

US BANCORP \DE\
Form 424B2
March 23, 2006

Table of Contents**PROSPECTUS SUPPLEMENT
(To Prospectus dated May 12, 2005)**

**Filed Pursuant to Rule 424b2
File No. 333-124535**

**40,000,000 Depositary Shares Each Representing a 1/1,000th Interest
in a Share of Series B Non-Cumulative Perpetual Preferred Stock**

U.S. Bancorp is offering 40,000,000 depositary shares each representing a 1/1,000th ownership interest in a share of Series B 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 B Preferred Stock). As a holder of depositary shares, you will be entitled to all proportional rights and preferences of the Series B Preferred Stock (including dividend, voting, redemption and liquidation rights). You must exercise such rights through the depositary.

Dividends on the Series B 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 from the original issue date, 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, 2006, at a rate per annum equal to the greater of (1) 0.60% above three-month LIBOR on the related LIBOR determination date or (2) 3.50%. If our board of directors or a duly authorized committee of the board has not declared a dividend on the Series B 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 B Preferred Stock are declared for any future dividend period.

The Series B Preferred Stock is not redeemable prior to April 15, 2011. On and after that date, the Series B 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 B Preferred Stock will not have any voting rights, except as set forth under Description of Series B Preferred Stock Voting Rights on page S-19.

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

	Price to Public	Underwriting Discounts and Commissions	Proceeds, Before Expenses, to Company
Per depositary share	\$ 25.00	\$ 0.25	\$ 24.75
Total	\$ 1,000,000,000	\$ 10,000,000	\$ 990,000,000

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.

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, the Bank Insurance Fund or any other government agency. Application will be made to list the depositary shares on the New York Stock Exchange under the symbol USB PrH.

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 27, 2006.

Joint Book-runners

Merrill Lynch & Co.
Structuring Advisor

Morgan Stanley

Prospectus Supplement dated March 22, 2006.

TABLE OF CONTENTS

<u>Prospectus Supplement</u>	Page
<u>Summary</u>	S-1
<u>Risk Factors</u>	S-8
<u>Forward-Looking Statements</u>	S-12
<u>U.S. Bancorp</u>	S-13
<u>Use of Proceeds</u>	S-13
<u>Ratio of Earnings to Fixed Charges and Combined Fixed Charges and Preferred Stock Dividends</u>	S-13
<u>Regulatory Matters</u>	S-14
<u>Description of Series B Preferred Stock</u>	S-15
<u>Description of Depositary Shares</u>	S-21
<u>Book-Entry Issuance</u>	S-23
<u>Certain Terms of the Replacement Capital Covenant</u>	S-25
<u>Certain U.S. Federal Income Tax Considerations</u>	S-26
<u>Underwriting</u>	S-29
<u>Legal Matters</u>	S-31
<u>Experts</u>	S-31
 <u>Prospectus</u> 	
<u>About this Prospectus</u>	3
<u>Where You Can Find More Information</u>	3
<u>About U.S. Bancorp</u>	4
<u>Use of Proceeds</u>	5
<u>Ratio of Earnings to Fixed Charges</u>	5
<u>Description of Debt Securities</u>	5
<u>Description of Preferred Stock</u>	12
<u>Description of Depositary Shares</u>	16
<u>Description of Common Stock</u>	19
<u>Description of Debt Warrants</u>	22
<u>Description of Equity Warrants</u>	23
<u>Description of Units</u>	24
<u>Foreign Currency Risks</u>	26
<u>Book-Entry Issuance</u>	27
<u>Plan of Distribution</u>	28
<u>Validity of Securities</u>	29
<u>Experts</u>	29
<u>Glossary</u>	30

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 refer 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.

S-i

Table of Contents

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 depository shares, as well as the tax and other considerations that are important to you in making a decision about whether to invest in the depository 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 depository 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 (612) 303-0799.

Table of Contents

THE OFFERING

Issuer	U.S. Bancorp
Securities offered	<p>40,000,000 depositary shares each representing a 1/1,000th ownership interest in a share of Series B 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 B 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 B Preferred Stock represented by such depositary share, to all the rights and preferences of the Series B 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 B Preferred Stock, and all the additional shares would be deemed to form a single series with the Series B Preferred Stock.</p>
Dividends	<p>Dividends on the Series B 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 from the original issue date, on a non-cumulative basis, quarterly in arrears on each dividend payment date, at a rate per annum equal to the greater of (1) 0.60% above three-month LIBOR on the related LIBOR determination date or (2) 3.50%. 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>Three-month LIBOR for each dividend period will be the offered rate per annum for three-month deposits in U.S. dollars as that rate appears on Moneyline Telerate page 3750 as of 11:00 A.M., London time, on the second London business day immediately preceding the first day of the dividend period, except as otherwise determined by the calculation agent in the manner described under Description of Series B Preferred Stock Dividends 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 B 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 B 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</p>

Table of Contents

the Series B Preferred Stock are declared for any future dividend period.

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

Subject to the foregoing, and not otherwise, such 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 B Preferred Stock from time to time out of any assets legally available for such payment, and the holders of the Series B 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, 2006. 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 B Preferred Stock is not redeemable prior to April 15, 2011. On and after that date, the Series B 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

Table of Contents

\$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 B Preferred Stock nor holders of depositary shares will have the right to require the redemption or repurchase of the Series B Preferred Stock.

Under the Federal Reserve's risk-based capital guidelines applicable to bank holding companies, any redemption of the Series B 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 B Preferred Stock, we will enter into a Replacement Capital Covenant (as defined under Certain Terms of the Replacement Capital Covenant) relating to the Series B 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 B Preferred Stock.* However, the Replacement Capital Covenant could preclude us from redeeming or repurchasing shares of Series B Preferred Stock at a time we might otherwise wish to redeem or repurchase shares of Series B Preferred Stock.

In the Replacement Capital Covenant, we covenant to redeem or repurchase shares of Series B Preferred Stock only if and to the extent that (a) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of (i) 133.33% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to such date from the issuance and sale of common stock of U.S. Bancorp *plus* (ii) 100% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to such date from the issuance of certain other specified securities that (A) 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 B Preferred Stock at that time, and (B) qualify as tier 1 capital of U.S. Bancorp under the risk-based capital guidelines of the Federal Reserve; and (b) we have obtained the prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve.

Liquidation rights

Upon any voluntary or involuntary liquidation, dissolution or winding up of U.S. Bancorp, holders of shares of Series B 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 B 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

Table of Contents

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 B Preferred Stock (*pro rata* as to the Series B Preferred Stock and any other shares of our stock ranking equally as to such distribution).

Voting rights

None, except with respect to authorizing or increasing senior stock, certain changes in the terms of the Series B Preferred Stock and in the case of certain dividend non-payments. See Description of Series B 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 B Preferred Stock below.

Ranking

Shares of the Series B Preferred Stock will rank senior to our common stock, equally with the U.S. Bancorp Series A Non-Cumulative Perpetual Preferred Stock, if and when issued, 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 B Preferred Stock), with respect to the payment of dividends and distributions upon liquidation, dissolution or winding up. See Description of Series B Preferred Stock General for a discussion of the Series A 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 B Preferred Stock does not have any maturity date, and we are not required to redeem the Series B Preferred Stock. Accordingly, the Series B 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 PrH. 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, 2009 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 B Preferred Stock, see Certain U.S. Federal Income Tax Considerations in this prospectus supplement.

Table of Contents

Use of proceeds	We intend to use the net proceeds from the sale of the depositary shares representing interests in the Series B 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 Services, 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

Table of Contents**SELECTED CONSOLIDATED CONDENSED FINANCIAL DATA**

The following is selected unaudited consolidated condensed financial information for U.S. Bancorp for the years ended December 31, 2005, 2004 and 2003. 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 2005 Annual Report on Form 10-K.

	Year Ended December 31, 2005	Year Ended December 31, 2004	Year Ended December 31, 2003
(Dollars and shares in millions, except per share data)			
Condensed Income Statement			
Net interest income (taxable-equivalent basis)	\$ 7,088	\$ 7,140	\$ 7,217
Noninterest income	6,151	5,624	5,068
Securities gains (losses), net	(106)	(105)	245
Total net revenue (taxable-equivalent basis)	13,133	12,659	12,530
Noninterest expense	5,863	5,785	5,597
Provision for credit losses	666	669	1,254
Income from continuing operations before taxes	6,604	6,205	5,679
Taxable-equivalent adjustment	33	29	28
Applicable income taxes	2,082	2,009	1,941
Income from continuing operations	4,489	4,167	3,710
Discontinued operations (after-tax)			23
Net income	\$ 4,489	\$ 4,167	\$ 3,733
Financial Ratios			
Return on average assets	2.21%	2.17%	1.99%
Return on average equity	22.5	21.4	19.2
Net interest margin (taxable-equivalent basis)	3.97	4.25	4.49
Efficiency ratio	44.3	45.3	45.6
Per Common Share			
Earnings per share from continuing operations	\$ 2.45	\$ 2.21	\$ 1.93
Diluted earnings per share from continuing operations	2.42	2.18	1.92
Earnings per share	2.45	2.21	1.94
Diluted earnings per share	2.42	2.18	1.93
Dividends declared per share	1.23	1.02	0.855
Average Balance Sheet Data			
Loans	\$ 133,105	\$ 122,141	\$ 118,362
Loans held for sale	1,795	1,608	3,616
Investment securities	42,103	43,009	37,248

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Earning assets	178,425	168,123	160,808
Assets	203,198	191,593	187,630
Noninterest-bearing deposits	29,229	29,816	31,715
Deposits	121,001	116,222	116,553
Short-term borrowings	19,382	14,534	10,503
Long-term debt	36,141	35,115	33,663
Shareholders' equity	19,953	19,459	19,393
Average common shares outstanding	1,831	1,887	1,924
Average diluted common shares outstanding	1,857	1,913	1,936
Period End Balances			
Loans	\$ 137,806	\$ 126,315	\$ 118,235
Allowance for credit losses	2,251	2,269	2,369
Investment securities	39,768	41,481	43,334
Assets	209,465	195,104	189,471
Deposits	124,709	120,741	119,052
Long-term debt	37,069	34,739	33,816
Shareholders' equity	20,086	19,539	19,242
Regulatory capital ratios			
Tangible common equity	5.9%	6.4%	6.5%
Tier 1 capital	8.2	8.6	9.1
Total risk-based capital	12.5	13.1	13.6
Leverage	7.6	7.9	8

S-7

Table of Contents

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, 2005, 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 B Preferred Stock

As described in this prospectus supplement, we are issuing fractional interests in shares of Series B Preferred Stock in the form of depositary shares. Accordingly, the depositary will rely on the payments it receives on the Series B 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.

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

The shares of Series B Preferred Stock are equity interests in U.S. Bancorp and do not constitute indebtedness. As such, the shares of Series B 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 B Preferred Stock. As of December 31, 2005, our indebtedness and obligations, on an unconsolidated basis, totaled approximately \$14 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 B 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 B Preferred Stock places 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 B 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.

Dividends on Series B Preferred Stock Are Non-Cumulative

Dividends on the Series B 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 B 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 B Preferred Stock or any other series of our preferred stock.

Table of Contents**Investors Should Not Expect Us to Redeem the Series B Preferred Stock on the Date It Becomes Redeemable or on any Particular Date After It Becomes Redeemable**

The Series B Preferred Stock is a perpetual equity security. The Series B Preferred Stock has no maturity or mandatory redemption date and is not redeemable at the option of investors. By its terms, the Series B Preferred Stock may be redeemed by us at our option either in whole or in part at any time on or after April 15, 2011. Any decision we may make at any time to propose a redemption of the Series B 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 B 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 B 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 B 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 B Preferred Stock that we may propose. There also can be no assurance that, if we propose to redeem the Series B Preferred Stock without replacing the Series B 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 B 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 B Preferred Stock, we are entering into the Replacement Capital Covenant, which will limit our right to redeem or repurchase the Series B Preferred Stock. In the Replacement Capital Covenant, we covenant to redeem or repurchase shares of Series B Preferred Stock only if and to the extent that (a) the total redemption or repurchase price is equal to or less than the sum, as of the date of redemption or repurchase, of (i) 133.33% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to such date from the issuance and sale of common stock of U.S. Bancorp *plus* (ii) 100% of the aggregate net cash proceeds we or our subsidiaries have received during the 180 days prior to such date from the issuance of certain other specified securities that (A) 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 B Preferred Stock at that time, and (B) qualify as tier 1 capital of U.S. Bancorp under the risk-based capital guidelines of the Federal Reserve; and (b) we have obtained the prior approval of the Federal Reserve, if such approval is then required by the Federal Reserve for redemptions of the Series B Preferred Stock.

Our ability to raise proceeds from qualifying securities during the 180 days prior to a proposed redemption or 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 B 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. In addition, the Federal Reserve has not approved as a tier 1 capital instrument, in connection with the issuance of the Series B Preferred Stock, certain of the types of securities that otherwise would be qualifying securities under the Replacement Capital Covenant and, accordingly, these securities would not constitute qualifying securities pursuant to the Replacement Capital Covenant unless such approval is obtained.

Table of Contents

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 B Preferred Stock

The terms of our outstanding junior subordinated debt securities prohibit us from declaring or paying any dividends or distributions on the Series B Preferred Stock, or redeeming, purchasing, acquiring or making a liquidation payment with respect to our Series B 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 B Preferred Stock and the Related Depositary Shares May Not Have an Active Trading Market

The Series B 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 B 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 B Preferred Stock except as represented by the depositary shares.

Holder of Series B Preferred Stock Will Have Limited Voting Rights

Holder of the Series B Preferred Stock have no voting rights with respect to matters that generally require the approval of voting shareholders. However, holders of the Series B 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 B Preferred Stock, as described under Description of Series B Preferred Stock Voting Rights below. In addition, if dividends on any shares of the Series B Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series B Preferred Stock as to payment of dividends with similar voting rights have not been declared or paid for the equivalent of six dividend payments, whether or not for consecutive dividend periods, holders of the outstanding shares of Series B Preferred Stock, together with holders of any other series of our preferred stock ranking equal with the Series B 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 B Preferred Stock Voting Rights below. Holders of depositary shares must act through the depositary to exercise any voting rights in respect of the Series B Preferred Stock.

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 B 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. At December 31, 2005, our banking subsidiaries could pay a total of approximately \$1 billion in dividends to us in a calendar year without prior regulatory approval.

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

Table of Contents

depository shares will effectively be subordinated to all existing and future liabilities and obligations of our subsidiaries.

At December 31, 2005, our subsidiaries' direct borrowings and deposit liabilities that would effectively rank senior to the Series B Preferred Stock totaled approximately \$170 billion.

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

Distributions paid to corporate U.S. holders of the depository shares out of dividends on the Series B 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 B Preferred Stock to qualify as dividends for U.S. federal income tax purposes. If any distributions on the Series B 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 depository shares may decline.

Table of Contents

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, probably, projects, outlook or similar expressions.

These forward-looking statements cover, among other things, anticipated future revenue and expenses and the future prospects of U.S. Bancorp. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including but not limited to the following, in addition to those contained in U.S. Bancorp's reports on file with the Securities and Exchange Commission (the SEC):

general economic or industry conditions could be less favorable than expected, resulting in a deterioration in credit quality, a change in the allowance for credit losses, or a reduced demand for credit or fee-based products and services;

changes in the domestic interest rate environment could reduce net interest income and could increase credit losses;

inflation, changes in securities market conditions and monetary fluctuations could adversely affect the value or credit quality of our assets, or the availability and terms of funding necessary to meet our liquidity needs;

changes in the extensive laws, regulations and policies governing financial services companies could alter our business environment or affect operations;

the potential need to adapt to industry changes in information technology systems, on which we are highly dependent, could present operational issues or require significant capital spending;

competitive pressures could intensify and affect our profitability, including as a result of continued industry consolidation, the increased availability of financial services from non-banks, technological developments or bank regulatory reform;

changes in consumer spending and savings habits could adversely affect our results of operations;

changes in the financial performance and condition of our borrowers could negatively affect repayment of such borrowers' loans;

acquisitions may not produce revenue enhancements or cost savings at levels or within time frames originally anticipated, or may result in unforeseen integration difficulties;

capital investments in our businesses may not produce expected growth in earnings anticipated at the time of the expenditure; and

acts or threats of terrorism, and/or political and military actions taken by the U.S. or other governments in response to acts or threats of terrorism or otherwise could adversely affect general economic or industry conditions.

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

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

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

Contact Information

Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota 55402, and our telephone number is (612) 303-0799.

USE OF PROCEEDS

The net proceeds from the offering of the Series B Preferred Stock by US Bancorp are estimated to be \$989,700,000. We intend to use the proceeds from the sale of the Series B Preferred Stock for general corporate purposes.

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

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

	Year Ended December 31,				
	2005	2004	2003	2002	2001
Ratio of Earnings to Fixed Charges:					
Excluding interest on deposits	4.27	5.98	6.40	4.88	2.26
Including interest on deposits	2.84	3.88	3.64	2.79	1.50
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends:					
Excluding interest on deposits	4.27	5.98	6.40	4.88	2.26
Including interest on deposits	2.84	3.88	3.64	2.79	1.50

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

Table of Contents

REGULATORY MATTERS

As a financial holding company and a bank holding company under the Bank Holding Company Act, the Federal Reserve regulates, supervises and examines U.S. Bancorp. For a discussion of the material elements of the regulatory framework applicable to financial holding companies, bank holding companies and their subsidiaries and specific information relevant to U.S. Bancorp, please refer to our annual report on Form 10-K for the fiscal year ended December 31, 2005, and any subsequent reports we file with the SEC, which are incorporated by reference in this prospectus supplement. This regulatory framework is intended primarily for the protection of depositors and the federal deposit insurance funds and not for the protection of security holders. As a result of this regulatory framework, our earnings are affected by actions of the Federal Reserve and the Office of Comptroller of the Currency, which regulates our banking subsidiaries, the Federal Deposit Insurance Corporation, which insures the deposits of our banking subsidiaries within certain limits, and the SEC, which regulates the activities of certain subsidiaries engaged in the securities business.

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

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

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