US BANCORP \DE\
Form DEF 14A
March 05, 2007

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

SCHEDULE 14A

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

Filed by the Registrant x
Filed by a Party other than the Registrant o
Check the appropriate box:

o	Preliminary Proxy Statement
o	**Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
x	Definitive Proxy Statement
o	Definitive Additional Materials
o	Soliciting Material Pursuant to §240.14a-12

U.S. BANCORP

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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800 Nicollet Mall
Minneapolis, Minnesota 55402
(651) 466-3000

March 8, 2007

Dear Shareholders:

You are cordially invited to join us for our 2007 annual meeting of shareholders, which will be held on Tuesday, April 17, 2007, at 11:00 a.m., Eastern Time, in the Presidential Ballroom at The Westin Cincinnati, 21 East Fifth Street, Cincinnati, Ohio. For your convenience, a map showing the location of The Westin Cincinnati is provided on the back of the accompanying proxy statement. Holders of record of our common stock as of February 26, 2007, are entitled to notice of and to vote at the 2007 annual meeting.

The Notice of Annual Meeting of Shareholders and the proxy statement that follow describe the business to be conducted at the meeting. We also will report at the meeting on matters of current interest to our shareholders.

The proxy statement contains two shareholder proposals which your Board of Directors believes are not in the best interests of our shareholders. Your Board urges you to vote against these proposals.

We hope you will be able to attend the meeting. However, even if you plan to attend in person, please vote your shares promptly to ensure that they are represented at the meeting. You may submit your proxy vote by telephone or internet as described in the following materials or by completing and signing the enclosed proxy card and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting.

If your shares are held in the name of a broker, trust, bank or other nominee, you will need proof of ownership to be admitted to the meeting, as described under How can I attend the meeting? on page 4 of the proxy statement.

We look forward to seeing you at the annual meeting.

Sincerely,

Richard K. Davis
President and Chief Executive Officer

800 Nicollet Mall
Minneapolis, Minnesota 55402
(651) 466-3000

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date and Time:	Tuesday, April 17, 2007, at 11:00 a.m. Eastern Time
Place:	The Westin Cincinnati Presidential Ballroom 21 East Fifth Street Cincinnati, Ohio 45202
Items of Business:	1. The election of five directors, each for a three-year term. 2. The ratification of the selection of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2007. 3. A proposal to approve the U.S. Bancorp 2007 Stock Incentive Plan. 4. A proposal to approve an amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors. 5. A shareholder proposal urging our Board of Directors to establish a policy that our shareholders be given an opportunity to annually ratify the compensation paid to the executive officers named in our proxy statement. 6. A shareholder proposal urging our Board of Directors to establish a policy limiting the benefits provided under our supplemental executive retirement plan. 7. Any other business that may properly be considered at the meeting or any adjournment of the meeting.
Record Date:	You may vote at the meeting if you were a shareholder of record at the close of business on February 26, 2007.
Voting by Proxy:	If you cannot attend the annual meeting in person, you may vote your shares by telephone or internet by no later than 11:59 p.m. Eastern Time on April 16, 2007 (as directed on the enclosed proxy card), or by completing, signing and promptly returning the enclosed proxy card by mail. We encourage you to vote by telephone or internet in order to reduce our mailing and handling expenses. If you choose to submit your proxy by mail, we have enclosed an envelope addressed to our transfer agent, Mellon Investor Services, for which no postage is required if mailed in the United States.

By Order of the Board of Directors

Lee R. Mitau
Secretary

March 8, 2007

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PROXY STATEMENT
2007 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON APRIL 17, 2007

The Board of Directors of U.S. Bancorp is soliciting proxies for use at the annual meeting of shareholders to be held on April 17, 2007, and at any adjournment of the meeting. This proxy statement and the enclosed proxy card are first being mailed or given to shareholders on or about March 8, 2007.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our annual meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders. These include the election of directors, ratification of the selection of our independent auditor, approval of the U.S. Bancorp 2007 Stock Incentive Plan, approval of an amendment to our Restated Certificate of Incorporation, and consideration of two shareholder proposals. Also, management will report on our performance during the last fiscal year and, once the business of the annual meeting is concluded, respond to questions from shareholders, as time permits.

Who is entitled to vote at the meeting?

The Board has set February 26, 2007, as the record date for the annual meeting. If you were a shareholder of record at the close of business on February 26, 2007, you are entitled to vote at the meeting.

As of the record date, 1,748,002,508 shares of our common stock were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 1,748,002,508 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

In accordance with our bylaws, shares equal to at least one-third of the voting power of our outstanding shares of common stock as of the record date must be present at the meeting in order to hold the meeting and conduct business. This is called a quorum. Your shares are counted as present at the meeting if:

- you are present and vote in person at the meeting; or
- you have properly submitted a proxy card by mail, telephone or internet.

How do I vote my shares?

If you are a shareholder of record as of the record date, you can give a proxy to be voted at the meeting in any of the following ways:

- over the telephone by calling a toll-free number;
- electronically, using the internet; or
- by completing, signing and mailing the enclosed proxy card.

The telephone and internet voting procedures have been set up for your convenience. We encourage you to save corporate expense by submitting your vote by telephone or internet. The procedures have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly. If you are a shareholder of record and you would like to submit

your proxy by telephone or internet, please refer to the specific instructions provided on the enclosed proxy card. If you wish to submit your proxy by mail, please return your signed proxy card to us before the annual meeting.

If you hold your shares in street name, you must vote your shares in the manner prescribed by your broker or other nominee. Your broker or other nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares, and telephone and internet voting is also encouraged for shareholders who hold their shares in street name.

What is the difference between a shareholder of record and a street name holder?

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank, trust or other nominee, then the broker, bank, trust or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in street name. Street name holders generally cannot vote their shares directly and must instead instruct the broker, bank, trust or other nominee how to vote their shares using the method described above.

How do I vote if my shares are held in the U.S. Bancorp 401(k) Savings Plan?

If you hold any shares in the U.S. Bancorp 401(k) Savings Plan, your completed proxy card or telephone or internet proxy vote will serve as voting instructions to the plan trustee. However, your voting instructions must be received at least five days prior to the annual meeting in order to count. In accordance with the terms of the plan, the trustee will vote all of the shares held in the plan in the same proportion as the actual proxy votes submitted by plan participants at least five days prior to the annual meeting.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or, if you submit your proxy vote by telephone or internet, vote once for each proxy card you receive.

Can I vote my shares in person at the meeting?

If you are a shareholder of record, you may vote your shares in person at the meeting by completing a ballot at the meeting. Even if you currently plan to attend the meeting, we recommend that you also submit your proxy as described above so that your vote will be counted if you later decide not to attend the meeting.

If you are a street name holder, you may vote your shares in person at the meeting only if you obtain a signed letter or other proxy from your broker, bank, trust or other nominee giving you the right to vote the shares at the meeting.

If you are a participant in the U.S. Bancorp 401(k) Savings Plan, you may submit a proxy vote as described above, but you may not vote your 401(k) Savings Plan shares in person at the meeting.

What vote is required for the election of directors or for a proposal to be approved?

Approval of an amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors requires the affirmative vote of a majority of the outstanding shares of our common stock entitled to vote at the meeting. The affirmative vote of a majority of the voting power of our common stock present and entitled to vote at the meeting is required for the election of each director and for the approval of each other proposal.

How are votes counted?

You may either vote FOR or WITHHOLD authority to vote for each nominee for the Board of Directors. You may vote FOR, AGAINST or ABSTAIN on the other proposals.

If you submit your proxy but abstain from voting or withhold authority to vote on one or more matters, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular matter with respect to which you abstained from voting or withheld authority to vote.

If you abstain from voting on a proposal, your abstention has the same effect as a vote against that proposal. If you withhold authority to vote for one or more of the directors, this has the same effect as a vote against those directors.

If you hold your shares in street name and do not provide voting instructions to your broker or other nominee, your shares will be considered to be broker non-votes and will not be voted on any proposal on which your broker or other nominee does not have discretionary authority to vote under the rules of the New York Stock Exchange. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but will not be considered entitled to vote on the proposal in question. Your broker or other nominee has discretionary authority to vote your shares on the election of directors, the ratification of Ernst & Young LLP as our independent auditor and management s proposal to approve an amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors, even if your broker or other nominee does not receive voting instructions from you. Your broker or other nominee may not vote on management s proposal to approve the U.S. Bancorp 2007 Stock Incentive Plan or on any of the shareholder proposals without instructions from you.

Who will count the vote?

Representatives of Mellon Investor Services, our transfer agent, will tabulate votes and act as independent inspectors of election.

How does the Board recommend that I vote?

You will vote on the following management proposals:

- Election of five directors: Victoria Buyniski Gluckman, Arthur D. Collins, Jr., Olivia F. Kirtley, Jerry W. Levin and Richard G. Reiten;

- Ratification of the selection of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2007;

- Approval of the U.S. Bancorp 2007 Stock Incentive Plan; and

- Approval of an amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors.

The Board of Directors recommends that you vote **FOR** the election of each of the nominees to the Board of Directors, **FOR** the ratification of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2007, **FOR** the approval of the U.S. Bancorp 2007 Stock Incentive Plan, and **FOR** the approval of an amendment to our Restated Certificate of Incorporation.

You will also vote on the following shareholder proposals:

- A shareholder proposal urging our Board of Directors to establish a policy that our shareholders be given an opportunity to annually ratify the compensation paid to the executive officers named in our proxy statement; and

- A shareholder proposal urging our Board of Directors to establish a policy limiting the benefits provided under our supplemental executive retirement plan.

The Board of Directors recommends that you vote **AGAINST** the shareholder proposals.

What if I do not specify how I want my shares voted?

If you submit a signed proxy card or submit your proxy by telephone or internet and do not specify how you want to vote your shares, we will vote your shares:

- **FOR** the election of all of the nominees for director;

- **FOR** the ratification of the selection of Ernst & Young LLP as our independent auditor for the fiscal year ending December 31, 2007;

- **FOR** the approval of the U.S. Bancorp 2007 Stock Incentive Plan;

- **FOR** the approval of an amendment to our Restated Certificate of Incorporation to provide for the annual election of all directors;

- **AGAINST** the shareholder proposal urging our Board of Directors to establish a policy that our shareholders be given an opportunity to annually ratify the compensation paid to the executive officers named in our proxy statement; and

- **AGAINST** the shareholder proposal urging our Board of Directors to establish a policy limiting the benefits provided under our supplemental executive retirement plan.

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting. If you are a shareholder of record, you may revoke your proxy and change your vote by submitting a later-dated proxy by telephone, internet or mail, or by voting in person at the meeting. To request an additional proxy card, or if you have any questions about the annual meeting or how to vote or revoke your proxy, you should contact Mellon Investor Services at 1-888-778-1311.

If you are a participant in the U.S. Bancorp 401(k) Savings Plan, you may revoke your proxy and change your vote as described above, but only until April 13, 2007. If you hold your shares in street name, contact your broker or other nominee regarding how to revoke your proxy and change your vote.

Will my vote be kept confidential?

Yes. We have procedures to ensure that, regardless of whether shareholders vote by mail, telephone, internet or in person, all proxies, ballots and voting tabulations that identify shareholders are kept permanently confidential, except as disclosure may be required by federal or state law or as expressly permitted by a shareholder. We also have the voting tabulations performed by an independent third party.

How can I attend the meeting?

You may be asked to present valid picture identification, such as a driver s license or passport, before being admitted to the meeting. If you hold your shares in street name, you also will need proof of

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ownership to be admitted to the meeting. A recent brokerage statement or letter from your broker or other nominee are examples of proof of ownership.

Please let us know whether you plan to attend the meeting by marking the attendance box on the proxy card or responding affirmatively when prompted during telephone or internet voting.

Who pays for the cost of proxy preparation and solicitation?

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks or other nominees for forwarding proxy materials to street name holders. We have retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for the annual meeting for a fee of approximately $25,000, plus associated costs and expenses.

We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone, facsimile or personally. These individuals will receive no additional compensation for their services other than their regular salaries.

What are the deadlines for submitting shareholder proposals for the 2008 annual meeting?

In order for a shareholder proposal to be considered for inclusion in our proxy statement for the 2008 annual meeting, the written proposal must be received at our principal executive offices at 800 Nicollet Mall, Minneapolis, Minnesota 55402, Attention: Corporate Secretary, on or before November 9, 2007. The proposal must comply with Securities and Exchange Commission regulations regarding the inclusion of shareholder proposals in company-sponsored proxy materials.

Our bylaws provide that a shareholder may nominate a director for election at the annual meeting or may present from the floor a proposal that is not included in the proxy statement if proper written notice is received by the Secretary of U.S. Bancorp at our principal executive offices in Minneapolis, Minnesota, at least 120 days in advance of the date the proxy statement for the prior year s annual meeting was released to shareholders. For the 2008 annual meeting, director nominations and shareholder proposals must be received on or before November 9, 2007. The nomination or proposal must contain the specific information required by our bylaws. You may request a copy of our bylaws by contacting our Corporate Secretary, U.S. Bancorp, 800 Nicollet Mall, Minneapolis, Minnesota 55402, telephone (651) 466-3000. Shareholder proposals that are received by us after November 9, 2007, may not be presented in any manner at the 2008 annual meeting.

Can I receive future proxy statements and annual reports electronically instead of receiving paper copies through the mail?

You can request electronic delivery if you are a shareholder of record or if you hold your shares in street name. In fact, we encourage you to request electronic delivery of these documents if you are comfortable with the electronic format because it saves us the expense of printing and mailing the materials to you and helps preserve environmental resources. If you are a shareholder of record, you may request and consent to electronic delivery of future proxy statements and annual reports by accessing the website melloninvestor.com/isd and accessing your account. If you do not see a prompt regarding consent to electronic delivery of materials, click on Consent Update under the Account Management option and follow the instructions. If your shares are held in street name, please contact your broker or other nominee and ask about the availability of electronic delivery.

How can I communicate with U.S. Bancorp s Board of Directors?

You or any other interested party can communicate with our Board of Directors by sending a letter addressed to our Board of Directors, non-management directors, presiding director or specified individual directors to:

The Office of the Corporate Secretary
U.S. Bancorp
BC-MN-H210
800 Nicollet Mall
Minneapolis, MN 55402

Any such letters will be delivered to the independent presiding director or to a specified director if so addressed. Letters relating to accounting matters will also be delivered to our Chief Risk Officer for handling in accordance with the Audit Committee s policy on investigation of complaints relating to accounting matters.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Our executive officers and directors are encouraged to own our common stock to further align their interests with our shareholders interests. These share ownership guidelines are discussed below under the heading Compensation Discussion and Analysis Compensation Philosophy Stock Ownership.

The following table shows how many shares of our common stock were beneficially owned as of February 5, 2007, by:

- each person who is known by us to beneficially own more than 5% of our voting securities,
- each current director,
- each director nominee,
- each of the executive officers named in the Summary Compensation Table in this proxy statement, and
- all of our directors and executive officers as a group.

Unless otherwise noted, the shareholders listed in the table have sole voting and investment power with respect to the shares of common stock owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)(2)		Percent of Common Stock Outstanding
Barclays Global Investors, NA.(3)	95,479,783		5.40 %
Victoria Buyniski Gluckman	199,385	(4)	*
Andrew Cecere	864,069	(5)	*
William L. Chenevich	664,839	(6)	*
Arthur D. Collins, Jr.	141,559	(4)	*
Peter H. Coors	158,836	(4)	*
Richard K. Davis	2,486,349	(7)	*
Jerry A. Grundhofer	8,062,790	(8)	*
Joel W. Johnson	134,658	(4)	*
Olivia F. Kirtley	2,078	(4)	*
Jerry W. Levin	172,508	(4)	*
Lee R. Mitau	569,400	(9)	*
David M. Moffett	2,568,146	(10)	*
David B. O Maley	285,833	(4)	*
O dell M. Owens, M.D., M.P.H.	130,556	(4)	*
Richard G. Reiten	103,117	(4)	*
Craig D. Schnuck	93,570	(4)(11)	*
Warren R. Staley	144,209	(4)	*
Patrick T. Stokes	115,980	(4)	*
All directors and executive officers as a group (26 persons)	18,836,433	(12)	1.06 %

* Indicates less than 1%.

(1) Includes the following shares subject to options exercisable within 60 days after February 5, 2007: Ms. Buyniski Gluckman, 117,537 shares; Mr. Cecere, 739,053 shares; Mr. Chenevich, 570,063 shares; Mr. Collins, 115,798 shares; Mr. Coors, 129,324 shares; Mr. Davis, 2,159,205 shares; Mr. Grundhofer, 5,325,390 shares; Mr. Johnson, 119,188 shares; Ms. Kirtley, 0 shares; Mr. Levin, 120,934 shares; Mr. Mitau, 425,009 shares; Mr. Moffett, 2,252,252 shares; Mr. O Maley, 128,517 shares; Dr. Owens,

64,705 shares; Mr. Reiten, 63,967 shares; Mr. Schnuck, 66,235 shares; Mr. Staley, 129,513 shares; and Mr. Stokes, 72,072 shares.

(2) Some of our directors and officers have deferred cash compensation or stock option gains under our deferred compensation plans. Some of these deferred amounts will be paid out in shares of our common stock upon the director s or officer s retirement or other termination of employment or service with U.S. Bancorp. The number of shares to which the directors and officers would be entitled had their employment or service with U.S. Bancorp terminated as of February 5, 2007, is included in the table, as follows: Ms. Buyniski Gluckman, 5,983 shares; Mr. Davis, 56,405 shares; Mr. Grundhofer, 2,134,532 shares; Mr. Moffett, 193,087 shares; Mr. O Maley, 5,513 shares; Dr. Owens, 55,329 shares; Mr. Reiten, 19,938 shares; and Mr. Stokes, 16,264 shares. The directors and officers have no voting or investment power as to these shares.

(3) This information is based on a Schedule 13G filed with the Securities and Exchange Commission on January 23, 2007, by Barclays Global Investors, NA. and a group of affiliated entities, which reported sole voting and dispositive power as of December 31, 2006, as follows: (i) Barclays Global Investors, N.A., sole voting power as to 58,957,376 shares and sole dispositive power as to 71,337,452 shares; (ii) Barclays Global Fund Advisors, sole voting and dispositive power as to 10,772,243 shares; (iii) Barclays Global Investors, Ltd., sole voting and dispositive power as to 9,554,709 shares; (iv) Barclays Global Investors Japan Trust and Banking Company Limited, sole voting and dispositive power as to 1,822,439 shares; and (v) Barclays Global Investors Japan Limited, sole voting and dispositive power as to 1,992,940 shares. The address for Barclays Global Investors, NA. is 45 Fremont Street, San Francisco, CA 94105.

(4) Except with respect to Ms. Kirtley, includes 10,522 restricted stock units that vest over four years and are distributable in an equivalent number of shares of our common stock if (i) the holder retires from our Board of Directors in accordance with our director retirement policy, (ii) the holder s Board service is terminated without cause, or (iii) the holder voluntarily leaves service on the Board after 10 years of service. Only vested units are distributable when the holder s Board service ends under other circumstances, except that all units are forfeited if the holder s Board service is terminated for cause. The holder has no voting or investment power over these units. For Ms. Kirtley, includes 2,078 restricted stock units.

(5) Includes 34,000 shares of restricted stock subject to future vesting conditions; 341 shares held by Mr. Cecere s wife, as to which Mr. Cecere has no voting or investment power; and 6,510 shares held in the U.S. Bancorp 401(k) Savings Plan.

(6) Includes 46,000 shares of restricted stock subject to future vesting conditions and 1,885 shares held in the U.S. Bancorp 401(k) Savings Plan.

(7) Includes 27,000 shares of restricted stock subject to future vesting conditions; 45,528 shares held in a trust of which Mr. Davis s wife is trustee and as to which Mr. Davis has no voting or investment power; 168,075 shares held in a trust of which Mr. Davis is trustee; and 9,183 shares held in the U.S. Bancorp 401(k) Savings Plan.

(8) Includes 24,785 shares held in the U.S. Bancorp 401(k) Savings Plan; 282,082 shares held by a family trust, as to which Mr. Grundhofer has shared voting and investment power; 1,678 restricted stock units, the terms of which are consistent with the restricted stock units discussed in footnote (4) to this table, as to which he has no voting or investment power; and 279,323 restricted stock units that are distributable in an equivalent number of shares of our common stock at certain times in the future as discussed in footnote 3 to the Option Exercises and Stock Vested table in this proxy statement, as to which he has no voting or investment power.

(9) Includes 27,800 shares of restricted stock subject to future vesting conditions and 249 shares held in the U.S. Bancorp 401(k) Savings Plan.

(10) Includes 27,000 shares of restricted stock subject to future vesting conditions; 30,291 shares held by Mr. Moffett s wife, as to which he has no voting or investment power; and 806 shares held in the U.S. Bancorp 401(k) Savings Plan.

(11) Includes 9,756 shares held in a trust of which Mr. Schnuck is trustee.

(12) Includes 85,056 shares held in the U.S. Bancorp 401(k) Savings Plan for the accounts of certain executive officers and Mr. Grundhofer; 286,912 shares of restricted stock subject to future vesting conditions; 398,821 restricted stock units that are distributable in an equivalent number of shares of our common stock; 2,496,529 shares payable to certain directors and executive officers pursuant to our deferred compensation plan; and 14,144,190 shares subject to options exercisable within 60 days after February 5, 2007.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors to file initial reports of ownership and reports of changes in ownership of our securities with the Securities and Exchange Commission. Executive officers and directors are required to furnish us with copies of these reports. Based solely on a review of the Section 16(a) reports furnished to us with respect to 2006 and written representations from the executive officers and directors, we believe that all Section 16(a) filing requirements applicable to our executive officers and directors during 2006 were satisfied, except that (1) Michael J. Doyle, our Executive Vice President and Chief Credit Officer, was late in filing a Form 4 reporting an acquisition of interests in common stock under our deferred compensation plan, (2) Joseph C. Hoesley, one of our Vice Chairmen, was late in filing an amended Form 3 reporting certain shareholdings that had been omitted from his Form 3, (3) Warren R. Staley was late in filing an amended Form 4 reporting certain stock options that had not been included in the original Form 4 reporting a director stock option grant and (4) Jerry W. Levin was late in filing a Form 4 reporting shares acquired upon the exercise of stock options.

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently has 14 members and is divided into three classes of approximately equal size. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. At this year s annual meeting, the terms of our Class III directors will expire. Victoria Buyniski Gluckman, Arthur D. Collins, Jr., Olivia F. Kirtley, Jerry W. Levin and Richard G. Reiten are the current Class III directors who have been nominated for re-election to the Board to serve until the 2010 annual meeting or until their successors are elected and qualified. Each of the nominees has agreed to serve as a director if elected. Proxies may not be voted for more than five directors. If, for any reason, any nominee becomes unable to serve before the election, the persons named as proxies will vote your shares for a substitute nominee selected by the Board of Directors. Alternatively, the Board of Directors, at its option, may reduce the number of directors constituting Class III directors.

The election of each nominee requires the affirmative vote of a majority of the common stock present and entitled to vote at the annual meeting.

The Board of Directors recommends a vote FOR election of the five nominated directors. Proxies will be voted FOR the election of the five nominees unless otherwise specified.

The nominees for election as directors and the directors whose terms of office will continue after the meeting have provided the following information about themselves. Dates listed for the nominees and continuing directors include service as directors of predecessor companies to U.S. Bancorp.

CLASS III DIRECTORS NOMINEES FOR TERMS ENDING IN 2010

VICTORIA BUYNISKI GLUCKMAN: Age 55, director since 1990. Ms. Buyniski Gluckman is President and Chief Executive Officer of United Medical Resources, Inc., a third-party administrator of employer healthcare benefits that is a subsidiary of UnitedHealth Group Incorporated. She has held these positions since founding United Medical Resources in 1983. Ms. Buyniski Gluckman also served as Chairman of United Medical Resources until its December 2005 acquisition by UnitedHealth Group. Commencing with that transaction, Ms. Buyniski Gluckman assumed the additional duties of Chief Executive Officer of Midwest Security Administrators, another third-party administrator of employer healthcare benefits that is also a subsidiary of UnitedHealth Group. Ms. Buyniski Gluckman also serves as a director of Ohio National Financial Services, Inc.

ARTHUR D. COLLINS, JR.: Age 59, director since 1996. Mr. Collins is Chairman and Chief Executive Officer of Medtronic, Inc., a leading medical device and technology company. Mr. Collins joined Medtronic in 1992 and served as Chief Operating Officer from 1994 to 1996 and President and Chief Operating Officer from 1996 to 2002. He was elected Chief Executive Officer in 2001 and has served as Chairman since 2002. Mr. Collins also serves as a director of Cargill, Incorporated.

OLIVIA F. KIRTLEY: Age 56, director since 2006. Ms. Kirtley, a certified public accountant, is a business consultant on strategic and corporate governance issues. She has served in this capacity during the past five years. From 1991 to 2000, Ms. Kirtley held the positions of Vice President and Chief Financial Officer of Vermont American Corporation, an international manufacturer and marketer of power tool accessories. Ms. Kirtley served as Chairman of the American Institute of Certified Public Accountants from 1998 to 1999. Ms. Kirtley also serves as a director of Papa Johns International, Inc. and ResCare, Inc.

JERRY W. LEVIN: Age 62, director since 1995. Mr. Levin is Chairman and Chief Executive Officer of JW Levin Partners LLC, a management and investment firm. He has served in these capacities since JW Levin Partners was organized in February 2005. Since September 2006, Mr. Levin has served as Chairman and interim Chief Executive Officer of Sharper Image Corporation, a specialty retailer. From 1998 until January 2005, Mr. Levin served as the Chairman and Chief Executive Officer of American Household, Inc. (formerly Sunbeam Corporation), a leading consumer products company. Mr. Levin also serves as a director of Ecolab, Inc. and Wendy s International, Inc.

RICHARD G. REITEN: Age 67, director since 1998. Mr. Reiten is the Chairman and retired Chief Executive Officer of Northwest Natural Gas Company, a distributor of natural gas. Mr. Reiten joined Northwest Natural Gas in 1996 as President, a position he held until 2001, and Chief Operating Officer, a position he held until 1997. He served as Chief Executive Officer of Northwest Natural Gas from 1997 to 2002 and served as Chairman from 2000 until February 2005. He was re-elected as Chairman in December 2006. Mr. Reiten also serves as a director of Building Materials Holding Corporation, Idacorp, Inc. and National Fuel Gas Company.

CLASS I DIRECTORS TERMS ENDING IN 2008

JOEL W. JOHNSON: Age 63, director since 1999. Mr. Johnson is the retired Chairman and Chief Executive Officer of Hormel Foods Corporation, a meat and food processing company, and he is Vice Chairman of the Hormel Foundation. He joined Hormel in 1991 as Executive Vice President, Sales and Marketing, and was elected President in 1992. He served as President until May 2004 and as Chief Executive Officer from 1993 through December 2005. He served as Chairman of the Board from 1995 through October 2006. Mr. Johnson also serves as a director of Ecolab, Inc. and Meredith Corporation.

DAVID B. O MALEY: Age 60, director since 1995. Mr. O Maley is Chairman, President and Chief Executive Officer of Ohio National Financial Services, Inc., an intermediate insurance holding company that markets insurance and financial products through its affiliates, and of certain of its affiliated companies including its ultimate parent company, Ohio National Mutual Holdings, Inc. Mr. O Maley has held these positions since 1994 and has been with Ohio National since 1992. Mr. O Maley also serves as a director of The Midland Company, Inc.

O DELL M. OWENS, M.D., M.P.H.: Age 59, director since 1991. Dr. Owens has been providing services as an independent consultant in medicine, business, education and work-site employee benefits since 2001, and he was elected Coroner of Hamilton County, Ohio in November 2004. Dr. Owens has also served as the President and Chairman of the Board for Project GRAD (Graduation Really Achieves Dreams), a national non-profit organization formed to improve inner-city education, since 2001. From 2002 to 2003, Dr. Owens served as President, Chief Executive Officer and a member of the Board of Trustees of RISE Learning Solutions, a national non-profit organization that uses technology to provide training for adults who care for children. From 1999 to 2002, Dr. Owens served as Senior Medical Director of United Healthcare Insurance Company of Ohio, a provider of healthcare coverage and related services.

CRAIG D. SCHNUCK: Age 58, director since 2002. Mr. Schnuck is the former Chairman and Chief Executive Officer of Schnuck Markets, Inc., a supermarket chain. He was elected President of Schnuck Markets in 1984 and served as Chief Executive Officer from 1989 until January 2006. He served as Chairman from 1991 until December 2006. Mr. Schnuck is still active in the business and serves as Chairman of the Executive Committee of Schnuck Markets.

WARREN R. STALEY: Age 64, director since 1999. Mr. Staley is Chairman and Chief Executive Officer of Cargill, Incorporated, an international marketer, processor and distributor of agricultural, food, financial and industrial products. He joined Cargill in 1969 and was elected President and Chief Operating Officer in 1998. He was named Chief Executive Officer in 1999 and Chairman in 2000. Mr. Staley also serves as a director of Target Corporation.

CLASS II DIRECTORS TERMS ENDING IN 2009

PETER H. COORS: Age 60, director since 1996. Mr. Coors is Vice Chairman of Molson Coors Brewing Company and Chairman of Coors Brewing Company, a subsidiary of Molson Coors Brewing Company, a producer, marketer and seller of beer. He has been associated with Coors Brewing Company since 1970 and was named Chairman in 2000. He served as Vice Chairman and Chief Executive Officer of Coors Brewing Company and as Vice President of Adolph Coors Company from 1993 to 2000. Mr. Coors served as Chairman of Adolph Coors Company from 2000 until its February 2005 merger with Molson, Inc., which created Molson Coors Brewing Company.

RICHARD K. DAVIS: Age 49, director since 2006. Mr. Davis is President and Chief Executive Officer of U.S. Bancorp. He has served as President since October 2004 and as Chief Executive Officer since December 2006. He also served as Chief Operating Officer of U.S. Bancorp from October 2004 until December 2006. From the time of the merger of Firstar Corporation and U.S. Bancorp in February 2001 until October 2004, Mr. Davis served as Vice Chairman of U.S. Bancorp. From the time of the merger, Mr. Davis was responsible for Consumer Banking, including Retail Payment Solutions (card services), and he assumed additional responsibility for Commercial Banking in 2003. Previously, he had been Vice Chairman of Consumer Banking of Firstar Corporation from 1998 until 2001. Mr. Davis also serves as a director of Xcel Energy.

JERRY A. GRUNDHOFER: Age 62, director since 1993. Mr. Grundhofer is the Chairman of U.S. Bancorp. He has served as Chairman of U.S. Bancorp since December 2002. Mr. Grundhofer also served as President and Chief Executive Officer of U.S. Bancorp from the time of the merger of Firstar Corporation and U.S. Bancorp in February 2001 until October 2004 and December 2006, respectively. From 1993 until the merger, he served as Chairman, President and Chief Executive Officer of U.S. Bancorp predecessors Firstar Corporation and Star Banc Corporation. Mr. Grundhofer also serves as a director of Ecolab, Inc. and The Midland Company, Inc.

PATRICK T. STOKES: Age 64, director since 1992. Mr. Stokes is the Chairman of Anheuser-Busch Companies, Inc., the holding company parent of Anheuser-Busch, Incorporated, a producer and distributor of beer. He has served as Chairman of Anheuser-Busch Companies, Inc. since December 2006 and has been affiliated with Anheuser-Busch since 1969. He served as Senior Executive Vice President of Anheuser-Busch Companies, Inc. from 2000 to 2002 and as President and Chief Executive Officer from 2002 until December 2006. Mr. Stokes also serves as a director of Ameren Corporation.

CORPORATE GOVERNANCE

Our Board of Directors and management are dedicated to exemplary corporate governance. Good corporate governance is vital to the continued success of U.S. Bancorp and the entire financial services industry. Our Board of Directors has adopted the U.S. Bancorp Corporate Governance Guidelines to provide a framework for directors and management to effectively pursue U.S. Bancorp s objectives for the benefit of our shareholders. The Board annually reviews and updates these guidelines and the charters of the Board committees in response to evolving best practices and the results of annual Board and committee evaluations. Our Corporate Governance Guidelines, as well as our Code of Ethics and Business Conduct, can be found at usbank.com by clicking on About U.S. Bancorp and then Corporate Governance. Shareholders may request a free printed copy of our Corporate Governance Guidelines and our Code of Ethics and Business Conduct from our investor relations department by contacting them at investorrelations@usbank.com or by calling (866) 775-9668.

Director Independence

Our Board of Directors has determined that each of our directors other than Richard K. Davis, Jerry A. Grundhofer and Victoria Buyniski Gluckman has no material relationship with U.S. Bancorp and is independent. Each of our Audit, Governance and Compensation Committees is composed only of independent directors. Our procedures for assessing director independence are described in detail under the heading Certain Relationships and Related Transactions Review of Related Person Transactions in this proxy statement.

Our Board has adopted certain standards to assist it in assessing the independence of each of our directors. Absent other material relationships with U.S. Bancorp, a director of U.S. Bancorp who otherwise meets the independence qualifications of the New York Stock Exchange listing standards may be deemed independent by the Board of Directors after consideration of all of the relationships between U.S. Bancorp, or any of our subsidiaries, and the director, or any of his or her immediate family members (as defined in the New York Stock Exchange listing standards), or any entity with which the director or any of his or her immediate family members is affiliated by reason of being a partner, officer or a significant shareholder thereof. However, ordinary banking relationships (such as depository, lending, transfer agency, registrar, trust and custodial, private banking, investment management, securities brokerage, cash management and other services readily available from other financial institutions) are not considered by the Board in determining a director s independence, as the Board considers these relationships to be categorically immaterial. A banking relationship is considered ordinary if:

- the relationship is on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons;
- with respect to an extension of credit, it has been made in compliance with applicable law, including Regulation O of the Board of Governors of the Federal Reserve and Section 13(k) of the Securities Exchange Act of 1934;
- no event of default has occurred and is continuing beyond any period of cure; and
- the relationship has no other extraordinary characteristics.

In assessing the independence of our directors, our Governance Committee and full Board carefully considered all of the business relationships between U.S. Bancorp and our directors or their affiliated companies, other than ordinary banking relationships. This review was based primarily on responses of the directors to questions in a directors and officers questionnaire regarding employment, business, familial, compensation and other relationships with U.S. Bancorp and our management. Where business relationships other than ordinary banking relationships existed, the Board determined that, except in the cases of Ms. Buyniski Gluckman, Mr. Davis and Mr. Grundhofer, none of the relationships between

U.S. Bancorp and the directors or the directors affiliated companies impair the directors independence because the amounts involved are immaterial to the directors or to those companies when compared to their annual income or gross revenues. The Board also determined for all of the relationships between U.S. Bancorp and our directors or the directors affiliated companies, that none of the relationships had unique characteristics that could influence the director s impartial judgment as a director of U.S. Bancorp.

The business relationships between U.S. Bancorp and our directors or the directors affiliated companies that were considered by the Board were:

- U.S. Bank National Association, U.S. Bancorp s principal banking subsidiary, operates seven ATMs in certain facilities owned by Medtronic, Inc., of which Arthur D. Collins, Jr. is Chairman and Chief Executive Officer;

- Olivia F. Kirtley served as a member of U.S. Bank s Louisville advisory board prior to her election as a director of U.S. Bancorp;

- U.S. Bancorp subsidiaries distribute fixed and variable rate annuities and other life insurance products through a selling agreement with affiliates of Ohio National Financial Services, Inc., of which David B. O Maley is Chairman, President and Chief Executive Officer, and U.S. Bancorp also purchases certain insurance products from affiliates of Ohio National Financial Services; and

- U.S. Bank acts as a marketing sponsor of, and operates ATMs in, certain adventure parks that are owned by Busch Entertainment Corporation, a wholly-owned subsidiary of Anheuser-Busch Companies, Inc., of which Patrick T. Stokes is currently Chairman and served as President and Chief Executive Officer during a portion of 2006.

The Board also considered the relationship between U.S. Bancorp and Craig D. Schnuck that is described later in this proxy statement under the heading Certain Relationships and Related Transactions.

Ms. Buyniski Gluckman could not be deemed independent under the rules of the New York Stock Exchange because, through fiscal year 2005, U.S. Bancorp paid for dental plan benefits administration services totaling more than $100,000 to United Medical Resources, Inc., a company that was wholly-owned by Ms. Buyniski Gluckman in 2005. Mr. Davis and Mr. Grundhofer are not independent because they are the current and former chief executive officers of U.S. Bancorp, respectively.

Director Qualifications and Selection Process

Director Qualification Standards. U.S. Bancorp will only consider as candidates for director individuals who possess the highest personal and professional ethics, integrity and values, and who are committed to representing the long-term interests of our shareholders. In evaluating candidates for nomination as a director of U.S. Bancorp, the Governance Committee will also consider other criteria, including current or recent experience as a chief executive officer of a public company or as a leader of another major complex organization; business and financial expertise; geography; experience as a director of a public company; gender and ethnic diversity on the Board; independence; and general criteria such as ethical standards, independent thought, practical wisdom and mature judgment. In addition, directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively, and should be committed to serving on the Board for an extended period of time. One or more of our directors is required to possess the education or experience required to qualify as an audit committee financial expert.

Director Nominee Selection Process. The selection process for director candidates includes the following steps: (1) identification of director candidates by the Governance Committee based upon suggestions from current directors and executives and recommendations received from shareholders; (2) possible engagement of a director search firm to provide names and biographies of director candidates for the Governance Committee s consideration; (3) interviews of candidates by the Chair of the Governance Committee and two other Governance Committee members; (4) reports to the Board by the

Governance Committee on the selection process; (5) recommendations by the Governance Committee; and (6) formal nominations by the Board for inclusion in the slate of directors at the annual meeting. Director candidates recommended by shareholders are given the same consideration as candidates suggested by directors and executive officers. A shareholder seeking to recommend a prospective candidate for the Governance Committee s consideration should submit the candidate s name and sufficient written information about the candidate to permit a determination by the Governance Committee whether the candidate meets the director selection criteria set forth in our Corporate Governance Guidelines to the Secretary of U.S. Bancorp at the address listed on page 5 of this proxy statement.

Board Meetings and Committees

The Board of Directors conducts its business through meetings of the Board and the following standing committees: Audit, Governance, Compensation, Credit and Finance, Community Outreach and Fair Lending, and Executive. The standing committees regularly report on their activities and actions to the full Board. Each of the standing committees has the authority to engage outside experts, advisors and counsel to the extent it considers appropriate to assist the committee in its work. Each of the standing committees has adopted and operates under a written charter. These charters can be found on our website at usbank.com by clicking on About U.S. Bancorp and then Corporate Governance. Shareholders may request a free printed copy of any of these charters from our investor relations department by contacting them at investorrelations@usbank.com or by calling (866) 775-9668.

The Board of Directors held six meetings during fiscal year 2006. Each director attended at least 75% of the total meetings of the Board and Board committees on which the director served during the fiscal year.

The following table reflects the membership of each Board committee.

Committee Membership

Name	Audit	Governance	Compensation	Credit and Finance	Community Outreach and Fair Lending	Executive
Victoria Buyniski Gluckman				P	P	
Arthur D. Collins, Jr.		Chair	P			P
Peter H. Coors		P	P			
Richard K. Davis				P		P
Jerry A. Grundhofer				P		Chair
Joel W. Johnson	P			P		
Olivia F. Kirtley	Vice Chair	P				
Jerry W. Levin		P	Chair			P
David B. O Maley		P		P		
O dell M. Owens, M.D., M.P.H.	P				Chair	P
Richard G. Reiten	P				P	
Craig D. Schnuck				P	P	
Warren R. Staley	Chair		P			P
Patrick T. Stokes			P	Chair		P

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Audit Committee

The Audit Committee is responsible for assisting the Board of Directors in monitoring the quality and integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications and independence of our independent auditor, and the performance of our internal audit function and independent auditor. The Audit Committee has sole authority to retain and terminate the independent auditor and is directly responsible for the compensation and oversight of the work of the independent auditor. The Audit Committee reviews and discusses with management and the independent auditor the annual audited and quarterly financial statements (including the disclosures under Management s Discussion and Analysis of Financial Condition and Results of Operations), reviews the integrity of the financial reporting processes, both internal and external, reviews the qualifications, performance and independence of the independent auditor, and prepares the Audit Committee Report included in the proxy statement in accordance with the rules and regulations of the Securities and Exchange Commission. The Audit Committee has adopted and operates under a written charter. All of the Audit Committee members meet the existing independence and experience requirements of the New York Stock Exchange and the Securities and Exchange Commission. The Audit Committee charter generally prohibits Audit Committee members from serving on more than two other public company audit committees. Our Board of Directors has identified Warren R. Staley and Olivia F. Kirtley, our Audit Committee Chair and Vice Chair, respectively, as audit committee financial experts under the rules of the Securities and Exchange Commission. The Audit Committee held nine meetings in 2006. During four of the meetings, the Audit Committee met in private session with the Chief Risk Officer, the Director of Internal Audit and the Director of Credit Risk Assessment, and during five of the meetings met in private session with our independent auditor and alone in executive session without members of management present.

Governance Committee

The Governance Committee reviews and makes recommendations to the Board regarding our corporate governance principles and processes, including policies related to director retention, resignation and retirement. The Governance Committee also manages the performance review process for our current directors, recommends new directors, recommends qualified members of the Board for membership on committees, conducts a preliminary assessment of the independence of all Board members, reviews charters of all Board committees, reviews and evaluates succession plans for executive officers, oversees the evaluation of management, and makes recommendations to the Board regarding any shareholder proposals. All of the Governance Committee members meet the existing independence requirements of the New York Stock Exchange. The Governance Committee held seven meetings in 2006. During the five regularly scheduled meetings, the Governance Committee held an executive session without members of management present.

Compensation Committee

The Compensation Committee establishes our compensation policy, determines the compensation paid to our executive officers and non-employee directors, recommends executive incentive compensation plans and equity-based plans, and approves other compensation plans and retirement plans. The Compensation Committee approves corporate goals related to the compensation of the chief executive officer, evaluates the chief executive officer s performance and compensates the chief executive officer based on this evaluation. All of the Compensation Committee members meet the existing independence requirements of the New York Stock Exchange. The Compensation Committee held seven meetings in 2006. During each meeting, the Compensation Committee held an executive session without members of management present.

Credit and Finance Committee

The Credit and Finance Committee is responsible for reviewing lending and credit policies, reviewing management s assessment of the balance of loan growth and credit risk and reviewing management s assessment of the adequacy of credit management information systems and allowance for loan and lease losses. The Credit and Finance Committee is also responsible for reviewing and approving policies relating to interest rate sensitivity, liquidity and capital adequacy, and reviews interest rate sensitivity, liquidity, capital, securitizations, derivatives activity and investment portfolio position reports for compliance with approved policies. The Credit and Finance Committee reviews market risk management policies and risk limits and reviews reports of trading activities and risk exposure for compliance with such policies. The Credit and Finance Committee also approves and makes recommendations to the Board of Directors regarding the issuance or repurchase of debt and equity securities, reviews and evaluates potential mergers and acquisitions, and reviews other actions regarding U.S. Bancorp s capital stock. The Credit and Finance Committee held 12 meetings in 2006. During the six regularly scheduled meetings, the Credit and Finance Committee held an executive session without members of management present.

Community Outreach and Fair Lending Committee

The Community Outreach and Fair Lending Committee is responsible for reviewing our activities with respect to community development and compliance with the Community Reinvestment Act and fair lending regulations. The Community Outreach and Fair Lending Committee held three meetings in 2006. During each meeting, the Community Outreach and Fair Lending Committee held an executive session without members of management present.

Executive Committee

The Executive Committee has authority to exercise all powers of the Board of Directors between regularly scheduled Board meetings. The Executive Committee did not meet in 2006.

Executive Sessions of the Board

Our non-employee directors meet in executive session at each regular meeting of the Board without the Chief Executive Officer or any other member of management present, and the independent directors meet alone on an annual basis. The presiding director presides at all of these sessions, except that the Chairman, if not also the Chief Executive Officer, will preside at executive sessions that include non-independent directors. The role of presiding director of each executive session is rotated annually among the Chairs of each committee other than the Audit Committee and Executive Committee. The Chair of the Governance Committee is currently acting as the presiding director.

Director Policies

Policy Regarding Service on Other Boards. Our Board of Directors has established a policy that restricts our directors from serving on the boards of directors of more than three public companies in addition to their service on our Board of Directors unless the Board determines that such service will not impair their service on the U.S. Bancorp Board. In accordance with this policy, the Board has determined that Richard G. Reiten s service on our Board would not be impaired by his service on four other public company boards of directors.

Policy Regarding Attendance at Annual Meetings. We encourage, but do not require, our Board members to attend the annual meeting of shareholders. Last year all of our directors attended the annual shareholders meeting.

Retirement Policy. Our Board of Directors has established a guideline that an independent director retire at the first annual meeting of shareholders held after his or her 72nd birthday.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Compensation Philosophy

Guiding Principles. U.S. Bancorp s compensation philosophy was developed to balance and align the goals of executive management and shareholders. The program is intended to attract, motivate, reward and retain the management talent required to achieve our corporate objectives and increase shareholder value, while at the same time making the most efficient use of shareholder resources. To this end, the compensation philosophy puts a strong emphasis on pay for performance, to correlate the long-term growth of shareholder value with management s most significant compensation opportunities.

The three primary components of compensation for our senior executives are base salary, annual cash incentive bonus opportunity and long-term, equity-based incentive compensation. On a longer-term basis, we also provide senior management with retirement benefits that are earned over time.

The relative weighting of the three components is designed to strongly reward long-term performance. Base pay is targeted at or below median market levels and typically represents 12% to 15% percent of total compensation. The annual cash incentive component is targeted at the 60th percentile of our peer group and depends on the achievement of annual performance objectives that are established in advance of the performance year being measured. If performance objectives are met, this component would represent approximately 20% to 30% of total compensation. Finally, the long-term equity component is 55% to 60% of total annual compensation and represents an opportunity to earn value in future years for our most senior executives, but only to the extent there is long-term growth in shareholder value through stock appreciation.

The long-term component of compensation has historically most often been provided in the form of stock options that vest ratably over four years. The Compensation Committee has used stock options, rather than other forms of long-term incentives, because they create value for the executive only if shareholder value is increased through an increased share price. We believe this creates strong alignment between the interests of management and shareholders. We also believe stock options help us attract and retain talented executives.

Stock Ownership. Along with the emphasis on stock options, the Compensation Committee established stock ownership guidelines for executive managers in 2002. The requirement for the chief executive officer is ownership of stock valued at five times current annual salary. The stock ownership requirement for other executive officers is ownership of stock valued at four times current annual salary. All of the executive officers named in the Summary Compensation Table in this proxy statement currently hold sufficient amounts of our common stock to meet or exceed the stock ownership requirements in addition to holding significant amounts of vested, in-the-money options to acquire our common stock (which do not count toward the stock ownership requirements).

Determination of Compensation. The Compensation Committee of the Board of Directors is composed entirely of independent outside directors and is responsible for setting our compensation policy. The Compensation Committee also has responsibility for setting each component of compensation for the chief executive officer and the chief operating officer (if there is such an officer), with the assistance and guidance of an independent professional compensation advisor. The Compensation Committee is also responsible for setting the total compensation of members of the Board of Directors. The chief executive officer and the executive vice president of human resources, with the help of an independent compensation consultant, develop initial recommendations for all components of compensation for the direct reports of the chief executive officer and chief operating officer and present their recommendations to the Compensation Committee for review and approval. The chief executive officer, the chief operating officer and their direct reports make up our Managing Committee.

The Compensation Committee desires to establish appropriate incentives for management to achieve excellence in financial performance. While the primary performance measure under the U.S. Bancorp Executive Incentive Plan (the EIP) is our net income, the Compensation Committee also sets earnings per share (EPS) objectives at the beginning of the performance year for expected performance. In determining actual annual cash bonuses, the Compensation Committee considers the EPS growth of the peer group of banks relative to our EPS growth, and makes adjustments in the actual incentive payment amounts under the EIP to reflect our actual performance relative to peer institutions. The expectation is that material weight should be given to performance relative to peers, in part to neutralize positive or negative factors that are outside the control of management.

Use of Consultants and Peer Group Analysis. The Compensation Committee retains Deloitte Consulting to provide expertise regarding competitive compensation practices, peer analysis, and recommendations to the Compensation Committee for guidance in setting the pay of the chief executive officer and the chief operating officer and to provide a review of the compensation recommendations for the other executives. Using the peer information as a point of reference, the Compensation Committee then focuses on corporate and individual performance in determining each component of compensation. In setting the compensation of our chief executive officer and chief operating officer, the Compensation Committee uses a financial services peer group for comparative compensation data that is substantially similar to the group it uses to set annual financial performance goals. This peer group is comprised of the following companies: Bank of America Corporation, BB&T Corporation, Comerica Incorporated, Fifth Third Bancorp, KeyCorp, National City Bancorporation, The PNC Financial Services Group, Inc., Regions Financial Corporation, SunTrust Banks, Inc., Wachovia Corporation, Washington Mutual, Inc. and Wells Fargo & Company. Most, but not all, of these peer group banks are also included in the Standard & Poor s 500 Commercial Bank Index, the performance of which is shown in the stock performance chart presented on page 108 of our 2006 Annual Report to Shareholders. In setting the pay of our other executive officers, and our other most senior managers, the peer group used for comparative compensation data includes the companies discussed above and AmSouth Bancorp, The Bank of New York Company, Inc., LaSalle Bank Corporation and State Street Corporation. We use this expanded peer group for these senior employees to better reflect the peer group we compete with in the market for executive talent and to get a larger sample of comparative compensation data because each peer group company may not have a comparable position for each of our senior employees. All peer group data is based on annual bank survey information and publicly available data that is updated by the use of the consultants estimates, because final compensation data for the peer group for the current calendar year is not yet available when the Compensation Committee makes its determinations.

Policies for Equity Award Grants. The annual long-term equity awards have historically been made once a year at the January meeting of the Compensation Committee. Prior to 2007, the grants were made with an exercise price equal to the opening market price of our common stock on the date of grant. The option grant date has consistently and uniformly been the day after the Compensation Committee meeting. Beginning in 2007, equity awards to the Managing Committee will continue to be approved at the January Compensation Committee meeting, but the grant date and price will be the closing price on the first day of the trading window period following the regularly scheduled January meeting of the Board of Directors of U.S. Bancorp. The trading window period is the period of time in each calendar quarter in which our directors and officers who are not in possession of material nonpublic information are free to buy or sell our securities. The trading window period is generally open for a period of 20 trading days commencing on the first trading day after the day on which we release our quarterly or annual operating results. Grants to the larger group of employees who receive equity compensation are made during the same trading window period, but the grant date is a later date for these employees, in order to allow for communication of the dollar value of grants to the employees as part of the performance review process, and for the employees to have an opportunity to choose the mix of stock options and restricted shares they wish to receive, consistent with the choice program that U.S. Bancorp has adopted. The grant date for

those awards in 2007 was February 13, 2007. We have never had a program or practice of timing our equity grants to the release of non-public information with the purpose of affecting the value of executive compensation.

During 2006, equity grants to new hires were made on the first day of employment. Offer letters may have specified the dollar value of the equity grant, but the actual number of shares subject to the grant depended on our stock price at the opening of trading on the first day of employment and the estimated value of an option to purchase one share of our common stock, as determined by the Black-Scholes option-pricing model. Beginning in 2007, new hire grants will be made only four times a year. These grants will be made on the first day of the trading window period in each calendar quarter. The number of shares used for each grant will be determined based upon our stock price at the close of trading on the grant date and the estimated value of an option to purchase one share of our common stock, as determined by the Black-Scholes option-pricing model. New hire grants are made using authority to make grants delegated by the Compensation Committee to the chief executive officer in his capacity as a director. All delegation complies with applicable state law, the charter of the Compensation Committee and applicable U.S. Bancorp equity compensation plans.

Delegated authority may not be used to make grants to anyone who is an officer described in Section 16 of the Securities Exchange Act or who is a covered executive under Section 162(m) of the Internal Revenue Code, as amended. Those grants must be, and are, made by the Compensation Committee at a regularly scheduled or special meeting.

The Compensation Committee has maintained a consistent policy against repricing stock options. Stock options are a critical component of our compensation strategy and our goal of aligning management s interests with those of shareholders.

Tax Deductibility of Pay. Under Section 162(m) of the Internal Revenue Code, compensation in excess of $1 million that is not paid pursuant to a plan approved by shareholders and does not satisfy the performance-based exception of Section 162(m) is not deductible as a compensation expense to U.S. Bancorp. Compensation decisions for the executive officers are made with full consideration of the implications of Section 162(m). Although the Compensation Committee intends to structure arrangements in a manner that preserves deductibility under Section 162(m), it believes that maintaining flexibility is important and reserves the right to pay amounts or make awards that are nondeductible. The EIP and the U.S. Bancorp 2001 Stock Incentive Plan were approved by our shareholders and include the provisions necessary to make payments and grant awards that satisfy the performance-based exception under Section 162(m). Annual incentive bonuses under the EIP and stock option awards granted under the 2001 Stock Incentive Plan are intended to meet the performance-based exception under Section 162(m). During 2006, all compensation was deductible except for $100,000 of Mr. Grundhofer s base pay.

Total Compensation and Tally Sheets. The total annual compensation, based on components and principles generally similar to those that now apply to the executive officers named in the Summary Compensation Table below, is reviewed and approved by the Compensation Committee. In 2006, the total annual compensation of the named executive officers generally fell within the 60th to 70th percentile range of total compensation for the comparable executive in the peer group. This positioning reflects a number of factors, including our size, market capitalization and four year compound earnings per share growth. In addition to the review of total annual compensation, a tally sheet was prepared for the current and former chief executive officers summarizing their total compensation for the past three calendar years, the current value of outstanding vested and unvested equity awards (both options and restricted stock) based on year-end fair market value, and using the Black-Scholes option-pricing model for stock options where appropriate, deferred compensation balances, pension benefits and the value of any perquisites. For the other executive officers named in the Summary Compensation Table in this proxy statement, the compensation amounts, equity awards, equity values, pension benefits and deferred compensation amounts for the tables in this proxy statement were reviewed by the Compensation Committee. The Compensation Committee believes these amounts were appropriate. The tally sheets and other compensation information were reviewed in setting the current compensation amounts for the 2007 performance year.

Recoupment of Annual Incentives. The Compensation Committee will evaluate the facts and circumstances surrounding any restatement of earnings (should one occur) and, in its sole discretion, may accordingly adjust compensation of the chief executive officer, the members of the Managing Committee, and others as it deems appropriate, especially related to annual cash incentive awards. The Compensation Committee will pay annual cash incentive awards on or after the date that our Annual Report and Form 10-K is filed with the Securities and Exchange Commission.

Components of our Compensation Program:

Base Pay. The base pay component of total compensation is paid in cash on a semi-monthly basis. The levels of base salaries are generally targeted at or below the median level of the peer group, typically around the 45th percentile. The individual s relative position to the median pay level is based on a variety of factors, including experience and tenure in a position, scope of responsibilities, individual performance and personal contributions to corporate performance. Annual increases, if any, are based on these same factors. Highly experienced and long-tenured executives would not typically receive an increase in base pay each year. The median pay levels are determined from survey information provided by nationally recognized consulting firms that gather compensation data from many companies. The specific companies included in the peer group are listed above.

Annual Cash Incentives. The Compensation Committee administers the EIP, the purpose of which is to reward executive officers through annual cash bonus incentives for the achievement of corporate financial objectives established in advance by the Compensation Committee. Participants in the EIP include the executive officers named in the Summary Compensation Table below. The baseline performance measure considered in determining EIP awards is net income, along with other considerations, including fully diluted earnings per share. For 2006, target EPS for purposes of the EIP was $2.57 and superior was $2.65. Our actual 2006 EPS was $2.61. To determine actual, individual awards, the Compensation Committee considers other performance measures including performance relative to our peer groups, credit quality, line of business performance measured against the annual financial plan, and individual performance. All performance measures are evaluated against pre-established objectives. The Compensation Committee also reviews and sets targets for the Annual Incentive Plan, the Relationship Manager Incentive Plan and the Performance Bonus Plan. These annual bonus plans apply to our management and employees other than the chief executive officer and the other executive officers named in the Summary Compensation Table in this proxy statement. Consistent with our pay for performance philosophy, all employees are eligible for some form of incentive opportunity. The Compensation Committee also considers the recommendations of the chief executive officer, and related rationale for each of the senior executive staff for awards for executives other than the chief executive officer.

Target levels for annual cash bonuses paid pursuant to the EIP are intended to give executives the opportunity for total annual cash compensation to increase to about the 60th percentile level of our peer group, based upon corporate performance. The Compensation Committee establishes target annual incentive awards for each executive officer as a percentage of base salary. Targets for the executive officers named in the Summary Compensation Table in this proxy statement ranged from 120% to 300% of base salary. As discussed above, more than half of total cash compensation depends upon our financial results. The individual targets are discussed below under the heading Compensation Levels and Performance of Individual Named Executive Officers.

Long-term Incentive Awards. The Compensation Committee also administers the U.S. Bancorp 2001 Stock Incentive Plan. Stock options, restricted stock and other performance-based stock awards may be granted pursuant to the plan. The range of the potential dollar amounts of the long-term incentive awards is primarily based on the peer group compensation surveys discussed above. The initial target levels are set at the 70th to 75th percentile of our peer group. Individual awards are made generally within this range, based on factors including corporate performance and individual responsibilities and performance. Stock options granted to executive officers in 2006 vest ratably over four years from the grant date. We use stock options with a fair market value exercise price. Approximately 2,450 managers including our chief executive officer are currently eligible for annual equity awards under this plan.

Compensation Levels and Performance of Individual Named Executive Officers

As described above, the core components of 2006 compensation for each of the officers named in the Summary Compensation Table below consisted of base salary, annual bonus and long-term incentive awards. The level for each of these components was determined by the Compensation Committee consistent with the principles described in this report and those used for other executive officers. For the long-term incentive equity awards discussed below, the number of shares awarded was based on the same estimated value of an option to purchase one share of our common stock, as determined using the Black-Scholes option-pricing model, that is being used for financial reporting purposes under FAS 123R. Also, the compensation discussion below uses the equity award made in January 2007, as this award is the one used by the Compensation Committee in reviewing the total 2006 compensation package. The significant assumptions used in the calculation of the estimated Black-Scholes value of the January 2007 awards were as follows:

Estimated life of option	5 years	Risk free interest rate	4.7 %
Dividend yield of stock	4.3%	Volatility	20.3 %

Mr. Davis s base pay in 2006 was $625,000, which was the same as his pay in 2005. Based on our peer group, Mr. Davis s base pay was at approximately the 76th percentile for chief operating officers. Mr. Davis became our chief executive officer on December 12, 2006, and his 2006 pay reflected the planned move into this position. His base pay in comparison to our chief executive officer peer group data was below the 25th percentile. Mr. Davis received a cash incentive bonus of $1,500,000 in February 2007 for the year ended December 31, 2006. This was a decrease of $250,000 over 2005, but it was 120% of his target level. It is estimated that this award was at approximately the 36th percentile of the chief executive officer peer group. His total cash compensation for 2006 was $2,125,000 and represented a decrease of $250,000 over 2005. Based on the chief executive officer peer group analysis, his total cash compensation was below the 25th percentile level. Mr. Davis also received a long-term incentive award in the form of stock options on January 17, 2007, to acquire 919,118 shares of our common stock at an exercise price equal to the fair market value on the date of grant, with an estimated Black-Scholes value of $5,000,000. This award was estimated to be at approximately the 45th percentile of the chief executive officer peer group and was an increase of $1,500,000 over his 2005 award (made on January 17, 2006). His total direct compensation for 2006 (base pay, cash incentive bonus and 2007 long-term incentive award) was $7,125,000, an increase of $1,250,000 (21.3%) over 2005. During 2005, Mr. Davis did not serve as our chief executive officer. It was estimated his total direct compensation for 2006 was at approximately the 36th percentile of the peer group. In arriving at the 2006 compensation amounts, the Compensation Committee considered our financial and operating performance for 2006, including the increase in EPS and high return on equity. The Compensation Committee awarded Mr. Davis a cash incentive award equal to 120% of the target award level established a year earlier, based on our having exceeded financial goals for the year and on his strong leadership. The Compensation Committee took into consideration the actual increase in the EPS of the peer group of banks, the efforts of Mr. Davis in preparing U.S. Bancorp for a successful transition from the previous chief executive officer and the overall economic environment in which the above target returns were achieved.

Mr. Moffett s base pay in 2006 was $550,000, which was an increase of $25,000, or 4.8%, over his pay in 2005. Based on our peer group, this was at approximately the 57th percentile for chief financial officers. Mr. Moffett received a cash incentive bonus of $1,000,000 in February 2007 for the year ended December 31, 2006. This was a decrease of $250,000 over 2005, but it was 121% of his target level. His total cash compensation for 2006 was $1,550,000 and represented a decrease of $225,000 over 2005. Based on peer group analysis, his total cash compensation was at approximately the 57th percentile level. Mr. Moffett also received a long-term incentive award in the form of stock options on January 17, 2007, to acquire 460,300 shares of our common stock at an exercise price equal to the fair market value on the date of grant, with an estimated Black-Scholes value of $2,500,000. This award was estimated to be at approximately the 68th percentile of the peer group and was the same as his prior year s award (received on January 17, 2006). His total direct compensation (base pay, cash incentive bonus and 2007 long-term incentive award) was $4,050,000, a decrease of $225,000 over 2005. It was estimated his total direct compensation was at approximately the 62nd percentile of the peer group. In arriving at the 2006 compensation amounts, the Compensation Committee considered our financial and operating performance for 2006, including the increase in EPS and high return on equity. The Compensation Committee awarded Mr. Moffett a cash incentive award equal to 121% of the target award level established a year earlier, based on U.S. Bancorp exceeding its financial goals for the year and in particular, the contribution of the treasury and tax departments within his financial group that contributed to our overall superior performance through investment management and a lower effective tax rate in 2006. The Compensation Committee took into consideration the actual increase in the EPS of the peer group of banks and the overall economic environment in which the above-target returns were achieved.

Mr. Chenevich s base pay in 2006 was $475,000, which was an increase of $25,000, or 5.6%, over his pay in 2005. Based on our peer group, this was at approximately the 49th percentile for a Vice Chairman serving as a chief information officer with operations responsibilities. Mr. Chenevich received a cash incentive bonus of $565,000 in February 2007 for the year ended December 31, 2006. This was a decrease of $60,000 (9.6%) over 2005, and it was 95% of his target level. His total cash compensation for 2006 was $1,040,000 and represented a decrease of $35,000, or 3.3%, over 2005. Based on peer group analysis, his total cash compensation was at approximately the 49th percentile level and about 99% of the median total cash compensation. Mr. Chenevich also received a long-term incentive award in the form of stock options on January 17, 2007, to acquire 413,603 shares of our common stock at an exercise price equal to the fair market value on the date of grant, with an estimated Black-Scholes value of $2,250,000. This award was estimated to be at approximately the 75th percentile of the peer group and was the same as his 2005 award. His total direct compensation (base pay, cash incentive bonus and 2007 long-term incentive award) was $3,290,000, a decrease of $35,000, or 1.1%, over 2005. It was estimated his total direct compensation was at approximately the 69th percentile of the peer group. The Compensation Committee awarded Mr. Chenevich a cash incentive award equal to 95% of the target award level established a year earlier. The award level was slightly less than his target because the overall corporate goals for revenue growth and business line targeted results were not met, but his individual performance was superior and his business line met its financial plan, which contributed to the overall increase in EPS and high return on equity. The Compensation Committee also took into consideration the actual increase in the EPS of the peer group of banks and the overall economic environment in which the above-target returns were achieved.

Mr. Cecere s base pay in 2006 was $400,000, which was the same as his pay in 2005. Within our peer group, there was not a good match to the specific responsibilities and lines of business that Mr. Cecere leads. We used a mix of two comparable areas of responsibility to provide some guidelines for his position, as well as internal comparisons to other vice chairmen. Based on the average of these two areas of responsibility, his base pay was approximately 75% of the median and was below the 25th percentile.

Mr. Cecere received a cash incentive bonus of $625,000 in February 2007 for the year ended December 31, 2006. This was an increase of $75,000 over 2005, and it was 125% of his target level. His total cash compensation for 2006 was $1,025,000 and represented an increase of $75,000 over 2005. Based on peer group analysis, his total cash compensation was at approximately 75% of the median total cash compensation. Mr. Cecere also received a long-term incentive award in the form of stock options on January 17, 2007, to acquire 321,691 shares of our common stock at an exercise price equal to the fair market value on the date of grant, with an estimated Black-Scholes value of $1,750,000. This award was about 138% of median long-term awards of the peer group and was estimated to be at approximately the 60th percentile of the peer group. It was an increase of $150,000 over his 2005 award (made on January 17, 2006). His total direct compensation (base pay, cash incentive bonus and 2007 long-term incentive award) was $2,775,000, an increase of 8.8% over 2005. It was estimated his total direct compensation was at approximately the 50th percentile of the peer group. The Compensation Committee awarded Mr. Cecere a cash incentive award equal to 125% of the target award level established a year earlier, based on his business line having met its overall goals for revenue growth, expense control and business line targeted results combined with the overall increase in EPS and high return on equity. The Compensation Committee also took into consideration the actual increase in the EPS of the peer group of banks and the overall economic environment in which the above-target returns were achieved.

Mr. Mitau s base pay in 2006 was $375,000, which was an increase of $20,000, or 5.6%, over his pay in 2005. Based on our peer group, this was at approximately the 47th percentile for an Executive Vice President and General Counsel. Mr. Mitau received a cash incentive bonus of $405,000 in February 2007 for the year ended December 31, 2006. This was a decrease of $20,000 (4.7%) over 2005, and it was 90% of his target level. His total cash compensation for 2006 was $780,000 and the same as his 2005 pay. Based on peer group analysis, his total cash compensation was at approximately the 43rd percentile level and about 90% of the median total cash compensation. Mr. Mitau also received a long-term incentive award in the form of stock options on January 17, 2007, to acquire 220,588 shares of our common stock at an exercise price equal to the fair market value of our common stock on the date of grant, with an estimated Black-Scholes value as of the date of grant of $1,200,000. This award was estimated to be at approximately the 75th percentile of the peer group and was the same as his 2005 award. His total direct compensation (base pay, cash incentive bonus and long-term incentive award) was $1,980,000 and the same as his 2005 total. It was estimated his total direct compensation was at approximately the 63rd percentile of the peer group. The Compensation Committee awarded Mr. Mitau a cash incentive award equal to 90% of the target award level established a year earlier. The award level was less than his target because the overall corporate goals for revenue growth and business line targeted results were not met, but his individual performance was above average and corporate performance showed an increase in EPS and high return on equity. The Compensation Committee also took into consideration the actual increase in the EPS of the peer group of banks and the overall economic environment in which the above-target returns were achieved.

Mr. Grundhofer s base pay in 2006 was $1,100,000, which was the same as his pay in 2005. Based on our peer group, this was at approximately the 90th percentile for a chief executive officer. Mr. Grundhofer received a cash incentive bonus of $4,000,000 in February 2007 for the year ended December 31, 2006. This was a decrease of $1,000,000 (20%) over 2005, but it was 121% of his target level. His total cash compensation for 2006 was $5,100,000 and represented a decrease of $1,000,000, or 16.4%, over 2005. Based on peer group analysis, his total cash compensation was at approximately the 72nd percentile level and about 140% of the median total cash compensation. Mr. Grundhofer did not receive a long-term incentive award in January 2007, as he retired on December 31, 2006. The Compensation Committee awarded Mr. Grundhofer a cash incentive award equal to 121% of the target award level established a year earlier. The award level was greater than his target because of the overall increase in EPS and high return on equity, even though the overall corporate goals for revenue growth and business line targeted results were not met. The Compensation Committee also took into consideration the actual increase in the EPS of the peer group of banks and the overall economic environment in which the above target returns were achieved.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

Compensation Committee of the Board of Directors of U.S. Bancorp

Jerry W. Levin, *Chair*
Arthur D. Collins, Jr.
Peter H. Coors
Warren R. Staley
Patrick T. Stokes

Employment Agreement with Jerry A. Grundhofer

Mr. Grundhofer had an employment agreement with U.S. Bancorp providing for his continued services and leadership through 2006, as well as comprehensive non-competition and other restrictive covenants after termination of his employment. Under the agreement, he agreed to serve as chief executive officer for a term ending on December 31, 2006, and was elected Chairman of U.S. Bancorp effective December 30, 2002. The agreement provided for an annual base salary of at least $975,000 and entitled Mr. Grundhofer to an annual bonus based on corporate performance for that year. As partial consideration for the non-competition and other restrictive covenants contained in the agreement and in order to provide long-term compensation and retention incentives, the agreement also included an award of 300,268 restricted stock units, which vested on December 31, 2006, and could have been distributed to him in an equivalent number of shares of our common stock on January 15, 2007. Under the terms of the agreement, the value of these restricted stock units at the time of grant was included in eligible earnings in the final year of his employment under our non-qualified retirement plan. The agreement further provided that, prior to the date of distribution, Mr. Grundhofer could elect to surrender the restricted stock units at the vesting date and receive the then-current value of the units as retirement income using the terms and assumptions set forth in our non-qualified retirement plan to determine the benefit. Mr. Grundhofer made this election. In the event Mr. Grundhofer s employment had been terminated by U.S. Bancorp other than for cause or disability, or voluntarily by him for good reason, either before or following a change-in-control of U.S. Bancorp, Mr. Grundhofer would also have been entitled to receive certain severance payments. As no such termination occurred, Mr. Grundhofer is no longer entitled to any severance benefits.

Summary Compensation Table

The following table shows the cash and non-cash compensation for the last fiscal year awarded to or earned by individuals who served as our chief executive officer or chief financial officer and each of our three other most highly compensated executive officers during fiscal year 2006.

Summary Compensation Table

Name and Principal Position	**Year**	**Salary** ($)(1)	**Bonus** ($)(2)	**Stock Awards** ($)(3)	**Option Awards** ($)(4)	**Non-Equity Incentive Plan Compensation** ($)(5)	**Change in Pension Value and Non-Qualified Deferred Compensation Earnings** ($)(6)	**All Other Compensation** ($)	**Total** ($)
Richard K. Davis President and Chief Executive Officer	2006	625,024		99,678	2,421,794	1,500,000	1,248,437	21,563 (7)	5,916,496
David M. Moffett(8) Former Vice Chairman and Chief Financial Officer	2006	550,021		99,678	1,863,678	1,000,000	1,393,171	32,441 (9)	4,938,989
William L. Chenevich Vice Chairman, Technology and Operations Services	2006	475,018		196,215	1,819,626	565,000	1,283,938	28,562 (10)	4,368,359
Andrew Cecere(11) Vice Chairman and Chief	2006	400,015		145,028	1,337,754	625,000	100,023	12,023 (12)	2,619,843