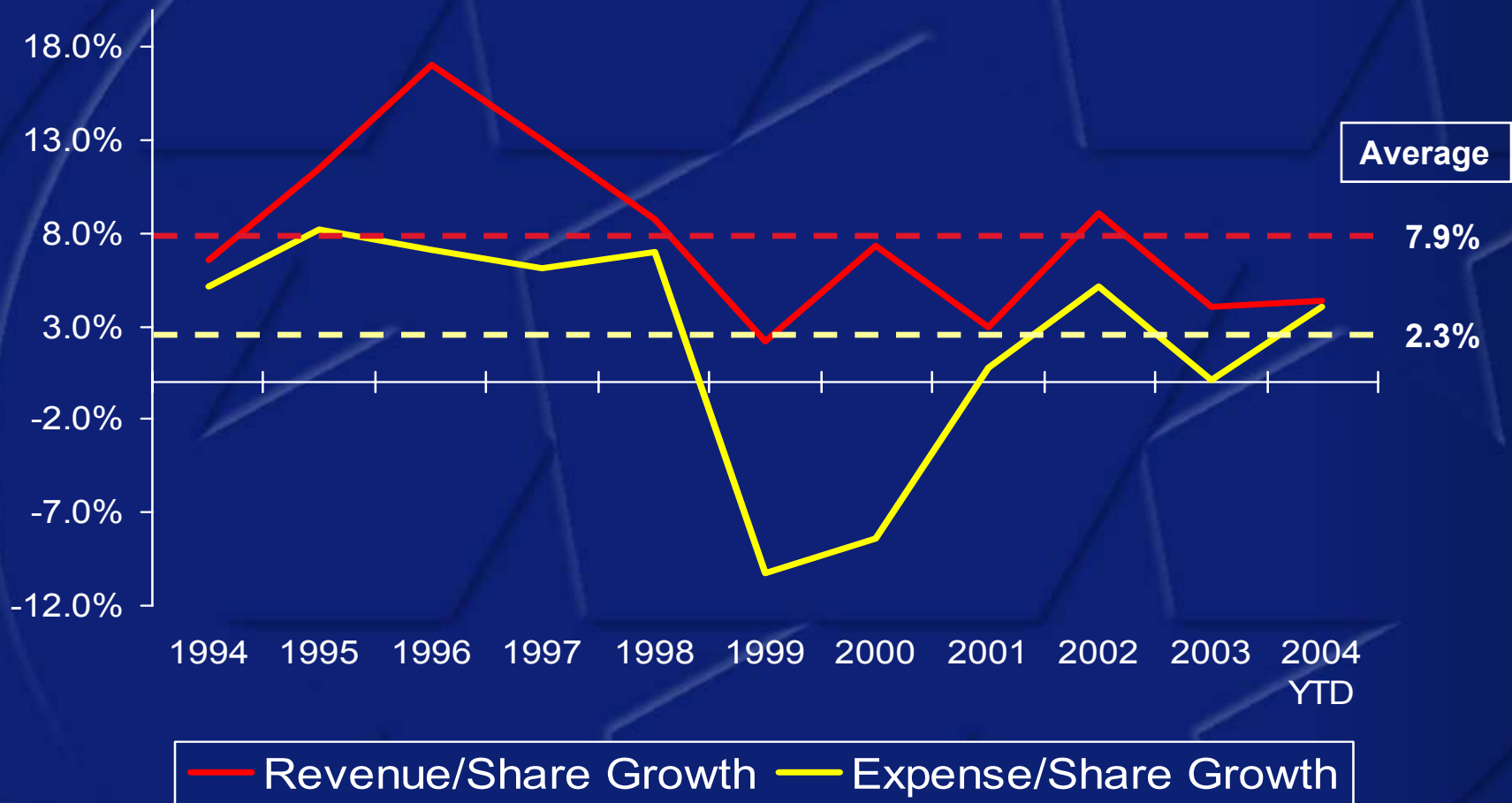
11 Bank Composite Includes: BAC, BBT, CMA, FITB, KEY, NCC, PNC, RF, STI, WB, WFC

Low-Cost Provider

Tangible Efficiency Ratio



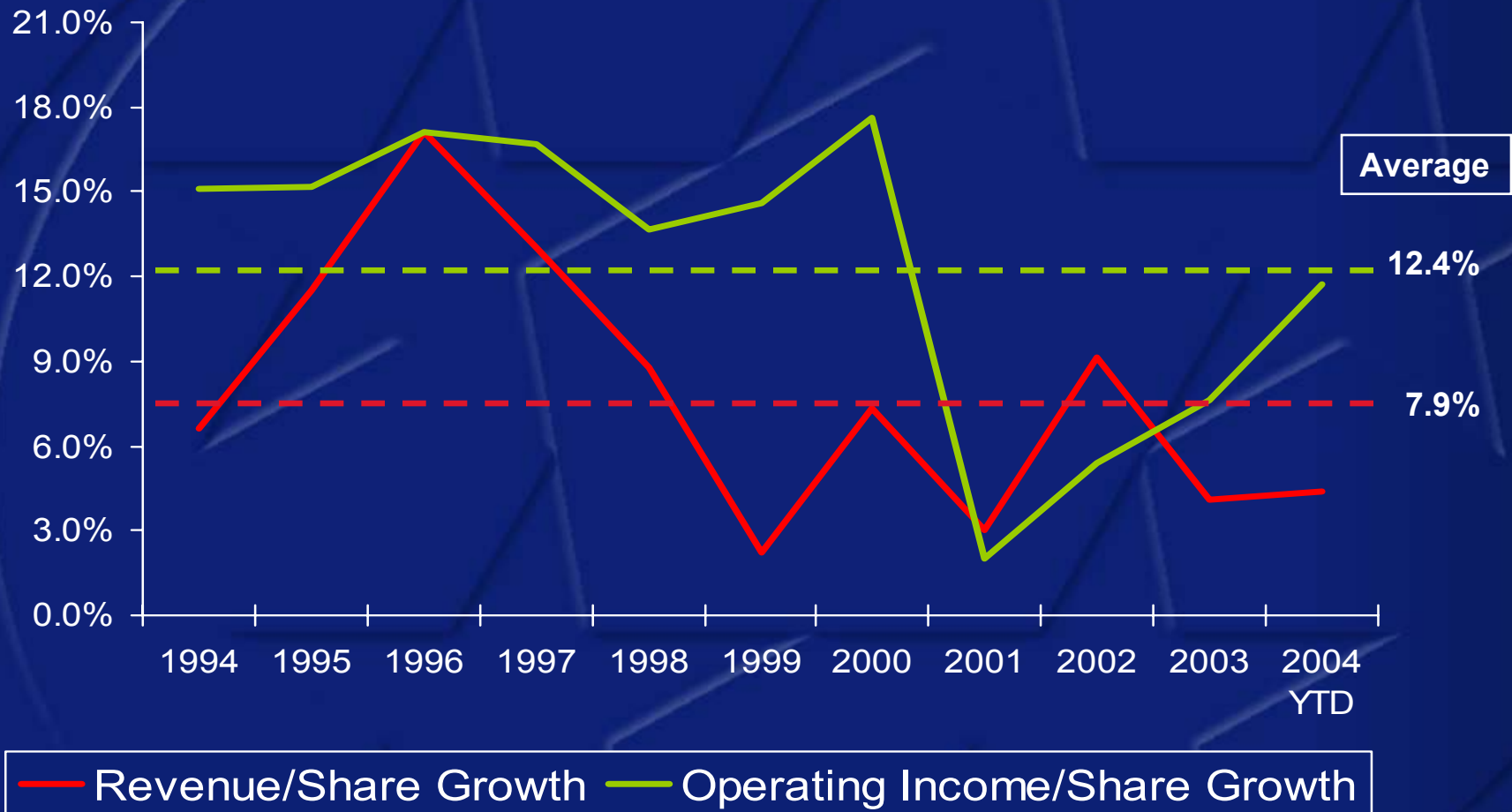
Growing Revenue Faster Than Expense



Investing For Future Growth

Business Unit	Investment Description
Consumer Banking	In-store Branches / Cross Sell and Call Center Technology / Fraud Systems
NOVA	European and Domestic Transaction Processing Acquisitions
Treasury Management	Lock Box ACH / Wire Transfer / Enhanced Internet Platform
Retail Payment Solutions	Co-brand and Affinity Credit Card Customization / Call Center Expansion
Corporate Trust	National City Corporate Trust Acquisition
Fund Services	Financial Data Warehouse and Internet Based Reporting System for Clients
Wholesale Banking	Commercial Loan Process Reengineering
Check Image / Infrastructure	Check Image Exchange / Disaster Recovery / PC Upgrades

Growing Operating Income Faster Than Revenue



Industry Leading Performance Metrics

Third Quarter 2004

	USB	Top 12 Median	USB Rank ⁽¹⁾
Return on Assets	2.21%	1.44%	1
Return on Equity	21.9%	15.5%	1
Efficiency Ratio ⁽²⁾	44.5%	57.7%	1
Net Interest Margin	4.22%	3.66%	2
Tangible Return on Equity ⁽³⁾	39.1%	25.1%	1
Tangible Return on Assets ⁽³⁾	2.47%	1.49%	1
Tangible Efficiency Ratio ⁽²⁾⁽³⁾	40.7%	57.0%	1

(1) Rank among Top 12 Peer Group which includes BAC, BBT, CMA, FITB, KEY, NCC, PNC, RF, STI, USB, WB and WFC.

(2) Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses), net. Excludes nonrecurring items.

(3) Tangible ratios exclude the impact of intangible amortization expense.

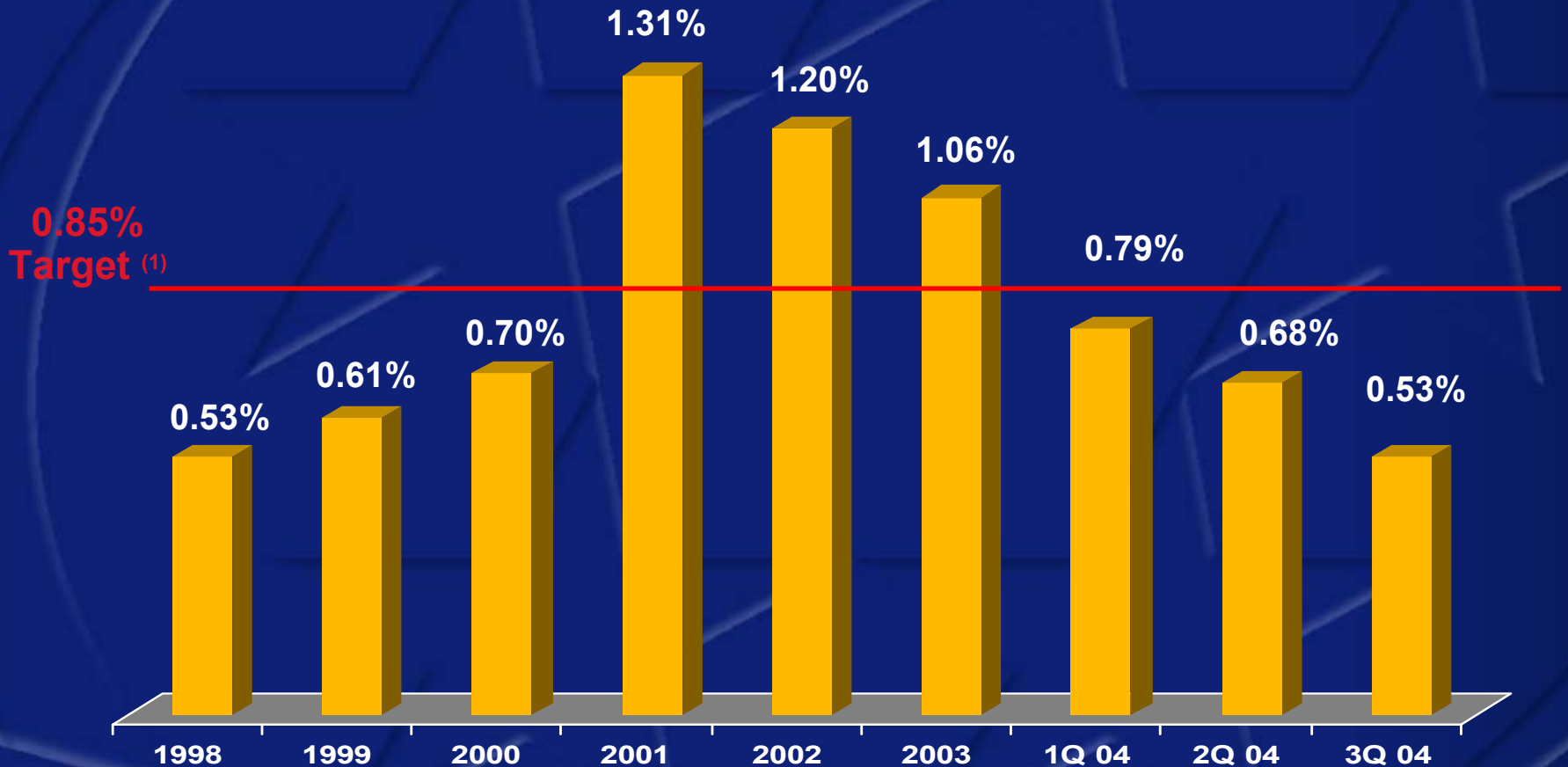
Operating Earnings Per Share

(Percentages represent year-over-year EPS growth)



Achieving Top Quartile Credit Quality

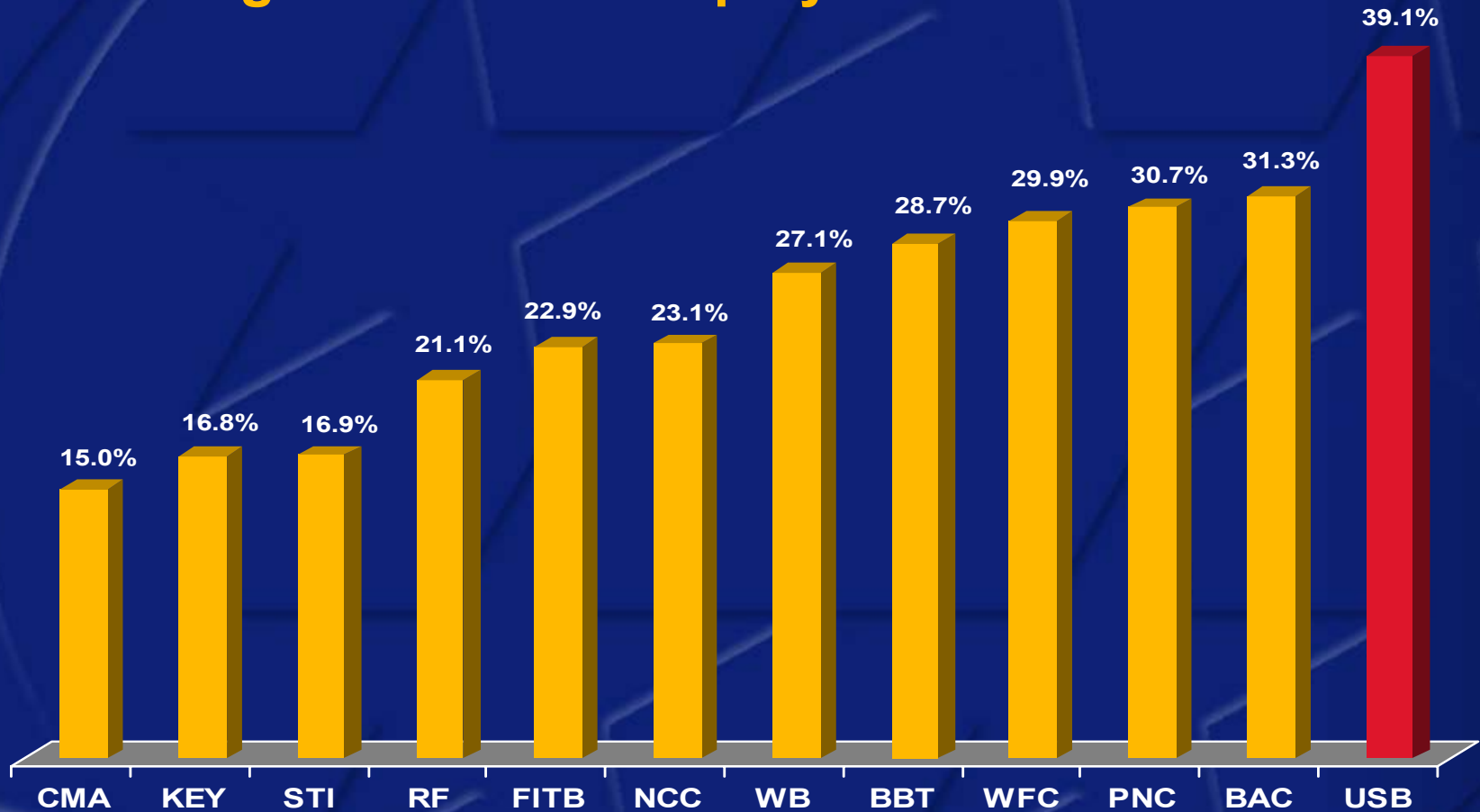
Total Net Charge-Off Ratio



(1) Average over the credit cycle.

Industry Leading Capital Generation

Tangible Common Equity Generation Rates



Returning 80% Of Earnings To Shareholders



Returning 80% Of Earnings To Shareholders

MM\$	<u>4Q 03</u>	<u>1Q 04</u>	<u>2Q 04</u>	<u>3Q 04</u>
Dividends Paid	\$462	\$457	\$451	\$450
Stock Repurchased	<u>417</u>	<u>947</u>	<u>553</u>	<u>555</u>
Total Returned	<u>\$879</u>	<u>\$1,404</u>	<u>\$1,004</u>	<u>\$1,005</u>
Earnings	<u>\$970</u>	<u>\$1,008</u>	<u>\$1,037</u>	<u>\$1,065</u>
Percent of Earnings Returned	91%	139%	97%	94%
Dividend Yield	<u>3.5%</u>	<u>3.4%</u>	<u>3.6%</u>	<u>3.4%</u>

2004 Growth Drivers

- ✓ **Most Business Unit Trends Reflect an Improving Economic Environment**
- ✓ **Credit Costs Returning To Pre-Recession Levels**
- ✓ **Focusing on Relationship Penetration**
- ✓ **Continuous Improvement in Customer Service**
- ✓ **Investing in Distribution and Scale**

Business Unit Results

9 Months 2004 Vs 9 Months 2003

<u>Business Unit</u>	<u>% of Revenue</u>	<u>Earnings Growth</u>	<u>Operating Leverage</u>
Consumer Banking ⁽¹⁾	42%	13.2%	4.7%
Payment Services	19%	21.3%	2.2%
Wholesale Banking	18%	24.8%	1.5%
Private Client, Trust & Asset Management	11%	15.9%	9.1%

(1) Excludes securities gains/losses and mortgage servicing rights impairment/repairment.



Risk Considerations

Interest Rate Risk

September 30, 2004

Net Interest Income Sensitivity

300 b.p. up (gradual)	-0.04%	5.0%
300 b.p. down (gradual)	N/A	5.0%
50 b.p. up (immediate)	0.31%	5.0%
50 b.p. down (immediate)	-0.80%	5.0%

Policy Limit

Market Value of Portfolio Equity

200 b.p. up	-1.93%	15.0%
100 b.p. down	-1.36%	15.0%

Capital Ratios

September 30, 2004

<u>Measure</u>	<u>Actual</u>	<u>Target</u>
Tangible Common Equity	6.4 %	6.25 %
Equity / Assets	10.2 %	10.0 %
Risk Based Ratios		
Tier I	8.7 %	7.0 %
Total Capital	12.7 %	11.0 %

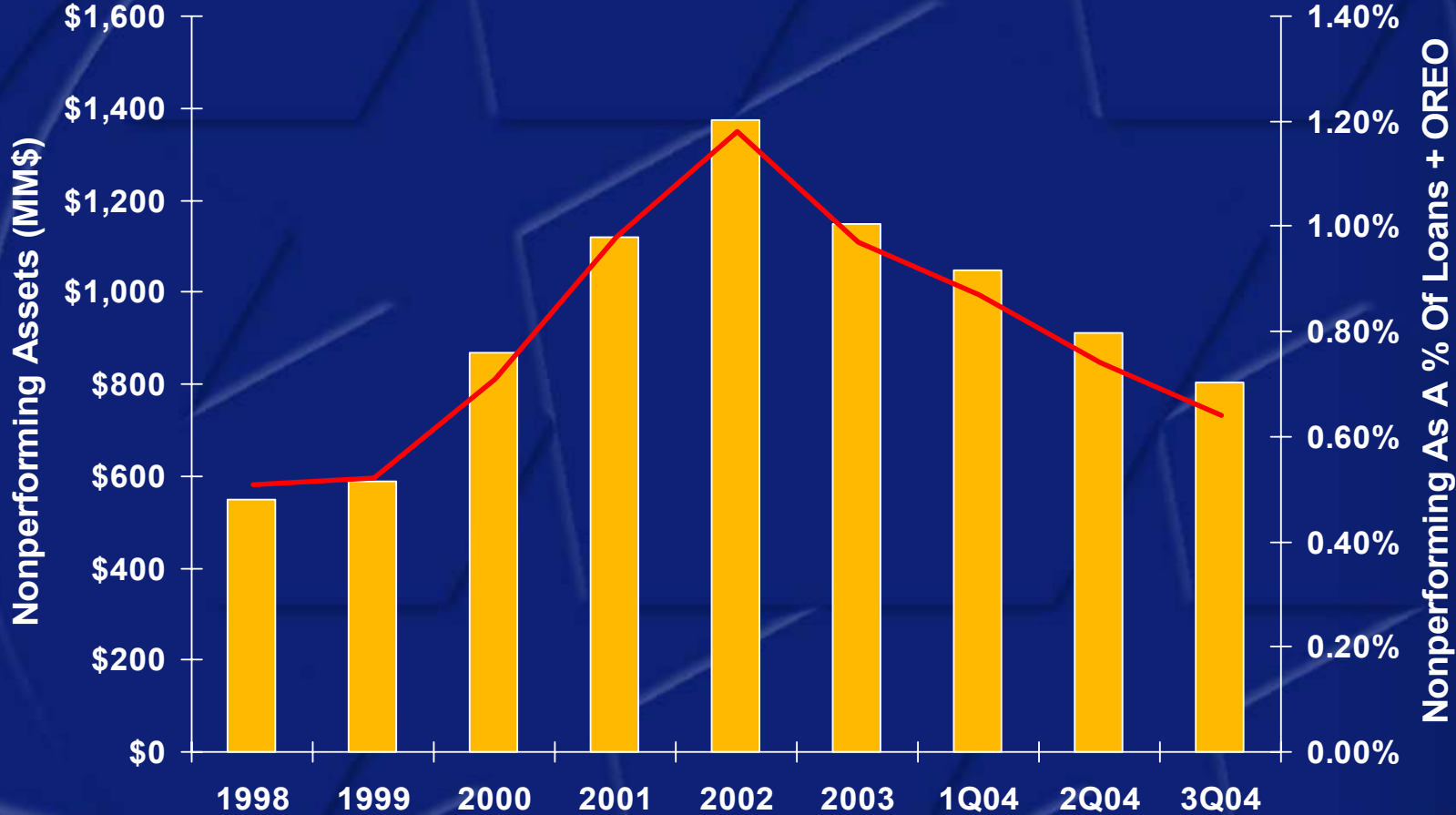
Debt Ratings

September 30, 2004

	<u>Moody's</u>	<u>S & P</u>	<u>Fitch</u>
Ratings Outlook	Positive	Stable	Stable
<u>U.S. Bancorp</u>			
Senior Debt & MTNs	Aa3	A+	AA-
<u>U.S. Bank N.A.*</u>			
Long-term Deposits	Aa2	AA-	AA

* U.S. Bank N.A. of Minneapolis, Minnesota was merged into Firststar Bank, N.A. of Cincinnati, Ohio on August 9, 2001. Firststar Bank, N.A. was renamed U.S. Bank N.A.

Nonperforming Assets



Nonperforming Assets / Loans + OREO

September 30, 2004

USB **0.64%**

USB Rank ⁽¹⁾ 9

Median **0.58%**

High **0.98%**

Low **0.39%**

(1) 12 Bank Peer Group includes BAC, BBT, CMA, FITB, KEY, NCC, PNC, RF, STI, USB, WB and WFC.

Nonperforming Loans

September 30, 2004

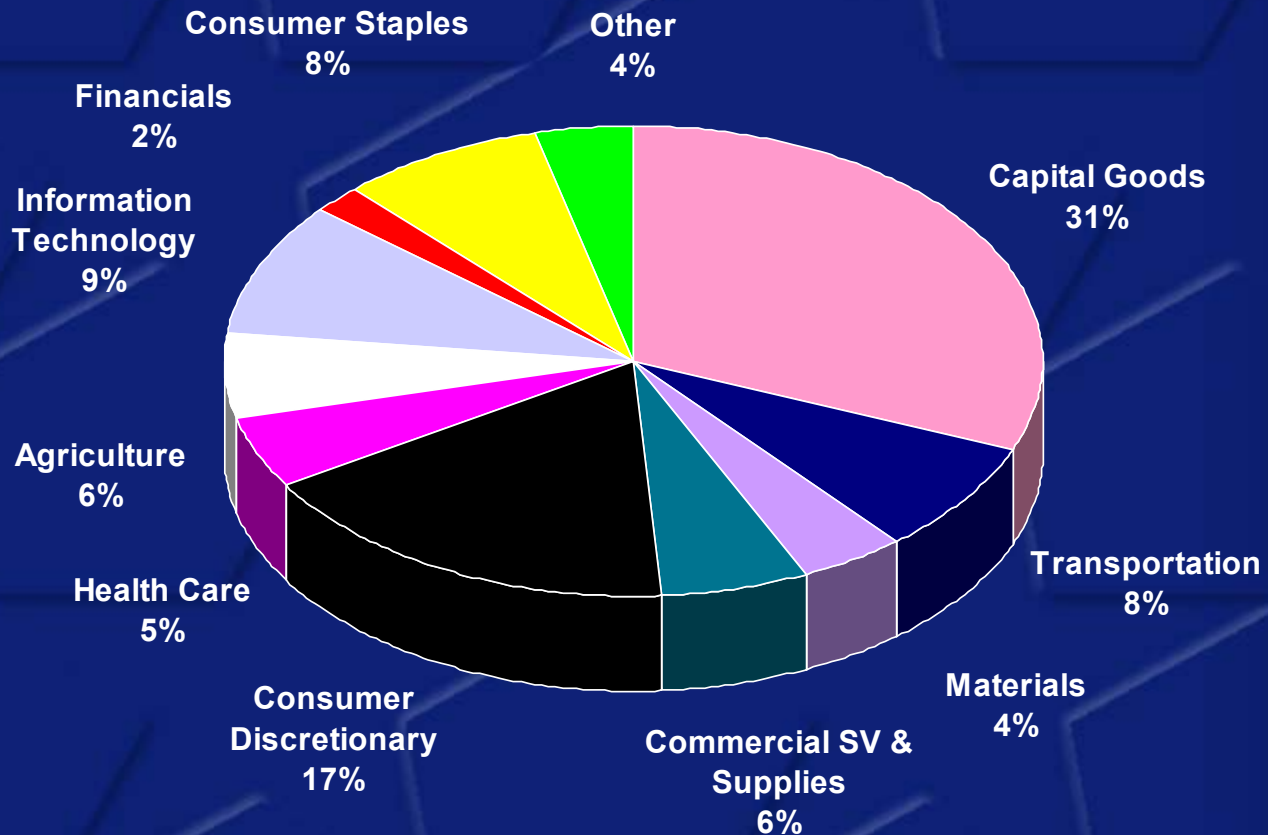
(MM\$)

Commercial & Industrial	\$348	50%
Commercial Leasing	91	13
Commercial Real Estate	201	29
Residential Mortgages	45	6
Retail	17	2
Total	<u>\$702</u>	<u>100%</u>

Nonperforming Commercial & Industrial Loans

September 30, 2004

\$348 Million





Loan Portfolio

Loan Portfolio Composition

September 30, 2004

(\$ in Billions)

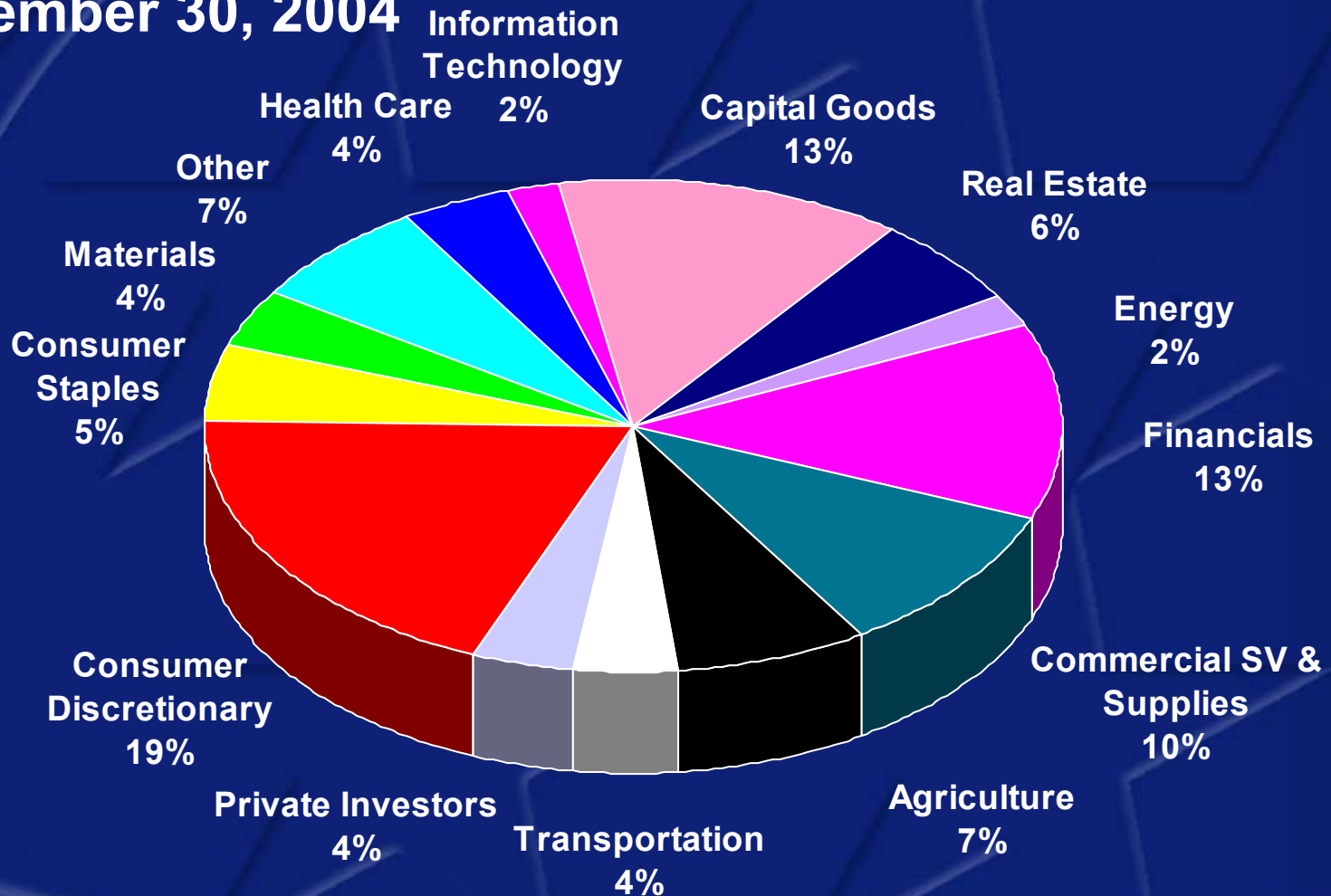
	<u>\$</u>	<u>%</u>
Commercial	\$40.2	32%
Commercial Real Estate	27.4	22%
Retail Lending	42.5	34%
Residential Mortgages	<u>14.7</u>	<u>12%</u>
Total	<u><u>\$124.8</u></u>	<u><u>100%</u></u>

Commercial Lending

- ✓ Represents \$40.2 billion in loans, 32% of the total loan portfolio
- ✓ Well diversified by industry type
- ✓ No significant concentrations

Commercial Lending

September 30, 2004

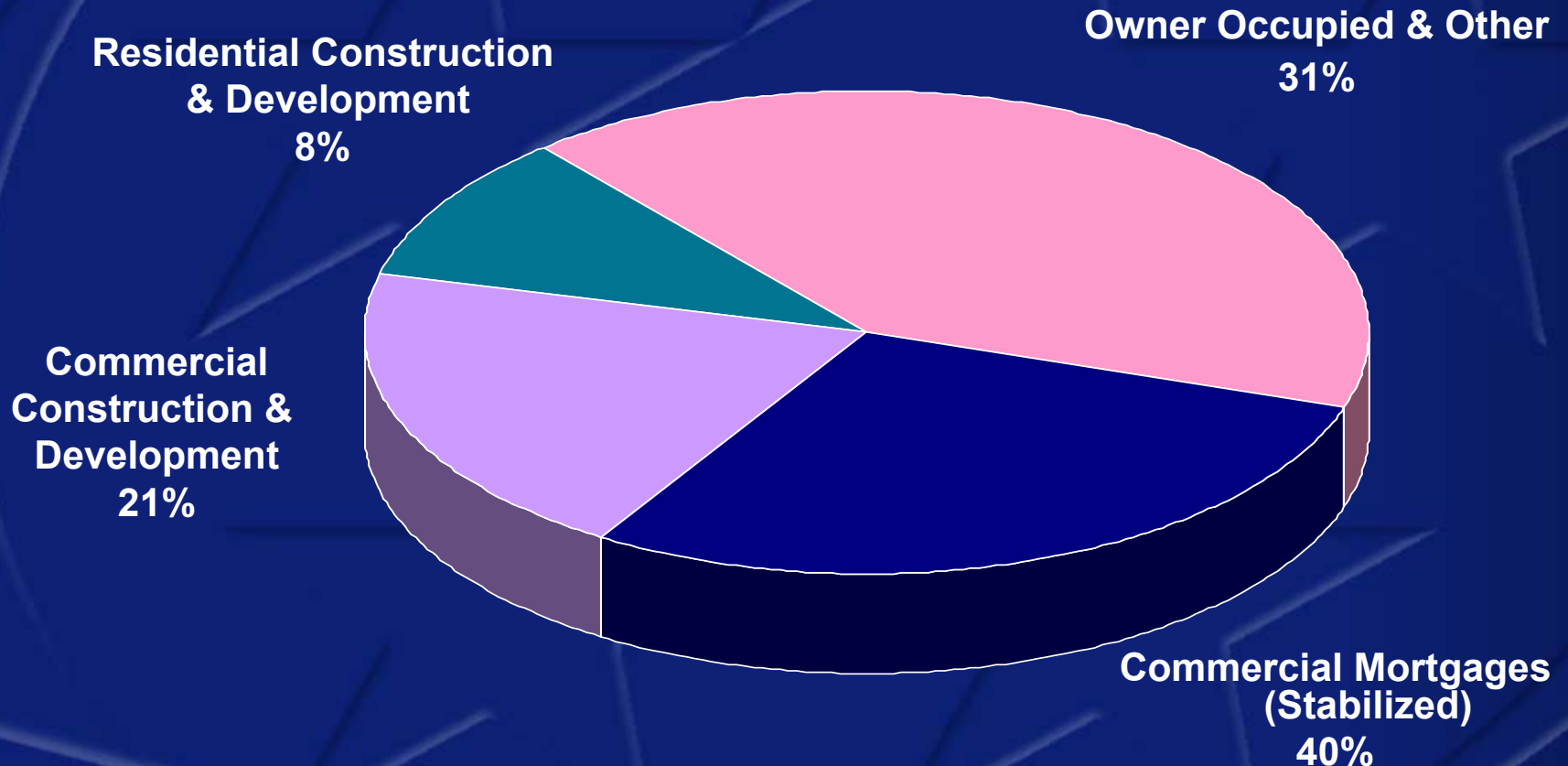


Commercial Real Estate

- ✓ **\$27.4 billion, 22% of the total loan portfolio**
- ✓ **Well diversified by property type**
- ✓ **Geographic distribution shows breadth across the country**

Commercial Real Estate

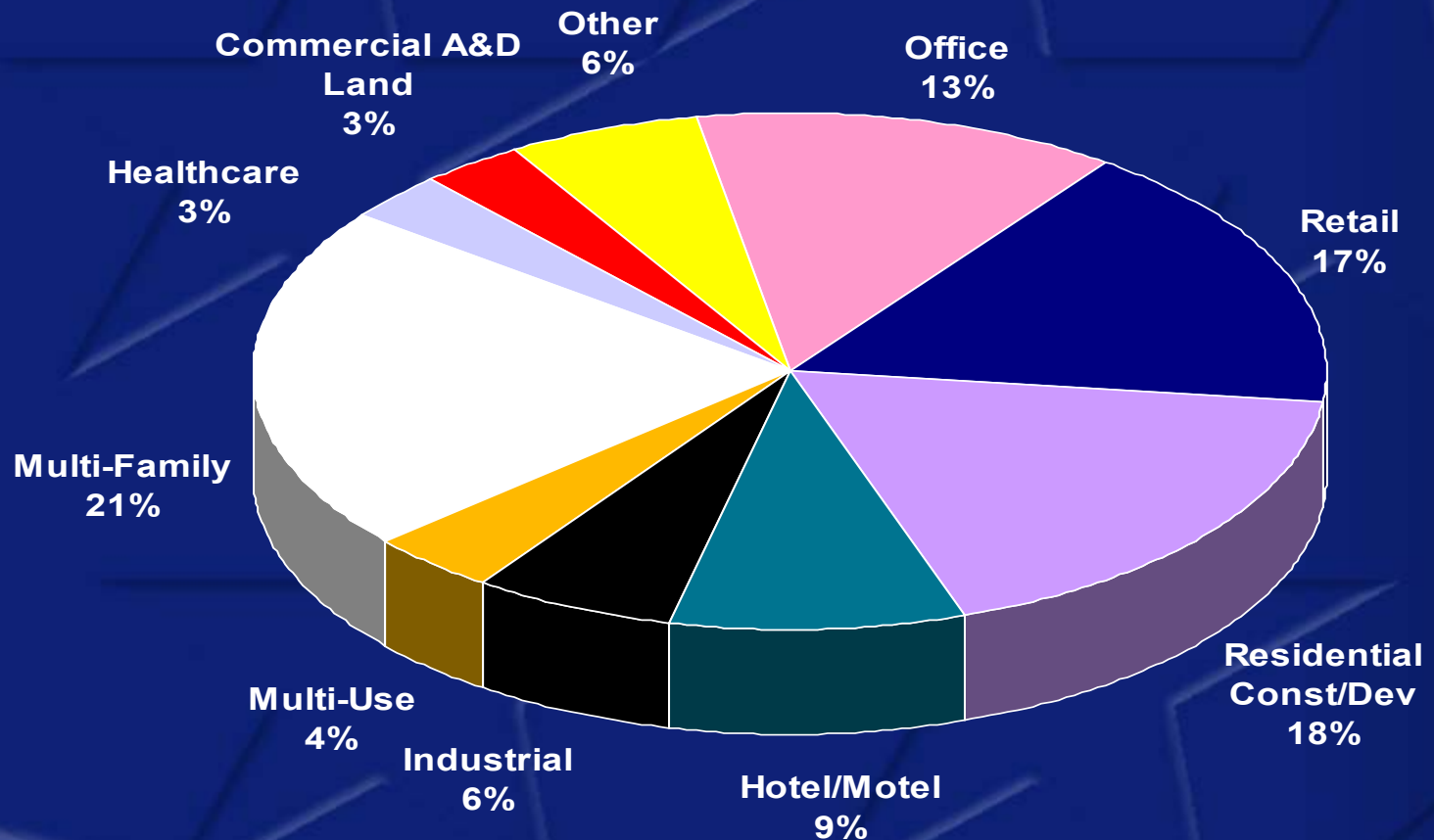
September 30, 2004



Based on Commitments

Commercial Real Estate By Property Type

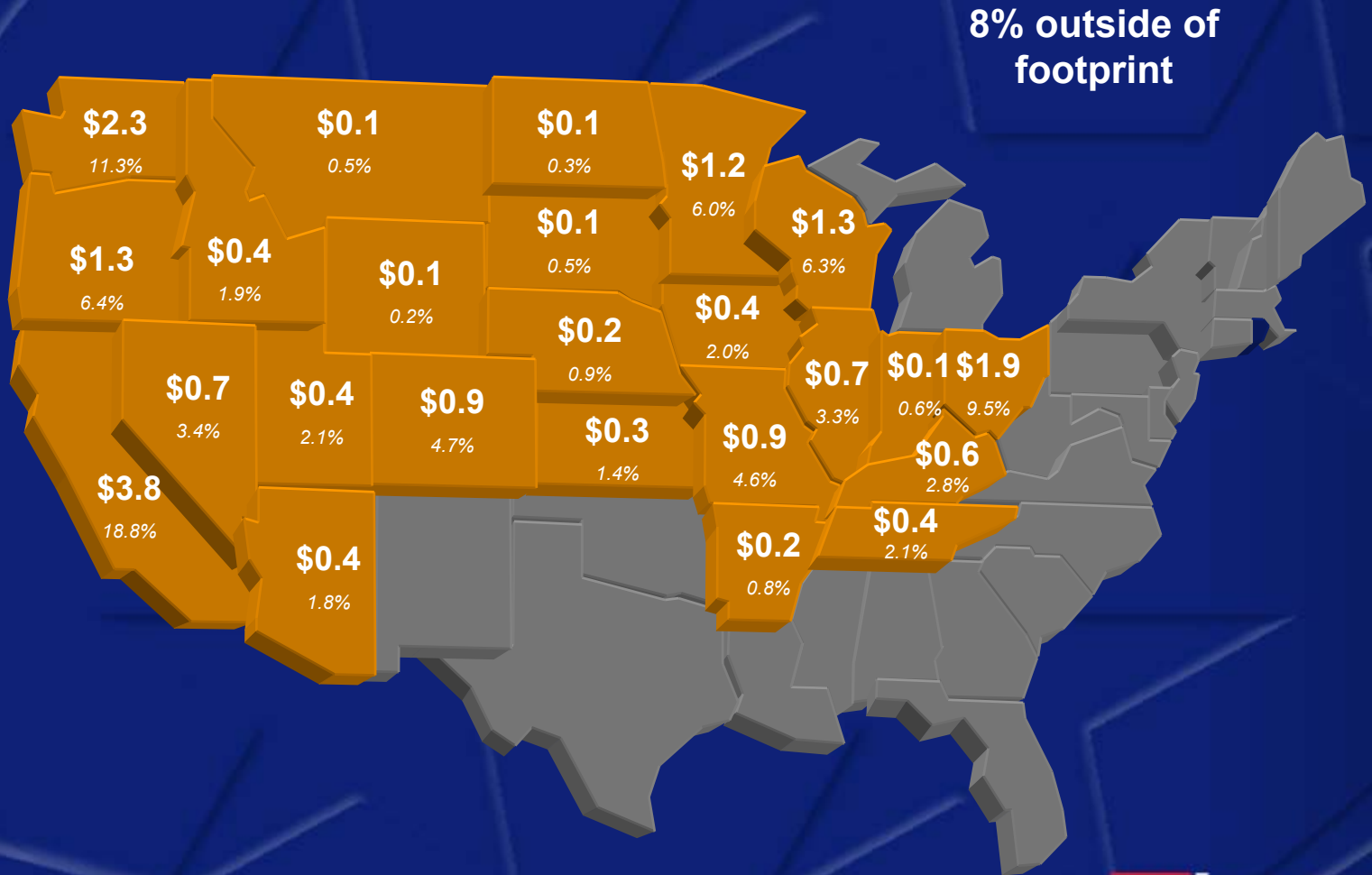
September 30, 2004



Based on Commitments

Commercial Real Estate By Geography

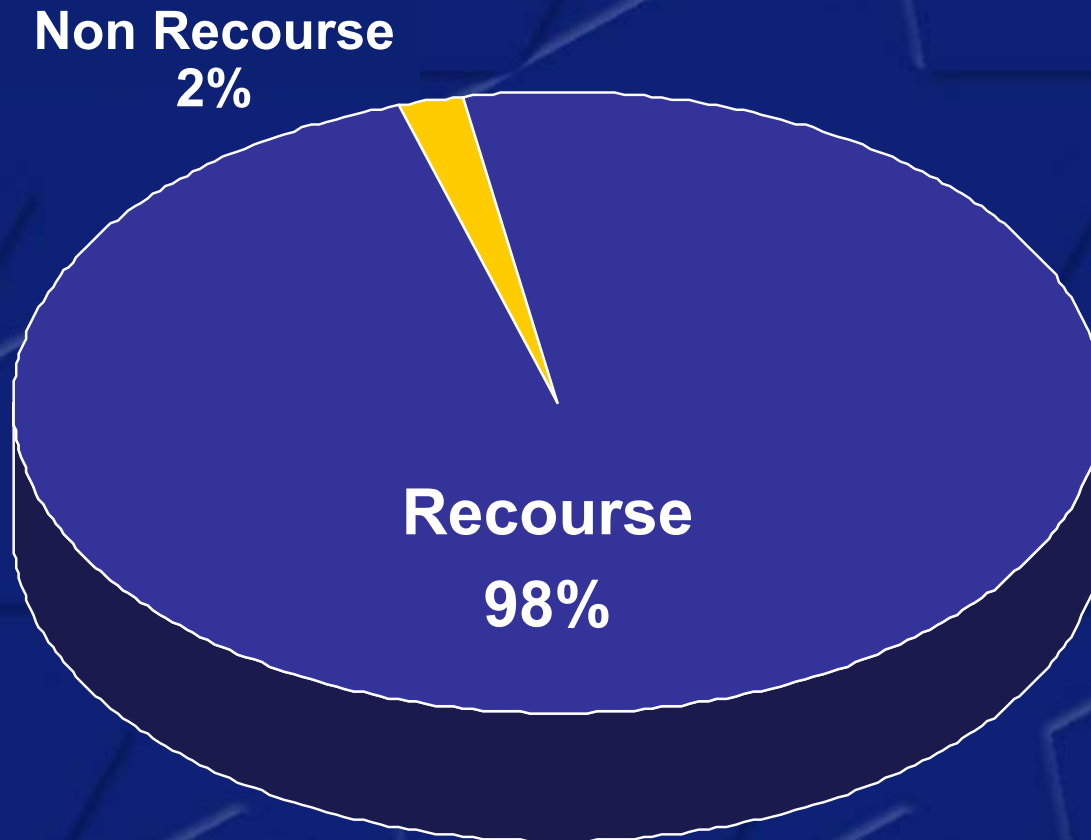
September 30, 2004



(\$ in Billions)

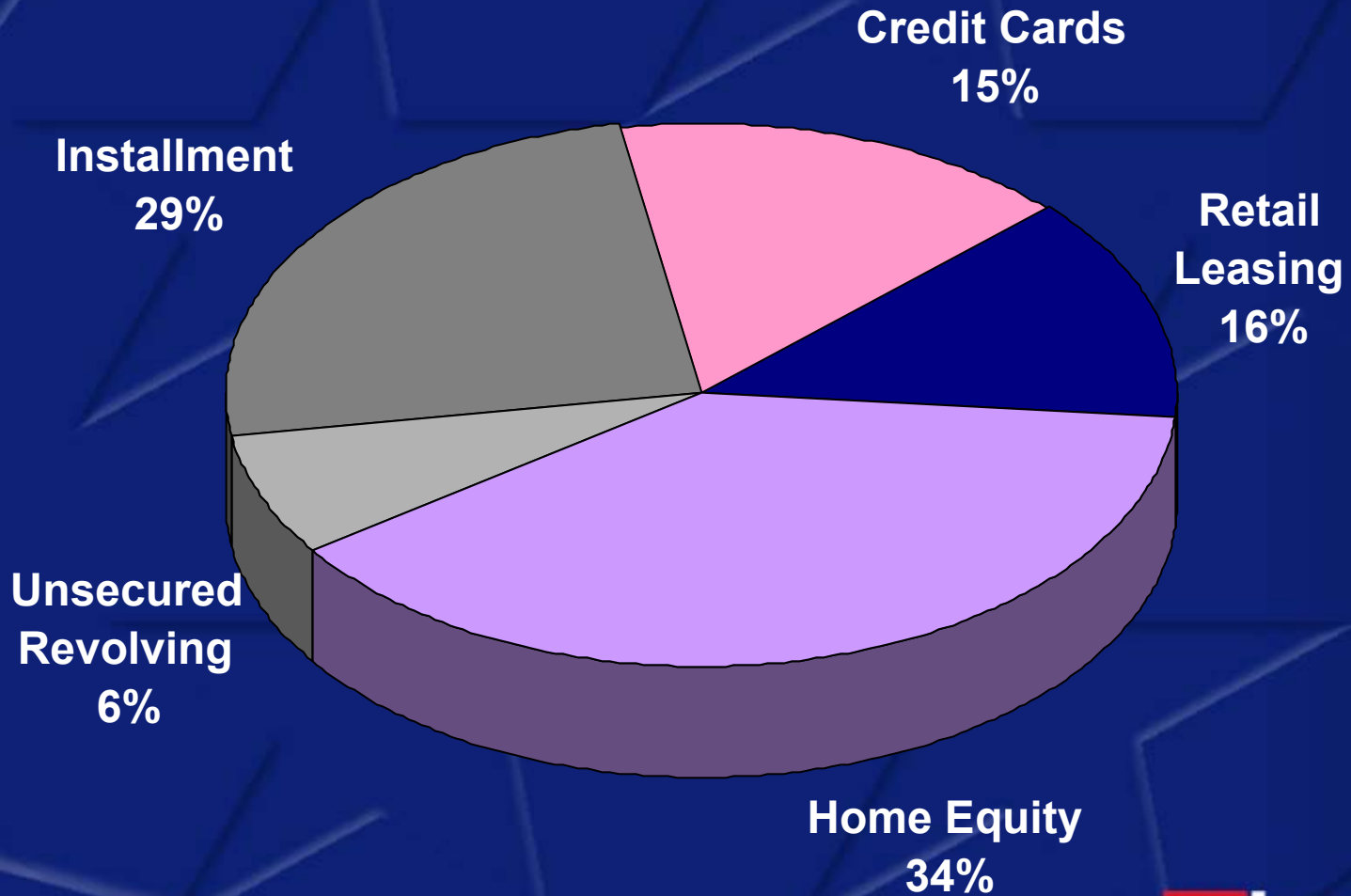
Commercial Real Estate By Recourse

September 30, 2004



Retail Lending

September 30, 2004



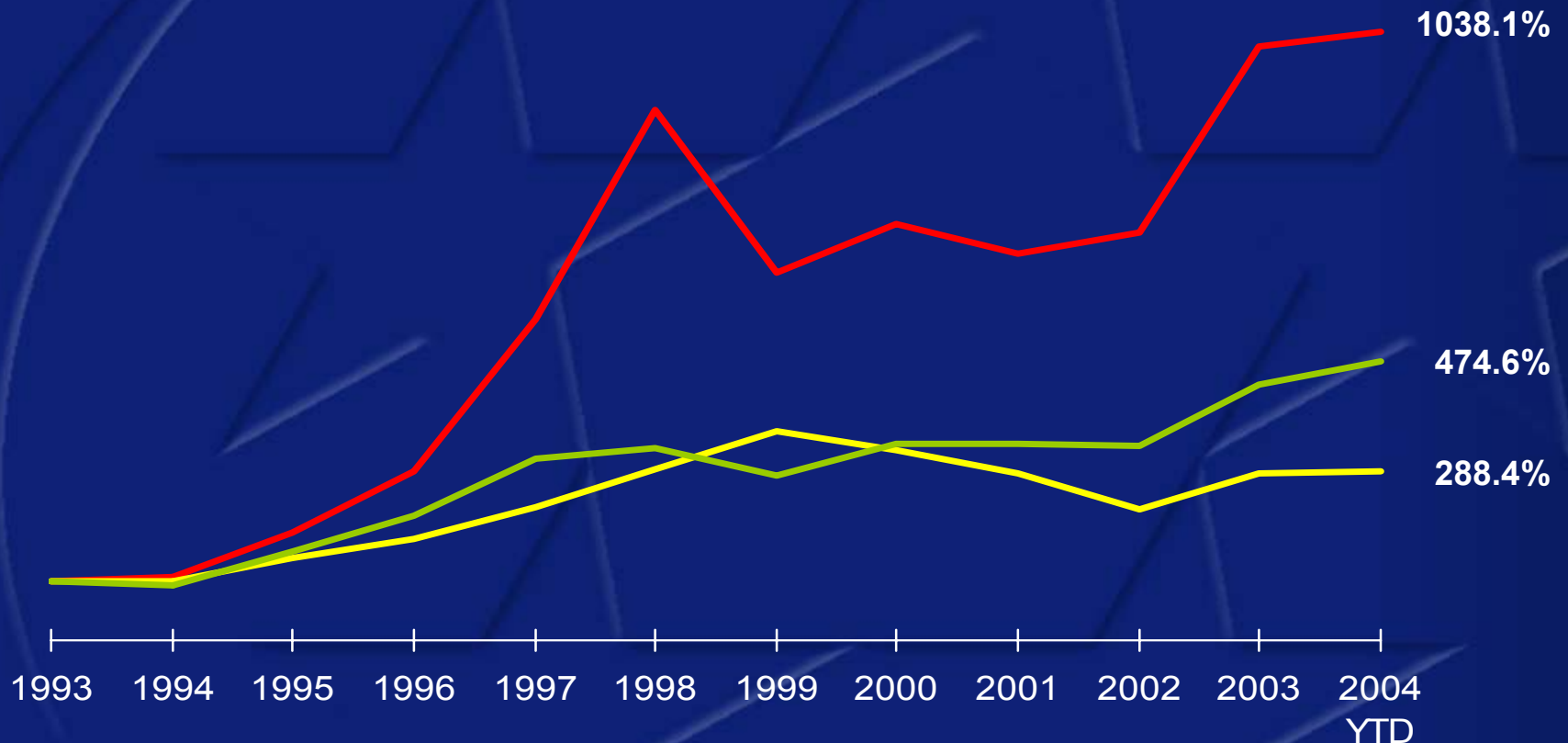


Executing For Long-Term Success

Executing For Long-term Success

- ✓ 10% Plus EPS Growth
- ✓ 20% Plus ROE
- ✓ Reducing Credit and Earnings Volatility
- ✓ Providing High-Quality Customer Service
- ✓ Investing For Future Growth
- ✓ Targeting 80% Return of Earnings to Shareholders

Total Shareholder Return



— USB — S&P 500 Index — S&P Commercial Bank Index



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Fall 2004

Jerry A. Grundhofer
Chairman and CEO

David M. Moffett
Vice Chairman and CFO