



European Roadshow

Jerry A. Grundhofer
Chairman, President and CEO

May 12, 2004



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.

Building U.S. Bancorp

“Growth and Cost”

1993

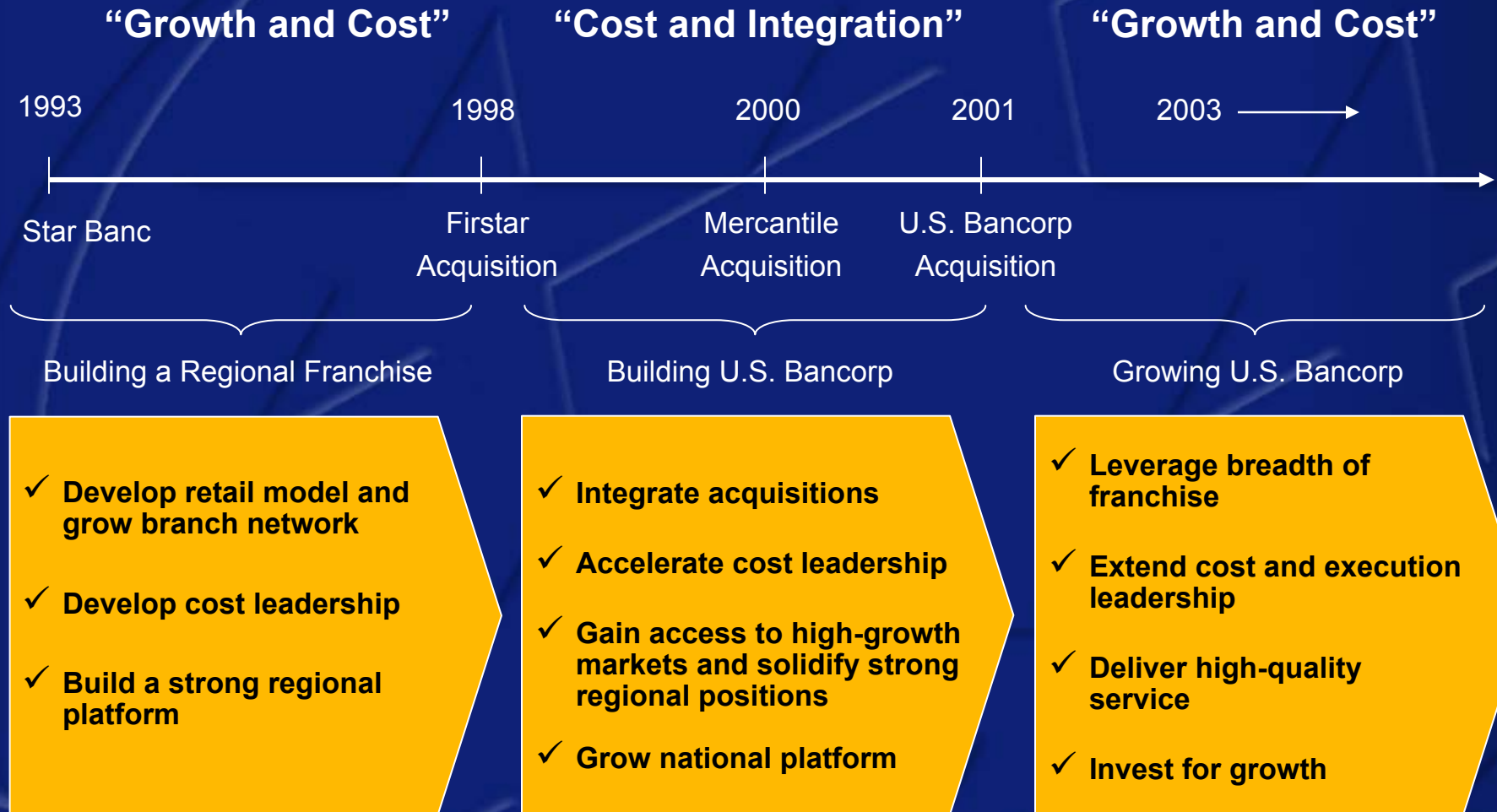
1998

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

May 5, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>\$Billions</u>
1	Citigroup	\$250.8
2	Bank of America	166.7
3	JP Morgan Chase / Bank One	135.4
4	Wells Fargo	96.1
5	Wachovia	60.9
6	U.S. Bancorp	50.4
7	Fifth Third	30.2
8	Bank of New York	23.3
9	National City	21.4
10	SunTrust	19.7

Branches

March 31, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>Number</u>
1	Bank of America	4,367
2	Wells Fargo	3,078
3	Wachovia	2,609
4	JP Morgan Chase / Bank One	2,471
5	U.S. Bancorp	2,275
6	BB&T	1,464
7	SunTrust	1,244
8	National City	1,204
9	Fifth Third	990
10	KeyCorp	923

Total Deposits

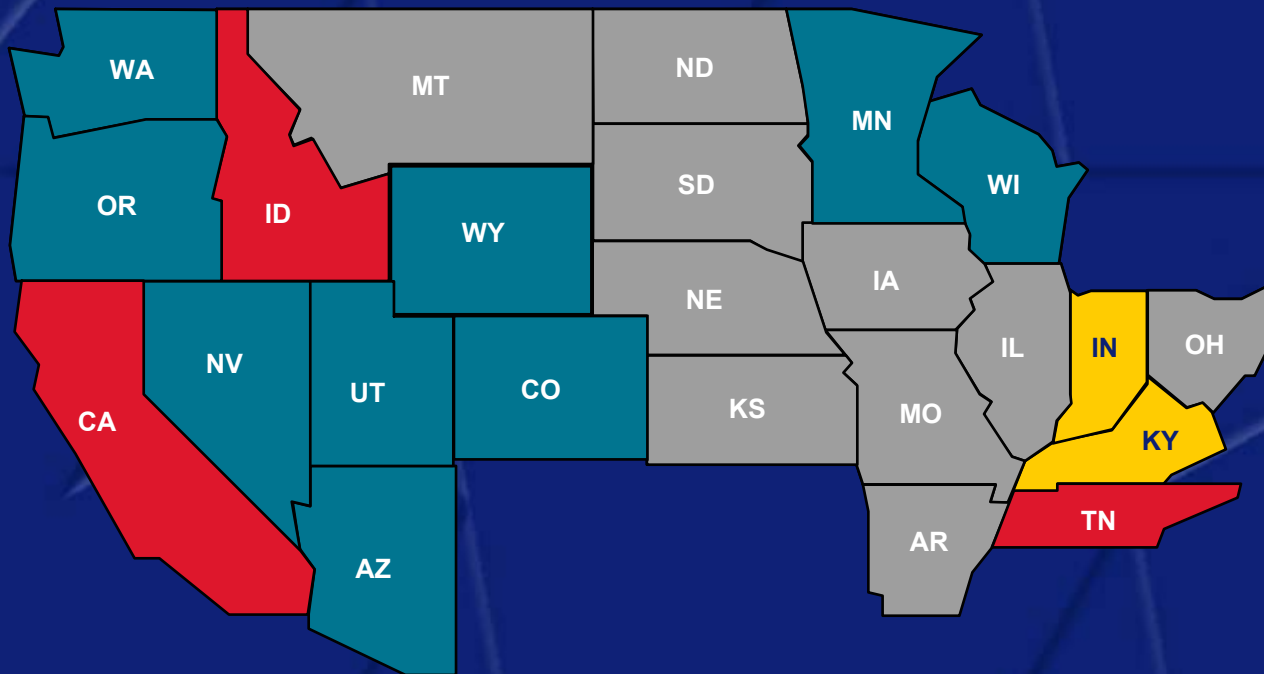
March 31, 2004

<u>U.S. Rank</u>	<u>Company</u>	<u>\$Billions</u>
1	JP Morgan Chase / Bank One	\$502.8
2	Citigroup	499.2
3	Bank of America	435.6
4	Wells Fargo	248.4
5	Wachovia	232.3
6	U.S. Bancorp	119.0
7	SunTrust	80.9
8	National City	67.2
9	BB&T	64.1
10	Bank of New York	56.0

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

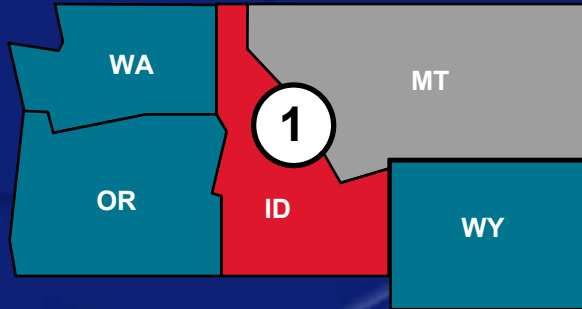
 Above Median Income Growth

 Above Median Household Growth

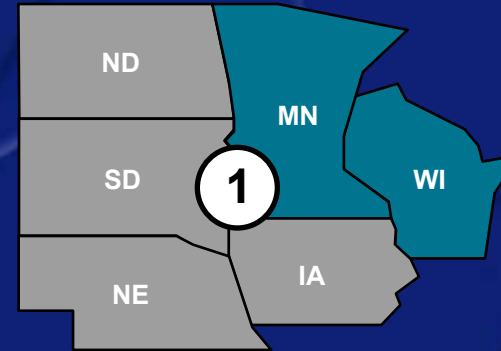
 Below Median Household and Income Growth

Powerful Distribution

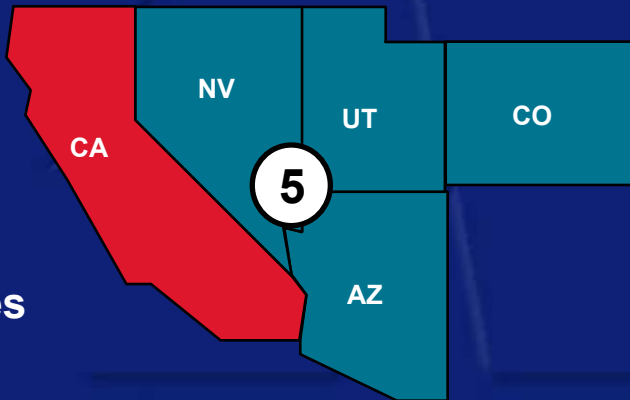
Northwest
482 Branches



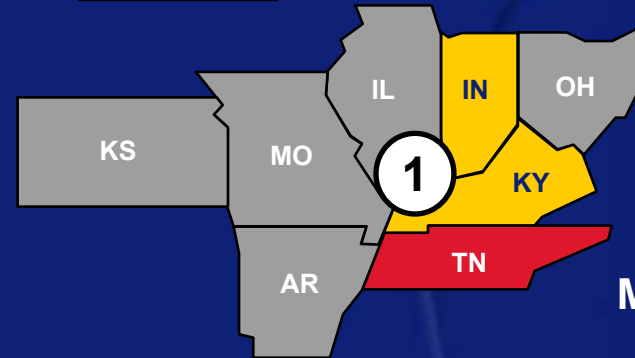
Upper
Midwest
435 Branches



West
444
Branches



Lower
Midwest
921
Branches



 Above Median Household and Income Growth

 Above Median Income Growth

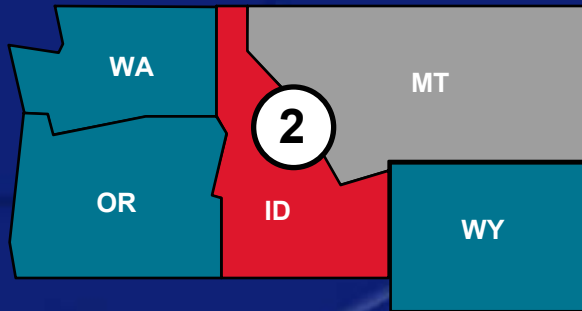
 Above Median Household Growth

 Below Median Household and Income Growth

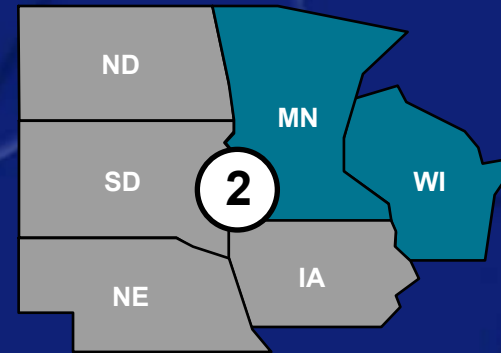
 Regional Rank Based On Number Of Bank Branches

High Deposit Share

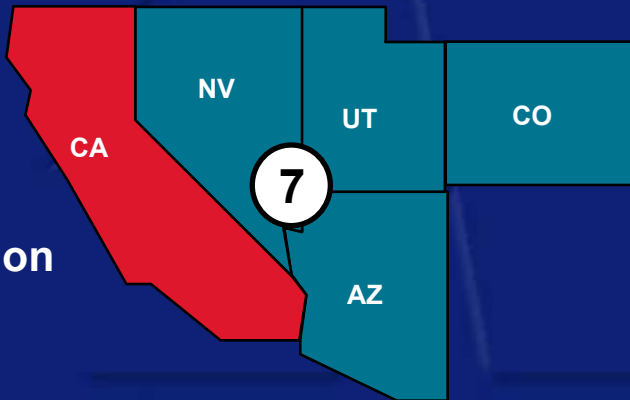
Northwest
\$21.5 Billion



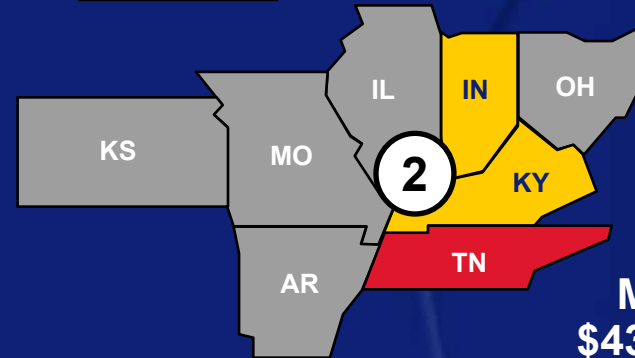
Upper
Midwest
\$40.1 Billion



West
\$20.2 Billion



Lower
Midwest
\$43.3 Billion



 Above Median Household and Income Growth

 Above Median Income Growth

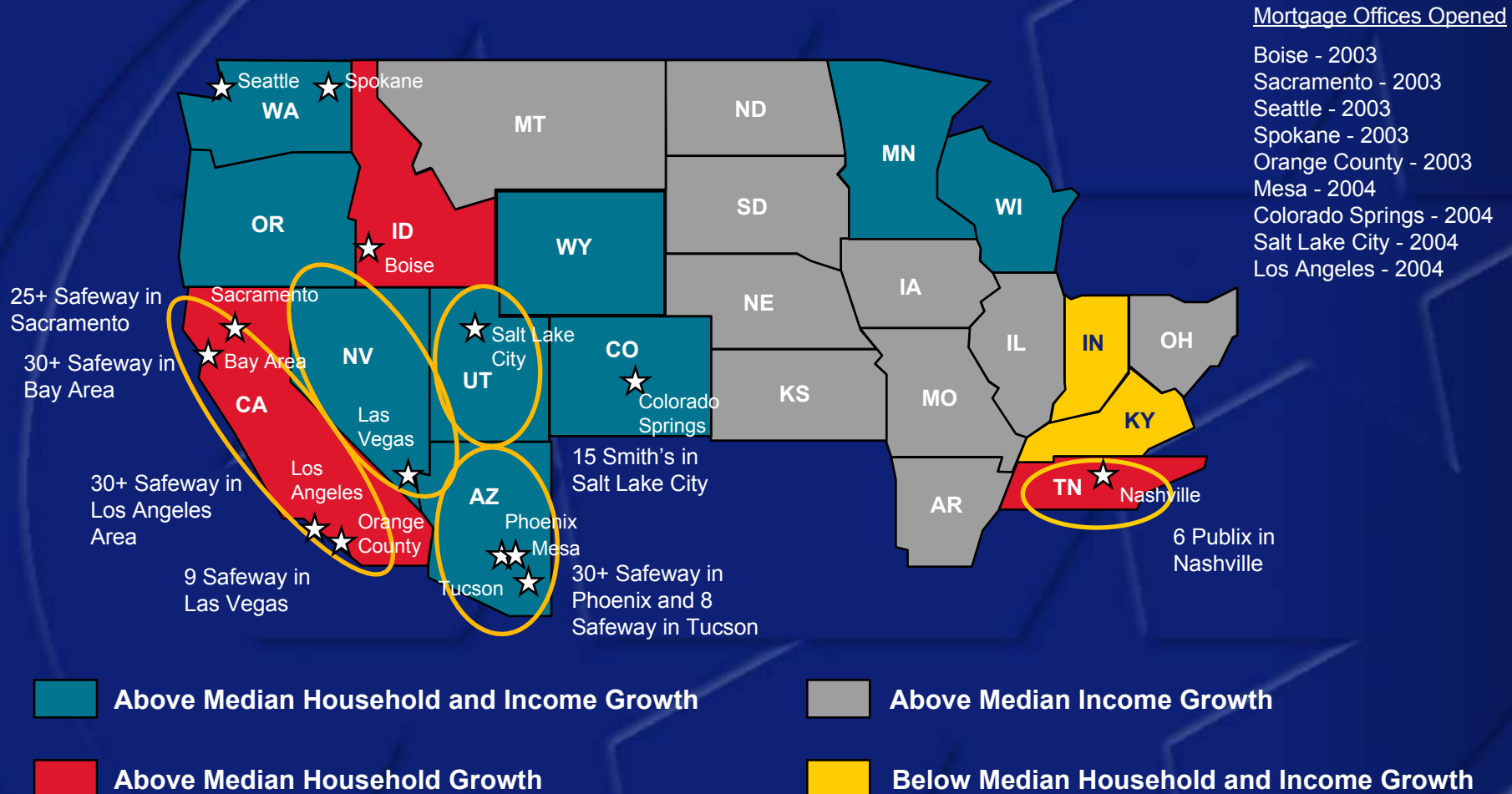
 Above Median Household Growth

 Below Median Household and Income Growth



Regional Rank Based On Bank Deposits

Investing in Distribution in High Growth Markets



Growth in Net New Checking Accounts

Growth Continues To Accelerate



(1) Annualized.

Average Low-Cost Core Deposits (1)

Growth Accelerated in 2003



(1) Branch-originated noninterest-bearing, NOW, money market and savings excluding the impact of acquisitions.

Diversified Business Mix With Scale

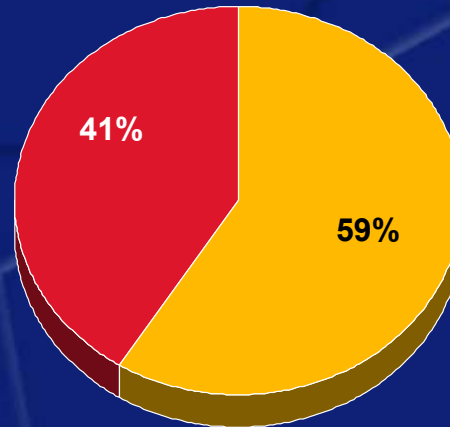
<u>Business Unit</u>	<u>% of USB Revenue</u>	<u>Footprint</u>	<u>Rank in Footprint</u>
Metropolitan Banking	15.1%	Regional	3
Community Banking	11.9%	Regional	1
Retail Credit Card	10.3%	National	7
Corporate Banking	6.7%	National	7
NOVA Information Systems	6.2%	National	3
Middle Market Banking	5.5%	Regional	3
Mortgage Banking	4.9%	National	19
Consumer Lending	4.3%	National	6
Private Client Group	3.9%	Regional	3
Commercial Real Estate	3.4%	National	4
Corporate Trust	2.5%	National	3
Government Banking	2.0%	National	3
Asset Management	1.9%	National	45
Corporate Payment Systems	1.9%	National	1
Institutional Trust	1.1%	Regional	9
Fund Services	0.7%	National	3

Advantaged Revenue Mix

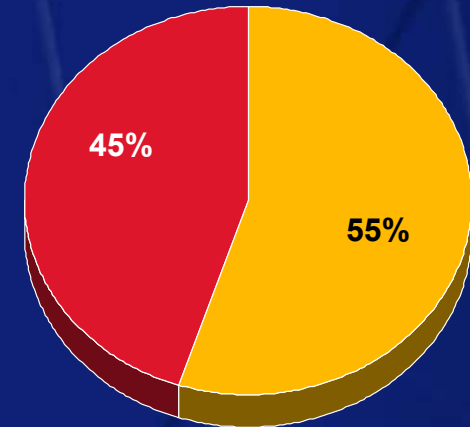
Total Revenue



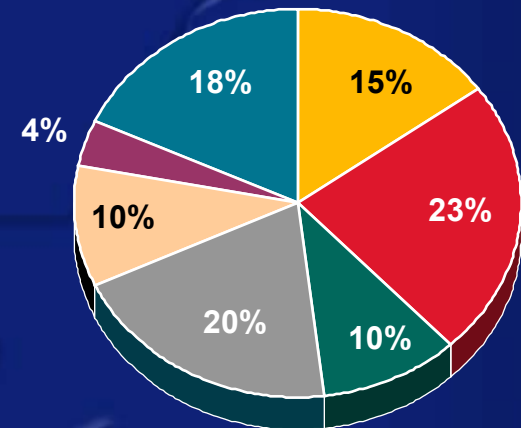
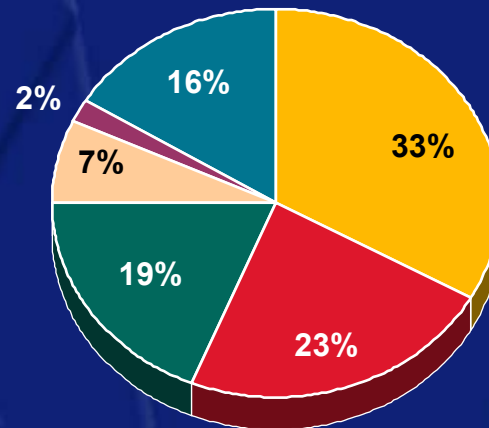
U.S. Bancorp



11 Bank Composite



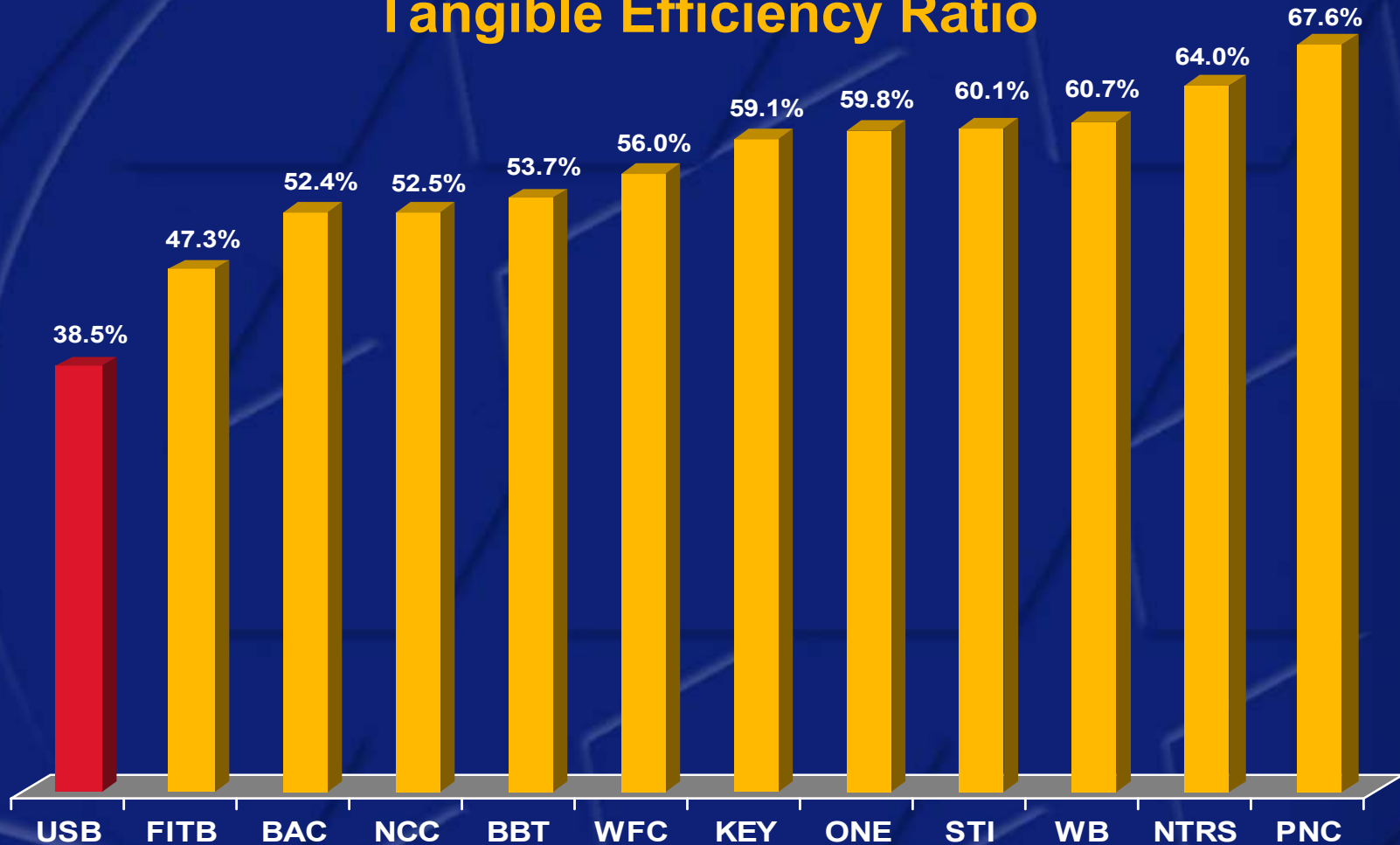
Fee Revenue



11 Bank Composite Includes: BAC, FBF, FITB, KEY, NCC, NTRS, ONE, PNC, STI, WB, WFC

Low-Cost Provider

Tangible Efficiency Ratio



Growing Revenue Faster Than Expense

Creating Operating Leverage

Year-Over-Year Revenue Growth ⁽¹⁾ Less Expense Growth ⁽²⁾



(1) Excludes securities gains and losses.

(2) Excludes intangible amortization and merger-related expense. USB 1Q04 excludes \$35.4 million one-time exp.

(3) Bank composite includes BAC, ONE, WB, WFC, BBT, FITB, KEY, NCC, PNC, STI and NTRS



Industry Leading Performance Metrics

First Quarter 2004

	USB	Top 12 Median	USB Rank ⁽¹⁾
Return on Assets	2.14%	1.39%	1
Return on Equity	20.7%	16.5%	3
Efficiency Ratio ⁽²⁾	42.3%	57.7%	1
Net Interest Margin	4.29%	3.58%	2
Tangible Return on Equity ⁽³⁾	35.9%	24.9%	1
Tangible Return on Assets ⁽³⁾	2.38%	1.55%	1
Tangible Efficiency Ratio ⁽²⁾⁽³⁾	38.5%	57.5%	1

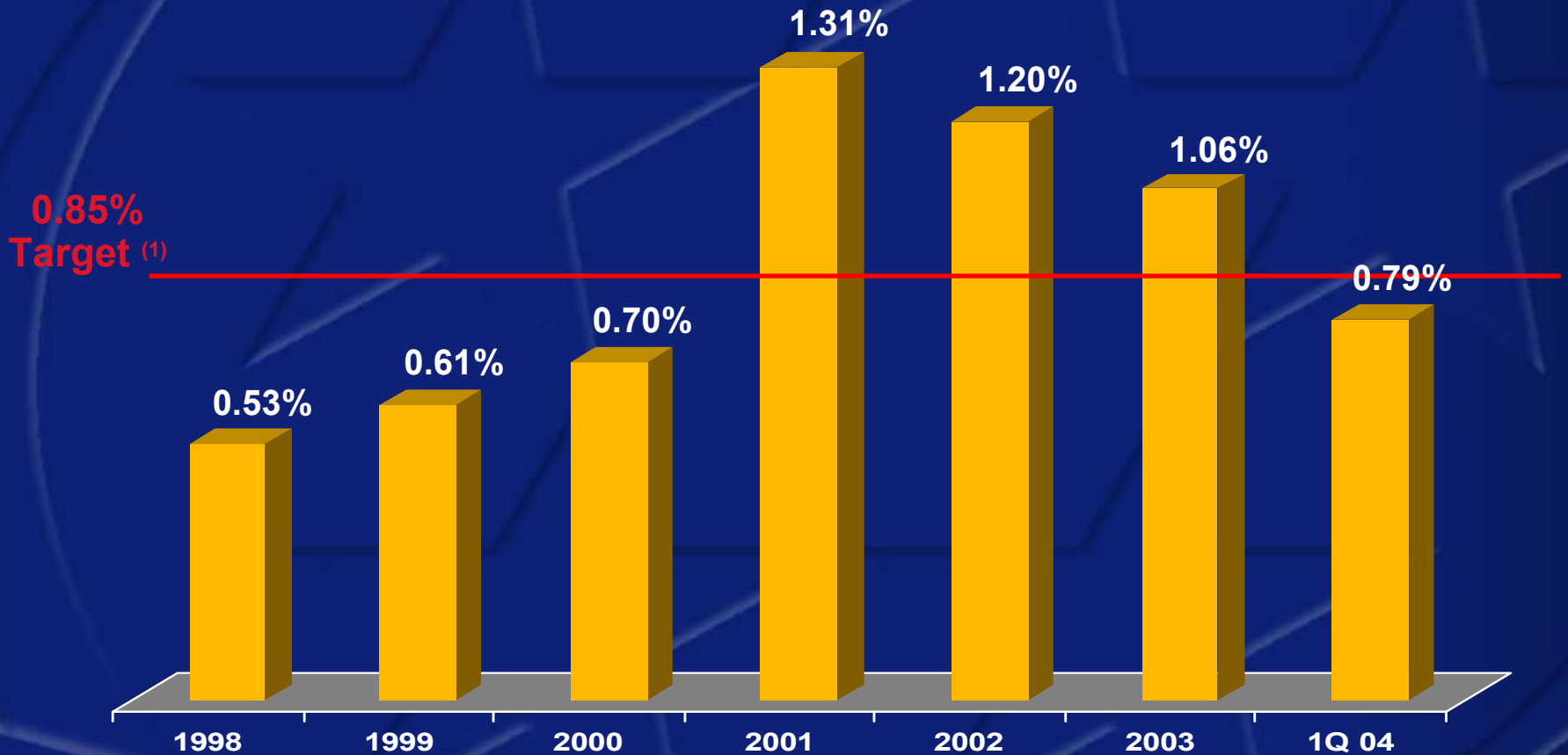
(1) Rank among Top 12 Peer Group which includes BAC, ONE, BBT, FITB, KEY, NCC, NTRS, PNC, STI, USB, WB and WFC.

(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.

Achieving Top Quartile Credit Quality

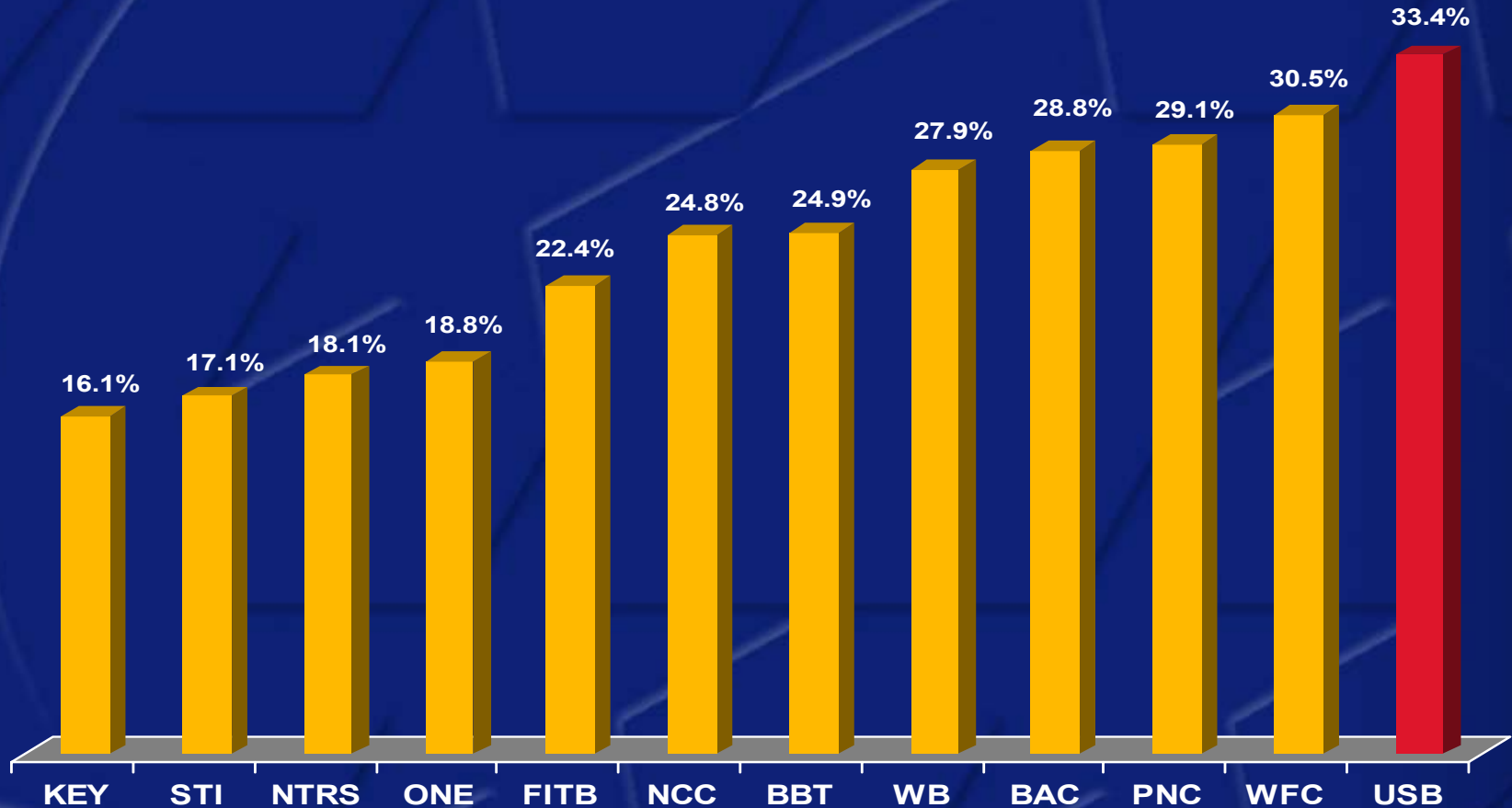
Total Net Charge-Off Ratio



(1) Average over the credit cycle.

Industry Leading Capital Generation

Tangible Common Equity Generation Rates



Returning 80% Of Earnings To Shareholders



2004 Growth Drivers

- ✓ **Business Unit Trends Reflect an Improving Economic Environment**
- ✓ **Credit Costs Will Continue to Trend Lower**
- ✓ **Focusing on Relationship Penetration**
- ✓ **Continuous Improvement in Customer Service**
- ✓ **Investing in Distribution and Scale**



Risk Considerations

Interest Rate Risk

March 31, 2004

Net Interest Income Sensitivity _____ Policy Limit

300 b.p. up (gradual) 0.14% 5.0%

300 b.p. down (gradual) N/A 5.0%

50 b.p. up (immediate) 0.20% 5.0%

50 b.p. down (immediate) 0.39% 5.0%

Market Value of Portfolio Equity

200 b.p. up -1.40% 15.0%

100 b.p. down 0.10% 15.0%

Capital Ratios

March 31, 2004

<u>Measure</u>	<u>Actual</u>	<u>Target</u>
Tangible Common Equity	6.4 %	6.25 %
Equity / Assets	10.1 %	10.0 %
Risk Based Ratios		
Tier I	8.9 %	7.0 %
Total Capital	13.3 %	11.0 %

Debt Ratings

April 30, 2004

	<u>Moody's</u>	<u>S & P</u>	<u>Fitch</u>
Ratings Outlook	Positive	Stable	Positive
<u>U.S. Bancorp</u>			
Senior Debt & MTNs	Aa3	A+	A+
<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

March 31, 2004

USB **0.87%**

USB Rank ⁽¹⁾ 10

Median **0.68%**

High **1.55%**

Low **0.42%**

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

NPAs + Loans 90+ Days Past Due / Pre-Provision , Pre-Tax Income

Full Year 2003

USB 21.0%

USB Rank ⁽¹⁾ 3

Median 26.4%

High 61.7%

Low 14.9%

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

Nonperforming Loans

March 31, 2004

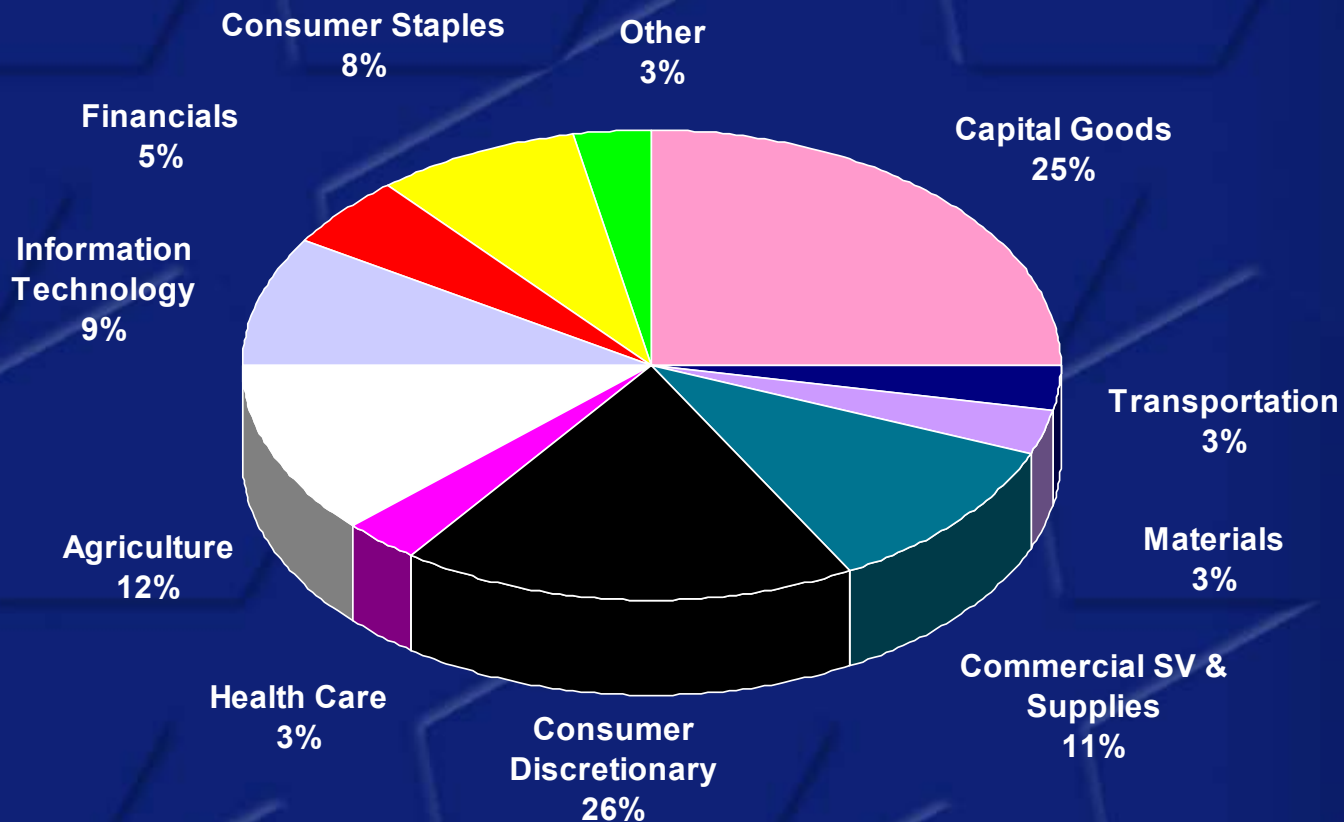
(MM\$)

Commercial & Industrial	\$511	56%
Commercial Leasing	115	13
Commercial Real Estate	229	25
Residential Mortgages	42	4
Retail	20	2
Total	<u>\$917</u>	<u>100%</u>

Nonperforming Commercial & Industrial Loans

March 31, 2004

\$511 Million





Loan Portfolio

Loan Portfolio Composition

March 31, 2004

(\$ in Billions)

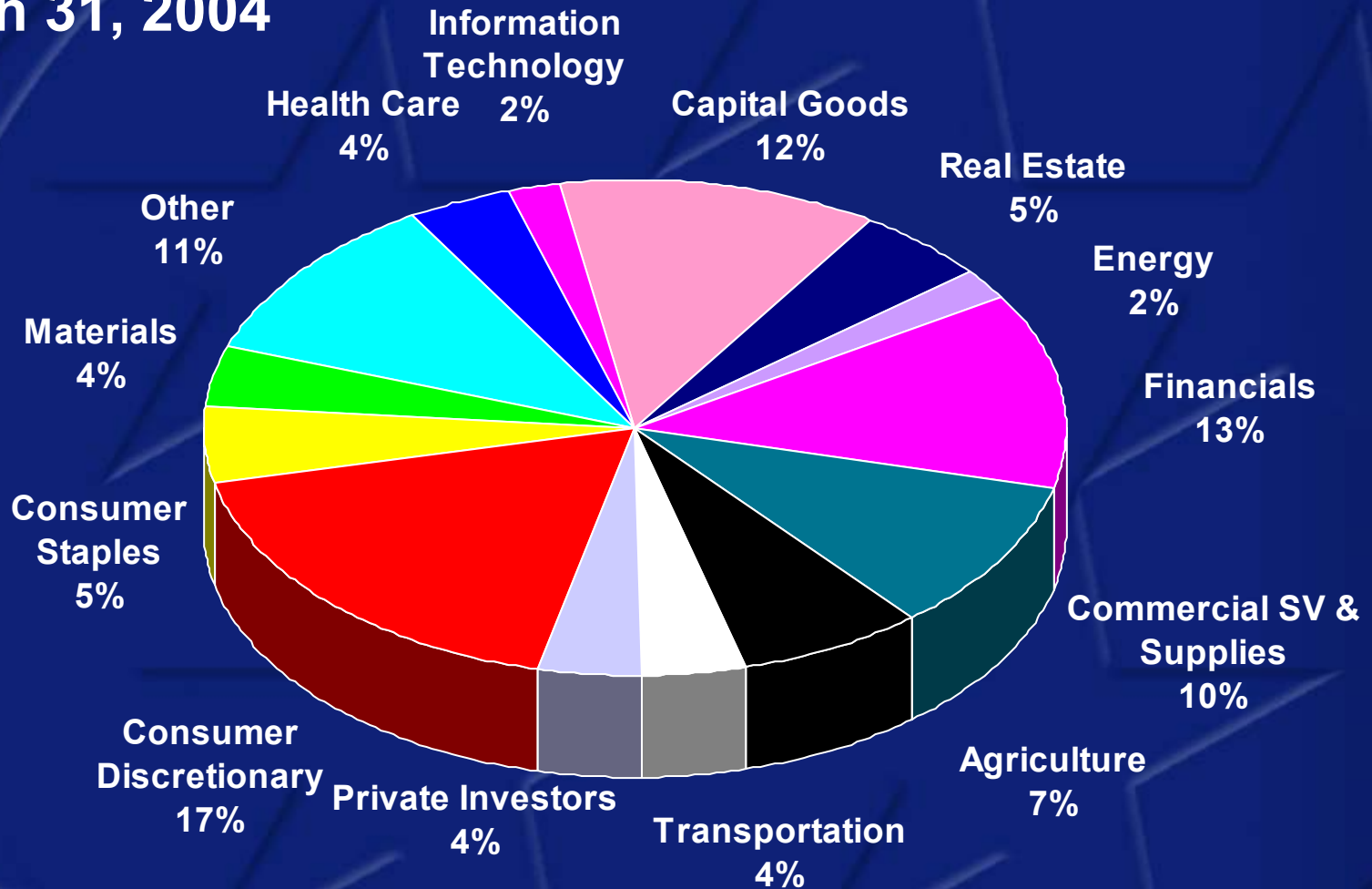
	<u>\$</u>	<u>%</u>
Commercial	\$39.0	33%
Commercial Real Estate	\$27.2	23%
Retail Lending	\$40.0	33%
Residential Mortgages	<u>\$13.7</u>	<u>11%</u>
Total	<u><u>\$119.9</u></u>	<u><u>100%</u></u>

Commercial Lending

- ✓ Represents \$39.0 billion in loans, 33% of the total loan portfolio
- ✓ Well diversified by industry type
- ✓ No significant concentrations

Commercial Lending

March 31, 2004

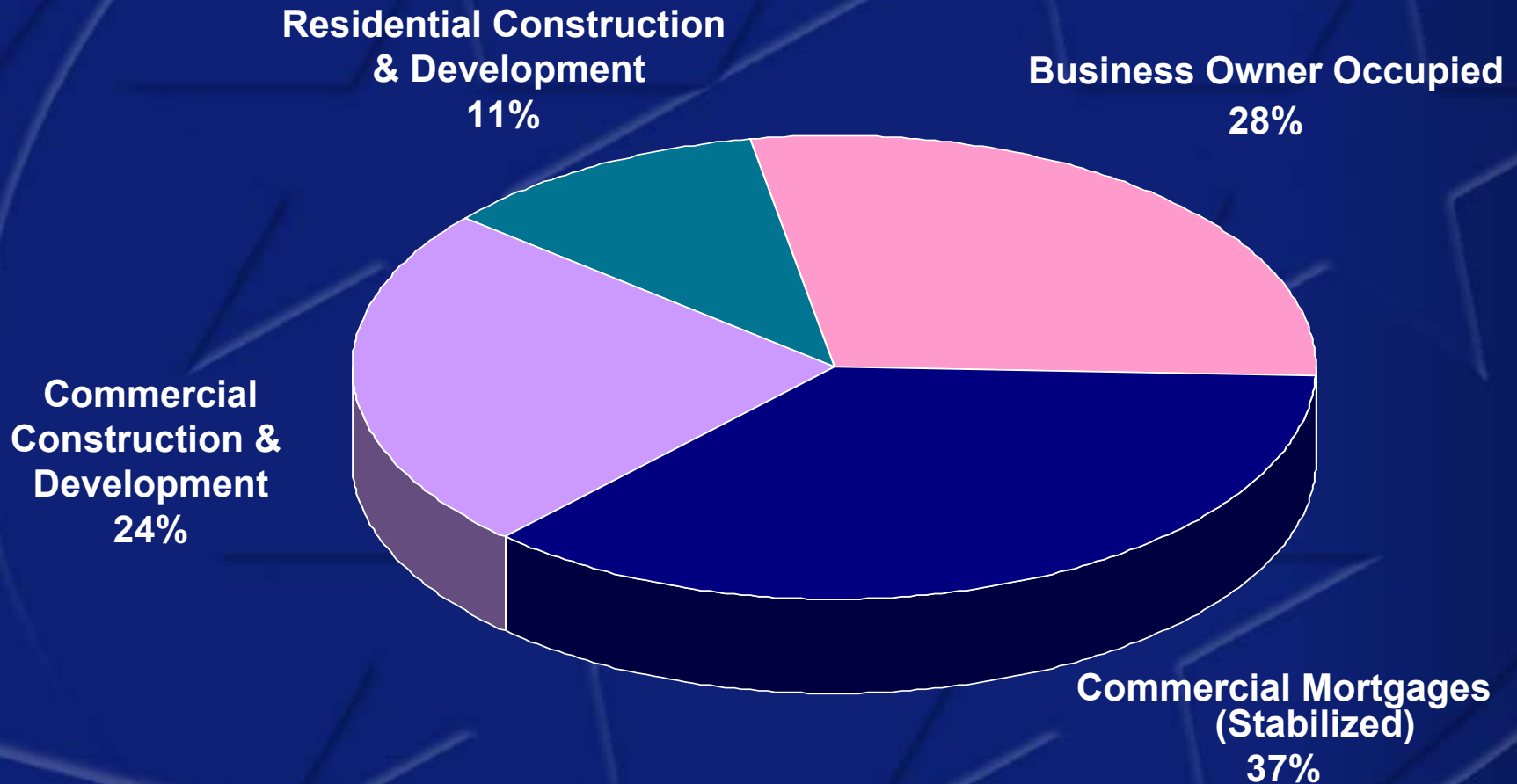


Commercial Real Estate

- ✓ **\$27.2 billion, 23% of the total loan portfolio**
- ✓ **Well diversified by property type**
- ✓ **Geographic distribution shows breadth across the country**

Commercial Real Estate

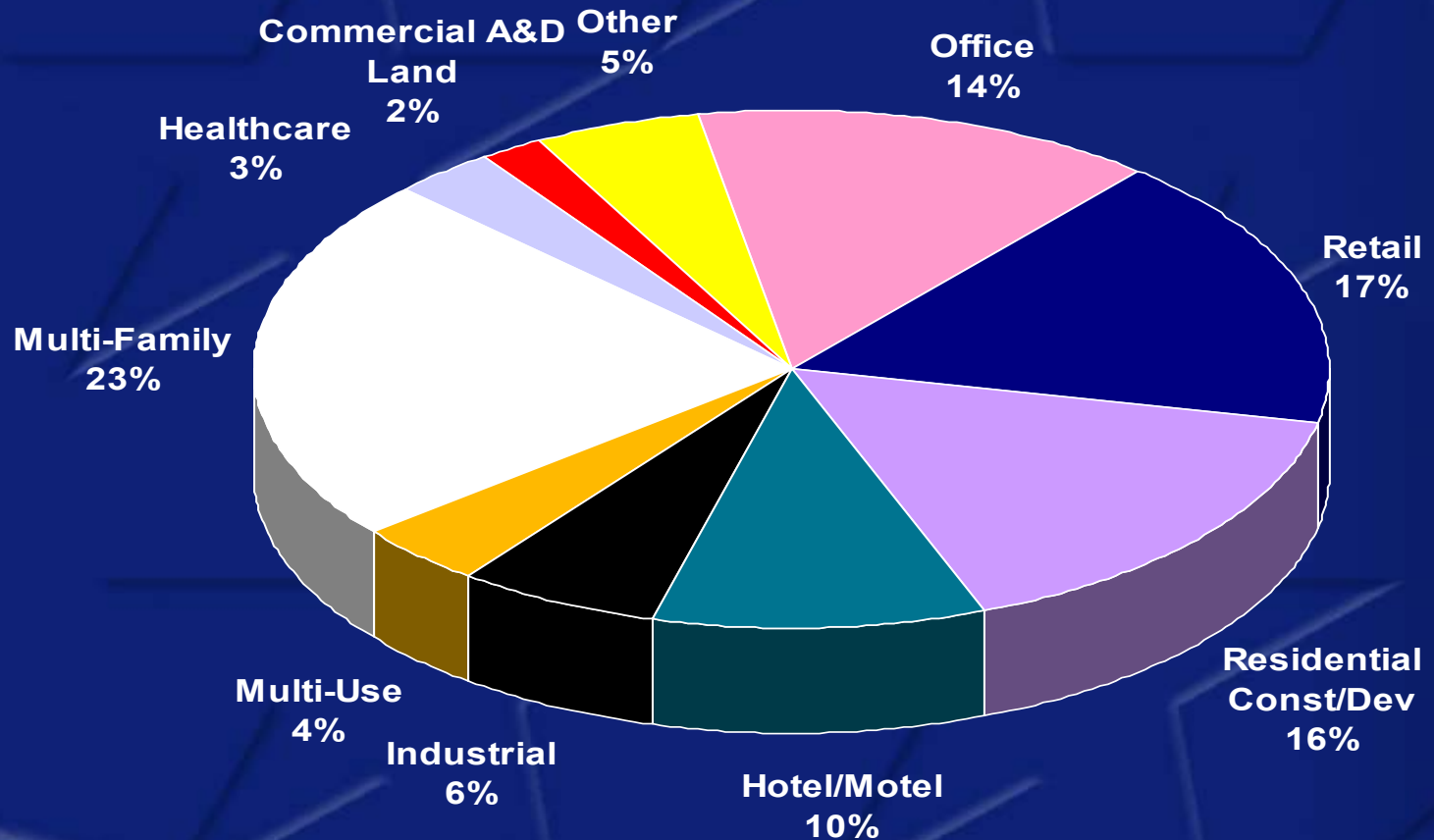
March 31, 2004



Based on Commitments

Commercial Real Estate By Property Type

March 31, 2004

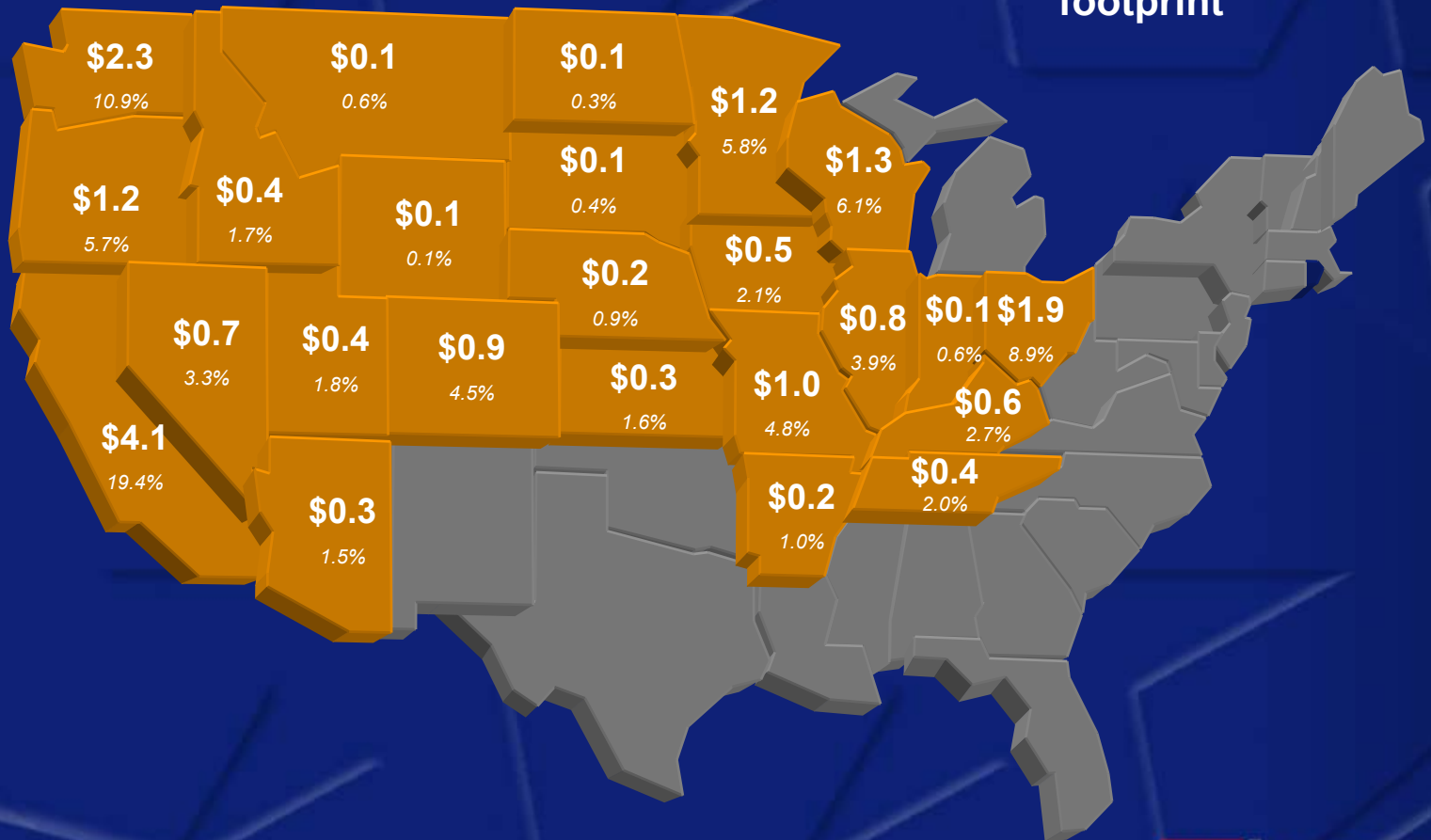


Based on Commitments

Commercial Real Estate By Geography

March 31, 2004

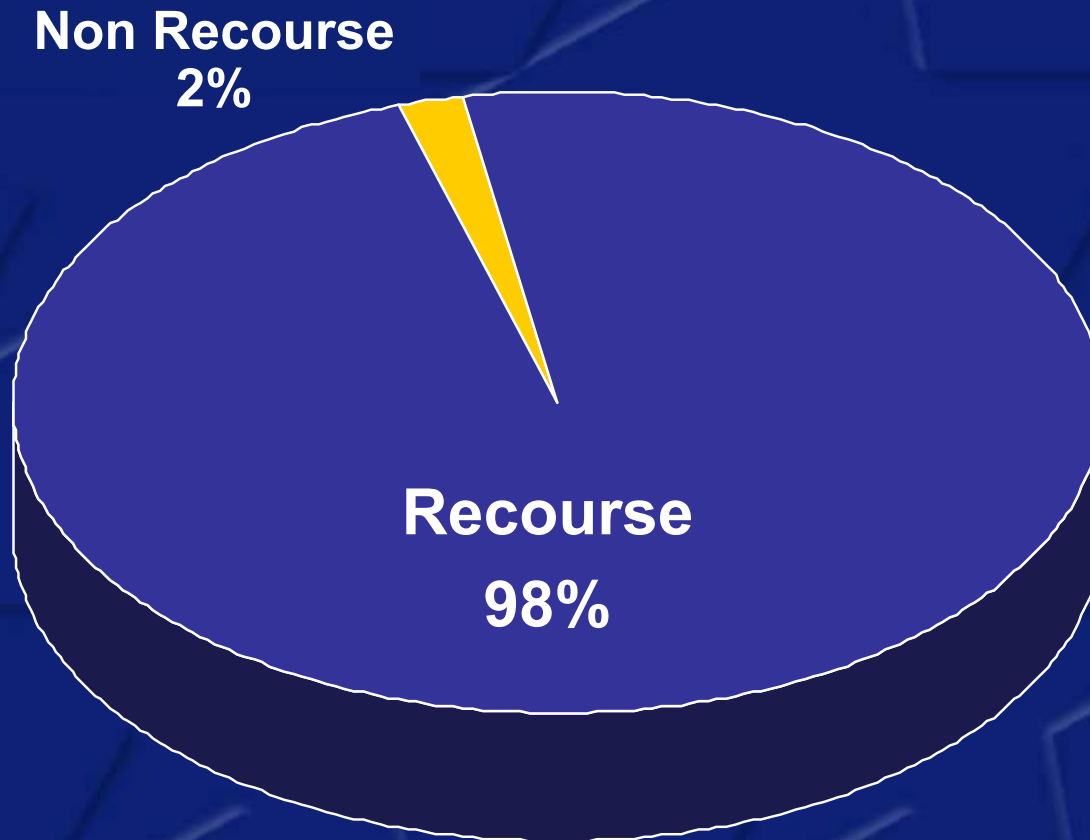
11% outside of footprint



(\$ in Billions)

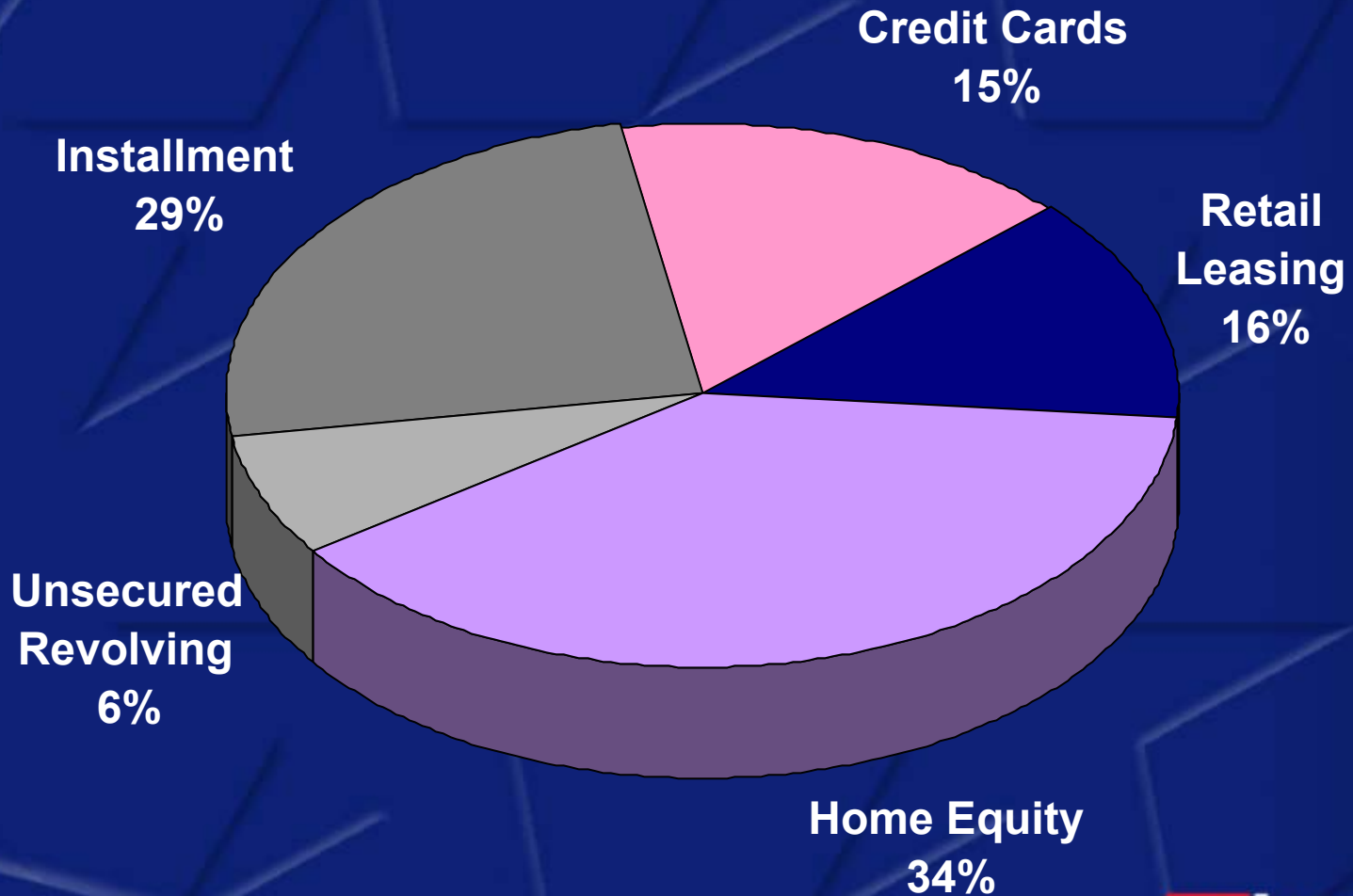
Commercial Real Estate By Recourse

March 31, 2004



Retail Lending

March 31, 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



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Jerry A. Grundhofer
Chairman, President and CEO

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