



Sandler O'Neill

2004 West Coast Financial Services Conference

Jerry A. Grundhofer
Chairman, President and CEO

March 10, 2004



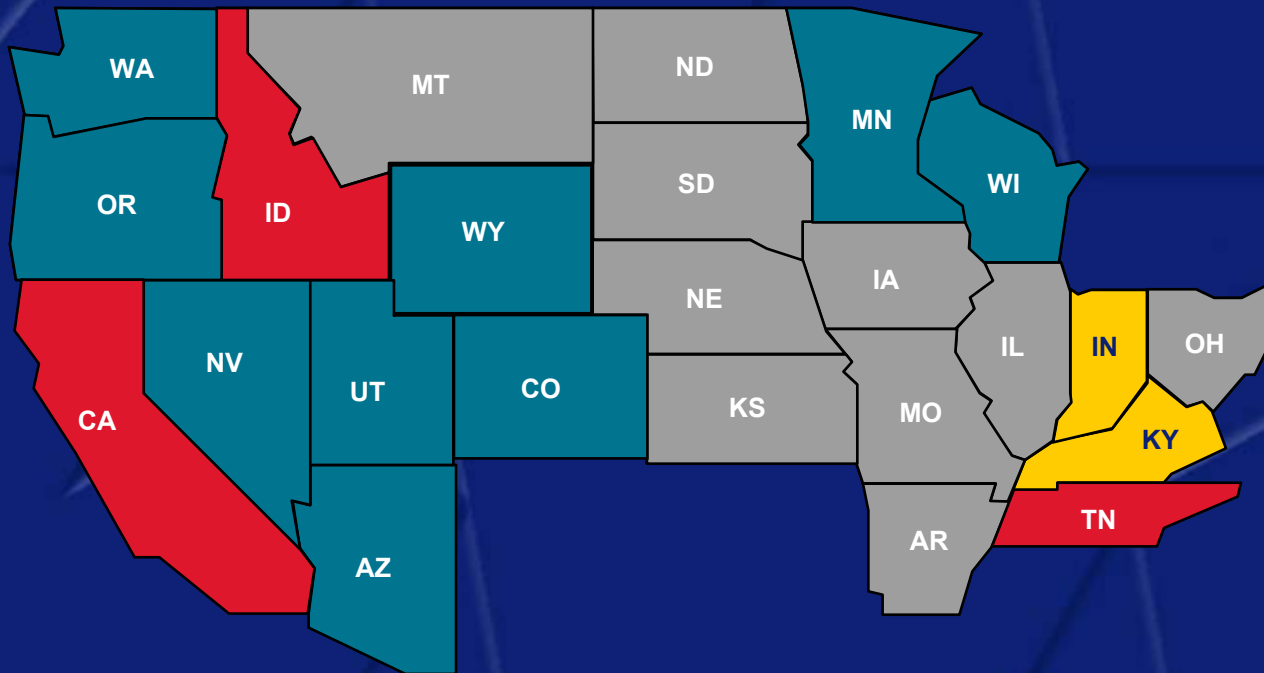
Forward-looking Statement

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.

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

Diversified Business Mix With Scale

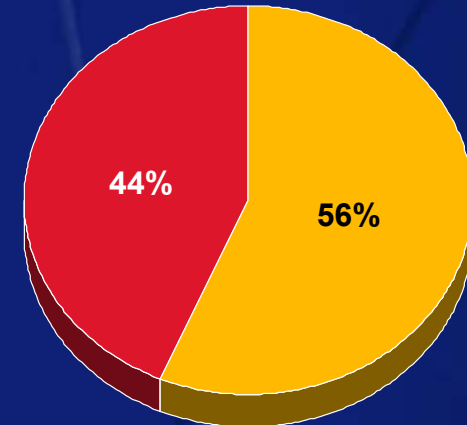
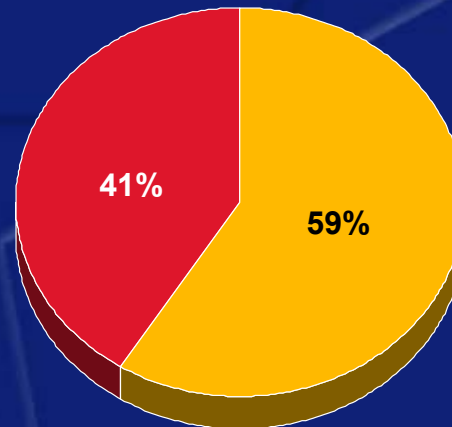
<u>Business Unit</u>	<u>% of USB Revenue</u>	<u>Footprint</u>	<u>Rank in Footprint</u>
Metropolitan Banking	15.1%	Regional	3
Community Banking	11.9%	Regional	1
Retail Credit Card	10.3%	National	7
Corporate Banking	6.7%	National	7
NOVA Information Systems	6.2%	National	3
Middle Market Banking	5.5%	Regional	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

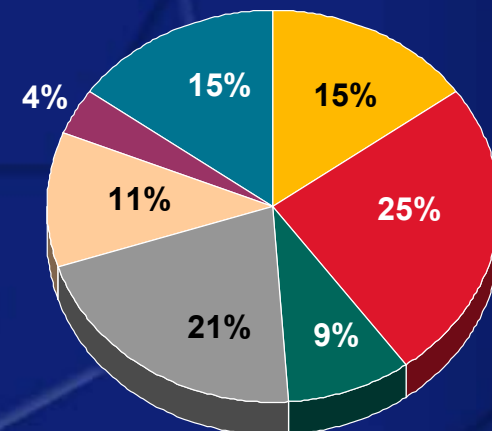
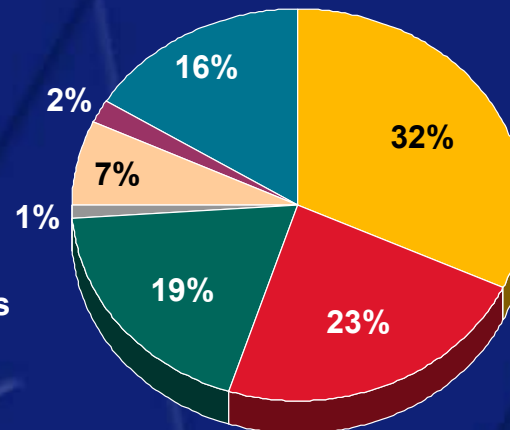
U.S. Bancorp Excluding
Piper Jaffray

9 Bank Composite

Total Revenue



Fee Revenue

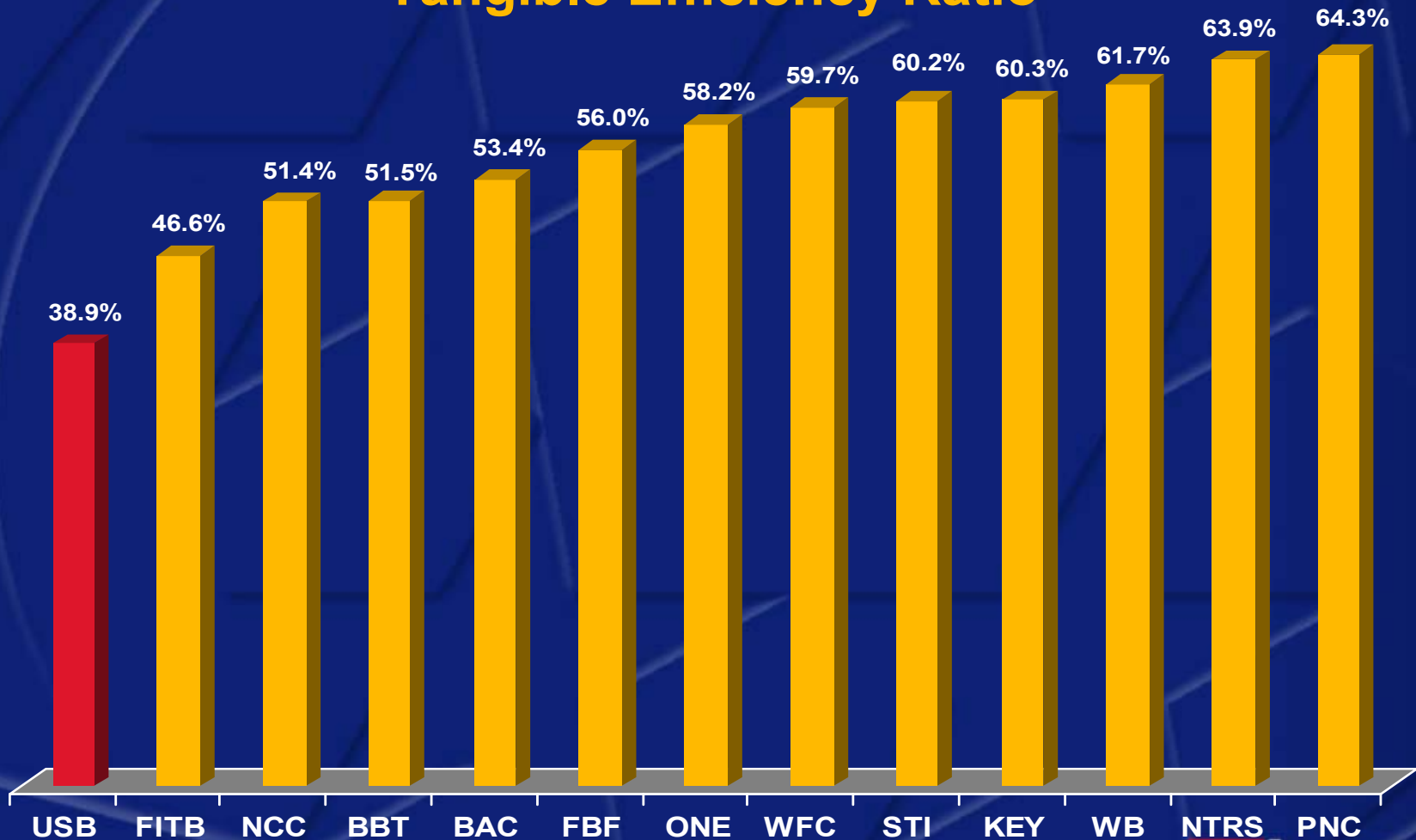


9 Bank Composite Includes: BAC, FBF, FITB, KEY, NCC, ONE, STI, WB, WFC

Source: Company Reports and FR Y-9Cs. YTD Revenue as of September 30, 2003.

Low-Cost Provider

Tangible Efficiency Ratio



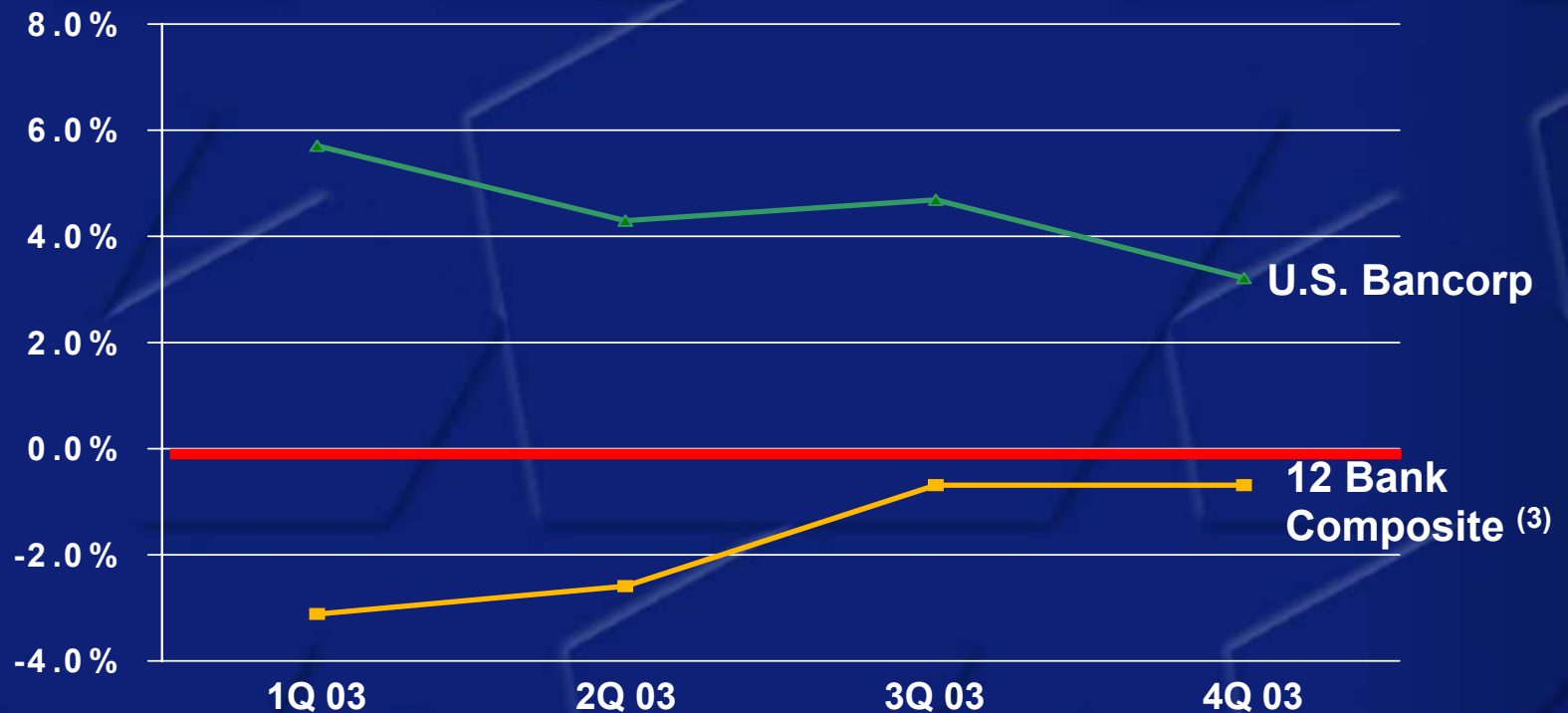
Source: Company Reports. Fourth Quarter 2003. Excludes Merger-Related Expense



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 expense.

(3) 12 Bank composite includes BAC, ONE, FBF, WB, WFC, BBT, FITB, KEY, NCC, PNC, STI and NTRS

Industry Leading Performance Metrics (1)

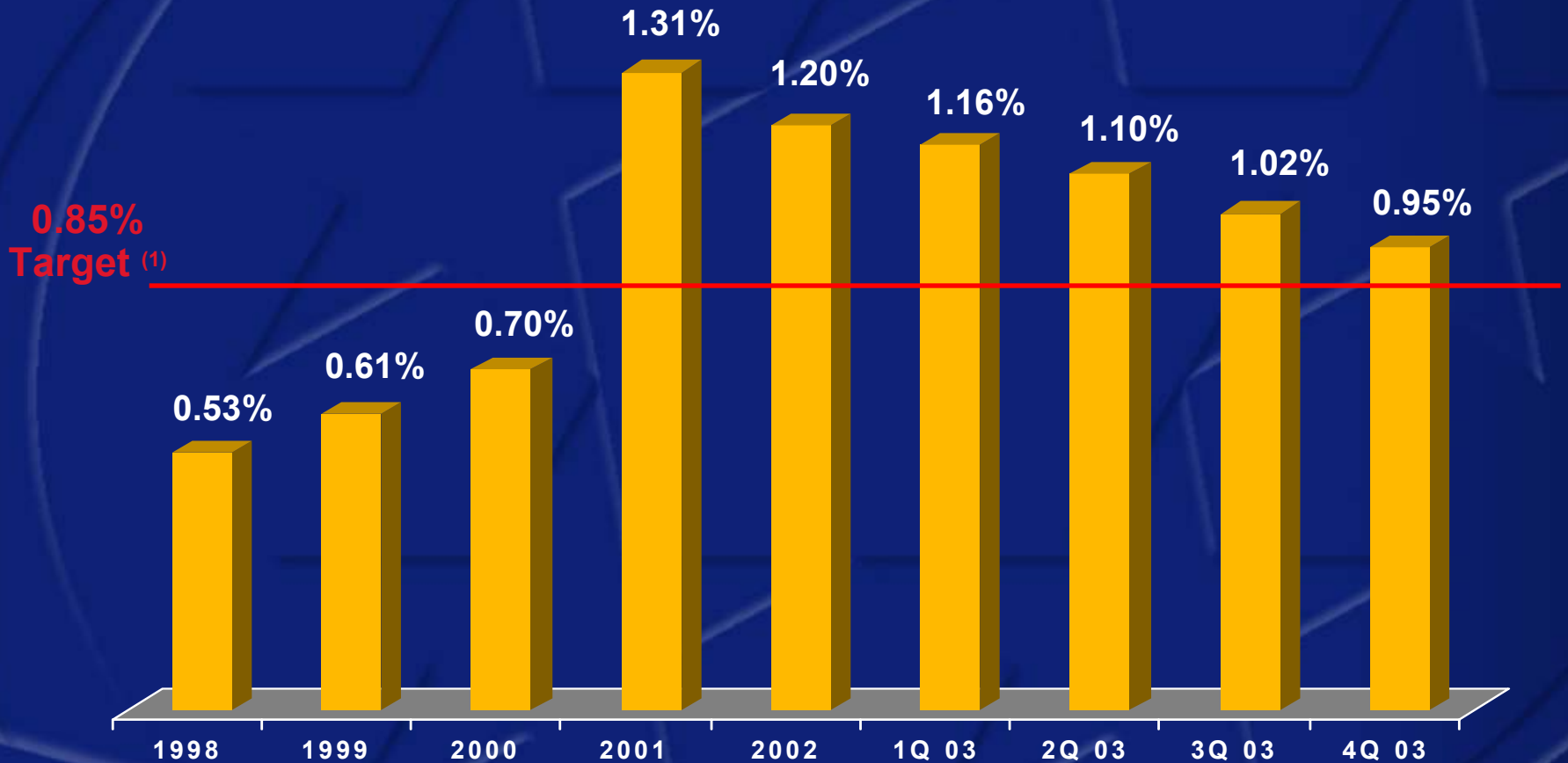
	<u>USB</u>	<u>Top 13 Median (2)</u>	<u>USB Rank</u>
Return on Assets	2.04%	1.42%	1
Return on Equity	19.3%	16.1%	4
Efficiency Ratio	42.9%	59.1%	1
Net Interest Margin	4.42%	3.64%	2
Tangible Return on Equity	33.4%	25.3%	1
Tangible Return on Assets	2.30%	1.49%	1
Tangible Efficiency Ratio	38.9%	57.1%	1

(1) Fourth Quarter 2003. Excludes merger and restructuring charges and one-time items.

(2) Top 13 includes BAC, ONE, BBT, FITB, FBF, KEY, NCC, NTRS, PNC, STI, USB, WB, WFC.

Achieving Top Quartile Credit Quality

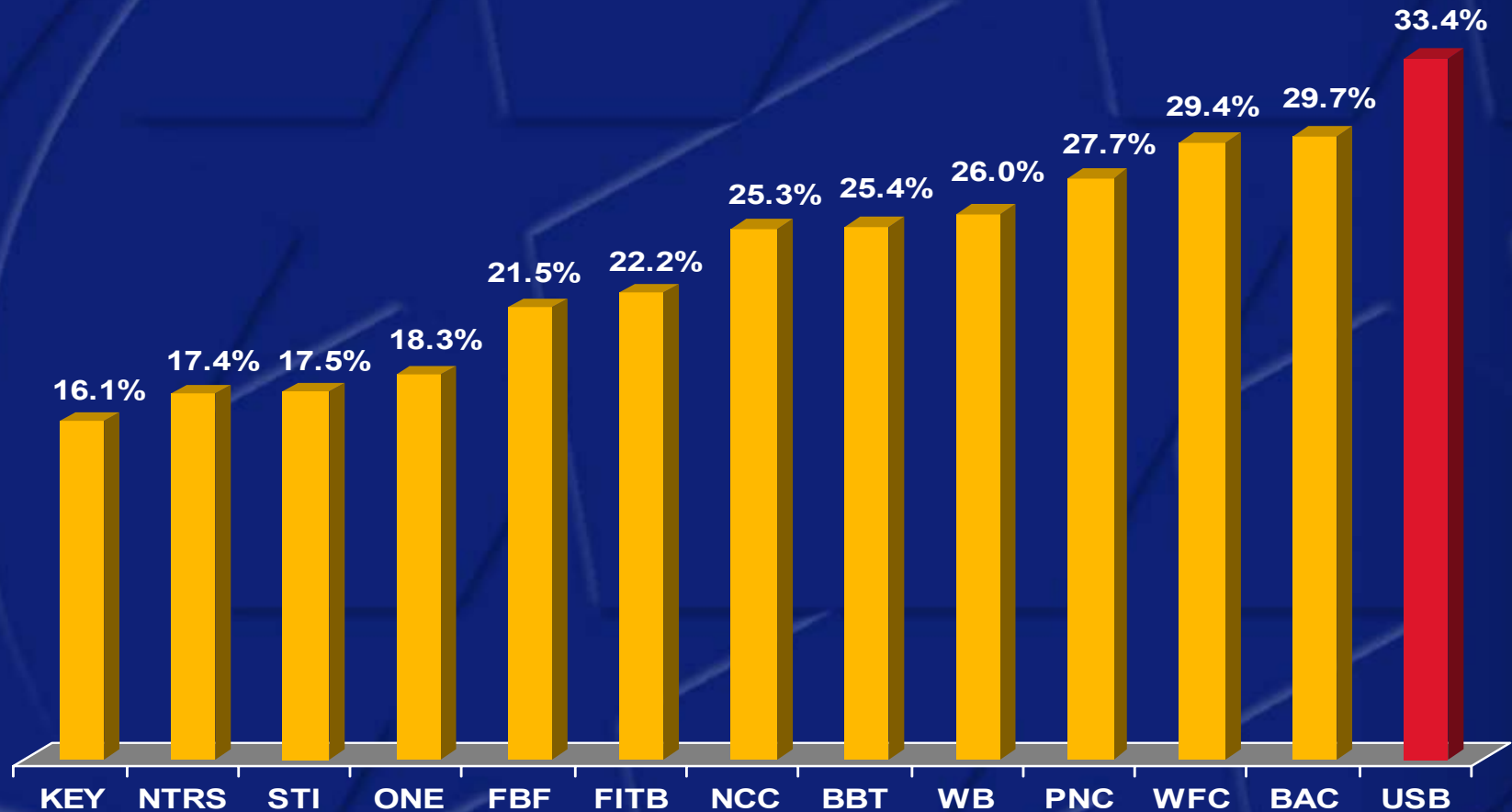
Total Net Charge-Off Ratio



(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**

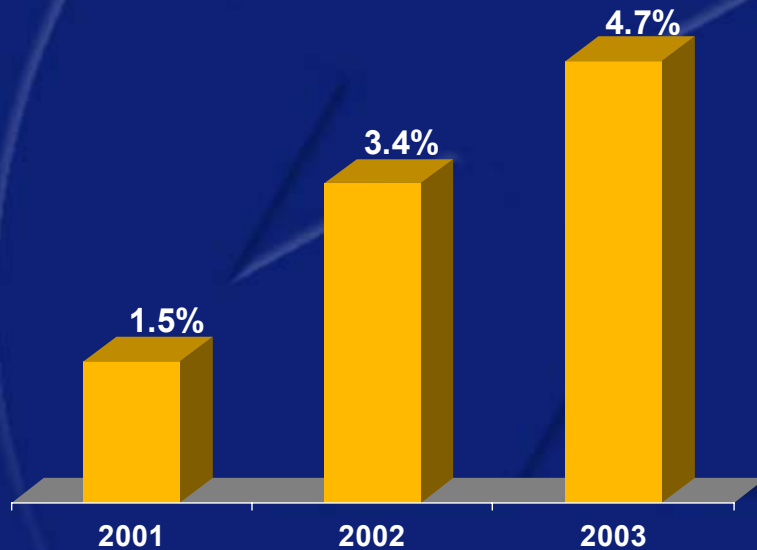
Consumer Banking Outlook

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

Consumer Banking Trends

Branch Productivity is Improving

Growth in Checking Accounts
is Accelerating



Percent Increase in Checking Accounts

Direct Loan Production
is Accelerating

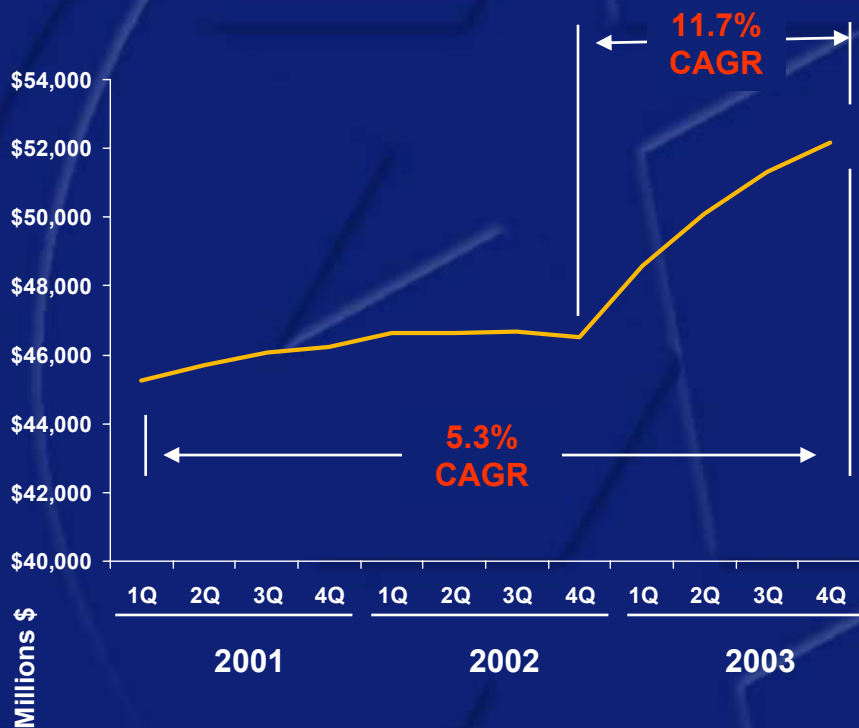


Branch Loan Production in Billions

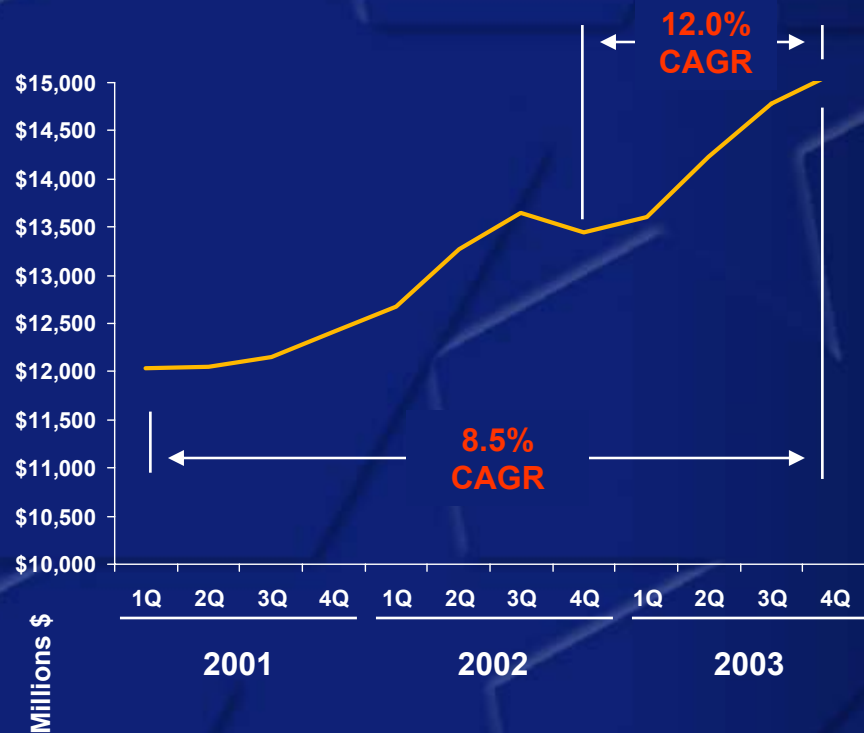
Consumer Banking Trends

Resulting in Improved Balance Sheet Growth

Average Low-Cost Core Deposits (1)



Average Branch Generated Retail Loans (2)



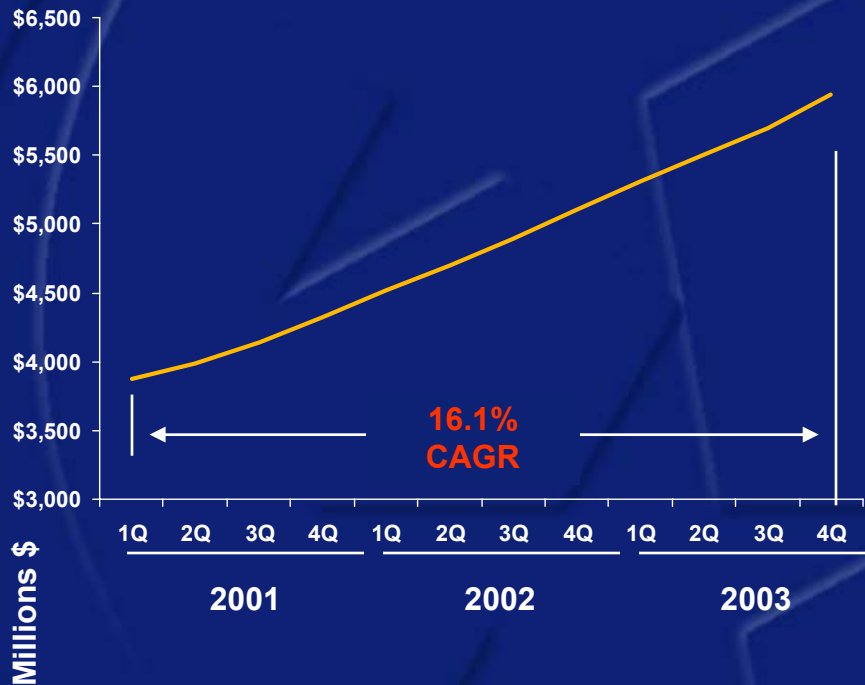
(1) Excludes acquisitions. Includes noninterest-bearing, NOW, money market and savings.

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

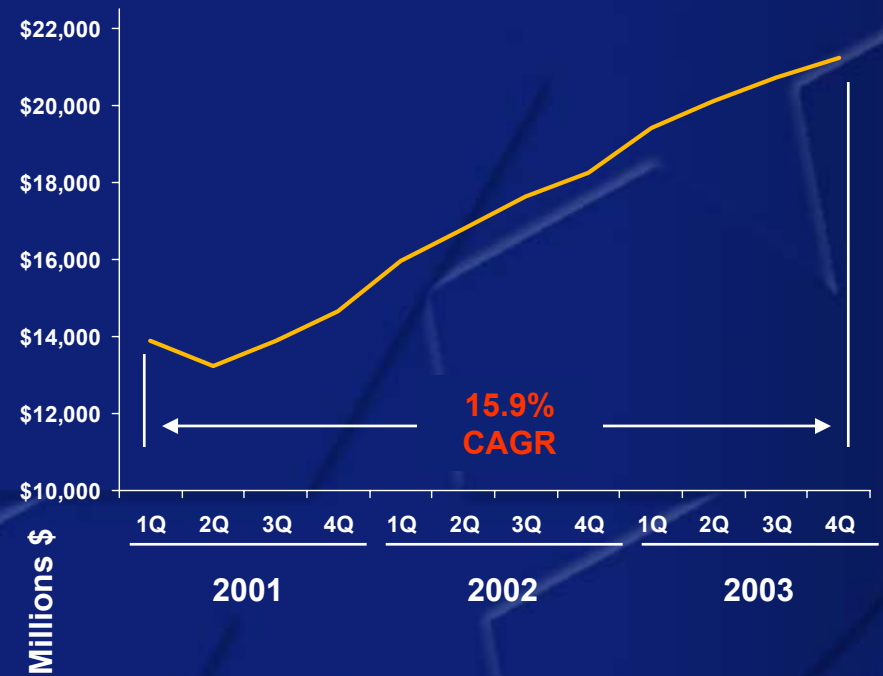
Consumer Banking Trends

Small Business and Indirect Lending Remain Strong

Average Small Business Loans (1)

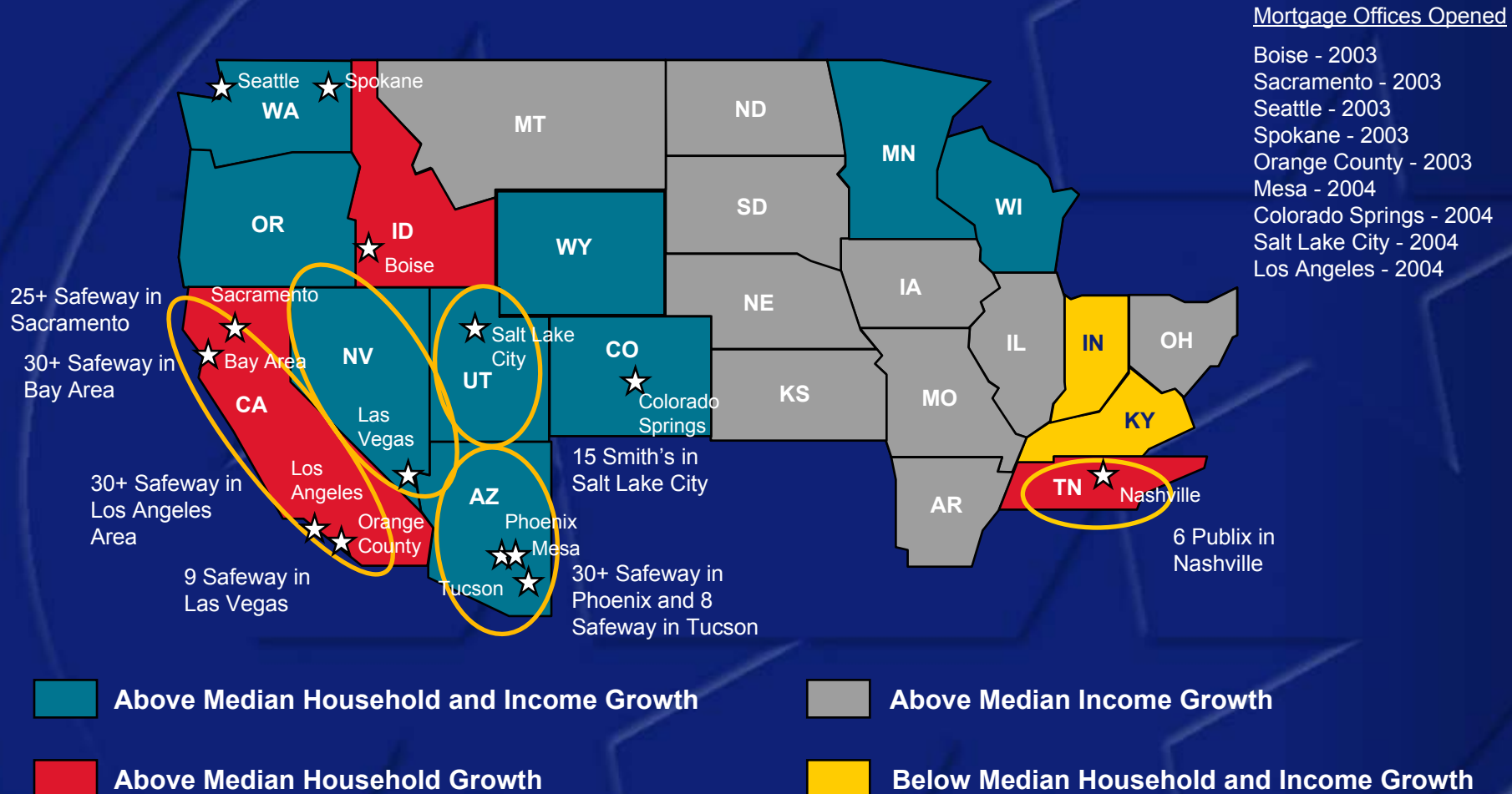


Average Non-Branch Retail Loans & Leases



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

Investing in Distribution in High Growth Markets

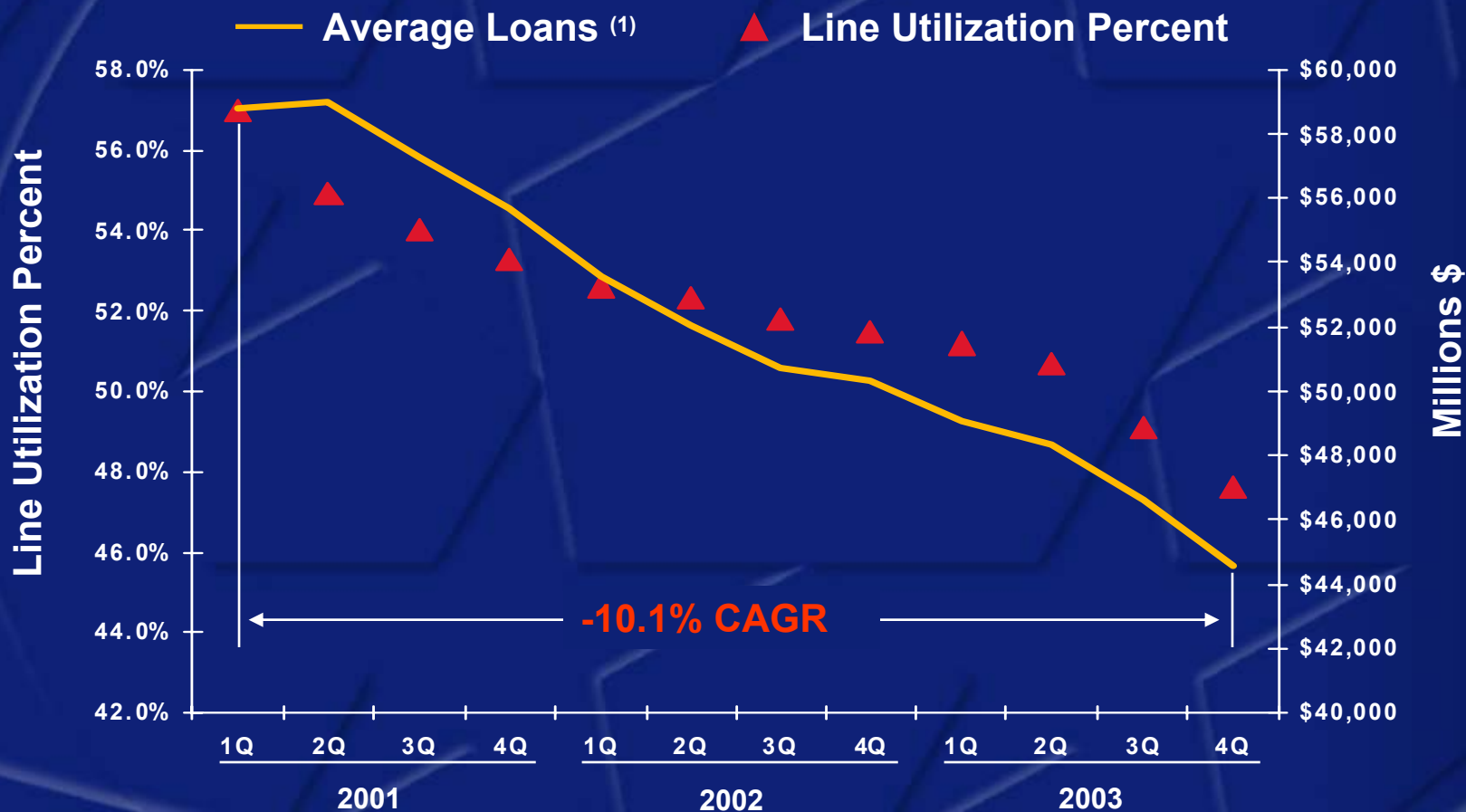


Wholesale Banking Outlook

- ★ **Low Line Utilization Continues to Impact Balance Sheet Growth**
- ★ **Credit Quality Trends are Expected to Show Continued Improvement**
- ★ **Expanding Government Banking Product Offerings and Market Area**
- ★ **Relationship Managers are Focusing on Fee and Deposit Penetration**

Wholesale Banking Trends

Line Utilization At Historic Lows

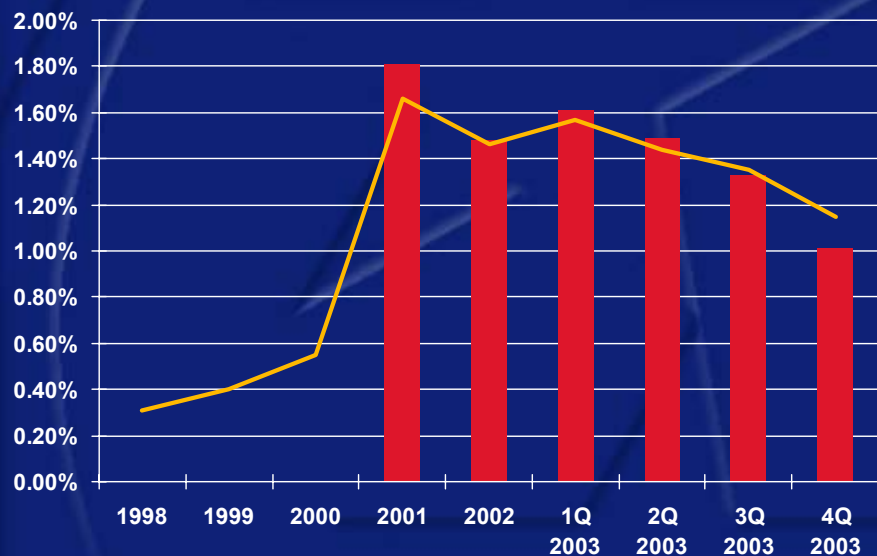


(1) Commercial, Commercial Leasing and Commercial Real Estate.

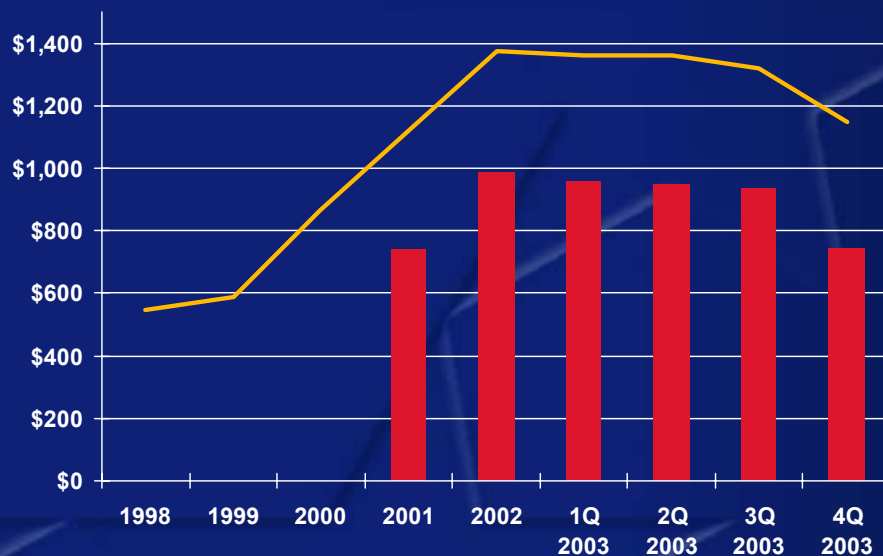
Wholesale Banking Trends

Credit Quality Continues To Improve

Commercial Loan Net Charge-Off Ratio (1) (2)



Nonperforming Assets (2)



— Total USB

■ Wholesale Banking

(1) Includes Commercial and Lease Financing.

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

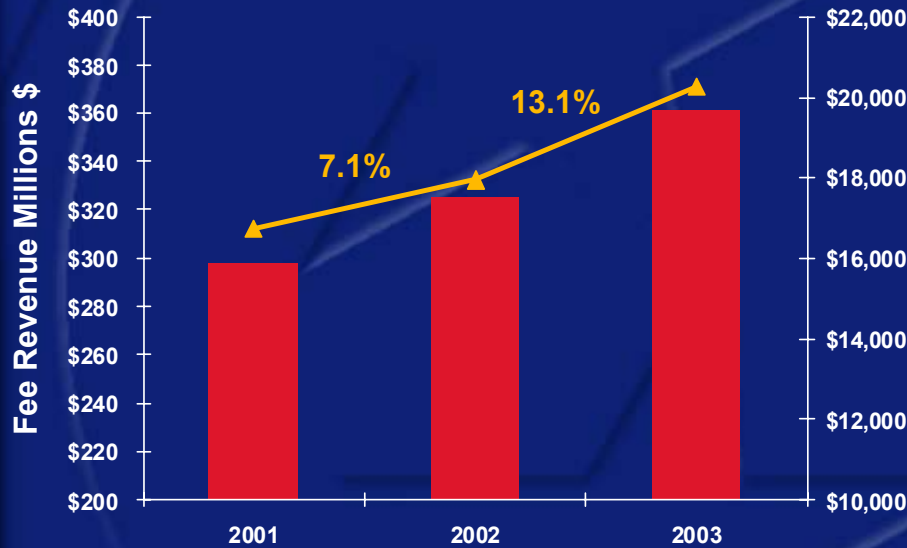
Payment Services Outlook

- ★ **Strong 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**

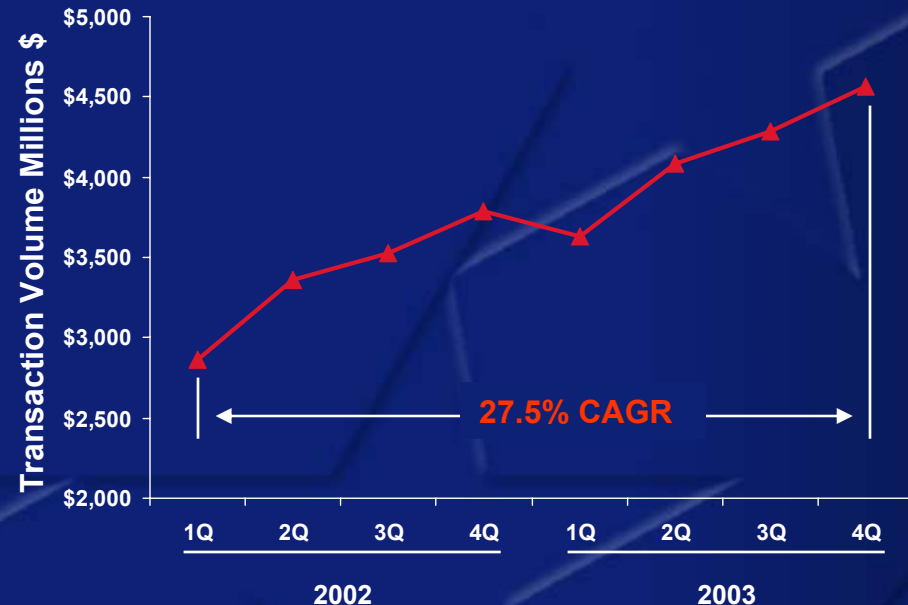
Payment Services Trends

Strong Momentum in Corporate Payments and Debit Card

Corporate Payment Transactions Accelerating



Debit Card Transaction Growth Remains Strong

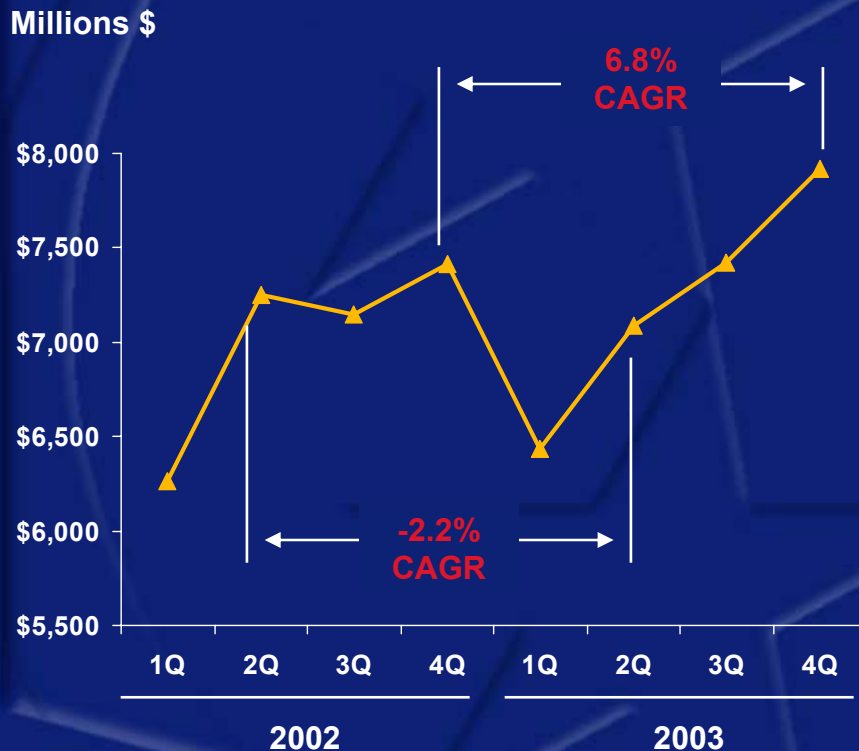


■ Fee Revenue = 10.2% CAGR
▲ Transaction Volume = 10.1% CAGR

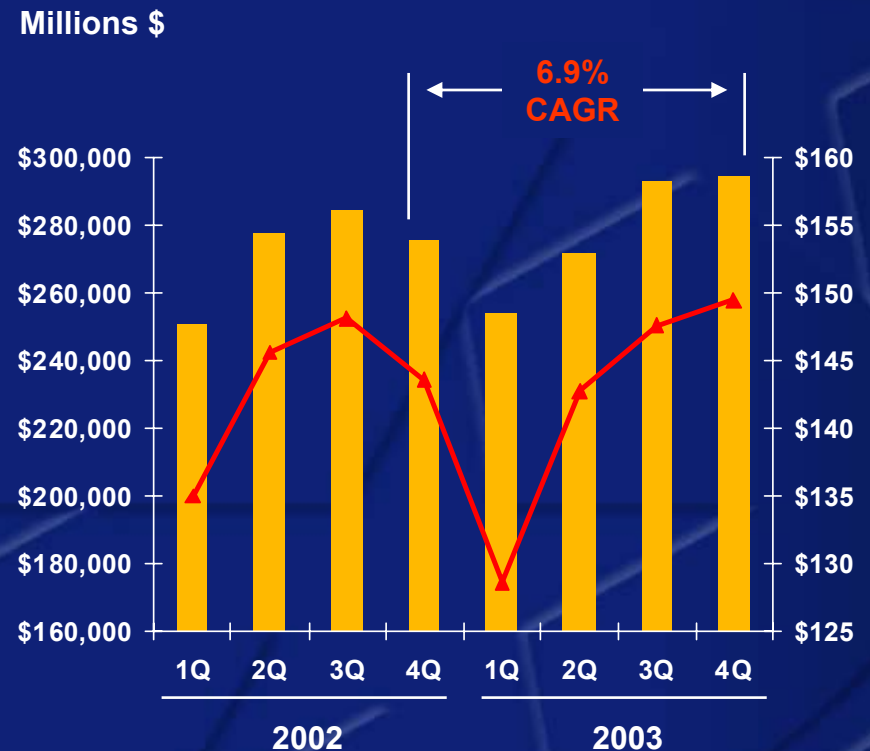
Payment Services Trends

Retail Payment and Merchant Transactions Are Accelerating

Retail Credit Card Transaction Volume



Merchant Transaction Volume and Fee Revenue



■ Transaction Volume

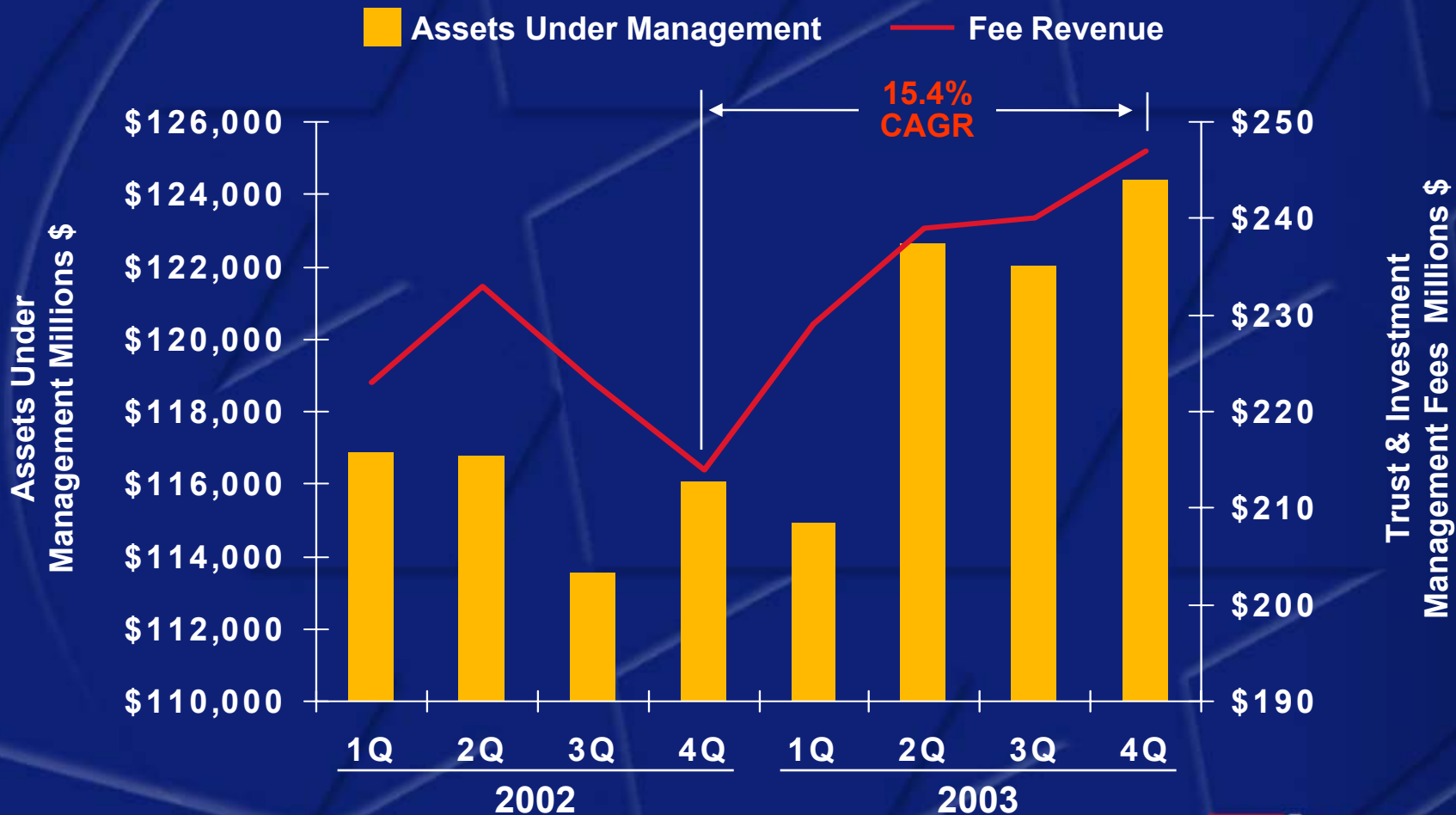


Private Client, Trust And Asset Management Outlook

- ★ Improving Equity Markets Driving Growth and Client Confidence
- ★ Increasing Share of Wallet Within the Private Client Group with a Focus on Bank-Wide Partnerships
- ★ Leveraging Distribution and Scale in Corporate Trust
- ★ Expanding Asset Management Distribution through Increased Penetration of the Institutional Market and Third-Party Distribution
- ★ Expanding Customer Focus in Fund Services to Include Partnerships and Alternative Investments

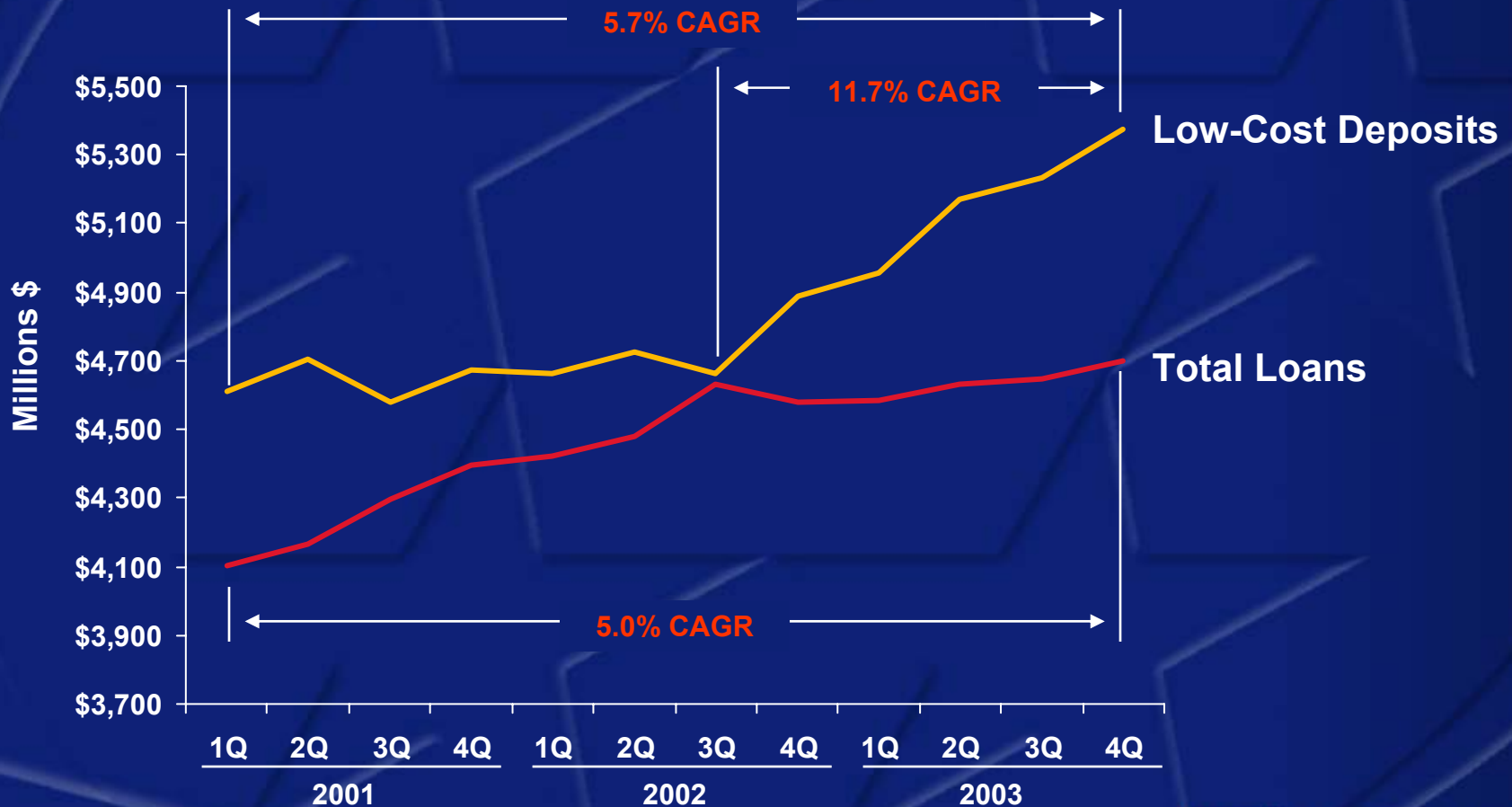
Private Client, Trust And Asset Management Trends

Assets Under Management and Fee Revenue



Private Client, Trust And Asset Management Trends

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



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

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Executing For Long-term Success

- ★ 10% Plus EPS Growth
- ★ 20% Plus ROE
- ★ Reducing Credit and Earnings Volatility
- ★ Providing High-Quality Customer Service
- ★ Investing in Distribution and Scale



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