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News Release

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U.S. BANCORP REPORTS 20.5 PERCENT INCREASE IN NET INCOME FOR FIRST QUARTER 2003

EARNINGS SUMMARY — **Table 1**

($ in millions, except per-share data)	1Q 2003	4Q 2002	1Q 2002	Percent Change 1Q03 vs 4Q02	Percent Change 1Q03 vs 1Q02
Net income	$911.2	$849.8	$756.0	7.2	20.5
Earnings per share before cumulative effect of change in accounting principles (diluted)	0.47	0.44	0.41	6.8	14.6
Earnings per share (diluted)	0.47	0.44	0.39	6.8	20.5
Return on average assets (%)	2.01	1.90	1.83		
Return on average equity (%)	20.0	18.8	19.0		
Efficiency ratio (%)	49.7	51.7	48.8		
Dividends declared per share	$0.205	$0.195	$0.195	5.1	5.1
Book value per share (period-end)	9.65	9.44	8.30	2.2	16.3
Net interest margin (%)	4.56	4.63	4.62		

MINNEAPOLIS, April 15, 2003 – U.S. Bancorp (NYSE: USB) today reported net income in accordance with generally accepted accounting principles ("GAAP") of $911.2 million for the first quarter of 2003, compared with $756.0 million for the first quarter of 2002. Net income of $.47 per diluted share in the first quarter of 2003 was higher than the same period of 2002 by $.08 (20.5 percent). Return on average assets and return on average equity were 2.01 percent and 20.0 percent, respectively, in the first quarter of 2003, compared with returns of 1.83 percent and 19.0 percent in the first quarter of 2002. Net income in the first quarter of 2003 included after-tax merger and restructuring-related items of ($11.5) million, or ($.01) per share, compared with ($48.4) million, or ($.03) per share, in the first quarter of 2002. Net income in the first quarter of 2002 also included an after-tax cumulative effect of change in accounting principles of ($37.2) million, or ($.02) per share.

In accordance with new SEC rules required by the Sarbanes-Oxley Act of 2002 regarding the use of non-GAAP financial measures, U.S. Bancorp's press release has been re-designed to eliminate discussion of non-GAAP financial measures, including operating earnings and per share information excluding the impact of merger and restructuring-related items.

The Company's results for the first quarter of 2003 improved over the same period of 2002, primarily due to strong growth in consumer banking and payment services revenue, offset somewhat by lower investment banking activity. Notable favorable items in the current quarter included gains on the sale of securities of $140.7 million, an increase of $96.6 million over the first quarter of 2002. Offsetting this favorable item was the recognition of $120.9 million of mortgage servicing rights ("MSR") impairment, driven by lower interest rates and related prepayments.

U.S. Bancorp Chairman, President and Chief Executive Officer Jerry A. Grundhofer said, "We are continuing to make good progress towards achieving our long-term goals and, as first quarter results demonstrate, we are also well on our way towards reaching our financial objectives for 2003. This quarter marked our second anniversary as the "new" U.S. Bancorp – a now fully integrated U.S. Bancorp. During the past two years, we capitalized on our operating synergies, expanded our business into new markets, reduced our risk profile, improved market share, increased our service capabilities, increased our purchasing power and leverage, lowered our overall cost structure, and enhanced our ability to launch new development and delivery technologies. As we move into our third year as the "new" U.S. Bancorp, we stand on a very solid foundation. For the first time in five years our management team is working together without the distraction of a major integration. We have financial stability and a clear customer focus. We have reinforced our commitment to the communities in which we do business. Our objectives for 2003 and beyond are clear. We need to increase the rate of organic growth by providing first-class products and services and delivering them in a superior way. We need to further enhance our already high service levels – it is our brand and we are committed to instilling its value both internally and externally. We need to remain disciplined in our desire to reduce volatility and the risk profile of the organization. Finally, we need to maintain tight expense control - one goal that will always be a part of this Company's agenda. I am proud of what we have accomplished but will not be satisfied until we deliver on the great potential of this new Company."

Total net revenue on a taxable-equivalent basis for the first quarter of 2003 grew by $303.3 million (10.1 percent) over the first quarter of 2002. This growth was primarily due to increases in net interest income, gains on the sale of securities, growth in consumer banking and payment services revenue, mortgage banking activities, and acquisitions. These positive variances were

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partially offset year-over-year by lower capital markets activities. Approximately $70.1 million of the increase in net revenue year-over-year was due to acquisitions, including The Leader Mortgage Company, LLC ("Leader"), the 57 branches of Bay View Bank in California, and the corporate trust business of State Street Bank and Trust Company ("State Street Corporate Trust").

Total noninterest expense in the first quarter of 2003 was higher than the first quarter of 2002 by $131.2 million (9.1 percent), primarily reflecting the $120.9 million MSR impairment taken in the first quarter of 2003 and acquisitions, which accounted for approximately $53.2 million of expense growth year-over-year. Partially offsetting these increases in expense over the first quarter of 2002 was a reduction in merger and restructuring-related charges of $56.6 million in the first quarter of 2003.

Provision for credit losses for the first quarter of 2003 was $335.0 million, equal to the provision for credit losses in the first quarter of 2002. Net charge-offs in the first quarter of 2003 were $333.8 million, compared with the fourth quarter of 2002 net charge-offs of $378.5 million and first quarter of 2002 net charge-offs of $335.0 million. Net charge-offs in the first quarter of 2003 reflected continuing weakness in the communications, transportation and manufacturing sectors, as well as the impact of the economy on highly leveraged enterprise value financings. Total nonperforming assets declined slightly from $1,373.5 million at December 31, 2002, to $1,362.6 million at March 31, 2003. The ratio of allowance for credit losses to nonperforming loans was 194 percent at March 31, 2003, compared with 196 percent at December 31, 2002, and 250 percent at March 31, 2002.

During the first quarter of 2002, the Company recognized an after-tax goodwill impairment charge of $37.2 million, primarily related to the purchase of a transportation leasing company in 1998 by the equipment leasing business. This charge was recognized as a "cumulative effect of change in accounting principles" in the income statement.

On February 19, 2003, the Company announced that its Board of Directors approved a plan to effect a spin-off of its capital markets business unit, including investment banking and brokerage activities primarily conducted by its wholly-owned subsidiary, U.S. Bancorp Piper Jaffray Inc. It is anticipated that the spin-off will be completed in the third quarter of 2003.

INCOME STATEMENT HIGHLIGHTS					Table 2
(Taxable-equivalent basis, $ in millions, except per-share data)	1Q 2003	4Q 2002	1Q 2002	Percent Change 1Q03 vs 4Q02	Percent Change 1Q03 vs 1Q02
Net interest income	$1,783.8	$1,775.0	$1,670.4	0.5	6.8
Noninterest income	1,522.9	1,550.8	1,333.0	(1.8)	14.2
Total net revenue	3,306.7	3,325.8	3,003.4	(0.6)	10.1
Noninterest expense	1,574.1	1,663.8	1,442.9	(5.4)	9.1
Provision for credit losses	335.0	349.0	335.0	(4.0)	--
Income before income taxes and cumulative effect of change in accounting principles	1,397.6	1,313.0	1,225.5	6.4	14.0
Taxable-equivalent adjustment	8.3	9.2	9.1	(9.8)	(8.8)
Applicable income taxes	478.1	454.0	423.2	5.3	13.0
Income before cumulative effect of change in accounting principles	911.2	849.8	793.2	7.2	14.9
Cumulative effect of change in accounting principles (after-tax)	--	--	(37.2)	nm	nm
Net income	$911.2	$849.8	$756.0	7.2	20.5
Diluted earnings per share:					
Income before cumulative effect of change in accounting principles	$0.47	$0.44	$0.41	6.8	14.6
Cumulative effect of change in accounting principles	--	--	(0.02)	nm	nm
Net income	$0.47	$0.44	$0.39	6.8	20.5

Net Interest Income

First quarter net interest income on a taxable-equivalent basis was $1,783.8 million, compared with $1,670.4 million recorded in the first quarter of 2002. Average earning assets for the period increased over the first quarter of 2002 by $11.8 billion (8.1 percent), primarily driven by increases in investment securities, loans held for sale and retail loans, partially offset by a decline in commercial loans. The net interest margin in the first quarter of 2003 was 4.56 percent, compared with 4.63 percent in the fourth quarter of 2002 and 4.62 percent in the first quarter of 2002. The decline in the net interest margin in the first quarter of 2003 from the first quarter of 2002 primarily reflected the growth in investment securities as a percent of total earning assets. The decline in the net interest margin in the first quarter of 2003 from the fourth quarter of 2002 also reflected the change in mix towards lower rate investment securities. Despite the decline in the net interest margin, net interest income on a taxable-equivalent basis in the first quarter of 2003 was higher than the fourth quarter of 2002, by $8.8 million (.5 percent), primarily due to a $5.2 billion increase in average earning assets, driven by investment securities, loans held for sale and growth in both residential mortgages and retail loans and partially offset by a $24.6 million decrease due to day basis.

NET INTEREST INCOME — **Table 3**

(Taxable-equivalent basis; $ in millions)

	1Q 2003	4Q 2002	1Q 2002	Change 1Q03 vs 4Q02	Change 1Q03 vs 1Q02
Components of net interest income					
Income on earning assets	$2,351.0	$2,404.7	$2,371.7	$(53.7)	$(20.7)
Expense on interest-bearing liabilities	567.2	629.7	701.3	(62.5)	(134.1)
Net interest income	$1,783.8	$1,775.0	$1,670.4	$8.8	$113.4
Average yields and rates paid					
Earning assets yield	6.02 %	6.27 %	6.57 %	(0.25) %	(0.55) %
Rate paid on interest-bearing liabilities	1.83	2.05	2.40	(0.22)	(0.57)
Gross interest margin	4.19 %	4.22 %	4.17 %	(0.03) %	0.02 %
Net interest margin	4.56 %	4.63 %	4.62 %	(0.07) %	(0.06) %
Average balances					
Investment securities	$34,220	$30,399	$26,626	$3,821	$7,594
Loans	116,312	115,407	113,708	905	2,604
Earning assets	157,751	152,556	145,937	5,195	11,814
Interest-bearing liabilities	125,746	121,851	118,379	3,895	7,367
Net free funds*	32,005	30,705	27,558	1,300	4,447

* Represents noninterest-bearing deposits, allowance for credit losses, unrealized gain (loss) on available-for-sale securities, non-earning assets, other noninterest-bearing liabilities and equity

AVERAGE LOANS					Table 4
($ in millions)	1Q 2003	4Q 2002	1Q 2002	Percent Change 1Q03 vs 4Q02	Percent Change 1Q03 vs 1Q02
Commercial	$36,340	$36,882	$39,641	(1.5)	(8.3)
Lease financing	5,251	5,413	5,740	(3.0)	(8.5)
Total commercial	41,591	42,295	45,381	(1.7)	(8.4)
Commercial mortgages	20,241	20,056	18,682	0.9	8.3
Construction and development	6,542	6,587	6,504	(0.7)	0.6
Total commercial real estate	26,783	26,643	25,186	0.5	6.3
Residential mortgages	10,124	8,966	7,962	12.9	27.2
Credit card	5,389	5,662	5,632	(4.8)	(4.3)
Retail leasing	5,750	5,626	5,042	2.2	14.0
Home equity and second mortgages	13,470	13,651	12,513	(1.3)	7.6
Other retail	13,205	12,564	11,992	5.1	10.1
Total retail	37,814	37,503	35,179	0.8	7.5
Total loans	$116,312	$115,407	$113,708	0.8	2.3

Average loans for the first quarter of 2003 were $2.6 billion (2.3 percent) higher than the first quarter of 2002. Strong growth in average retail loans of $2.6 billion (7.5 percent) and residential mortgages of $2.2 billion (27.2 percent) year-over-year was partially offset by an overall decline in commercial loans of $3.8 billion (8.4 percent), driven by the current credit market and soft economic conditions. Included in the change in the average of both commercial and commercial real estate loans outstanding in the first quarter of 2003 from the first quarter of 2002 was a reclassification of approximately $1.2 billion of commercial loans to other loan categories, including the commercial real estate category ($.5 billion) and residential mortgages ($.7 billion), in connection with conforming loan classifications at the time of system conversions during the third quarter of 2002. Prior quarters were not restated, as it was impractical to determine the extent of reclassification for all periods presented. Average loans for the first quarter of 2003 were higher than the fourth quarter of 2002 by $905 million (.8 percent), reflecting growth in retail loans and residential mortgages, partially offset by a decline in commercial loans. The change in commercial

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loans reflects slightly higher corporate-based loans offset by lower corporate purchasing card balances, leasing and mortgage warehousing loans. The impact of loan reclassifications relative to the fourth quarter was not significant.

Average investment securities for the first quarter of 2003 were $7.6 billion (28.5 percent) higher than the first quarter of 2002, reflecting reinvestment of proceeds from loan sales, declines in commercial loan balances and deposits assumed in connection with the Bay View Bank branch acquisition. Investment securities at March 31, 2003, were $5.7 billion higher than at March 31, 2002, and $2.0 billion higher than the balance at December 31, 2002. During the first quarter of 2003, the Company sold $5.7 billion of fixed-rate securities.

AVERAGE DEPOSITS **Table 5**

($ in millions)	1Q 2003	4Q 2002	1Q 2002	Percent Change 1Q03 vs 4Q02	Percent Change 1Q03 vs 1Q02
Noninterest-bearing deposits	$32,824	$31,220	$27,485	5.1	19.4
Interest-bearing deposits					
Interest checking	17,536	16,505	15,152	6.2	15.7
Money market accounts	28,683	27,238	24,797	5.3	15.7
Savings accounts	5,272	5,011	4,773	5.2	10.5
Savings products	51,491	48,754	44,722	5.6	15.1
Time certificates of deposit less than $100,000	17,218	18,334	20,464	(6.1)	(15.9)
Time deposits greater than $100,000	14,282	12,709	9,341	12.4	52.9
Total interest-bearing deposits	82,991	79,797	74,527	4.0	11.4
Total deposits	$115,815	$111,017	$102,012	4.3	13.5

Average noninterest-bearing deposits in the first quarter of 2003 were higher than the first quarter of 2002 by $5.3 billion (19.4 percent), primarily due to higher business and government banking demand deposit balances year-over-year. Average interest-bearing deposits increased by $8.5 billion (11.4 percent) over the first quarter of 2002. Approximately $3.5 billion of the increase in average interest-bearing deposits was due to acquisitions, while the remaining $5.0 billion of growth was driven by increases in savings products balances and the Company's funding decision to increase time deposits greater than $100,000.

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Total deposits in the first quarter of 2003 were $4.8 billion (4.3 percent) higher on average than the fourth quarter of 2002. Approximately $1.6 billion of the linked quarter growth was due to acquisitions, while the remaining increase of $3.2 billion (2.9 percent), principally in non-interest bearing deposits and savings products, was primarily attributable to growth in the Wholesale Banking business line.

NONINTEREST INCOME					**Table 6**
($ in millions)	**1Q 2003**	**4Q 2002**	**1Q 2002**	**Percent Change 1Q03 vs 4Q02**	**Percent Change 1Q03 vs 1Q02**
Credit and debit card revenue	$127.4	$143.7	$109.3	(11.3)	16.6
Corporate payment products revenue	86.0	80.4	75.2	7.0	14.4
ATM processing services	36.9	35.8	30.9	3.1	19.4
Merchant processing services	127.3	142.0	133.6	(10.4)	(4.7)
Trust and investment management fees	230.3	214.7	224.3	7.3	2.7
Deposit service charges	168.7	192.3	155.7	(12.3)	8.3
Cash management fees	112.0	102.6	104.2	9.2	7.5
Commercial products revenue	104.2	108.3	122.2	(3.8)	(14.7)
Mortgage banking revenue	95.4	88.4	52.0	7.9	83.5
Trading account profits and commissions	60.9	54.5	49.9	11.7	22.0
Investment products fees and commissions	100.3	105.4	111.1	(4.8)	(9.7)
Investment banking revenue	37.6	48.0	53.2	(21.7)	(29.3)
Securities gains, net	140.7	106.2	44.1	32.5	nm
Other	95.2	128.5	67.3	(25.9)	41.5
Total noninterest income	$1,522.9	$1,550.8	$1,333.0	(1.8)	14.2

Noninterest Income

First quarter noninterest income was $1,522.9 million, an increase of $189.9 million (14.2 percent) over the same quarter of 2002, but a $27.9 million (1.8 percent) decrease from the fourth quarter of 2002. The growth in noninterest income over the first quarter of 2002 was driven by net securities gains, payment services and consumer banking revenue, mortgage banking activity, and acquisitions, including Leader, the branches of Bay View Bank, and State Street Corporate Trust, which contributed approximately $45.3 million in noninterest revenue in the first quarter of 2003. Credit and debit card revenue, corporate payment products revenue and ATM processing services revenue in the Payment Services line of business were higher in the first quarter of 2003 than the first quarter of 2002 by $34.9 million (16.2 percent), primarily reflecting growth in sales and card usage. Merchant processing services revenue was lower by $6.3 million (4.7 percent) year-over-year, primarily due to lower processing spreads resulting from changes in the mix of merchants. The favorable variance in trust and investment management fees of $6.0 million (2.7 percent) in the first quarter of 2003 over the same period of 2002 was driven by the acquisition of State Street Corporate Trust, which contributed $19.2 million in fees during the first quarter of 2003, partially offset by the impact of a decline in equity valuations. Deposit service charges increased by $13.0 million (8.3 percent) over the first quarter of 2002, primarily due to volume and fee enhancements within the Consumer Banking line of business. Cash management fees revenue grew by $7.8 million (7.5 percent) in the first quarter of 2003 over the same period of 2002, with the majority of the variance within the Wholesale Banking line of business. The increase in cash management fees over the first quarter of 2002 was driven by growth in sales, product enhancements and lower earning credit rates to customers. Mortgage banking revenue in the Consumer Banking line of business increased by $43.4 million (83.5 percent) in the first quarter of 2003 over the first quarter of 2002 due to higher mortgage servicing, originations and sales and the acquisition of Leader, which contributed $22.2 million of the favorable variance. Offsetting these favorable variances was a decline in commercial products revenue of $18.0 million (14.7 percent) and capital markets-related revenue of $15.4 million (7.2 percent). The decline in commercial products revenue reflected lower conduit servicing fees, while the capital markets-related revenue continued to reflect softness in the equity capital markets. Somewhat offsetting the reduction in investment products fees and commissions within the Capital Markets group, was an increase in investment products fees and commissions of $3.0 million year-over-year within the Consumer Banking line of business, reflecting the expansion of investment product sales programs throughout the branch network, plus acquisitions. Other income was higher in the first quarter of 2003 over the same quarter of 2002 by $27.9 million (41.5 percent), due in part to favorable variances in income from equity investments.

Noninterest income decreased in the first quarter of 2003 by $27.9 million (1.8 percent) from the fourth quarter of 2002, primarily due to seasonally lower credit and debit card revenue, merchant processing services revenue and deposit service charges, as well as lower capital markets related revenue, commercial products revenue and other income. The unfavorable variance in commercial products revenue was the result of a decline in conduit servicing revenue, partially offset by higher lease-related revenues relative to the fourth quarter of 2002, which included a lease residual write-down. Offsetting these negative variances was an increase in net securities gains, cash management fees and revenue from acquisitions. Trust and investment fees included $19.2 million from the acquisition of State Street Corporate Trust. Other fees were lower relative to the fourth quarter due to a gain on sale of a co-branded credit card portfolio recognized in the fourth quarter of 2002.

NONINTEREST EXPENSE **Table 7**

($ in millions)	1Q 2003	4Q 2002	1Q 2002	Percent Change 1Q03 vs 4Q02	Percent Change 1Q03 vs 1Q02
Salaries	$601.8	$607.3	$588.3	(0.9)	2.3
Employee benefits	109.2	86.4	96.4	26.4	13.3
Net occupancy	102.2	104.2	100.1	(1.9)	2.1
Furniture and equipment	73.4	76.4	76.9	(3.9)	(4.6)
Capitalized software	37.3	35.2	38.4	6.0	(2.9)
Communication	51.2	47.4	45.7	8.0	12.0
Postage	45.4	43.1	46.6	5.3	(2.6)
Other intangible assets	235.1	156.7	80.2	50.0	nm
Merger and restructuring-related charges	17.6	107.9	74.2	(83.7)	(76.3)
Other	300.9	399.2	296.1	(24.6)	1.6
Total noninterest expense	$1,574.1	$1,663.8	$1,442.9	(5.4)	9.1

Noninterest Expense

First quarter noninterest expense totaled $1,574.1 million, an increase of $131.2 million (9.1 percent) over the first quarter of 2002. The increase in expense year-over-year was primarily due to an increase in MSR impairment of $120.9 million and the impact of recent acquisitions, including Leader, the branches of Bay View Bank and State Street Corporate Trust, which accounted for approximately $53.2 million of the increase. Offsetting these increases was a $56.6 million reduction in merger and restructuring-related charges.

The Company's first quarter of 2003 employee benefits costs were higher than prior quarters partially due to a change in the assumed long-term rate of return on pension plan assets in the third quarter of 2002 and, again, in the first quarter of 2003. The Company utilized a long-term rate of return of 11.9 percent in the first six months of 2002 and 9.9 percent in the second six months of 2002. The long-term rate of return on pension plan assets was lowered to 8.9 percent for 2003. These changes, among other pension assumptions, resulted in an incremental expense of approximately $15 million over the first quarter of 2002 and approximately $5 million over the fourth quarter of 2002.

Noninterest expense in the first quarter of 2003 was lower than the fourth quarter of 2002 by $89.7 million (5.4 percent). The favorable variance was primarily due to a decrease in merger and restructuring-related charges of $90.3 million (83.7 percent) from the fourth quarter of 2002 and a decline in other expense of $98.3 million (24.6 percent), primarily due to lower marketing and public relations, legal, and travel expenses and the impact of a $50.0 million litigation charge, including investment banking regulatory matters at U.S. Bancorp Piper Jaffray, that was taken in the fourth quarter of 2002. In addition, an incremental $31.4 million charge, primarily personnel-related, for rationalizing the Company's post-integration technology was taken in the fourth quarter of 2002 and contributed to the favorable variance in expense quarter-over-quarter. Partially offsetting these favorable variances were an increase in MSR impairment of $66.8 million and the impact of acquisitions, which added $32.0 million of expense for the quarter.

ALLOWANCE FOR CREDIT LOSSES					Table 8
($ in millions)	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Balance, beginning of period	$2,422.0	$2,460.5	$2,466.4	$2,461.5	$2,457.3
Net charge-offs					
Commercial	137.9	136.7	124.0	110.6	120.5
Lease financing	23.0	58.2	23.4	35.2	32.1
Total commercial	160.9	194.9	147.4	145.8	152.6
Commercial mortgages	2.9	13.5	3.5	6.0	8.8
Construction and development	1.0	(0.9)	6.0	0.4	1.9
Total commercial real estate	3.9	12.6	9.5	6.4	10.7
Residential mortgages	5.9	6.6	5.9	3.9	2.7
Credit card	68.7	69.1	70.8	73.4	67.0
Retail leasing	13.9	10.7	9.4	8.3	10.5
Home equity and second mortgages	25.4	24.4	21.5	25.3	26.1
Other retail	55.1	60.2	64.5	67.4	65.4
Total retail	163.1	164.4	166.2	174.4	169.0
Total net charge-offs	333.8	378.5	329.0	330.5	335.0
Provision for credit losses	335.0	349.0	330.0	335.0	335.0
Acquisitions and other changes	(14.7)	(9.0)	(6.9)	0.4	4.2
Balance, end of period	$2,408.5	$2,422.0	$2,460.5	$2,466.4	$2,461.5
Net charge-offs to average loans (%)	1.16	1.30	1.14	1.16	1.19
Allowance as a percentage of:					
Period-end loans	2.06	2.08	2.12	2.15	2.15
Nonperforming loans	194	196	204	241	250
Nonperforming assets	177	176	183	215	222

Credit Quality

The allowance for credit losses was $2,408.5 million at March 31, 2003, compared with the allowance for credit losses of $2,422.0 million at December 31, 2002. The ratio of allowance for credit losses to nonperforming loans was 194 percent at March 31, 2003, compared with 196 percent at December 31, 2002. The ratio of allowance for credit losses to period-end loans was 2.06 percent at March 31, 2003, compared with 2.08 percent at December 31, 2002. Total net charge-offs in the first quarter of 2003 were $333.8 million, compared with the fourth quarter of 2002 net charge-offs of $378.5 million and the first quarter of 2002 net charge-offs of $335.0 million.

Commercial and commercial real estate loan net charge-offs were $164.8 million for the first quarter of 2003, or .98 percent of average loans outstanding, compared with $207.5 million, or 1.19 percent of average loans outstanding, in the fourth quarter of 2002 and $163.3 million, or .94 percent of average loans outstanding, in the first quarter of 2002. Included in the fourth quarter of 2002 total commercial loan net charge-offs was a $36 million charge-off of a leveraged lease to a single U.S. airline entering bankruptcy.

Retail loan net charge-offs of $163.1 million in the first quarter of 2003 were lower than the fourth quarter of 2002 by $1.3 million (.8 percent) and $5.9 million (3.5 percent) lower than the first quarter of 2002. Retail loan net charge-offs as a percent of average loans outstanding were 1.75 percent in the first quarter of 2003, compared with 1.74 percent and 1.95 percent in the fourth quarter of 2002 and first quarter of 2002, respectively. Lower levels of retail loan net charges-offs principally reflected the Company's improvement in ongoing collection efforts and risk management as a result of the successful completion of the integration process.

CREDIT RATIOS					Table 9
(Percent)	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Net charge-offs ratios*					
Commercial	1.54	1.47	1.31	1.14	1.23
Lease financing	1.78	4.27	1.67	2.52	2.27
Total commercial	1.57	1.83	1.35	1.32	1.36
Commercial mortgages	0.06	0.27	0.07	0.13	0.19
Construction and development	0.06	(0.05)	0.37	0.02	0.12
Total commercial real estate	0.06	0.19	0.15	0.10	0.17
Residential mortgages	0.24	0.29	0.27	0.19	0.14
Credit card	5.17	4.84	5.01	5.23	4.82
Retail leasing	0.98	0.75	0.67	0.62	0.84
Home equity and second mortgages	0.76	0.71	0.63	0.77	0.85
Other retail	1.69	1.90	2.07	2.24	2.21
Total retail	1.75	1.74	1.78	1.93	1.95
Total net charge-offs	1.16	1.30	1.14	1.16	1.19
Delinquent loan ratios – 90 days or more past due **excluding** nonperforming loans**					
Commercial	0.10	0.14	0.15	0.10	0.12
Commercial real estate	0.03	0.04	0.04	0.15	0.09
Residential mortgages	0.82	0.90	0.93	0.87	0.84
Retail	0.71	0.72	0.63	0.64	0.80
Total loans	0.34	0.37	0.33	0.34	0.37
Delinquent loan ratios - 90 days or more past due **including** nonperforming loans**					
Commercial	2.33	2.35	2.24	1.79	1.70
Commercial real estate	0.85	0.90	0.82	0.85	0.70
Residential mortgages	1.37	1.44	1.62	1.64	1.65
Retail	0.77	0.79	0.70	0.74	0.89
Total loans	1.40	1.43	1.38	1.24	1.23

* annualized and calculated on average loan balances

** ratios are expressed as a percent of ending loan balances

The level of net charge-offs in the first quarter of 2003 reflected current economic conditions and weakness in the communications, transportation and manufacturing sectors, as well as the impact of the economy on highly leveraged enterprise value financings. Assuming no further deterioration in the economy, however, the Company expects net charge-offs to trend lower.

ASSET QUALITY **Table 10**

($ in millions)	Mar 31 2003	Dec 31 2002	Sep 30 2002	Jun 30 2002	Mar 31 2002
Nonperforming loans					
Commercial	$808.4	$760.4	$745.2	$549.9	$529.9
Lease financing	129.4	166.7	170.6	202.0	203.2
Total commercial	937.8	927.1	915.8	751.9	733.1
Commercial mortgages	174.6	174.6	157.6	133.6	121.4
Construction and development	46.1	57.5	49.1	43.4	32.3
Commercial real estate	220.7	232.1	206.7	177.0	153.7
Residential mortgages	57.4	52.0	57.7	62.0	63.7
Retail	23.9	26.1	27.1	34.3	32.6
Total nonperforming loans	1,239.8	1,237.3	1,207.3	1,025.2	983.1
Other real estate	66.2	59.5	63.3	49.8	42.6
Other nonperforming assets	56.6	76.7	73.8	72.7	85.1
Total nonperforming assets*	$1,362.6	$1,373.5	$1,344.4	$1,147.7	$1,110.8
Accruing loans 90 days past due	$403.5	$426.4	$387.9	$392.6	$426.8
Nonperforming assets to loans plus ORE (%)	1.16	1.18	1.16	1.00	0.97

*does not include accruing loans 90 days past due

Nonperforming assets at March 31, 2003, totaled $1,362.6 million, compared with $1,373.5 million at December 31, 2002, and $1,110.8 million at March 31, 2002. The ratio of nonperforming assets to loans and other real estate was 1.16 percent at March 31, 2003, compared with 1.18 percent at December 31, 2002, and .97 percent at March 31, 2002. Assuming no further deterioration in the economy, the Company expects nonperforming assets to remain stable.

CAPITAL POSITION					Table 11
($ in millions)	Mar 31 2003	Dec 31 2002	Sep 30 2002	Jun 30 2002	Mar 31 2002
Total shareholders' equity	$18,520	$18,101	$17,518	$16,650	$15,892
Tier 1 capital	12,873	12,606	13,172	12,628	12,246
Total risk-based capital	19,900	19,753	20,420	19,937	19,722
Common equity to assets	10.2 %	10.1 %	10.1 %	9.6 %	9.6 %
Tangible common equity to assets	5.8	5.6	6.1	5.7	5.8
Tier 1 capital ratio	8.0	7.8	8.1	7.9	7.7
Total risk-based capital ratio	12.4	12.2	12.6	12.5	12.4
Leverage ratio	7.4	7.5	7.9	7.8	7.6

Total shareholders' equity was $18.5 billion at March 31, 2003, compared with $15.9 billion at March 31, 2002. The increase was the result of corporate earnings offset by dividends and share buybacks.

Tangible common equity to assets was 5.8 percent at March 31, 2003, compared with 5.6 percent at December 31, 2002, and 5.8 percent at March 31, 2002. The tier 1 capital ratio was 8.0 percent at March 31, 2003, compared with 7.8 percent at December 31, 2002, and 7.7 percent at March 31, 2002. The total risk-based capital ratio was 12.4 percent at March 31, 2003, compared with 12.2 percent at December 31, 2002, and 12.4 percent at March 31, 2002. The leverage ratio was 7.4 percent at March 31, 2003, compared with 7.5 percent at December 31, 2002, and 7.6 percent at March 31, 2002. All regulatory ratios continue to be in excess of stated "well capitalized" requirements.

COMMON SHARES					Table 12
(Millions)	1Q 2003	4Q 2002	3Q 2002	2Q 2002	1Q 2002
Beginning shares outstanding	1,917.0	1,914.7	1,914.2	1,915.1	1,951.7
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	2.0	2.3	0.9	3.9	3.4
Shares repurchased	--	--	(0.4)	(4.8)	(40.0)
Ending shares outstanding	1,919.0	1,917.0	1,914.7	1,914.2	1,915.1

On December 18, 2001, the board of directors of U.S. Bancorp approved an authorization to repurchase 100 million shares of outstanding common stock through 2003. There are approximately 91.5 million shares remaining to be repurchased under this authorization.

LINE OF BUSINESS FINANCIAL PERFORMANCE* **Table 13**

($ in millions)

	Pre-Provision Contribution**			Percent Change		1Q 2003
Business Line	**1Q 2003**	**4Q 2002**	**1Q 2002**	**1Q03 vs 4Q02**	**1Q03 vs 1Q02**	**Earnings Composition**
Wholesale Banking	$603.9	$579.2	$568.3	4.3	6.3	35 %
Consumer Banking	712.3	709.9	633.0	0.3	12.5	41
Private Client, Trust and Asset Management	183.6	178.0	181.5	3.1	1.2	10
Payment Services	375.1	446.9	333.4	(16.1)	12.5	21
Capital Markets	7.2	(36.2)	16.2	nm	(55.6)	--
Treasury and Corporate Support	(131.9)	(107.9)	(97.7)	(22.2)	(35.0)	(7)
Consolidated Company	$1,750.2	$1,769.9	$1,634.7	(1.1)	7.1	100 %

* preliminary data

** contribution before provision for credit losses, merger and restructuring-related items and cumulative effect of change in accounting principles and taxes

Lines of Business

Within the Company, financial performance is measured by major lines of business which include Wholesale Banking, Consumer Banking, Private Client, Trust and Asset Management, Payment Services, Capital Markets, and Treasury and Corporate Support. Business line results are derived from the Company's business unit profitability reporting systems. Designations, assignments and allocations may change from time to time as management systems are enhanced, methods of evaluating performance or product lines change or business segments are realigned to better respond to our diverse customer base. All results for 2002 have been restated to present consistent methodologies for all business lines.

Wholesale Banking offers lending, depository, treasury management and other financial services to middle market, large corporate and public sector clients. Wholesale Banking's pre-provision contribution was $603.9 million in the first quarter of 2003, a 6.3 percent increase over the same period of 2002 and a 4.3 percent increase over the fourth quarter of 2002. The increase in Wholesale Banking's first quarter 2003 pre-provision contribution over the first quarter of 2002 was the result of higher net revenue (6.1 percent), partly offset by higher noninterest expense (5.1

percent). Total net revenue in the first quarter of 2003 was higher than the first quarter of 2002, with favorable variances in both net interest income (4.9 percent) and noninterest income (9.4 percent). The increase in net interest income was primarily due to a significant increase in average deposits (40.6 percent) and higher spreads, partially offset by a reduction in average loans outstanding. Wholesale Banking's favorable variance in noninterest income year-over-year was driven by higher cash management fees and other income, partially offset by lower commercial products revenue, which was primarily the result of lower loan conduit servicing fees. The increase in Wholesale Banking's pre-provision contribution in the first quarter of 2003 over the fourth quarter of 2002 was the result of favorable variances in both net revenue (3.5 percent) and noninterest expense (1.0 percent). Net revenue in the first quarter of 2003 was higher than the previous quarter primarily due to an increase in cash management fees and a lease residual write-down taken in the fourth quarter of 2002.

Consumer Banking delivers products and services to the broad consumer market and small businesses through banking offices, telemarketing, on-line services, direct mail and automated teller machines ("ATMs"). It encompasses community banking, metropolitan banking, small business banking, consumer lending, mortgage banking, workplace banking, student banking, 24-hour banking, and investment product and insurance sales. Consumer Banking's pre-provision contribution was $712.3 million in the first quarter of 2003, a 12.5 percent increase over the same period of 2002 and a .3 percent increase over the fourth quarter of 2002. The increase in Consumer Banking's first quarter 2003 pre-provision contribution over the first quarter of 2002 was the result of higher net revenue (20.9 percent), partially offset by an increase in noninterest expense (32.6 percent). Net interest income improved year-over-year by $66.9 million (8.5 percent), the result of an increase in retail loans, higher spreads and acquisitions. The growth in noninterest income was primarily due to increases in gains on the sale of securities, mortgage banking revenue and deposit service charges. The Consumer Banking group also posted increases in investment products fees and commissions (9.7 percent). The $105.8 million of gains on the sale of securities recognized by the business line in the first quarter of 2003 represent an economic hedge to a portion of the MSR impairment of $120.9 million caused by declining interest rates. The increase in mortgage banking revenue can be attributed to higher mortgage loan servicing, originations and sales and the acquisition of Leader. Noninterest expense in the first quarter of 2003 was higher than the first quarter of 2002 (32.6 percent), primarily due to the increase in MSR impairment and the impact of acquisitions. The improvement in Consumer Banking's pre-provision contribution in the first quarter of 2003 over the fourth quarter of 2002 was the result of higher net revenue (4.1 percent), partially offset by an increase in noninterest expense (8.9 percent). The Consumer Banking business line benefited overall from strong mortgage banking results in the current quarter. Due to the increase in activity, mortgage banking's pre-provision contribution increased by $28.6 million and $12.5 million over the first quarter of 2002 and fourth quarter of 2002, respectively.

Private Client, Trust and Asset Management provides mutual fund processing services, trust, private banking and financial advisory services through four businesses, including: the Private Client Group, Corporate Trust, Institutional Trust and Custody, and Fund Services, LLC. The business segment also offers investment management services to several client segments including mutual funds, institutional customers, and private asset management. Private Client, Trust and Asset Management's pre-provision contribution was $183.6 million in the first quarter of 2003, 1.2 percent higher than the same period of 2002 and 3.1 percent higher than the fourth quarter of 2002. The favorable variance in the business line's pre-provision contribution in the first quarter of 2003 over the first quarter of 2002, was the result of a favorable variance in net revenue of $14.7 million (4.9 percent) and an unfavorable variance in noninterest expense of $12.6 million (10.5 percent). The increase in total revenue was primarily due to the acquisition of State Street Corporate Trust, which added approximately $23.9 million of net revenue in the first quarter of 2003, offset by lower equity market valuations for assets under management given equity capital market conditions. The unfavorable variance in expense was, also, primarily due to the acquisition of State Street Corporate Trust. The $5.6 million (3.1 percent) increase in the business line's pre-provision contribution in the first quarter of 2003 over the fourth quarter of 2002 was the result of higher net revenue (8.7 percent), partially offset by higher noninterest expense (17.4 percent). The increase in both net revenue and noninterest expense was primarily driven by the acquisition of State Street Corporate Trust.

Payment Services includes consumer and business credit cards, corporate and purchasing card services, consumer lines of credit, ATM processing, merchant processing, and debit cards. Payment Services' pre-provision contribution was $375.1 million in the first quarter of 2003, a 12.5 percent increase over the same period of 2002 and a 16.1 percent decrease from the fourth quarter of 2002. The increase in Payment Services' pre-provision contribution in the first quarter of 2003 over the first quarter of 2002 was the result of higher net revenue (5.0 percent) and lower noninterest expense (7.5 percent). The growth in net revenue year-over-year was primarily due to growth in credit and debit card revenue, corporate payment products revenue and ATM processing services (15.9 percent), offset by a decrease in merchant processing revenue (4.7 percent). Noninterest expense decreased by $15.1 million (7.5 percent) in the first quarter of 2003 from the first quarter of 2002, primarily due to reduced fraud losses, third party merchant processing costs and marketing expense. The decrease in Payment Services' pre-provision contribution in the first quarter of 2003 from the previous quarter was primarily due to lower net revenue (13.1 percent), the result of a credit card portfolio sale in the fourth quarter and seasonally lower processing revenues in the first quarter, partially offset by lower noninterest expense (6.4 percent). The reduction in noninterest expense on a linked quarter basis was driven by lower intangible amortization, fraud losses and marketing expense.

Capital Markets engages in equity and fixed income trading activities, offers investment banking and underwriting services for corporate and public sector customers and provides financial advisory services and securities, mutual funds, annuities and insurance products to consumers and regionally based businesses through a network of brokerage offices. Capital Markets' pre-provision contribution was $7.2 million in the first quarter of 2003, compared with a pre-provision contribution of $16.2 million in the first quarter of 2002 and a pre-provision loss of $36.2 million in the fourth quarter of 2002. Pre-provision contribution was lower in the first quarter of 2003 than the same quarter of 2002, primarily due to lower net revenue (4.8 percent), driven by reductions in investment products fees and commissions and investment banking revenues, partially offset by an increase in trading account profits and commissions and higher other income. The increase in Capital Markets' pre-provision contribution in the first quarter of 2003 over the previous quarter was primarily the result of a $50.0 million litigation charge taken in the fourth quarter of 2002.

Treasury and Corporate Support includes the Company's investment portfolios, funding, capital management and asset securitization activities, interest rate risk management, the net effect of transfer pricing related to average balances, and the change in residual allocations associated with the provision for credit losses. It also includes business activities managed on a corporate basis, including enterprise-wide operations and administrative support functions. Treasury and Corporate Support recorded a pre-provision loss of $131.9 million in the first quarter of 2003, compared with pre-provision losses of $97.7 million in the first quarter of 2002 and $107.9 million in the fourth quarter of 2002. The increase in the pre-provision loss year-over-year was the result of a $38.7 million increase in noninterest expense, partially offset by a $4.5 million increase in net revenue. The increase in net revenue over the first quarter of 2002 was primarily due to higher net interest income (9.8 percent), driven by the investment securities portfolio. The unfavorable variance in noninterest expense year-over-year was principally due to employee benefits, including pension costs, affordable housing and bank-wide communication expense. The increase in the business line's pre-provision loss in the first quarter of 2003 from the fourth quarter of 2002 was the result of unfavorable variances in net revenue (7.4 percent) and noninterest expense (1.2 percent). The change in net revenue was due to the net effect of higher net interest income (22.0 percent), offset by a reduction in gains from the sale of securities.

Additional schedules containing more detailed information about the Company's business line results are available on the web at usbank.com or by calling Investor Relations at 612-303-0781.

VICE CHAIRMAN AND CHIEF FINANCIAL OFFICER DAVID M. MOFFETT WILL HOST A CONFERENCE CALL TO REVIEW THE FINANCIAL RESULTS ON TUESDAY, April 15, 2003, AT 1:00 p.m. (CDT). To access the conference call, please dial 800-903-0247 and ask for the U.S. Bancorp earnings conference call. Participants calling from outside the United States, please call 785-832-1077. For those unable to participate during the live call, a recording of the call will be available from 5:00 p.m. (CDT) on Tuesday, April 15, 2003 through 11:00 p.m. (CDT) on Tuesday, April 22, 2003. To access the recorded message dial 888-567-0678. If calling from outside the United States, please dial 402-530-0420.

Minneapolis-based U.S. Bancorp ("USB"), with $182 billion in assets, is the 8th largest financial services holding company in the United States. The company operates 2,200 banking offices and 4,582 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, and trust and payment services products to consumers, businesses and institutions. U.S. Bancorp is the parent company of U.S. Bank. Visit U.S. Bancorp on the web at usbank.com.

Forward-Looking Statements

This press release contains 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.

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U.S. Bancorp
Consolidated Statement Of Income

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2003	2002
Interest Income		
Loans	$1,836.8	$1,931.9
Loans held for sale	59.6	39.2
Investment securities		
Taxable	396.1	347.8
Non-taxable	8.9	13.2
Money market investments	4.0	3.3
Trading securities	8.0	8.2
Other interest income	29.3	19.0
Total interest income	2,342.7	2,362.6
Interest Expense		
Deposits	306.6	395.5
Short-term borrowings	43.4	78.9
Long-term debt	185.8	192.1
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	31.4	34.8
Total interest expense	567.2	701.3
Net interest income	1,775.5	1,661.3
Provision for credit losses	335.0	335.0
Net interest income after provision for credit losses	1,440.5	1,326.3
Noninterest Income		
Credit and debit card revenue	127.4	109.3
Corporate payment products revenue	86.0	75.2
ATM processing services	36.9	30.9
Merchant processing services	127.3	133.6
Trust and investment management fees	230.3	224.3
Deposit service charges	168.7	155.7
Cash management fees	112.0	104.2
Commercial products revenue	104.2	122.2
Mortgage banking revenue	95.4	52.0
Trading account profits and commissions	60.9	49.9
Investment products fees and commissions	100.3	111.1
Investment banking revenue	37.6	53.2
Securities gains, net	140.7	44.1
Other	95.2	67.3
Total noninterest income	1,522.9	1,333.0
Noninterest Expense		
Salaries	601.8	588.3
Employee benefits	109.2	96.4
Net occupancy	102.2	100.1
Furniture and equipment	73.4	76.9
Capitalized software	37.3	38.4
Communication	51.2	45.7
Postage	45.4	46.6
Other intangible assets	235.1	80.2
Merger and restructuring-related charges	17.6	74.2
Other	300.9	296.1
Total noninterest expense	1,574.1	1,442.9
Income before income taxes and cumulative effect of change in accounting principles	1,389.3	1,216.4
Applicable income taxes	478.1	423.2
Income before cumulative effect of change in accounting principles	911.2	793.2
Cumulative effect of change in accounting principles	--	(37.2)
Net income	$911.2	$756.0
Earnings Per Share		
Income before cumulative effect of change in accounting principles	$.47	$.41
Cumulative effect of change in accounting principles	--	(.02)
Net income	$.47	$.39
Diluted Earnings Per Share		
Income before cumulative effect of change in accounting principles	$.47	$.41
Cumulative effect of change in accounting principles	--	(.02)
Net income	$.47	$.39
Dividends declared per share	$.205	$.195
Average common shares	1,919.0	1,919.8
Average diluted common shares	1,926.6	1,930.1

U.S. Bancorp

Consolidated Ending Balance Sheet

(Dollars in Millions)	March 31, 2003	December 31, 2002	March 31, 2002
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	$8,910	$10,758	$6,499
Money market investments	454	434	538
Trading securities	1,300	898	699
Investment securities			
Held-to-maturity	220	233	299
Available-for-sale	30,231	28,255	24,491
Loans held for sale	3,102	4,159	1,924
Loans			
Commercial	42,011	41,944	46,355
Commercial real estate	26,893	26,867	25,149
Residential mortgages	10,329	9,746	7,902
Retail	37,939	37,694	35,341
Total loans	117,172	116,251	114,747
Less allowance for credit losses	2,409	2,422	2,462
Net loans	114,763	113,829	112,285
Premises and equipment	1,655	1,697	1,737
Customers' liability on acceptances	140	140	118
Goodwill	6,332	6,325	5,427
Other intangible assets	2,181	2,321	1,998
Other assets	12,943	10,978	8,730
Total assets	$182,231	$180,027	$164,745
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	$34,459	$35,106	$28,146
Interest-bearing	68,881	68,214	65,020
Time deposits greater than $100,000	11,881	12,214	9,296
Total deposits	115,221	115,534	102,462
Short-term borrowings	6,576	7,806	10,644
Long-term debt	32,068	28,588	27,054
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	2,983	2,994	2,820
Acceptances outstanding	140	140	118
Other liabilities	6,723	6,864	5,755
Total liabilities	163,711	161,926	148,853
Shareholders' equity			
Common stock	20	20	20
Capital surplus	4,841	4,850	4,894
Retained earnings	14,236	13,719	12,306
Treasury stock	(1,222)	(1,272)	(1,322)
Other comprehensive income	645	784	(6)
Total shareholders' equity	18,520	18,101	15,892
Total liabilities and shareholders' equity	$182,231	$180,027	$164,745

Supplemental Analyst Schedules

1Q 2003

U.S. Bancorp

Income Statement Highlights

Financial Results and Ratios on an Operating Basis
(Excluding Merger and Restructuring-Related Items and Cumulative Effect of Change in Accounting Principles)

(Dollars in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2003	December 31, 2002	March 31, 2002	Percent Change v. March 31, 2003 December 31, 2002	March 31, 2002
Net interest income (taxable-equivalent basis)	$1,783.8	$1,775.0	$1,670.4	.5 %	6.8 %
Noninterest income	1,522.9	1,550.8	1,333.0	(1.8)	14.2
Total net revenue	3,306.7	3,325.8	3,003.4	(.6)	10.1
Noninterest expense	1,556.5	1,555.9	1,368.7	--	13.7
Operating income before merger and restructuring- related items and cumulative effect of change in accounting principles	1,750.2	1,769.9	1,634.7	(1.1)	7.1
Provision for credit losses	335.0	349.0	335.0	(4.0)	--
Income before taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,415.2	1,420.9	1,299.7	(.4)	8.9
Taxable-equivalent adjustment	8.3	9.2	9.1	(9.8)	(8.8)
Applicable income taxes	484.2	491.6	449.0	(1.5)	7.8
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	922.7	920.1	841.6	.3	9.6
Merger and restructuring-related items (after-tax)	(11.5)	(70.3)	(48.4)	(83.6)	(76.2)
Cumulative effect of change in accounting principles (after-tax)	--	--	(37.2)	--	*
Net income in accordance with GAAP	$911.2	$849.8	$756.0	7.2	20.5
Diluted earnings per share					
Earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$.48	$.48	$.44	--	9.1
Net income	.47	.44	.39	6.8	20.5
Financial Ratios					
Net interest margin**	4.56 %	4.63 %	4.62 %		
Interest yield on average loans **	6.41	6.60	6.89		
Rate paid on interest-bearing liabilities	1.83	2.05	2.40		
Return on average assets	2.04	2.05	2.03		
Return on average equity	20.3	20.4	21.1		
Efficiency ratio ***	49.2	48.3	46.3		
Tangible efficiency ratio ****	41.7	43.5	43.5		

* Not meaningful
** On a taxable-equivalent basis
*** 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
**** 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 and intangible amortization

U.S. Bancorp
Quarterly Consolidated Statement of Income - Operating Basis

Financial Results and Ratios on an Operating Basis
(Excluding Merger and Restructuring-Related Items and Cumulative Effect of Change in Accounting Principle

	Three Months Ended				
(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Net interest income (taxable-equivalent basis)	1,783.8	1,775.0	1,741.1	1,689.8	1,670.4
Noninterest Income					
Credit and debit card revenue	127.4	143.7	132.8	131.2	109.3
Corporate payment products revenue	86.0	80.4	87.6	82.5	75.2
ATM processing services	36.9	35.8	36.7	33.5	30.9
Merchant processing services	127.3	142.0	147.3	144.4	133.6
Trust and investment management fees	230.3	214.7	225.2	234.9	224.3
Deposit service charges	168.7	192.3	192.7	173.3	155.7
Cash management fees	112.0	102.6	105.8	104.3	104.2
Commercial products revenue	104.2	108.3	125.0	123.7	122.2
Mortgage banking revenue	95.4	88.4	111.8	78.0	52.0
Trading account profits and commissions	60.9	54.5	52.6	49.5	49.9
Investment products fees and commissions	100.3	105.4	105.0	107.4	111.1
Investment banking revenue	37.6	48.0	35.7	70.5	53.2
Securities gains, net	140.7	106.2	119.0	30.6	44.1
Other	95.2	128.5	88.4	80.0	67.3
Total noninterest income	1,522.9	1,550.8	1,565.6	1,443.8	1,333.0
Total net revenue	3,306.7	3,325.8	3,306.7	3,133.6	3,003.4
Noninterest Expense					
Salaries	601.8	607.3	606.0	607.6	588.3
Employee benefits	109.2	86.4	93.8	91.1	96.4
Net occupancy	102.2	104.2	103.2	101.8	100.1
Furniture and equipment	73.4	76.4	75.7	77.0	76.9
Capitalized software	37.3	35.2	36.8	37.7	38.4
Communication	51.2	47.4	46.6	44.1	45.7
Postage	45.4	43.1	44.3	44.4	46.6
Other intangible assets	235.1	156.7	211.4	104.7	80.2
Other	300.9	399.2	359.4	346.9	296.1
Total noninterest expense	1,556.5	1,555.9	1,577.2	1,455.3	1,368.7
Operating income before merger and restructuring-related items and cumulative effect of change in accounting principles	1,750.2	1,769.9	1,729.5	1,678.3	1,634.7
Provision for credit losses	335.0	349.0	330.0	335.0	335.0
Income before income taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,415.2	1,420.9	1,399.5	1,343.3	1,299.7
Taxable-equivalent adjustment	8.3	9.2	9.3	9.0	9.1
Applicable income taxes	484.2	491.6	484.0	464.5	449.0
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	922.7	920.1	906.2	869.8	841.6
Merger and restructuring-related items (after-tax)	(11.5)	(70.3)	(45.9)	(46.7)	(48.4)
Cumulative effect of change in accounting principles (after-tax)	--	--	--	--	(37.2)
Net income in accordance with GAAP	$911.2	$849.8	$860.3	$823.1	$756.0
Diluted Earnings Per Share					
Average diluted common shares	1,926.6	1,924.2	1,923.3	1,926.9	1,930.1
Diluted operating earnings per share	$.48	$.48	$.47	$.45	$.44
Financial Ratios					
Net interest margin*	4.56 %	4.63 %	4.61 %	4.59 %	4.62 %
Interest yield on average loans *	6.41	6.60	6.80	6.82	6.89
Rate paid on interest-bearing liabilities	1.83	2.05	2.26	2.32	2.40
Return on average assets	2.04	2.05	2.08	2.06	2.03
Return on average equity	20.3	20.4	20.8	21.2	21.1
Efficiency ratio **	49.2	48.3	49.5	46.9	46.3
Tangible efficiency ratio ***	41.7	43.5	42.8	43.5	43.5

* On a taxable-equivalent basis

** 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

*** 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 and intangible amortization

U.S. Bancorp

Quarterly Consolidated Statement of Income - GAAP Basis

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Interest Income					
Loans	$1,836.8	$1,913.6	$1,961.2	$1,936.9	$1,931.9
Loans held for sale	59.6	57.5	37.3	36.6	39.2
Investment securities					
Taxable	396.1	372.1	372.2	346.1	347.8
Non-taxable	8.9	10.3	10.9	11.7	13.2
Money market investments	4.0	1.8	3.3	2.2	3.3
Trading securities	8.0	9.8	9.7	9.4	8.2
Other interest income	29.3	30.4	25.4	32.7	19.0
Total interest income	2,342.7	2,395.5	2,420.0	2,375.6	2,362.6
Interest Expense					
Deposits	306.6	343.7	370.3	375.8	395.5
Short-term borrowings	43.4	45.8	56.4	68.3	78.9
Long-term debt	185.8	207.0	226.8	216.8	192.1
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	31.4	33.2	34.7	33.9	34.8
Total interest expense	567.2	629.7	688.2	694.8	701.3
Net interest income	1,775.5	1,765.8	1,731.8	1,680.8	1,661.3
Provision for credit losses	335.0	349.0	330.0	335.0	335.0
Net interest income after provision for credit losses	1,440.5	1,416.8	1,401.8	1,345.8	1,326.3
Noninterest Income					
Credit and debit card revenue	127.4	143.7	132.8	131.2	109.3
Corporate payment products revenue	86.0	80.4	87.6	82.5	75.2
ATM processing services	36.9	35.8	36.7	33.5	30.9
Merchant processing services	127.3	142.0	147.3	144.4	133.6
Trust and investment management fees	230.3	214.7	225.2	234.9	224.3
Deposit service charges	168.7	192.3	192.7	173.3	155.7
Cash management fees	112.0	102.6	105.8	104.3	104.2
Commercial products revenue	104.2	108.3	125.0	123.7	122.2
Mortgage banking revenue	95.4	88.4	111.8	78.0	52.0
Trading account profits and commissions	60.9	54.5	52.6	49.5	49.9
Investment products fees and commissions	100.3	105.4	105.0	107.4	111.1
Investment banking revenue	37.6	48.0	35.7	70.5	53.2
Securities gains, net	140.7	106.2	119.0	30.6	44.1
Other	95.2	128.5	88.4	80.0	67.3
Total noninterest income	1,522.9	1,550.8	1,565.6	1,443.8	1,333.0
Noninterest Expense					
Salaries	601.8	607.3	606.0	607.6	588.3
Employee benefits	109.2	86.4	93.8	91.1	96.4
Net occupancy	102.2	104.2	103.2	101.8	100.1
Furniture and equipment	73.4	76.4	75.7	77.0	76.9
Capitalized software	37.3	35.2	36.8	37.7	38.4
Communication	51.2	47.4	46.6	44.1	45.7
Postage	45.4	43.1	44.3	44.4	46.6
Other intangible assets	235.1	156.7	211.4	104.7	80.2
Merger and restructuring-related charges	17.6	107.9	70.4	71.6	74.2
Other	300.9	399.2	359.4	346.9	296.1
Total noninterest expense	1,574.1	1,663.8	1,647.6	1,526.9	1,442.9
Income before income taxes and cumulative effect of change in accounting principles	1,389.3	1,303.8	1,319.8	1,262.7	1,216.4
Applicable income taxes	478.1	454.0	459.5	439.6	423.2
Income before cumulative effect of change in accounting principles	911.2	849.8	860.3	823.1	793.2
Cumulative effect of change in accounting principles	--	--	--	--	(37.2)
Net income	$911.2	$849.8	$860.3	$823.1	$756.0
Earnings Per Share					
Income before cumulative effect of change in accounting principles	$.47	$.44	$.45	$.43	$.41
Cumulative effect of change in accounting principles	--	--	--	--	(.02)
Net income	$.47	$.44	$.45	$.43	$.39
Diluted Earnings Per Share					
Income before cumulative effect of change in accounting principles	$.47	$.44	$.45	$.43	$.41
Cumulative effect of change in accounting principles	--	--	--	--	(.02)
Net income	$.47	$.44	$.45	$.43	$.39
Dividends declared per share	$.205	$.195	$.195	$.195	$.195
Average common shares	1,919.0	1,916.2	1,915.0	1,913.2	1,919.8
Average diluted common shares	1,926.6	1,924.2	1,923.3	1,926.9	1,930.1

U.S. Bancorp

Reconciliation of Operating Earnings to Net Income in Accordance with GAAP

(Dollars in Millions, Except Per Share Data) (Unaudited)	Three Months Ended March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Operating earnings	$922.7	$920.1	$906.2	$869.8	$841.6
Merger and restructuring-related items					
Integration, conversion and other charges	(17.6)	(107.9)	(70.4)	(71.6)	(74.2)
Applicable tax benefit	6.1	37.6	24.5	24.9	25.8
Total merger and restructuring-related items (after-tax)	(11.5)	(70.3)	(45.9)	(46.7)	(48.4)
Cumulative effect of change in accounting principles (after-tax)	--	--	--	--	(37.2)
Net income in accordance with GAAP	$911.2	$849.8	$860.3	$823.1	$756.0
Diluted earnings per share					
Operating earnings	$.48	$.48	$.47	$.45	$.44
Merger and restructuring-related items (after-tax)	(.01)	(.04)	(.02)	(.02)	(.03)
Cumulative effect of change in accounting principles (after-tax)	--	--	--	--	(.02)
Net income in accordance with GAAP	$.47	$.44	$.45	$.43	$.39
Financial Ratios					
Return on average assets	2.01 %	1.90 %	1.97 %	1.95 %	1.83 %
Return on average equity	20.0	18.8	19.8	20.0	19.0
Efficiency ratio *	49.7	51.7	51.7	49.2	48.8
Financial Ratios Excluding Merger and Restructuring-Related Items and Cumulative Effect of Change in Accounting Principles					
Return on average assets	2.04 %	2.05 %	2.08 %	2.06 %	2.03 %
Return on average equity	20.3	20.4	20.8	21.2	21.1
Efficiency ratio *	49.2	48.3	49.5	46.9	46.3

* Computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses), ne

U.S. Bancorp analyzes its performance on a net income basis determined in accordance with accounting principles generally accepted in the United States, as well as on an operating basis before merger and restructuring-related items and cumulative effect of change in accounting principles, referred to as "operating earnings." Management believes that separately capturing merger and restructuring-related items in the income statement is important because each acquisition transaction is discrete, and the amount and nature of the non-recurring items can vary significantly from transaction to transaction. Moreover, merger and restructuring-related items are not incurred in connection with the core operations of the business and their separate disclosure provides more transparent financial information about the Company. Operating earnings are presented as supplementary information to enhance the reader's understanding of, and highlight trends in, the Company's core financial results by excluding the effects of discrete business acquisitions and restructuring activities. Operating earnings should not be viewed as a substitute for net income and earnings per share as determined in accordance with accounting principles generally accepted in the United States. Merger and restructuring-related items excluded from net income to derive operating earnings may be significant and not comparable to other companies.

U.S. Bancorp

Consolidated Quarterly Ending Balance Sheet

(Dollars in Millions)	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Assets	(Unaudited)		(Unaudited)	(Unaudited)	(Unaudited)
Cash and due from banks	$8,910	$10,758	$8,705	$7,531	$6,499
Money market investments	454	434	485	1,113	538
Trading securities	1,300	898	848	703	699
Investment securities					
Held-to-maturity	220	233	257	290	299
Available-for-sale	30,231	28,255	28,237	30,384	24,491
Loans held for sale	3,102	4,159	2,575	1,930	1,924
Loans					
Commercial	42,011	41,944	43,826	44,491	46,355
Commercial real estate	26,893	26,867	26,304	25,300	25,149
Residential mortgages	10,329	9,746	8,439	8,107	7,902
Retail	37,939	37,694	37,365	36,672	35,341
Total loans	117,172	116,251	115,934	114,570	114,747
Less allowance for credit losses	2,409	2,422	2,461	2,466	2,462
Net loans	114,763	113,829	113,473	112,104	112,285
Premises and equipment	1,655	1,697	1,706	1,718	1,737
Customers' liability on acceptances	140	140	132	157	118
Goodwill	6,332	6,325	5,442	5,442	5,427
Other intangible assets	2,181	2,321	2,077	2,176	1,998
Other assets	12,943	10,978	10,069	9,408	8,730
Total assets	$182,231	$180,027	$174,006	$172,956	$164,745
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	$34,459	$35,106	$32,189	$31,272	$28,146
Interest-bearing	68,881	68,214	63,639	63,172	65,020
Time deposits greater than $100,000	11,881	12,214	11,598	10,612	9,296
Total deposits	115,221	115,534	107,426	105,056	102,462
Short-term borrowings	6,576	7,806	7,499	9,156	10,644
Long-term debt	32,068	28,588	31,685	33,008	27,054
Company-obligated mandatorily redeemable preferred securities	2,983	2,994	2,975	2,894	2,820
Acceptances outstanding	140	140	132	157	118
Other liabilities	6,723	6,864	6,771	6,035	5,755
Total liabilities	163,711	161,926	156,488	156,306	148,853
Shareholders' equity					
Common stock	20	20	20	20	20
Capital surplus	4,841	4,850	4,870	4,875	4,894
Retained earnings	14,236	13,719	13,243	12,756	12,306
Treasury stock	(1,222)	(1,272)	(1,325)	(1,341)	(1,322)
Other comprehensive income	645	784	710	340	(6)
Total shareholders' equity	18,520	18,101	17,518	16,650	15,892
Total liabilities and shareholders' equity	$182,231	$180,027	$174,006	$172,956	$164,745

U.S. Bancorp

Consolidated Quarterly Average Balance Sheet

(Dollars in Millions) (Unaudited)	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Assets					
Money market investments	$578	$486	$683	$779	$713
Trading securities	936	901	915	1,022	904
Taxable securities	33,508	29,588	29,321	27,051	25,549
Non-taxable securities	712	811	898	965	1,077
Loans held for sale	4,041	3,796	2,264	2,142	2,354
Loans					
Commercial					
Commercial	36,340	36,882	37,673	38,826	39,641
Lease financing	5,251	5,413	5,543	5,601	5,740
Total commercial	41,591	42,295	43,216	44,427	45,381
Commercial real estate					
Commercial mortgages	20,241	20,056	19,312	18,783	18,682
Construction and development	6,542	6,587	6,506	6,446	6,504
Total commercial real estate	26,783	26,643	25,818	25,229	25,186
Residential mortgages	10,124	8,966	8,513	8,194	7,962
Retail					
Credit card	5,389	5,662	5,604	5,627	5,632
Retail leasing	5,750	5,626	5,543	5,337	5,042
Home equity and second mortgages	13,470	13,651	13,605	13,144	12,513
Other retail	13,205	12,564	12,365	12,059	11,992
Total retail	37,814	37,503	37,117	36,167	35,179
Total loans	116,312	115,407	114,664	114,017	113,708
Other earning assets	1,664	1,567	1,591	1,665	1,632
Total earning assets	157,751	152,556	150,336	147,641	145,937
Allowance for credit losses	(2,506)	(2,543)	(2,545)	(2,546)	(2,535)
Unrealized gain (loss) on available-for-sale securities	612	700	536	224	167
Other assets	27,820	26,965	24,740	23,828	24,203
Total assets	$183,677	$177,678	$173,067	$169,147	$167,772
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	$32,824	$31,220	$28,838	$27,267	$27,485
Interest-bearing deposits					
Interest checking	17,536	16,505	15,534	15,318	15,152
Money market accounts	28,683	27,238	24,512	24,384	24,797
Savings accounts	5,272	5,011	4,969	4,957	4,773
Time certificates of deposit less than $100,000	17,218	18,334	18,710	19,653	20,464
Time deposits greater than $100,000	14,282	12,709	12,349	10,871	9,341
Total interest-bearing deposits	82,991	79,797	76,074	75,183	74,527
Short-term borrowings	10,071	9,436	9,641	11,650	14,564
Long-term debt	29,703	29,660	32,089	30,152	26,450
Company-obligated mandatorily redeemable preferred securities	2,981	2,958	2,954	2,866	2,838
Total interest-bearing liabilities	125,746	121,851	120,758	119,851	118,379
Other liabilities	6,637	6,687	6,196	5,554	5,749
Shareholders' equity	18,470	17,920	17,275	16,475	16,159
Total liabilities and shareholders' equity	$183,677	$177,678	$173,067	$169,147	$167,772

U.S. Bancorp

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

(Dollars in Millions) (Unaudited)	March 31, 2003 Average Balances	March 31, 2003 Interest	March 31, 2003 Yields and Rates		March 31, 2002 Average Balances	March 31, 2002 Interest	March 31, 2002 Yields and Rates		% Change Average Balances	
Assets										
Money market investments	$578	$4.0	2.82	%	$713	$3.3	1.90	%	(18.9)	%
Trading securities	936	9.1	3.87		904	8.5	3.76		3.5	
Taxable securities	33,508	396.1	4.73		25,549	347.8	5.45		31.2	
Non-taxable securities	712	12.6	7.08		1,077	18.7	6.94		(33.9)	
Loans held for sale	4,041	59.6	5.90		2,354	39.2	6.65		71.7	
Loans (b)										
Commercial	41,591	588.5	5.72		45,381	670.2	6.01		(8.4)	
Commercial real estate	26,783	400.5	6.07		25,186	407.2	6.56		6.3	
Residential mortgages	10,124	162.2	6.44		7,962	143.8	7.26		27.2	
Retail	37,814	689.1	7.39		35,179	714.0	8.23		7.5	
Total loans	116,312	1,840.3	6.41		113,708	1,935.2	6.89		2.3	
Other earning assets	1,664	29.3	7.13		1,632	19.0	4.72		2.0	
Total earning assets	157,751	2,351.0	6.02		145,937	2,371.7	6.57		8.1	
Allowance for credit losses	(2,506)				(2,535)				(1.1)	
Unrealized gain (loss) on available-for-sale securities	612				167				*	
Other assets	27,820				24,203				14.9	
Total assets	$183,677				$167,772				9.5	
Liabilities and Shareholders' Equity										
Noninterest-bearing deposits	$32,824				$27,485				19.4	
Interest-bearing deposits										
Interest checking	17,536	22.5	.52		15,152	26.3	.70		15.7	
Money market accounts	28,683	75.5	1.07		24,797	75.6	1.24		15.7	
Savings accounts	5,272	5.3	.41		4,773	6.5	.55		10.5	
Time certificates of deposit less than $100,000	17,218	133.2	3.14		20,464	214.4	4.25		(15.9)	
Time deposits greater than $100,000	14,282	70.1	1.99		9,341	72.7	3.16		52.9	
Total interest-bearing deposits	82,991	306.6	1.50		74,527	395.5	2.15		11.4	
Short-term borrowings	10,071	43.4	1.75		14,564	78.9	2.20		(30.9)	
Long-term debt	29,703	185.8	2.53		26,450	192.1	2.94		12.3	
Company-obligated mandatorily redeemable preferred securities	2,981	31.4	4.21		2,838	34.8	4.98		5.0	
Total interest-bearing liabilities	125,746	567.2	1.83		118,379	701.3	2.40		6.2	
Other liabilities	6,637				5,749				15.4	
Shareholders' equity	18,470				16,159				14.3	
Total liabilities and shareholders' equity	$183,677				$167,772				9.5	%
Net interest income		$1,783.8				$1,670.4				
Gross interest margin			4.19	%			4.17	%		
Gross interest margin without taxable-equivalent increments			4.17				4.14			
Percent of Earning Assets										
Interest income			6.02	%			6.57	%		
Interest expense			1.46				1.95			
Net interest margin			4.56				4.62			
Net interest margin without taxable-equivalent increments			4.54	%			4.59	%		

(a) Interest and rates are presented on a fully taxable-equivalent basis under a tax rate of 35 percent.
(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.
* Not meaningful

U.S. Bancorp

Consolidated Daily Average Balance Sheet and Related Yields and Rates (a)

	For the Three Months Ended						
	March 31, 2003			December 31, 2002			
(Dollars in Millions) (Unaudited)	Average Balances	Interest	Yields and Rates	Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Money market investments	$578	$4.0	2.82 %	$486	$1.8	1.51 %	18.9 %
Trading securities	936	9.1	3.87	901	11.3	5.05	3.9
Taxable securities	33,508	396.1	4.73	29,588	372.1	5.03	13.2
Non-taxable securities	712	12.6	7.08	811	14.6	7.21	(12.2)
Loans held for sale	4,041	59.6	5.90	3,796	57.5	6.06	6.5
Loans (b)							
Commercial	41,591	588.5	5.72	42,295	619.5	5.82	(1.7)
Commercial real estate	26,783	400.5	6.07	26,643	413.5	6.16	.5
Residential mortgages	10,124	162.2	6.44	8,966	153.8	6.84	12.9
Retail	37,814	689.1	7.39	37,503	730.2	7.72	.8
Total loans	116,312	1,840.3	6.41	115,407	1,917.0	6.60	.8
Other earning assets	1,664	29.3	7.13	1,567	30.4	7.68	6.2
Total earning assets	157,751	2,351.0	6.02	152,556	2,404.7	6.27	3.4
Allowance for credit losses	(2,506)			(2,543)			(1.5)
Unrealized gain (loss) on available-for-sale securities	612			700			(12.6)
Other assets	27,820			26,965			3.2
Total assets	$183,677			$177,678			3.4
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$32,824			$31,220			5.1
Interest-bearing deposits							
Interest checking	17,536	22.5	.52	16,505	24.8	.60	6.2
Money market accounts	28,683	75.5	1.07	27,238	80.4	1.17	5.3
Savings accounts	5,272	5.3	.41	5,011	5.4	.43	5.2
Time certificates of deposit less than $100,000	17,218	133.2	3.14	18,334	159.2	3.44	(6.1)
Time deposits greater than $100,000	14,282	70.1	1.99	12,709	73.9	2.31	12.4
Total interest-bearing deposits	82,991	306.6	1.50	79,797	343.7	1.71	4.0
Short-term borrowings	10,071	43.4	1.75	9,436	45.8	1.92	6.7
Long-term debt	29,703	185.8	2.53	29,660	207.0	2.77	.1
Company-obligated mandatorily redeemable preferred securities	2,981	31.4	4.21	2,958	33.2	4.50	.8
Total interest-bearing liabilities	125,746	567.2	1.83	121,851	629.7	2.05	3.2
Other liabilities	6,637			6,687			(.7)
Shareholders' equity	18,470			17,920			3.1
Total liabilities and shareholders' equity	$183,677			$177,678			3.4 %
Net interest income		$1,783.8			$1,775.0		
Gross interest margin			4.19 %			4.22 %	
Gross interest margin without taxable-equivalent increments			4.17			4.20	
Percent of Earning Assets							
Interest income			6.02 %			6.27 %	
Interest expense			1.46			1.64	
Net interest margin			4.56			4.63	
Net interest margin without taxable-equivalent increments			4.54 %			4.61 %	

(a) Interest and rates are presented on a fully taxable-equivalent basis under a tax rate of 35 percent.
(b) Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.

U.S. Bancorp

Loan Portfolio

(Dollars in Millions) (Unaudited)	March 31, 2003 Amount	March 31, 2003 Percent of Total	December 31, 2002 Amount	December 31, 2002 Percent of Total	September 30, 2002 Amount	September 30, 2002 Percent of Total	June 30, 2002 Amount	June 30, 2002 Percent of Total	March 31, 2002 Amount	March 31, 2002 Percent of Total
Commercial										
Commercial	$36,820	31.4 %	$36,584	31.5 %	$38,330	33.1 %	$38,889	33.9 %	$40,679	35.5 %
Lease financing	5,191	4.4	5,360	4.6	5,496	4.7	5,602	4.9	5,676	4.9
Total commercial	42,011	35.8	41,944	36.1	43,826	37.8	44,491	38.8	46,355	40.4
Commercial real estate										
Commercial mortgages	20,275	17.3	20,325	17.5	19,774	17.1	18,875	16.5	18,776	16.4
Construction and development	6,618	5.7	6,542	5.6	6,530	5.6	6,425	5.6	6,373	5.5
Total commercial real estate	26,893	23.0	26,867	23.1	26,304	22.7	25,300	22.1	25,149	21.9
Residential mortgages	10,329	8.8	9,746	8.4	8,439	7.3	8,107	7.1	7,902	6.9
Retail										
Credit card	5,502	4.7	5,665	4.9	5,608	4.8	5,699	5.0	5,437	4.7
Retail leasing	5,759	4.9	5,680	4.9	5,575	4.8	5,466	4.8	5,187	4.5
Home equity and second mortgages	13,347	11.4	13,572	11.6	13,668	11.8	13,434	11.7	12,777	11.2
Other retail										
Revolving credit	2,576	2.2	2,650	2.3	2,708	2.3	2,638	2.3	2,600	2.3
Installment	2,146	1.8	2,258	1.9	2,336	2.0	2,259	2.0	2,219	1.9
Automobile	6,947	6.0	6,343	5.5	5,991	5.2	5,811	5.1	5,714	5.0
Student	1,662	1.4	1,526	1.3	1,479	1.3	1,365	1.1	1,407	1.2
Total other retail	13,331	11.4	12,777	11.0	12,514	10.8	12,073	10.5	11,940	10.4
Total retail	37,939	32.4	37,694	32.4	37,365	32.2	36,672	32.0	35,341	30.8
Total loans	$117,172	100.0 %	$116,251	100.0 %	$115,934	100.0 %	$114,570	100.0 %	$114,747	100.0 %

U.S. Bancorp
Supplemental Financial Data

(Dollars in Millions, Except Per Share Data) (Unaudited)	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Ending shares outstanding (in millions)	1,919.0	1,917.0	1,914.7	1,914.2	1,915.1
Book value per share	$9.65	$9.44	$9.15	$8.70	$8.30
Book value of intangibles					
Goodwill	$6,332	$6,325	$5,442	$5,442	$5,427
Merchant processing contracts	567	596	630	649	652
Core deposit benefits	483	505	471	490	510
Mortgage servicing rights	582	642	609	656	449
Trust relationships	351	371	154	159	164
Other identified intangibles	198	207	213	222	223
Total intangibles	$8,513	$8,646	$7,519	$7,618	$7,425

	Three Months Ended				
	March 31, 2003	December 31, 2002	September 30, 2002	June 30, 2002	March 31, 2002
Gross charge-offs	$392.6	$432.2	$379.8	$393.0	$385.7
Gross recoveries	$58.8	$53.7	$50.8	$62.5	$50.7
Amortization of intangibles					
Merchant processing contracts	$32.2	$36.7	$34.0	$32.6	$31.8
Core deposit benefits	22.1	21.7	19.4	19.8	20.0
Mortgage servicing rights	156.7	84.2	143.7	38.1	14.1
Trust relationships	13.2	4.8	4.8	4.9	4.8
Other identified intangibles	10.9	9.3	9.5	9.3	9.5
Total intangibles	$235.1	$156.7	$211.4	$104.7	$80.2
Mortgage banking revenue					
Origination and sales	$39.1	$38.8	$64.3	$29.9	$25.3
Loan servicing	55.5	49.6	46.6	42.2	26.7
Gain (loss) on sale of servicing rights	.8	--	.9	5.9	--
Total mortgage banking revenue	$95.4	$88.4	$111.8	$78.0	$52.0
Mortgage production volume	$7,972	$8,867	$5,882	$4,220	$4,205
Mortgages serviced for others	$47,262	$43,129	$39,413	$37,114	$25,404

The fair value of mortgage servicing rights and its sensitivity to changes in interest rates is influenced by the mix of the servicing portfolio and characteristics of each segment of the portfolio. In the current interest rate environment, mortgage loans originated as part of government agency and state loan programs tend to experience slower prepayment speeds and better cashflows than conventional mortgage loans. A summary of the Company's mortgage servicing rights and related characteristics by segment as of March 31, 2003, is as follows:

	U.S. Bank Home Mortgage		Leader	
(Dollars in Millions)	Conventional	Government	Mortgage	Total
Servicing portfolio	$29,602	$8,671	$8,989	$47,262
Fair market value	$297	$119	$166	$582
Value (bps)	100	137	185	123
Weighted-average servicing fees (bps)	36	49	45	40
Multiple (value/servicing fees)	2.78	2.80	4.11	3.08
Weighted-average note rate	6.34%	6.99%	6.74%	6.54%
Age (in years)	1.5	2.3	3.2	2.0
Expected life (in years)	3.7	3.6	6.2	4.2
Discount rate	9.2%	11.2%	9.9%	9.7%

The Company's servicing portfolio is made up of two very distinct portfolios: The Leader Mortgage Co. (a wholly-owned subsidiary) and U.S. Bank Home Mortgage.

The Leader Mortgage Co. specializes in servicing loans made under state and local housing authority programs. These programs specialize in mortgages to low and moderate income borrowers and are generally under government insured programs with down payment or closing cost assistance. As a result of the slower prepayment characteristics of the state loan programs, the Leader portfolio has a longer expected life relative to other servicing portfolios.

The U.S. Bank Home Mortgage portfolio is predominantly comprised of fixed rate Agency (FNMA, FHLMC, GNMA, FHLB and various housing agencies) servicing with limited adjustable rate or Jumbo mortgage servicing.

U.S. Bancorp

Line of Business Financial Performance *

For the Three Months Ended (Dollars in Millions)	Wholesale Banking Mar 31, 2003	Wholesale Banking Mar 31, 2002	Wholesale Banking Percent Change	Consumer Banking Mar 31, 2003	Consumer Banking Mar 31, 2002	Consumer Banking Percent Change	Private Client, Trust and Asset Management Mar 31, 2003	Private Client, Trust and Asset Management Mar 31, 2002	Private Client, Trust and Asset Management Percent Change	Payment Services Mar 31, 2003	Payment Services Mar 31, 2002	Payment Services Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	$507.8	$484.3	4.9 %	$849.7	$782.8	8.5 %	$90.1	$78.5	14.8 %	$168.7	$170.2	(.9) %
Noninterest income	198.3	181.2	9.4	456.6	298.0	53.2	225.6	222.5	1.4	392.7	364.6	7.7
Total net revenue	706.1	665.5	6.1	1,306.3	1,080.8	20.9	315.7	301.0	4.9	561.4	534.8	5.0
Noninterest expense	97.3	92.0	5.8	420.5	419.3	.3	115.6	111.9	3.3	147.6	162.8	(9.3)
Other intangible amortization	4.9	5.2	(5.8)	173.5	28.5	**	16.5	7.6	**	38.7	38.6	.3
Total noninterest expense	102.2	97.2	5.1	594.0	447.8	32.6	132.1	119.5	10.5	186.3	201.4	(7.5)
Operating income	603.9	568.3	6.3	712.3	633.0	12.5	183.6	181.5	1.2	375.1	333.4	12.5
Provision for credit losses	118.5	(40.0)	**	112.1	120.3	(6.8)	.4	3.7	(89.2)	107.4	114.7	(6.4)
Income before income taxes	485.4	608.3	(20.2)	600.2	512.7	17.1	183.2	177.8	3.0	267.7	218.7	22.4
Income taxes and taxable-equivalent adjustment	176.6	221.4	(20.2)	218.4	186.6	17.0	66.7	64.7	3.1	97.4	79.6	22.4
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$308.8	$386.9	(20.2)	$381.8	$326.1	17.1	$116.5	$113.1	3.0	$170.3	$139.1	22.4
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	$46,827	$48,907	(4.3)	$54,293	$49,723	9.2	$4,792	$4,555	5.2	$9,767	$10,021	(2.5)
Goodwill	1,334	1,380	(3.3)	2,138	1,698	25.9	738	287	**	1,812	1,821	(.5)
Other intangible assets	114	135	(15.6)	979	784	24.9	427	233	83.3	702	799	(12.1)
Assets	53,918	55,686	(3.2)	64,420	58,127	10.8	6,554	5,798	13.0	13,288	13,234	.4
Noninterest-bearing deposits	16,159	12,235	32.1	13,428	12,436	8.0	2,719	2,316	17.4	416	265	57.0
Interest-bearing deposits	10,994	7,077	55.3	59,390	59,100	.5	5,349	4,741	12.8	9	7	28.6
Total deposits	27,153	19,312	40.6	72,818	71,536	1.8	8,068	7,057	14.3	425	272	56.3
Shareholders' equity	5,299	5,298	--	5,458	4,477	21.9	2,083	1,346	54.8	3,151	3,183	(1.0)

For the Three Months Ended (Dollars in Millions)	Capital Markets Mar 31, 2003	Capital Markets Mar 31, 2002	Capital Markets Percent Change	Treasury and Corporate Support Mar 31, 2003	Treasury and Corporate Support Mar 31, 2002	Treasury and Corporate Support Percent Change	Consolidated Company Mar 31, 2003	Consolidated Company Mar 31, 2002	Consolidated Company Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$6.3	$7.8	(19.2) %	$161.2	$146.8	9.8 %	$1,783.8	$1,670.4	6.8 %
Noninterest income	164.1	171.2	(4.1)	85.6	95.5	(10.4)	1,522.9	1,333.0	14.2
Total net revenue	170.4	179.0	(4.8)	246.8	242.3	1.9	3,306.7	3,003.4	10.1
Noninterest expense	163.2	162.8	.2	377.2	339.7	11.0	1,321.4	1,288.5	2.6
Other intangible amortization	--	--	--	1.5	.3	**	235.1	80.2	**
Total noninterest expense	163.2	162.8	.2	378.7	340.0	11.4	1,556.5	1,368.7	13.7
Operating income	7.2	16.2	(55.6)	(131.9)	(97.7)	(35.0)	1,750.2	1,634.7	7.1
Provision for credit losses	--	--	--	(3.4)	136.3	**	335.0	335.0	--
Income before income taxes	7.2	16.2	(55.6)	(128.5)	(234.0)	45.1	1,415.2	1,299.7	8.9
Income taxes and taxable-equivalent adjustment	2.6	5.9	(55.9)	(69.2)	(100.1)	30.9	492.5	458.1	7.5
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$4.6	$10.3	(55.3)	$(59.3)	$(133.9)	55.7	922.7	841.6	9.6
Merger and restructuring-related items (after-tax)							(11.5)	(48.4)	
Cumulative effect of change in accounting principles							--	(37.2)	
Net income							$911.2	$756.0	
Average Balance Sheet Data									
Loans	$117	$227	(48.5)	$516	$275	87.6	$116,312	$113,708	2.3
Goodwill	306	306	--	--	--	--	6,328	5,492	15.2
Other intangible assets	--	--	--	49	6	**	2,271	1,957	16.0
Assets	2,506	3,156	(20.6)	42,991	31,771	35.3	183,677	167,772	9.5
Noninterest-bearing deposits	70	214	(67.3)	32	19	68.4	32,824	27,485	19.4
Interest-bearing deposits	--	--	--	7,249	3,602	**	82,991	74,527	11.4
Total deposits	70	214	(67.3)	7,281	3,621	**	115,815	102,012	13.5
Shareholders' equity	624	636	(1.9)	1,855	1,219	52.2	18,470	16,159	14.3

*Preliminary data

**Not meaningful

U.S. Bancorp

Line of Business Financial Performance *

For the Three Months Ended (Dollars in Millions)	Wholesale Banking Mar 31, 2003	Wholesale Banking Dec 31, 2002	Wholesale Banking Percent Change	Consumer Banking Mar 31, 2003	Consumer Banking Dec 31, 2002	Consumer Banking Percent Change	Private Client, Trust and Asset Management Mar 31, 2003	Private Client, Trust and Asset Management Dec 31, 2002	Private Client, Trust and Asset Management Percent Change	Payment Services Mar 31, 2003	Payment Services Dec 31, 2002	Payment Services Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	$507.8	$507.6	-- %	$849.7	$863.1	(1.6) %	$90.1	$80.7	11.6 %	$168.7	$182.2	(7.4) %
Noninterest income	198.3	174.8	13.4	456.6	392.3	16.4	225.6	209.8	7.5	392.7	463.8	(15.3)
Total net revenue	706.1	682.4	3.5	1,306.3	1,255.4	4.1	315.7	290.5	8.7	561.4	646.0	(13.1)
Noninterest expense	97.3	98.1	(.8)	420.5	445.1	(5.5)	115.6	104.7	10.4	147.6	156.0	(5.4)
Other intangible amortization	4.9	5.1	(3.9)	173.5	100.4	72.8	16.5	7.8	**	38.7	43.1	(10.2)
Total noninterest expense	102.2	103.2	(1.0)	594.0	545.5	8.9	132.1	112.5	17.4	186.3	199.1	(6.4)
Operating income	603.9	579.2	4.3	712.3	709.9	.3	183.6	178.0	3.1	375.1	446.9	(16.1)
Provision for credit losses	118.5	115.3	2.8	112.1	117.2	(4.4)	.4	6.0	(93.3)	107.4	103.8	3.5
Income before income taxes	485.4	463.9	4.6	600.2	592.7	1.3	183.2	172.0	6.5	267.7	343.1	(22.0)
Income taxes and taxable-equivalent adjustment	176.6	168.8	4.6	218.4	215.7	1.3	66.7	62.6	6.5	97.4	124.9	(22.0)
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$308.8	$295.1	4.6	$381.8	$377.0	1.3	$116.5	$109.4	6.5	$170.3	$218.2	(22.0)
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	$46,827	$47,227	(.8)	$54,293	$52,360	3.7	$4,792	$4,805	(.3)	$9,767	$10,207	(4.3)
Goodwill	1,334	1,315	1.4	2,138	2,006	6.6	738	296	**	1,812	1,812	--
Other intangible assets	114	119	(4.2)	979	1,000	(2.1)	427	219	95.0	702	740	(5.1)
Assets	53,918	53,970	--	64,420	61,959	4.0	6,554	5,796	13.1	13,288	13,771	(3.5)
Noninterest-bearing deposits	16,159	14,544	11.1	13,428	13,694	(1.9)	2,719	2,414	12.6	416	289	43.9
Interest-bearing deposits	10,994	10,137	8.5	59,390	58,929	.8	5,349	4,851	10.3	9	8	12.5
Total deposits	27,153	24,681	10.0	72,818	72,623	.3	8,068	7,265	11.1	425	297	43.1
Shareholders' equity	5,299	5,480	(3.3)	5,458	5,411	.9	2,083	1,336	55.9	3,151	3,258	(3.3)

For the Three Months Ended (Dollars in Millions)	Capital Markets Mar 31, 2003	Capital Markets Dec 31, 2002	Capital Markets Percent Change	Treasury and Corporate Support Mar 31, 2003	Treasury and Corporate Support Dec 31, 2002	Treasury and Corporate Support Percent Change	Consolidated Company Mar 31, 2003	Consolidated Company Dec 31, 2002	Consolidated Company Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$6.3	$9.3	(32.3) %	$161.2	$132.1	22.0 %	$1,783.8	$1,775.0	.5 %
Noninterest income	164.1	175.8	(6.7)	85.6	134.3	(36.3)	1,522.9	1,550.8	(1.8)
Total net revenue	170.4	185.1	(7.9)	246.8	266.4	(7.4)	3,306.7	3,325.8	(.6)
Noninterest expense	163.2	221.3	(26.3)	377.2	374.0	.9	1,321.4	1,399.2	(5.6)
Other intangible amortization	--	--	--	1.5	.3	**	235.1	156.7	50.0
Total noninterest expense	163.2	221.3	(26.3)	378.7	374.3	1.2	1,556.5	1,555.9	--
Operating income	7.2	(36.2)	**	(131.9)	(107.9)	(22.2)	1,750.2	1,769.9	(1.1)
Provision for credit losses	--	--	--	(3.4)	6.7	**	335.0	349.0	(4.0)
Income before income taxes	7.2	(36.2)	**	(128.5)	(114.6)	(12.1)	1,415.2	1,420.9	(.4)
Income taxes and taxable-equivalent adjustment	2.6	(13.2)	**	(69.2)	(58.0)	(19.3)	492.5	500.8	(1.7)
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$4.6	$(23.0)	**	$(59.3)	$(56.6)	(4.8)	922.7	920.1	.3
Merger and restructuring-related items (after-tax)							(11.5)	(70.3)	
Cumulative effect of change in accounting principles							--	--	
Net income							$911.2	$849.8	
Average Balance Sheet Data									
Loans	$117	$237	(50.6)	$516	$571	(9.6)	$116,312	$115,407	.8
Goodwill	306	306	--	--	--	--	6,328	5,735	10.3
Other intangible assets	--	--	--	49	19	**	2,271	2,097	8.3
Assets	2,506	2,884	(13.1)	42,991	39,298	9.4	183,677	177,678	3.4
Noninterest-bearing deposits	70	241	(71.0)	32	38	(15.8)	32,824	31,220	5.1
Interest-bearing deposits	--	--	--	7,249	5,872	23.5	82,991	79,797	4.0
Total deposits	70	241	(71.0)	7,281	5,910	23.2	115,815	111,017	4.3
Shareholders' equity	624	656	(4.9)	1,855	1,779	4.3	18,470	17,920	3.1

*Preliminary data

**Not meaningful