

US BANCORP \DE\  
Form 424B3  
March 10, 2008

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The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

**Filed Pursuant to Rule 424b3**

**File No. 333-124535**

**SUBJECT TO COMPLETION, DATED MARCH 10, 2008**

**PROSPECTUS SUPPLEMENT**

**(To Prospectus dated May 12, 2005)**

**Depository Shares Each Representing a 1/1,000th Interest  
in a Share of Series D Non-Cumulative Perpetual Preferred Stock**

U.S. Bancorp is offering        depository shares each representing a 1/1,000th ownership interest in a share of Series D Non-Cumulative Perpetual Preferred Stock, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 per depository share) (the Series D Preferred Stock ). As a holder of depository shares, you will be entitled to all proportional rights and preferences of the Series D Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depository.

Dividends on the Series D Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on the 15th day of January, April, July and October of each year, commencing on July 15, 2008, at a rate per annum equal to        %. If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series D Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall cease to accrue and be payable, and we will have no obligation to pay dividends accrued for such dividend period, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.

The Series D Preferred Stock is not redeemable prior to        , 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option, in whole at any time or in part from time to time, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depository share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The Series D Preferred Stock will not have any voting rights, except as set forth under Description of Series D Preferred Stock Voting Rights on page S-16.

**Investing in our depository shares involves risks. See Risk Factors beginning on page S-8.**

The Securities and Exchange Commission and state securities regulators have not approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	<b>Price to Public</b>	<b>Underwriting Discounts and Commissions(1)</b>	<b>Proceeds, Before Expenses, to Company</b>
Per depositary share	\$	\$	\$
Total	\$	\$	\$

(1) U.S. Bancorp will pay the underwriters compensation for sales to certain institutions. As a result of such sales, the total underwriting discount will decrease, and the total proceeds to U.S. Bancorp will increase, by \$ .

Our depositary shares are equity securities and will not be savings accounts, deposits or other obligations of any bank or non-bank subsidiary of ours and are not insured by the Federal Deposit Insurance Corporation or any other government agency. Application will be made to list the depositary shares on the New York Stock Exchange under the symbol USB PrL.

The underwriters are offering our depositary shares as set forth under Underwriting. Delivery of the depositary shares in book-entry form through The Depository Trust Company is expected to be made on or about , 2008.

<b>Merrill Lynch &amp; Co.</b>	<i>Joint Book-runners</i>	<b>Lehman Brothers</b>
	<i>Co-Managers</i>	
<b>Morgan Stanley</b>	<b>UBS Investment Bank</b>	<b>Wachovia Securities</b>

Prospectus Supplement dated , 2008

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You should rely only on the information contained in this prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell depositary shares, and seeking offers to buy depositary shares, only in jurisdictions where offers and sales are permitted. The information contained in this prospectus supplement and the accompanying prospectus is accurate only as of the date of this prospectus supplement, regardless of the time of delivery of this prospectus supplement or any sale of the depositary shares. In this prospectus supplement and the accompanying prospectus, the Company, we, us and our r

to U.S. Bancorp.

**We have not taken any action to permit a public offering of the depositary shares outside the United States or to permit the possession or distribution of this prospectus supplement and the accompanying prospectus outside the United States. Persons outside the United States who come into possession of this prospectus supplement and the accompanying prospectus must inform themselves about and observe any restrictions relating to the offering of the depositary shares and the distribution of this prospectus supplement and the accompanying prospectus outside of the United States.**

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**SUMMARY**

*The following information should be read together with the information contained in other parts of this prospectus supplement and in the accompanying prospectus. It may not contain all the information that is important to you. You should carefully read this entire prospectus supplement and the accompanying prospectus to understand fully the terms of the depositary shares, as well as the tax and other considerations that are important to you in making a decision about whether to invest in the depositary shares. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. You should pay special attention to the **Risk Factors** section of this prospectus supplement to determine whether an investment in the depositary shares is appropriate for you.*

**About U.S. Bancorp**

We are a multi-state financial holding company headquartered in Minneapolis, Minnesota. We were incorporated in Delaware in 1929 and operate as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956. We provide a full range of financial services through our subsidiaries, including lending and depository services, cash management, foreign exchange and trust and investment management services. Our subsidiaries also engage in credit card services, merchant and automated teller machine processing, mortgage banking, insurance, brokerage and leasing services. We are the parent company of U.S. Bank National Association and U.S. Bank National Association ND.

Our common stock is traded on the New York Stock Exchange under the ticker symbol **USB**. Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota, 55402, and our telephone number is (651) 446-3000.

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**THE OFFERING**

**Issuer**

U.S. Bancorp

**Securities offered**

depository shares each representing a 1/1,000th ownership interest in a share of Series D Non-Cumulative Perpetual Preferred Stock, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 per depository share) of U.S. Bancorp (the Series D Preferred Stock ). Each holder of a depository share will be entitled, through the depository, in proportion to the applicable fraction of a share of Series D Preferred Stock represented by such depository share, to all the rights and preferences of the Series D Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

We may from time to time elect to issue additional depository shares representing shares of the Series D Preferred Stock, and all the additional shares would be deemed to form a single series with the Series D Preferred Stock.

**Dividends**

Dividends on the Series D Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on each dividend payment date, at a rate per annum equal to %. Any such dividends will be distributed to holders of depository shares in the manner described under Description of Depository Shares Dividends and Other Distributions below.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series D Preferred Stock.

If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series D Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall cease to accrue and be payable, and we will have no obligation to pay dividends accrued for such dividend period, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.

So long as any share of Series D Preferred Stock remains outstanding, (1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock), (2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a

substantially contemporaneous sale of other shares of junior stock) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us and (3) no shares of parity stock shall be repurchased, redeemed or otherwise acquired for

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consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series D Preferred Stock and such parity stock except by conversion into or exchange for junior stock, during a dividend period, unless, in each case, the full dividends for the then-current dividend period on all outstanding shares of Series D Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

When dividends are not paid in full upon the shares of Series D Preferred Stock and any parity stock, all dividends declared upon shares of Series D Preferred Stock and any parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period per share on Series D Preferred Stock, and accrued dividends, including any accumulations, on any parity stock, bear to each other.

Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise), as may be determined by the board of directors or a duly authorized committee of the board, may be declared and paid on our common stock and any other securities ranking equally with or junior to the Series D Preferred Stock from time to time out of any assets legally available for such payment, and the holders of the Series D Preferred Stock shall not be entitled to participate in any such dividends.

**Dividend payment dates**

The 15th day of January, April, July and October of each year, commencing on July 15, 2008. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day.

**Redemption**

The Series D Preferred Stock is not redeemable prior to \_\_\_\_\_, 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option, in whole at any time or in part from time to time, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Neither the holders of Series D Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series D Preferred Stock.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series D Preferred Stock is subject to prior approval of the Federal Reserve.

**Replacement Capital Covenant**

On or about the time of the initial issuance of the Series D Preferred Stock, we will enter into a Replacement Capital Covenant (as defined under "Certain Terms of the Replacement Capital Covenant") relating to the Series D Preferred Stock. *The Replacement Capital Covenant only benefits holders of Covered Debt, as defined below in "Certain Terms of the Replacement Capital Covenant," and is not enforceable by holders of the Series D Preferred Stock.* However, the Replacement Capital

Covenant could preclude us from redeeming or repurchasing shares of  
Series D Preferred Stock

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at a time we might otherwise wish to redeem or repurchase shares of Series D Preferred Stock.

In the Replacement Capital Covenant, we covenant to redeem or repurchase shares of Series D Preferred Stock prior to the termination date of the Replacement Capital Covenant only if and to the extent that (a) we have obtained the prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve, and (b) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of

133.33% of

the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance and sale of common stock and rights to acquire common stock of U.S. Bancorp; and

the market value of common stock of U.S. Bancorp that we or our subsidiaries have delivered to persons other than us and our subsidiaries during the 180 days prior to the date of such repurchase or the date we give notice of such redemption (A) in connection with the conversion or exchange of any securities of U.S. Bancorp or any subsidiary for which neither we nor any subsidiary have received previous equity credit from a nationally recognized statistical rating organization or (B) as consideration for property or assets in an arm's length transaction, *plus*

100% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance and sale of certain other specified securities that have equity-like characteristics that satisfy the requirements of the Replacement Capital Covenant, which means generally that such other securities have characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D Preferred Stock at that time.

**Liquidation rights**

Upon any voluntary or involuntary liquidation, dissolution or winding up of U.S. Bancorp, holders of shares of Series D Preferred Stock are entitled to receive out of assets of U.S. Bancorp available for distribution to stockholders, before any distribution of assets is made to holders of our common stock or of any other shares of our stock ranking junior as to such a distribution to the Series D Preferred Stock, a liquidating distribution in the amount of the liquidation preference of \$25,000 per share (equivalent to \$25 per depositary share) plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Distributions will be made only to the extent of U.S. Bancorp's assets that are available after satisfaction of all liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series D Preferred Stock (*pro rata* as to the Series D Preferred Stock and any other shares of our stock

ranking equally as to such distribution).

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<b>Voting rights</b>	None, except with respect to authorizing or increasing the authorized amount of senior stock, certain changes in the terms of the Series D Preferred Stock and in the case of certain dividend non-payments. See Description of Series D Preferred Stock Voting Rights below. Holders of depositary shares must act through the depositary to exercise any voting rights, as described under Description of Depositary Shares Voting the Series D Preferred Stock below.
<b>Ranking</b>	Shares of the Series D Preferred Stock will rank senior to our common stock, equally with our Series A Non-Cumulative Perpetual Preferred Stock (if and when issued and outstanding) ( Series A Preferred Stock ), Series B Non-Cumulative Perpetual Preferred Stock ( Series B Preferred Stock ), and Series C Non-Cumulative Perpetual Preferred Stock (if and when issued and outstanding) ( Series C Preferred Stock ) and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series D Preferred Stock and all other parity stock), with respect to the payment of dividends and distributions upon liquidation, dissolution or winding up. See Description of Series D Preferred Stock General for a discussion of the Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock. We will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims).
<b>Maturity</b>	The Series D Preferred Stock does not have any maturity date, and we are not required to redeem the Series D Preferred Stock. Accordingly, the Series D Preferred Stock will remain outstanding indefinitely, unless and until we decide to redeem it.
<b>Preemptive and conversion rights</b>	None.
<b>Listing</b>	We intend to apply for listing of the depositary shares on the New York Stock Exchange under the symbol USB PrL. If approved for listing, we expect trading of the depositary shares on the New York Stock Exchange to commence within a 30-day period after the initial delivery of the depositary shares.
<b>Tax consequences</b>	Distributions constituting dividend income received by an individual U.S. holder in respect of the depositary shares before January 1, 2011 will generally represent qualified dividend income, which will be subject to taxation at a maximum rate of 15% (or a lower rate for individuals in certain tax brackets) subject to certain exceptions for short-term and hedged positions. In addition, subject to similar exceptions for short-term and hedged positions, distributions on the depositary shares constituting dividend income paid to holders that are U.S. corporations will generally qualify for the 70% dividends-received deduction. For further discussion of the tax consequences relating to the Series D Preferred Stock, see

Certain U.S. Federal Income Tax Considerations in this prospectus supplement.

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<b>Use of proceeds</b>	We intend to use the net proceeds from the sale of the depositary shares representing interests in the Series D Preferred Stock for general corporate purposes. See "Use of Proceeds" in this prospectus supplement.
<b>Expected ratings</b>	We expect that the depositary shares will be rated A1, A+ and A+ by Moody's Investor Service, Standard & Poor's and Fitch Ratings, respectively. None of these securities ratings is a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time, and should be evaluated independently of any other rating.
<b>Registrar</b>	U.S. Bank National Association
<b>Depositary</b>	U.S. Bank National Association
<b>Calculation agent</b>	U.S. Bank National Association

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The following is selected unaudited consolidated condensed financial information for U.S. Bancorp for the years ended December 31, 2007, 2006 and 2005. The summary below should be read in conjunction with our consolidated financial statements, and the related notes thereto, and the other detailed information contained in our Annual Report on Form 10-K for the year ended December 31, 2007.

	<b>Year Ended December 31, 2007</b>	<b>Year Ended December 31, 2006</b>	<b>Year Ended December 31, 2005</b>
<b>(Dollars and shares in millions, except per share data)</b>			
<b>Condensed Income Statement</b>			
Net interest income (taxable-equivalent basis)	\$ 6,764	\$ 6,790	\$ 7,088
Noninterest income	7,157	6,832	6,151
Securities gains (losses), net	15	14	(106)
Total net revenue (taxable-equivalent basis)	13,936	13,636	13,133
Noninterest expense	6,862	6,180	5,863
Provision for credit losses	792	544	666
Income from continuing operations before taxes	6,282	6,912	6,604
Taxable-equivalent adjustment	75	49	33
Applicable income taxes	1,883	2,112	2,082
Income from continuing operations	4,324	4,751	4,489
Net income	\$ 4,324	\$ 4,751	\$ 4,489
<b>Financial Ratios</b>			
Return on average assets	1.93%	2.23%	2.21%
Return on average common equity	21.3	23.6	22.5
Net interest margin (taxable-equivalent basis)	3.47	3.65	3.97
Efficiency ratio	49.3	45.4	44.3
<b>Per Common Share</b>			
Earnings per share	\$ 2.46	\$ 2.64	\$ 2.45
Diluted earnings per share	2.43	2.61	2.42
Dividends declared per share	1.625	1.390	1.230
<b>Average Balances</b>			
Loans	\$ 147,348	\$ 140,601	\$ 131,610
Loans held for sale	4,298	3,663	3,290
Investment securities	41,313	39,961	42,103
Earning assets	194,683	186,231	178,425
Assets	223,621	213,512	203,198
Noninterest-bearing deposits	27,364	28,755	29,229
Deposits	121,075	120,589	121,001
Short-term borrowings	28,925	24,422	19,382



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Long-term debt	44,560	40,357	36,141
Shareholders' equity	20,997	20,710	19,953
Average common shares outstanding	1,735	1,778	1,831
Average diluted common shares outstanding	1,758	1,804	1,857
<b>Period End Balances</b>			
Loans	\$ 153,827	\$ 143,597	\$ 136,462
Allowance for credit losses	2,260	2,256	2,251
Investment securities	43,116	40,117	39,768
Assets	237,615	219,232	209,465
Deposits	131,445	124,882	124,709
Long-term debt	43,440	37,602	37,069
Shareholders' equity	21,046	21,197	20,086
Regulatory capital ratios			
Tier 1 capital	8.3%	8.8%	8.2%
Total risk-based capital	12.2	12.6	12.5
Leverage	7.9	8.2	7.6
Tangible common equity	5.1	5.5	5.9

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**RISK FACTORS**

*An investment in our depositary shares involves certain risks. You should carefully consider the risks described below and the risk factors included in our Annual Report on Form 10-K for the year ended December 31, 2007, as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision. Our business, financial condition or results of operations could be materially adversely affected by any of these risks. The trading price of our depositary shares could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this prospectus supplement and the accompanying prospectus.*

**You Are Making an Investment Decision with Regard to the Depositary Shares as well as the Series D Preferred Stock**

As described in this prospectus supplement, we are issuing fractional interests in shares of Series D Preferred Stock in the form of depositary shares. Accordingly, the depositary will rely on the payments it receives on the Series D Preferred Stock to fund all payments on the depositary shares. You should carefully review the information in the accompanying prospectus and in this prospectus supplement regarding both of these securities.

**Our Results of Operations Depend Upon the Results of Operations of Our Subsidiaries**

We are a holding company that conducts substantially all of our operations through our banks and other subsidiaries. As a result, our ability to make dividend payments on the Series D Preferred Stock will depend primarily upon the receipt of dividends and other distributions from our subsidiaries.

There are various regulatory restrictions on the ability of our banking subsidiaries to pay dividends or make other payments to us. Federal banking laws regulate the amount of dividends that may be paid by our banking subsidiaries without prior approval. The amount of dividends available to us from our banking subsidiaries after meeting the regulatory capital requirements for well-capitalized banks was approximately \$1.1 billion at December 31, 2007.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the depositary shares to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the depositary shares will effectively be subordinated to all existing and future liabilities and obligations of our subsidiaries.

At December 31, 2007, our subsidiaries' direct borrowings and deposit liabilities that would effectively rank senior to the Series D Preferred Stock totaled approximately \$195 billion.

**The Series D Preferred Stock Is Equity and Is Subordinate to Our Existing and Future Indebtedness**

The shares of Series D Preferred Stock are equity interests in U.S. Bancorp and do not constitute indebtedness. As such, the shares of Series D Preferred Stock will rank junior to all indebtedness and other non-equity claims on U.S. Bancorp with respect to assets available to satisfy claims on U.S. Bancorp, including in a liquidation of U.S. Bancorp. Our existing and future indebtedness may restrict payment of dividends on the Series D Preferred Stock. As of December 31, 2007, our indebtedness and obligations, on an unconsolidated basis, totaled approximately

\$11.9 billion. Additionally, unlike indebtedness, where principal and interest would customarily be payable on specified due dates, in the case of preferred stock like the Series D Preferred Stock (1) dividends are payable only if declared by our board of directors or a duly authorized committee of the board and (2) as a corporation, we are subject to restrictions on payments of dividends and redemption price out of lawfully available assets. Further, the Series D Preferred Stock places

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no restrictions on our business or operations or on our ability to incur indebtedness or engage in any transactions, subject only to the limited voting rights referred to below under Risk Factors Holders of Series D Preferred Stock Will Have Limited Voting Rights. Also, as a bank holding company, our ability to declare and pay dividends is dependent on certain federal regulatory considerations. See the immediately preceding risk factor.

### **Dividends on Series D Preferred Stock Are Non-Cumulative**

Dividends on the Series D Preferred Stock are non-cumulative. Consequently, if our board of directors or a duly authorized committee of the board does not authorize and declare a dividend for any dividend period, holders of the Series D Preferred Stock would not be entitled to receive any such dividend, and such unpaid dividend will cease to accrue and be payable. We will have no obligation to pay dividends accrued for a dividend period after the dividend payment date for such period if our board of directors or a duly authorized committee of the board has not declared such dividend before the related dividend payment date, whether or not dividends are declared for any subsequent dividend period with respect to the Series D Preferred Stock or any other series of our preferred stock.

### **Investors Should Not Expect Us to Redeem the Series D Preferred Stock on the Date It Becomes Redeemable or on any Particular Date After It Becomes Redeemable**

The Series D Preferred Stock is a perpetual equity security. The Series D Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors. By its terms, the Series D Preferred Stock may be redeemed by us at our option either in whole at any time or in part from time to time on or after , 2013. Any decision we may make at any time to propose a redemption of the Series D Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders equity and general market conditions at that time. Our right to redeem the Series D Preferred Stock is subject to two important limitations.

First, under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series D Preferred Stock is subject to prior approval of the Federal Reserve. Moreover, we have agreed with the Federal Reserve that unless it authorizes us to do otherwise in writing, we will redeem the Series D Preferred Stock only if it is replaced with other tier 1 capital that is not a restricted core capital element, for example, common stock or another series of non-cumulative perpetual preferred stock.

There can be no assurance that the Federal Reserve will approve any redemption of the Series D Preferred Stock that we may propose. There also can be no assurance that, if we propose to redeem the Series D Preferred Stock without replacing the Series D Preferred Stock with tier 1 capital that is not a restricted core capital element, the Federal Reserve will authorize such redemption. We understand that the factors that the Federal Reserve will consider in evaluating a proposed redemption, or a request that we be permitted to redeem the Series D Preferred Stock without replacing it with tier 1 capital that is not a restricted core capital element, include its evaluation of the overall level and quality of our capital components, considered in light of our risk exposures, earnings and growth strategy, and other supervisory considerations.

Second, at or prior to initial issuance of the Series D Preferred Stock, we will enter into the Replacement Capital Covenant, which will limit our right to redeem or repurchase the Series D Preferred Stock. In the Replacement Capital Covenant, we covenant to redeem or repurchase shares of Series D Preferred Stock prior to the termination date of the Replacement Capital Covenant only if and to the extent that (a) we have obtained the prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve, and (b) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of

133.33% of

the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance and sale of common stock of U.S. Bancorp; and

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the market value of common stock of U.S. Bancorp that we or our subsidiaries have delivered to persons other than us and our subsidiaries during the 180 days prior to the date of such repurchase or the date we give notice of such redemption (A) in connection with the conversion or exchange of any securities of U.S. Bancorp or any subsidiary for which neither we nor any subsidiary have received previous equity credit from a nationally recognized statistical rating organization or (B) as consideration for property or assets in an arm's length transaction, *plus*

100% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance of certain other specified securities that have equity-like characteristics that satisfy the requirements of the Replacement Capital Covenant, which means generally that such other securities have characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D Preferred Stock at that time.

Our ability to raise proceeds from qualifying securities during the 180 days prior to a notice of redemption or proposed repurchase will depend on, among other things, market conditions at such time as well as the acceptability to prospective investors of the terms of such qualifying securities. Accordingly, there could be circumstances where we would wish to redeem or repurchase some or all of the Series D Preferred Stock and sufficient cash is available for that purpose, but we are restricted from doing so because we have not been able to obtain proceeds from qualifying securities sufficient for that purpose.

### **If We Are Deferring Payments on our Outstanding Junior Subordinated Debt Securities or Are in Default Under the Indentures Governing Those Securities, We Will be Prohibited from Making Distributions on or Redeeming the Series D Preferred Stock**

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Series D Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to our Series D Preferred Stock, if we are aware of any event that would be an event of default under the indenture governing those junior subordinated debt securities or at any time when we have deferred interest thereunder.

### **The Series D Preferred Stock and the Related Depositary Shares May Not Have an Active Trading Market**

The Series D Preferred Stock and the related depositary shares are new issues with no established trading market. Although we plan to apply to have the depositary shares listed on the New York Stock Exchange, there is no guarantee that we will be able to list the depositary shares. Even if the depositary shares are listed, there may be little or no secondary market for the depositary shares. Even if a secondary market for the depositary shares develops, it may not provide significant liquidity and transaction costs in any secondary market could be high. As a result, the difference between bid and asked prices in any secondary market could be substantial. Further, because the shares of Series D Preferred Stock do not have a stated maturity date, investors seeking liquidity in the depositary shares will be limited to selling their depositary shares in the secondary market. We do not expect that there will be any separate public trading market for the shares of the Series D Preferred Stock except as represented by the depositary shares.

### **Holders of Series D Preferred Stock Will Have Limited Voting Rights**

Holders of the Series D Preferred Stock have no voting rights with respect to matters that generally require the approval of voting shareholders. However, holders of the Series D Preferred Stock will have the right to vote as a class on certain fundamental matters that may affect the preference or special rights of the Series D Preferred Stock, as described under [Description of Series D Preferred Stock](#) [Voting Rights](#) below. In addition, if dividends on any shares

of the Series D Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends with similar voting rights have not been declared or paid for the equivalent of six or more dividend payments, whether or not for consecutive dividend periods, holders of the outstanding shares of Series D Preferred Stock, together

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with holders of any other series of our preferred stock ranking equal with the Series D Preferred Stock with similar voting rights, will be entitled to vote for the election of two additional directors to our board, subject to the terms and to the limited extent described under Description of Series D Preferred Stock Voting Rights below. Holders of depositary shares must act through the depositary to exercise any voting rights in respect of the Series D Preferred Stock.

**Holders of Depositary Shares May Be Unable To Use the Dividends-Received Deduction**

Distributions paid to corporate U.S. holders of the depositary shares out of dividends on the Series D Preferred Stock may be eligible for the dividends-received deduction if we have current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. Although we presently have accumulated earnings and profits, we may not have sufficient current or accumulated earnings and profits during future fiscal years for the distributions on the Series D Preferred Stock to qualify as dividends for U.S. federal income tax purposes. If any distributions on the Series D Preferred Stock with respect to any fiscal year are not eligible for the dividends-received deduction because of insufficient current or accumulated earnings and profits, the market value of the depositary shares may decline.



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**FORWARD-LOOKING STATEMENTS**

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act ). Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words may, could, would, should, believes, expects, anticipates, estimates, intends, plans, ta probably, projects, outlook or similar expressions.

These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future plans and prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors that could cause actual results to differ materially from those anticipated, including changes in general business and economic conditions, changes in interest rates, deterioration in the credit quality of our loan portfolios or in the value of the collateral securing those loans, deterioration in the value of securities held in our investment securities portfolio, legal and regulatory developments, increased competition from both banks and non-banks, changes in customer behavior and preferences, effects of mergers and acquisitions and related integration, effects of critical accounting policies and judgments and management s ability to effectively manage credit risk, market risk, operational risk, legal risk, and regulatory and compliance risk. These and other risks are discussed throughout our Annual Report on Form 10-K for the year ended December 31, 2007, including the sections entitled Corporate Risk Profile and Risk Factors .

Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

**Table of Contents****U.S. BANCORP**

We are a multi-state financial holding company headquartered in Minneapolis, Minnesota. We were incorporated in Delaware in 1929 and operate as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956. We provide a full range of financial services through our subsidiaries, including lending and depository services, cash management, foreign exchange and trust and investment management services. Our subsidiaries also engage in credit card services, merchant and automated teller machine processing, mortgage banking, insurance, brokerage and leasing services. We are the parent company of U.S. Bank National Association and U.S. Bank National Association ND. Our common stock is traded on the New York Stock Exchange under the ticker symbol USB.

**Contact Information**

Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota 55402, and our telephone number is (651) 446-3000.

**USE OF PROCEEDS**

The net proceeds from the offering of the Series D Preferred Stock by US Bancorp are estimated to be \$ . We intend to use the proceeds from the sale of the Series D Preferred Stock for general corporate purposes.

**RATIO OF EARNINGS TO FIXED CHARGES AND COMBINED FIXED CHARGES  
AND PREFERRED STOCK DIVIDENDS**

Our ratio of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends for each of the periods are indicated as follows:

	<b>2007</b>	<b>Year Ended December 31,</b>			<b>2003</b>
		<b>2006</b>	<b>2005</b>	<b>2004</b>	
<b>Ratio of Earnings to Fixed Charges:</b>					
Excluding interest on deposits	2.65	3.14	4.27	5.98	6.40
Including interest on deposits	1.95	2.23	2.84	3.88	3.64
<b>Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends:</b>					
Excluding interest on deposits	2.59	3.08	4.27	5.98	6.40
Including interest on deposits	1.93	2.20	2.84	3.88	3.64

For the purpose of computing the ratios of earnings to fixed charges and combined fixed charges and preferred stock dividends, earnings consist of consolidated income from continuing operations before provision for income taxes, minority interest and fixed charges, and fixed charges consist of interest expense, amortization of debt issuance costs and the portion of rental expense deemed to represent interest. Except for the periods ended December 31, 2007 and 2006 there was no preferred stock outstanding, and accordingly, the ratio of earnings to fixed charges and the ratio of earnings to combined fixed charges and preferred stock dividends for the prior periods are the same.



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**REGULATORY MATTERS**

As a financial holding company and a bank holding company under the Bank Holding Company Act, the Federal Reserve regulates, supervises and examines U.S. Bancorp. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to U.S. Bancorp, please refer to our Annual Report on Form 10-K for the year ended December 31, 2007, and any subsequent reports we file with the SEC, which are incorporated by reference in this prospectus supplement. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, our earnings are affected by actions of the Federal Reserve and the Office of Comptroller of the Currency, which regulates our banking subsidiaries, the Federal Deposit Insurance Corporation, which insures the deposits of our banking subsidiaries within certain limits, and the SEC, which regulates the activities of certain subsidiaries engaged in the securities business.

U.S. Bancorp's earnings are also affected by general economic conditions, our management policies and legislative action.

In addition, there are numerous governmental requirements and regulations that affect our business activities. A change in applicable statutes, regulations or regulatory policy may have a material effect on U.S. Bancorp's business.

Depository institutions, like U.S. Bancorp's bank subsidiaries, are also affected by various federal laws, including those relating to consumer protection and similar matters. U.S. Bancorp also has other financial services subsidiaries regulated, supervised and examined by the Federal Reserve, as well as other relevant state and federal regulatory agencies and self-regulatory organizations. Our non-bank subsidiaries may be subject to other laws and regulations of the federal government or the various states in which they are authorized to do business.

We are required by the Federal Reserve to maintain certain levels of capital for bank regulatory purposes. We expect that the Series D Preferred Stock will be treated as tier 1 capital of U.S. Bancorp.

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**DESCRIPTION OF SERIES D PREFERRED STOCK**

The depositary will be the sole holder of the Series D Preferred Stock, as described under **Description of Depositary Shares** below, and all references in this prospectus supplement to the holders of the Series D Preferred Stock shall mean the depositary. However, the holders of depositary shares will be entitled, through the depositary, to exercise the rights and preferences of the holders of the Series D Preferred Stock, as described under **Description of Depositary Shares**.

This prospectus supplement summarizes specific terms and provisions of the Series D Preferred Stock. Terms that apply generally to our preferred stock are described in the **Description of Preferred Stock** section of the accompanying prospectus. The following summary of the terms and provisions of the Series D Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of our Restated Certificate of Incorporation, as amended, and the Certificate of Designations creating the Series D Preferred Stock, which will be included as an exhibit to documents filed with the SEC.

Our authorized capital stock includes 50,000,000 shares of preferred stock, par value \$1.00 per share. The board of directors is authorized to issue preferred stock in one or more series, to fix the number of shares in each series, and to determine the designations and preferences, limitations and relative rights of each series, including dividend rates, terms of redemption, liquidation preferences, sinking fund requirements, conversion rights, voting rights, and whether the preferred stock can be issued as a share dividend with respect to another class or series of shares, all without any vote or other action on the part of shareholders. This power is limited by applicable laws or regulations and may be delegated to a committee of the board of directors.

The Series D Preferred Stock is a single series of authorized preferred stock consisting of \_\_\_\_\_ shares, all of which are being initially offered hereby. As described in the accompanying prospectus, we may from time to time, without notice to or the consent of holders of the Series D Preferred Stock, issue additional shares of preferred stock.

Shares of the Series D Preferred Stock will rank senior to our common stock, equally with the our Series A Preferred Stock (if and when issued and outstanding), Series B Preferred Stock and Series C Preferred Stock (if and when issued and outstanding) and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series D Preferred Stock and all other parity stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. In addition, we will generally be able to pay dividends and distributions upon liquidation, dissolution or winding up only out of lawfully available assets for such payment (i.e., after taking account of all indebtedness and other non-equity claims). The Series D Preferred Stock will be fully paid and nonassessable when issued. Holders of Series D Preferred Stock will not have preemptive or subscription rights to acquire more capital stock of U.S. Bancorp.

The Series D Preferred Stock will not be convertible into, or exchangeable for, shares of any other class or series of stock or other securities of U.S. Bancorp. The Series D Preferred Stock has no stated maturity and will not be subject to any sinking fund or other obligation of U.S. Bancorp to redeem or repurchase the Series D Preferred Stock.

As of the date of this prospectus supplement, we have authorized the issuance of

20,010 shares of Series A Preferred Stock, with a per share liquidation preference of \$100,000, of which 12,510 shares are subject to issuance pursuant to the terms of certain outstanding stock purchase contacts,

40,000,000 depositary shares representing, in the aggregate, 40,000 shares of Series B Preferred Stock, with a liquidation preference of \$25,000 per share, all of which are issued and outstanding, and

5,000 shares of Series C Preferred Stock, with a per share liquidation preference of \$100,000, all of which are subject to issuance upon the direction of the Office of the Comptroller of the Currency in exchange for the preferred stock of an indirect, wholly-owned subsidiary of U.S. Bancorp upon the occurrence of certain events.

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The shares of Series A Preferred Stock (if and when issued and outstanding), Series B Preferred Stock and Series C Preferred Stock (if and when issued and outstanding) rank equally with the Series D Preferred Stock as to dividends and distributions on liquidation and include the same provisions with respect to restrictions on declaration and payment of dividends as apply to the Series D Preferred Stock. Holders of Series A Preferred Stock (if and when issued and outstanding), Series B Preferred Stock and Series C Preferred Stock (if an when issued and outstanding) will be entitled to receive quarterly dividends when, as and if declared by our board of directors or a duly authorized committee of the board of directors.

## **Dividends**

Dividends on shares of the Series D Preferred Stock will not be mandatory. Holders of Series D Preferred Stock will be entitled to receive, when, as and if declared by our board of directors or a duly authorized committee of the board, out of assets legally available for the payment of dividends under Delaware law, non-cumulative cash dividends payable quarterly in arrears on the 15th day of January, April, July and October of each year (each, a dividend payment date), commencing on July 15, 2008. These dividends will accrue, with respect to each dividend period, on the liquidation preference amount of \$25,000 per share (equivalent to \$25 per depositary share) at a rate per annum equal to %. In the event that we issue additional shares of Series D Preferred Stock after the original issue date, dividends on such shares will accrue from the original issue date of such additional shares.

Dividends will be payable to holders of record of Series D Preferred Stock as they appear on our books on the applicable record date, which shall be the last business day of the calendar month immediately preceding the month during which the dividend payment date falls. The corresponding record dates for the depositary shares will be the same as the record dates for the Series D Preferred Stock.

A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series D Preferred Stock. Dividends payable on the Series D Preferred Stock will be computed on the basis of a 360-day year and the actual number of days elapsed in the dividend period. If any date on which dividends would otherwise be payable is not a business day, then the dividend payment date will be the next succeeding business day. The calculation agent's calculation of the amount of dividends for any dividend period will be on file at our principal offices, will be made available to any holder of Series D Preferred Stock upon request and will be final and binding in the absence of manifest error.

Dividends on shares of Series D Preferred Stock will not be cumulative. Accordingly, if the board of directors or a duly authorized committee of the board, does not declare a dividend on the Series D Preferred Stock payable in respect of any dividend period before the related dividend payment date, such dividend will not accrue and we will have no obligation to pay a dividend for that dividend period on the dividend payment date or at any future time, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.

So long as any share of Series D Preferred Stock remains outstanding, (1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock), (2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another share of junior stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of junior stock) nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by us and (3) no shares of parity stock shall be repurchased, redeemed or otherwise acquired for consideration by us otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series D

Preferred Stock and such parity stock except by conversion into or exchange for junior stock, during a dividend period, unless, in each case, the full dividends for the then-current dividend period on all outstanding shares of Series D Preferred Stock have been declared and paid or declared and a sum sufficient for the payment thereof has been set aside.

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As used in this prospectus supplement, **junior stock** means our common stock and any other class or series of stock of U.S. Bancorp hereafter authorized over which Series D Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of U.S. Bancorp.

When dividends are not paid in full upon the shares of Series D Preferred Stock and any parity stock, all dividends declared upon shares of Series D Preferred Stock and any parity stock will be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current dividend period per share on Series D Preferred Stock, and accrued dividends, including any accumulations, on any parity stock, bear to each other.

As used in this prospectus supplement, **parity stock** means any other class or series of stock of U.S. Bancorp that ranks on a parity with the Series D Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of U.S. Bancorp. Parity stock includes Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise), as may be determined by our board of directors or a duly authorized committee of the board, may be declared and paid on our common stock and any other stock ranking equally with or junior to the Series D Preferred Stock from time to time out of any assets legally available for such payment, and the holders of Series D Preferred Stock shall not be entitled to participate in any such dividend.

## **Liquidation Rights**

Upon any voluntary or involuntary liquidation, dissolution or winding up of U.S. Bancorp, holders of the Series D Preferred Stock are entitled to receive out of assets of U.S. Bancorp available for distribution to stockholders, after satisfaction of liabilities to creditors and subject to the rights of holders of any securities ranking senior to the Series D Preferred Stock, before any distribution of assets is made to holders of common stock or of any of our other shares of stock ranking junior as to such a distribution to the shares of Series D Preferred Stock, a liquidating distribution in the amount of the liquidation preference of \$25,000 per share (equivalent to \$25 per depositary share) plus declared and unpaid dividends, without accumulation of any undeclared dividends. Holders of the Series D Preferred Stock will not be entitled to any other amounts from us after they have received their full liquidating distribution.

In any such distribution, if the assets of U.S. Bancorp are not sufficient to pay the liquidation preferences plus declared and unpaid dividends in full to all holders of the Series D Preferred Stock and all holders of any other shares of our stock ranking equally as to such distribution with the Series D Preferred Stock, the amounts paid to the holders of Series D Preferred Stock and to the holders of all such other stock will be paid *pro rata* in accordance with the respective aggregate liquidating distribution owed to those holders. If the liquidation preference plus declared and unpaid dividends has been paid in full to all holders of Series D Preferred Stock and any other shares of our stock ranking equally as to the liquidation distribution, the holders of our junior stock shall be entitled to receive all remaining assets of U.S. Bancorp according to their respective rights and preferences.

For purposes of this section, the merger or consolidation of U.S. Bancorp with any other entity, including a merger or consolidation in which the holders of Series D Preferred Stock receive cash, securities or property for their shares, or the sale, lease or exchange of all or substantially all of the assets of U.S. Bancorp for cash, securities or other property, shall not constitute a liquidation, dissolution or winding up of U.S. Bancorp.

## **Redemption**

The Series D Preferred Stock is not subject to any mandatory redemption, sinking fund or other similar provisions. The Series D Preferred Stock is not redeemable prior to \_\_\_\_\_, 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option, in whole or in part, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without

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accumulation of any undeclared dividends. Holders of Series D Preferred Stock will have no right to require the redemption or repurchase of the Series D Preferred Stock.

If shares of the Series D Preferred Stock are to be redeemed, the notice of redemption shall be given by first class mail to the holders of record of the Series D Preferred Stock to be redeemed, mailed not less than 30 days nor more than 60 days prior to the date fixed for redemption thereof (provided that, if the depositary shares representing the Series D Preferred Stock are held in book-entry form through The Depository Trust Company, or DTC, we may give such notice in any manner permitted by the DTC). Each notice of redemption will include a statement setting forth: (i) the redemption date, (ii) the number of shares of the Series D Preferred Stock to be redeemed and, if less than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder, (iii) the redemption price, (iv) the place or places where the certificates evidencing shares of Series D Preferred Stock are to be surrendered for payment of the redemption price and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date. If notice of redemption of any shares of Series D Preferred Stock has been duly given and if the funds necessary for such redemption have been set aside by us for the benefit of the holders of any shares of Series D Preferred Stock so called for redemption, then, on and after the redemption date, dividends will cease to accrue on such shares of Series D Preferred Stock, such shares of Series D Preferred Stock shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. See Description of Depositary Shares below for information about redemption of the depositary shares relating to our Series D Preferred Stock.

In case of any redemption of only part of the shares of the Series D Preferred Stock at the time outstanding, the shares to be redeemed shall be selected either *pro rata* or in such other manner as we may determine to be fair and equitable.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series D Preferred Stock is subject to prior approval of the Federal Reserve. See Risk Factors Investors Should Not Expect Us to Redeem the Series D Preferred Stock on the Date It Becomes Redeemable or on any Particular Date After It Becomes Redeemable in this prospectus supplement. Additionally, the Replacement Capital Covenant will limit our right to redeem the Series D Preferred Stock prior to the termination date of the Replacement Capital Covenant. See Certain Terms of the Replacement Capital Covenant in this prospectus supplement for a discussion of these limitations.

## **Voting Rights**

Except as provided below, the holders of the Series D Preferred Stock will have no voting rights.

Whenever dividends on any shares of the Series D Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends, and upon which similar voting rights have been conferred and are exercisable, shall have not been declared and paid for an amount equal to six or more dividend payments, whether or not for consecutive dividend periods (a Nonpayment), the holders of the Series D Preferred Stock (together with holders of any and all other classes of our authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) will be entitled to vote as a single class for the election of a total of two additional members of our board of directors (the Preferred Directors), provided that the election of any such directors shall not cause us to violate the corporate governance requirement of the New York Stock Exchange (or any other exchange on which our securities may be listed) that listed companies must have a majority of independent directors and provided further that our board of directors shall at no time include more than two Preferred Directors. In that event, the number of directors on our board of directors shall automatically increase by two and, at the request of any holder of Series D Preferred Stock, a special meeting of the holders of Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with Series D Preferred Stock as to payment of dividends and for which

dividends have not been paid, shall be called for the election of the two directors (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of

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stockholders), followed by such election at each subsequent annual meeting. These voting rights will continue until full dividends have been paid regularly on the shares of the Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends for at least four consecutive dividend periods following the Nonpayment.

If and when full dividends have been regularly paid for at least four consecutive dividend periods following a Nonpayment on the Series D Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock as to payment of dividends, the holders of the Series D Preferred Stock shall be divested of the foregoing voting rights (subject to revesting in the event of each subsequent Nonpayment) and the term of office of each Preferred Director so elected shall terminate and the number of directors on the board of directors shall automatically decrease by two. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of the Series D Preferred Stock (together with holders of any and all other classes of our authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described above. So long as a Nonpayment shall continue, any vacancy in the office of a Preferred Director (other than prior to the initial election of the Preferred Directors) may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by a vote of the holders of the outstanding shares of Series D Preferred Stock (together with holders of any and all other class of our authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of stockholders. The Preferred Directors shall each be entitled to one vote per director on any matter.

If the holders of Series D Preferred Stock become entitled to vote for the election of directors, the Series D Preferred Stock may be considered a class of voting securities under interpretations adopted by the Federal Reserve. As a result, certain holders of Series D Preferred Stock may become subject to regulations under the Bank Holding Company Act and/or certain acquisitions of Series D Preferred Stock may be subject to prior approval by the Federal Reserve. For further discussion of the regulations of the Federal Reserve Board, see Description of Preferred Stock General of the accompanying prospectus.

So long as any shares of Series D Preferred Stock remain outstanding:

the affirmative vote or consent of the holders of at least two-thirds of all of the shares of the Series D Preferred Stock and all other parity stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Series D Preferred Stock and all other parity stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of U.S. Bancorp; and

the affirmative vote or consent of the holders of at least two-thirds of all of the shares of the Series D Preferred Stock at the time outstanding, voting separately as a class, shall be required to amend the provisions of U.S. Bancorp's Restated Certificate of Incorporation, as amended, or the Certificate of Designations of the Series D Preferred Stock or any other series of preferred stock so as to materially and adversely affect the powers, preferences, privileges or rights of the Series D Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series D Preferred Stock or authorized preferred stock or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series D Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of U.S. Bancorp will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series D Preferred Stock.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Series D Preferred

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Stock shall have been redeemed or called for redemption upon proper notice and sufficient funds shall have been set aside by us for the benefit of the holders of the Series D Preferred Stock to effect such redemption.

**Registrar**

U.S. Bank National Association will be the registrar, dividend disbursing agent and redemption agent for the Series D Preferred Stock.

**Calculation Agent**

U.S. Bank National Association will be the calculation agent for the Series D Preferred Stock.

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**DESCRIPTION OF DEPOSITARY SHARES**

In this prospectus supplement, references to holders of depositary shares mean those who own depositary shares registered in their own names, on the books that we or the depositary maintain for this purpose, and not indirect holders who own beneficial interests in depositary shares registered in street name or issued in book-entry form through DTC. Please review the special considerations that apply to indirect holders described in the Book-Entry Issuance section of this prospectus supplement.

This prospectus supplement summarizes specific terms and provisions of the depositary shares relating to our Series D Preferred Stock; terms that apply generally to all our preferred stock issued in the form of depositary shares (including the depositary shares offered in this prospectus supplement) are described in the Description of Depositary Shares section of the accompanying prospectus.

As described in the accompanying prospectus in the Description of Preferred Stock section, we are issuing fractional interests in shares of preferred stock in the form of depositary shares. Each depositary share will represent a 1/1,000th ownership interest in a share of Series D Preferred Stock, and will be evidenced by a depositary receipt. The shares of Series D Preferred Stock represented by depositary shares will be deposited under a deposit agreement among U.S. Bancorp, U.S. Bank National Association, as depositary, and the holders from time to time of the depositary receipts evidencing the depositary shares. Subject to the terms of the deposit agreement, each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Series D Preferred Stock represented by such depositary share, to all the rights and preferences of the Series D Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).

Immediately following the issuance of the Series D Preferred Stock, we will deposit the Series D Preferred Stock with the depositary, which will then issue the depositary shares to the underwriters. Copies of the forms of deposit agreement and the depositary receipt may be obtained from us upon request and in the manner described in the Where You Can Find More Information section of the accompanying prospectus.

**Dividends and Other Distributions**

The depositary will distribute any cash dividends or other cash distributions received in respect of the deposited Series D Preferred Stock to the record holders of depositary shares relating to the underlying Series D Preferred Stock in proportion to the number of depositary shares held by the holders. The depositary will distribute any property received by it other than cash to the record holders of depositary shares entitled to those distributions, unless it determines that the distribution cannot be made proportionally among those holders or that it is not feasible to make a distribution. In that event, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of the depositary shares in proportion to the number of depositary shares they hold.

Record dates for the payment of dividends and other matters relating to the depositary shares will be the same as the corresponding record dates for the Series D Preferred Stock.

The amounts distributed to holders of depositary shares will be reduced by any amounts required to be withheld by the depositary or by us on account of taxes or other governmental charges.

**Redemption of Depositary Shares**



If we redeem the Series D Preferred Stock represented by the depositary shares, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption of the Series D Preferred Stock held by the depositary. The redemption price per depositary share will be equal to 1/1,000th of the redemption price per share payable with respect to the Series D Preferred Stock (or \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Whenever we redeem shares of Series D Preferred Stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing shares of Series D Preferred Stock so redeemed.

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In case of any redemption of less than all of the outstanding depositary shares, the depositary shares to be redeemed will be selected by the depositary *pro rata* or in such other manner determined by the depositary to be equitable. In any such case, we will redeem depositary shares only in increments of 1,000 shares and any multiple thereof.

### **Voting the Series D Preferred Stock**

When the depositary receives notice of any meeting at which the holders of the Series D Preferred Stock are entitled to vote, the depositary will mail the information contained in the notice to the record holders of the depositary shares relating to the Series D Preferred Stock. Each record holder of the depositary shares on the record date, which will be the same date as the record date for the Series D Preferred Stock, may instruct the depositary to vote the amount of the Series D Preferred Stock represented by the holder's depositary shares. To the extent possible, the depositary will vote the amount of the Series D Preferred Stock represented by depositary shares in accordance with the instructions it receives. We will agree to take all reasonable actions that the depositary determines are necessary to enable the depositary to vote as instructed. If the depositary does not receive specific instructions from the holders of any depositary shares representing the Series D Preferred Stock, it will vote all depositary shares of that series held by it proportionately with instructions received.

We intend to apply to list the depositary shares on the New York Stock Exchange. If the application is approved, we expect trading to begin within 30 days of the initial delivery of the depositary shares. We do not expect that there will be any separate public trading market for the shares of the Series D Preferred Stock except as represented by the depositary shares.

### **Form of Preferred Stock and Depositary Shares**

The depositary shares shall be issued in book-entry form through DTC, as described in **Book-Entry Issuance** in this prospectus supplement. The Series D Preferred Stock will be issued in registered form to the depositary. See **Description of Preferred Stock** and **Description of Depositary Shares** in the accompanying prospectus.

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**BOOK-ENTRY ISSUANCE**

DTC will act as securities depository for all of the depository shares. We will issue the depository shares only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). We will issue and deposit with DTC one or more fully-registered global certificates for the depository shares representing, in the aggregate, the total number of the depository shares to be sold in this offering.

DTC is a limited purpose trust company organized under the New York Banking Law, a banking organization under the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation under the meaning of the New York Uniform Commercial Code, and a clearing agency registered under the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, like transfers and pledges, in deposited securities through electronic computerized book-entry changes in the participants' accounts, eliminating in this manner the need for physical movement of securities certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Others, like securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with direct participants, either directly or indirectly, are indirect participants and also have access to the DTC system. The rules applicable to DTC and its participants are on file with the SEC.

Purchases of depository shares within the DTC system must be made by or through direct participants, who will receive a credit for the depository shares on DTC's records. The ownership interest of each actual purchaser of each depository share is in turn to be recorded on the direct and indirect participants' records. DTC will not send written confirmation to beneficial owners of their purchases, but beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owners purchased depository shares. Transfers of ownership interests in the depository shares are to be accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in depository shares, unless the book-entry system for the depository shares is discontinued.

DTC has no knowledge of the actual beneficial owners of the depository shares. DTC's records reflect only the identity of the direct participants to whose accounts the depository shares are credited, which may or may not be the beneficial owners. The participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners and the voting rights of direct participants, indirect participants and beneficial owners, subject to any statutory or regulatory requirements as is in effect from time to time, will be governed by arrangements among them.

We will send redemption notices to Cede & Co. as the registered holder of the depository shares. If less than all of these depository shares are redeemed, DTC's current practice is to determine by lot the amount of the interest of each direct participant to be redeemed.

Although voting on the depository shares is limited to the holders of record of the depository shares, in those instances in which a vote is required, neither DTC nor Cede & Co. will itself consent or vote on depository shares. Under its usual procedures, DTC would mail an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to direct participants for whose accounts the depository shares

are credited on the record date (identified in a listing attached to the omnibus proxy).

We will make distribution payments on the depositary shares to DTC. DTC's practice is to credit direct participants accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on the payment date. Standing instructions and customary practices will govern payments from participants to beneficial owners.

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Subject to any statutory or regulatory requirements, participants, and neither DTC nor we, will be responsible for the payment. We and any paying agent will be responsible for payment of distributions to DTC. Direct and indirect participants are responsible for the disbursement of the payments to the beneficial owners.

DTC may discontinue providing its services as securities depository on any of the depository shares at any time by giving reasonable notice to us. If a successor securities depository is not obtained, final depository shares certificates must be printed and delivered. We may at our option decide to discontinue the use of the system of book-entry transfers through DTC (or a successor depository). After an event of default, the holders of a majority in liquidation preference or aggregate principal amount of depository shares may discontinue the system of book-entry transfers through DTC. In this case, final certificates for the depository shares will be printed and delivered.

We have obtained the information in this section about DTC and DTC's book-entry system from sources that we believe to be accurate, but we assume no responsibility for the accuracy of the information. We have no responsibility for the performance by DTC or its participants of their respective obligations as described in this prospectus supplement or under the rules and procedures governing their respective operations.

Beneficial owner refers to the ownership interest of each actual purchaser of each depository share.

Direct participants refers to securities brokers and dealers, banks, trust companies, clearing corporations and other organizations who, with the New York Stock Exchange, Inc., the American Stock Exchange Inc., and the National Association of Securities Dealers, Inc., own DTC. Purchases of depository shares within the DTC system must be made by or through direct participants who will receive a credit for the depository shares on DTC's records.

Indirect participants refers to others, like securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with direct participants, either directly or indirectly, and who also have access to the DTC system.

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**CERTAIN TERMS OF THE REPLACEMENT CAPITAL COVENANT**

*We have summarized below certain terms of the Replacement Capital Covenant. This summary is not a complete description of the Replacement Capital Covenant and is qualified in its entirety by the terms and provisions of the full document, a form of which is available from us upon request.*

In the Replacement Capital Covenant, we covenant to redeem or repurchase shares of Series D Preferred Stock prior to the termination date of the Replacement Capital Covenant only if and to the extent that (a) we have obtained the prior approval of the Federal Reserve if such approval is then required by the Federal Reserve, and (b) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of

133.33% of

the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance and sale of common stock and rights to acquire common stock of U.S. Bancorp; and

the market value of common stock of U.S. Bancorp that we or our subsidiaries have delivered to persons other than us and our subsidiaries during the 180 days prior to the date of such repurchase or the date we give notice of such redemption (A) in connection with the conversion or exchange of any securities of U.S. Bancorp or any subsidiary for which neither we nor any subsidiary have received previous equity credit from a nationally recognized statistical rating organization or (B) as consideration for property or assets in an arm's length transaction, *plus*

100% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to the date of such repurchase or the date we give notice of such redemption from the issuance of certain other specified securities that have equity-like characteristics that satisfy the requirements of the Replacement Capital Covenant, which means generally that such other securities have characteristics that are the same as, or more equity-like than, the applicable characteristics of the Series D Preferred Stock at that time.

Our ability to raise proceeds from qualifying securities during the 180 days prior to a proposed repurchase or the date on which notice of redemption is given will depend on, among other things, market conditions at such times as well as the acceptability to prospective investors of the terms of such qualifying securities.

Our covenants in the Replacement Capital Covenant run in favor of persons that buy, hold or sell our indebtedness during the period that such indebtedness is *Covered Debt*, which is currently comprised of our 5.875% junior subordinated debentures due 2035, underlying the 5.875% trust preferred securities of USB Capital VII (CUSIP No. 903301208). Other debt will replace our Covered Debt under the Replacement Capital Covenant on the earlier to occur of (i) the date two years prior to the maturity of the existing Covered Debt, (ii) the date of a redemption or repurchase of the existing Covered Debt in an amount such that the outstanding principal amount of the existing Covered Debt is or will become less than \$100 million, after giving effect to such redemption or repurchase, or (iii) if the existing Covered Debt is not eligible subordinated debt as defined in the Replacement Capital Covenant, the date on which we or U.S. Bank National Association issues long-term indebtedness for money borrowed that is eligible subordinated debt.

The Replacement Capital Covenant may be amended or supplemented with the consent of the holders of a majority in principal amount of the then-effective series of Covered Debt. We may, acting alone and without the consent of the

holders of the Covered Debt amend or supplement the Replacement Capital Covenant if (i) such amendment or supplement eliminates common stock, debt exchangeable for common stock, rights to acquire common stock, and/or mandatorily convertible preferred stock as a replacement capital security, if after the date of the Replacement Capital Covenant, we have been advised in writing by a nationally recognized independent accounting firm or an accounting standard or interpretive guidance of an existing accounting standard issued by an organization or regulator that has responsibility for establishing or interpreting accounting standards in the United States becomes effective such that there is more than an insubstantial risk that failure to eliminate common stock, debt exchangeable for common stock, rights to

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acquire common stock and/or mandatorily convertible preferred stock as a replacement capital security would result in a reduction in our earnings per share as calculated in accordance with generally accepted accounting principles in the United States, (ii) such amendment or supplement is not adverse to the holders of the then-effective series of Covered Debt, (iii) the effect of such amendment or supplement is solely to impose additional restrictions on, or eliminate certain of, the types of securities qualifying as replacement capital securities (other than the securities covered by clause (i) above), or (iv) the effect of such amendment or supplement is to postpone the termination of the Replacement Capital Covenant.

The Replacement Capital Covenant is subject to various additional terms and conditions and this description is qualified in its entirety by reference to the Replacement Capital Covenant, a copy of the form of which is available upon request from us. The Replacement Capital Covenant may be terminated (i) if the holders of a majority in principal amount of the Covered Debt so agree, (ii) if neither we nor U.S. Bank National Association have outstanding any long-term indebtedness that qualifies as Covered Debt, without regard to whether such indebtedness is rated by a nationally recognized statistical rating organization, or (iii) ten years after the date hereof or, if earlier, when all shares of the Series D Preferred Stock have been redeemed or repurchased, whichever of the foregoing events is the earliest to occur.

Subject to the limitations described above and the terms of any preferred stock ranking senior to the Series D Preferred Stock or of any outstanding debt instruments, we or our affiliates may from time to time purchase any outstanding shares of Series D Preferred Stock by tender, in the open market or by private agreement.



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**CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

The following is a summary of the principal U.S. federal income tax consequences relevant to the purchase, ownership and disposition of the depositary shares. The following summary is based upon current provisions of the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations and judicial or administrative authority, all of which are subject to change, possibly with retroactive effect. State, local and foreign tax consequences are not summarized, nor are tax consequences to special classes of investors including, but not limited to, tax-exempt organizations, insurance companies, banks or other financial institutions, partnerships or other entities classified as partnerships for U.S. federal income tax purposes, dealers in securities or currencies, regulated investment companies, real estate investment trusts, persons whose functional currency is not the U.S. dollar, U.S. expatriates, persons liable for the alternative minimum tax, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, and persons that will hold the depositary shares as a position in a hedging transaction, straddle, conversion transaction or other risk reduction transaction. Tax consequences may vary depending upon the particular status of an investor. The summary is limited to taxpayers who will hold the depositary shares as capital assets and who purchase the depositary shares in the initial offering at the initial offering price. Each potential investor should consult with its own tax adviser as to the U.S. federal, state, local, foreign and any other tax consequences of the purchase, ownership, conversion and disposition of the depositary shares.

Beneficial owners of depositary shares will be treated as owners of the underlying Series D Preferred Stock for U.S. federal income tax purposes.

**U.S. Holders**

The discussion in this section is addressed to a U.S. holder, which for this purpose means a beneficial owner of depositary shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal tax purposes) created or organized in or under the laws of the United States or of any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source, or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of its substantial decisions or (b) it has a valid election in effect under applicable Treasury regulations to be treated as a United States person.

*Dividends.* Distributions with respect to the depositary shares will be taxable as dividend income when paid to the extent of our current and accumulated earnings and profits as determined for U.S. federal income tax purposes. To the extent that the amount of a distribution with respect to the depositary shares exceeds our current and accumulated earnings and profits, such distribution will be treated first as a tax-free return of capital to the extent of the U.S. holder's adjusted tax basis in such depositary shares, and thereafter as capital gain.

Subject to certain exceptions for short-term and hedged positions, distributions constituting dividend income received by an individual U.S. holder in respect of the depositary shares before January 1, 2011 will generally represent qualified dividend income, which will be subject to taxation at a maximum rate of 15% (or a lower rate for individuals in certain tax brackets). In addition, subject to similar exceptions for short-term and hedged positions, distributions on the depositary shares constituting dividend income paid to holders that are U.S. corporations will generally qualify for the 70% dividends-received deduction. A U.S. holder should consult its own tax advisers regarding the availability of the reduced dividend tax rate and the dividends-received deduction in the light of its particular circumstances.

*Dispositions.* A U.S. holder will generally recognize capital gain or loss on a sale or exchange of the depositary shares equal to the difference between the amount realized upon the sale or exchange and such U.S. holder's adjusted tax basis in the shares sold or exchanged. Such capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for the shares sold or exchanged is more than one year. Long-term capital gains of noncorporate taxpayers are generally taxed at a lower maximum marginal tax rate

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than the maximum marginal tax rate applicable to ordinary income. The deductibility of net capital losses by individuals and corporations is subject to limitations.

*Information reporting and backup withholding on U.S. holders.* Certain U.S. holders may be subject to backup withholding with respect to the payment of dividends on the depositary shares and to certain payments of proceeds on the sale or redemption of the depositary shares unless such U.S. holders provide proof of an applicable exemption or a correct taxpayer identification number, and otherwise comply with applicable requirements of the backup withholding rules.

Any amount withheld under the backup withholding rules from a payment to a U.S. holder is allowable as a credit against such holder's U.S. federal income tax, which may entitle the U.S. holder to a refund, provided that the U.S. holder provides the required information to the Internal Revenue Service (the "IRS"). Moreover, certain penalties may be imposed by the IRS on a U.S. holder who is required to furnish information but does not do so in the proper manner.

Information returns will generally be filed with the IRS in connection with the payment of dividends on the depositary shares to non-corporate U.S. holders and certain payments of proceeds to non-corporate U.S. holders on the sale or redemption of the depositary shares.

## **Non-U.S. Holders**

The discussion in this section is addressed to non-U.S. holders of the depositary shares. For this purpose, a non-U.S. holder is a beneficial owner of depositary shares other than a U.S. holder or partnership.

*Dividends.* Generally, dividends paid to a non-U.S. holder with respect to the depositary shares will be subject to U.S. federal income and withholding tax at a 30% rate, or such lower rate as may be specified by an applicable income tax treaty (provided the non-U.S. holder furnishes the payor with a properly completed IRS Form W-8BEN certifying that such holder is eligible for treaty benefits), unless the dividends are effectively connected with a trade or business carried on by the non-U.S. holder within the United States (and the non-U.S. holder provides the payor with a properly completed Form W-8ECI). Dividends that are effectively connected with such trade or business (and, if a tax treaty applies, are attributable to a U.S. permanent establishment maintained by the non-U.S. holder) will generally be subject to U.S. federal income tax on a net basis at applicable individual or corporate rates and, in the case of a non-U.S. holder which is a corporation, may be subject to a branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.

A non-U.S. holder eligible for a reduced rate of U.S. withholding tax pursuant to an applicable income tax treaty may obtain a refund of any excess amounts withheld by filing an appropriate claim for refund with the IRS.

*Dispositions.* A non-U.S. holder generally will not be subject to U.S. federal income or withholding tax on gain realized on the sale, exchange or redemption of the depositary shares so long as:

the gain is not effectively connected with a U.S. trade or business of the holder (or if a tax treaty applies, the gain is not attributable to a U.S. permanent establishment maintained by such non-U.S. holder); and

in the case of a nonresident alien individual, such holder is not present in the United States for 183 or more days in the taxable year of the sale or disposition (in which case the gain may be subject to tax if certain other conditions are met).

*Information reporting and backup withholding on non-U.S. holders.* Payment of dividends and the tax withheld with respect thereto are subject to information reporting requirements. These information reporting requirements apply regardless of whether withholding was reduced or eliminated by an applicable income tax treaty, or withholding was not required because the dividends were effectively connected with a trade or business in the United States conducted by the non-U.S. holder. Copies of the information returns reporting such dividends and withholding may also be made available by the IRS under the provisions of an applicable income tax treaty or agreement to the tax authorities in the country in which the non-U.S. holder resides.

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U.S. backup withholding will generally apply on payment of dividends to non-U.S. holders unless such non-U.S. holders furnish to the payor a Form W-8BEN (or other applicable form) certifying as to their non-U.S. status, or such non-U.S. holders otherwise establish an exemption.

Payment by a U.S. office of a broker of the proceeds of a sale of the depositary shares is subject to both backup withholding and information reporting unless the non-U.S. holder, or beneficial owner thereof, as applicable, certifies that it is a non-U.S. holder on Form W-8BEN (or other applicable form), or otherwise establishes an exemption. Subject to certain limited exceptions, backup withholding and information reporting generally will not apply to a payment of proceeds from the sale of the depositary shares if such sale is effected through a foreign office of a broker.

**Table of Contents****UNDERWRITING**

Merrill Lynch, Pierce Fenner & Smith Incorporated and Lehman Brothers Inc. are acting as representatives of the underwriters named below. Under the terms and subject to the conditions contained in an underwriting agreement, dated the date of this prospectus supplement, each of the underwriters has severally agreed to purchase from us, and we have agreed to sell to that underwriter, the number of depositary shares listed next to its name in the following table:

<b>Name</b>	<b>Number of Depositary Shares</b>
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Lehman Brothers Inc.	
Morgan Stanley & Co. Incorporated	
UBS Securities LLC	
Wachovia Capital Markets, LLC	
Total	

The underwriting agreement provides that the obligations of the underwriters to pay for and accept delivery of the depositary shares offered by this prospectus supplement and the accompanying prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part. The underwriters are obligated to take and pay for all of the depositary shares offered by this prospectus supplement and the accompanying prospectus if any shares are taken. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The underwriters propose to offer some of the depositary shares directly to the public at the public offering price set forth on the cover page of this prospectus supplement and may offer some of the depositary shares to dealers at the public offering price less a concession not to exceed \$ per depositary share. After the initial offering of the depositary shares to the public, the representatives may change the public offering price, concession and discount.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering.

	<b>Paid by U.S. Bancorp</b>
Per depositary share (1)	\$

(1) U.S. Bancorp will pay the underwriters compensation for sales to certain institutions. As a result of such sales, the total underwriting discount will decrease, and the total proceeds to U.S. Bancorp will increase, by \$ .

We estimate that the expenses of the offering to be paid by us, not including underwriting discounts and commissions, will be approximately \$ .

We expect that delivery of the depositary shares will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be the fifth business day following the date hereof (this settlement cycle being referred to as T+ 5). Under Rule 15c6-1 of the SEC under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three business days, unless the parties to the trade expressly agree otherwise. Accordingly, purchasers who wish to trade depositary shares on the date hereof or the first business day after the date hereof will be required, by virtue of the fact that the depositary shares initially will settle in T+ 5, to specify an alternate settlement cycle at the time of any trade to prevent a failed settlement and should consult their own advisor.

Prior to this offering, there has been no public market for the depositary shares. We do not expect that there will be any separate public trading market for the shares of the Series D Preferred Stock except as represented by the depositary shares. We intend to apply to list the depositary shares on the New York Stock

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Exchange under the symbol USB PrL. If approved, we expect trading of the depositary shares on the New York Stock Exchange to begin within the 30-day period after the initial delivery of the depositary shares.

To facilitate the offering of the depositary shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the depositary shares. Specifically, the underwriters may sell more depositary shares than they are obligated to purchase under the underwriting agreement, creating a naked short position. The underwriters must close out any naked short position by purchasing depositary shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the depositary shares in the open market after pricing that could adversely affect investors who purchase in the offering. As an additional means of facilitating the offering, the underwriters may bid for, and purchase, depositary shares in the open market to stabilize the price of the depositary shares. These activities may raise or maintain the marke