News Release

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U.S. BANCORP REPORTS RECORD QUARTERLY EARNINGS

EARNINGS SUMMARY **Table 1**

($ in millions, except per-share data)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Before merger and restructuring-related items and cumulative effect of change in accounting principles*:								
Operating earnings	$906.2	$869.8	$149.7	4.2	nm	$2,617.6	$1,765.6	48.3
Earnings per common share (diluted)	0.47	0.45	0.08	4.4	nm	1.36	0.91	49.5
Return on average common equity(%)	20.8	21.2	3.5			21.0	14.7	
Return on average assets (%)	2.08	2.06	0.35			2.06	1.43	
Efficiency ratio (%)	49.4	46.8	49.5			47.5	49.2	
Net income	860.3	823.1	38.7	4.5	nm	2,439.4	1,011.1	nm
Earnings per common share (diluted)	0.45	0.43	0.02	4.7	nm	1.27	0.52	nm
Dividends declared per common share	0.195	0.195	0.1875	--	4.0	0.585	0.5625	4.0
Book value per common share (period-end)	9.15	8.70	8.54	5.2	7.1			
Net interest margin (%)	4.61	4.59	4.40			4.60	4.37	

* merger and restructuring-related items, net of taxes, totaled $(45.9) million in 3Q02; $(46.7) million in 2Q02, $(111.0) million in 3Q01, $(141.0) year-to-date 2002, and $(754.5) year-to-date 2001; cumulative effect of change in accounting principles totaled $(37.2) million in 1Q02 and year-to-date.

MINNEAPOLIS, October 15, 2002 – U.S. Bancorp (NYSE: USB) today reported operating earnings of $906.2 million for the third quarter of 2002, compared with $149.7 million for the third quarter of 2001. Operating earnings of $.47 per diluted share in the third quarter of 2002 were higher than the same period of 2001 by $.39. Return on average common equity and return on average assets, excluding merger and restructuring-related items, were 20.8 percent and 2.08 percent, respectively, in the third quarter of 2002, compared with returns of 3.5 percent and .35 percent in the third quarter of 2001.

Including after-tax merger and restructuring-related items of $(45.9) million in the third quarter of 2002 and $(111.0) million in the third quarter of 2001, the Company recorded net income for the third quarter of 2002 of $860.3 million, or $.45 per diluted share, compared with $38.7 million, or $.02 per diluted share, for the same period of 2001.

The Company's results for the third quarter of 2002 improved significantly over the same period of 2001, primarily due to credit-related actions taken in the third quarter of 2001 that included an incremental provision for credit losses of $1,025 million, and strong core revenue growth year-over-year given the current economic conditions. Notable items in the current quarter included gains on the sale of securities of $119.0 million, an increase of $59.2 million over the third quarter of 2001, offset by the recognition of $117.7 million of mortgage servicing rights ("MSR") impairment, an increase of $93.0 million over the third quarter of 2001.

U.S. Bancorp President and Chief Executive Officer Jerry A. Grundhofer said, "I am very proud of the results our Company achieved this quarter, as well as what we have been able to accomplish during the entire past twelve months. For the second straight quarter annualized linked quarter revenue achieved double-digit growth rates. Not only have we been able to grow revenue and net income in a challenging economic environment, we have now completed the major systems integration process that brought the customer relationship and services of the "old" U.S. Bancorp and Firstar Corporation together onto a single set of systems and operating platforms. Core revenue grew by 7.4 percent in the third quarter of 2002 over the third quarter of 2001 and 11.0 percent on an annualized basis over the second quarter of 2002. We achieved this growth despite weak capital markets activity and loan demand, and while many of our employees were dedicated to our integration efforts. Simultaneously, we have improved and enhanced our customer service across our combined 24-state footprint. We have now laid the groundwork. I am very excited about the future of our newly integrated company and our ability to grow and prosper for the benefit of our customers, communities and shareholders, as we bring the full force of our employees, products, services and Five Star Service Guarantee to the markets in which we do business.

On a very sad note, our Company was struck by tragedy on September 26th, as a robbery at the U.S. Bank branch in Norfolk, Nebraska resulted in the deaths of four U.S. Bank employees and one customer. Our deepest sympathies and condolences go out to the families and friends of the victims and the community of Norfolk. We have permanently closed the branch location where this senseless tragedy occurred."

Total net revenue on a taxable-equivalent basis for the third quarter of 2002 grew by $371.3 million (12.7 percent) over the third quarter of 2001, despite the impact of portfolio sales in late 2001 and adverse capital markets. This growth was primarily due to improvement in the net interest income, mortgage banking activities, gains on the sale of securities, core banking growth, and acquisitions. Excluding the impact of acquisitions and securities gains, revenue growth was 7.4 percent relative to the third quarter of 2001.

Total noninterest expense, before merger and restructuring-related items, increased over the third quarter of 2001 by $151.2 million (10.7 percent), primarily reflecting the impact of MSR impairment, acquisitions, and core banking growth, partially offset by the impact of adopting new accounting standards related to business combinations and the amortization of intangibles.

Provision for credit losses, before merger and restructuring-related items, for the third quarter of 2002 decreased by $945.0 million from the third quarter of 2001, primarily reflecting actions taken in the third quarter of 2001. The Company's results in the third quarter of 2001 included an incremental provision for credit losses of $1,025 million reflecting management's expectation at the time of a prolonged economic slowdown and recovery.

Net charge-offs in the third quarter of 2002 were $329.0 million, compared with the second quarter of 2002 net charge-offs of $330.5 million and third quarter of 2001 net charge-offs of $563.3 million. Net charge-offs in the third quarter of 2002 reflected continuing weakness in the communications, transportation and manufacturing sectors, as well as the impact of the economy on highly leveraged enterprise value financings. Higher net charge-offs in the third quarter of 2001 included $313.2 million of charge-offs related to specific credit initiatives taken in response to events of a year ago and the expected impact to certain industries. Nonperforming assets increased from $1,147.7 million at June 30, 2002, to $1,344.4 million at September 30, 2002, principally due to the Company's exposure to certain communications, cable, manufacturing, and highly leveraged enterprise value financings. The ratio of allowance for credit losses to nonperforming loans was 204 percent at September 30, 2002, compared with 241 percent at June 30, 2002, and 243 percent at September 30, 2001.

During the first quarter of 2002, the Company fully adopted new accounting standards with respect to accounting for business combinations (SFAS 141) and goodwill and other intangible assets (SFAS 142). Accordingly goodwill is no longer amortized as an expense and the Company reclassified certain intangibles and reassessed the impact of the standard on amortization methods and estimated lives of other intangibles. Additionally, the Company recognized an after-tax goodwill impairment charge of $37.2 million in the first quarter of 2002, 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.

(MORE)

On July 22, 2002, the Company announced that it had entered into an agreement to purchase 57 branches in California from Bay View Bank, a wholly-owned subsidiary of Bay View Capital Corporation (NYSE:BVC), in a cash transaction. The acquisition includes approximately $3 billion in retail and small business deposits and $376 million in selected loans. The transaction is expected to close in the fourth quarter of 2002.

On August 13, 2002, the Company announced that it had entered into an agreement to acquire the corporate trust business of State Street Bank and Trust Company. As a result of this transaction, U.S. Bank's corporate trust division will acquire approximately 20,000 new client issuances, 365,000 bondholders and $689 billion in assets under administration with deposits of $2.6 billion. The transaction is subject to certain regulatory approvals and is expected to close in the fourth quarter of 2002.

(MORE)

INCOME STATEMENT HIGHLIGHTS								Table 2
(Taxable-equivalent basis, $ in millions, except per-share data)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Net interest income	$1,741.1	$1,689.8	$1,609.7	3.0	8.2	$5,101.3	$4,748.8	7.4
Noninterest income*	1,558.3	1,437.3	1,318.4	8.4	18.2	4,322.5	4,004.7	7.9
Total net revenue	3,299.4	3,127.1	2,928.1	5.5	12.7	9,423.8	8,753.5	7.7
Noninterest expense*	1,569.9	1,448.8	1,418.7	8.4	10.7	4,381.3	4,154.9	5.4
Operating income before merger and restructuring-related items and cumulative effect of change in accounting principles	1,729.5	1,678.3	1,509.4	3.1	14.6	5,042.5	4,598.6	9.7
Provision for credit losses*	330.0	335.0	1,275.0	(1.5)	(74.1)	1,000.0	1,880.8	(46.8)
Income before taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,399.5	1,343.3	234.4	4.2	nm	4,042.5	2,717.8	48.7
Taxable-equivalent adjustment	9.3	9.0	10.7	3.3	(13.1)	27.4	46.0	(40.4)
Income taxes*	484.0	464.5	74.0	4.2	nm	1,397.5	906.2	54.2
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	906.2	869.8	149.7	4.2	nm	2,617.6	1,765.6	48.3
Merger and restructuring-related items (after-tax)	(45.9)	(46.7)	(111.0)	(1.7)	nm	(141.0)	(754.5)	nm
Cumulative effect of change in accounting principles (after-tax)	--	--	--	nm	nm	(37.2)	--	nm
Net income	$860.3	$823.1	$38.7	4.5	nm	$2,439.4	$1,011.1	nm
Per diluted common share:								
Earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$0.47	$0.45	$0.08	4.4	nm	$1.36	$0.91	49.5
Net income	$0.45	$0.43	$0.02	4.7	nm	$1.27	$0.52	nm

* before effect of merger and restructuring-related items and cumulative effect of change in accounting principles

Net Interest Income

Third quarter net interest income on a taxable-equivalent basis was $1,741.1 million, compared with $1,609.7 million recorded in the third quarter of 2001. Average earning assets for the period increased over the third quarter of 2001 by $4.5 billion (3.1 percent), primarily driven by increases in the investment portfolio and retail loan growth, partially offset by transfers of high credit quality, low margin commercial loans to Stellar Funding Group, Inc. (the "loan conduit"), and a decline in commercial and commercial real estate loans given the current economy. The net interest margin in the third quarter of 2002 was 4.61 percent, compared with 4.59 percent in the second quarter of 2002 and 4.40 percent in the third quarter of 2001. The improvement in the net interest margin in the third quarter of 2002 over the third quarter of 2001 reflected the funding benefits of the declining interest rate environment, a more favorable funding mix and improving spreads due to product repricing dynamics, a shift in mix toward retail loans, and loan conduit transfers, partially offset by lower yields on the investment portfolio. The improvement in net interest margin in the third quarter of 2002 over the second quarter of 2002 reflected higher loan fees, net free funds and interest recoveries, partially offset by higher investment security balances at lower spreads. The Company expects the net interest margin to decline modestly in the fourth quarter of 2002 primarily due to declining yields on the investment portfolio. Net interest income on a taxable-equivalent basis in the third quarter of 2002 was higher than the second quarter of 2002, primarily due to a $2.7 billion increase in average earning assets, driven by investment securities activities, growth in retail loans and day basis, the latter of which totaled $11.8 million, offset somewhat by a shift in funding mix toward longer-term fixed-rate funding sources. Based on interest rate sensitivity analysis, the interest rate position of the Company was relatively neutral at September 30, 2002. An immediate upward movement in rates of 50 basis points is expected to increase net interest income by less than $15.0 million over a 12-month period. An immediate downward movement in rates of 50 basis points is expected to reduce net interest income by less than $15.0 million over a 12-month period. These estimates are based on the Company's balance sheet at September 30, 2002, and reflect current expectations regarding future changes in the balance sheet.

NET INTEREST INCOME **Table 3**

(Taxable-equivalent basis; $ in millions)

	3Q 2002	2Q 2002	3Q 2001	Change 3Q02 vs 2Q02	Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Change
Components of net interest income								
Income on earning assets	$2,429.3	$2,384.6	$2,719.0	$44.7	$(289.7)	$7,185.6	$8,579.1	$(1,393.5)
Expenses on interest-bearing liabilities	688.2	694.8	1,109.3	(6.6)	(421.1)	2,084.3	3,830.3	(1,746.0)
Net interest income	$1,741.1	$1,689.8	$1,609.7	$51.3	$131.4	$5,101.3	$4,748.8	$352.5
Average yields and rates paid								
Earning assets yield	6.43 %	6.47 %	7.42 %	(0.04) %	(0.99) %	6.49 %	7.90 %	(1.41) %
Rate paid on interest-bearing liabilities	2.26	2.32	3.67	(0.06)	(1.41)	2.33	4.28	(1.95)
Gross interest margin	4.17 %	4.15 %	3.75 %	0.02 %	0.42 %	4.16 %	3.62 %	0.54 %
Net interest margin	4.61 %	4.59 %	4.40 %	0.02 %	0.21 %	4.60 %	4.37 %	0.23 %
Average balances								
Investment securities	$30,219	$28,016	$22,951	$2,203	$7,268	$28,300	$20,712	$7,588
Loans	114,664	114,017	117,414	647	(2,750)	114,135	119,535	(5,400)
Earning assets	150,336	147,641	145,828	2,695	4,508	147,992	145,001	2,991
Interest-bearing liabilities	120,758	119,851	119,933	907	825	119,671	119,626	45
Net free funds*	29,578	27,790	25,895	1,788	3,683	28,321	25,375	2,946

* Represents noninterest-bearing deposits, allowance for credit losses, non-earning assets, other liabilities and equity

AVERAGE LOANS								Table 4
($ in millions)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Commercial	$37,673	$38,826	$43,698	(3.0)	(13.8)	$38,707	$45,382	(14.7)
Lease financing	5,543	5,601	5,925	(1.0)	(6.4)	5,627	5,853	(3.9)
Total commercial	43,216	44,427	49,623	(2.7)	(12.9)	44,334	51,235	(13.5)
Commercial mortgages	19,312	18,783	18,918	2.8	2.1	18,928	19,070	(0.7)
Construction and development	6,506	6,446	7,140	0.9	(8.9)	6,485	7,217	(10.1)
Total commercial real estate	25,818	25,229	26,058	2.3	(0.9)	25,413	26,287	(3.3)
Residential mortgages	8,513	8,194	8,355	3.9	1.9	8,225	8,798	(6.5)
Credit card	5,604	5,627	5,712	(0.4)	(1.9)	5,623	5,658	(0.6)
Retail leasing	5,543	5,337	4,630	3.9	19.7	5,309	4,463	19.0
Home equity and second mortgages	13,605	13,144	11,541	3.5	17.9	13,091	11,618	12.7
Other retail	12,365	12,059	11,495	2.5	7.6	12,140	11,476	5.8
Total retail	37,117	36,167	33,378	2.6	11.2	36,163	33,215	8.9
Total loans	$114,664	$114,017	$117,414	0.6	(2.3)	$114,135	$119,535	(4.5)

Average loans for the third quarter of 2002 were $2.8 billion (2.3 percent) lower than the third quarter of 2001. Approximately $634 million of the change in average loans year-over-year was due to the transfer of high credit quality, low margin commercial loans to the loan conduit. Strong growth in average retail loans of $3.7 billion (11.2 percent) in the third quarter of 2002 over the third quarter of 2001 was more than offset by an overall decline in commercial and commercial real estate loans of $6.6 billion (8.8 percent) over the same period.

Average loans for the third quarter of 2002 were higher than the second quarter of 2002 by $647 million (.6 percent), reflecting growth in retail loans and residential mortgages, partially offset by a decline in total commercial and commercial real estate loans. Included in the change in the average of both commercial and commercial real estate loans outstanding in the third quarter of 2002 from the second quarter of 2002 and third quarter of 2001 was a reclassification of approximately $775 million of commercial loans to the commercial real estate category in connection with conforming loan classifications at the time of system conversions. Prior quarters were not restated, as it was impractical to determine the extent of reclassification for all periods presented.

Average investment securities for the third quarter of 2002 were $7.3 billion (31.7 percent) and $2.2 billion (7.9 percent) higher than the third quarter of 2001 and second quarter of 2002, respectively, reflecting the reinvestment of proceeds from loan sales and declines in commercial and commercial real estate loan balances. Investment securities at September 30, 2002, were $2.9 billion higher than at September 30, 2001, but $2.2 billion lower than at June 30, 2002. During the third quarter of 2002, the Company sold $4.6 billion of fixed-rate securities. A portion of the fixed-rate securities sold were replaced with floating-rate securities in conjunction with the Company's interest rate risk management strategies.

AVERAGE DEPOSITS **Table 5**

($ in millions)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Noninterest-bearing deposits	$28,838	$27,267	$25,106	5.8	14.9	$27,872	$24,408	14.2
Interest-bearing deposits								
Interest checking	15,534	15,318	13,842	1.4	12.2	15,336	13,805	11.1
Money market accounts	24,512	24,384	25,168	0.5	(2.6)	24,563	24,815	(1.0)
Savings accounts	4,969	4,957	4,587	0.2	8.3	4,901	4,539	8.0
Savings products	45,015	44,659	43,597	0.8	3.3	44,800	43,159	3.8
Time certificates of deposit less than $100,000	18,710	19,653	22,641	(4.8)	(17.4)	19,602	23,959	(18.2)
Time deposits greater than $100,000	12,349	10,871	13,887	13.6	(11.1)	10,865	14,137	(23.1)
Total interest-bearing deposits	76,074	75,183	80,125	1.2	(5.1)	75,267	81,255	(7.4)
Total deposits	$104,912	$102,450	$105,231	2.4	(0.3)	$103,139	$105,663	(2.4)

Average noninterest-bearing deposits in the third quarter of 2002 were higher than the third quarter of 2001 by $3.7 billion (14.9 percent). Average interest-bearing deposits, however, declined by $4.1 billion (5.1 percent) from the third quarter of 2001. Growth in average savings products (3.3 percent) year-over-year was more than offset by reductions in the average balances of higher cost time certificates (17.4 percent) and time deposits greater than $100,000 (11.1 percent). The decline in time certificates and time deposits greater than $100,000 reflected funding decisions toward more favorably priced wholesale funding sources given the rate environment.

NONINTEREST INCOME								Table 6
($ in millions)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Credit and debit card revenue	$132.8	$131.2	$116.8	1.2	13.7	$373.3	$344.6	8.3
Corporate payment products revenue	87.6	82.5	73.1	6.2	19.8	245.3	229.3	7.0
Merchant processing services	147.3	144.4	108.0	2.0	36.4	425.3	169.7	nm
ATM processing services	36.7	33.5	32.8	9.6	11.9	101.1	97.4	3.8
Trust and investment management fees	225.2	234.9	226.2	(4.1)	(0.4)	684.4	679.2	0.8
Deposit service charges	192.7	173.3	170.1	11.2	13.3	521.7	495.7	5.2
Cash management fees	105.8	104.3	89.7	1.4	17.9	314.3	251.4	25.0
Commercial products revenue	125.0	123.7	108.7	1.1	15.0	370.9	304.3	21.9
Mortgage banking revenue	111.8	78.0	60.3	43.3	85.4	241.8	165.5	46.1
Trading account profits and commissions	52.6	49.5	43.6	6.3	20.6	152.0	171.3	(11.3)
Investment products fees and commissions	105.0	107.4	108.0	(2.2)	(2.8)	323.5	347.9	(7.0)
Investment banking revenue	35.7	70.5	56.9	(49.4)	(37.3)	159.4	188.2	(15.3)
Securities gains, net	119.0	30.6	59.8	nm	99.0	193.7	307.1	(36.9)
Other	81.1	73.5	64.4	10.3	25.9	215.8	253.1	(14.7)
Subtotal	1,558.3	1,437.3	1,318.4	8.4	18.2	4,322.5	4,004.7	7.9
Merger and restructuring-related gains	--	--	--			--	62.2	
Total noninterest income	$1,558.3	$1,437.3	$1,318.4			$4,322.5	$4,066.9	

Noninterest Income

Third quarter noninterest income was $1,558.3 million, an increase of $239.9 million (18.2 percent) from the same quarter of 2001, and a $121.0 million (8.4 percent) increase over the second quarter of 2002. The growth in noninterest income over the third quarter of 2001 was driven by growth in core banking product revenues of $90.6 million (7.5 percent), net securities gains and acquisitions, including NOVA Corporation ("NOVA"), Pacific Century Bank and The Leader Mortgage Company, LLC ("Leader"), which contributed approximately $54.1 million of the favorable variance. 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 third quarter of 2002 than the third quarter of 2001 by $34.4 (15.4 percent), primarily reflecting growth in sales and card usage. Merchant processing services grew by $39.3 million year-over-year due to the acquisition of NOVA in July of 2001. Deposit service charges increased by $22.6 million (13.3 percent), primarily due to fee enhancements and new accounts within the Consumer Banking line of business. Cash management fees and commercial products revenue grew by $16.1 million (17.9 percent) and $16.3 million (15.0 percent), respectively, in the third quarter of 2002 over the same period of 2001, with the majority of the variance attributed to the Wholesale Banking line of business. The increase in cash management fees and commercial products revenue over the third quarter of 2002 was driven by growth in core business, fees related to loan conduit activities and product enhancements. In addition to the impact of Leader, mortgage banking revenue in the Consumer Banking line of business increased in the third quarter of 2002 compared with the third quarter of 2001, due to mortgage originations and sales and loan servicing revenue. Offsetting these favorable variances was a decline in capital markets-related revenue of $15.2 million (7.3 percent) principally in the Capital Markets line of business, reflecting 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 $6.3 million year-over-year within the Consumer Banking line of business, reflecting the expansion of investment product sales programs throughout the branch network. Other fee income was higher in the third quarter of 2002 over the same quarter of 2001 by $16.7 million (25.9 percent) primarily due to a $30.0 million impairment of retail leasing residuals posted in the third quarter of 2001.

Noninterest income increased in the third quarter of 2002 by $121.0 million (8.4 percent) over the second quarter of 2002. Gains of the sale of securities contributed $88.4 million of the variance. The Company experienced growth in the third quarter of 2002 over the second quarter of 2002 in credit and debit card revenue (1.2 percent), as well as corporate payment products revenue (6.2 percent) and merchant processing services (2.0 percent) within the Payment Services line of business, driven by higher sales/charge volumes. Deposit service charges increased 11.2 percent relative to the second quarter of 2002. The growth in deposit service charges was primarily due to seasonality, new accounts and revenue enhancement initiatives within the Consumer Banking line of business. The Consumer Banking group's mortgage banking revenue increased in the third quarter of 2002 over the second quarter of 2002 due to higher mortgage originations and sales and loan servicing, partially offset by a reduction in the gain of sale of servicing rights. Cash management and commercial products revenue improved by $2.8 million (1.2 percent) from the second quarter of 2002 to the third quarter of 2002. Total capital markets-related revenues, primarily in the Capital Markets line of business, declined $34.1 million (15.0 percent) from the second quarter of 2002. Trust and investment management fees were lower in the third quarter of 2002 than the second quarter of 2002 by $9.7 million (4.1 percent), primarily due to seasonally higher tax preparation fees in the second quarter and the impact of declining valuations of assets under management.

NONINTEREST EXPENSE — **Table 7**

($ in millions)	3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	Percent Change 3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change
Salaries	$606.0	$607.6	$580.3	(0.3)	4.4	$1,801.9	$1,741.3	3.5
Employee benefits	93.8	91.1	85.4	3.0	9.8	281.3	284.2	(1.0)
Net occupancy	103.2	101.8	102.5	1.4	0.7	305.1	314.0	(2.8)
Furniture and equipment	75.7	77.0	74.9	(1.7)	1.1	229.6	226.7	1.3
Capitalized software	36.8	37.7	33.9	(2.4)	8.6	112.9	97.2	16.2
Communication	46.6	44.1	49.4	5.7	(5.7)	136.4	138.4	(1.4)
Postage	44.3	44.4	44.7	(0.2)	(0.9)	135.3	135.4	(0.1)
Goodwill	--	--	62.3	nm	nm	--	188.7	nm
Other intangible assets	211.4	104.7	84.8	nm	nm	396.3	185.4	nm
Other	352.1	340.4	300.5	3.4	17.2	982.5	843.6	16.5
Subtotal	1,569.9	1,448.8	1,418.7	8.4	10.7	4,381.3	4,154.9	5.4
Merger and restructuring-related charges	70.4	71.6	148.8			216.2	805.8	
Total noninterest expense	$1,640.3	$1,520.4	$1,567.5			$4,597.5	$4,960.7	

<u>Noninterest Expense</u>

Third quarter noninterest expense, before merger and restructuring-related charges, totaled $1,569.9 million, an increase of $151.2 million (10.7 percent) over the third quarter of 2001. The increase in expense year-over-year was primarily due to an increase in MSR impairment of $93.0 million and the impact of recent acquisitions, including NOVA, Pacific Century Bank and Leader, which accounted for approximately $60.2 million of the increase. In addition, the third quarter of 2002 included higher expenses due to core banking growth. Employee benefit expense in the third quarter of 2002 included an additional $10.0 million of pension expense related to a change in the 2002 expected long-term return on Company's pension plan assets. The change in the expected long-term return reflects the adverse trend in the capital markets since mid-2000. Offsetting these increases in expense were the Company's on-going integration activities and the impact of adopting new accounting standards related to business combinations and the amortization of intangibles.

Noninterest expense in the third quarter of 2002, before merger and restructuring-related charges, was higher than the second quarter of 2002 by $121.1 million (8.4 percent). The unfavorable variance was primarily due to an increase in MSR impairment of $103.4 million over the second quarter of 2002. The remaining increase of $17.7 million (1.2 percent) was due to the impact of higher pension costs and core expenses to support revenue growth.

SIGNIFICANT ITEMS - MERGER AND RESTRUCTURING						Table 8
($ in millions)		Timing				
Summary of Charges	Current Estimate	Actual 2001	Estimated 2002	Actual 1Q02	Actual 2Q02	Actual 3Q02
Firstar/U.S. Bancorp						
Severance and employee-related	$269.3	$268.2	$1.1	$(6.7)	$2.2	$1.0
Systems conversions and integration	402.4	208.1	194.3	57.6	64.9	33.0
Asset write-downs and lease terminations	240.1	130.4	109.7	14.8	17.4	32.9
Charitable foundation	76.0	76.0	--	--	--	--
Balance sheet restructurings	418.8	457.6	(38.8)	(3.8)	(24.9)	(10.1)
Branch sale gain	(62.2)	(62.2)	--	--	--	--
Branch consolidations	20.0	20.0	--	--	--	--
Other merger-related items	73.9	69.1	4.8	2.5	0.9	1.4
Total Firstar/U.S. Bancorp	1,438.3	1,167.2	271.1	64.4	60.5	58.2
NOVA	70.3	1.6	43.3	5.4	8.6	7.7
Other acquisitions, net*	48.7	4.8	20.2	4.4	2.5	4.5
Total on-going merger and restructuring	1,557.3	1,173.6	334.6	74.2	71.6	70.4
Completed acquisitions and restructurings	92.8	92.8	--	--	--	--
Total merger and restructuring	$1,650.1	$1,266.4	$334.6	$74.2	$71.6	$70.4

* includes estimated amounts for recently announced acquisitions

Earnings in the third quarter of 2002 included pre-tax net merger and restructuring-related items of $70.4 million. The total merger and restructuring-related items included $58.2 million of net expense associated with the Firstar/U.S. Bancorp merger. These merger and restructuring-related items were primarily related to systems conversions and integration and asset write-downs and lease terminations. Offsetting a portion of these costs were gains from the liquidation of U.S. Bancorp Libra's investment portfolio. The Company exited this business in 2001 and the liquidation efforts are substantively complete. The remaining merger and restructuring-related expense associated with the Firstar/U.S. Bancorp merger, currently estimated to be $88.0 million, will be expensed in the fourth quarter of 2002, as the final stage of the integration process is completed.

In addition to the Firstar/U.S. Bancorp merger integration, the Company recorded $12.2 million of expense in the third quarter of 2002 for NOVA and other smaller acquisitions. In connection with the recently announced acquisitions of Bayview Bank and the corporate trust business of State Street Bank and Trust Company, the Company expects to have approximately $23.4 million of charges.

ALLOWANCE FOR CREDIT LOSSES — **Table 9**

($ in millions)	3Q 2002	2Q 2002	1Q 2002	4Q 2001	3Q 2001
Balance, beginning of period	$2,466.4	$2,461.5	$2,457.3	$2,458.0	$1,715.7
Net charge-offs					
Commercial	124.0	110.6	120.5	65.4	307.2
Lease financing	23.4	35.2	32.1	7.1	78.2
Total commercial	147.4	145.8	152.6	72.5	385.4
Commercial mortgages	3.5	6.0	8.8	5.2	6.9
Construction and development	6.0	0.4	1.9	5.1	3.4
Total commercial real estate	9.5	6.4	10.7	10.3	10.3
Residential mortgages	5.9	3.9	2.7	2.5	3.6
Credit card	70.8	73.4	67.0	72.9	71.5
Retail leasing	9.4	8.3	10.5	9.4	7.1
Home equity and second mortgages	21.5	25.3	26.1	35.0	19.6
Other retail	64.5	67.4	65.4	63.2	65.8
Total retail	166.2	174.4	169.0	180.5	164.0
Total net charge-offs	329.0	330.5	335.0	265.8	563.3
Provision for credit losses					
Operating basis	330.0	335.0	335.0	265.8	1,275.0
Merger-related	--	--	--	--	14.3
Total provision for credit losses	330.0	335.0	335.0	265.8	1,289.3
Losses from loan sales/transfers	--	--	--	--	(1.3)
Acquisitions and other changes	(6.9)	0.4	4.2	(0.7)	17.6
Balance, end of period	$2,460.5	$2,466.4	$2,461.5	$2,457.3	$2,458.0
Net charge-offs to average loans (%)	1.14	1.16	1.19	0.92	1.90
Allowance as a percentage of:					
Period-end loans	2.12	2.15	2.15	2.15	2.15
Nonperforming loans	204	241	250	245	243
Nonperforming assets	183	215	222	219	217

Credit Quality

The allowance for credit losses was $2,460.5 million at September 30, 2002, compared with the allowance for credit losses of $2,466.4 million at June 30, 2002. The ratio of allowance for credit losses to nonperforming loans was 204 percent at September 30, 2002, compared with 241 percent at June 30, 2002. The ratio of allowance for credit losses to period-end loans was 2.12 percent at September 30, 2002, compared with 2.15 at June 30, 2002. Total net charge-offs in the third quarter of 2002 were $329.0 million, compared with the second quarter of 2002 net charge-offs of $330.5 million and the third quarter of 2001 net charge-offs of $563.3 million.

Commercial and commercial real estate loan net charge-offs were $156.9 million for the third quarter of 2002, or .90 percent of average loans outstanding, compared with $152.2 million, or .88 percent of average loans outstanding, in the second quarter of 2002. Commercial and commercial real estate loan net charge-offs in the third quarter of 2001 were $395.7 million, or 2.07 percent of average loans outstanding. Included in the 2001 total were $313.2 million of commercial charge-offs related to specific credit initiatives taken by management in the third quarter of 2001.

Retail loan net charge-offs of $166.2 million in the third quarter of 2002 were lower than the second quarter of 2002 by $8.2 million (4.7 percent) and $2.2 million (1.3 percent) higher than the third quarter of 2001. The decrease in retail loan net charge-offs in the third quarter of 2002 from the second quarter of 2002 was primarily due to seasonal reductions in net charge-offs of credit card and home equity and second mortgages. Retail loan net charge-offs as a percent of average loans outstanding were 1.78 percent in the third quarter of 2002, compared with 1.93 percent and 1.95 percent in the second quarter of 2002 and third quarter of 2001, respectively. The improvement principally reflects changes in the mix of the retail loan portfolio and ongoing collection efforts.

CREDIT RATIOS **Table 10**

	3Q 2002	2Q 2002	1Q 2002	4Q 2001	3Q 2001
Net charge-offs ratios*					
Commercial	1.31	1.14	1.23	0.64	2.79
Lease financing	1.67	2.52	2.27	0.48	5.24
Total commercial	1.35	1.32	1.36	0.62	3.08
Commercial mortgages	0.07	0.13	0.19	0.11	0.14
Construction and development	0.37	0.02	0.12	0.30	0.19
Total commercial real estate	0.15	0.10	0.17	0.16	0.16
Residential mortgages	0.27	0.19	0.14	0.13	0.17
Credit card	5.01	5.23	4.82	5.16	4.97
Retail leasing	0.67	0.62	0.84	0.77	0.61
Home equity and second mortgages	0.63	0.77	0.85	1.15	0.67
Other retail	2.07	2.24	2.21	2.15	2.27
Total retail	1.78	1.93	1.95	2.10	1.95
Total net charge-offs	1.14	1.16	1.19	0.92	1.90
Delinquent loan ratios - 90 days or more past due**					
Commercial	2.24	1.79	1.70	1.71	1.76
Commercial real estate	0.82	0.85	0.70	0.68	0.88
Residential mortgages	1.62	1.64	1.65	1.79	1.62
Retail	0.70	0.74	0.89	1.03	0.92

* annualized and calculated on average loan balances

** ratios include nonperforming loans and are expressed as a percent of ending loan balances

The level of net charge-offs in the third quarter of 2002 reflected current economic conditions and continued 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, net charge-offs are expected to remain at current levels until the economy gains strength.

ASSET QUALITY ($ in millions) Table 11	Sep 30 2002	Jun 30 2002	Mar 31 2002	Dec 31 2001	Sep 30 2001
Nonperforming loans					
Commercial	$745.2	$549.9	$529.9	$526.6	$580.8
Lease financing	170.6	202.0	203.2	180.8	136.6
Total commercial	915.8	751.9	733.1	707.4	717.4
Commercial mortgages	157.6	133.6	121.4	131.3	124.7
Construction and development	49.1	43.4	32.3	35.9	55.5
Commercial real estate	206.7	177.0	153.7	167.2	180.2
Residential mortgages	57.7	62.0	63.7	79.1	76.7
Retail	27.1	34.3	32.6	47.6	37.0
Total nonperforming loans	1,207.3	1,025.2	983.1	1,001.3	1,011.3
Other real estate	63.3	49.8	42.6	43.8	55.4
Other nonperforming assets	73.8	72.7	85.1	74.9	65.7
Total nonperforming assets*	$1,344.4	$1,147.7	$1,110.8	$1,120.0	$1,132.4
Accruing loans 90 days past due	$387.9	$392.6	$426.8	$462.9	$483.8
Nonperforming assets to loans plus ORE (%)	1.16	1.00	0.97	0.98	0.99

*does not include accruing loans 90 days past due

Nonperforming assets at September 30, 2002, totaled $1,344.4 million, compared with $1,147.7 million at June 30, 2002, and $1,132.4 million at September 30, 2001. The ratio of nonperforming assets to loans and other real estate was 1.16 percent at September 30, 2002, compared with 1.00 percent at June 30, 2002, and .99 percent at September 30, 2001, principally due to the Company’s exposure to certain communications, cable, manufacturing, and highly leveraged enterprise value financings. The Company continues to remain cautious regarding the economy. Nonperforming assets are expected to remain at elevated levels until the economy rebounds.

CAPITAL POSITION					Table 12
($ in millions)	Sep 30 2002	Jun 30 2002	Mar 31 2002	Dec 31 2001	Sep 30 2001
Total shareholders' equity	$17,518	$16,650	$15,892	$16,461	$16,817
Tier 1 capital	13,172	12,628	12,246	12,488	11,802
Total risk-based capital	20,420	19,937	19,722	19,148	18,687
Common equity to assets	10.1%	9.6%	9.6%	9.6%	10.0%
Tangible common equity to assets	6.1	5.7	5.8	5.7	5.9
Tier 1 capital ratio	8.1	7.9	7.7	7.7	7.2
Total risk-based capital ratio	12.6	12.5	12.4	11.7	11.5
Leverage ratio	7.9	7.8	7.6	7.7	7.4

Total shareholder's equity was $17.5 billion at September 30, 2002, compared with $16.8 billion at September 30, 2001. The increase was the result of corporate earnings, including merger and restructuring-related items and cumulative effect of change in accounting principles, offset by dividends, share buybacks and acquisitions.

Tangible common equity to assets was 6.1 percent at September 30, 2002, compared with 5.7 percent at June 30, 2002, and 5.9 percent at September 30, 2001. The tier 1 capital ratio was 8.1 percent at September 30, 2002, compared with 7.9 percent at June 30, 2002, and 7.2 percent at September 30, 2001. The total risk-based capital ratio was 12.6 percent at September 30, 2002, compared with 12.5 percent at June 30, 2002, and 11.5 percent at September 30, 2001. The improvement in the total risk-based capital ratio from September 30, 2001, to September 30, 2002, primarily reflects the issuance of $1.0 billion of fixed-rate subordinated notes during the first quarter of 2002. The leverage ratio was 7.9 percent at September 30, 2002, compared with 7.8 percent at June 30, 2002, and 7.4 percent at September 30, 2001. All regulatory ratios continue to be in excess of stated "well capitalized" requirements.

COMMON SHARES					Table 13
(Millions)	**3Q 2002**	**2Q 2002**	**1Q 2002**	**4Q 2001**	**3Q 2001**
Beginning shares outstanding	1,914.2	1,915.1	1,951.7	1,969.0	1,907.6
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	0.9	3.9	3.4	1.1	62.7
Shares repurchased	(0.4)	(4.8)	(40.0)	(18.4)	(1.3)
Ending shares outstanding	1,914.7	1,914.2	1,915.1	1,951.7	1,969.0

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. During the third quarter of 2002, the Company repurchased 432 thousand shares of common stock related to this authorization. There are approximately 91.5 million shares remaining to be repurchased under this authorization.

LINE OF BUSINESS FINANCIAL PERFORMANCE* **Table 14**

($ in millions)

Business Line	Pre-Provision Contribution** 3Q 2002	2Q 2002	3Q 2001	Percent Change 3Q02 vs 2Q02	3Q02 vs 3Q01	YTD 2002	YTD 2001	Percent Change	3Q 2002 Earnings Composition
Wholesale Banking	$602.7	$562.1	$576.2	7.2	4.6	$1,737.8	$1,763.8	(1.6)	35 %
Consumer Banking	698.9	684.7	643.4	2.1	8.6	2,024.1	2,000.6	1.2	40
Private Client, Trust and Asset Management	176.0	187.2	181.5	(6.0)	(3.0)	543.8	540.0	0.7	10
Payment Services	423.6	371.5	345.7	14.0	22.5	1,128.6	947.5	19.1	25
Capital Markets	2.1	8.9	16.3	(76.4)	(87.1)	26.0	44.4	(41.4)	--
Treasury and Corporate Support	(173.8)	(136.1)	(253.7)	(27.7)	31.5	(417.8)	(697.7)	40.1	(10)
Consolidated Company	$1,729.5	$1,678.3	$1,509.4	3.1	14.6	$5,042.5	$4,598.6	9.7	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 and 2001 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 $602.7 million in the third quarter of 2002, a 4.6 percent increase over the same period of 2001 and a 7.2 percent increase over the second quarter of 2002. The increase in Wholesale Banking's third quarter 2002 pre-provision contribution over the third quarter of 2001 was the result of higher net revenue and lower noninterest expense. Total net revenue in the third quarter of 2002 was higher than the third quarter of 2001 by 3.0 percent, with an unfavorable variance in net interest income (3.1 percent), more than offset by an increase in noninterest income (22.8 percent). The reduction in net interest income was primarily due to lower average loans outstanding (13.2 percent), partially offset by an increase in average deposits (26.0 percent) and higher spreads. The transfer of high credit quality, low margin commercial loans to the loan conduit contributed $664 million of the unfavorable variance in average loans outstanding year-over-year. Offsetting the decline in net interest income was an increase in noninterest income year-over-year, which was driven by cash management fees and commercial products revenue. Noninterest expense declined by 5.6 percent in the third quarter of 2002 over the third quarter of 2001, primarily due to asset write-downs taken in the third quarter of 2001. The increase in Wholesale Banking's pre-provision contribution in the third quarter of 2002 over the second quarter of 2002 was the result of favorable variances in both net revenue (4.8 percent) and noninterest expense (7.6 percent).

Consumer Banking delivers products and services to the broad consumer market and small businesses through banking offices, telesales, 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 $698.9 million in the third quarter of 2002, an 8.6 percent increase over the same period of 2001 and a 2.1 percent increase over the second quarter of 2002. The increase in Consumer Banking's third quarter 2002 pre-provision contribution over the third quarter of 2001 was the result of higher net revenue (15.1 percent), partially offset by an increase in noninterest expense (24.0 percent). Although net interest income modestly improved compared with the same period of 2001, noninterest income rose by 50.0 percent. The growth in noninterest income was primarily due to increases in mortgage banking revenue, gains on the sale of securities and deposit service charges. The Consumer Banking group also posted increases in cash management fees, investment products fees and commissions and other revenue. The increase in mortgage banking revenue can be attributed to the acquisition of Leader and higher mortgage originations and sales and loan servicing, partially offset by a reduction in the gain on the sale of servicing rights. The $66.5 million of gains on the sale of securities were taken during the third quarter of 2002 to offset a portion of the increase in MSR impairment of $93.0 million. Noninterest expense in the third quarter of 2002 was higher than the third quarter of 2001 (24.0 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 third quarter of 2002 over the second quarter of 2002 was the result of higher net revenue (11.3 percent), partially offset by an increase in noninterest expense (24.8 percent).

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 Mutual 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 $176.0 million in the third quarter of 2002, a 3.0 percent decline from the same period of 2001 and a 6.0 percent decrease from the second quarter of 2002. The decrease in the business line's pre-provision contribution in the third quarter of 2002 from the third quarter of 2001 was the result of unfavorable variances in both net revenue and noninterest expense. Net revenue in the third quarter of 2002 was lower than the third quarter of 2001 by $2.1 million (.7 percent), while noninterest expense was higher in the third quarter of 2002 than the same quarter of 2001 by $3.4 million (2.8 percent). The decrease in the business line's pre-provision contribution in the third quarter of 2002 from the second quarter of 2002 was the result of lower net revenue (2.2 percent) and higher noninterest expense (3.9 percent).

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 $423.6 million in the third quarter of 2002, a 22.5 percent increase over the same period of 2001 and a 14.0 percent increase over the second quarter of 2002. The increase in Payment Services' pre-provision contribution in the third quarter of 2002 over the third quarter of 2001 was the result of higher net revenue (23.1 percent), partially offset by higher noninterest expense (24.2 percent). The growth in net revenue year-over-year was primarily due to the acquisition of NOVA, which contributed approximately $40.6 million to the growth in net revenue in the third quarter of 2002. In addition, credit and debit card revenue, corporate payment products revenue and ATM processing services increased in total by $34.4 million in the third quarter of 2002 over the same period of 2001. Noninterest expense grew by $38.5 million in the third quarter of 2002 over the third quarter of 2001, primarily due to the acquisition of NOVA. The increase in Payment Services' pre-provision contribution in the third quarter of 2002 over the second quarter of 2002 was the result of higher net revenue (8.6 percent) and a slight decrease in noninterest expense (1.3 percent).

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 $2.1 million in the third quarter of 2002, an 87.1 percent decline from the third quarter of 2001 and a 76.4 percent decrease from the second quarter of 2002. The decrease in Capital Markets' pre-provision contribution in the third quarter of 2002 from the third quarter of 2001 was the result of a decline in net revenue (14.3 percent), partially offset by a favorable variance in noninterest expense (7.6 percent). The unfavorable variance in net revenue in the third quarter of 2002 to the same period of 2001 was primarily due to lower trading, investment products fees and commissions and investment banking revenues. The decrease in Capital Markets' pre-provision contribution in the third quarter of 2002 from the second quarter of 2002 was the result of lower net revenue (16.0 percent), partially offset by a decline in noninterest expense (13.1 percent).

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 $173.8 million in the third quarter of 2002, compared with pre-provision losses of $253.7 million in the third quarter of 2001 and $136.1 million in the second quarter of 2002. The reduction in the pre-provision loss year-over-year was primarily the result of a $95.7 million increase in net revenue, slightly offset by an increase in noninterest expense of $15.8 million (4.1 percent). The increase in the business line's pre-provision loss in the third quarter of 2002 over the second quarter of 2002 was the result unfavorable variances in net revenue (.5 percent) and noninterest expense (10.1 percent).

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, October 15, 2002, AT 1: 00 p.m. (CDT). To access the conference call, please dial 800-223-9488 and ask for the U.S. Bancorp earnings conference call. Participants calling from outside the United States, please call 785-830-1956. 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, October 15, 2002 through 11:00 p.m. (CDT) on Tuesday, October 22, 2002. To access the recorded message dial 888-566-0194. If calling from outside the United States, please dial 402-351-0814.

Minneapolis-based U.S. Bancorp ("USB"), with $174 billion in assets, is the 8th largest financial services holding company in the United States. The company operates 2,133 banking offices and 4,680 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 forward-looking statements cover, among other things, anticipated future expenses and revenue, 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 September 30, 2002	2001	Nine Months Ended September 30, 2002	2001
Interest Income				
Loans	$1,961.2	$2,275.5	$5,830.0	$7,353.3
Loans held for sale	37.3	53.9	113.1	96.4
Investment securities				
Taxable	372.2	321.2	1,066.1	862.3
Non-taxable	10.9	15.9	35.8	74.9
Money market investments	3.3	6.3	8.8	22.6
Trading securities	9.7	11.2	27.3	41.2
Other interest income	25.4	24.3	77.1	82.4
Total interest income	2,420.0	2,708.3	7,158.2	8,533.1
Interest Expense				
Deposits	370.3	670.0	1,141.6	2,336.7
Short-term borrowings	56.4	122.9	203.6	433.5
Long-term debt	208.0	276.7	579.0	957.4
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	53.5	39.7	160.1	102.7
Total interest expense	688.2	1,109.3	2,084.3	3,830.3
Net interest income	1,731.8	1,599.0	5,073.9	4,702.8
Provision for credit losses	330.0	1,289.3	1,000.0	2,263.0
Net interest income after provision for credit losses	1,401.8	309.7	4,073.9	2,439.8
Noninterest Income				
Credit and debit card revenue	132.8	116.8	373.3	344.6
Corporate payment products revenue	87.6	73.1	245.3	229.3
Merchant processing services	147.3	108.0	425.3	169.7
ATM processing services	36.7	32.8	101.1	97.4
Trust and investment management fees	225.2	226.2	684.4	679.2
Deposit service charges	192.7	170.1	521.7	495.7
Cash management fees	105.8	89.7	314.3	251.4
Commercial products revenue	125.0	108.7	370.9	304.3
Mortgage banking revenue	111.8	60.3	241.8	165.5
Trading account profits and commissions	52.6	43.6	152.0	171.3
Investment products fees and commissions	105.0	108.0	323.5	347.9
Investment banking revenue	35.7	56.9	159.4	188.2
Securities gains, net	119.0	59.8	193.7	307.1
Merger and restructuring-related gains	--	--	--	62.2
Other	81.1	64.4	215.8	253.1
Total noninterest income	1,558.3	1,318.4	4,322.5	4,066.9
Noninterest Expense				
Salaries	606.0	580.3	1,801.9	1,741.3
Employee benefits	93.8	85.4	281.3	284.2
Net occupancy	103.2	102.5	305.1	314.0
Furniture and equipment	75.7	74.9	229.6	226.7
Capitalized software	36.8	33.9	112.9	97.2
Communication	46.6	49.4	136.4	138.4
Postage	44.3	44.7	135.3	135.4
Goodwill	--	62.3	--	188.7
Other intangible assets	211.4	84.8	396.3	185.4
Merger and restructuring-related charges	70.4	148.8	216.2	805.8
Other	352.1	300.5	982.5	843.6
Total noninterest expense	1,640.3	1,567.5	4,597.5	4,960.7
Income before income taxes and cumulative effect of change in accounting principles	1,319.8	60.6	3,798.9	1,546.0
Applicable income taxes	459.5	21.9	1,322.3	534.9
Income before cumulative effect of change in accounting principles	860.3	38.7	2,476.6	1,011.1
Cumulative effect of change in accounting principles	--	--	(37.2)	--
Net income	$860.3	$38.7	$2,439.4	$1,011.1
Earnings Per Share				
Income before cumulative effect of change in accounting principles	$.45	$.02	$1.29	$.53
Cumulative effect of change in accounting principles	--	--	(.02)	--
Net income	$.45	$.02	$1.27	$.53
Diluted Earnings Per Share				
Income before cumulative effect of change in accounting principles	$.45	$.02	$1.29	$.52
Cumulative effect of change in accounting principles	--	--	(.02)	--
Net income	$.45	$.02	$1.27	$.52
Dividends declared per share	$.195	$.1875	$.585	$.5625
Average common shares	1,915.0	1,952.7	1,916.0	1,919.9
Average diluted common shares	1,923.3	1,965.4	1,926.7	1,932.9

U.S. Bancorp

CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	September 30, 2002	December 31, 2001	September 30, 2001
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	$8,705	$9,120	$7,570
Money market investments	485	625	763
Trading account securities	848	982	746
Investment securities			
Held-to-maturity	257	299	279
Available-for-sale	28,237	26,309	25,349
Loans held for sale	2,575	2,820	2,407
Loans			
Commercial	43,826	46,330	47,259
Commercial real estate	26,304	25,373	25,535
Residential mortgages	8,439	7,829	8,032
Retail	37,365	34,873	33,741
Total loans	115,934	114,405	114,567
Less allowance for credit losses	2,461	2,457	2,458
Net loans	113,473	111,948	112,109
Premises and equipment	1,706	1,741	1,773
Customers' liability on acceptances	132	178	150
Goodwill	5,442	5,459	5,535
Other intangible assets	2,077	1,953	1,913
Other assets	10,069	9,956	9,236
Total assets	$174,006	$171,390	$167,830
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	$32,189	$31,212	$27,074
Interest-bearing	63,639	65,447	65,874
Time deposits greater than $100,000	11,598	8,560	10,857
Total deposits	107,426	105,219	103,805
Short-term borrowings	7,499	14,670	12,614
Long-term debt	31,685	25,716	26,881
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	2,975	2,826	2,115
Acceptances outstanding	132	178	150
Other liabilities	6,771	6,320	5,448
Total liabilities	156,488	154,929	151,013
Shareholders' equity			
Common stock	20	20	20
Capital surplus	4,870	4,906	4,918
Retained earnings	13,243	11,918	11,585
Treasury stock	(1,325)	(478)	(62)
Other comprehensive income	710	95	356
Total shareholders' equity	17,518	16,461	16,817
Total liabilities and shareholders' equity	$174,006	$171,390	$167,830

Supplemental Analyst Schedules

3Q 2002

U.S. Bancorp

QUARTERLY INCOME STATEMENT ANALYSIS

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended September 30, 2002	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Interest Income					
Loans	$1,961.2	$1,936.9	$1,931.9	$2,060.4	$2,275.5
Loans held for sale	37.3	36.6	39.2	50.5	53.9
Investment securities					
Taxable	372.2	346.1	347.8	343.8	321.2
Non-taxable	10.9	11.7	13.2	14.6	15.9
Money market investments	3.3	2.2	3.3	4.0	6.3
Trading securities	9.7	9.4	8.2	16.3	11.2
Other interest income	25.4	32.7	19.0	19.2	24.3
Total interest income	2,420.0	2,375.6	2,362.6	2,508.8	2,708.3
Interest Expense					
Deposits	370.3	375.8	395.5	491.4	670.0
Short-term borrowings	56.4	68.3	78.9	100.6	122.9
Long-term debt	208.0	197.9	173.1	205.3	276.7
Company-obligated mandatorily redeemable preferred securities	53.5	52.8	53.8	47.2	39.7
Total interest expense	688.2	694.8	701.3	844.5	1,109.3
Net interest income	1,731.8	1,680.8	1,661.3	1,664.3	1,599.0
Provision for credit losses	330.0	335.0	335.0	265.8	1,275.0
Net interest income after provision for credit losses	1,401.8	1,345.8	1,326.3	1,398.5	324.0
Noninterest Income					
Credit and debit card revenue	132.8	131.2	109.3	121.3	116.8
Corporate payment products revenue	87.6	82.5	75.2	68.4	73.1
Merchant processing services	147.3	144.4	133.6	139.2	108.0
ATM processing services	36.7	33.5	30.9	33.2	32.8
Trust and investment management fees	225.2	234.9	224.3	215.2	226.2
Deposit service charges	192.7	173.3	155.7	171.6	170.1
Cash management fees	105.8	104.3	104.2	95.9	89.7
Commercial products revenue	125.0	123.7	122.2	133.1	108.7
Mortgage banking revenue	111.8	78.0	52.0	68.5	60.3
Trading account profits and commissions	52.6	49.5	49.9	50.3	43.6
Investment products fees and commissions	105.0	107.4	111.1	112.2	108.0
Investment banking revenue	35.7	70.5	53.2	70.0	56.9
Securities gains, net	119.0	30.6	44.1	22.0	59.8
Other	81.1	73.5	61.2	33.3	64.4
Total noninterest income	1,558.3	1,437.3	1,326.9	1,334.2	1,318.4
Noninterest Expense					
Salaries	606.0	607.6	588.3	605.8	580.3
Employee benefits	93.8	91.1	96.4	82.0	85.4
Net occupancy	103.2	101.8	100.1	103.9	102.5
Furniture and equipment	75.7	77.0	76.9	78.8	74.9
Capitalized software	36.8	37.7	38.4	38.9	33.9
Communication	46.6	44.1	45.7	43.0	49.4
Postage	44.3	44.4	46.6	44.4	44.7
Goodwill	--	--	--	62.4	62.3
Other intangible assets	211.4	104.7	80.2	93.0	84.8
Other	352.1	340.4	290.0	351.7	300.5
Total noninterest expense	1,569.9	1,448.8	1,362.6	1,503.9	1,418.7
Income before income taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,390.2	1,334.3	1,290.6	1,228.8	223.7
Applicable income taxes	484.0	464.5	449.0	443.6	74.0
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	906.2	869.8	841.6	785.2	149.7
Merger and restructuring-related items, net of tax	(45.9)	(46.7)	(48.4)	(89.8)	(111.0)
Cumulative effect of change in accounting principles	--	--	(37.2)	--	--
Net income	$860.3	$823.1	$756.0	$695.4	$38.7
Earnings Per Share					
Average common shares	1,915.0	1,913.2	1,919.8	1,951.7	1,952.7
Operating earnings per share	$.47	$.45	$.44	$.40	$.08
Earnings per share	$.45	$.43	$.39	$.36	$.02
Diluted Earnings Per Share					
Average diluted common shares	1,923.3	1,926.9	1,930.1	1,958.9	1,965.4
Diluted operating earnings per share	$.47	$.45	$.44	$.40	$.08
Diluted earnings per share	$.45	$.43	$.39	$.36	$.02

NOTE: The above schedule represents an analysis of U.S. Bancorp's quarterly operating activities. Operating earnings represent net income before merger and restructuring-related items and cumulative effect of change in accounting principles.

U.S. Bancorp

CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	September 30, 2002	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Assets	(Unaudited)	(Unaudited)	(Unaudited)		(Unaudited)
Cash and due from banks	$8,705	$7,531	$6,499	$9,120	$7,570
Money market investments	485	1,113	538	625	763
Trading account securities	848	703	699	982	746
Investment securities					
Held-to-maturity	257	290	299	299	279
Available-for-sale	28,237	30,384	24,491	26,309	25,349
Loans held for sale	2,575	1,930	1,924	2,820	2,407
Loans					
Commercial	43,826	44,491	46,355	46,330	47,259
Commercial real estate	26,304	25,300	25,149	25,373	25,535
Residential mortgages	8,439	8,107	7,902	7,829	8,032
Retail	37,365	36,672	35,341	34,873	33,741
Total loans	115,934	114,570	114,747	114,405	114,567
Less allowance for credit losses	2,461	2,466	2,462	2,457	2,458
Net loans	113,473	112,104	112,285	111,948	112,109
Premises and equipment	1,706	1,718	1,737	1,741	1,773
Customers' liability on acceptances	132	157	118	178	150
Goodwill	5,442	5,442	5,427	5,459	5,535
Other intangible assets	2,077	2,176	1,998	1,953	1,913
Other assets	10,069	9,408	8,730	9,956	9,236
Total assets	$174,006	$172,956	$164,745	$171,390	$167,830
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	$32,189	$31,272	$28,146	$31,212	$27,074
Interest-bearing	63,639	63,172	65,020	65,447	65,874
Time deposits greater than $100,000	11,598	10,612	9,296	8,560	10,857
Total deposits	107,426	105,056	102,462	105,219	103,805
Short-term borrowings	7,499	9,156	10,644	14,670	12,614
Long-term debt	31,685	33,008	27,054	25,716	26,881
Company-obligated mandatorily redeemable preferred securities	2,975	2,894	2,820	2,826	2,115
Acceptances outstanding	132	157	118	178	150
Other liabilities	6,771	6,035	5,755	6,320	5,448
Total liabilities	156,488	156,306	148,853	154,929	151,013
Shareholders' equity					
Common stock	20	20	20	20	20
Capital surplus	4,870	4,875	4,894	4,906	4,918
Retained earnings	13,243	12,756	12,306	11,918	11,585
Treasury stock	(1,325)	(1,341)	(1,322)	(478)	(62)
Other comprehensive income	710	340	(6)	95	356
Total shareholders' equity	17,518	16,650	15,892	16,461	16,817
Total liabilities and shareholders' equity	$174,006	$172,956	$164,745	$171,390	$167,830

U.S. Bancorp

CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET

(Dollars in Millions) (Unaudited)	September 30, 2002	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Assets					
Money market investments	$683	$779	$713	$821	$659
Trading account securities	915	1,022	904	875	703
Taxable securities	29,321	27,051	25,549	24,293	21,661
Non-taxable securities	898	965	1,077	1,194	1,290
Loans held for sale	2,264	2,142	2,354	2,730	2,482
Loans					
Commercial					
Commercial	37,673	38,826	39,641	40,774	43,698
Lease financing	5,543	5,601	5,740	5,848	5,925
Total commercial	43,216	44,427	45,381	46,622	49,623
Commercial real estate					
Commercial mortgages	19,312	18,783	18,682	18,805	18,918
Construction and development	6,506	6,446	6,504	6,663	7,140
Total commercial real estate	25,818	25,229	25,186	25,468	26,058
Residential mortgages	8,513	8,194	7,962	7,918	8,355
Retail					
Credit card	5,604	5,627	5,632	5,607	5,712
Retail leasing	5,543	5,337	5,042	4,821	4,630
Home equity and second mortgages	13,605	13,144	12,513	12,053	11,541
Other retail	12,365	12,059	11,992	11,659	11,495
Total retail	37,117	36,167	35,179	34,140	33,378
Total loans	114,664	114,017	113,708	114,148	117,414
Other earning assets	1,591	1,665	1,632	1,589	1,619
Allowance for credit losses	2,545	2,546	2,535	2,527	1,798
Total earning assets*	150,336	147,641	145,937	145,650	145,828
Other assets	25,276	24,052	24,370	25,172	23,421
Total assets	$173,067	$169,147	$167,772	$168,295	$167,451
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	$28,838	$27,267	$27,485	$27,189	$25,106
Interest-bearing deposits					
Interest checking	15,534	15,318	15,152	14,428	13,842
Money market accounts	24,512	24,384	24,797	25,279	25,168
Savings accounts	4,969	4,957	4,773	4,666	4,587
Time certificates of deposit less than $100,000	18,710	19,653	20,464	21,455	22,641
Time deposits greater than $100,000	12,349	10,871	9,341	9,840	13,887
Total interest-bearing deposits	76,074	75,183	74,527	75,668	80,125
Short-term borrowings	9,641	11,650	14,564	15,021	12,662
Long-term debt	32,089	30,152	26,450	25,508	25,058
Company-obligated mandatorily redeemable preferred securities	2,954	2,866	2,838	2,492	2,088
Total interest-bearing liabilities	120,758	119,851	118,379	118,689	119,933
Other liabilities	6,196	5,554	5,749	5,656	5,467
Shareholders' equity	17,275	16,475	16,159	16,761	16,945
Total liabilities and shareholders' equity	$173,067	$169,147	$167,772	$168,295	$167,451

* Before deducting the allowance for credit losses and excluding the unrealized gain (loss) on available-for-sale securities.

U.S. Bancorp

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

(Dollars in Millions) (Unaudited)	For the Three Months Ended September 30, 2002 Average Balances	Interest	Yields and Rates	September 30, 2001 Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Money market investments	$683	$3.3	1.92 %	$659	$6.3	3.80 %	3.6 %
Trading account securities	915	11.0	4.79	703	11.5	6.58	30.2
Taxable securities	29,321	372.2	5.08	21,661	321.2	5.93	35.4
Non-taxable securities	898	15.5	6.86	1,290	22.7	7.02	(30.4)
Loans held for sale	2,264	37.3	6.59	2,482	53.9	8.69	(8.8)
Loans							
Commercial	43,216	663.1	6.10	49,623	857.2	6.86	(12.9)
Commercial real estate	25,818	412.2	6.33	26,058	493.4	7.51	(.9)
Residential mortgages	8,513	150.6	7.06	8,355	156.7	7.48	1.9
Retail	37,117	738.7	7.90	33,378	771.8	9.19	11.2
Total loans	114,664	1,964.6	6.80	117,414	2,279.1	7.71	(2.3)
Other earning assets	1,591	25.4	6.34	1,619	24.3	5.97	(1.7)
Allowance for credit losses	2,545			1,798			41.5
Total earning assets*	150,336	2,429.3	6.43	145,828	2,719.0	7.42	3.1
Other assets	25,276			23,421			7.9
Total assets	$173,067			$167,451			3.4
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$28,838			$25,106			14.9
Interest-bearing deposits							
Interest checking	15,534	25.8	.66	13,842	44.7	1.28	12.2
Money market accounts	24,512	80.5	1.30	25,168	164.3	2.59	(2.6)
Savings accounts	4,969	6.6	.52	4,587	10.5	.91	8.3
Time certificates of deposit less than $100,000	18,710	177.0	3.75	22,641	295.9	5.18	(17.4)
Time deposits greater than $100,000	12,349	80.4	2.58	13,887	154.6	4.42	(11.1)
Total interest-bearing deposits	76,074	370.3	1.93	80,125	670.0	3.32	(5.1)
Short-term borrowings	9,641	56.4	2.32	12,662	122.9	3.85	(23.9)
Long-term debt	32,089	208.0	2.58	25,058	276.7	4.39	28.1
Company-obligated mandatorily redeemable preferred securities	2,954	53.5	7.18	2,088	39.7	7.53	41.5
Total interest-bearing liabilities	120,758	688.2	2.26	119,933	1,109.3	3.67	.7
Other liabilities	6,196			5,467			13.3
Shareholders' equity	17,275			16,945			1.9
Total liabilities and shareholders' equity	$173,067			$167,451			3.4 %
Net interest income		$1,741.1			$1,609.7		
Gross interest margin			4.17 %			3.75 %	
Gross interest margin without taxable-equivalent increments			4.15			3.72	
Percent of Earning Assets							
Interest income			6.43 %			7.42 %	
Interest expense			1.82			3.02	
Net interest margin			4.61			4.40	
Net interest margin without taxable-equivalent increments			4.59 %			4.37 %	

Interest and rates are presented on a fully taxable-equivalent basis under a tax rate of 35 percent.
Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.
* Before deducting the allowance for credit losses and excluding the unrealized gain (loss) on available-for-sale securities.

U.S. Bancorp

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

(Dollars in Millions) (Unaudited)	September 30, 2002 Average Balances	Interest	Yields and Rates	June 30, 2002 Average Balances	Interest	Yields and Rates	% Change Average Balances
			For the Three Months Ended				
Assets							
Money market investments	$683	$3.3	1.92 %	$779	$2.2	1.09 %	(12.3) %
Trading account securities	915	11.0	4.79	1,022	10.1	3.96	(10.5)
Taxable securities	29,321	372.2	5.08	27,051	346.1	5.12	8.4
Non-taxable securities	898	15.5	6.86	965	16.5	6.87	(6.9)
Loans held for sale	2,264	37.3	6.59	2,142	36.6	6.84	5.7
Loans							
Commercial	43,216	663.1	6.10	44,427	670.0	6.05	(2.7)
Commercial real estate	25,818	412.2	6.33	25,229	403.4	6.41	2.3
Residential mortgages	8,513	150.6	7.06	8,194	147.1	7.18	3.9
Retail	37,117	738.7	7.90	36,167	719.9	7.98	2.6
Total loans	114,664	1,964.6	6.80	114,017	1,940.4	6.82	.6
Other earning assets	1,591	25.4	6.34	1,665	32.7	7.88	(4.4)
Allowance for credit losses	2,545			2,546			--
Total earning assets*	150,336	2,429.3	6.43	147,641	2,384.6	6.47	1.8
Other assets	25,276			24,052			5.1
Total assets	$173,067			$169,147			2.3
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$28,838			$27,267			5.8
Interest-bearing deposits							
Interest checking	15,534	25.8	.66	15,318	25.4	.67	1.4
Money market accounts	24,512	80.5	1.30	24,384	76.3	1.26	.5
Savings accounts	4,969	6.6	.52	4,957	6.6	.54	.2
Time certificates of deposit less than $100,000	18,710	177.0	3.75	19,653	192.8	3.93	(4.8)
Time deposits greater than $100,000	12,349	80.4	2.58	10,871	74.7	2.76	13.6
Total interest-bearing deposits	76,074	370.3	1.93	75,183	375.8	2.00	1.2
Short-term borrowings	9,641	56.4	2.32	11,650	68.3	2.35	(17.2)
Long-term debt	32,089	208.0	2.58	30,152	197.9	2.63	6.4
Company-obligated mandatorily redeemable preferred securities	2,954	53.5	7.18	2,866	52.8	7.39	3.1
Total interest-bearing liabilities	120,758	688.2	2.26	119,851	694.8	2.32	.8
Other liabilities	6,196			5,554			11.6
Shareholders' equity	17,275			16,475			4.9
Total liabilities and shareholders' equity	$173,067			$169,147			2.3 %
Net interest income		$1,741.1			$1,689.8		
Gross interest margin			4.17 %			4.15 %	
Gross interest margin without taxable-equivalent increments			4.15			4.13	
Percent of Earning Assets							
Interest income			6.43 %			6.47 %	
Interest expense			1.82			1.88	
Net interest margin			4.61			4.59	
Net interest margin without taxable-equivalent increments			4.59 %			4.57 %	

Interest and rates are presented on a fully taxable-equivalent basis under a tax rate of 35 percent.
Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.
* Before deducting the allowance for credit losses and excluding the unrealized gain (loss) on available-for-sale securities.

U.S. Bancorp

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

(Dollars in Millions) (Unaudited)	For the Nine Months Ended September 30, 2002 Average Balances	Interest	Yields and Rates	September 30, 2001 Average Balances	Interest	Yields and Rates	% Change Average Balances
Assets							
Money market investments	$725	$8.8	1.62 %	$676	$22.6	4.46 %	7.2 %
Trading account securities	947	29.6	4.16	736	42.7	7.74	28.7
Taxable securities	27,321	1,066.1	5.20	18,725	862.3	6.14	45.9
Non-taxable securities	979	50.7	6.90	1,987	108.1	7.25	(50.7)
Loans held for sale	2,256	113.1	6.69	1,634	96.4	7.87	38.1
Loans							
Commercial	44,334	2,003.3	6.04	51,235	2,882.2	7.52	(13.5)
Commercial real estate	25,413	1,222.8	6.43	26,287	1,563.8	7.95	(3.3)
Residential mortgages	8,225	441.5	7.16	8,798	509.8	7.73	(6.5)
Retail	36,163	2,172.6	8.03	33,215	2,408.8	9.69	8.9
Total loans	114,135	5,840.2	6.84	119,535	7,364.6	8.23	(4.5)
Other earning assets	1,629	77.1	6.33	1,708	82.4	6.45	(4.6)
Allowance for credit losses	2,542			1,794			41.7
Total earning assets*	147,992	7,185.6	6.49	145,001	8,579.1	7.90	2.1
Other assets	24,567			21,941			12.0
Total assets	$170,017			$165,148			2.9
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	$27,872			$24,408			14.2
Interest-bearing deposits							
Interest checking	15,336	77.5	.68	13,805	170.3	1.65	11.1
Money market accounts	24,563	232.4	1.27	24,815	609.2	3.28	(1.0)
Savings accounts	4,901	19.7	.54	4,539	34.8	1.02	8.0
Time certificates of deposit less than $100,000	19,602	584.2	3.98	23,959	985.6	5.50	(18.2)
Time deposits greater than $100,000	10,865	227.8	2.80	14,137	536.8	5.08	(23.1)
Total interest-bearing deposits	75,267	1,141.6	2.03	81,255	2,336.7	3.84	(7.4)
Short-term borrowings	11,934	203.6	2.28	12,293	433.5	4.72	(2.9)
Long-term debt	29,584	579.0	2.61	24,304	957.4	5.26	21.7
Company-obligated mandatorily redeemable preferred securities	2,886	160.1	7.42	1,774	102.7	7.74	62.7
Total interest-bearing liabilities	119,671	2,084.3	2.33	119,626	3,830.3	4.28	--
Other liabilities	5,834			5,102			14.3
Shareholders' equity	16,640			16,012			3.9
Total liabilities and shareholders' equity	$170,017			$165,148			2.9 %
Net interest income		$5,101.3			$4,748.8		
Gross interest margin			4.16 %			3.62 %	
Gross interest margin without taxable-equivalent increments			4.14			3.58	
Percent of Earning Assets							
Interest income			6.49 %			7.90 %	
Interest expense			1.89			3.53	
Net interest margin			4.60			4.37	
Net interest margin without taxable-equivalent increments			4.58 %			4.33 %	

Interest and rates are presented on a fully taxable-equivalent basis under a tax rate of 35 percent.
Interest income and rates on loans include loan fees. Nonaccrual loans are included in average loan balances.
* Before deducting the allowance for credit losses and excluding the unrealized gain (loss) on available-for-sale securities.

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LOAN PORTFOLIO

(Dollars in Millions) (Unaudited)	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	December 31, 2001 Amount	December 31, 2001 Percent of Total	September 30, 2001 Amount	September 30, 2001 Percent of Total
Commercial										
Commercial	$38,330	33.1 %	$38,889	33.9 %	$40,679	35.5 %	$40,472	35.4 %	$41,333	36.0 %
Lease financing	5,496	4.7	5,602	4.9	5,676	4.9	5,858	5.1	5,926	5.2
Total commercial	43,826	37.8	44,491	38.8	46,355	40.4	46,330	40.5	47,259	41.2
Commercial real estate										
Commercial mortgages	19,774	17.1	18,875	16.5	18,776	16.4	18,765	16.4	18,861	16.5
Construction and development	6,530	5.6	6,425	5.6	6,373	5.5	6,608	5.8	6,674	5.8
Total commercial real estate	26,304	22.7	25,300	22.1	25,149	21.9	25,373	22.2	25,535	22.3
Residential mortgages	8,439	7.3	8,107	7.1	7,902	6.9	7,829	6.8	8,032	7.0
Retail										
Credit card	5,608	4.8	5,699	5.0	5,437	4.7	5,889	5.1	5,700	5.0
Retail leasing	5,575	4.8	5,466	4.8	5,187	4.5	4,906	4.3	4,708	4.1
Home equity and second mortgages	13,668	11.8	13,434	11.7	12,777	11.2	12,235	10.7	11,797	10.3
Other retail										
Revolving credit	2,708	2.3	2,638	2.3	2,600	2.3	2,673	2.3	2,680	2.3
Installment	2,336	2.0	2,259	2.0	2,219	1.9	2,292	2.0	2,255	2.0
Automobile	5,991	5.2	5,811	5.1	5,714	5.0	5,660	5.0	5,379	4.7
Student	1,479	1.3	1,365	1.1	1,407	1.2	1,218	1.1	1,222	1.1
Total other retail	12,514	10.8	12,073	10.5	11,940	10.4	11,843	10.4	11,536	10.1
Total retail	37,365	32.2	36,672	32.0	35,341	30.8	34,873	30.5	33,741	29.5
Total loans	$115,934	100.0 %	$114,570	100.0 %	$114,747	100.0 %	$114,405	100.0 %	$114,567	100.0 %

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SUPPLEMENTAL FINANCIAL DATA

(Dollars in Millions, Except Per Share Data) (Unaudited)	September 30, 2002	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Ending common shares outstanding (in millions)	1,914.7	1,914.2	1,915.1	1,951.7	1,969.0
Book value per common share	$9.15	$8.70	$8.30	$8.43	$8.54
Book value of intangibles					
Goodwill	$5,442	$5,442	$5,427	$5,459	$5,535
Merchant processing contracts	630	649	652	680	651
Core deposit benefits	471	490	510	530	572
Mortgage servicing rights	609	656	449	360	326
Other identified intangibles	367	381	387	383	364
Total intangibles	$7,519	$7,618	$7,425	$7,412	$7,448

	Three Months Ended				
	September 30, 2002	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001
Amortization of intangibles					
Goodwill	$ --	$ --	$ --	$62.4	$62.3
Merchant processing contracts	34.0	32.6	31.8	18.7	13.4
Core deposit benefits	19.4	19.8	20.0	20.1	20.4
Mortgage servicing rights	143.7	38.1	14.1	40.1	36.5
Other identified intangibles	14.3	14.2	14.3	14.1	14.5
Total intangibles	$211.4	$104.7	$80.2	$155.4	$147.1
Mortgage banking revenue					
Origination and sales	$64.3	$29.9	$25.3	$42.8	$36.1
Loan servicing	46.6	42.2	26.7	26.0	23.0
Gain (loss) on sale of servicing rights	.9	5.9	--	(.3)	1.2
Total mortgage banking revenue	$111.8	$78.0	$52.0	$68.5	$60.3
Mortgage production volume	$5,882	$4,220	$4,205	$5,690	$3,852
Mortgages serviced for others	$39,413	$37,114	$25,404	$21,964	$20,836
Income taxes					
Book rate *	34.8%	34.8%	34.8%	36.1%	33.1%
Tax equivalent adjusted rate *	35.3%	35.3%	35.2%	36.6%	36.2%
Tax equivalent adjustment	$9.3	$9.0	$9.1	$9.9	$10.7
Net interest income **	$1,741.1	$1,689.8	$1,670.4	$1,674.2	$1,609.7
Net interest margin**	4.61%	4.59%	4.62%	4.57%	4.40%
Interest yield on average loans **	6.80%	6.82%	6.89%	7.18%	7.71%
Rate paid on interest-bearing liabilities	2.26%	2.32%	2.40%	2.82%	3.67%
Return on average common equity *	20.8%	21.2%	21.1%	18.6%	3.5%
Return on average assets *	2.08%	2.06%	2.03%	1.85%	.35%
Efficiency ratio *	49.4%	46.8%	46.1%	50.4%	49.5%
Banking efficiency ratio ***	46.1%	43.3%	42.4%	46.6%	45.7%
Gross charge-offs	$379.8	$393.0	$385.7	$324.2	$620.7
Gross recoveries	$50.8	$62.5	$50.7	$58.4	$57.4

* Excluding merger and restructuring-related items and cumulative effect of change in accounting principles

** On a taxable equivalent basis

*** Excluding merger and restructuring-related items and cumulative effect of change in accounting principles; without investment banking and brokerage activity

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LINE OF BUSINESS FINANCIAL PERFORMANCE *

For the Three Months Ended (Dollars in Millions)	Wholesale Banking Sep 30, 2002	Wholesale Banking Sep 30, 2001	Percent Change	Consumer Banking Sep 30, 2002	Consumer Banking Sep 30, 2001	Percent Change	Private Client, Trust and Asset Management Sep 30, 2002	Private Client, Trust and Asset Management Sep 30, 2001	Percent Change	Payment Services Sep 30, 2002	Payment Services Sep 30, 2001	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	$509.5	$525.7	(3.1) %	$828.2	$810.9	2.1 %	$80.2	$81.2	(1.2) %	$179.3	$156.5	14.6 %
Noninterest income	197.0	160.4	22.8	453.8	302.6	50.0	219.3	220.4	(.5)	442.0	348.4	26.9
Total net revenue	706.5	686.1	3.0	1,282.0	1,113.5	15.1	299.5	301.6	(.7)	621.3	504.9	23.1
Noninterest expense	98.6	103.6	(4.8)	425.5	418.4	1.7	115.7	112.3	3.0	157.2	140.4	12.0
Other intangible amortization	5.2	6.3	(17.5)	157.6	51.7	**	7.8	7.8	--	40.5	18.8	**
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	103.8	109.9	(5.6)	583.1	470.1	24.0	123.5	120.1	2.8	197.7	159.2	24.2
Operating income	602.7	576.2	4.6	698.9	643.4	8.6	176.0	181.5	(3.0)	423.6	345.7	22.5
Provision for credit losses	118.1	750.5	(84.3)	118.5	195.2	(39.3)	6.8	19.4	(64.9)	111.3	128.9	(13.7)
Income before income taxes	484.6	(174.3)	**	580.4	448.2	29.5	169.2	162.1	4.4	312.3	216.8	44.0
Income taxes and taxable-equivalent adjustment	176.3	(63.4)	**	211.2	163.1	29.5	61.6	59.0	4.4	113.6	78.9	44.0
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$308.3	($110.9)	**	$369.2	$285.1	29.5	$107.6	$103.1	4.4	$198.7	$137.9	44.1
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	$47,547	$54,789	(13.2)	$51,376	$48,058	6.9	$4,861	$4,462	8.9	$10,109	$10,025	.8
Goodwill	1,314	1,352	(2.8)	1,722	1,696	1.5	289	284	1.8	1,811	1,411	28.3
Other intangible assets	124	148	(16.2)	994	760	30.8	224	248	(9.7)	765	702	9.0
Assets	53,538	61,626	(13.1)	59,185	57,060	3.7	5,863	5,802	1.1	13,433	12,734	5.5
Noninterest-bearing deposits	13,205	10,280	28.5	13,255	12,270	8.0	2,251	2,283	(1.4)	198	163	21.5
Interest-bearing deposits	8,150	6,671	22.2	57,156	60,866	(6.1)	4,715	4,889	(3.6)	8	6	33.3
Total deposits	21,355	16,951	26.0	70,411	73,136	(3.7)	6,966	7,172	(2.9)	206	169	21.9
Shareholders' equity	5,423	5,992	(9.5)	4,913	4,917	(.1)	1,341	1,386	(3.2)	3,254	2,768	17.6

For the Three Months Ended (Dollars in Millions)	Capital Markets Sep 30, 2002	Capital Markets Sep 30, 2001	Percent Change	Treasury and Corporate Support Sep 30, 2002	Treasury and Corporate Support Sep 30, 2001	Percent Change	Consolidated Company Sep 30, 2002	Consolidated Company Sep 30, 2001	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$9.2	$4.7	95.7 %	$134.7	$30.7	** %	$1,741.1	$1,609.7	8.2 %
Noninterest income	156.2	188.3	(17.0)	90.0	98.3	(8.4)	1,558.3	1,318.4	18.2
Total net revenue	165.4	193.0	(14.3)	224.7	129.0	74.2	3,299.4	2,928.1	12.7
Noninterest expense	163.3	176.7	(7.6)	398.2	320.2	24.4	1,358.5	1,271.6	6.8
Other intangible amortization	--	--	--	.3	.2	50.0	211.4	84.8	**
Goodwill amortization	--	--	--	--	62.3	**	--	62.3	**
Total noninterest expense	163.3	176.7	(7.6)	398.5	382.7	4.1	1,569.9	1,418.7	10.7
Operating income	2.1	16.3	(87.1)	(173.8)	(253.7)	31.5	1,729.5	1,509.4	14.6
Provision for credit losses	(.1)	--	**	(24.6)	181.0	**	330.0	1,275.0	(74.1)
Income before income taxes	2.2	16.3	(86.5)	(149.2)	(434.7)	65.7	1,399.5	234.4	**
Income taxes and taxable-equivalent adjustment	.8	5.9	(86.4)	(70.2)	(158.8)	55.8	493.3	84.7	**
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$1.4	$10.4	(86.5)	$(79.0)	$(275.9)	71.4	906.2	149.7	**
Merger and restructuring-related items (after-tax)							(45.9)	(111.0)	
Cumulative effect of change in accounting principles							--	--	
Net income							$860.3	$38.7	
Average Balance Sheet Data									
Loans	$224	$179	25.1	$547	$(99)	**	$114,664	$117,414	(2.3)
Goodwill	306	313	(2.2)	--	--	--	5,442	5,056	7.6
Other intangible assets	--	--	--	16	--	**	2,123	1,858	14.3
Assets	3,041	3,226	(5.7)	38,007	27,003	40.8	173,067	167,451	3.4
Noninterest-bearing deposits	206	172	19.8	(277)	(62)	**	28,838	25,106	14.9
Interest-bearing deposits	--	--	--	6,045	7,693	(21.4)	76,074	80,125	(5.1)
Total deposits	206	172	19.8	5,768	7,631	(24.4)	104,912	105,231	(.3)
Shareholders' equity	626	627	(.2)	1,718	1,255	36.9	17,275	16,945	1.9

*Preliminary data

**Not meaningful

U.S. Bancorp

LINE OF BUSINESS FINANCIAL PERFORMANCE *

	Wholesale Banking			Consumer Banking			Private Client, Trust and Asset Management			Payment Services		
For the Three Months Ended (Dollars in Millions)	Sep 30, 2002	Jun 30, 2002	Percent Change	Sep 30, 2002	Jun 30, 2002	Percent Change	Sep 30, 2002	Jun 30, 2002	Percent Change	Sep 30, 2002	Jun30, 2002	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	$509.5	$488.4	4.3 %	$828.2	$808.4	2.4 %	$80.2	$79.3	1.1 %	$179.3	$165.8	8.1 %
Noninterest income	197.0	186.0	5.9	453.8	343.6	32.1	219.3	226.8	(3.3)	442.0	406.1	8.8
Total net revenue	706.5	674.4	4.8	1,282.0	1,152.0	11.3	299.5	306.1	(2.2)	621.3	571.9	8.6
Noninterest expense	98.6	107.1	(7.9)	425.5	414.8	2.6	115.7	111.0	4.2	157.2	161.6	(2.7)
Other intangible amortization	5.2	5.2	--	157.6	52.5	**	7.8	7.9	(1.3)	40.5	38.8	4.4
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	103.8	112.3	(7.6)	583.1	467.3	24.8	123.5	118.9	3.9	197.7	200.4	(1.3)
Operating income	602.7	562.1	7.2	698.9	684.7	2.1	176.0	187.2	(6.0)	423.6	371.5	14.0
Provision for credit losses	118.1	(30.3)	**	118.5	73.4	61.4	6.8	1.9	**	111.3	112.1	(.7)
Income before income taxes	484.6	592.4	(18.2)	580.4	611.3	(5.1)	169.2	185.3	(8.7)	312.3	259.4	20.4
Income taxes and taxable-equivalent adjustment	176.3	215.6	(18.2)	211.2	222.5	(5.1)	61.6	67.4	(8.6)	113.6	94.4	20.3
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$308.3	$376.8	(18.2)	$369.2	$388.8	(5.0)	$107.6	$117.9	(8.7)	$198.7	$165.0	20.4
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	$47,547	$48,299	(1.6)	$51,376	$50,281	2.2	$4,861	$4,697	3.5	$10,109	$10,089	.2
Goodwill	1,314	1,314	--	1,722	1,720	.1	289	289	--	1,811	1,813	(.1)
Other intangible assets	124	130	(4.6)	994	1,000	(.6)	224	232	(3.4)	765	773	(1.0)
Assets	53,538	54,614	(2.0)	59,185	58,385	1.4	5,863	5,744	2.1	13,433	13,146	2.2
Noninterest-bearing deposits	13,205	11,961	10.4	13,255	13,043	1.6	2,251	2,328	(3.3)	198	162	22.2
Interest-bearing deposits	8,150	7,191	13.3	57,156	57,799	(1.1)	4,715	4,783	(1.4)	8	7	14.3
Total deposits	21,355	19,152	11.5	70,411	70,842	(.6)	6,966	7,111	(2.0)	206	169	21.9
Shareholders' equity	5,423	5,260	3.1	4,913	4,623	6.3	1,341	1,344	(.2)	3,254	3,197	1.8

	Capital Markets			Treasury and Corporate Support			Consolidated Company		
For the Three Months Ended (Dollars in Millions)	Sep 30, 2002	Jun 30, 2002	Percent Change	Sep 30, 2002	Jun 30, 2002	Percent Change	Sep 30, 2002	Jun 30, 2002	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$9.2	$3.1	** %	$134.7	$144.8	(7.0) %	$1,741.1	$1,689.8	3.0 %
Noninterest income	156.2	193.8	(19.4)	90.0	81.0	11.1	1,558.3	1,437.3	8.4
Total net revenue	165.4	196.9	(16.0)	224.7	225.8	(.5)	3,299.4	3,127.1	5.5
Noninterest expense	163.3	188.0	(13.1)	398.2	361.6	10.1	1,358.5	1,344.1	1.1
Other intangible amortization	--	--	--	.3	.3	--	211.4	104.7	**
Goodwill amortization	--	--	--	--	--	--	--	--	--
Total noninterest expense	163.3	188.0	(13.1)	398.5	361.9	10.1	1,569.9	1,448.8	8.4
Operating income	2.1	8.9	(76.4)	(173.8)	(136.1)	(27.7)	1,729.5	1,678.3	3.1
Provision for credit losses	(.1)	--	**	(24.6)	177.9	**	330.0	335.0	(1.5)
Income before income taxes	2.2	8.9	(75.3)	(149.2)	(314.0)	52.5	1,399.5	1,343.3	4.2
Income taxes and taxable-equivalent adjustment	.8	3.2	(75.0)	(70.2)	(129.6)	45.8	493.3	473.5	4.2
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$1.4	$5.7	(75.4)	$(79.0)	$(184.4)	57.2	906.2	869.8	4.2
Merger and restructuring-related items (after-tax)							(45.9)	(46.7)	
Cumulative effect of change in accounting principles							--	--	
Net income							$860.3	$823.1	
Average Balance Sheet Data									
Loans	$224	$223	.4	$547	$428	27.8	$114,664	$114,017	.6
Goodwill	306	306	--	--	--	--	5,442	5,442	--
Other intangible assets	--	--	--	16	14	14.3	2,123	2,149	(1.2)
Assets	3,041	3,171	(4.1)	38,007	34,087	11.5	173,067	169,147	2.3
Noninterest-bearing deposits	206	202	2.0	(277)	(429)	35.4	28,838	27,267	5.8
Interest-bearing deposits	--	--	--	6,045	5,403	11.9	76,074	75,183	1.2
Total deposits	206	202	2.0	5,768	4,974	16.0	104,912	102,450	2.4
Shareholders' equity	626	641	(2.3)	1,718	1,410	21.8	17,275	16,475	4.9

*Preliminary data

**Not meaningful

U.S. Bancorp

LINE OF BUSINESS FINANCIAL PERFORMANCE *

For the Nine Months Ended (Dollars in Millions)	Wholesale Banking Sep 30, 2002	Sep 30, 2001	Percent Change	Consumer Banking Sep 30, 2002	Sep 30, 2001	Percent Change	Private Client, Trust and Asset Management Sep 30, 2002	Sep 30, 2001	Percent Change	Payment Services Sep 30, 2002	Sep 30, 2001	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	$1,486.7	$1,627.0	(8.6) %	$2,425.7	$2,448.8	(.9) %	$238.4	$236.4	.8 %	$515.5	$447.8	15.1 %
Noninterest income	564.5	455.2	24.0	1,090.5	933.0	16.9	667.3	664.7	.4	1,212.7	886.6	36.8
Total net revenue	2,051.2	2,082.2	(1.5)	3,516.2	3,381.8	4.0	905.7	901.1	.5	1,728.2	1,334.4	29.5
Noninterest expense	297.8	299.6	(.6)	1,253.5	1,269.8	(1.3)	338.6	338.0	.2	481.7	355.6	35.5
Other intangible amortization	15.6	18.8	(17.0)	238.6	111.4	**	23.3	23.1	.9	117.9	31.3	**
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	313.4	318.4	(1.6)	1,492.1	1,381.2	8.0	361.9	361.1	.2	599.6	386.9	55.0
Operating income	1,737.8	1,763.8	(1.5)	2,024.1	2,000.6	1.2	543.8	540.0	.7	1,128.6	947.5	19.1
Provision for credit losses	48.1	1,029.8	(95.3)	311.9	396.1	(21.3)	12.4	25.2	(50.8)	338.1	343.6	(1.6)
Income before income taxes	1,689.7	734.0	**	1,712.2	1,604.5	6.7	531.4	514.8	3.2	790.5	603.9	30.9
Income taxes and taxable-equivalent adjustment	614.9	267.1	**	623.1	583.9	6.7	193.4	187.3	3.3	287.6	219.8	30.8
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$1,074.8	$466.9	**	$1,089.1	$1,020.6	6.7	$338.0	$327.5	3.2	$502.9	$384.1	30.9
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	$48,337	$56,245	(14.1)	$50,376	$48,798	3.2	$4,706	$4,365	7.8	$10,073	$9,958	1.2
Goodwill	1,336	1,394	(4.2)	1,713	1,725	(.7)	289	289	--	1,815	679	**
Other intangible assets	130	159	(18.2)	927	656	41.3	230	255	(9.8)	779	324	**
Assets	54,703	63,341	(13.6)	58,471	56,737	3.1	5,804	5,724	1.4	13,272	11,426	16.2
Noninterest-bearing deposits	12,481	10,130	23.2	12,914	11,913	8.4	2,298	2,089	10.0	208	162	28.4
Interest-bearing deposits	7,482	6,375	17.4	57,996	61,756	(6.1)	4,746	5,024	(5.5)	7	6	16.7
Total deposits	19,963	16,505	21.0	70,910	73,669	(3.7)	7,044	7,113	(1.0)	215	168	28.0
Shareholders' equity	5,328	6,277	(15.1)	4,666	4,899	(4.8)	1,343	1,407	(4.5)	3,211	1,603	**

For the Nine Months Ended (Dollars in Millions)	Capital Markets Sep 30, 2002	Sep 30, 2001	Percent Change	Treasury and Corporate Support Sep 30, 2002	Sep 30, 2001	Percent Change	Consolidated Company Sep 30, 2002	Sep 30, 2001	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	$19.7	$21.7	(9.2) %	$415.3	$(32.9)	** %	$5,101.3	$4,748.8	7.4 %
Noninterest income	520.4	624.9	(16.7)	267.1	440.3	(39.3)	4,322.5	4,004.7	7.9
Total net revenue	540.1	646.6	(16.5)	682.4	407.4	67.5	9,423.8	8,753.5	7.7
Noninterest expense	514.1	602.2	(14.6)	1,099.3	915.6	20.1	3,985.0	3,780.8	5.4
Other intangible amortization	--	--	--	.9	.8	12.5	396.3	185.4	**
Goodwill amortization	--	--	--	--	188.7	**	--	188.7	**
Total noninterest expense	514.1	602.2	(14.6)	1,100.2	1,105.1	(.4)	4,381.3	4,154.9	5.4
Operating income	26.0	44.4	(41.4)	(417.8)	(697.7)	40.1	5,042.5	4,598.6	9.7
Provision for credit losses	(.1)	--	**	289.6	86.1	**	1,000.0	1,880.8	(46.8)
Income before income taxes	26.1	44.4	(41.2)	(707.4)	(783.8)	9.7	4,042.5	2,717.8	48.7
Income taxes and taxable-equivalent adjustment	9.5	16.2	(41.4)	(303.6)	(322.1)	(5.7)	1,424.9	952.2	49.6
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	$16.6	$28.2	(41.1)	$(403.8)	$(461.7)	12.5	2,617.6	1,765.6	48.3
Merger and restructuring-related items (after-tax)							(141.0)	(754.5)	
Cumulative effect of change in accounting principles							(37.2)	--	
Net income							$2,439.4	$1,011.1	
Average Balance Sheet Data									
Loans	$225	$170	32.4	$418	$(1)	**	$114,135	$119,535	(4.5)
Goodwill	306	321	(4.7)	--	--	--	5,459	4,408	23.8
Other intangible assets	--	--	--	8	1	**	2,074	1,395	48.7
Assets	3,144	3,159	(.5)	34,623	24,761	39.8	170,017	165,148	2.9
Noninterest-bearing deposits	207	164	26.2	(236)	(50)	**	27,872	24,408	14.2
Interest-bearing deposits	--	--	--	5,036	8,094	(37.8)	75,267	81,255	(7.4)
Total deposits	207	164	26.2	4,800	8,044	(40.3)	103,139	105,663	(2.4)
Shareholders' equity	634	638	(.6)	1,458	1,188	22.7	16,640	16,012	3.9

*Preliminary data

**Not meaningful