



News Release

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U.S. BANCORP REPORTS EARNINGS FOR 2ND QUARTER 2002

EARNINGS SUMMARY								Table 1
(\$ in millions, except per-share data)								
	2Q 2002	1Q 2002	2Q 2001	Percent Change 2Q02 vs 1Q02	Percent Change 2Q02 vs 2Q01	YTD 2002	YTD 2001	Percent Change
Before merger and restructuring-related items and cumulative effect of change in accounting principles*:								
Operating earnings	\$869.8	\$841.6	\$818.6	3.4	6.3	\$1,711.4	\$1,615.9	5.9
Earnings per common share (diluted)	0.45	0.44	0.43	2.3	4.7	0.89	0.84	6.0
Return on average common equity(%)	21.2	21.1	21.0			21.1	21.0	
Return on average assets (%)	2.06	2.03	1.99			2.05	1.99	
Efficiency ratio (%)	46.8	46.1	47.6			46.5	49.1	
Net income	823.1	756.0	562.3	8.9	46.4	1,579.1	972.4	62.4
Earnings per common share (diluted)	0.43	0.39	0.29	10.3	48.3	0.82	0.51	60.8
Dividends declared per common share	0.195	0.195	0.1875	--	4.0	0.39	0.375	4.0
Book value per common share (period-end)	8.70	8.30	8.10	4.8	7.4			
Net interest margin (%)	4.59	4.62	4.34			4.60	4.36	

* merger and restructuring-related items, net of taxes, totaled \$(46.7) million in 2Q02; \$(48.4) million in 1Q02, \$(256.3) million in 2Q01, \$(95.1) year-to-date 2002, and \$(643.5) year-to-date 2001; cumulative effect of change in accounting principles totaled \$(37.2) million in 1Q02 and year-to-date.

MINNEAPOLIS, July 16, 2002 – U.S. Bancorp (NYSE: USB) today reported operating earnings of \$869.8 million for the second quarter of 2002, compared with \$818.6 million for the second quarter of 2001. Operating earnings of \$.45 per diluted share in the second quarter of 2002 were higher than the same period of 2001 by \$.02 (4.7 percent). Return on average common equity and return on average assets, excluding merger and restructuring-related items, were 21.2 percent and 2.06 percent, respectively, in the second quarter of 2002, compared with returns of 21.0 percent and 1.99 percent in the second quarter of 2001.

Including after-tax merger and restructuring-related items of \$(46.7) million in the second quarter of 2002 and \$(256.3) million the second quarter of 2001, the Company recorded net income for the

second quarter of 2002 of \$823.1 million, or \$.43 per diluted share, compared with \$562.3 million, or \$.29 per diluted share, for the same period of 2001.

U.S. Bancorp President and Chief Executive Officer Jerry A. Grundhofer said, "I am very pleased with our second quarter operating results. We experienced solid core revenue growth over the same quarter of last year, and even more rewarding for me, core revenue growth of well over 14 percent annualized from the first quarter to the second quarter of 2002. We achieved this growth despite both a challenging economy and the significant amount of resources we continue to dedicate towards the successful completion of the integration of Firststar Corporation and the former U.S. Bancorp of Minneapolis. I am very proud of the hard work and accomplishments of our employees--not only for keeping the revenue momentum going and embracing our Five Star Service Guarantee, but for their dedication to the successful completion of the integration. Eighty-five percent of our customers are now on common deposit systems and we are on-track to be at 100 percent by the end of the third quarter."

Total revenue, before merger and restructuring-related gains, on a taxable-equivalent basis for the second quarter of 2002 grew by \$276.7 million (9.7 percent) over the second quarter of 2001, primarily due to improvement in the net interest margin, acquisitions and core banking growth, partially offset by the impact of portfolio sales in 2001 and capital markets-related revenue.

Total noninterest expense, before merger and restructuring-related items, increased over the second quarter of 2001 by \$106.9 million (8.0 percent), primarily reflecting the impact of acquisitions, core banking growth and impairment of mortgage servicing rights ("MSR"), partially offset by the impact to goodwill and other intangible expense with the required adoption of new accounting standards and cost savings from the Company's on-going integration efforts.

Provision for credit losses, before merger and restructuring-related items, for the second quarter of 2002 increased by \$95.0 million (39.6 percent), from the second quarter of 2001, primarily reflecting higher net charge-offs and changes in the credit risk profile of the portfolio given the sluggish economic conditions.

Net charge-offs in the second quarter of 2002 were \$330.5 million, compared with the first quarter of 2002 net charge-offs of \$335.0 million and second quarter of 2001 net charge-offs of \$240.3 million. Net charge-offs in the second quarter of 2002 reflected continuing weakness in the transportation, manufacturing, communications and technology sectors. Nonperforming assets increased from \$1,110.8 million at March 31, 2002, to \$1,147.7 million at June 30, 2002. The ratio of allowance for credit losses to nonperforming loans was 241 percent at June 30, 2002, compared with 250 percent at March 31, 2002.

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). Management anticipates that applying the provisions of SFAS 141 to recent acquisitions and the provisions of SFAS 142 to purchase acquisitions completed prior to July 1, 2001, will increase after-tax income for the year ending December 31, 2002, by approximately \$200 million, or \$.10 per diluted share. 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.

On April 1, 2002, the Company completed its acquisition of Cleveland-based The Leader Mortgage Company, LLC ("Leader Mortgage"), a wholly-owned subsidiary of First Defiance Financial Corp., in a cash transaction. Leader Mortgage had \$506 million in assets at December 31, 2001, and an \$8.6 billion servicing portfolio. In 2001 it had \$2.1 billion in mortgage production.

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INCOME STATEMENT HIGHLIGHTS									Table 2
(Taxable-equivalent basis, \$ in millions, except per-share data)	2Q	1Q	2Q	Percent	Percent	YTD	YTD	Percent	
	2002	2002	2001	Change	Change				
				2Q02 vs	2Q02 vs	2002	2001	Change	
				1Q02	2Q01				
Net interest income	\$1,689.8	\$1,670.4	\$1,574.8	1.2	7.3	\$3,360.2	\$3,139.1	7.0	
Noninterest income*	1,437.3	1,326.9	1,275.6	8.3	12.7	2,764.2	2,686.3	2.9	
Total revenue	3,127.1	2,997.3	2,850.4	4.3	9.7	6,124.4	5,825.4	5.1	
Noninterest expense*	1,448.8	1,362.6	1,341.9	6.3	8.0	2,811.4	2,736.2	2.7	
Operating income before merger and restructuring-related items and cumulative effect of change in accounting principles	1,678.3	1,634.7	1,508.5	2.7	11.3	3,313.0	3,089.2	7.2	
Provision for credit losses*	335.0	335.0	240.0	--	39.6	670.0	605.8	10.6	
Income before taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,343.3	1,299.7	1,268.5	3.4	5.9	2,643.0	2,483.4	6.4	
Taxable-equivalent adjustment	9.0	9.1	16.8	(1.1)	(46.4)	18.1	35.3	(48.7)	
Income taxes*	464.5	449.0	433.1	3.5	7.3	913.5	832.2	9.8	
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	869.8	841.6	818.6	3.4	6.3	1,711.4	1,615.9	5.9	
Merger and restructuring-related items (after-tax)	(46.7)	(48.4)	(256.3)	nm	nm	(95.1)	(643.5)	nm	
Cumulative effect of change in accounting principles (after-tax)	--	(37.2)	--	nm	nm	(37.2)	--	nm	
Net income	\$823.1	\$756.0	\$562.3	8.9	46.4	\$1,579.1	\$972.4	62.4	
Per diluted common share:									
Earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$0.45	\$0.44	\$0.43	2.3	4.7	\$0.89	\$0.84	6.0	
Net income	\$0.43	\$0.39	\$0.29	10.3	48.3	\$0.82	\$0.51	60.8	

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

Net Interest Income

Second quarter net interest income on a taxable-equivalent basis was \$1,689.8 million, compared with \$1,574.8 million recorded in the second quarter of 2001. Average earning assets for the period increased over the second quarter of 2001 by \$2.4 billion (1.6 percent), primarily driven by increases in the investment portfolio, core retail loan growth and the impact of acquisitions, partially offset by a \$1.0 billion reduction related to transfers of short-term, high credit quality, low margin commercial loans to Stellar Funding Group, Inc. (the "loan conduit"), a \$616 million decline in residential mortgages and the securitization of a discontinued unsecured small business product in 2001. The net interest margin in the second quarter of 2002 was 4.59 percent, compared with 4.62

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percent in the first quarter of 2002 and 4.34 percent in the second quarter of 2001. The improvement in the net interest margin in the second quarter of 2002 over the second quarter of 2001 reflects the funding benefits of the declining rate environment, a more favorable funding mix and improving spreads due to product re-pricing dynamics and loan conduit transfers, partially offset by lower yields on the investment portfolio. Net interest income on a taxable-equivalent basis in the second quarter of 2002 was higher than the first quarter of 2002, primarily due to a \$1.7 billion increase in average earning assets, driven by investment securities activities and the acquisition of Leader Mortgage, and day basis, which totaled \$11.5 million, offset somewhat by a shift in funding mix toward longer term fixed-rate funding sources.

NET INTEREST INCOME								Table 3
(Taxable-equivalent basis; \$ in millions)								
	2Q 2002	1Q 2002	2Q 2001	Change 2Q02 vs 1Q02	Change 2Q02 vs 2Q01	YTD 2002	YTD 2001	Change
Components of net interest income								
Income on earning assets	\$2,384.6	\$2,371.7	\$2,832.6	\$12.9	(\$448.0)	\$4,756.3	\$5,860.1	\$(1,103.8)
Expenses on interest-bearing liabilities	694.8	701.3	1,257.8	(6.5)	(563.0)	1,396.1	2,721.0	(1,324.9)
Net interest income	\$1,689.8	\$1,670.4	\$1,574.8	\$19.4	\$115.0	\$3,360.2	\$3,139.1	\$221.1
Average yields and rates paid								
Earning assets yield	6.47 %	6.57 %	7.81 %	(0.10) %	(1.34) %	6.52 %	8.15 %	(1.63) %
Rate paid on interest-bearing liabilities	2.32	2.40	4.21	(0.08)	(1.89)	2.36	4.59	(2.23)
Gross interest margin	4.15 %	4.17 %	3.60 %	(0.02) %	0.55 %	4.16 %	3.56 %	0.60 %
Net interest margin	4.59 %	4.62 %	4.34 %	(0.03) %	0.25 %	4.60 %	4.36 %	0.24 %
Average balances								
Investment securities	\$28,016	\$26,626	\$21,257	\$1,390	\$6,759	\$27,325	\$19,575	\$7,750
Loans	114,017	113,708	119,469	309	(5,452)	113,866	120,613	(6,747)
Earning assets	147,641	145,937	145,289	1,704	2,352	146,797	144,581	2,216
Interest-bearing liabilities	119,851	118,379	119,877	1,472	(26)	119,119	119,471	(352)
Net free funds*	27,790	27,558	25,412	232	2,378	27,678	25,110	2,568
* Represents noninterest-bearing deposits, allowance for credit losses, non-earning assets, other liabilities and equity								

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AVERAGE LOANS								Table 4
(\$ in millions)								
	2Q	1Q	2Q	Percent	Percent	YTD	YTD	Percent
	2002	2002	2001	Change	Change	2002	2001	Change
				2Q02 vs	2Q02 vs			
				1Q02	2Q01			
Commercial	\$38,826	\$39,641	\$45,632	(2.1)	(14.9)	\$39,232	\$46,215	(15.1)
Lease financing	5,601	5,740	5,865	(2.4)	(4.5)	5,670	5,817	(2.5)
Total commercial	44,427	45,381	51,497	(2.1)	(13.7)	44,902	52,032	(13.7)
Commercial mortgages	18,783	18,682	18,991	0.5	(1.1)	18,732	19,148	(2.2)
Construction and development	6,446	6,504	7,360	(0.9)	(12.4)	6,475	7,256	(10.8)
Total commercial real estate	25,229	25,186	26,351	0.2	(4.3)	25,207	26,404	(4.5)
Residential mortgages	8,194	7,962	8,810	2.9	(7.0)	8,078	9,023	(10.5)
Credit card	5,627	5,632	5,652	(0.1)	(0.4)	5,633	5,653	(0.4)
Retail leasing	5,337	5,042	4,465	5.9	19.5	5,190	4,379	18.5
Home equity and second mortgages	13,144	12,513	11,367	5.0	15.6	12,830	11,657	10.1
Other retail	12,059	11,992	11,327	0.6	6.5	12,026	11,465	4.9
Total retail	36,167	35,179	32,811	2.8	10.2	35,679	33,154	7.6
Total loans	\$114,017	\$113,708	\$119,469	0.3	(4.6)	\$113,866	\$120,613	(5.6)
Total loans, excl. residential mortgages	\$105,823	\$105,746	\$110,659	0.1	(4.4)	\$105,788	\$111,590	(5.2)

Average loans for the second quarter of 2002 were \$5.5 billion (4.6 percent) lower than the second quarter of 2001. Year-over-year loan growth was impacted by several management actions, including, the securitization of a discontinued unsecured small business product, branch divestitures, and transfers of short-term, high credit quality, low margin commercial loans to the loan conduit. On a core basis, average loans declined approximately \$3.9 billion (3.2 percent) with growth in average retail loans more than offset by a decline in average residential mortgages, commercial and commercial real estate loans.

Average loans for second quarter of 2002 were higher than the first quarter of 2002 by \$309 million (.3 percent) reflecting growth in retail loans and the net run-off of commercial loans.

Investment securities at June 30, 2002, were \$9.6 billion higher than at June 30, 2001, and \$5.9 billion higher than at March 31, 2002. Average investment securities for the second quarter of 2002

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were \$6.8 billion (31.8 percent) and \$1.4 billion (5.2 percent) higher than the second quarter of 2001 and first quarter of 2002, respectively, reflecting the reinvestment of proceeds from loan sales and declines in commercial and commercial real estate loan balances. During the second quarter of 2002, the Company sold \$2.4 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)								
	2Q 2002	1Q 2002	2Q 2001	Percent Change 2Q02 vs 1Q02	Percent Change 2Q02 vs 2Q01	YTD 2002	YTD 2001	Percent Change
Noninterest-bearing deposits	\$27,267	\$27,485	\$24,512	(0.8)	11.2	\$27,375	\$24,054	13.8
Interest-bearing deposits								
Interest checking	15,318	15,152	13,846	1.1	10.6	15,236	13,787	10.5
Money market accounts	24,384	24,797	25,020	(1.7)	(2.5)	24,589	24,635	(0.2)
Savings accounts	4,957	4,773	4,533	3.9	9.4	4,866	4,515	7.8
Savings products	44,659	44,722	43,399	(0.1)	2.9	44,691	42,937	4.1
Time certificates of deposit less than \$100,000	19,653	20,464	23,933	(4.0)	(17.9)	20,056	24,629	(18.6)
Time deposits greater than \$100,000	10,871	9,341	15,424	16.4	(29.5)	10,110	14,264	(29.1)
Total deposits	\$102,450	\$102,012	\$107,268	0.4	(4.5)	\$102,232	\$105,884	(3.4)

Average noninterest-bearing deposits in the second quarter of 2002 were higher than the second quarter of 2001 by \$2.8 billion (11.2 percent). Average interest-bearing deposits, however, declined by \$7.6 billion (9.2 percent) from the second quarter of 2001. Growth in average savings products (2.9 percent) year-over-year was more than offset by reductions in the average balances of higher cost time certificates (17.9 percent) and time deposits greater than \$100,000 (29.5 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 recent rate environment.

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NONINTEREST INCOME									Table 6
(\$ in millions)									
	2Q	1Q	2Q	Percent	Percent				
	2002	2002	2001	Change	Change	YTD	YTD	Percent	
				2Q02 vs	2Q02 vs	2002	2001	Change	
				1Q02	2Q01				
Credit and debit card revenue	\$131.2	\$109.3	\$118.8	20.0	10.4	\$240.5	\$227.8	5.6	
Corporate payment products revenue	82.5	75.2	77.4	9.7	6.6	157.7	156.2	1.0	
Merchant processing services	144.4	133.6	31.4	8.1	nm	278.0	61.7	nm	
ATM processing services	33.5	30.9	33.0	8.4	1.5	64.4	64.6	(0.3)	
Trust and investment management fees	234.9	224.3	228.0	4.7	3.0	459.2	453.0	1.4	
Deposit service charges	170.2	152.6	176.7	11.5	(3.7)	322.8	323.2	(0.1)	
Cash management fees	104.3	104.2	84.9	0.1	22.9	208.5	161.7	28.9	
Mortgage banking revenue	75.4	52.0	57.0	45.0	32.3	127.4	105.2	21.1	
Trading account profits and commissions	49.5	49.9	55.8	(0.8)	(11.3)	99.4	127.7	(22.2)	
Investment products fees and commissions	107.4	111.1	114.2	(3.3)	(6.0)	218.5	239.9	(8.9)	
Investment banking revenue	70.5	53.2	71.1	32.5	(0.8)	123.7	131.3	(5.8)	
Commercial product revenue	127.0	118.9	105.0	6.8	21.0	245.9	190.9	28.8	
Securities gains, net	30.6	44.1	31.3	(30.6)	(2.2)	74.7	247.3	(69.8)	
Other	75.9	67.6	91.0	12.3	(16.6)	143.5	195.8	(26.7)	
Subtotal	1,437.3	1,326.9	1,275.6	8.3	12.7	2,764.2	2,686.3	2.9	
Merger and restructuring-related gains	--	--	62.2			--	62.2		
Total noninterest income	\$1,437.3	\$1,326.9	\$1,337.8			\$2,764.2	\$2,748.5		

Noninterest Income

Second quarter noninterest income, before merger and restructuring-related gains, was \$1,437.3 million, an increase of \$161.7 million (12.7 percent) from the same quarter of 2001, and a \$110.4 million (8.3 percent) increase over the first quarter of 2002. The growth in noninterest income over the second quarter of 2001 was primarily driven by acquisitions, including NOVA Corporation (“NOVA”), Pacific Century Bank and Leader Mortgage, which contributed approximately \$127.3 million of the favorable variance. Increases in revenue associated with the Company’s core banking products also contributed to the strong revenue growth over the same period of 2001. Credit and debit card revenue, corporate payment products revenue and ATM processing services were higher in the second quarter of 2002 than the second quarter of 2001 by \$18.0 (7.9 percent), primarily reflecting

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growth in card usage. Merchant processing services grew by \$113.0 million year-over-year, primarily due to the acquisition of NOVA. Trust and investment management fees improved in the second quarter of 2002 relative to a year ago by \$6.9 million (3.0 percent) primarily due to growth in new business. Cash management fees and commercial product revenue grew by \$19.4 million (22.9 percent) and \$22.0 million (21.0 percent), respectively, in the second quarter of 2002 over the same period of 2001. The increase in cash management fees and commercial product revenue was primarily driven by growth in core business, loan conduit activities and product enhancements. In addition to the impact of Leader Mortgage, mortgage banking revenue increased in the second quarter of 2002 compared with the second quarter of 2001, primarily due to gains on the sale of servicing rights of \$5.9 million. Offsetting these favorable variances were declines in capital markets-related revenue of \$13.7 million (5.7 percent), reflecting softness in the equity capital markets, and a decrease in deposit service charges of \$6.5 million (3.7 percent) from the same period of 2001.

Noninterest income increased in the second quarter of 2002 by \$110.4 million (8.3 percent) over the first quarter of 2002. Leader Mortgage contributed approximately \$14.0 million to the growth in revenue, while gains on the sale of securities declined by approximately the same amount. The Company experienced strong growth in the second quarter of 2002 over the first quarter of 2002 in credit and debit card revenue (20.0 percent), as well as corporate payment products revenue (9.7 percent) and merchant processing services (8.1 percent), which were driven by higher sales/charge volumes. Trust and investment management fees increased 4.7 percent due, in part, to seasonal tax filing services in the second quarter of 2002. Deposit service charges increased 11.5 percent relative to the first quarter of 2002, while cash management fees were essentially unchanged. The growth in deposit service charges was primarily due to seasonality and revenue enhancement initiatives. In addition to the acquisition of Leader Mortgage, mortgage banking revenue increased in the second quarter of 2002 over the first quarter of 2002 due to higher gains on the sale of servicing rights. Capital markets-related revenues increased \$13.2 million (6.2 percent) from the first quarter of 2002, while commercial product revenue increased \$8.1 million (6.8 percent) over the same time period.

NONINTEREST EXPENSE									Table 7
(\$ in millions)									
	2Q 2002	1Q 2002	2Q 2001	Percent Change 2Q02 vs 1Q02	Percent Change 2Q02 vs 2Q01	YTD 2002	YTD 2001	Percent Change	
Salaries	\$607.6	\$588.3	\$570.5	3.3	6.5	\$1,195.9	\$1,161.0	3.0	
Employee benefits	91.1	96.4	90.7	(5.5)	0.4	187.5	198.8	(5.7)	
Net occupancy	101.8	100.1	101.4	1.7	0.4	201.9	211.5	(4.5)	
Furniture and equipment	77.0	76.9	74.9	0.1	2.8	153.9	151.8	1.4	
Capitalized software	37.7	38.4	33.2	(1.8)	13.6	76.1	63.3	20.2	
Communication	44.1	45.7	50.3	(3.5)	(12.3)	89.8	89.0	0.9	
Postage	44.4	46.6	43.8	(4.7)	1.4	91.0	90.7	0.3	
Goodwill	--	--	58.6	nm	nm	--	126.4	nm	
Other intangible assets	104.7	80.2	54.0	30.5	93.9	184.9	100.6	83.8	
Other	340.4	290.0	264.5	17.4	28.7	630.4	543.1	16.1	
Subtotal	1,448.8	1,362.6	1,341.9	6.3	8.0	2,811.4	2,736.2	2.7	
Merger and restructuring-related charges	71.6	74.2	252.8			145.8	657.0		
Total noninterest expense	\$1,520.4	\$1,436.8	\$1,594.7			\$2,957.2	\$3,393.2		

Noninterest Expense

Second quarter noninterest expense, before merger and restructuring-related charges, totaled \$1,448.8 million, an increase of \$106.9 million (8.0 percent) over the second quarter of 2001. The increase in expense year-over-year was primarily due to the impact of recent acquisitions, including NOVA, Pacific Century and Leader Mortgage, which accounted for approximately \$113.5 million of the increase. In addition, the second quarter of 2002 included \$14.3 million of MSR impairment and higher expenses due to core banking growth. Offsetting the 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.

Second quarter of 2002 noninterest expense, before merger and restructuring-related charges, was higher than the first quarter of 2002 by \$86.2 million (6.3 percent). The unfavorable variance was primarily due to higher expenses related to capital markets activities, growth in payment processing, the acquisition of Leader Mortgage and a \$14.3 million mortgage servicing rights impairment

recorded in the second quarter of 2002, in addition to seasonally higher operating expenses, including legal and professional, travel and entertainment and marketing and public relations.

SIGNIFICANT ITEMS - MERGER AND RESTRUCTURING					Table 8
(\$ in millions)					
Summary of Charges	Current Estimate	Timing		Actual 1Q02	Actual 2Q02
		Actual 2001	Estimated 2002		
Firststar/U.S. Bancorp					
Severance and employee-related	\$268.8	\$268.2	\$0.6	(\$6.7)	\$2.2
Systems conversions and integration	390.0	208.1	171.7	57.6	64.9
Asset write-downs and lease terminations	244.3	130.4	103.9	14.8	17.4
Charitable foundation	76.0	76.0	--	--	--
Balance sheet restructurings	428.9	457.6	(28.7)	(3.8)	(24.9)
Branch sale gain	(62.2)	(62.2)	--	--	--
Branch consolidations	20.0	20.0	--	--	--
Other merger-related charges	72.5	69.1	3.4	2.5	0.9
Total Firststar/U.S. Bancorp*	1,438.3	1,167.2	250.9	64.4	60.5
NOVA	70.3	1.6	48.4	5.4	8.6
U.S. Bancorp Piper Jaffray restructuring	50.7	50.7	--	--	--
Other acquisitions, net	63.2	46.9	16.3	4.4	2.5
Total merger and restructuring	\$1,622.5	\$1,266.4	\$315.6	\$74.2	\$71.6
* Originally estimated to be \$800 million					

Earnings in the second quarter of 2002 included pre-tax net merger and restructuring-related items of \$71.6 million. The total merger and restructuring-related items included \$60.5 million of net expense associated with the Firststar/U.S. Bancorp merger. In addition, \$11.1 million of expense was included in the second quarter of 2002 for NOVA and other smaller acquisitions.

The \$60.5 million of merger and restructuring-related items associated with the Firststar/U.S. Bancorp merger in the second quarter of 2002 was primarily related to systems conversions and integration and asset write-downs and lease terminations. Offsetting a portion of these costs were asset gains on the sale of a non-strategic investment in a sub-prime mortgage lending business.

ALLOWANCE FOR CREDIT LOSSES					Table 9
(\$ in millions)	2Q	1Q	4Q	3Q	2Q
	2002	2002	2001	2001	2001
Balance, beginning of period	\$2,461.5	\$2,457.3	\$2,458.0	\$1,715.7	\$1,729.1
Net charge-offs					
Commercial	110.6	120.5	65.4	307.2	75.5
Lease financing	35.2	32.1	7.1	78.2	9.1
Total commercial	145.8	152.6	72.5	385.4	84.6
Commercial mortgages	6.0	8.8	5.2	6.9	(0.2)
Construction and development	0.4	1.9	5.1	3.4	2.5
Total commercial real estate	6.4	10.7	10.3	10.3	2.3
Residential mortgages	3.9	2.7	2.5	3.6	3.3
Credit card	73.4	67.0	72.9	71.5	68.5
Retail leasing	8.3	10.5	9.4	7.1	7.0
Home equity and second mortgage	25.3	26.1	35.0	19.6	18.7
Other retail	67.4	65.4	63.2	65.8	55.9
Total retail	174.4	169.0	180.5	164.0	150.1
Total net charge-offs	330.5	335.0	265.8	563.3	240.3
Provision for credit losses					
Operating basis	335.0	335.0	265.8	1,275.0	240.0
Merger-related	--	--	--	14.3	201.3
Total provision for credit losses	335.0	335.0	265.8	1,289.3	441.3
Losses from loan sales/transfers	--	--	--	(1.3)	(214.4)
Acquisitions and other changes	0.4	4.2	(0.7)	17.6	--
Balance, end of period	\$2,466.4	\$2,461.5	\$2,457.3	\$2,458.0	\$1,715.7
Net charge-offs to average loans (%)	1.16	1.19	0.92	1.90	0.81
Allowance for credit losses to period-end loans (%)	2.15	2.15	2.15	2.15	1.45

Credit Quality

The allowance for credit losses was \$2,466.4 million at June 30, 2002, compared with the allowance for credit losses of \$2,461.5 million at March 31, 2002. The ratio of allowance for credit losses to nonperforming loans was 241 percent at June 30, 2002, compared with 250 percent at March 31, 2002. The ratio of allowance for credit losses to period-end loans was 2.15 percent at June 30, 2002, equal to the ratio at March 31, 2002. Total net charge-offs in the second quarter of 2002 were \$330.5 million, compared with the first quarter of 2002 net charge-offs of \$335.0 million and the second quarter of 2001 net charge-offs of \$240.3 million.

Commercial and commercial real estate loan net charge-offs were \$152.2 million for the second quarter of 2002, or .88 percent of average loans outstanding, compared with \$163.3 million, or .94 percent of average loans outstanding, in the first quarter of 2002.

Retail loan net charge-offs of \$174.4 million in the second quarter of 2002 were higher than the first quarter of 2002 by \$5.4 million (3.2 percent) and \$24.3 million (16.2 percent) higher than the second quarter of 2001. The increase in retail loan net charge-offs in the second quarter of 2002 from the first quarter of 2002 was primarily due to seasonal increases in credit card and other retail loan net charge-offs. Retail loan net charge-offs as a percent of average loans outstanding were 1.93 percent in the second quarter of 2002, compared with 1.95 percent and 1.83 percent in the first quarter of 2002 and second quarter of 2001, respectively.

CREDIT RATIOS		Table 10				
	2Q	1Q	4Q	3Q	2Q	
	2002	2002	2001	2001	2001	
Net charge-offs ratios*						
Commercial	1.14	1.23	0.64	2.79	0.66	
Lease financing	2.52	2.27	0.48	5.24	0.62	
Total commercial	1.32	1.36	0.62	3.08	0.66	
Commercial mortgages	0.13	0.19	0.11	0.14	--	
Construction and development	0.02	0.12	0.30	0.19	0.14	
Total commercial real estate	0.10	0.17	0.16	0.16	0.04	
Residential mortgages	0.19	0.14	0.13	0.17	0.15	
Credit card	5.23	4.82	5.16	4.97	4.86	
Retail leasing	0.62	0.84	0.77	0.61	0.63	
Home equity and second mortgages	0.77	0.85	1.15	0.67	0.66	
Other retail	2.24	2.21	2.15	2.27	1.98	
Total retail	1.93	1.95	2.10	1.95	1.83	
Total net charge-offs	1.16	1.19	0.92	1.90	0.81	
Delinquent loan ratios - 90 days or more past due**						
Commercial	1.79	1.70	1.71	1.76	1.79	
Commercial real estate	0.85	0.70	0.68	0.88	0.66	
Residential mortgages	1.64	1.65	1.79	1.62	1.53	
Retail	0.74	0.89	1.03	0.92	0.86	
* 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 second quarter of 2002 reflects current economic conditions and continued weakness in the transportation, manufacturing, communications and technology sectors. Net charge-offs are expected to remain at elevated levels but will trend lower by the end of the year.

ASSET QUALITY		Table 11				
(\$ in millions)						
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	
	2002	2002	2001	2001	2001	
Nonperforming loans						
Commercial	\$549.9	\$529.9	\$526.6	\$580.8	\$724.1	
Lease financing	202.0	203.2	180.8	136.6	126.4	
Total commercial	751.9	733.1	707.4	717.4	850.5	
Commercial mortgages	133.6	121.4	131.3	124.7	114.4	
Construction and development	43.4	32.3	35.9	55.5	37.3	
Commercial real estate	177.0	153.7	167.2	180.2	151.7	
Residential mortgages	62.0	63.7	79.1	76.7	67.7	
Retail	34.3	32.6	47.6	37.0	30.0	
Total nonperforming loans	1,025.2	983.1	1,001.3	1,011.3	1,099.9	
Other real estate	49.8	42.6	43.8	55.4	52.7	
Other nonperforming assets	72.7	85.1	74.9	65.7	62.5	
Total nonperforming assets*	\$1,147.7	\$1,110.8	\$1,120.0	\$1,132.4	\$1,215.1	
Accruing loans 90 days past due	\$392.6	\$426.8	\$462.9	\$483.8	\$395.9	
Allowance to nonperforming loans (%)	241	250	245	243	156	
Allowance to nonperforming assets (%)	215	222	219	217	141	
Nonperforming assets to loans plus ORE (%)	1.00	0.97	0.98	0.99	1.02	
*does not include accruing loans 90 days past due						

Nonperforming assets at June 30, 2002, totaled \$1,147.7 million, compared with \$1,110.8 million at March 31, 2002, and \$1,215.1 million at June 30, 2001. The ratio of nonperforming assets to loans and other real estate was 1.00 percent at June 30, 2002, compared with .97 percent at March 31, 2002, and 1.02 percent at June 30, 2001. Nonperforming assets will continue to remain at elevated levels for the remainder of the year and will most likely increase in the third quarter of 2002. The Company does not expect to see a significant reduction in the level of nonperforming assets until the economy rebounds.

CAPITAL POSITION					Table 12
(\$ in millions)	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
	2002	2002	2001	2001	2001
Total shareholders' equity	\$16,650	\$15,892	\$16,461	\$16,817	\$15,456
Tier 1 capital	12,628	12,246	12,488	11,802	12,860
Total risk-based capital	19,937	19,722	19,148	18,687	18,066
Common equity to assets	9.6%	9.6%	9.6%	10.0%	9.4%
Tangible common equity to assets	5.7	5.8	5.7	5.9	6.6
Tier 1 capital ratio	7.9	7.7	7.7	7.2	8.0
Total risk-based capital ratio	12.5	12.4	11.7	11.5	11.2
Leverage ratio	7.8	7.6	7.7	7.4	8.0

Total shareholder's equity was \$16,650 billion at June 30, 2002, compared with \$15,456 billion at June 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 5.7 percent at June 30, 2002, compared with 5.8 percent at March 31, 2002, and 6.6 percent at June 30, 2001. The tier 1 capital ratio was 7.9 percent at June 30, 2002, compared with 7.7 percent at March 31, 2002, and 8.0 percent at June 30, 2001. The total risk-based capital ratio was 12.5 percent at June 30, 2002, compared with 12.4 percent at March 31, 2002, and 11.2 percent at June 30, 2001. The improvement in the total risk-based capital ratio in the second quarter of 2002 primarily reflects changes in the mix of investment securities in addition to the issuance of "trust preferred" securities in both the second and fourth quarters of 2001. The leverage ratio was 7.8 percent at June 30, 2002, compared with 7.6 percent at March 31, 2002, and 8.0 percent at June 30, 2001. All regulatory ratios continue to be in excess of stated "well capitalized" requirements.

COMMON SHARES					Table 13
(Millions)	2Q 2002	1Q 2002	4Q 2001	3Q 2001	2Q 2001
Beginning shares outstanding	1,915.1	1,951.7	1,969.0	1,907.6	1,905.3
Shares issued for stock option and stock purchase plans, acquisitions and other corporate purposes	3.9	3.4	1.1	62.7	2.3
Shares repurchased	(4.8)	(40.0)	(18.4)	(1.3)	--
Ending shares outstanding	<u>1,914.2</u>	<u>1,915.1</u>	<u>1,951.7</u>	<u>1,969.0</u>	<u>1,907.6</u>

On December 18, 2001, the board of directors of U.S. Bancorp approved an authorization to repurchase 100 million shares of outstanding common stock over the next 24 months. During the second quarter of 2002, the Company repurchased 4.8 million shares of common stock related to this authorization.

LINE OF BUSINESS FINANCIAL PERFORMANCE*									Table 14
(\$ in millions)									
Business Line	Operating Earnings**			Percent Change		YTD 2002	YTD 2001	Percent Change	2Q 2002
	2Q 2002	1Q 2002	2Q 2001	2Q02 vs 1Q02	2Q02 vs 2Q01				Earnings Composition
Wholesale Banking	\$378.9	\$392.8	\$399.6	(3.5)	(5.2)	\$771.7	\$580.6	32.9	44 %
Consumer Banking	397.2	338.5	387.4	17.3	2.5	735.7	736.0	--	46
Private Client, Trust and Asset Management	119.2	113.5	119.9	5.0	(0.6)	232.7	223.5	4.1	14
Payment Services	169.3	143.6	112.0	17.9	51.2	312.9	245.0	27.7	19
Capital Markets	10.8	14.4	19.7	(25.0)	(45.2)	25.2	42.5	(40.7)	1
Treasury and Corporate Support	(205.6)	(161.2)	(220.0)	(27.5)	6.5	(366.8)	(211.7)	(73.3)	(24)
Consolidated Company***	\$869.8	\$841.6	\$818.6	3.4	6.3	\$1,711.4	\$1,615.9	5.9	100 %

* preliminary data
 ** earnings before merger and restructuring-related items and cumulative effect of change in accounting principles
 *** securities gains equaled \$30.6 million in 2Q02, \$44.1 million in 1Q02, \$31.3 million in 2Q01, \$74.7 million year-to-date 2002, and \$247.3 year-to-date 2001 and were substantially incurred in Treasury and Corporate Support

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 contributed \$378.9 million of the Company's operating earnings in the second quarter of 2002, a 5.2 percent decrease from the same period of 2001 and a 3.5 percent decline from the first quarter of 2002. The reduction in Wholesale Banking's second quarter 2002 contribution to operating earnings from the second quarter of 2001 was the result of lower net revenue and higher noninterest expense, offset slightly by a

favorable variance in the provision for credit losses. Total net revenue in the second quarter of 2002 was lower than the second quarter of 2001 by 3.4 percent, with a favorable variance in noninterest income (18.3 percent) more than offset by a decrease in net interest income (9.7 percent). The reduction in net interest income was primarily due to lower average loans outstanding (14.3 percent), partially offset by an increase in average deposits (13.0 percent) and a higher net interest margin. The transfer of short-term, high credit quality, low margin commercial loans to the loan conduit contributed \$1.0 billion of the unfavorable variance in average loans outstanding year-over-year. Partially 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 product revenue. Noninterest expense increased by 10.8 percent in the second quarter of 2002 over the second quarter of 2001, primarily due to asset write-downs related to the equipment finance business. Wholesale Banking's provision for credit losses improved by \$2.5 million (9.2 percent) in the second quarter of 2002 over the same period of 2001, primarily due to a reduction in loans outstanding and an improvement in the overall credit risk profile of the business line's loan portfolio. The reduction in Wholesale Banking's contribution to operating earnings in the second quarter of 2002 from the first quarter of 2002 was the result of essentially flat net revenue and unfavorable variances in noninterest expense (15.2 percent), driven by equipment finance losses, and provision for credit losses (25.3 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 also includes the residential mortgage portfolio. Consumer Banking contributed \$397.2 million of the Company's operating income in the second quarter of 2002, a 2.5 percent increase over the same period of 2001, and a 17.3 percent increase over the first quarter of 2002. The increase in Consumer Banking's second quarter 2002 contribution to operating earnings over the second quarter of 2001 was the result of a slight increase in net revenue (.9 percent) and a favorable variance in provision for credit losses (17.1 percent), partially offset by an increase in noninterest expense (2.2 percent). Although net interest income was flat compared with the same period of 2001, noninterest income rose by 3.1 percent. The growth in noninterest income was due to increases in mortgage banking revenue, cash management fees, securities gains, and investment products fees and commissions, offset by decreases in deposit

service changes, trust and investment management fees and other revenue. The increase in mortgage banking revenue can be attributed to the acquisition of Leader Mortgage and higher gains on the sale of servicing rights. Noninterest expense in the second quarter of 2002 was higher than the second quarter of 2001 (2.2 percent), primarily due to the acquisition of Leader Mortgage and MSR impairment. The provision for credit losses was lower by \$15.1 million (17.1 percent) in the second quarter of 2002 than the same period of 2001, primarily due to a reduction in charge-offs and an improvement in the portfolio's overall credit risk profile. The increase in Consumer Banking's contribution to operating earnings in the second quarter of 2002 over the first quarter of 2002 was the result of higher net revenue and a lower provision for credit losses, partially offset by an increase in noninterest expense.

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 contributed \$119.2 million of the Company's operating income in the second quarter of 2002, a .6 percent decrease from the same period of 2001 and a 5.0 percent increase over the first quarter of 2002. The slight decrease in the business line's contribution to operating earnings in the second quarter of 2002 from the second quarter of 2001 was the result of favorable variances in net revenue (1.9 percent) and provision for credit losses (45.0 percent), offset by an increase in noninterest expense (8.0 percent). Growth in net interest income (3.7 percent) in the second quarter of 2002 over the second quarter of 2001 was primarily driven by growth in average loans outstanding (7.8 percent). Noninterest income rose by 1.3 percent over the same period of 2001, due to an increase in trust and investment management fees. Noninterest expense was higher in the second quarter of 2002 than the same quarter of 2001, primarily due to a favorable loss recovery in the second quarter of 2001. Provision for credit losses was lower by \$1.8 million (45.0 percent) in the second quarter of 2002 than the same period of 2001 due to lower net charge-offs. The increase in the business line's contribution to operating earnings in the second quarter of 2002 over the first quarter of 2002 was the result of higher net revenue, lower provision for credit losses, and a slight decrease in noninterest expense.

Payment Services includes consumer and business credit cards, corporate and purchasing card services, consumer lines of credit, ATM processing and merchant processing. Payment Services contributed \$169.3 million of the Company's operating income in the second quarter of 2002, a 51.2 percent increase over the same period of 2001 and a 17.9 percent increase over the first quarter of 2002. The increase in Payment Services' contribution to operating earnings in the second quarter of 2002 over the second quarter of 2001 was the result of higher net revenue (36.4 percent) and lower provision for credit losses (17.0 percent), offset by higher noninterest expense (74.3 percent). The growth in net revenue year-over-year was primarily due to the acquisition of NOVA, which contributed approximately \$111.1 million to net revenue in the second quarter of 2002. In addition, credit and debit card revenue, corporate payment products revenue and ATM processing services increased in total by \$18.0 million in the second quarter of 2002 over the same period of 2001. Noninterest expense grew by \$85.4 million in the second quarter of 2002 over the second quarter of 2001, primarily due to the acquisition of NOVA. The year-over-year reduction in provision for credit losses (17.0 percent) was primarily due to an improvement in the portfolio's overall credit risk profile. The increase in Payment Services' contribution to operating earnings in the second quarter of 2002 over the first quarter of 2002 was the result of higher net revenue, driven by improving sales volume, slightly lower provision for credit losses, and a slight decrease in noninterest expense.

Capital Markets engages in equity and fixed income trading activities, offers investment banking and underwriting services for corporate and public sector customers and provides financial advisory services and securities, mutual funds, annuities and insurance products to consumers and regionally-based businesses through a network of brokerage offices. Capital Markets contributed \$10.8 million of the Company's operating income in the second quarter of 2002, a 45.2 percent decline from the second quarter of 2001 and a 25.0 percent decrease from the first quarter of 2002. The decrease in Capital Market's contribution to operating earnings in the second quarter of 2002 from the second quarter of 2001 was the result of a decline in net revenue (12.7 percent), partially offset by a favorable variance in noninterest expense (7.5 percent). The unfavorable variance in net revenue in the second 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 Market's contribution to operating earnings in the second quarter of 2002 from the first quarter of 2002 was the result of higher net revenue (10.7 percent) that was more than offset by growth in noninterest expense (16.0 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 income and expense of enterprise-wide operations and administrative support functions. Treasury and Corporate Support recorded an operating loss of \$(205.6) million in the second quarter of 2002, compared with operating losses of \$(220.0) million in the second quarter of 2001 and \$(161.2) million in the first quarter of 2002. The slight reduction in the operating loss year-over-year was the net result of a \$148.0 million increase in net interest income, offset by a \$136.6 million increase in the residual allocation of the provision for credit losses. The decrease in the business line's contribution to operating earnings in the second quarter of 2002 from the first quarter of 2002 was the result of lower net revenue (3.6 percent), higher noninterest expense (6.5 percent) and an unfavorable variance in provision for credit losses (28.2 percent).

Additional schedules containing more detailed information about the Company's business line results are available on the web at www.usbank.com or by calling Investor Relations at 612-973-2264.

VICE CHAIRMAN AND CHIEF FINANCIAL OFFICER DAVID M. MOFFETT WILL HOST A CONFERENCE CALL TO REVIEW THE FINANCIAL RESULTS ON TUESDAY, JULY 16, 2002, AT 2: 00 p.m. (CDT). To access the conference call, please dial 800-233-2795 and ask for the U.S. Bancorp earnings conference call. Participants calling from outside the United States, please call 785-832-1077. For those unable to participate during the live call, a recording of the call will be available from 5:00 p.m. (CDT) on Tuesday, July 16, 2002 through 11:00 p.m. (CDT) on Tuesday, July 23, 2002. To access the recorded message dial 800-283-8217. If calling from outside the United States, please dial 402-220-0868.

Minneapolis-based U.S. Bancorp ("USB"), with \$173 billion in assets, is the 8th largest financial services holding company in the United States. The company operates 2,131 banking offices and 4,818 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 Firststar Bank and U.S. Bank. Visit U.S. Bancorp on the web at www.usbank.com and Firststar Bank at www.firststar.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, projected earnings growth, 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) the Company could encounter unforeseen complications in connection with the ongoing integration of the products, operations and information systems of Firststar Corporation with the former U.S. Bancorp that could adversely affect the Company's operations or customer relationships; (iii) changes in the domestic interest rate environment could reduce net interest income and could increase credit losses; (iv) 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; (v) changes in the extensive laws, regulations and policies governing financial services companies could alter the Company's business environment or affect operations; (vi) 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; (vii) 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; (viii) 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 (ix) 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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(MORE)

CONSOLIDATED STATEMENT OF INCOME

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended		Six Months Ended	
	June 30, 2002	June 30, 2001	June 30, 2002	June 30, 2001
Interest Income				
Loans	\$1,936.9	\$2,426.7	\$3,868.8	\$5,077.8
Loans held for sale	36.6	25.9	75.8	42.5
Investment securities				
Taxable	346.1	287.8	693.9	541.1
Non-taxable	11.7	27.8	24.9	59.0
Money market investments	2.2	7.4	5.5	16.3
Trading securities	9.4	14.1	17.6	30.0
Other interest income	32.7	26.1	51.7	58.1
Total interest income	2,375.6	2,815.8	4,738.2	5,824.8
Interest Expense				
Deposits	375.8	783.0	771.3	1,666.7
Short-term borrowings	68.3	124.4	147.2	310.6
Long-term debt	197.9	315.0	371.0	680.7
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	52.8	35.4	106.6	63.0
Total interest expense	694.8	1,257.8	1,396.1	2,721.0
Net interest income	1,680.8	1,558.0	3,342.1	3,103.8
Provision for credit losses	335.0	441.3	670.0	973.7
Net interest income after provision for credit losses	1,345.8	1,116.7	2,672.1	2,130.1
Noninterest Income				
Credit and debit card revenue	131.2	118.8	240.5	227.8
Corporate payment products revenue	82.5	77.4	157.7	156.2
Merchant processing services	144.4	31.4	278.0	61.7
ATM processing services	33.5	33.0	64.4	64.6
Trust and investment management fees	234.9	228.0	459.2	453.0
Deposit service charges	170.2	176.7	322.8	323.2
Cash management fees	104.3	84.9	208.5	161.7
Mortgage banking revenue	75.4	57.0	127.4	105.2
Trading account profits and commissions	49.5	55.8	99.4	127.7
Investment products fees and commissions	107.4	114.2	218.5	239.9
Investment banking revenue	70.5	71.1	123.7	131.3
Commercial product revenue	127.0	105.0	245.9	190.9
Securities gains, net	30.6	31.3	74.7	247.3
Merger and restructuring-related gains	--	62.2	--	62.2
Other	75.9	91.0	143.5	195.8
Total noninterest income	1,437.3	1,337.8	2,764.2	2,748.5
Noninterest Expense				
Salaries	607.6	570.5	1,195.9	1,161.0
Employee benefits	91.1	90.7	187.5	198.8
Net occupancy	101.8	101.4	201.9	211.5
Furniture and equipment	77.0	74.9	153.9	151.8
Capitalized software	37.7	33.2	76.1	63.3
Communication	44.1	50.3	89.8	89.0
Postage	44.4	43.8	91.0	90.7
Goodwill	--	58.6	--	126.4
Other intangible assets	104.7	54.0	184.9	100.6
Merger and restructuring-related charges	71.6	252.8	145.8	657.0
Other	340.4	264.5	630.4	543.1
Total noninterest expense	1,520.4	1,594.7	2,957.2	3,393.2
Income before income taxes and cumulative effect of change in accounting principles	1,262.7	859.8	2,479.1	1,485.4
Applicable income taxes	439.6	297.5	862.8	513.0
Income before cumulative effect of change in accounting principles	823.1	562.3	1,616.3	972.4
Cumulative effect of change in accounting principles	--	--	(37.2)	--
Net income	\$823.1	\$562.3	\$1,579.1	\$972.4
Earnings Per Share				
Income before cumulative effect of change in accounting principles	\$.43	\$.30	\$.84	\$.51
Cumulative effect of change in accounting principles	--	--	(.02)	--
Net income	\$.43	\$.30	\$.82	\$.51
Diluted Earnings Per Share				
Income before cumulative effect of change in accounting principles	\$.43	\$.29	\$.84	\$.51
Cumulative effect of change in accounting principles	--	--	(.02)	--
Net income	\$.43	\$.29	\$.82	\$.51
Average common shares	1,913.2	1,905.3	1,916.5	1,903.2
Average diluted common shares	1,926.9	1,917.2	1,928.5	1,916.4

CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	June 30, 2002	December 31, 2001	June 30, 2001
Assets	(Unaudited)		(Unaudited)
Cash and due from banks	\$7,531	\$9,120	\$7,032
Money market investments	1,113	625	1,045
Trading account securities	703	982	805
Investment securities			
Held-to-maturity	290	299	271
Available-for-sale	30,384	26,309	20,813
Loans held for sale	1,930	2,820	2,400
Loans			
Commercial	44,491	46,330	50,489
Commercial real estate	25,300	25,373	26,125
Residential mortgages	8,107	7,829	8,694
Retail	36,672	34,873	33,204
Total loans	114,570	114,405	118,512
Less allowance for credit losses	2,466	2,457	1,716
Net loans	112,104	111,948	116,796
Premises and equipment	1,718	1,741	1,746
Customers' liability on acceptances	157	178	151
Goodwill	5,442	5,459	3,937
Other intangible assets	2,176	1,953	1,265
Other assets	9,408	9,956	8,895
Total assets	\$172,956	\$171,390	\$165,156
Liabilities and Shareholders' Equity			
Deposits			
Noninterest-bearing	\$31,272	\$31,212	\$26,122
Interest-bearing	63,172	65,447	66,084
Time deposits greater than \$100,000	10,612	8,560	14,738
Total deposits	105,056	105,219	106,944
Short-term borrowings	9,156	14,670	11,712
Long-term debt	33,008	25,716	23,725
Company-obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely the junior subordinated debentures of the parent company	2,894	2,826	2,039
Acceptances outstanding	157	178	151
Other liabilities	6,035	6,320	5,129
Total liabilities	156,306	154,929	149,700
Shareholders' equity			
Common stock	20	20	19
Capital surplus	4,875	4,906	3,534
Retained earnings	12,756	11,918	11,916
Treasury stock	(1,341)	(478)	(26)
Other comprehensive income	340	95	13
Total shareholders' equity	16,650	16,461	15,456
Total liabilities and shareholders' equity	\$172,956	\$171,390	\$165,156

Supplemental Analyst Schedules

QUARTERLY INCOME STATEMENT ANALYSIS

(Dollars and Shares in Millions, Except Per Share Data) (Unaudited)	Three Months Ended				
	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001	June 30, 2001
Interest Income					
Loans	\$1,936.9	\$1,931.9	\$2,060.4	\$2,275.5	\$2,426.7
Loans held for sale	36.6	39.2	50.5	53.9	25.9
Investment securities					
Taxable	346.1	347.8	343.8	321.2	287.8
Non-taxable	11.7	13.2	14.6	15.9	27.8
Money market investments	2.2	3.3	4.0	6.3	7.4
Trading securities	9.4	8.2	16.3	11.2	14.1
Other interest income	32.7	19.0	19.2	24.3	26.1
Total interest income	2,375.6	2,362.6	2,508.8	2,708.3	2,815.8
Interest Expense					
Deposits	375.8	395.5	491.4	670.0	783.0
Short-term borrowings	68.3	78.9	100.6	122.9	124.4
Long-term debt	197.9	173.1	205.3	276.7	315.0
Company-obligated mandatorily redeemable preferred securities	52.8	53.8	47.2	39.7	35.4
Total interest expense	694.8	701.3	844.5	1,109.3	1,257.8
Net interest income	1,680.8	1,661.3	1,664.3	1,599.0	1,558.0
Provision for credit losses	335.0	335.0	265.8	1,275.0	240.0
Net interest income after provision for credit losses	1,345.8	1,326.3	1,398.5	324.0	1,318.0
Noninterest Income					
Credit and debit card revenue	131.2	109.3	121.3	116.8	118.8
Corporate payment products revenue	82.5	75.2	68.4	73.1	77.4
Merchant processing services	144.4	133.6	139.2	108.0	31.4
ATM processing services	33.5	30.9	33.2	32.8	33.0
Trust and investment management fees	234.9	224.3	215.2	226.2	228.0
Deposit service charges	170.2	152.6	168.7	168.7	176.7
Cash management fees	104.3	104.2	95.9	89.7	84.9
Mortgage banking revenue	75.4	52.0	68.5	60.3	57.0
Trading account profits and commissions	49.5	49.9	50.3	43.6	55.8
Investment products fees and commissions	107.4	111.1	112.2	108.0	114.2
Investment banking revenue	70.5	53.2	70.0	56.9	71.1
Commercial product revenue	127.0	118.9	130.4	106.3	105.0
Securities gains, net	30.6	44.1	22.0	59.8	31.3
Other	75.9	67.6	38.9	68.2	91.0
Total noninterest income	1,437.3	1,326.9	1,334.2	1,318.4	1,275.6
Noninterest Expense					
Salaries	607.6	588.3	605.8	580.3	570.5
Employee benefits	91.1	96.4	82.0	85.4	90.7
Net occupancy	101.8	100.1	103.9	102.5	101.4
Furniture and equipment	77.0	76.9	78.8	74.9	74.9
Capitalized software	37.7	38.4	38.9	33.9	33.2
Communication	44.1	45.7	43.0	49.4	50.3
Postage	44.4	46.6	44.4	44.7	43.8
Goodwill	--	--	62.4	62.3	58.6
Other intangible assets	104.7	80.2	93.0	84.8	54.0
Other	340.4	290.0	351.7	300.5	264.5
Total noninterest expense	1,448.8	1,362.6	1,503.9	1,418.7	1,341.9
Income before income taxes, merger and restructuring-related items and cumulative effect of change in accounting principles	1,334.3	1,290.6	1,228.8	223.7	1,251.7
Applicable income taxes	464.5	449.0	443.6	74.0	433.1
Income before merger and restructuring-related items and cumulative effect of change in accounting principles	869.8	841.6	785.2	149.7	818.6
Merger and restructuring-related items, net of tax	(46.7)	(48.4)	(89.8)	(111.0)	(256.3)
Cumulative effect of change in accounting principles	--	(37.2)	--	--	--
Net income	\$823.1	\$756.0	\$695.4	\$38.7	\$562.3
Earnings Per Common Share					
Average common shares	1,913.2	1,919.8	1,951.7	1,952.7	1,905.3
Operating earnings per share	\$.45	\$.44	\$.40	\$.08	\$.43
Earnings per share	\$.43	\$.39	\$.36	\$.02	\$.30
Average diluted common shares	1,926.9	1,930.1	1,958.9	1,965.4	1,917.2
Diluted operating earnings per share	\$.45	\$.44	\$.40	\$.08	\$.43
Diluted earnings per share	\$.43	\$.39	\$.36	\$.02	\$.29

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.

CONSOLIDATED ENDING BALANCE SHEET

(Dollars in Millions)	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001	June 30, 2001
Assets	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)
Cash and due from banks	\$7,531	\$6,499	\$9,120	\$7,570	\$7,032
Money market investments	1,113	538	625	763	1,045
Trading account securities	703	699	982	746	805
Investment securities					
Held-to-maturity	290	299	299	279	271
Available-for-sale	30,384	24,491	26,309	25,349	20,813
Loans held for sale	1,930	1,924	2,820	2,407	2,400
Loans					
Commercial	44,491	46,355	46,330	47,259	50,489
Commercial real estate	25,300	25,149	25,373	25,535	26,125
Residential mortgages	8,107	7,902	7,829	8,032	8,694
Retail	36,672	35,341	34,873	33,741	33,204
Total loans	114,570	114,747	114,405	114,567	118,512
Less allowance for credit losses	2,466	2,462	2,457	2,458	1,716
Net loans	112,104	112,285	111,948	112,109	116,796
Premises and equipment	1,718	1,737	1,741	1,773	1,746
Customers' liability on acceptances	157	118	178	150	151
Goodwill	5,442	5,427	5,459	5,535	3,937
Other intangible assets	2,176	1,998	1,953	1,913	1,265
Other assets	9,408	8,730	9,956	9,236	8,895
Total assets	\$172,956	\$164,745	\$171,390	\$167,830	\$165,156
Liabilities and Shareholders' Equity					
Deposits					
Noninterest-bearing	\$31,272	\$28,146	\$31,212	\$27,074	\$26,122
Interest-bearing	63,172	65,020	65,447	65,874	66,084
Time deposits greater than \$100,000	10,612	9,296	8,560	10,857	14,738
Total deposits	105,056	102,462	105,219	103,805	106,944
Short-term borrowings	9,156	10,644	14,670	12,614	11,712
Long-term debt	33,008	27,054	25,716	26,881	23,725
Company-obligated mandatorily redeemable preferred securities	2,894	2,820	2,826	2,115	2,039
Acceptances outstanding	157	118	178	150	151
Other liabilities	6,035	5,755	6,320	5,448	5,129
Total liabilities	156,306	148,853	154,929	151,013	149,700
Shareholders' equity					
Common stock	20	20	20	20	19
Capital surplus	4,875	4,894	4,906	4,918	3,534
Retained earnings	12,756	12,306	11,918	11,585	11,916
Treasury stock	(1,341)	(1,322)	(478)	(62)	(26)
Other comprehensive income	340	(6)	95	356	13
Total shareholders' equity	16,650	15,892	16,461	16,817	15,456
Total liabilities and shareholders' equity	\$172,956	\$164,745	\$171,390	\$167,830	\$165,156

CONSOLIDATED QUARTERLY AVERAGE BALANCE SHEET

(Dollars in Millions) (Unaudited)	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001	June 30, 2001
Assets					
Money market investments	\$779	\$713	\$821	\$659	\$637
Trading account securities	1,022	904	875	703	769
Taxable securities	27,051	25,549	24,293	21,661	19,064
Non-taxable securities	965	1,077	1,194	1,290	2,193
Loans held for sale	2,142	2,354	2,730	2,482	1,500
Loans					
Commercial					
Commercial	38,826	39,641	40,774	43,698	45,632
Lease financing	5,601	5,740	5,848	5,925	5,865
Total commercial	44,427	45,381	46,622	49,623	51,497
Commercial real estate					
Commercial mortgages	18,783	18,682	18,805	18,918	18,991
Construction and development	6,446	6,504	6,663	7,140	7,360
Total commercial real estate	25,229	25,186	25,468	26,058	26,351
Residential mortgages	8,194	7,962	7,918	8,355	8,810
Retail					
Credit card	5,627	5,632	5,607	5,712	5,652
Retail leasing	5,337	5,042	4,821	4,630	4,465
Home equity and second mortgages	13,144	12,513	12,053	11,541	11,367
Other retail	12,059	11,992	11,659	11,495	11,327
Total retail	36,167	35,179	34,140	33,378	32,811
Total loans	114,017	113,708	114,148	117,414	119,469
Other earning assets	1,665	1,632	1,589	1,619	1,657
Allowance for credit losses	2,546	2,535	2,527	1,798	1,764
Total earning assets*	147,641	145,937	145,650	145,828	145,289
Other assets	24,052	24,370	25,172	23,421	21,282
Total assets	\$169,147	\$167,772	\$168,295	\$167,451	\$164,807
Liabilities and Shareholders' Equity					
Noninterest-bearing deposits	\$27,267	\$27,485	\$27,189	\$25,106	\$24,512
Interest-bearing deposits					
Interest checking	15,318	15,152	14,428	13,842	13,846
Money market accounts	24,384	24,797	25,279	25,168	25,020
Savings accounts	4,957	4,773	4,666	4,587	4,533
Time certificates of deposit less than \$100,000	19,653	20,464	21,455	22,641	23,933
Time deposits greater than \$100,000	10,871	9,341	9,840	13,887	15,424
Total interest-bearing deposits	75,183	74,527	75,668	80,125	82,756
Short-term borrowings	11,650	14,564	15,021	12,662	11,094
Long-term debt	30,152	26,450	25,508	25,058	24,202
Company-obligated mandatorily redeemable preferred securities					
	2,866	2,838	2,492	2,088	1,825
Total interest-bearing liabilities	119,851	118,379	118,689	119,933	119,877
Other liabilities	5,554	5,749	5,656	5,467	4,809
Shareholders' equity	16,475	16,159	16,761	16,945	15,609
Total liabilities and shareholders' equity	\$169,147	\$167,772	\$168,295	\$167,451	\$164,807

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

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

For the Three Months Ended

June 30, 2002

June 30, 2001

(Dollars in Millions) (Unaudited)	June 30, 2002		Yields and Rates	June 30, 2001		Yields and Rates	% Change Average Balance
	Balance	Interest		Balance	Interest		
Assets							
Money market investments	\$779	\$2.2	1.09 %	\$637	\$7.4	4.62 %	22.3 %
Trading account securities	1,022	10.1	3.96	769	14.9	7.72	32.9
Taxable securities	27,051	346.1	5.12	19,064	287.8	6.04	41.9
Non-taxable securities	965	16.5	6.87	2,193	40.1	7.32	(56.0)
Loans held for sale	2,142	36.6	6.84	1,500	25.9	6.92	42.8
Loans							
Commercial	44,427	670.0	6.05	51,497	952.6	7.42	(13.7)
Commercial real estate	25,229	403.4	6.41	26,351	517.3	7.87	(4.3)
Residential mortgages	8,194	147.1	7.18	8,810	171.6	7.80	(7.0)
Retail	36,167	719.9	7.98	32,811	788.9	9.64	10.2
Total loans	<u>114,017</u>	<u>1,940.4</u>	6.82	<u>119,469</u>	<u>2,430.4</u>	8.16	(4.6)
Other earning assets	1,665	32.7	7.88	1,657	26.1	6.29	.5
Allowance for credit losses	2,546			1,764			44.3
Total earning assets*	<u>147,641</u>	<u>2,384.6</u>	6.47	<u>145,289</u>	<u>2,832.6</u>	7.81	1.6
Other assets	24,052			21,282			13.0
Total assets	<u>\$169,147</u>			<u>\$164,807</u>			2.6
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$27,267			\$24,512			11.2
Interest-bearing deposits							
Interest checking	15,318	25.4	.67	13,846	55.2	1.60	10.6
Money market accounts	24,384	76.3	1.26	25,020	199.0	3.19	(2.5)
Savings accounts	4,957	6.6	.54	4,533	11.6	1.03	9.4
Time certificates of deposit less than \$100,000	19,653	192.8	3.93	23,933	327.2	5.48	(17.9)
Time deposits greater than \$100,000	10,871	74.7	2.76	15,424	190.0	4.94	(29.5)
Total interest-bearing deposits	<u>75,183</u>	<u>375.8</u>	2.00	<u>82,756</u>	<u>783.0</u>	3.79	(9.2)
Short-term borrowings	11,650	68.3	2.35	11,094	124.4	4.49	5.0
Long-term debt	30,152	197.9	2.63	24,202	315.0	5.22	24.6
Company-obligated mandatorily redeemable preferred securities	2,866	52.8	7.39	1,825	35.4	7.78	57.0
Total interest-bearing liabilities	<u>119,851</u>	<u>694.8</u>	2.32	<u>119,877</u>	<u>1,257.8</u>	4.21	--
Other liabilities	5,554			4,809			15.5
Shareholders' equity	16,475			15,609			5.5
Total liabilities and shareholders' equity	<u>\$169,147</u>			<u>\$164,807</u>			2.6 %
Net interest income		<u>\$1,689.8</u>			<u>\$1,574.8</u>		
Gross interest margin			4.15 %			3.60 %	
Gross interest margin without taxable-equivalent increments			4.13			3.55	
Percent of Earning Assets							
Interest income			6.47 %			7.81 %	
Interest expense			1.88			3.47	
Net interest margin			4.59			4.34	
Net interest margin without taxable-equivalent increments			4.57 %			4.29 %	

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.

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

For the Three Months Ended

June 30, 2002

March 31, 2002

(Dollars in Millions) (Unaudited)	June 30, 2002			March 31, 2002			% Change Average Balance
	Balance	Interest	Yields and Rates	Balance	Interest	Yields and Rates	
Assets							
Money market investments	\$779	\$2.2	1.09 %	\$713	\$3.3	1.90 %	9.3 %
Trading account securities	1,022	10.1	3.96	904	8.5	3.76	13.1
Taxable securities	27,051	346.1	5.12	25,549	347.8	5.45	5.9
Non-taxable securities	965	16.5	6.87	1,077	18.7	6.94	(10.4)
Loans held for sale	2,142	36.6	6.84	2,354	39.2	6.65	(9.0)
Loans							
Commercial	44,427	670.0	6.05	45,381	670.2	6.01	(2.1)
Commercial real estate	25,229	403.4	6.41	25,186	407.2	6.56	.2
Residential mortgages	8,194	147.1	7.18	7,962	143.8	7.26	2.9
Retail	36,167	719.9	7.98	35,179	714.0	8.23	2.8
Total loans	<u>114,017</u>	<u>1,940.4</u>	6.82	<u>113,708</u>	<u>1,935.2</u>	6.89	.3
Other earning assets	1,665	32.7	7.88	1,632	19.0	4.72	2.0
Allowance for credit losses	2,546			2,535			.4
Total earning assets*	<u>147,641</u>	<u>2,384.6</u>	6.47	<u>145,937</u>	<u>2,371.7</u>	6.57	1.2
Other assets	24,052			24,370			(1.3)
Total assets	<u>\$169,147</u>			<u>\$167,772</u>			.8
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$27,267			\$27,485			(.8)
Interest-bearing deposits							
Interest checking	15,318	25.4	.67	15,152	26.3	.70	1.1
Money market accounts	24,384	76.3	1.26	24,797	75.6	1.24	(1.7)
Savings accounts	4,957	6.6	.54	4,773	6.5	.55	3.9
Time certificates of deposit less than \$100,000	19,653	192.8	3.93	20,464	214.4	4.25	(4.0)
Time deposits greater than \$100,000	10,871	74.7	2.76	9,341	72.7	3.16	16.4
Total interest-bearing deposits	<u>75,183</u>	<u>375.8</u>	2.00	<u>74,527</u>	<u>395.5</u>	2.15	.9
Short-term borrowings	11,650	68.3	2.35	14,564	78.9	2.20	(20.0)
Long-term debt	30,152	197.9	2.63	26,450	173.1	2.64	14.0
Company-obligated mandatorily redeemable preferred securities	2,866	52.8	7.39	2,838	53.8	7.69	1.0
Total interest-bearing liabilities	<u>119,851</u>	<u>694.8</u>	2.32	<u>118,379</u>	<u>701.3</u>	2.40	1.2
Other liabilities	5,554			5,749			(3.4)
Shareholders' equity	16,475			16,159			2.0
Total liabilities and shareholders' equity	<u>\$169,147</u>			<u>\$167,772</u>			.8 %
Net interest income		<u>\$1,689.8</u>			<u>\$1,670.4</u>		
Gross interest margin			4.15 %			4.17 %	
Gross interest margin without taxable-equivalent increments			4.13			4.14	
Percent of Earning Assets							
Interest income			6.47 %			6.57 %	
Interest expense			1.88			1.95	
Net interest margin			4.59			4.62	
Net interest margin without taxable-equivalent increments			4.57 %			4.59 %	

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.

CONSOLIDATED DAILY AVERAGE BALANCE SHEET AND RELATED YIELDS AND RATES

For the Six Months Ended

June 30, 2002

June 30, 2001

(Dollars in Millions) (Unaudited)	June 30, 2002		Yields and Rates	June 30, 2001		Yields and Rates	% Change Average Balance
	Balance	Interest		Balance	Interest		
Assets							
Money market investments	\$746	\$5.5	1.47 %	\$685	\$16.3	4.78 %	8.9 %
Trading account securities	963	18.6	3.87	752	31.2	8.29	28.1
Taxable securities	26,304	693.9	5.28	17,233	541.1	6.28	52.6
Non-taxable securities	1,021	35.2	6.91	2,342	85.4	7.29	(56.4)
Loans held for sale	2,248	75.8	6.75	1,203	42.5	7.07	86.9
Loans							
Commercial	44,902	1,340.2	6.01	52,032	2,025.0	7.84	(13.7)
Commercial real estate	25,207	810.6	6.48	26,404	1,070.4	8.17	(4.5)
Residential mortgages	8,078	290.9	7.22	9,023	353.1	7.84	(10.5)
Retail	35,679	1,433.9	8.10	33,154	1,637.0	9.94	7.6
Total loans	<u>113,866</u>	<u>3,875.6</u>	6.86	<u>120,613</u>	<u>5,085.5</u>	8.49	(5.6)
Other earning assets	1,649	51.7	6.33	1,753	58.1	6.68	(5.9)
Allowance for credit losses	2,540			1,792			41.7
Total earning assets*	<u>146,797</u>	<u>4,756.3</u>	6.52	<u>144,581</u>	<u>5,860.1</u>	8.15	1.5
Other assets	24,209			21,196			14.2
Total assets	<u>\$168,466</u>			<u>\$163,985</u>			2.7
Liabilities and Shareholders' Equity							
Noninterest-bearing deposits	\$27,375			\$24,054			13.8
Interest-bearing deposits							
Interest checking	15,236	51.7	.68	13,787	125.6	1.84	10.5
Money market accounts	24,589	151.9	1.25	24,635	444.9	3.64	(.2)
Savings accounts	4,866	13.1	.54	4,515	24.3	1.09	7.8
Time certificates of deposit less than \$100,000	20,056	407.2	4.09	24,629	689.7	5.65	(18.6)
Time deposits greater than \$100,000	10,110	147.4	2.94	14,264	382.2	5.40	(29.1)
Total interest-bearing deposits	<u>74,857</u>	<u>771.3</u>	2.08	<u>81,830</u>	<u>1,666.7</u>	4.11	(8.5)
Short-term borrowings	13,099	147.2	2.27	12,105	310.6	5.17	8.2
Long-term debt	28,311	371.0	2.64	23,921	680.7	5.73	18.4
Company-obligated mandatorily redeemable preferred securities	2,852	106.6	7.54	1,615	63.0	7.87	76.6
Total interest-bearing liabilities	<u>119,119</u>	<u>1,396.1</u>	2.36	<u>119,471</u>	<u>2,721.0</u>	4.59	(.3)
Other liabilities	5,654			4,922			14.9
Shareholders' equity	16,318			15,538			5.0
Total liabilities and shareholders' equity	<u>\$168,466</u>			<u>\$163,985</u>			2.7 %
Net interest income		<u>\$3,360.2</u>			<u>\$3,139.1</u>		
Gross interest margin			4.16 %			3.56 %	
Gross interest margin without taxable-equivalent increments			4.14			3.51	
Percent of Earning Assets							
Interest income			6.52 %			8.15 %	
Interest expense			1.92			3.79	
Net interest margin			4.60			4.36	
Net interest margin without taxable-equivalent increments			4.58 %			4.31 %	

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

LOAN PORTFOLIO

(Dollars in Millions) (Unaudited)	June 30, 2002		March 31, 2002		December 31, 2001		September 30, 2001		June 30, 2001	
	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total	Amount	Percent of Total
Commercial										
Commercial	\$38,889	33.9 %	\$40,679	35.5 %	\$40,472	35.4 %	\$41,333	36.0 %	\$44,534	37.6 %
Lease financing	5,602	4.9	5,676	4.9	5,858	5.1	5,926	5.2	5,955	5.0
Total commercial	44,491	38.8	46,355	40.4	46,330	40.5	47,259	41.2	50,489	42.6
Commercial real estate										
Commercial mortgages	18,875	16.5	18,776	16.4	18,765	16.4	18,861	16.5	18,814	15.9
Construction and development	6,425	5.6	6,373	5.5	6,608	5.8	6,674	5.8	7,311	6.1
Total commercial real estate	25,300	22.1	25,149	21.9	25,373	22.2	25,535	22.3	26,125	22.0
Residential mortgages	8,107	7.1	7,902	6.9	7,829	6.8	8,032	7.0	8,694	7.4
Retail										
Credit card	5,699	5.0	5,437	4.7	5,889	5.1	5,700	5.0	5,812	4.9
Retail leasing	5,466	4.8	5,187	4.5	4,906	4.3	4,708	4.1	4,542	3.8
Home equity and second mortgages	13,434	11.7	12,777	11.2	12,235	10.7	11,797	10.3	11,461	9.7
Other retail										
Revolving credit	2,638	2.3	2,600	2.3	2,673	2.3	2,680	2.3	2,738	2.3
Installment	2,259	2.0	2,219	1.9	2,292	2.0	2,255	2.0	2,048	1.7
Automobile	5,811	5.1	5,714	5.0	5,660	5.0	5,379	4.7	5,514	4.7
Student	1,365	1.1	1,407	1.2	1,218	1.1	1,222	1.1	1,089	.9
Total other retail	12,073	10.5	11,940	10.4	11,843	10.4	11,536	10.1	11,389	9.6
Total retail	36,672	32.0	35,341	30.8	34,873	30.5	33,741	29.5	33,204	28.0
Total loans	\$114,570	100.0 %	\$114,747	100.0 %	\$114,405	100.0 %	\$114,567	100.0 %	\$118,512	100.0 %

SUPPLEMENTAL FINANCIAL DATA

(Dollars in Millions, Except Per Share Data) (Unaudited)	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001	June 30, 2001
Ending common shares outstanding (in millions)	1,914.2	1,915.1	1,951.7	1,969.0	1,907.6
Book value per common share	\$8.70	\$8.30	\$8.43	\$8.54	\$8.10
Book value of intangibles					
Goodwill	\$5,442	\$5,427	\$5,459	\$5,535	\$3,937
Merchant processing contracts	649	652	680	651	16
Core deposit benefits	490	510	530	572	557
Mortgage servicing rights	656	449	360	326	318
Other identified intangibles	381	387	383	364	374
Total intangibles	\$7,618	\$7,425	\$7,412	\$7,448	\$5,202
	Three Months Ended				
	June 30, 2002	March 31, 2002	December 31, 2001	September 30, 2001	June 30, 2001
Amortization of intangibles					
Goodwill	\$ --	\$ --	\$62.4	\$62.3	\$58.6
Merchant processing contracts	32.6	31.8	18.7	13.4	.6
Core deposit benefits	19.8	20.0	20.1	20.4	26.2
Mortgage servicing rights	38.1	14.1	40.1	36.5	12.7
Other identified intangibles	14.2	14.3	14.1	14.5	14.5
Total intangibles	\$104.7	\$80.2	\$155.4	\$147.1	\$112.6
Mortgage banking revenue					
Origination and sales	\$27.3	\$25.3	\$42.8	\$36.1	\$36.3
Loan servicing	42.2	26.7	26.0	23.0	21.0
Gain (loss) on sale of servicing rights	5.9	--	(.3)	1.2	(.3)
Total mortgage banking revenue	\$75.4	\$52.0	\$68.5	\$60.3	\$57.0
Mortgage production volume	\$4,220	\$4,205	\$5,690	\$3,852	\$3,405
Mortgages serviced for others	\$37,114	\$25,404	\$21,964	\$20,836	\$19,206
Income taxes					
Book rate *	34.8%	34.8%	36.1%	33.1%	34.6%
Tax equivalent adjusted rate *	35.3%	35.2%	36.6%	36.2%	35.5%
Tax equivalent adjustment	\$9.0	\$9.1	\$9.9	\$10.7	\$16.8
Net interest income **	\$1,689.8	\$1,670.4	\$1,674.2	\$1,609.7	\$1,574.8
Net interest margin**	4.59%	4.62%	4.57%	4.40%	4.34%
Interest yield on average loans **	6.82%	6.89%	7.18%	7.71%	8.16%
Rate paid on interest-bearing liabilities	2.32%	2.40%	2.82%	3.67%	4.21%
Return on average common equity *	21.2%	21.1%	18.6%	3.5%	21.0%
Return on average assets *	2.06%	2.03%	1.85%	.35%	1.99%
Efficiency ratio *	46.8%	46.1%	50.4%	49.5%	47.6%
Banking efficiency ratio ***	43.3%	42.4%	46.6%	45.7%	42.7%
Gross charge-offs	\$393.0	\$385.7	\$324.2	\$620.7	\$290.8
Gross recoveries	\$62.5	\$50.7	\$58.4	\$57.4	\$50.5

* 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

LINE OF BUSINESS FINANCIAL PERFORMANCE *

For the Three Months Ended (Dollars in Millions)	Wholesale Banking			Consumer Banking			Private Client, Trust and Asset Management			Payment Services		
	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	\$492.7	\$545.6	(9.7) %	\$820.2	\$820.5	-- %	\$81.5	\$78.6	3.7 %	\$168.4	\$145.9	15.4 %
Noninterest income	185.3	156.6	18.3	344.2	333.8	3.1	226.9	224.0	1.3	406.2	275.5	47.4
Total net revenue	678.0	702.2	(3.4)	1,164.4	1,154.3	.9	308.4	302.6	1.9	574.6	421.4	36.4
Noninterest expense	107.0	94.8	12.9	414.3	423.8	(2.2)	111.0	102.4	8.4	161.6	108.7	48.7
Other intangible amortization	5.2	6.5	(20.0)	52.5	33.1	58.6	7.9	7.7	2.6	38.8	6.3	**
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	112.2	101.3	10.8	466.8	456.9	2.2	118.9	110.1	8.0	200.4	115.0	74.3
Operating income	565.8	600.9	(5.8)	697.6	697.4	--	189.5	192.5	(1.6)	374.2	306.4	22.1
Provision for credit losses	(29.8)	(27.3)	9.2	73.2	88.3	(17.1)	2.2	4.0	(45.0)	108.1	130.3	(17.0)
Income before income taxes	595.6	628.2	(5.2)	624.4	609.1	2.5	187.3	188.5	(.6)	266.1	176.1	51.1
Income taxes and taxable-equivalent adjustment	216.7	228.6	(5.2)	227.2	221.7	2.5	68.1	68.6	(.7)	96.8	64.1	51.0
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$378.9	\$399.6	(5.2)	\$397.2	\$387.4	2.5	\$119.2	\$119.9	(.6)	\$169.3	\$112.0	51.2
Merger and restructuring-related items (after-tax)												
Net income												
Average Balance Sheet Data												
Loans	\$48,292	\$56,319	(14.3)	\$50,277	\$48,644	3.4	\$4,689	\$4,349	7.8	\$10,098	\$9,968	1.3
Goodwill	1,314	1,360	(3.4)	1,720	1,717	.2	289	278	4.0	1,813	298	**
Other intangible assets	130	146	(11.0)	1,000	721	38.7	232	249	(6.8)	773	130	**
Assets	54,497	63,514	(14.2)	58,387	56,444	3.4	5,730	5,678	.9	13,157	10,767	22.2
Noninterest-bearing deposits	11,966	10,366	15.4	12,549	11,848	5.9	2,330	2,046	13.9	219	165	32.7
Interest-bearing deposits	7,204	6,592	9.3	58,180	61,649	(5.6)	4,757	5,087	(6.5)	4	3	33.3
Total deposits	19,170	16,958	13.0	70,729	73,497	(3.8)	7,087	7,133	(.6)	223	168	32.7
Shareholders' equity	5,340	6,402	(16.6)	4,698	5,076	(7.4)	1,351	1,407	(4.0)	3,216	1,030	**

For the Three Months Ended (Dollars in Millions)	Capital Markets			Treasury and Corporate Support			Consolidated Company		
	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	\$3.8	\$9.0	(57.8) %	\$123.2	\$(24.8)	** %	\$1,689.8	\$1,574.8	7.3 %
Noninterest income	194.0	217.5	(10.8)	80.7	68.2	18.3	1,437.3	1,275.6	12.7
Total net revenue	197.8	226.5	(12.7)	203.9	43.4	**	3,127.1	2,850.4	9.7
Noninterest expense	180.9	195.5	(7.5)	369.3	304.1	21.4	1,344.1	1,229.3	9.3
Other intangible amortization	--	--	--	.3	.4	(25.0)	104.7	54.0	93.9
Goodwill amortization	--	--	--	--	58.6	**	--	58.6	**
Total noninterest expense	180.9	195.5	(7.5)	369.6	363.1	1.8	1,448.8	1,341.9	8.0
Operating income	16.9	31.0	(45.5)	(165.7)	(319.7)	48.2	1,678.3	1,508.5	11.3
Provision for credit losses	--	--	--	181.3	44.7	**	335.0	240.0	39.6
Income before income taxes	16.9	31.0	(45.5)	(347.0)	(364.4)	4.8	1,343.3	1,268.5	5.9
Income taxes and taxable-equivalent adjustment	6.1	11.3	(46.0)	(141.4)	(144.4)	2.1	473.5	449.9	5.2
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$10.8	\$19.7	(45.2)	\$(205.6)	\$(220.0)	6.5	869.8	818.6	6.3
Merger and restructuring-related items (after-tax)							(46.7)	(256.3)	
Net income							\$823.1	\$562.3	
Average Balance Sheet Data									
Loans	\$244	\$188	29.8	\$417	\$1	**	\$114,017	\$119,469	(4.6)
Goodwill	306	311	(1.6)	--	--	--	5,442	3,964	37.3
Other intangible assets	--	--	--	14	--	**	2,149	1,246	72.5
Assets	3,184	3,065	3.9	34,192	25,339	34.9	169,147	164,807	2.6
Noninterest-bearing deposits	204	164	24.4	(1)	(77)	(98.7)	27,267	24,512	11.2
Interest-bearing deposits	--	--	--	5,038	9,425	(46.5)	75,183	82,756	(9.2)
Total deposits	204	164	24.4	5,037	9,348	(46.1)	102,450	107,268	(4.5)
Shareholders' equity	437	461	(5.2)	1,433	1,233	16.2	16,475	15,609	5.5

*Preliminary data

**Not meaningful

LINE OF BUSINESS FINANCIAL PERFORMANCE *

For the Three Months Ended (Dollars in Millions)	Wholesale Banking			Consumer Banking			Private Client, Trust and Asset Management			Payment Services		
	Jun 30, 2002	Mar 31, 2002	Percent Change	Jun 30, 2002	Mar 31, 2002	Percent Change	Jun 30, 2002	Mar 31, 2002	Percent Change	Jun 30, 2002	Mar 31, 2002	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	\$492.7	\$494.0	(.3) %	\$820.2	\$799.6	2.6 %	\$81.5	\$80.6	1.1 %	\$168.4	\$172.5	(2.4) %
Noninterest income	185.3	181.0	2.4	344.2	293.7	17.2	226.9	221.1	2.6	406.2	364.6	11.4
Total net revenue	678.0	675.0	.4	1,164.4	1,093.3	6.5	308.4	301.7	2.2	574.6	537.1	7.0
Noninterest expense	107.0	92.2	16.1	414.3	412.6	.4	111.0	111.9	(.8)	161.6	162.9	(.8)
Other intangible amortization	5.2	5.2	--	52.5	28.5	84.2	7.9	7.6	3.9	38.8	38.6	.5
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	112.2	97.4	15.2	466.8	441.1	5.8	118.9	119.5	(.5)	200.4	201.5	(.5)
Operating income	565.8	577.6	(2.0)	697.6	652.2	7.0	189.5	182.2	4.0	374.2	335.6	11.5
Provision for credit losses	(29.8)	(39.9)	(25.3)	73.2	120.0	(39.0)	2.2	3.7	(40.5)	108.1	109.8	(1.5)
Income before income taxes	595.6	617.5	(3.5)	624.4	532.2	17.3	187.3	178.5	4.9	266.1	225.8	17.8
Income taxes and taxable-equivalent adjustment	216.7	224.7	(3.6)	227.2	193.7	17.3	68.1	65.0	4.8	96.8	82.2	17.8
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$378.9	\$392.8	(3.5)	\$397.2	\$338.5	17.3	\$119.2	\$113.5	5.0	\$169.3	\$143.6	17.9
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	\$48,292	\$49,188	(1.8)	\$50,277	\$49,423	1.7	\$4,689	\$4,555	2.9	\$10,098	\$10,029	.7
Goodwill	1,314	1,380	(4.8)	1,720	1,699	1.2	289	287	.7	1,813	1,820	(.4)
Other intangible assets	130	135	(3.7)	1,000	784	27.6	232	233	(.4)	773	799	(3.3)
Assets	54,497	55,975	(2.6)	58,387	57,814	1.0	5,730	5,792	(1.1)	13,157	13,247	(.7)
Noninterest-bearing deposits	11,966	12,274	(2.5)	12,549	12,350	1.6	2,330	2,300	1.3	219	328	(33.2)
Interest-bearing deposits	7,204	7,086	1.7	58,180	59,131	(1.6)	4,757	4,705	1.1	4	3	33.3
Total deposits	19,170	19,360	(1.0)	70,729	71,481	(1.1)	7,087	7,005	1.2	223	331	(32.6)
Shareholders' equity	5,340	5,384	(.8)	4,698	4,536	3.6	1,351	1,353	(.1)	3,216	3,199	.5

For the Three Months Ended (Dollars in Millions)	Capital Markets			Treasury and Corporate Support			Consolidated Company		
	Jun 30, 2002	Mar 31, 2002	Percent Change	Jun 30, 2002	Mar 31, 2002	Percent Change	Jun 30, 2002	Mar 31, 2002	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	\$3.8	\$8.1	(53.1) %	\$123.2	\$115.6	6.6 %	\$1,689.8	\$1,670.4	1.2 %
Noninterest income	194.0	170.6	13.7	80.7	95.9	(15.8)	1,437.3	1,326.9	8.3
Total net revenue	197.8	178.7	10.7	203.9	211.5	(3.6)	3,127.1	2,997.3	4.3
Noninterest expense	180.9	156.0	16.0	369.3	346.8	6.5	1,344.1	1,282.4	4.8
Other intangible amortization	--	--	--	.3	.3	--	104.7	80.2	30.5
Goodwill amortization	--	--	--	--	--	--	--	--	--
Total noninterest expense	180.9	156.0	16.0	369.6	347.1	6.5	1,448.8	1,362.6	6.3
Operating income	16.9	22.7	(25.6)	(165.7)	(135.6)	(22.2)	1,678.3	1,634.7	2.7
Provision for credit losses	--	--	--	181.3	141.4	28.2	335.0	335.0	--
Income before income taxes	16.9	22.7	(25.6)	(347.0)	(277.0)	(25.3)	1,343.3	1,299.7	3.4
Income taxes and taxable-equivalent adjustment	6.1	8.3	(26.5)	(141.4)	(115.8)	(22.1)	473.5	458.1	3.4
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$10.8	\$14.4	(25.0)	\$(205.6)	\$(161.2)	(27.5)	869.8	841.6	3.4
Merger and restructuring-related items (after-tax)							(46.7)	(48.4)	
Cumulative effect of change in accounting principles							--	(37.2)	
Net income							\$823.1	\$756.0	
Average Balance Sheet Data									
Loans	\$244	\$248	(1.6)	\$417	\$265	57.4	\$114,017	\$113,708	.3
Goodwill	306	306	--	--	--	**	5,442	5,492	(.9)
Other intangible assets	--	--	--	14	6	**	2,149	1,957	9.8
Assets	3,184	3,219	(1.1)	34,192	31,725	7.8	169,147	167,772	.8
Noninterest-bearing deposits	204	215	(5.1)	(1)	18	**	27,267	27,485	(.8)
Interest-bearing deposits	--	--	--	5,038	3,602	39.9	75,183	74,527	.9
Total deposits	204	215	(5.1)	5,037	3,620	39.1	102,450	102,012	.4
Shareholders' equity	437	431	1.4	1,433	1,256	14.1	16,475	16,159	2.0

*Preliminary data

**Not meaningful

LINE OF BUSINESS FINANCIAL PERFORMANCE *

For the Six Months Ended (Dollars in Millions)	Wholesale Banking			Consumer Banking			Private Client, Trust and Asset Management			Payment Services		
	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change
Condensed Income Statement												
Net interest income (taxable-equivalent basis)	\$986.7	\$1,105.3	(10.7) %	\$1,619.8	\$1,638.4	(1.1) %	\$162.1	\$154.8	4.7 %	\$340.9	\$291.9	16.8 %
Noninterest income	366.3	294.2	24.5	637.9	629.1	1.4	448.0	444.2	.9	770.8	538.2	43.2
Total net revenue	1,353.0	1,399.5	(3.3)	2,257.7	2,267.5	(.4)	610.1	599.0	1.9	1,111.7	830.1	33.9
Noninterest expense	199.2	196.0	1.6	826.9	849.4	(2.6)	222.9	226.6	(1.6)	324.5	215.2	50.8
Other intangible amortization	10.4	12.5	(16.8)	81.0	60.4	34.1	15.5	15.2	2.0	77.4	12.5	**
Goodwill amortization	--	--	--	--	--	--	--	--	--	--	--	--
Total noninterest expense	209.6	208.5	.5	907.9	909.8	(.2)	238.4	241.8	(1.4)	401.9	227.7	76.5
Operating income	1,143.4	1,191.0	(4.0)	1,349.8	1,357.7	(.6)	371.7	357.2	4.1	709.8	602.4	17.8
Provision for credit losses	(69.7)	278.2	**	193.2	200.6	(3.7)	5.9	5.8	1.7	217.9	217.3	.3
Income before income taxes	1,213.1	912.8	32.9	1,156.6	1,157.1	--	365.8	351.4	4.1	491.9	385.1	27.7
Income taxes and taxable-equivalent adjustment	441.4	332.2	32.9	420.9	421.1	--	133.1	127.9	4.1	179.0	140.1	27.8
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$771.7	\$580.6	32.9	\$735.7	\$736.0	--	\$232.7	\$223.5	4.1	\$312.9	\$245.0	27.7
Merger and restructuring-related items (after-tax)												
Cumulative effect of change in accounting principles												
Net income												
Average Balance Sheet Data												
Loans	\$48,738	\$56,978	(14.5)	\$49,851	\$49,175	1.4	\$4,622	\$4,302	7.4	\$10,063	\$9,929	1.3
Goodwill	1,347	1,415	(4.8)	1,709	1,731	(1.3)	288	291	(1.0)	1,817	307	**
Other intangible assets	132	165	(20.0)	892	604	47.7	233	259	(10.0)	786	132	**
Assets	55,233	64,204	(14.0)	58,101	56,577	2.7	5,760	5,662	1.7	13,201	10,751	22.8
Noninterest-bearing deposits	12,119	10,083	20.2	12,450	11,709	6.3	2,315	1,978	17.0	273	161	69.6
Interest-bearing deposits	7,144	6,238	14.5	58,654	62,236	(5.8)	4,731	5,055	(6.4)	3	3	--
Total deposits	19,263	16,321	18.0	71,104	73,945	(3.8)	7,046	7,033	.2	276	164	68.3
Shareholders' equity	5,362	6,507	(17.6)	4,617	4,962	(7.0)	1,352	1,424	(5.1)	3,208	1,024	**

For the Three Months Ended (Dollars in Millions)	Capital Markets			Treasury and Corporate Support			Consolidated Company		
	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change	Jun 30, 2002	Jun 30, 2001	Percent Change
Condensed Income Statement									
Net interest income (taxable-equivalent basis)	\$11.9	\$17.7	(32.8) %	\$238.8	\$(69.0)	** %	\$3,360.2	\$3,139.1	7.0 %
Noninterest income	364.6	438.9	(16.9)	176.6	341.7	(48.3)	2,764.2	2,686.3	2.9
Total net revenue	376.5	456.6	(17.5)	415.4	272.7	52.3	6,124.4	5,825.4	5.1
Noninterest expense	336.9	389.8	(13.6)	716.1	632.2	13.3	2,626.5	2,509.2	4.7
Other intangible amortization	--	--	--	.6	--	**	184.9	100.6	83.8
Goodwill amortization	--	--	--	--	126.4	**	--	126.4	**
Total noninterest expense	336.9	389.8	(13.6)	716.7	758.6	(5.5)	2,811.4	2,736.2	2.7
Operating income	39.6	66.8	(40.7)	(301.3)	(485.9)	38.0	3,313.0	3,089.2	7.2
Provision for credit losses	--	--	--	322.7	(96.1)	**	670.0	605.8	10.6
Income before income taxes	39.6	66.8	(40.7)	(624.0)	(389.8)	(60.1)	2,643.0	2,483.4	6.4
Income taxes and taxable-equivalent adjustment	14.4	24.3	(40.7)	(257.2)	(178.1)	(44.4)	931.6	867.5	7.4
Operating earnings, before merger and restructuring-related items and cumulative effect of change in accounting principles	\$25.2	\$42.5	(40.7)	\$(366.8)	\$(211.7)	(73.3)	1,711.4	1,615.9	5.9
Merger and restructuring-related items (after-tax)							(95.1)	(643.5)	
Cumulative effect of change in accounting principles							(37.2)	--	
Net income							\$1,579.1	\$972.4	
Average Balance Sheet Data									
Loans	\$246	\$184	33.7	\$346	\$45	**	\$113,866	\$120,613	(5.6)
Goodwill	306	331	(7.6)	--	3	**	5,467	4,078	34.1
Other intangible assets	--	--	--	11	--	**	2,054	1,160	77.1
Assets	3,202	3,109	3.0	32,969	23,682	39.2	168,466	163,985	2.7
Noninterest-bearing deposits	210	162	29.6	8	(39)	**	27,375	24,054	13.8
Interest-bearing deposits	--	--	--	4,325	8,298	(47.9)	74,857	81,830	(8.5)
Total deposits	210	162	29.6	4,333	8,259	(47.5)	102,232	105,884	(3.4)
Shareholders' equity	434	480	(9.6)	1,345	1,141	17.9	16,318	15,538	5.0

*Preliminary data

**Not meaningful