

US BANCORP \DE\
Form 424B2
March 12, 2008

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PROSPECTUS SUPPLEMENT
(To Prospectus dated May 12, 2005)

20,000,000 Depositary Shares Each Representing a 1/1,000th Interest
in a Share of Series D Non-Cumulative Perpetual Preferred Stock

U.S. Bancorp is offering 20,000,000 depositary shares each representing a 1/1,000th ownership interest in a share of Series D Non-Cumulative Perpetual Preferred Stock, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 per depositary share) (the "Series D Preferred Stock"). As a holder of depositary shares, you will be entitled to all proportional rights and preferences of the Series D Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depositary.

Dividends on the Series D Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on the 15th day of January, April, July and October of each year, commencing on July 15, 2008, at a rate per annum equal to 7.875%. If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series D Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall cease to accrue and be payable, and we will have no obligation to pay dividends accrued for such dividend period, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.

The Series D Preferred Stock is not redeemable prior to April 15, 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option, in whole at any time or in part from time to time, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The Series D Preferred Stock will not have any voting rights, except as set forth under "Description of Series D Preferred Stock - Voting Rights" on page S-16.

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

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

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds, Before Expenses, to Company
Per depositary share	\$ 25.00	\$ 0.25	\$ 24.75
Total	\$ 500,000,000	\$ 5,000,000	\$ 495,000,000

(1) U.S. Bancorp will pay the underwriters compensation of \$0.7875 per depositary share for sales to retail investors. As a result of such sales, the total underwriting discount will increase, and the total proceeds to U.S. Bancorp will decrease, by \$3,377,650.

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

The underwriters are offering our depositary shares as set forth under Underwriting. Delivery of the depositary shares in book-entry form through The Depository Trust Company is expected to be made on or about March 17, 2008.

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

Prospectus Supplement dated March 10, 2008

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

to U.S. Bancorp.

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

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SUMMARY

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

About U.S. Bancorp

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

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

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THE OFFERING

Issuer	U.S. Bancorp
Securities offered	<p>20,000,000 depositary shares each representing a 1/1,000th ownership interest in a share of Series D Non-Cumulative Perpetual Preferred Stock, \$1.00 par value, with a liquidation preference of \$25,000 per share (equivalent to \$25 per depositary share) of U.S. Bancorp (the Series D Preferred Stock). Each holder of a depositary share will be entitled, through the depositary, in proportion to the applicable fraction of a share of Series D Preferred Stock represented by such depositary share, to all the rights and preferences of the Series D Preferred Stock represented thereby (including dividend, voting, redemption and liquidation rights).</p> <p>We may from time to time elect to issue additional depositary shares representing shares of the Series D Preferred Stock, and all the additional shares would be deemed to form a single series with the Series D Preferred Stock.</p>
Dividends	<p>Dividends on the Series D Preferred Stock, when, as and if declared by our board of directors or a duly authorized committee of the board, will accrue and be payable on the liquidation preference amount, on a non-cumulative basis, quarterly in arrears on each dividend payment date, at a rate per annum equal to 7.875%. Any such dividends will be distributed to holders of depositary shares in the manner described under Description of Depositary Shares Dividends and Other Distributions below.</p> <p>A dividend period is the period from and including a dividend payment date to but excluding the next dividend payment date, except that the initial dividend period will commence on and include the original issue date of the Series D Preferred Stock.</p> <p>If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series D Preferred Stock before the dividend payment date for any dividend period, such dividend shall not be cumulative and shall cease to accrue and be payable, and we will have no obligation to pay dividends accrued for such dividend period, whether or not dividends on the Series D Preferred Stock are declared for any future dividend period.</p> <p>So long as any share of Series D Preferred Stock remains outstanding, (1) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any junior stock (other than a dividend payable solely in junior stock), (2) no shares of junior stock shall be repurchased, redeemed or otherwise acquired for consideration by us, directly or indirectly (other than as a result of a reclassification of junior stock for or into other junior stock, or the exchange or conversion of one share of junior stock for or into another</p>

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

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

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

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

Dividend payment dates

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

Redemption

The Series D Preferred Stock is not redeemable prior to April 15, 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option, in whole at any time or in part from time to time, at a redemption price equal to \$25,000 per share (equivalent to \$25 per depositary share), plus any declared and unpaid dividends, without accumulation of any undeclared dividends. Neither the holders of Series D Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series D Preferred Stock.

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

Replacement Capital Covenant

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

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

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

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

133.33% of

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

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

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

Liquidation rights

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

ranking equally as to such distribution).

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

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

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

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

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

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

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RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

Dividends on Series D Preferred Stock Are Non-Cumulative

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

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

The Series D Preferred Stock is a perpetual equity security. The Series D Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors. By its terms, the Series D Preferred Stock may be redeemed by us at our option either in whole at any time or in part from time to time on or after April 15, 2013. Any decision we may make at any time to propose a redemption of the Series D Preferred Stock will depend upon, among other things, our evaluation of our capital position, the composition of our shareholders equity and general market conditions at that time. Our right to redeem the Series D Preferred Stock is subject to two important limitations.

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

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

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

133.33% of

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

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

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

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

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

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

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

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

Holders of Series D Preferred Stock Will Have Limited Voting Rights

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

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

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

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

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

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FORWARD-LOOKING STATEMENTS

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

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

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

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