



Smith Barney Citigroup
2004 Financial Services Conference
January 27, 2004

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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.

U.S. Bancorp Today

- ★ Attractive Regional Growth Franchise
- ★ Diversified Business Mix With Scale
- ★ Advantaged Revenue Mix
- ★ Low-Cost Provider
- ★ Industry Leading Performance Metrics
- ★ Industry Leading Capital Generation

Executing For Long-term Success

- ★ 10% + EPS Growth
- ★ 20% + ROE
- ★ Growing Revenue Faster Than Expense
- ★ Reducing Credit and Earnings Volatility
- ★ Achieving Top Quartile Credit Quality
- ★ Providing High-Quality Customer Service
- ★ Returning 80% of Earnings to Shareholders
- ★ Investing in Distribution and Scale

2003 Financial Objectives Achieved

	<u>Base Case</u> ⁽¹⁾	<u>Actual</u>
✓ Revenue Growth ⁽²⁾	4% to 6%	4.5%
✓ Expense Growth ⁽³⁾	1% to 3%	2.1%
✓ Net Interest Margin	4.47% to 4.49%	4.49%
✓ Credit Costs	Flat	Down 7.0%
✓ Operating EPS ⁽⁴⁾	\$2.00	\$2.01

(1) Presented December 4, 2002 at Goldman Sachs CEO Conference.

(2) Excludes securities gains.

(3) Excludes merger related expense and mortgage servicing rights impairment.

(4) Excludes merger related expense and stock option expense. Includes Piper Jaffray's results from operations.

2004 Growth Drivers

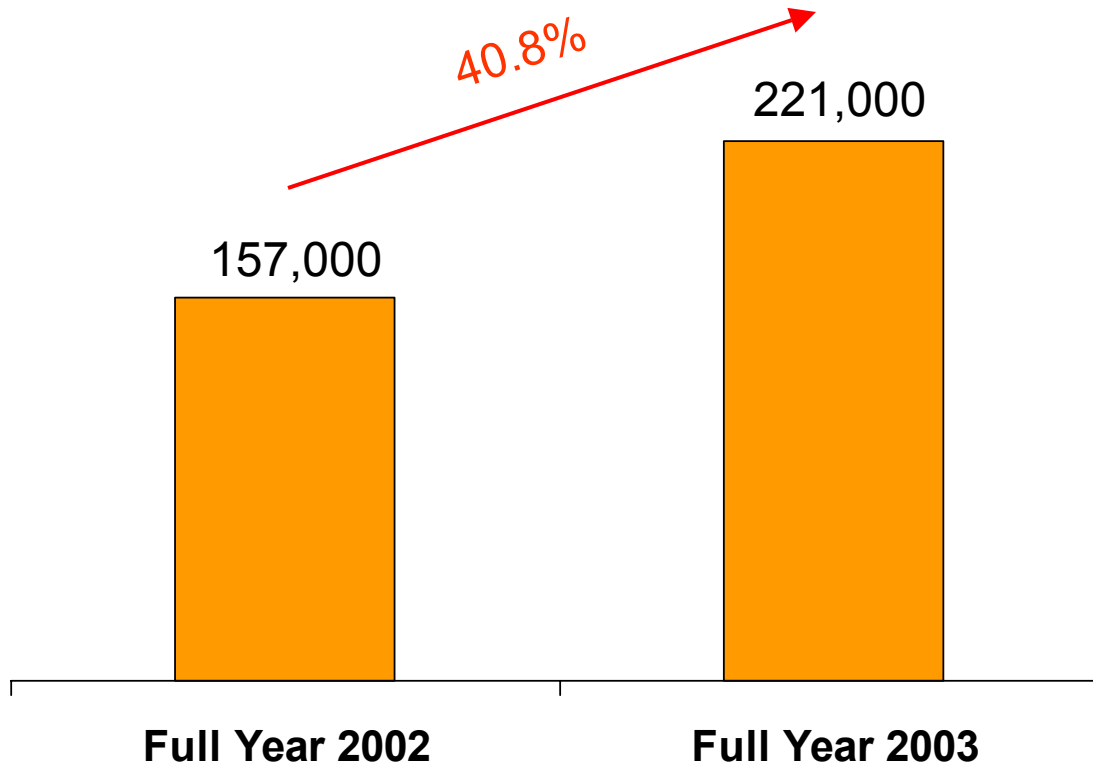
- ★ Business Unit Trends are Improving
- ★ Focusing on Relationship Penetration
- ★ Continuous Improvement in Customer Service
- ★ Investing in High Growth / High Return Opportunities

Consumer Banking Outlook

- ★ Strong Business Momentum
- ★ Investing in Distribution in High-Growth Markets
- ★ Expanding Mortgage Banking Origination Capabilities in Western Markets
- ★ Increasing Customer Penetration Through Better Identification of Cross-Sell Opportunities

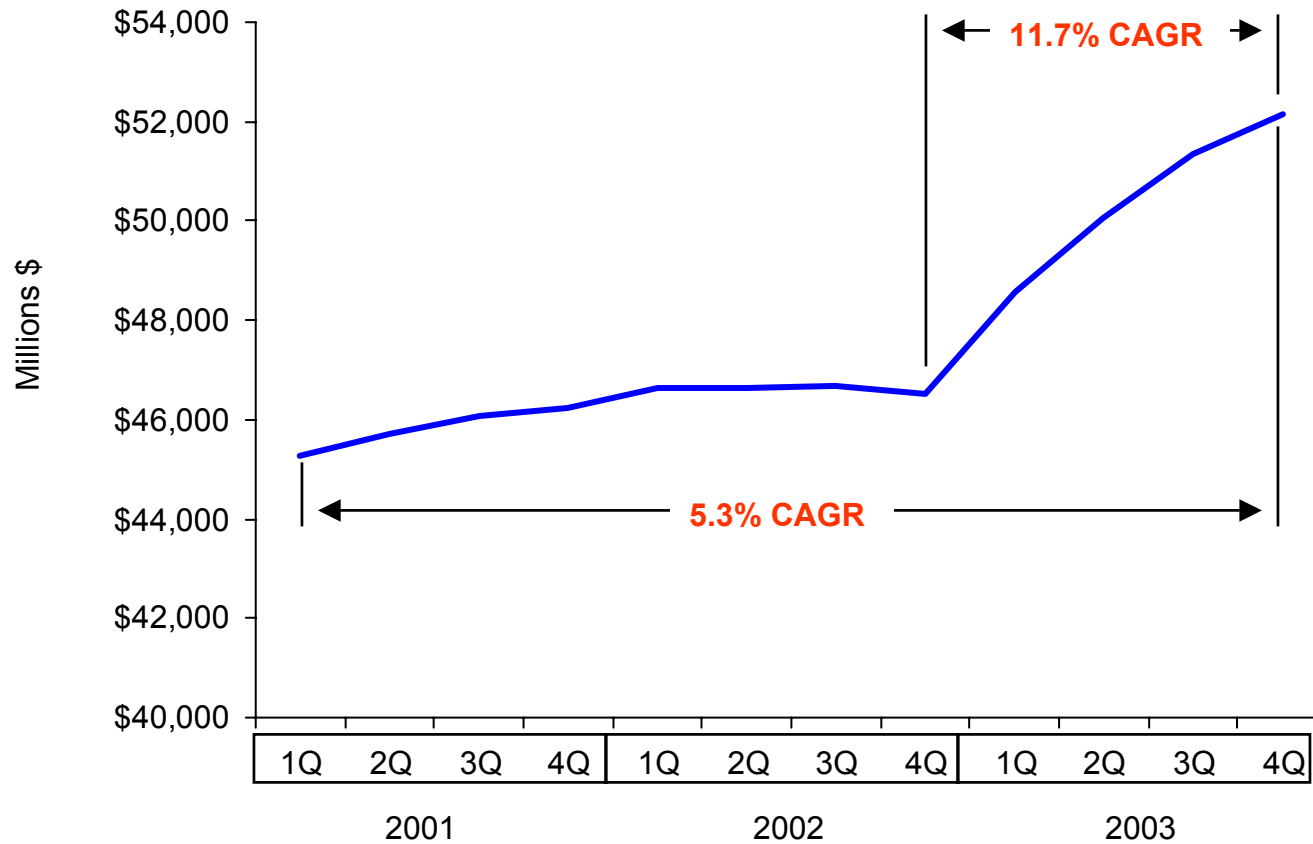
Consumer Banking Trends

Net New Checking Accounts



Consumer Banking Trends

Branch Generated Average Low-Cost Core Deposits (1)

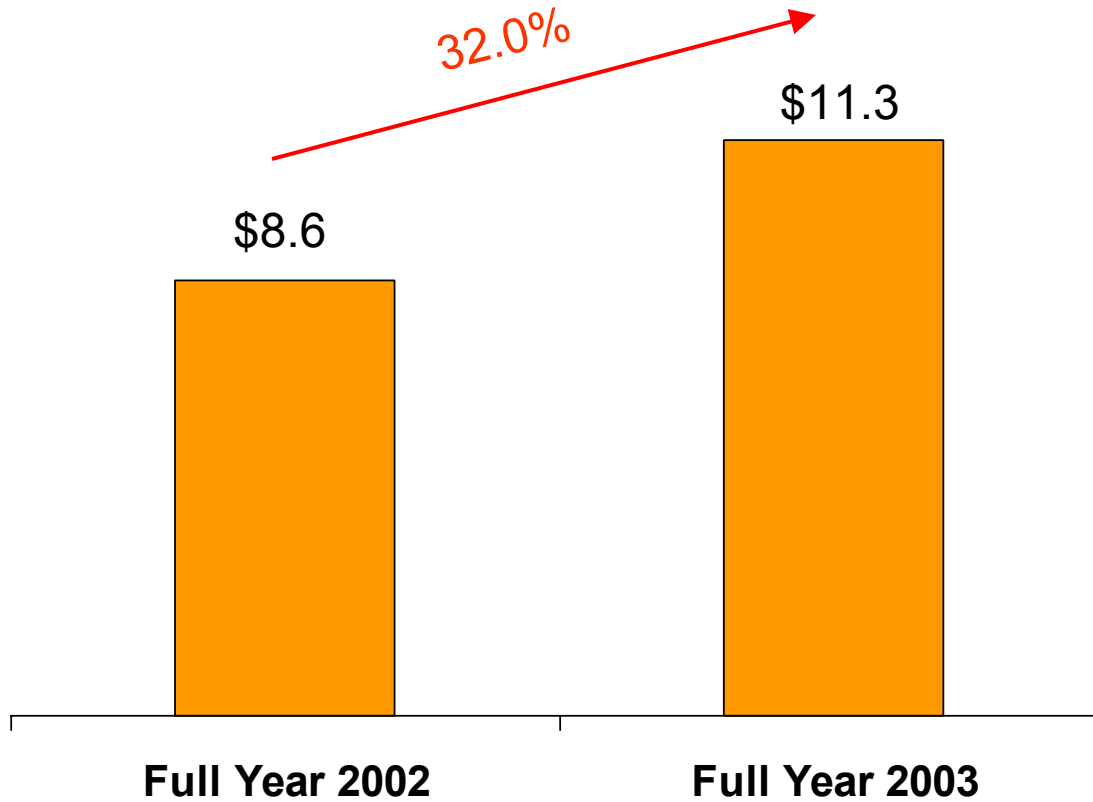


(1) Excludes acquisitions. Includes noninterest-bearing, NOW, money market and savings.

Consumer Banking Trends

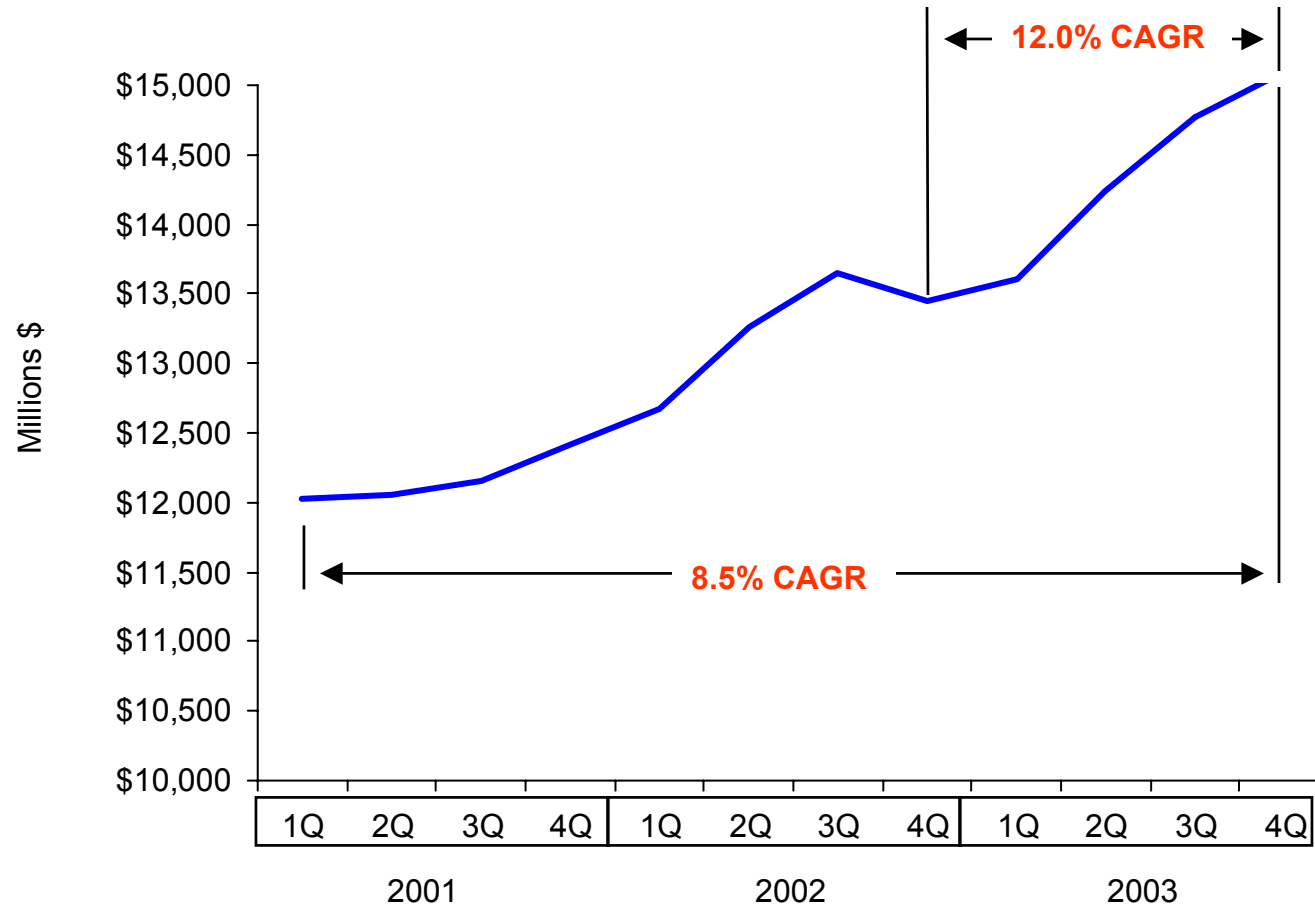
Direct Loan Production in the Branches

Billions \$



Consumer Banking Trends

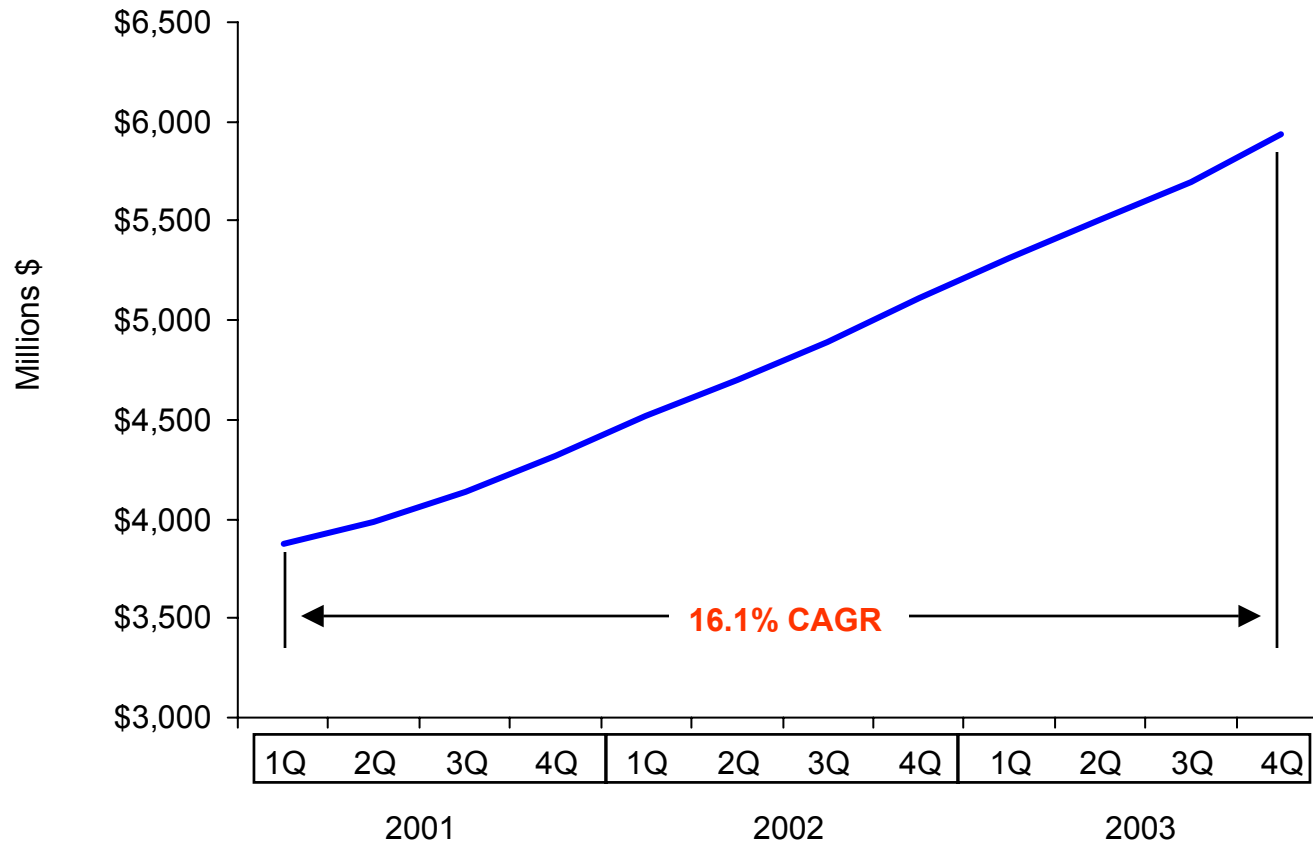
Branch Generated Average Retail Loans (1)



(1) Excludes acquisitions. Includes residential mortgage and retail loans.

Consumer Banking Trends

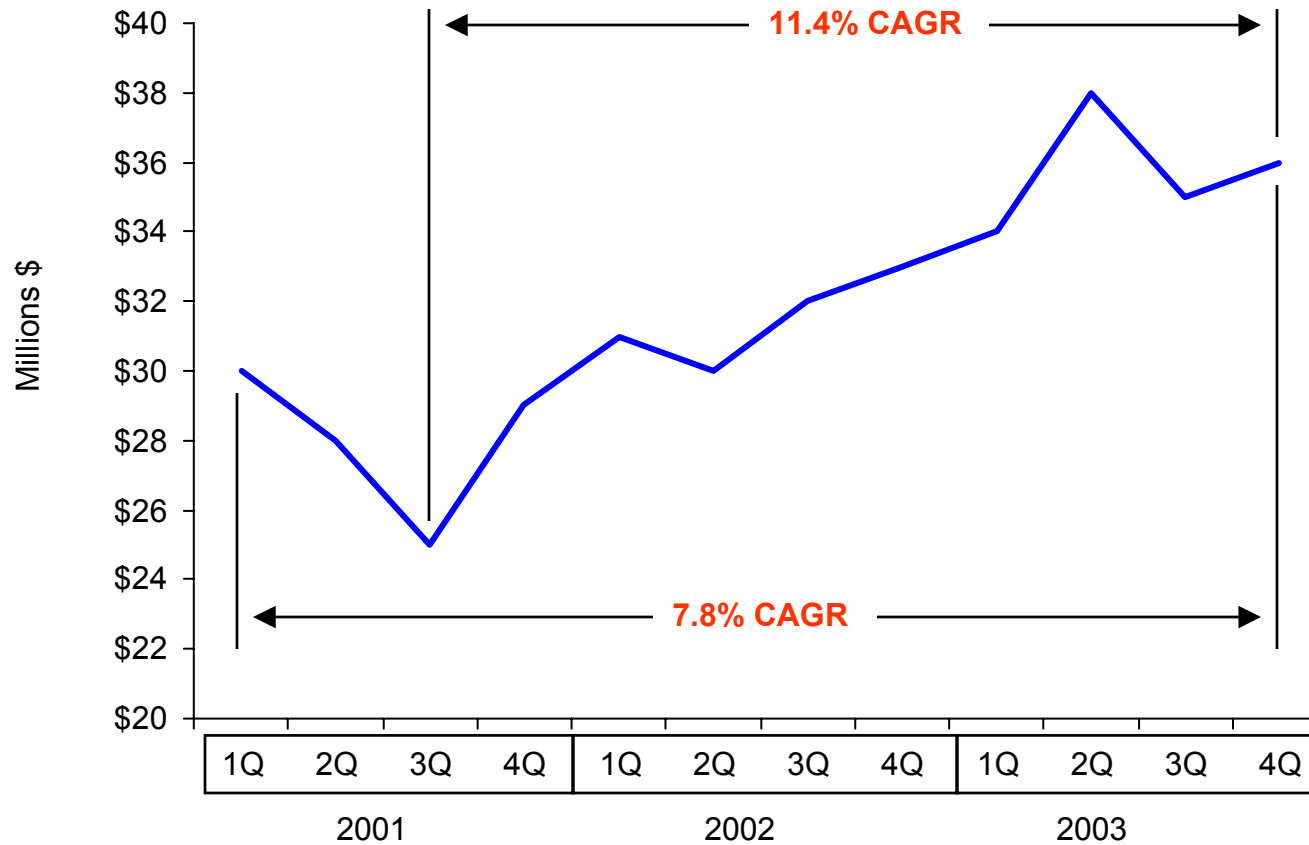
Average Small Business Loans (1)



(1) Does not include Small Business loans in Community Banking.

Consumer Banking Trends

Investment Product Fee Growth

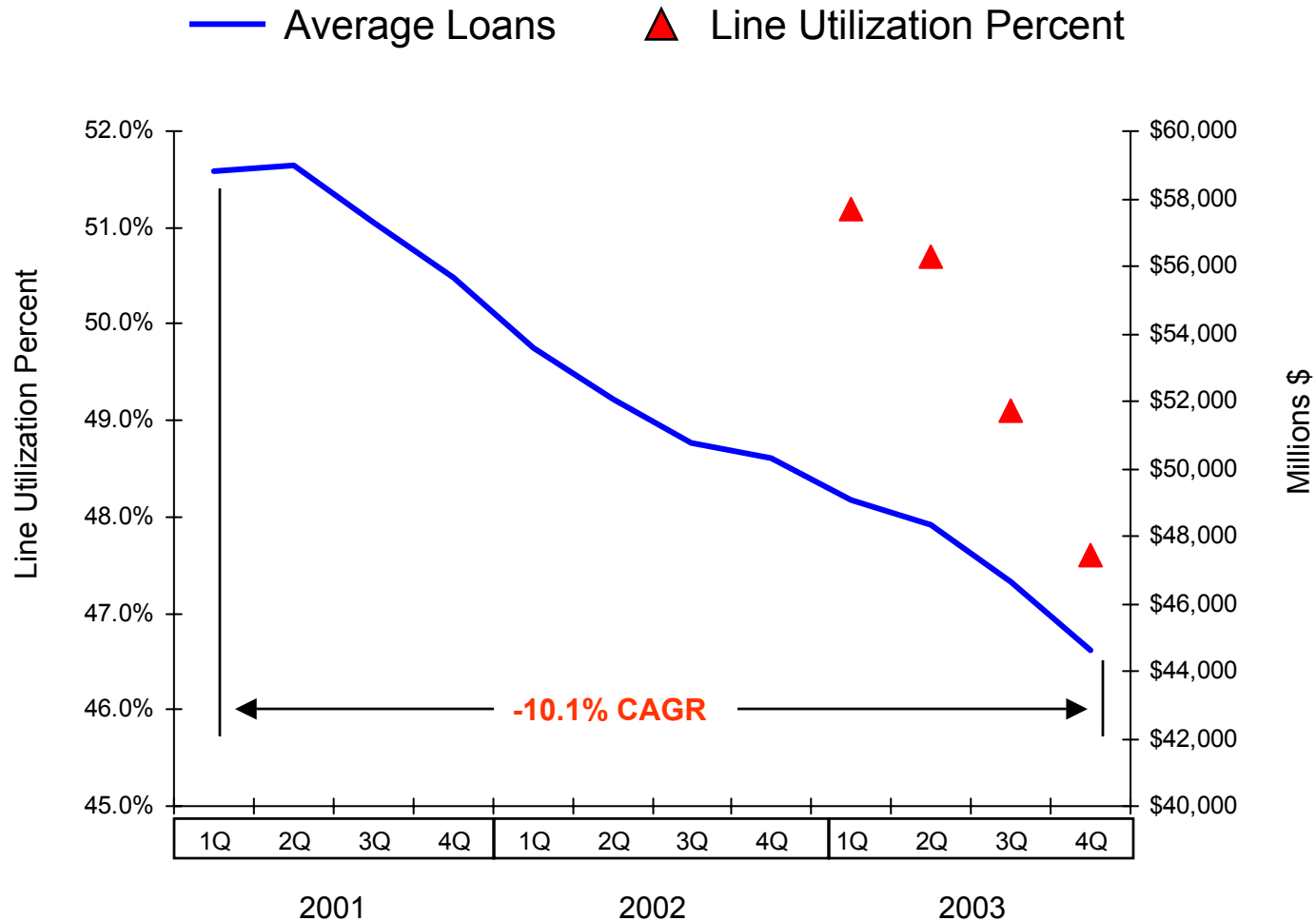


Wholesale Banking Outlook

- ★ Timing of Commercial Loan Growth is Uncertain
- ★ Credit Improvement Trends are Expected to Continue
- ★ Expanding Government Banking Product Offerings and Market Area
- ★ Relationship Managers are Focusing on Fee and Deposit Penetration

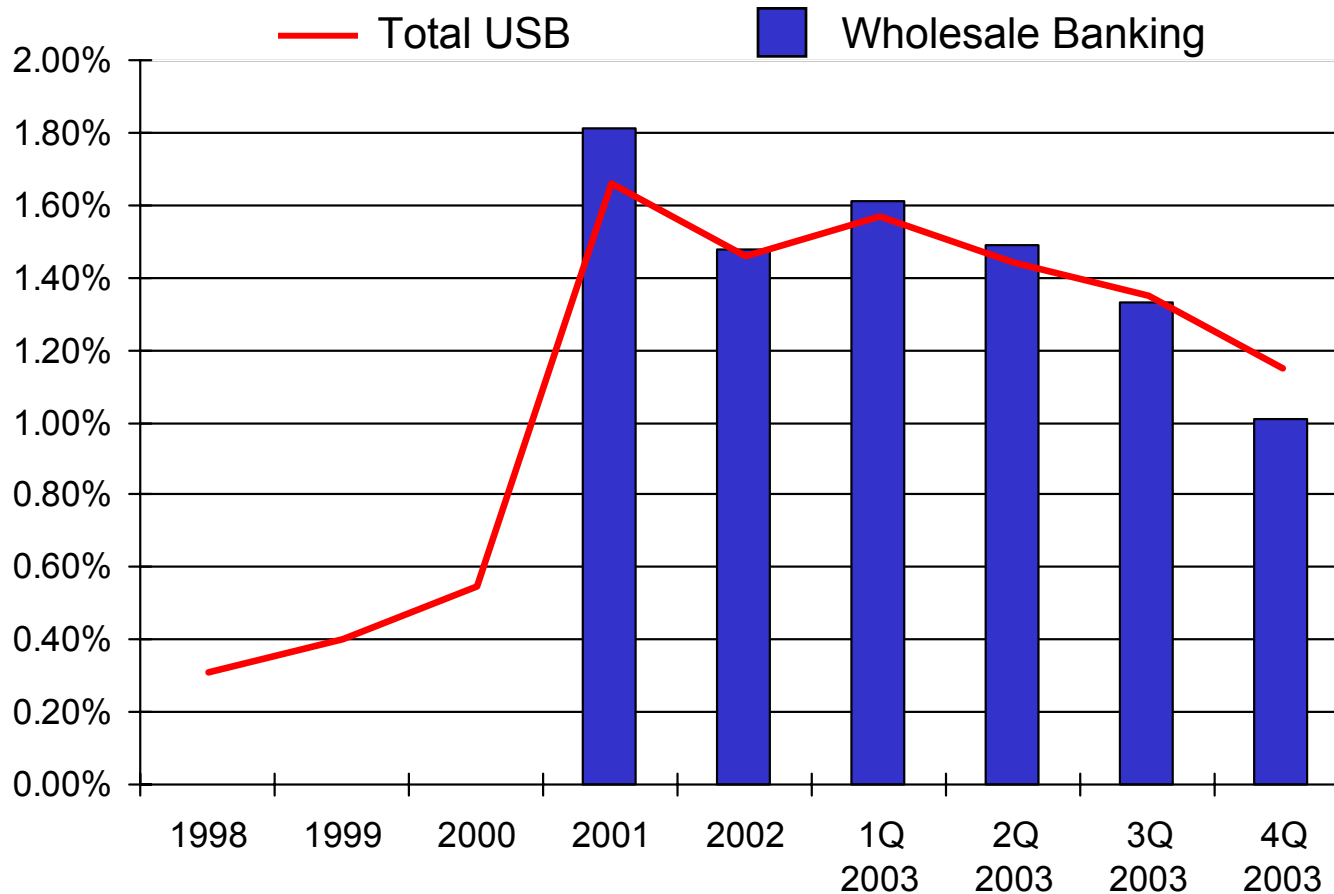
Wholesale Banking Trends

Commercial + Commercial Real Estate Loans



Wholesale Banking Trends

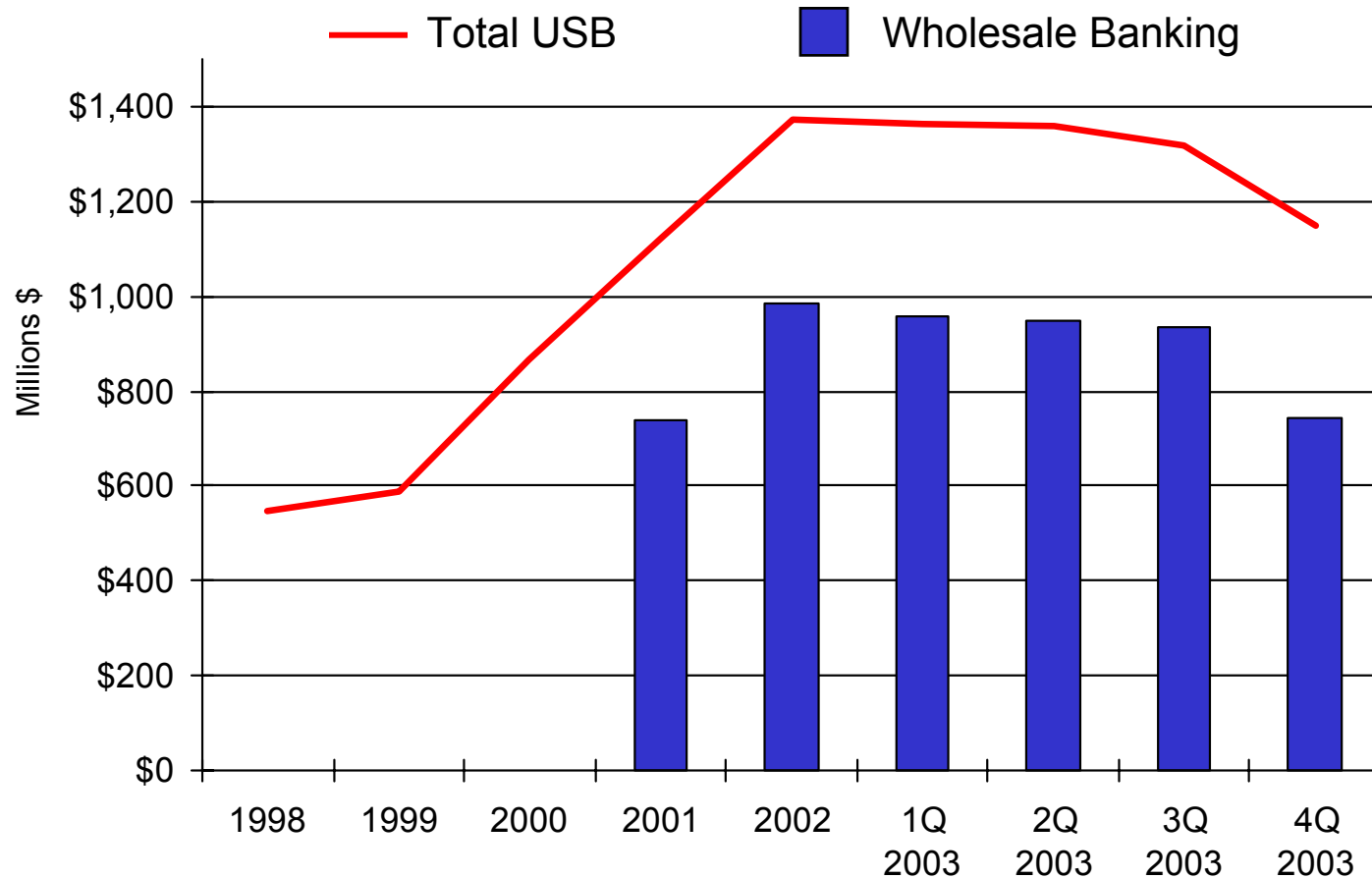
Commercial Loan Net Charge-off Ratio (1)



(1) Includes Commercial and Lease Financing. Wholesale Banking not available for 1998, 1999 and 2000.

Wholesale Banking Trends

Nonperforming Assets (1)



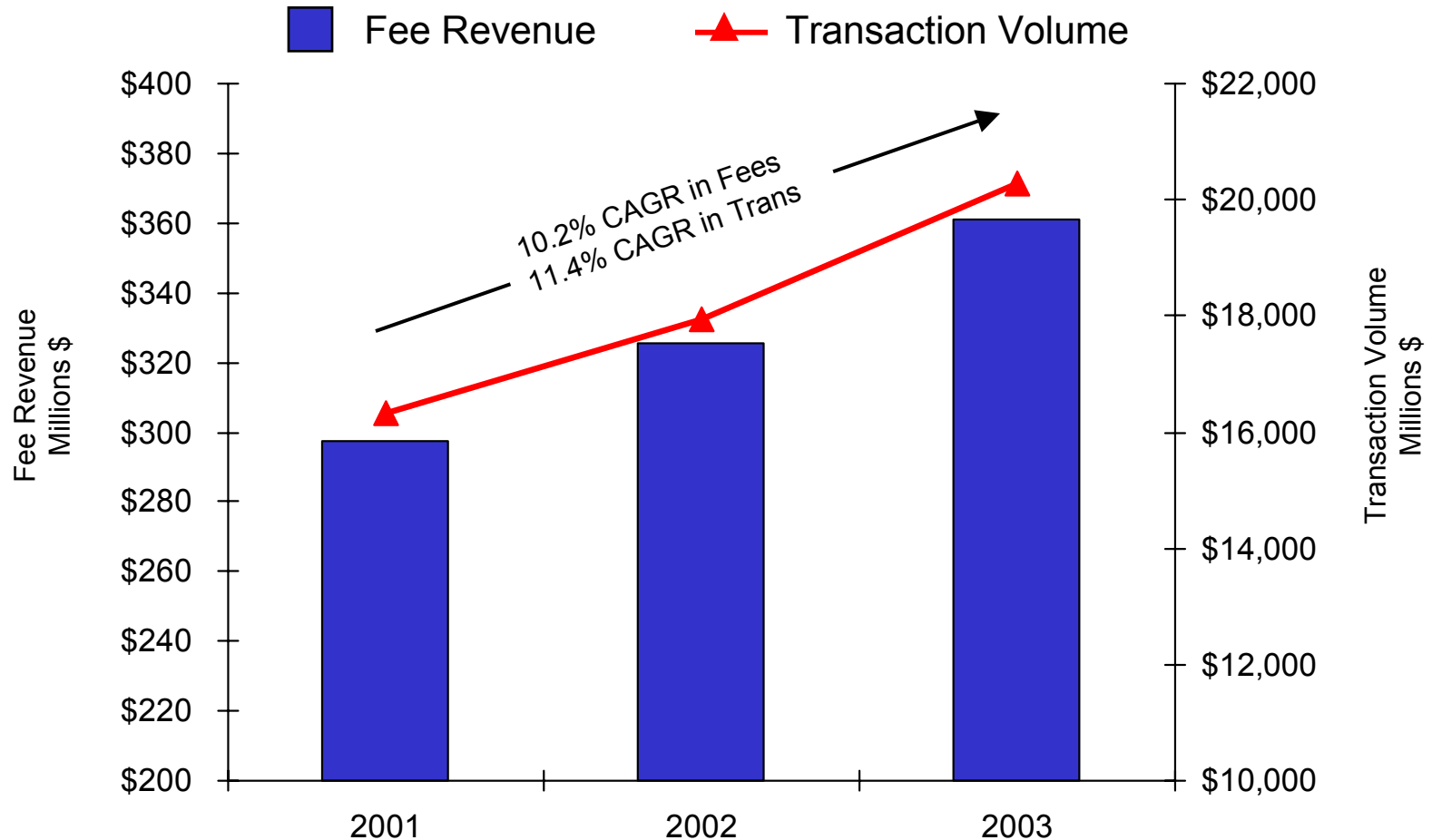
(1) Wholesale Banking not available for 1998, 1999 and 2000.

Payment Services Outlook

- ★ Strong Business Momentum in Corporate Payments and Debit Card
- ★ Transaction Volumes are Building in Retail Payments and Merchant Processing
- ★ Focusing on Expansion of Existing Relationships with Financial Services Customers
- ★ Increasing Penetration of Middle Market and Small Business with Corporate Payment Products and Merchant Processing

Payment Services Trends

Corporate Payment Fee Revenue and Transaction Volume

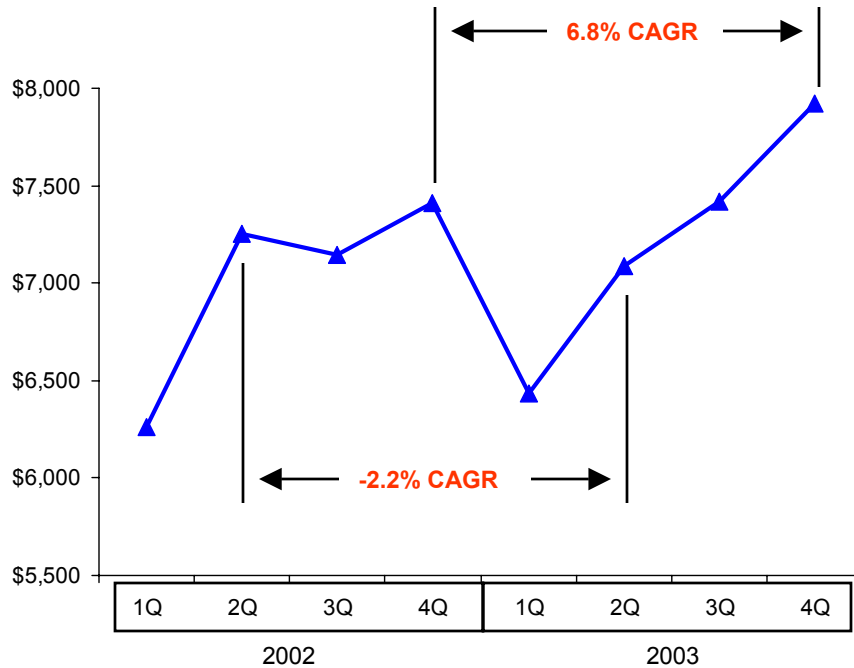


Payment Services Trends

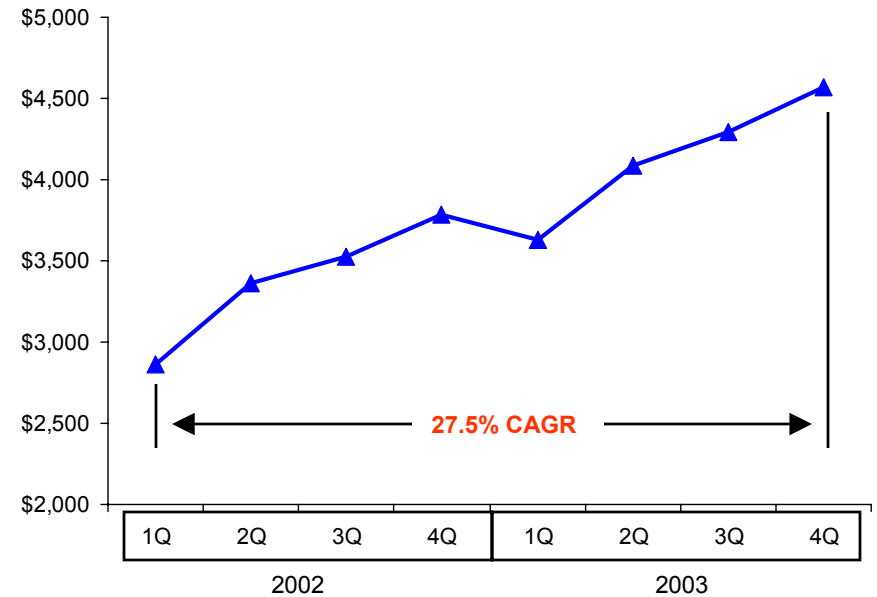
Retail Payment Transaction Volumes

Millions \$

Retail Credit Card Transaction Growth is Accelerating

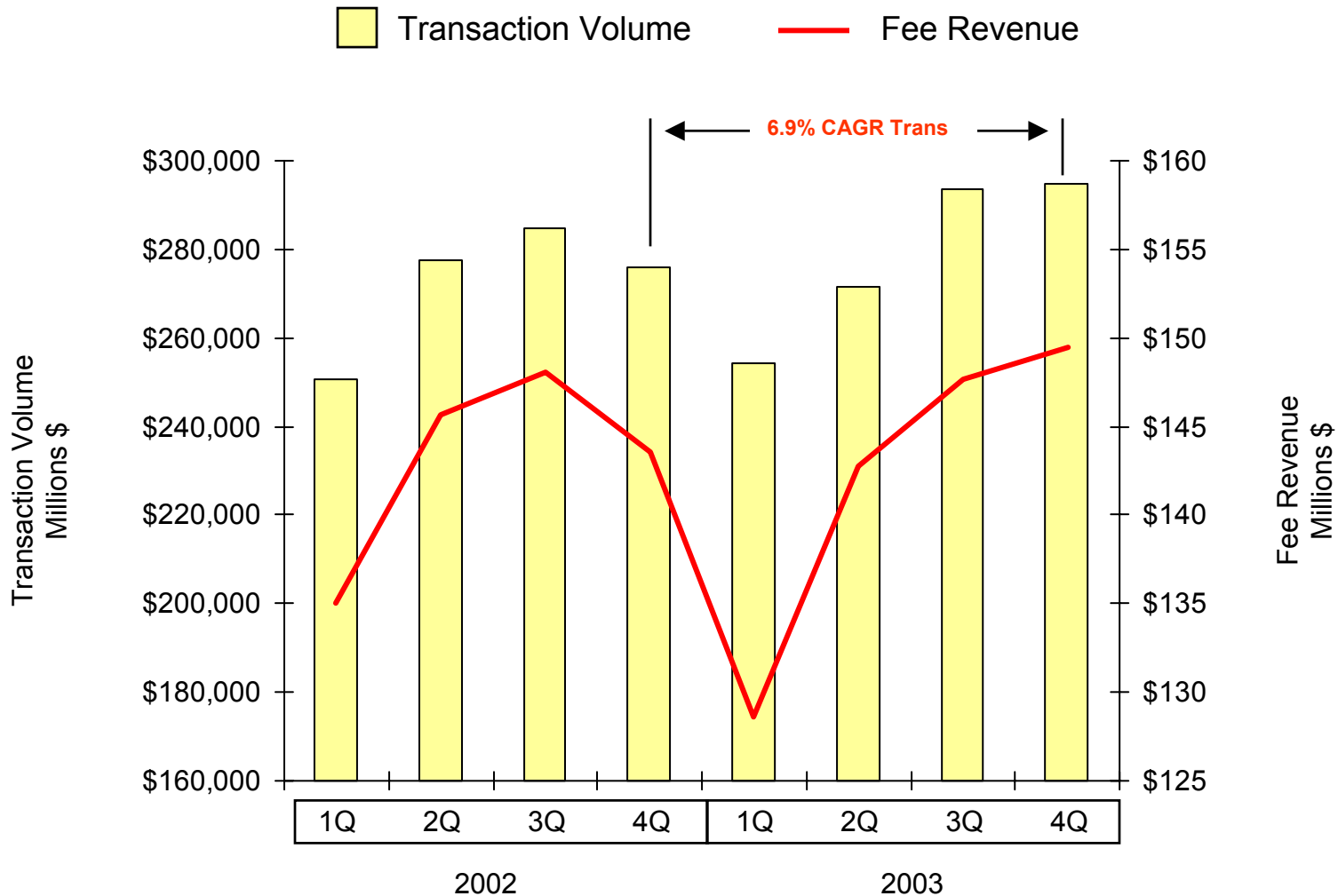


Debit Card Transaction Growth Remains Strong



Payment Services Trends

Merchant Processing Fee Revenue and Transaction Volume



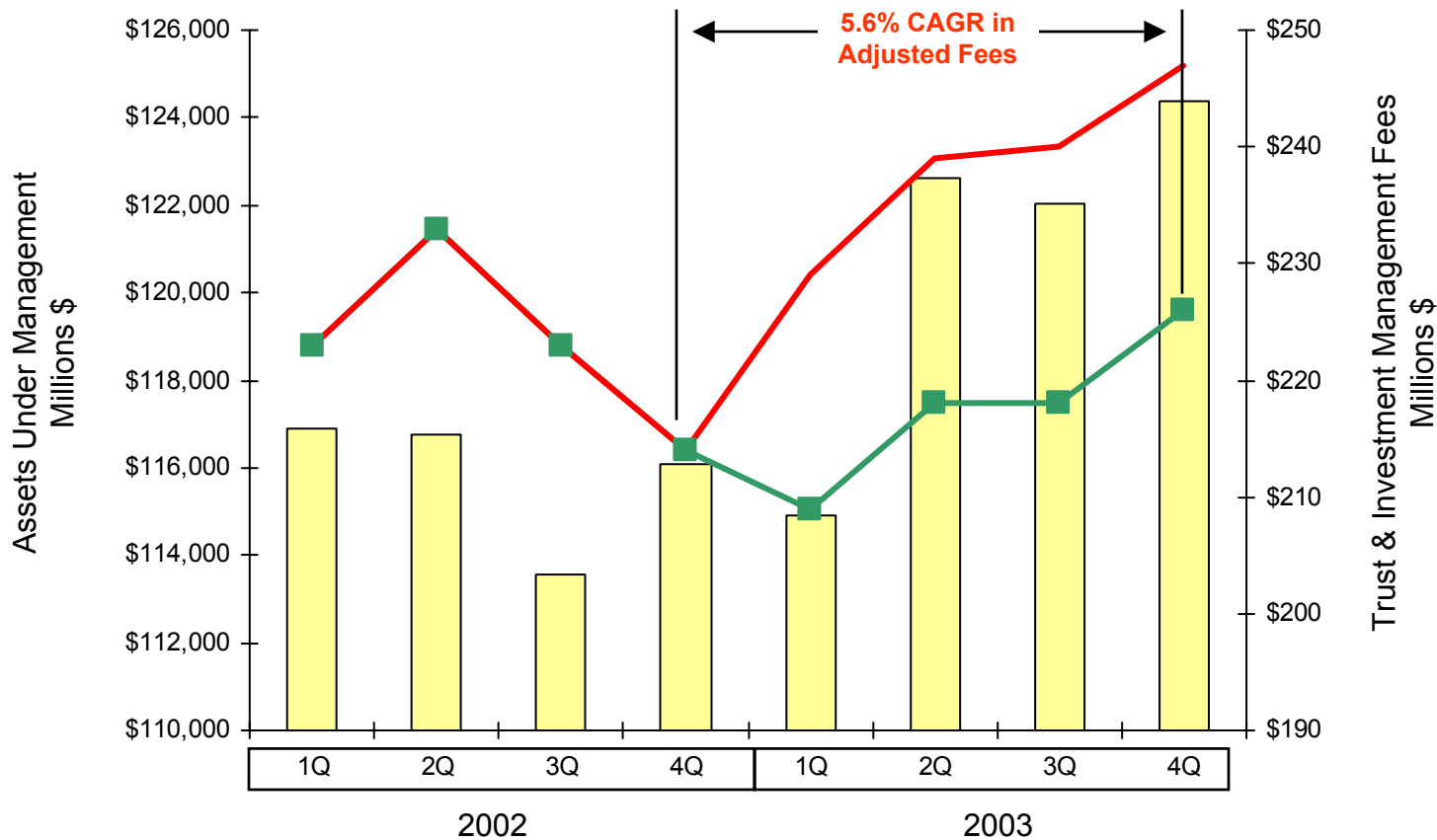
Private Client, Trust and Asset Management Outlook

- ★ Improving Equity Markets Driving Growth
- ★ Increasing Share of Wallet Within the Private Client Group
- ★ Leveraging Scale and Distribution in Corporate Trust
- ★ Expanding Asset Management Distribution through Increased Penetration of the Institutional Market and Open Architecture Partnerships
- ★ Expanding Customer Focus in Fund Services to Include Partnerships

Private Client, Trust and Asset Management Trends

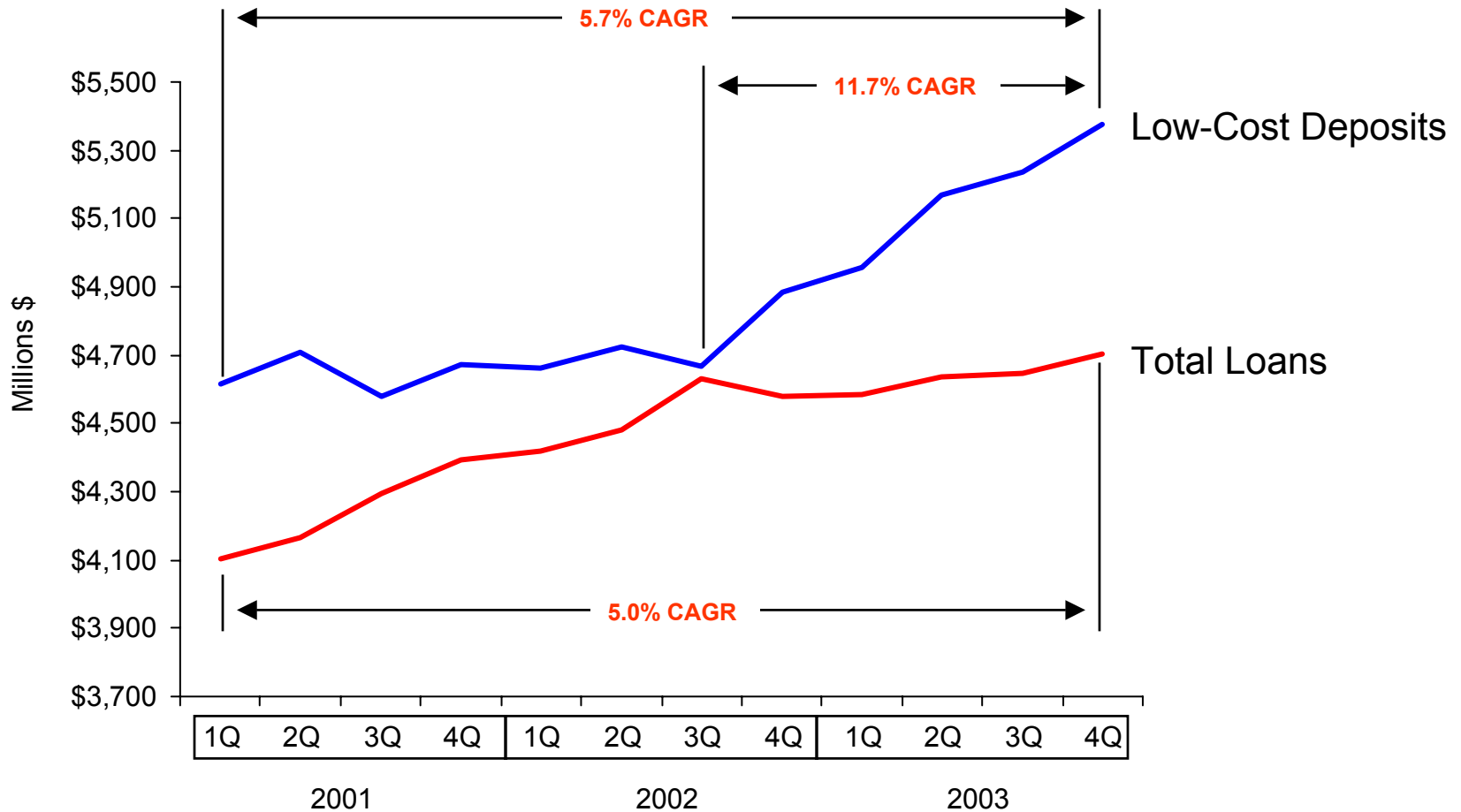
Assets Under Management and Fee Revenue

■ Assets Under Management
 — Reported Fee Revenue
 —■ Adjusted Fee Revenue ⁽¹⁾



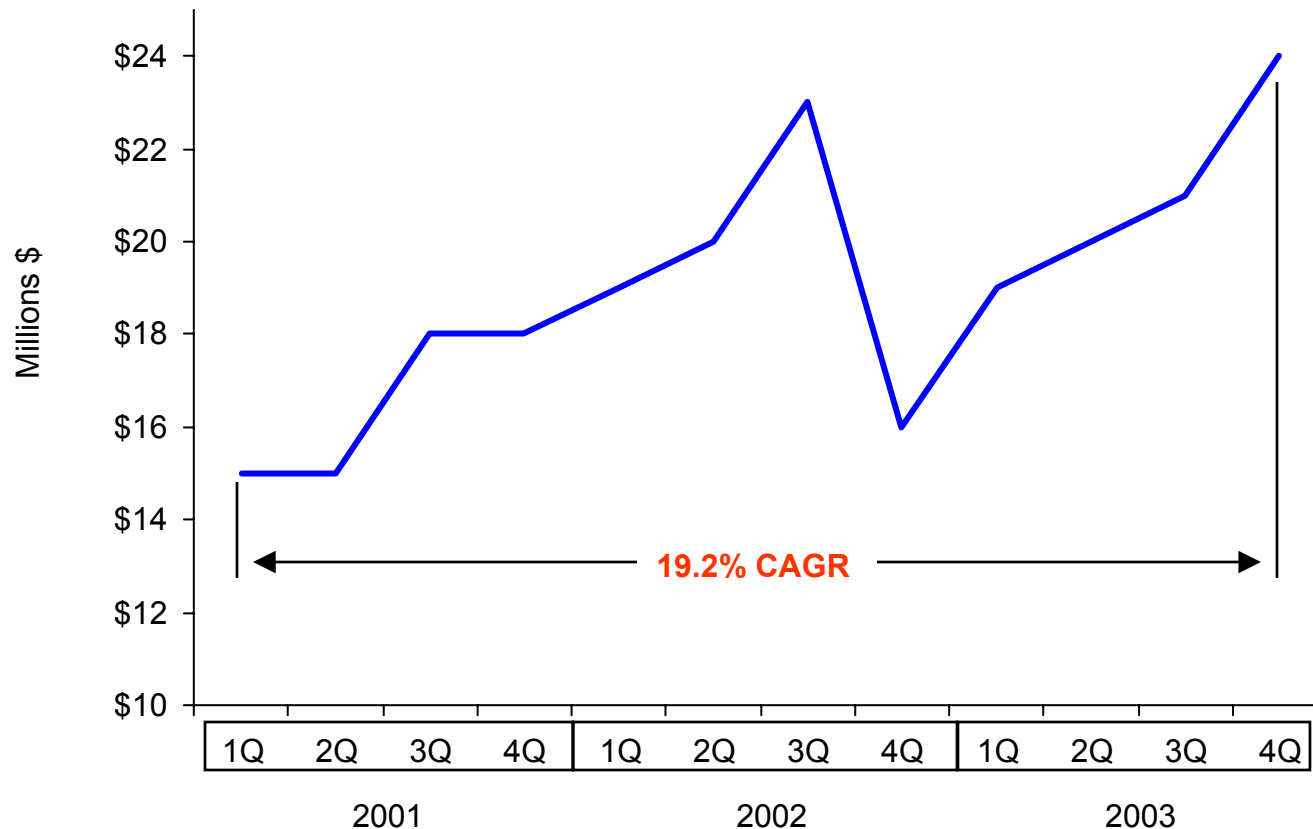
Private Client, Trust and Asset Management Trends

Private Client Low-Cost Deposits (1) and Total Loans



Private Client, Trust and Asset Management Trends

Fund Services Fee Revenue



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