US BANCORP \DE\
Form DEF 14A
March 08, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

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o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

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U.S. Bancorp

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(4) Date Filed:

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March 8, 2016

Fellow Shareholders:

U.S. Bancorp is in the business of "*making possible happen*." Every single day. 67,000 committed bankers. We make possible happen for our shareholders, our customers, our communities, and each other. It is what our brilliant red shield represents: *The Power of Possible*.

We make possible happen for our shareholders by delivering consistent, predictable, repeatable, industry-leading financial results. And, by returning capital and running a trustworthy and reputable banking business, our shareholders know that we will do it well and we will do it right. That's why we were named one of the World's Most Ethical Companies in 2015 by the Ethisphere Institute the largest U.S.-based bank to ever make the list. And, we returned to Ethisphere's list in 2016.

I am extremely proud of the remarkable financial performance that U.S. Bancorp delivered in 2015 and the value we created for our shareholders. Remarkable, because it was a year underscored by persistent and historically low interest rates, modest economic growth, increasing regulatory requirements, and rapidly evolving customer needs and expectations. More than any year in recent history, 2015 required strong management focus and conviction as we balanced decisions about operating efficiencies with opportunities for investing in future growth.

U.S. Bancorp rose to that challenge, delivering record net income and record diluted EPS for the year and returned 72 percent of our 2015 earnings back to shareholders through dividends and share buybacks. In addition, our return on average assets (ROA), return on average equity (ROE), and efficiency ratio continue to lead the industry.

At U.S Bancorp, leadership starts with our exceptional Board of Directors. I am grateful for their dedication and guidance. They provide us with the confidence and courage to make the best decisions and they represent our shareholders' interests in every action we take. I am also grateful for our Managing Committee, who provide their industry-leading expertise to every decision and turn day-to-day management into moments for everyday excellence.

I hope to see you at our 2016 annual meeting of shareholders on Tuesday, April 19, 2016, in Denver. Whether or not you plan to attend the meeting, please vote as promptly as possible to make sure your vote is counted. Every shareholder vote is important.

Sincerely,

Richard K. Davis
Chairman and Chief Executive Officer

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March 8, 2016

Fellow Shareholders:

It is a great honor to serve as the Lead Director of our Board of Directors, a position I have held since January 2014. As Lead Director, I am focused on the obligations that our Board owes to you, our shareholders. One of the Board's most important obligations is to oversee the work our company does to deliver excellent financial results and to return capital to our investors, always making sure that this work is done responsibly and with the utmost integrity.

My duties as Lead Director are detailed in the attached proxy statement, and they include setting the agenda for our Board meetings, approving information sent from management to the Board, and meeting independently with representatives of various regulatory bodies that oversee our company and its operations. I also have regular contact with the CEO and other members of the Managing Committee, and I advise the chairs of our Board committees regarding the in-depth policy work those committees undertake.

We are continuously evaluating and improving our corporate governance practices, which are described in the proxy statement. After listening carefully to the views of our shareholders, the Board was pleased to adopt a proxy access bylaw recently with a "3/3/20/20" structure. This bylaw gives a shareholder or group of up to 20 shareholders that has held at least 3% of our company's stock for at least three years the ability to nominate up to 20% of the Board (but at least two directors) and have those nominees appear in our proxy statement, subject to notice and other specific requirements. We believe that the bylaw we adopted represents a balanced approach to a very complex issue and effectively serves the interests of all of our shareholders.

Our Board maintains its commitment to excellence through rigorous annual assessments and thoughtful selection of Board candidates who have a great diversity of skills, experiences and viewpoints. We elected three new directors in the past year Warner L. Baxter, Marc N. Casper and Karen S. Lynch each of whom brings fresh perspectives and new areas of expertise to our Board. We also said good-bye to Jerry W. Levin when he stepped down from the Board last May, and we will recognize Joel W. Johnson and Patrick T. Stokes when they retire at the annual meeting. Jerry, Joel and Pat have all been dedicated stewards of our shareholders' interests for many years, and we are grateful for their service.

I want to emphasize to all our shareholders that the Board is committed to the highest levels of ethics and integrity. U.S. Bancorp Chairman and CEO, Richard K. Davis, was named to the Ethisphere Institute's 100 Most Influential People in Business Ethics in 2015. This is a tremendous recognition, and we are proud of Richard and his personal commitment to integrity. We are even more proud of the 67,000 men and women who embrace this culture of integrity every day and work tirelessly to create value for shareholders, customers, and our communities the right way.

It is a privilege to work with my fellow directors on behalf of our shareholders, and I look forward to continuing to serve you during 2016.

Sincerely,

Arthur D. Collins, Jr.
Lead Director

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800 Nicollet Mall
Minneapolis, Minnesota 55402
651.466.3000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF U.S. BANCORP

Date and Time: Tuesday, April 19, 2016, at 11:00 a.m., local time

Place: Sheraton Denver Downtown Hotel
Grand Ballroom
1550 Court Place
Denver, CO 80202

Items of Business:

1. The election of 14 directors named in the proxy statement
2. The ratification of the selection of Ernst & Young LLP as our independent auditor for the 2016 fiscal year
3. An advisory vote to approve the compensation of our executives disclosed in this proxy statement
4. A shareholder proposal seeking the adoption of a policy requiring that the Chairman of the Board be an independent director
5. A shareholder proposal seeking the adoption of a policy requiring senior executives to retain a significant percentage of shares acquired as equity compensation
6. Any other business that may properly be considered at the meeting or any adjournment of the meeting

Record Date: You may vote at the meeting if you were a shareholder of record at the close of business on February 23, 2016.

Voting by Proxy: It is important that your shares be represented and voted at the meeting. You may vote your shares by Internet or telephone by no later than 11:59 p.m., Eastern time, on April 18, 2016 (or April 14, 2016, for shares held in the U.S. Bank 401(k) Savings Plan), as directed in the proxy materials. If you received a printed copy of the proxy materials, you may also complete, sign and return the enclosed proxy card or voting instruction form by mail. Voting in any of these ways will not prevent you from attending or voting your shares at the meeting. We encourage you to vote by Internet or telephone to reduce mailing and handling expenses.

Internet Availability of Proxy Materials: **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to be Held on April 19, 2016: Our proxy statement and 2015 Annual Report are available at www.proxyvote.com.**

By Order of the Board of Directors

James L. Chosy
Secretary

March 8, 2016

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Proxy Summary

This summary highlights information described in more detail elsewhere in this proxy statement. It does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting. For more complete information about our company's 2015 performance, please review our 2015 Annual Report on Form 10-K.

2016 Annual Meeting of Shareholders

Date and Time:	Tuesday, April 19, 2016, at 11:00 a.m. local time
Place:	Sheraton Denver Downtown Hotel Grand Ballroom 1550 Court Place Denver, CO 80202
Record Date:	February 23, 2016

Voting Matters and Board Recommendations

Proposal		Board Recommendation	For More Information
Proposal 1	**The election of 14 directors named in the proxy statement**	**"FOR"** all nominees	Page 5
Proposal 2	**The ratification of the selection of Ernst & Young LLP as our independent auditor for the 2016 fiscal year**	**"FOR"**	Page 61
Proposal 3	**An advisory vote to approve the compensation of our executives disclosed in this proxy statement**	**"FOR"**	Page 62
Proposal 4	**A shareholder proposal seeking the adoption of a policy requiring that the Chairman of the Board be an independent director**	**"AGAINST"**	Page 63
Proposal 5	**A shareholder proposal seeking the adoption of a policy requiring senior executives to retain a significant percentage of shares acquired as equity compensation**	**"AGAINST"**	Page 65

How to Cast Your Vote

The Board of Directors of U.S. Bancorp is soliciting proxies for use at the annual meeting of shareholders to be held on April 19, 2016, and at any adjournment or postponement of the meeting. The proxy materials were first made available to shareholders on or about March 8, 2016.

Your vote is important! Please cast your vote and play a part in the future of U.S. Bancorp.

Even if you plan to attend our annual meeting in person, please cast your vote as soon as possible by:

Internet www.proxyvote.com	**Telephone**	**Mail**

The voting deadline is 11:59 p.m., Eastern time, on April 18, 2016 (or April 14, 2016, for shares held in the U.S. Bank 401(k) Savings Plan). For details on how to cast your vote, see "Questions and Answers about the Annual Meeting and Voting."

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Director Nominees

Name	Age	Director Since	Primary Occupation	Committee Memberships	Independent
Douglas M. Baker, Jr.	57	2008	Chairman and Chief Executive Officer, Ecolab Inc.	G (Chair), RM, E	
Warner L. Baxter	54	2015	Chairman, President and Chief Executive Officer, Ameren Corporation	A, CR	
Marc N. Casper	47	2016	President and Chief Executive Officer, Thermo Fisher Scientific, Inc.	A, CR	
Arthur D. Collins, Jr. Lead Director	68	1996	Retired Chairman and Chief Executive Officer, Medtronic, Inc.	C, G, E	
Richard K. Davis	58	2006	Chairman and Chief Executive Officer, U.S. Bancorp	E (Chair), RM	CEO
Kimberly J. Harris	51	2014	President and Chief Executive Officer, Puget Energy, Inc. and Puget Sound Energy, Inc.	CR (Chair), G, E	
Roland A. Hernandez	58	2012	Founding Principal and Chief Executive Officer, Hernandez Media Ventures	A (Chair), CR, E	
Doreen Woo Ho	68	2012	Commissioner, San Francisco Port Commission	A, RM	
Olivia F. Kirtley	65	2006	Business Consultant	C, RM	
Karen S. Lynch	53	2015	President, Aetna Inc.	CR, RM	
David B. O'Maley	69	1995	Retired Chairman, President and Chief Executive Officer, Ohio National Mutual Holdings, Inc. and Ohio National Financial Services, Inc.	C (Chair), G, E	
O'dell M. Owens, M.D., M.P.H.	68	1991	Medical Director, Cincinnati Health Department	CR, C	
Craig D. Schnuck	67	2002	Former Chairman and Chief Executive Officer, Schnuck Markets, Inc.	G, RM	
Scott W. Wine	48	2014	Chairman and Chief Executive Officer, Polaris Industries Inc.	A, C	

A	Audit Committee	G	Governance Committee
CR	Community Reinvestment and Public Policy Committee	RM	Risk Management Committee
C	Compensation and Human Resources Committee	E	Executive Committee

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2015 Performance and Compensation Highlights

Strong Corporate Performance

Our superior performance during 2015 included the following achievements:

- We remained the top performer in our peer group in the common industry performance measures of return on average assets, return on average common equity, and efficiency ratio.
- We achieved record net income of $5.9 billion.
- We returned 72% of our earnings to our shareholders through dividends and share buybacks.
- We continued to make strategic investments to position our company for sustainable long-term growth.

Sound Compensation Practices

Our executive officer compensation varies from year to year because it is directly linked to achievement of targets we have set in our financial plans. This compensation program includes many strong "pay for performance" and prudent risk management features, such as:

- The annual cash incentive payouts for our Chief Executive Officer ("CEO") and other executive officers are based on a formula directly related to the level of achievement of corporate earnings per share and business line pretax income targets.
- Three-fourths of the value of the long-term incentive award made to our CEO and other executive officers is in the form of performance-based restricted stock units that are earned based on our absolute (compared to target) and relative (compared to our peers) performance with respect to return on average common equity.
- We place significant emphasis on long-term equity incentive pay in order to reinforce a long-term view of performance and enhance the alignment of the goals of our executive officers with those of our shareholders.
- We include provisions in our equity award agreements that cancel all or a portion of the vesting of the awards under certain circumstances if it is determined that an executive demonstrated an inadequate sensitivity to risk.
- We use formal "risk scorecard" analyses for our senior management, which may result in downward adjustments to annual cash incentive compensation payouts if executives demonstrate inadequate sensitivity to risk, and we have a "clawback" policy that allows us to recoup annual cash incentive payments attributable to incorrectly reported earnings.

Governance Highlights

Our Board of Directors and management are dedicated to exemplary corporate governance and they recognize that maintaining strong governance is vital to our continued success. Some of our strong governance features include:

Director Independence: Every director other than our CEO is independent, and independent directors comprise 100% of each of the following principal Board committees: Audit, Community Reinvestment and Public Policy, Compensation and Human Resources, and Governance.

Board Leadership: We have a strong independent Lead Director, with broad authority and responsibility over Board governance and operation.

Board Risk Oversight: Our Risk Management Committee oversees our risk management infrastructure and processes.

Proxy Access: A shareholder or group of up to 20 shareholders that has held at least 3% of our company's stock for at least three years is able to nominate up to 20% of the Board (but at least two directors) and have those nominees appear in our proxy statement, subject to notice and other specific requirements in our bylaws.

Majority Voting: Our directors are elected annually by a majority of votes cast in uncontested elections.

Board Evaluations: The Governance Committee annually conducts rigorous Board assessments, including individual director evaluations, which are designed to enhance performance and accountability.

Executive Sessions: Our independent directors meet in executive sessions, without the CEO or any other member of management present, at the end of each regularly scheduled Board meeting, with our Lead Director presiding at these sessions.

Proposal 1 Election of Directors

Our Board of Directors currently has 16 members, and directors are elected annually to one-year terms. Fourteen of our current directors have been nominated for election by the Board to hold office until the 2017 annual meeting and the election of their successors. Joel W. Johnson and Patrick T. Stokes are currently serving as directors but will not stand for re-election at the 2016 annual meeting.

All of the nominees currently serve on our Board, and each of them has previously been elected by the shareholders except for Warner L. Baxter, Marc N. Casper and Karen S. Lynch. Each of the three new directors was recommended to the Governance Committee for consideration by a director search firm. The Board has determined that, except for Richard K. Davis, each nominee for election as a director at the annual meeting is independent from U.S. Bancorp as discussed later in this proxy statement under "Corporate Governance Director Independence."

Director Selection and Qualifications

Director Nominee Selection Process

The selection process for first-time director candidates includes the following steps:

- identification of director candidates by the Governance Committee based upon suggestions from current directors and executive officers and recommendations received from shareholders;
- possible engagement of a director search firm to provide names and biographies of director candidates for the Governance Committee's consideration;
- interviews of candidates by the Lead Director and other Governance Committee members;
- reports to the Board by the Governance Committee on the selection process;
- recommendations by the Governance Committee; and
- formal nomination by the Board for inclusion in the slate of directors at the annual meeting.

Director candidates recommended by shareholders are given the same consideration as candidates suggested by a search firm, directors or executive officers. A shareholder seeking to recommend a prospective candidate for the Governance Committee's consideration should submit the candidate's name and sufficient written information about the candidate to permit a determination by the Governance Committee whether the candidate meets the director selection criteria set forth below and in our Corporate Governance Guidelines. Recommendations should be sent to the Chair of the Governance Committee in care of the Corporate Secretary of U.S. Bancorp at the address listed on page 75 of this proxy statement.

Director Qualification Standards

We will only consider individuals as candidates for director who possess the highest personal and professional ethics, integrity and values, and who are committed to representing the long-term interests of our shareholders. In evaluating candidates for nomination as a director of U.S. Bancorp, the Governance Committee will also consider other criteria, including:

- current or recent experience as a chief executive officer of a public company or as a leader of another major complex organization;
- business and financial expertise;
- geography;
- experience as a director of a public company;
- diversity of gender, ethnicity, viewpoints, background, experience and other demographic factors;
- independence;
- ability to work in a collegial manner with persons of different education, business and cultural backgrounds;

possession of skills and expertise that complement the attributes of the existing directors; and

freedom from conflicts of interest.

For incumbent directors, the Governance Committee also considers the director's attendance, participation in the work of the Board and overall contribution to the Board. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serving on the Board for an extended period of time. One or more of our directors must possess the education or experience required to qualify as an audit committee financial expert.

2016 Nominees for Director

Our Governance Committee continuously assesses the evolving opportunities and challenges facing our company in order to align the Board's composition with the company's leadership needs. When nominating incumbent and new directors, our Governance Committee considers, among other things:

Business Experience: Our Governance Committee considers the balance of business experience represented on the Board. Many of our directors have had experience as a chief executive officer of a large publicly held or private corporation. This background provides experience in risk assessment, corporate governance matters and interaction between management and the board of directors. It also provides experience in general management of large organizations, and oversight of finance, marketing, and execution of corporate strategy. Many of our directors have current or recent experience as a director of another large publicly held or private company, which also provides valuable experience in addressing complex governance and business issues relevant to our company. Given the current demands placed on our industry, the Governance Committee also places a high value on risk management expertise and leadership experience in a highly regulated environment.

Diversity: Our Governance Committee regularly reviews the composition of the Board in light of the backgrounds, industries, skills, professional experience, geographic communities, gender, race, ethnicity and other personal qualities and attributes represented by our current members. The Governance Committee also reviews Board self-evaluations and information with respect to the business and professional expertise represented by current members in order to identify any specific skills and backgrounds desirable in future Board members. The Governance Committee incorporates this broad view of diversity into its director nomination process by taking into account all of the above factors when evaluating and recommending director nominees to serve on the Board to ensure that the Board's composition as a whole appropriately reflects the current and anticipated needs of the Board and the company. In implementing this practice, the Governance Committee may place more emphasis on attracting or retaining directors with certain specific skills or experience, such as industry, regulatory, public policy, accounting or financial expertise, depending on the business strategy and environment and the composition of the Board at the time.

Tenure: Our Governance Committee also believes that it is important to maintain a balance of tenure on the Board, in order to include the business, industry and governance experience of longer-serving directors; the fresh perspectives contributed by new directors; and the value of continuity as Board composition changes. Our Governance Committee approaches its task of recommending candidates for election or re-election with the goal of having a mix of directors with long, medium and short tenures on the Board. Our Board has experienced a measured rate of refreshment in recent years, including the addition of three new directors and the resignation of one director in the past year. In accordance with the

Board's director transition policy, described below under "Corporate Governance Director Policies," the Governance Committee did not nominate two of our current directors to stand for re-election in 2016 because they had each reached the age of 72. The Governance Committee believes that the recent rate of refreshment is appropriate for our Board and company at this time.

Each of our director nominees meets the qualification standards described above and in our Corporate Governance Guidelines and has agreed to serve as a director if elected. Proxies may not be voted for more than 14 directors. If, for any reason, any nominee becomes unable to serve before the election, the persons named as proxies will vote your shares for a substitute nominee selected by the Board of Directors. Alternatively, the Board of Directors, at its option, may reduce the number of directors that are nominated for election. In addition, as described below under "Corporate

Governance Majority Vote Standard for Election of Directors," each of the nominees has tendered his or her contingent resignation as a director in accordance with our Corporate Governance Guidelines to be effective if he or she fails to receive the required vote for election to the Board and the Board accepts the tendered resignation.

Included below is certain information that the director nominees have provided as well as additional information that the Board considered in nominating them. Board service dates listed include service as directors of U.S. Bancorp's predecessor companies.

Douglas M. Baker, Jr.
Director since 2008

Committees

Chair, Governance

Risk Management

Executive

Business Experience: Mr. Baker, 57, is the Chairman and Chief Executive Officer of Ecolab Inc., a provider of water and hygiene services and technologies for the food, hospitality, industrial and energy markets. He has served as Chairman since May 2006 and Chief Executive Officer since July 2004. He served as President of Ecolab from 2002 until 2011. He joined Ecolab in 1989 and held various leadership positions within the company before being named President and Chief Operating Officer in 2002.

Other Directorships:

Ecolab Inc. since 2004 (Chairman; Safety, Health and Environment Committee)

Target Corporation since 2013 (Lead Director; Human Resources and Compensation and Nominating and Governance Committees)

Skills and Qualifications:

Chief Executive Experience: Mr. Baker provides the valuable perspective gained from leading a company through the current economic and corporate governance environment as the CEO of an S&P 500 industrial company with global operations.

Corporate Governance: Mr. Baker's experience leading public company boards, including as Chairman of Ecolab and Lead Director of Target, provides valuable corporate governance expertise to our Board.

Business Experience: Mr. Baxter, 54, is the Chairman, President and Chief Executive Officer of Ameren Corporation, a regulated electric and gas utility company serving customers in Missouri and Illinois. He has served in these positions since 2014. Mr. Baxter served as Chairman, President and Chief Executive Officer of Ameren Missouri from 2009 to 2014 and as Executive Vice President and Chief Financial Officer of Ameren Corporation from 2003 to 2009. In addition, he also served as President and Chief Executive Officer of Ameren Services from 2007 to 2009.

Other Directorships:

Ameren Corporation since 2014 (Chairman)

UMB Financial Corporation from 2013 to 2015

Skills and Qualifications:

Warner L. Baxter
Director since 2015

Committees

Audit

Community Reinvestment and Public Policy

Chief Executive Experience: Mr. Baxter's experience as a current CEO of a Fortune 500 company provides valuable leadership insight to the Board.

Risk Management: As the current President and CEO of a company in a critical infrastructure industry, Mr. Baxter brings valuable risk management expertise to our Board of Directors.

Regulated Industry Expertise: As the current President and CEO of a company in a highly regulated industry, Mr. Baxter provides valuable perspective on regulatory and business challenges facing our company.

Financial Reporting and Accounting: Through his past experience as the Chief Financial Officer and Controller of a large publicly-traded company, Mr. Baxter brings extensive financial reporting and accounting expertise to our Board.

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Marc N. Casper
Director since 2016

Committees

Audit

Community Reinvestment and Public Policy

Business Experience: Mr. Casper, 47, is the President and Chief Executive Officer of Thermo Fisher Scientific Inc., a leader in life sciences and healthcare technologies. He has served as President and Chief Executive Officer since 2009. He served as Executive Vice President and Chief Operating Officer from 2008 to 2009 and Executive Vice President of Thermo Fisher and President of its Analytical Technologies business from 2006 to 2009. He joined Thermo Electron Corporation, a predecessor to Thermo Fisher Scientific, in 2001 and held various leadership positions within that company before being named Executive Vice President of Thermo Fisher in 2006.

Other Directorships:

Thermo Fisher Scientific Inc. since 2009

Zimmer Holdings, Inc. from 2009 to 2013

Skills and Qualifications:

Chief Executive Experience: Mr. Casper's experience as the CEO of a large life sciences and healthcare technologies company gives him broad and valuable leadership experience.

Regulated Industry Expertise: Mr. Casper's experience as the leader of a company in a heavily regulated industry gives him valuable insight on regulatory challenges.

Arthur D. Collins, Jr.
Director since 1996 Lead Director

Business Experience: Mr. Collins, 68, is the retired Chairman and Chief Executive Officer of Medtronic, Inc., a leading medical device and technology company. Mr. Collins served as Chairman of Medtronic from 2002 until August 2008 and Chief Executive Officer from 2002 until August 2007. Mr. Collins served as President of Medtronic from 1996 to 2002 and also as Chief Operating Officer from 1994 to 2002. Since April 2009, Mr. Collins has acted as a senior advisor for Oak Hill Capital Partners, which manages a private equity portfolio of over $8 billion of private equity capital and over $20 billion of investment capital.

Other Directorships:

Cargill, Incorporated since 2000 (Human Resources Committee Chair; Governance, Audit and Executive Committees)

Committees

Compensation and Human Resources

Governance

Executive

The Boeing Company since 2007 (Compensation Committee Chair; Governance, Organization and Nominating Committee)

Alcoa Inc. since 2010 (Audit and Compensation and Benefits Committees)

Skills and Qualifications:

Chief Executive Experience: Mr. Collins's experience as CEO of Medtronic gives him a broad perspective on a variety of complex business and financial issues that is valuable in his service on our Board.

Corporate Governance: Mr. Collins's experience on the boards of several large public companies has given him corporate governance expertise that is particularly valuable in his role as Lead Director of our Board.

Regulated Industry Expertise: Mr. Collins gained extensive regulated industry expertise through his service as Chairman and CEO of a medical device and technology company.

Richard K. Davis
Director since 2006 Chairman

Committees

Chair, Executive

Risk Management

Business Experience: Mr. Davis, 58, is Chairman and Chief Executive Officer of U.S. Bancorp. He has served as Chairman since December 2007 and as Chief Executive Officer since December 2006. He also served as President from October 2004 until January 2016 and was the Chief Operating Officer of U.S. Bancorp from October 2004 until December 2006. Mr. Davis has held management positions with our company since joining Star Banc Corporation, one of our predecessors, as Executive Vice President in 1993.

Other Directorships:

Xcel Energy Inc. since 2006 (Lead Director; Finance Committee)

The Dow Chemical Company since 2015 (Audit Committee)

Skills and Qualifications:

Chief Executive Experience: As Chairman and CEO of U.S. Bancorp, Mr. Davis brings to all Board discussions and deliberations deep knowledge of the company and its business.

Financial Services Industry Expertise: Mr. Davis brings to the Board extensive leadership experience and industry knowledge gained as Chairman of the Financial Services Roundtable, as Chairman of The Clearing House, and as representative for the Ninth District of the Federal Reserve, where he served on its Financial Advisory Committee.

Regulated Industry Expertise: Mr. Davis's service as Lead Director of the Xcel Energy board of directors broadens his experience in overseeing management in an industry subject to extensive regulation.

Risk Management: Mr. Davis brings valuable risk management expertise to our Board through his experience leading a large financial services company through the current risk environment, as well as through his leadership of the Board of Directors of Xcel Energy, a company in a critical infrastructure industry.

Business Experience: Ms. Harris, 51, is the President and Chief Executive Officer of Puget Energy, Inc., an energy services holding company, and its subsidiary Puget Sound Energy, Inc., a utility company providing electric and natural gas service in the northwest United States. She has served in these positions since March 2011. Ms. Harris served as President of Puget Energy and Puget Sound Energy from July 2010 through February 2011 and as Executive Vice President and Chief Resource Officer from May 2007 until July 2010. Ms. Harris served as Senior Vice President Regulatory Policy and Energy Efficiency of these companies from 2005 until May 2007.

Other Directorships:

Kimberly J. Harris
Director since 2014

Committees

Chair, Community Reinvestment and Public Policy

Governance

Executive

Puget Energy, Inc. and Puget Sound Energy, Inc. since 2011

Skills and Qualifications:

Chief Executive Experience: Ms. Harris's experience as a current CEO provides valuable leadership perspective to our Board of Directors gained by leading a large company through the current economic and regulatory environment.

Risk Management: As the current President and CEO of a company in a critical infrastructure industry, Ms. Harris brings valuable risk management experience to our Board of Directors.

Regulated Industry Expertise: Ms. Harris's experience as the leader of a company in a heavily regulated industry gives her valuable expertise in managing a complex business in the context of an extensive regulatory regime.

Roland A. Hernandez
Director since 2012

Committees

Chair, Audit

Community Reinvestment and Public Policy

Executive

Business Experience: Mr. Hernandez, 58, is the Founding Principal and Chief Executive Officer of Hernandez Media Ventures, a privately held company engaged in the acquisition and management of media assets. He has served in this capacity since January 2001. Mr. Hernandez served as Chairman of Telemundo Group, Inc., a Spanish-language television and entertainment company, from 1998 to 2000 and as President and Chief Executive Officer from 1995 to 2000.

Other Directorships:

MGM Resorts International since 2002 (Lead Director; Audit Committee Chair; Corporate and Social Responsibility Committee)

Vail Resorts, Inc. since 2002 (Lead Director; Nominating and Governance Committee Chair; Executive and Audit Committees)

Belmond Ltd. (formerly Orient Express Hotels Ltd.) since 2013 (Chairman)

Sony Corporation from 2008 to 2013

The Ryland Group, Inc. from 2001 to 2012

Lehman Brothers Holdings, Inc. from 2005 to 2012

Skills and Qualifications:

Chief Executive Experience: As the Founding Principal and CEO of Hernandez Media Ventures and the former President, CEO and Chairman of a television and entertainment company, Mr. Hernandez has gained business expertise that is particularly relevant to a major consumer bank such as U.S. Bank.

Financial Reporting and Accounting: With his extensive past and current experience on the audit committees of the boards of four public companies, Mr. Hernandez brings broad financial reporting and accounting expertise to our Board.

Corporate Governance: As the Chairman or Lead Director of three public companies, Mr. Hernandez brings to our Board significant expertise in current corporate governance issues and practices.

Business Experience: Ms. Woo Ho, 68, is a Commissioner of the San Francisco Port Commission, the governing board responsible for the San Francisco, California, waterfront adjacent to San Francisco Bay. She has served on the Port Commission since May 2011 and served as President from 2012 to 2014. Ms. Woo Ho served as President and Chief Executive Officer of United Commercial Bank, a California commercial bank, from September 2009 to November 2009. She served as President of Community Banking at United Commercial from January 2009 to September 2009. Ms. Woo Ho served as Executive Vice President responsible for Enterprise Marketing, Student Loans and Corporate Trust, at Wells Fargo & Company, a diversified financial services company, in 2008. She served as President of the Consumer Credit Group of Wells Fargo from 1998 to 2007. Ms. Woo Ho was also a member of the Wells Fargo Management Committee from 1999 to 2008.

Skills and Qualifications:

Doreen Woo Ho
Director since 2012

Committees

Audit

Risk Management

Financial Services Industry Expertise: Ms. Woo Ho's over 35 years of commercial and consumer banking experience brings valuable industry experience and knowledge to our Board.

Risk Management: Through her experience as a senior leader in the banking industry, Ms. Woo Ho brings experience identifying, assessing and managing risk exposures of large, complex financial firms.

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Olivia F. Kirtley
Director since 2006

Committees

Compensation and Human Resources

Risk Management (incoming Chair)

Business Experience: Ms. Kirtley, 65, a Certified Public Accountant and Chartered Global Management Accountant, has served as the President of the International Federation of Accountants (IFAC), the global organization for the accountancy profession which facilitates the establishment of international auditing, ethics and education standards, since November 2014. She served as Deputy President of IFAC from 2012 to 2014. Ms. Kirtley has also served as a business consultant on strategic, risk and corporate governance issues since 2000. Prior to 2000, she served as a senior manager at a predecessor to auditing firm Ernst & Young LLP, and as Treasurer, Vice President and Chief Financial Officer at Vermont American Corporation.

Other Directorships:

Res-Care, Inc. since 1998 (Audit Committee Chair; Governance & Nominating Committee)

Papa Johns International, Inc. since 2003 (Audit Committee Chair; Compensation Committee)

Skills and Qualifications:

Financial Reporting and Accounting: Ms. Kirtley's expertise in her field has been recognized in her service as President of IFAC, as well as her past service as Chair of the American Institute of Certified Public Accountants (AICPA) and Chair of the AICPA Board of Examiners.

Risk Management: Ms. Kirtley gained extensive audit, financial reporting, and risk management experience as the Chief Financial Officer of an international company and as a Certified Public Accountant at a large international accounting firm.

Corporate Governance: Ms. Kirtley brings to our Board a deep understanding of a wide range of current governance issues gained by her work as a corporate governance consultant and a faculty member of The Conference Board Directors' Institute.

Karen S. Lynch
Director since 2015

Committees

Community Reinvestment and Public Policy

Risk Management

Business Experience: Ms. Lynch, 53, is the President of Aetna Inc., a diversified health care benefits company. She has served as President since 2014. She served as Executive Vice President of Aetna's Local and Regional business from 2013 to 2014 and Executive Vice President of Aetna's Specialty Products business from 2012 to 2013. Ms. Lynch served as President of Magellan Health Services Inc., a health care management company, from 2009 to 2012. Prior to joining Magellan Health, she served in various leadership roles at Cigna Corporation, a global health insurance service company, from 1999 to 2009.

Skills and Qualifications:

Financial Services Industry Expertise: Ms. Lynch's over 24 years of insurance industry experience provides her with valuable financial services industry expertise.

Risk Management: Ms. Lynch contributes valuable risk management expertise in the financial services industry through her experience leading a large health care benefits company.

Financial Reporting and Accounting: Ms. Lynch's past experience as a CPA and public company auditor provides valuable financial reporting and accounting expertise to our Board.

David B. O'Maley
Director since 1995

Committees

Chair, Compensation and Human Resources

Governance

Executive

Business Experience: Mr. O'Maley, 69, is the retired Chairman, President and Chief Executive Officer of Ohio National Mutual Holdings, Inc. and its subsidiary Ohio National Financial Services, Inc., an intermediate insurance holding company that markets insurance and financial products through its affiliates, including The Ohio National Life Insurance Company. Mr. O'Maley served as Executive Chairman of these companies from November 2010 to May 2012 after serving as Chairman, President and Chief Executive Officer of Ohio National Mutual Holdings and Ohio National Financial Services from 1994 until November 2010. He joined Ohio National in 1992.

Skills and Qualifications:

Chief Executive Experience: Mr. O'Maley's experience as the CEO of a large, complex company provides leadership and management expertise to our Board.

Financial Services Industry Expertise: As the retired Chairman, President and CEO of a large financial services company, Mr. O'Maley brings to our Board discussions expertise in managing regulatory and business challenges facing financial services companies.

Risk Management: Mr. O'Maley brings valuable risk management expertise to our Board through his experience leading a large financial services company.

O'dell M. Owens, M.D., M.P.H.

Business Experience: Dr. Owens, 68, is the Medical Director for the Cincinnati Health Department and has served in this role since November 2015. He previously served as the President of Cincinnati State Technical and Community College, an institution of higher education, from September 2010 until September 2015. Dr. Owens has been a member of the Federal Reserve Bank of Cleveland's Cincinnati Business Advisory Council since 2012. He has also been providing services as an independent consultant in medicine, business, education and work-site employee benefits since 2001 and served as the President and Chairman of the Board for Project GRAD (Graduation Really Achieves Dreams), a national non-profit organization formed to improve inner-city education, from 2001 until 2015. From 2004 to 2010, Dr. Owens also served as Coroner of Hamilton County, Ohio.

Skills and Qualifications:

Director since 1991

Committees

Community Reinvestment and Public Policy

Compensation and Human Resources

Community Leadership: Through his experience in public service leadership roles and as the President and Chairman of Project GRAD, Dr. Owens brings a unique perspective to our Board by combining business expertise and leadership with a strong focus on community service and public policy.

Craig D. Schnuck
Director since 2002

Committees

Governance

Risk Management

Business Experience: Mr. Schnuck, 67, is the former Chairman and Chief Executive Officer of Schnuck Markets, Inc., a regional supermarket chain. He was elected President of Schnuck Markets in 1984 and served as Chief Executive Officer from 1989 until January 2006. He also served as Chairman from January 1991 until December 2006. Mr. Schnuck continued to be active in the Schnuck Markets business as Chair of its Executive Committee from 2007 until 2014 and was named Chairman Emeritus in 2014.

Skills and Qualifications:

Chief Executive Experience: Mr. Schnuck brings to our company substantial leadership experience gained as the long-serving Chairman, CEO and Chair of the Executive Committee of a large, regional food retailer.

Consumer Business Expertise: In addition to leading a large consumer goods business, Mr. Schnuck also served for nine years on the board of governors of the Uniform Code Council, the agency that oversees his industry's most fundamental technologies, serving as Chairman for two terms. This work has given him additional insight into technological innovation in retail business, which is an important focus in various U.S. Bancorp business lines.

Scott W. Wine
Director since 2014

Committees

Business Experience: Mr. Wine, 48, is the Chairman and Chief Executive Officer of Polaris Industries Inc., a worldwide manufacturer and marketer of innovative high-performance motorized products. He has served as Chairman since 2013, and Chief Executive Officer since 2008. Mr. Wine served as President of Fire Safety Americas, a division of United Technologies Corporation, from 2007 to 2008. Prior to that time, Mr. Wine held various senior leadership positions at Danaher Corporation and Honeywell International, Inc. from 1996 to 2007.

Other Directorships:

Polaris Industries Inc. since 2008 (Technology Committee)

Terex Corporation since 2011 (Compensation and Governance and Nominating Committees)

Skills and Qualifications:

Audit

Compensation and Human Resources

Chief Executive Experience: Mr. Wine's experience as the Chairman and CEO of a large international manufacturing company gives him broad and valuable experience in a business focused on growing operations within domestic and overseas markets.

Consumer Business Expertise: Mr. Wine contributes to the Board a current perspective on retail business gained from his leadership of a consumer-focused company.

FOR

The Board of Directors recommends a vote "FOR" election of the 14 director nominees to serve until the next annual meeting and the election of their successors.

Corporate Governance

Our Board of Directors and management are dedicated to exemplary corporate governance. Good corporate governance is vital to our continued success. Our Board of Directors has adopted Corporate Governance Guidelines to provide a corporate governance framework for our directors and management to effectively pursue our objectives for the benefit of our shareholders. The Board reviews and updates these guidelines and the charters of the Board committees at least annually in response to evolving best practices and the results of annual Board and committee evaluations. Our Corporate Governance Guidelines, as well as our Code of Ethics and Business Conduct, can be found at www.usbank.com by clicking on "About U.S. Bank" and then "Corporate Governance" and then, as applicable, "Corporate Governance Guidelines" or "Code of Ethics."

Director Independence

Our Board of Directors has determined that each of the following directors, comprising all of our non-employee directors, has no material relationship with U.S. Bancorp and is independent: Douglas M. Baker, Jr., Warner L. Baxter, Marc N. Casper, Arthur D. Collins, Jr., Kimberly J. Harris, Roland A. Hernandez, Doreen Woo Ho, Joel W. Johnson, Olivia F. Kirtley, Karen S. Lynch, David B. O'Maley, O'dell M. Owens, M.D., M.P.H., Craig D. Schnuck, Patrick T. Stokes and Scott W. Wine. Richard K. Davis, our only other director, is not independent because he is an executive officer of U.S. Bancorp.

Our Board has adopted a set of standards in our Corporate Governance Guidelines to assist it in assessing the independence of each of our non-employee directors. Absent other material relationships with U.S. Bancorp, a director of U.S. Bancorp who otherwise meets the independence qualifications of the New York Stock Exchange (the "NYSE") listing standards may be deemed "independent" by the Board of Directors after consideration of the relationships between U.S. Bancorp or any of our affiliates and the director or any of his or her immediate family members or other related parties. Our Board deems the following relationships to be categorically immaterial such that they will not, by themselves, affect an independence determination:

- a relationship between the company and an organization of which the director or a member of his or her immediate family is an executive officer if that role does not constitute that person's principal occupation;
- an ordinary banking relationship readily available from other large financial institutions;
- employment by the company of a member of the director's immediate family if that person's annual compensation does not exceed $120,000; and
- a relationship between the company and an organization with which the director or a member of his or her immediate family is affiliated if (a) the relationship arises in the ordinary course of both parties' operations and (b) the aggregate annual amount involved does not exceed $120,000.

The only business relationship between U.S. Bancorp and our directors or the directors' related interests that was considered by the Board when assessing the independence of our non-employee directors is the relationship between U.S. Bancorp and Schnuck Markets, Inc., a corporation with which our director Craig D. Schnuck is affiliated. The Board determined that this relationship, which is described later in this proxy statement under the heading "Certain Relationships and Related Transactions Related Person Transactions," did not impair Mr. Schnuck's independence because the amounts involved are immaterial to Schnuck Markets' gross revenues and the relationship had no unique characteristics that could influence Mr. Schnuck's impartial judgment as a director of U.S. Bancorp.

Board Meetings and Committees

The Board of Directors conducts its business through meetings of the Board and the following standing committees: Audit, Governance, Compensation and Human Resources, Risk Management, Community Reinvestment and Public Policy, and Executive. The standing committees report on their deliberations and actions at each full Board meeting. Each of the standing committees has the authority to engage outside experts, advisors and counsel to the extent it considers appropriate to assist the committee in its work. Each of the standing committees has adopted and operates under a written charter. These charters can be found on our website at www.usbank.com by clicking on "About U.S. Bank" and then "Corporate Governance" and then "Board Committees."

The non-employee directors meet in executive session, without the CEO or any other member of management present, at the end of each regularly scheduled Board meeting and may meet without the CEO at any other time. The Lead Director presides over these executive sessions. See "Board Leadership Structure." In addition, the Board holds a session between the CEO and the independent directors at the beginning of each regularly scheduled meeting, which provides a platform for discussions outside the presence of the non-Board management attendees, as well as an opportunity for the independent directors to go into executive session (without the CEO). During each committee meeting, the committees have the opportunity to hold executive sessions without members of management present.

The Board of Directors held eight meetings during 2015. Each director attended at least 75% of the total meetings of the Board and Board committees on which he or she served during the year. The average attendance rate of all directors in 2015 was 98%.

Board Performance Evaluations and Director Education

Our Governance Committee conducts an annual assessment of the Board's performance to determine whether it and its committees are functioning effectively. Each director completes a questionnaire with respect to the Board and each committee on which he or she serves. The chair of the Governance Committee and the Lead Director review all survey responses, and the chairs of the other committees also review the survey responses for their respective committees. The Board and the committees discuss the results of the surveys at their next meeting. In addition, the chair of the Governance Committee annually evaluates each director's contributions to the Board, and the directors each perform a self-evaluation. The Governance Committee chair then has a one-on-one meeting with each director to discuss his or her performance, and reports on those conversations to the full Governance Committee.

We believe that it is of utmost importance that our directors receive additional information and training about issues that are critical to exercising prudent oversight of the management of our company. We have implemented a robust director education program that begins with in-depth training covering our industry, financial reporting, and each of our lines of business, and that continues with special education sessions throughout the year that highlight current business, industry, regulatory and governance topics presented by internal and external experts.

Shareholder Engagement

For the past several years, we have maintained an annual shareholder engagement program to help us better understand the views of our investors. We reach out to many of our largest institutional investors each fall to invite them to speak with us and provide feedback on corporate governance and executive compensation issues. The investors have the opportunity during these meetings to discuss their views on governance or compensation issues of particular importance to them. Management shares the feedback received during these meetings with the Governance Committee and Compensation and Human Resources Committee. The Lead Director (or, in the Lead Director's discretion, the chair of the relevant Board committee) may also be available to meet with shareholders as appropriate. Requests for such a meeting are considered on a case-by-case basis.

Committee Member Qualifications

All of the Audit Committee members meet the independence and experience requirements of the NYSE and the Securities and Exchange Commission ("SEC"). As part of those requirements, our Board of Directors has determined that each member of the Audit Committee is independent and financially literate, and each of our audit committee financial experts has accounting or other financial management expertise. Our Board of Directors has identified Roland A. Hernandez, our Audit Committee Chair, and Warner L. Baxter, Marc N. Casper, Joel W. Johnson and Scott W. Wine as audit committee financial experts as defined under the rules of the SEC. The Audit Committee charter generally prohibits Audit Committee members from serving on more than two other public company audit committees. Currently, no Audit Committee member exceeds this restriction.

All of the Governance Committee members and Compensation and Human Resources Committee members also meet the independence requirements of the NYSE, including, with respect to the Compensation and Human Resources Committee members, the NYSE's independence requirements specific to members of compensation committees.

Committee Responsibilities

Committee	Primary Responsibilities and Membership
Audit	
Held 12 meetings during 2015	Assisting the Board of Directors in overseeing the quality and integrity of our financial statements, including matters related to internal controls; our compliance with legal and regulatory requirements; the qualifications, performance and independence of our independent auditor; and the integrity of the financial reporting processes, both internal and external;
	appointing, compensating, retaining and overseeing the work of the independent auditor; and
	overseeing the internal audit function and approving the appointment and compensation of the Chief Audit Executive. **Current Members**: Roland A. Hernandez (Chair), Warner L. Baxter, Marc N. Casper, Doreen Woo Ho, Joel W. Johnson and Scott W. Wine
Governance	
Held 6 meetings during 2015	Discharging the Board's responsibilities relating to corporate governance matters, including developing and recommending to the Board a set of corporate governance principles;

overseeing succession planning for our CEO;

identifying and recommending to the Board individuals qualified to become directors;

managing the performance review process for our current directors;

reviewing and evaluating significant capital expenditures and potential mergers and acquisitions;

overseeing the evaluation of management; and

making recommendations to the Board regarding any shareholder proposals.

Current Members: Douglas M. Baker, Jr. (Chair), Arthur D. Collins, Jr., Kimberly J. Harris, David B. O'Maley, Craig D. Schnuck and Patrick T. Stokes

Committee	Primary Responsibilities and Membership
Compensation and Human Resources *Held 6 meetings during 2015*	Discharging the Board's responsibilities relating to the compensation of our executive officers and non-employee directors; recommending to the Board for approval executive officer incentive compensation plans and all equity-based incentive plans; approving other compensation plans, practices and programs applicable to the company's executive officers, including performance goals and objectives; evaluating and discussing with the appropriate officers of our company the incentives for risk-taking contained in our incentive compensation plans and programs; and evaluating the CEO's performance and overseeing succession planning for executive officers other than our CEO. **Current Members**: David B. O'Maley (Chair), Arthur D. Collins, Jr., Olivia F. Kirtley, O'dell M. Owens, M.D., M.P.H., and Scott W. Wine
Risk Management *Held 6 meetings during 2015*	Overseeing our overall risk management function, which governs the management of credit, interest rate, liquidity, market, capital, operational, compliance and strategic risk; reviewing and approving our company's risk appetite statement; and reviewing and approving the issuance or repurchase of equity securities and other significant financial transactions and equity investments. **Current Members**: Patrick T. Stokes (Chair), Douglas M. Baker, Jr., Richard K. Davis, Doreen Woo Ho, Joel W. Johnson, Olivia F. Kirtley, Karen S. Lynch and Craig D. Schnuck

Community Reinvestment and Public Policy *Held 4 meetings during 2015*	Reviewing and considering our position and practices on matters of public interest and public responsibility and similar issues involving our relationship with the community at large; reviewing our diversity and inclusion initiatives and progress; reviewing our activities, performance and compliance with the Community Reinvestment Act and fair lending regulations; reviewing our reputation-building and brand management activities; and reviewing our policies and procedures with respect to sustainability and corporate political contributions and related activity. **Current Members**: Kimberly J. Harris (Chair), Warner L. Baxter, Marc N. Casper, Roland A. Hernandez, Karen S. Lynch and O'dell M. Owens, M.D., M.P.H.
Executive *Held 0 meetings during 2015*	The Executive Committee has authority to exercise all powers of the Board of Directors between regularly scheduled Board meetings. **Current Members**: Richard K. Davis (Chair), Arthur D. Collins, Jr. (Lead Director), Douglas M. Baker, Jr., Kimberly J. Harris, Roland A. Hernandez, David B. O'Maley and Patrick T. Stokes

Risk Oversight by the Board of Directors

As part of its responsibility to oversee the management, business and strategy of our company, the Board of Directors has approved a risk management framework that establishes governance and risk management requirements for all risk-taking activities. This framework includes company- and business-level risk appetite statements that set boundaries for the types and amount of risk that may be undertaken in pursuing business objectives and initiatives.

The Board of Directors oversees management's performance relative to the risk management framework, risk appetite statements, and other policy requirements. While management is responsible for defining the various risks facing our company, formulating risk management policies and procedures, and managing risk exposures on a day-to-day basis, our Board's responsibility is to oversee our company's risk management processes by informing itself concerning our material risks and evaluating whether management has reasonable risk management and control processes in place to address the material risks.

To fulfill its risk oversight responsibility, the Board:

- reviews our company's strategic objectives and financial performance in light of its risk appetite;
- oversees the amounts and types of risk taken by management in executing the corporate strategy;
- oversees management's performance relative to risk management and control of the company's risk-taking activities;
- evaluates the role of incentive compensation in managing our company's risk appetite; and
- oversees talent management and succession planning.

The Board's risk oversight function is primarily carried out through its committees. As described in the preceding discussion of committee responsibilities:

- the **Risk Management Committee** is primarily responsible for oversight of overall enterprise risk, including credit, interest rate, liquidity, market, capital, operational, compliance and strategic risk;
- the **Audit Committee** is focused on financial statement and accounting risk and internal controls;
- the **Compensation and Human Resources Committee** (the "Compensation Committee") oversees our company's compensation policies and arrangements to ensure that they do not encourage inappropriate levels of risk-taking by management with respect to our company's strategic goals, and to determine whether any of them give rise to risks that are reasonably likely to have a material adverse effect on our company. More information on the evaluation performed by the Compensation Committee is included below in "Compensation Discussion and Analysis Decision Making and Policies Risk Considerations in Setting Compensation Plans and Programs";

- the **Community Reinvestment and Public Policy Committee** oversees our company's activities with respect to reputational risk; and

- the **Governance Committee** reviews the responsibilities of each Board committee to ensure that all significant risk categories are addressed by at least one committee. The Governance Committee is also responsible for reviewing significant capital expenditures and potential merger and acquisition transactions.

In addition, the Risk Management and Audit Committees meet annually in joint session to give each committee the opportunity to review the risk areas primarily overseen by the other. Finally, at each meeting of the full Board of Directors, each committee gives a detailed review of the matters it discussed and conclusions it reached during its recent meetings.

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The Board committees carry out their responsibilities using informational reports from management with respect to all risk areas that are relevant and important at the time. The committees must therefore be confident that an appropriate risk monitoring structure is in place at the management level in order to be provided accurate and useful informational reports. The management-level risk oversight structure is robust. Our company relies on comprehensive risk management processes to identify, aggregate and measure, manage, and monitor risks. This system enables the Board of Directors to establish a mutual understanding with management of the effectiveness of our company's risk management practices and capabilities, to review our company's risk exposure and to elevate certain key risks for discussion at the Board level. A framework exists designed to account for the introduction of emerging risks or any increase in risks routinely taken, which would either be largely controlled by the risk limits in place or identified through the frequent risk reporting that occurs throughout our company.

The **Executive Risk Committee** (the "ERC"), which is chaired by the Chief Risk Officer and which includes the CEO and other members of the executive management team, oversees execution against the risk management framework and risk appetite statements. The ERC meets monthly, and more frequently when circumstances merit, to provide executive management oversight of our risk management framework, assess appropriate levels of risk exposure and actions that may be required for identified risks to be adequately mitigated, promote effective management of all risk categories, and foster the establishment and maintenance of an effective risk culture. The ERC members manage large, sophisticated groups within our company that are dedicated to controlling and monitoring risk to the levels deemed appropriate by the Board of Directors and executive management. These individuals, together with our company's controller, treasurer and others, also provide the Board's committees with the information the committees need and request in order to carry out their oversight responsibilities.

The ERC focuses on current and emerging risks, including strategic and reputational risks, directing timely and comprehensive actions. The following senior operating committees have also been established, each responsible for overseeing a specified category of risk; except for the Incentive Review Committee, which reports to the Compensation Committee of the Board of Directors, all of these committees report to the ERC:

- the **Operational Risk Committee** provides direction and oversight of the company's operational risk management framework and corporate control programs, including significant operational risk events;
- the **Compliance Risk Management Committee** provides direction regarding the management of compliance risk to the company's business lines and risk management programs and shares institutional knowledge regarding compliance risk management and mitigation across the company;
- the **Enterprise Financial Crimes Compliance Operating Committee** is responsible for the management and implementation of the company's program on enterprise financial crimes across business lines to ensure a consistent control infrastructure and culture of compliance throughout the company;
- the **Executive Credit Management Committee** ensures that products that have credit risk are supported by sound credit practices; reviews asset quality, trends, portfolio performance statistics and loss forecasts; and reviews and adjusts credit policies accordingly;
- the **Asset and Liability Management Committee** ensures that the policies, guidelines and practices established to manage our financial risks, including interest rate risk, market risk, liquidity risk, operations risk and capital adequacy, are followed;
- the **Incentive Review Committee** reviews and evaluates all of our company's incentive compensation programs and policies for risk sensitivity and mitigation;

- the **Enterprise IT Governance Committee** ensures that delivery of the company's information technology services, including information security and business continuity, are aligned with the company's priorities and risk appetite;
- the **International Risk Oversight Committee** is responsible for overseeing the company's foreign operations and cross-border activity;
- the **Disclosure Committee** assists the CEO and the Chief Financial Officer ("CFO") in fulfilling their responsibilities for oversight of the accuracy and timeliness of the disclosures made by the company;
- the **Basel Steering Committee** provides oversight of the company's compliance with the Basel Standardized Approach and other related capital regulation; and
- the **Reputation Risk Oversight Committee** is dedicated to the oversight of risk associated with activities and issues that may negatively impact the reputation of the company.

The company's Board and management-level committees are supported by a "three lines of defense" model for establishing effective checks and balances. The first line of defense, the business lines, manages risks in conformity with established limits and policy requirements. In turn, business leaders and their risk officers establish programs to ensure conformity with these limits and policy requirements. The second line of defense, which includes the Chief Risk Officer's organization as well as policy and oversight activities of corporate support functions, translates risk appetite and strategy into actionable risk limits and policies. The second line of defense monitors the conformity of the first line of defense with limits and policies, and provides reporting and escalation of emerging risks and other concerns to senior management and the Risk Management Committee of the Board of Directors. The third line of defense, internal audit, is responsible for providing the Audit Committee and senior management with independent assessment and assurance regarding the effectiveness of the company's governance, risk management, and control processes. Management provides various risk reports to the Risk Management Committee of the Board of Directors.

Board Leadership Structure

Our Board has carefully considered the critical issue of Board leadership. In the context of risk management, the leadership of each of the committees that is primarily responsible for risk management is vested in an independent committee chair. With regard to the leadership of the meetings of the full Board, our Board of Directors has adopted a flexible policy regarding the issue of whether the positions of Chairman and CEO should be separate or combined. This policy allows the Board to determine whether our company is best served at any particular time by having the CEO or another director hold the position of Chairman. If the position of Chairman is not held by an independent director, the independent directors elect a Lead Director with authority and responsibility similar to that of an independent Chairman.

Mr. Davis currently serves as Chairman and as CEO. The Board believes there are a number of important advantages to combining the positions of Chairman and CEO at this time. Critically, our current structure most effectively utilizes Mr. Davis's extensive experience and knowledge regarding our company and provides for the most efficient leadership of our Board and company. Mr. Davis, who has more than 21 years of experience at U.S. Bancorp, including 11 years as President and 9 years as CEO, has the knowledge, expertise and experience to understand and clearly articulate to the Board the opportunities and risks facing U.S. Bancorp and to lead discussions on important matters affecting our business. The Board believes that combining the CEO and Chairman positions creates a firm link between management and the Board and helps the Board respond quickly and effectively to the many business, market and regulatory challenges resulting from the rapidly changing financial services industry. Mr. Davis's service as Chairman also provides clarity of leadership for our company and more effectively allows our company to present its vision and strategy with a unified voice. The Board has also considered the views of our shareholders on this issue expressed in conversations with some of our largest investors in our annual shareholder engagement program and in the voting results on the shareholder proposal made the last three years to adopt a policy that the Chairman be an independent director which support the Board's determination that our current leadership structure is appropriate for our company at this time.

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Role of Lead Director

Although the Board believes that it is more effective to have one person serve as the Chairman and CEO at this time, it also recognizes the importance of strong independent leadership on the Board. Accordingly, it has reaffirmed the strong role of the Lead Director, who has the following responsibilities and authority:

- *lead executive sessions of the Board's independent or non-management directors, and preside at any session of the Board where the Chairman is not present;*
- *act as a regular communication channel between our independent directors and the CEO;*
- *approve the Board meeting agendas;*
- *approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;*
- *approve information sent from management to the Board;*
- *at the request of the CEO or the Board, be the representative of the independent directors in discussions with our major shareholders regarding their concerns and expectations;*
- *may call special Board meetings or special meetings of the independent directors;*
- *approve, on behalf of the Board, the retention of consultants who report directly to the Board;*

assist the Board and company officers in assuring compliance with and implementation of our Corporate Governance Guidelines;

advise the independent Board committee chairs in fulfilling their designated roles and responsibilities to the Board;

review shareholder communications addressed to the full Board or to the Lead Director;

interview all Board candidates and make recommendations to the Governance Committee and the Board; and

communicate, as appropriate, with the company's regulators.

The powers and duties of the Chairman and Lead Director differ primarily in that the Chairman presides over the normal business portion of the meetings of the Board. Since the Lead Director may call for an executive session of independent directors at any time, and has the sole authority to approve meeting agendas and the information provided to directors for Board meetings, the Board does not believe that the fact that he does not preside over the normal Board meeting business sessions limits the ability of the Board to have open exchanges of views, or to address any issues the Board chooses, independently of the Chairman. In addition, much of the in-depth work of the Board is conducted through its committees, none of which, other than the Executive Committee, is chaired by the Chairman of the Board.

The Lead Director is elected by the independent directors upon the recommendation of the Governance Committee. Arthur D. Collins, Jr. has served as Lead Director since January 2014. Mr. Collins is actively engaged as Lead Director and works closely with Mr. Davis on Board matters. The Lead Director is elected annually with the expectation that he or she will generally serve three, and may serve up to five, consecutive terms.

Majority Vote Standard for Election of Directors

Our bylaws provide that in uncontested elections a nominee for director will be elected to the Board if the number of votes cast "FOR" the nominee's election exceeds the number of votes cast "AGAINST" that nominee's election. The voting standard for directors in a contested election is a plurality of the votes cast at the meeting.

Our Corporate Governance Guidelines provide that director nominees must submit a contingent resignation in writing to the Governance Committee, which becomes effective if the director fails to receive a sufficient number of votes for

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re-election at the annual meeting of shareholders and the Board accepts the resignation. The Board will nominate for election or re-election as director only candidates who have tendered such a contingent resignation.

Our Corporate Governance Guidelines further provide that if an incumbent director fails to receive the required vote for re-election, our Governance Committee will act within 90 days after certification of the shareholder vote to determine whether to accept the director's resignation, and will submit a recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding his or her resignation. The Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

If each member of the Governance Committee fails to receive the required vote in favor of his or her election in the same election, then those independent directors who did receive the required vote will appoint a committee amongst themselves to consider the resignations and recommend to the Board whether to accept them. However, if the only directors who received the required vote in the same election constitute three or fewer directors, all directors may participate in the decision regarding whether to accept the resignations.

Each director nominee named in this proxy statement has tendered an irrevocable, contingent resignation as a director in accordance with our Corporate Governance Guidelines, which resignation will become effective if he or she fails to receive the required vote for election at the annual meeting and the Board accepts his or her resignation.

Director Policies

Policy Regarding Service on Other Boards

Our Board of Directors has established a policy that restricts our directors from serving on the boards of directors of more than three public companies in addition to their service on our Board of Directors unless the Board determines that such service will not impair their service on our Board. Currently, no director exceeds this restriction.

Policy Regarding Attendance at Annual Meetings

Board members are expected to attend all annual meetings of shareholders in person. All of our then-current directors attended last year's annual meeting of shareholders.

Director Transition Policy

Our Board annually reviews each director's contributions to the Board and considers each director's effectiveness and the composition of the Board during the annual review process. The Board believes that any director's continued service on the Board should also be evaluated for continued appropriateness in each of the following circumstances: the director has a change in employment or other major responsibilities, an employee director ceases to be a company employee, and the director reaches the age of 72.

Succession Planning and Management Development

A primary responsibility of the Board is planning for succession with respect to the positions of Chairman of the Board and CEO, as well as overseeing succession planning for other senior management positions. The Board's process targets the building of enhanced management depth, considers continuity and stability within our company, and responds to our company's evolving needs and changing circumstances. Toward that goal, the executive talent development and succession planning process is integrated into the Board's annual activities.

The Board works with the Governance Committee to evaluate a number of potential internal and external candidates as successors to the CEO, and considers emergency, temporary as well as long-term succession. The Compensation Committee is responsible for reviewing succession planning for executive officer positions other than the CEO. The CEO makes available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for those individuals.

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Certain Relationships and Related Transactions

Related Person Transactions

Lending Transactions

During 2015, U.S. Bancorp and our banking and investment subsidiaries engaged in transactions in the ordinary course of business with some of our directors, executive officers and the persons that we know beneficially owned more than 5% of our common stock on December 31, 2015, and the entities with which they are associated. All loans and loan commitments and any transactions involving other financial products and services in connection with these transactions were made in the ordinary course of business, on substantially the same terms, including current interest rates and collateral, as those prevailing at the time for comparable transactions with others not related to our banking and investment subsidiaries and did not involve more than the normal risk of collectibility or present other unfavorable features.

Transactions with Entities Affiliated with Directors

During 2015, U.S. Bank operated 36 branches and 70 ATMs in grocery stores owned by Schnuck Markets, Inc., of which Craig D. Schnuck, one of our directors, beneficially owns approximately 13% of the outstanding capital stock. Mr. Schnuck's sister, Nancy A. Diemer, and his four brothers, Scott C. Schnuck, Todd R. Schnuck, Mark J. Schnuck and Terry E. Schnuck, each beneficially own approximately 13% of the outstanding capital stock of Schnuck Markets as well. In addition, each of Mr. Schnuck's brothers is a director of, and holds the following officer positions with, Schnuck Markets: Scott C. Schnuck, Chairman of the Executive Committee; Todd R. Schnuck, Chairman and Chief Executive Officer; Mark J. Schnuck, Vice President; and Terry E. Schnuck, Assistant Secretary. Rent and fee payments by U.S. Bank to Schnuck Markets were approximately $2.9 million in 2015. The consolidated gross revenues of Schnuck Markets in 2015 were approximately $2.7 billion. These transactions were conducted at arm's length in the ordinary course of business of each party to the transaction. As discussed above under the heading "Corporate Governance   Director Independence," the Board of Directors has determined that this relationship is immaterial to Mr. Schnuck, and that Mr. Schnuck is an independent director.

Transactions with Entities Affiliated with Executive Officers

During 2015, we paid Little & Co., a design and branding agency, approximately $2.8 million in professional fees for brand strategy and design work. The President of Little & Co. is the brother of Andrew Cecere, our newly appointed President and Chief Operating Officer. The selection of Little & Co. was made based on our regular sourcing and competitive bidding process, without the involvement of Andrew Cecere. The fees we paid to Little & Co. were negotiated on an arm's length basis and were not material to our 2015 marketing and advertising expense. The branding work will conclude in 2016, and we do not intend to continue the engagement or to have Little & Co. bid for future work, in order to avoid the appearance of any conflict of interest with Mr. Cecere.

During 2015, we paid the law firm of Taft Stettinius & Hollister LLP ("Taft") approximately $700,000 in legal fees. Gregory P. Rogers, a partner at Taft, is the spouse of Kathleen A. Rogers, our Vice Chairman and Chief Financial Officer. U.S. Bancorp's relationship with Taft dates back more than 20 years and significantly preceded Ms. Rogers's promotion to Vice Chairman and Chief Financial Officer in early 2015. Ms. Rogers does not direct the company's legal work in her role as CFO, and Mr. Rogers will have no direct involvement in services provided to us. The fees we paid to Taft in 2015 were negotiated on an arm's length basis, are an immaterial proportion of our annual legal expense, and were not material to Taft's annual revenues.

Transactions with 5% Shareholders

As shown below under the heading "Security Ownership of Certain Beneficial Owners and Management," each of BlackRock, Inc. and FMR LLC has reported that it, together with certain of its subsidiaries and affiliates, is the beneficial owner of more than 5% of our common stock. An affiliate of BlackRock provided us certain advisory services in 2015 related to the mortgage servicing rights valuation framework used by our home mortgage business line and was paid $607,000 for those services. In November 2015, we entered into an agreement under which an affiliate of FMR will provide us certain ministerial record-keeping and administrative services on behalf of our employees and directors who participate in our stock incentive plans. There were no fees related to this relationship in 2015 and fees for 2016 are currently expected to be less than $1 million. Each of these relationships was negotiated and conducted at arm's length in the ordinary course of business of each party to the relationship.

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Certain Relationships and Related Transactions

Review of Related Person Transactions

The Board has adopted a written Related Person Transactions Policy for the review, evaluation and approval or ratification of transactions between our company and its related persons. "Related persons" under this policy include our directors, director nominees, executive officers, holders of more than 5% of our common stock, and their respective immediate family members. Their "immediate family members" include children, stepchildren, parents, stepparents, spouses, siblings, mothers- and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other than a tenant or employee) sharing the person's household.

Except as described below, the policy requires the Governance Committee of the Board to review and evaluate and either approve or disapprove all transactions or series of transactions in which:

- the amount involved will, or may be expected to, exceed $120,000 in any fiscal year;
- our company is or will be a participant; and
- a related person has or will have a direct or indirect interest.

The Board, however, has determined that the Governance Committee does not need to review or approve certain transactions even if the amount involved will exceed $120,000, including the following transactions:

- lending and other financial services transactions or relationships that are in the ordinary course of business and non-preferential, and comply with applicable laws;
- transactions in which the related person's interest derives solely from his or her services as a director of, and/or his or her ownership of less than ten percent of the equity interest (other than a general partner interest) in, another corporation or organization that is a party to the transaction;
- transactions in which the related person's interest derives solely from his or her ownership of a class of equity securities of our company and all holders of that class of equity securities received the same benefit on a pro rata basis;
- transactions where the rates or charges involved are determined by competitive bids, or that involve the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; and
- employment and compensation arrangements for any executive officer and compensation arrangements for any director, provided that such arrangements have been approved by the Compensation Committee.

When considering whether to approve or ratify a transaction, the Governance Committee will consider facts and circumstances that it deems relevant to its determination, including:

- the nature and extent of the related person's interest in the transaction;
- whether the transaction is on substantially the same terms as those prevailing at the time for comparable transactions with persons not affiliated with our company;
- the materiality of the transaction to each party;
- whether our company's Code of Ethics could be implicated, including whether the transaction would create a conflict of interest or appearance of a conflict of interest;
- whether the transaction is in the best interest of our company; and
- in the case of a non-employee director, whether the transaction would impair his or her independence.

No director is allowed to participate in the deliberations or vote on the approval or ratification of a transaction if that director is a related person with respect to the transaction under review. On an annual basis the Governance Committee assesses all ongoing relationships with related persons to confirm that the transactions are still appropriate.

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Compensation Discussion and Analysis

This section explains how we compensated the individuals who served as our CEO or CFO for all or a part of 2015 and each of our three other most highly compensated executive officers for 2015 (our named executive officers, or "NEOs"):

Richard K. Davis, who served as our Chairman, President and Chief Executive Officer during 2015; Mr. Davis's title changed to Chairman and Chief Executive Officer on January 18, 2016, in connection with Mr. Cecere's promotion to President;

Andrew Cecere, who served as our Vice Chairman and Chief Financial Officer until January 20, 2015, when he was promoted to Vice Chairman and Chief Operating Officer; Mr. Cecere was promoted again on January 18, 2016, and is currently our President and Chief Operating Officer;

Kathleen A. Rogers, who has served as our Vice Chairman and Chief Financial Officer since January 20, 2015;

Richard B. Payne, Jr., who serves as a Vice Chairman, Wholesale Banking;

P.W. (Bill) Parker, who serves as a Vice Chairman and is our Chief Risk Officer; and

Jeffry H. von Gillern, who serves as Vice Chairman, Technology and Operations Services.

Reference Guide

Executive Compensation Highlights

The following table sets forth the components of our NEOs' total direct compensation and results for 2015:

Component	How It Works	2015 Actions and Results
Base Salary	Salary levels are intended to reward experience and demonstrated skills and competencies relative to the market value of the position	All of the NEOs received raises, which were based on market forces and individual performance and responsibility
Annual Cash Incentive Compensation	Target award amounts are set as a percentage of each NEO's base salary	The cash incentive awards paid to the NEOs for 2015 performance ranged from 78.8% to 86.8% of their individual target award amounts
	Earnings per share ("EPS") is the performance metric for the corporate component (weighted 35%)	These payout levels were primarily based on corporate EPS results of 96.9% of target performance and business line pretax income results that ranged from 15.4% to 121.2% of target performance
	Pretax income is the performance metric for the business line component (weighted 65%)	
	Individual performance and sensitivity to risk during the year are taken into account when determining final payout amounts	
Long-Term Incentive Compensation	**Performance-Based Restricted Stock Units** (75% of total annual grant value)	Based on absolute and relative ROE results in 2015, the NEOs earned 104.3% of the target number of performance-based restricted stock units ("PRSUs") granted to them in early 2015
	Return on average common equity ("ROE"), measured on both an absolute and relative basis, is the performance metric	
	One-year performance period provides the executives with a clear line of sight, while a four-year vesting period fosters a long-term	

perspective

Depending on performance, 0% to 125% of the target number of units may be earned

Stock Options (25% of total annual grant value)

Value of option depends on our stock price

Four-year ratable vesting

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Compensation Discussion and Analysis

High Percentage of At-Risk Compensation

A high percentage of our NEOs' total direct compensation is dependent on our company's financial performance, both in the year in which the compensation is granted and in the long term. This structure provides our NEOs with incentives that are in line with the interests of our other shareholders. The charts below show the percentage of our NEOs' 2015 total direct compensation, as reported in the Summary Compensation Table, that is dependent on our company's financial performance (numbers do not add up to 100% because of rounding):

Strong Corporate and Financial Performance

The Compensation Committee believes that the company's compensation structure has been effective at encouraging the achievement of superior financial and operating results relative to our peers in an uncertain economic environment, while maintaining reasonable risk tolerances.

Our financial performance fell short of goals during 2015, a year in which the financial services industry again faced the challenges of economic uncertainty, continued very low interest rates and increased regulation. Despite this environment, U.S. Bancorp outperformed its peers in most financial and operational measures. Our company's superior performance during 2015 included the following achievements:

- U.S. Bancorp has consistently been the top performer in our peer group in the common industry performance measures of return on average assets, return on average common equity, and efficiency ratio, and was again the leader in these measures in 2015.[1]

#1 in Return on Average Assets

#1 in Return on Average Common Equity

#1 in Efficiency Ratio[2]

1. Source: Company reports. The peer group companies included in these tables are listed under the heading "Peer Group Composition" on page 38 of this proxy statement.

2. Efficiency ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses).

Total Shareholder Return[3]

1-Year	3-Year	5-Year	10-Year