U.S. BANCORP AMENDED AND RESTATED 2007 STOCK INCENTIVE PLAN

120,000,000 Shares of Common Stock, par value $.01 per share

120,000,000 Options to Purchase Shares of Common Stock

The Common Stock is traded on the New York Stock Exchange under the ticker symbol “USB”.

This document constitutes part of a prospectus covering securities that have been registered under the Securities Act of 1933, as amended.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should only rely on the information contained in this prospectus. We have not authorized anyone to provide you with different information. We are offering to sell our securities only in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our securities.

The date of this prospectus is April 20, 2010.
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GENERAL INFORMATION ABOUT THE PLAN

The information in this prospectus relates to the U.S. Bancorp Amended and Restated 2007 Stock Incentive Plan, which we refer to as the “Plan” in this prospectus. The description of the Plan in this prospectus is subject to and qualified by the terms and conditions of the Plan. To request a copy of the Plan, or to obtain additional information about the Plan and its administrators, you may write to the Executive Compensation Department, U.S. Bancorp, 800 Nicollet Mall, Minneapolis, Minnesota 55402, or call (651) 466-3000.

The Plan is a stock incentive plan under which we may offer securities of U.S. Bancorp to our employees, officers and non-employee directors. The Plan is not subject to any provisions of the Employee Retirement Income Security Act of 1974 and is not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended.

The U.S. Bancorp 2007 Stock Incentive Plan was approved by our shareholders on April 17, 2007 and became effective on that date. The U.S. Bancorp Amended and Restated 2007 Stock Incentive Plan was adopted by our Board of Directors on February 18, 2010 and became effective upon shareholder approval of the plan on April 20, 2010.

Purposes of the Plan

The Plan has the following purposes:

• to promote the interests of U.S. Bancorp and its stockholders by aiding U.S. Bancorp in attracting and retaining employees, officers and non-employee members of U.S. Bancorp’s Board of Directors capable of assuring the future success of U.S. Bancorp;

• to offer these individuals incentives to put forth maximum efforts for the success of U.S. Bancorp’s business; and

• to compensate such persons through various stock-based and other arrangements and provide them with opportunities for stock ownership in U.S. Bancorp, thereby aligning the interests of such persons with U.S. Bancorp’s stockholders.

Persons Eligible to Participate in the Plan

Any employee, officer or non-employee member of our Board of Directors providing services to us or our subsidiaries or affiliates in which we have a significant equity interest is eligible to receive awards under the Plan, at the discretion of the Committee (as defined below). In determining which eligible persons will receive awards and the terms of any award, the Committee may consider the nature of the services provided by the eligible persons, their present and potential contributions to the success of U.S. Bancorp, or other factors that the Committee, in its discretion, deems relevant. However, the Committee is subject to certain limitations when granting “incentive stock options” under the Plan. Incentive stock options may only be granted to full-time or part-time employees of U.S. Bancorp and its affiliates. In addition, incentive stock options may be granted to employees of our affiliates only if the affiliate is also a “subsidiary corporation” of U.S. Bancorp within the meaning of Section 424(f) of the Internal Revenue Code.

No eligible person, participant or other person shall have any claim to be granted any award under the Plan. The Committee administering the Plan is not required to treat uniformly eligible persons, participants or holders or beneficiaries of awards under the Plan.

The grant of an award will not be construed as giving a participant the right to be retained as an employee or director, as applicable, of U.S. Bancorp, nor will it affect in any way our right or our affiliates’ rights to terminate a participant’s employment at any time, with or without cause, or to remove a director. U.S. Bancorp or any of its affiliates may at any time dismiss a participant from employment free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or in any award agreement.
Administration of the Plan

The Plan is administered by the Compensation Committee of U.S. Bancorp’s Board of Directors (or any successor committee of the Board designated by the Board to administer the Plan) (the “Committee”). The Committee must consist of at least the number of directors as is required to permit awards granted under the Plan to qualify under Rule 16b-3 under the Securities Exchange Act of 1934. Each member of the Committee is a “Non-Employee Director” within the meaning of Rule 16b-3 and an “outside director” within the meaning of Section 162(m) of the Internal Revenue Code.

The Committee has the authority to:

- designate participants;
- determine the type or types of awards to be granted to each participant under the Plan;
- determine the number of shares of our common stock to be covered by (or the method by which payments or other rights are to be calculated in connection with) each award;
- determine the terms and conditions of any award or award agreement;
- amend the terms and conditions of any award or award agreement (but the Committee may not reprice or adjust the exercise price of an outstanding stock option or the grant price of a stock appreciation right unless the repricing or adjustment is in connection with a stock dividend, stock split, merger or other corporate transaction);
- accelerate the exercisability of any award or waive any restrictions relating to any award;
- determine the types of consideration, such as cash, shares of our common stock, other securities, other awards or other property, that may be used to pay the exercise price of an award;
- determine the circumstances under which an award can be canceled, forfeited or suspended;
- determine whether, to what extent and under what circumstances amounts payable with respect to awards under the Plan shall be deferred either automatically or at the election of the holder of the award or the Committee;
- interpret the Plan and agreements and documents relating to the Plan;
- establish rules for the administration of the Plan and appoint agents to assist in the administration of the Plan; and
- make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan; and
- adopt such modifications, rules, procedures and subplans as may be necessary or desirable to comply with the provisions of the laws of non-U.S. jurisdictions in which U.S. Bancorp or an affiliate may operate.

Determinations and interpretations with respect to the Plan are within the sole discretion of the Committee, whose determinations and interpretations will be binding on all interested parties.
Delegation of Authority

The Committee may delegate its powers and duties under the Plan to one or more members of U.S. Bancorp’s Board of Directors, subject to conditions and limitations established by the Committee. However, the Committee may not delegate its powers and duties with regard to officers or directors of U.S. Bancorp who are subject to Section 16 of the Securities Exchange Act of 1934 or in a manner that would cause the Plan not to comply with Section 162(m) of the Internal Revenue Code. In addition, the Committee may authorize one or more officers of U.S. Bancorp to grant options under the Plan, subject to the limitations of the Delaware General Corporation Law and provided that such officers may not grant options to officers or directors of U.S. Bancorp who are subject to Section 16 of the Securities Exchange Act of 1934.

Authority of Board of Directors

U.S. Bancorp’s Board of Directors also may exercise the powers and duties of the Committee under the Plan, unless the exercise of those powers or duties by the Board would cause the Plan not to comply with Section 162(m) of the Internal Revenue Code.

Amendments to the Plan

Our Board of Directors may amend, alter, suspend, discontinue or terminate the Plan at any time. However, stockholder approval must be obtained for any amendment to the Plan that:

- requires stockholder approval under the rules or regulations of the Securities and Exchange Commission, the New York Stock Exchange, or any other securities exchange that are applicable to U.S. Bancorp;
- increases the number of shares authorized under the Plan;
- increases the number of shares that are available for certain types of awards under the Plan;
- permits repricing of stock options or stock appreciation rights;
- permits the award of stock options or stock appreciation rights at a price less than 100% of the fair market value of a share of our common stock on the date of grant of such stock options or stock appreciation rights; or
- would cause Section 162(m) of the Internal Revenue Code to become unavailable with respect to the Plan.

Term of the Plan

Awards may be granted under the Plan only during a 10-year period beginning on April 17, 2007, or if the Plan is terminated earlier by our Board of Directors in accordance with the terms of the Plan, during the period beginning on April 17, 2007 and ending on such date of termination of the Plan. However, unless otherwise expressly provided in the Plan or an applicable award agreement, any award granted may extend beyond the end of the 10-year period.
AWARDS

Types and Terms of Awards

The Plan permits the granting of:

• stock options, including “incentive stock options” meeting the requirements of Section 422 of the Internal Revenue Code, and “non-qualified” (non-incentive) stock options that do not meet the requirements of Section 422;
• stock appreciation rights, also known as “SARs”;
• restricted stock and restricted stock units;
• dividend equivalents;
• performance awards;
• stock awards; and
• other awards valued in whole or in part by reference to or otherwise based on our common stock (which we refer to as “other stock-based awards”).

Awards may provide that upon their grant or exercise, the holder will receive cash, shares of common stock, other securities, other awards or other property, or a combination of these, as determined by the Committee. Participants may receive awards in a single payment or in installments or on a deferred basis, as determined by the Committee.

The term of each award will be determined by the Committee at the time of grant but may not exceed 10 years from the date of grant.

Stock Options

The holder of an option will be entitled to purchase a number of shares of our common stock at a specified exercise price during a specified time period, which shall not be longer than 10 years from the date of grant, all as determined by the Committee. The exercise price per share is the purchase price for each share of common stock that may be purchased pursuant to the option. When you exercise a stock option, you acquire shares of our common stock by paying the option exercise price instead of paying the fair market value of the shares of common stock on that date.

Incentive vs. Non-Qualified Stock Options. Options may be designated as “incentive stock options,” which are intended to meet the requirements of Section 422 of the Internal Revenue Code, or as “non-qualified” (non-incentive) stock options, which are not intended to meet the requirements of Section 422.

The tax treatment of incentive stock options differs from that of non-qualified stock options. (See the section of this prospectus entitled “U.S. Federal Income Tax Consequences.”) In order to receive the unique tax treatment applicable to incentive stock options, the Committee must follow special rules when granting incentive stock options.

Vesting. Options will vest and become exercisable in accordance with the vesting schedule established by the Committee and set forth in the award agreement.

Exercise Price. The option exercise price will be determined by the Committee. The exercise price may not be less than 100% of the fair market value of our common stock on the date of grant. However, there is an exception to this requirement. The Committee may grant options with an exercise price less than 100% of the fair market value of our common stock on the date of grant if the Committee grants the option in substitution for a stock option previously granted by an entity that is acquired by or merged with U.S. Bancorp or one of our affiliates.
**SARs**

The holder of a SAR will be entitled to receive the excess of the fair market value of one share of our common stock on the date the SAR is exercised (or, if the Committee so provides, at any time during a specified period before or after the date of exercise) over the grant price of the SAR. When you exercise a SAR, you do not pay an exercise price, but simply receive the payment described in the preceding sentence.

**Vesting.** SARs will vest and become exercisable in accordance with the vesting schedule established by the Committee and set forth in the award agreement.

**Grant Price.** The grant price of a SAR will be determined by the Committee. The grant price may not be less than 100% of the fair market value of one share of our common stock on the date the SAR is granted.

**Restrictions or Conditions on Exercise.** In its discretion, the Committee may impose conditions or restrictions on the exercise of any SAR.

**Restricted Stock and Restricted Stock Units**

**Restricted Stock.** The holder of restricted stock will own shares of our common stock subject to restrictions imposed by the Committee for a specified time period determined by the Committee. The restrictions include a prohibition on transfer of the restricted stock and may also include, for example, limitations on your right to vote or receive dividends with respect to the restricted stock. The restriction period will begin on the date of grant of the restricted stock. The restrictions may lapse separately or in combination, at a time or times determined by the Committee and set forth in the award agreement. After the restrictions have lapsed, you will have all of the rights of a stockholder of our common stock. If your employment with us terminates or you resign or are removed as a director during the restriction period, the restricted stock is subject to forfeiture unless the Committee determines that it would be in U.S. Bancorp’s best interest to waive the remaining restrictions.

**Restricted Stock Units.** The holder of restricted stock units will have the right, subject to any restrictions imposed by the Committee, to receive shares of our common stock, or a cash payment equal to the fair market value of those shares, at some future date determined by the Committee. If you hold restricted stock units, you will not have any of the voting rights of a holder of our common stock, nor will you have a right to receive any dividends paid on our common stock. However, the Committee may, in its sole discretion, grant you an award of dividend equivalents, described below, in conjunction with the grant of restricted stock units. The restriction period relating to the restricted stock units will begin on the date of grant of the restricted stock units. The restrictions may lapse separately or in combination, at a time or times determined by the Committee and set forth in the award agreement. If your employment with us terminates or you resign or are removed as a director during the restriction period, the restricted stock units are subject to forfeiture unless the Committee determines that it would be in U.S. Bancorp’s best interest to waive the remaining restrictions.

**Performance Awards**

The Committee may grant awards that are intended to be “qualified performance-based compensation” within the meaning of Section 162(m) of the Internal Revenue Code. A performance award may be denominated or payable in cash, shares (including restricted stock and restricted stock units), other securities, other awards or other property, and confers on its holder the right to receive payments, in whole or in part, upon the achievement of performance goals during a performance period as established by the Committee. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any performance award granted, the amount of any payment or transfer to be made pursuant to any performance award and any other terms and conditions of any performance award will be determined by the Committee.

Performance awards denominated in shares (including, restricted stock and restricted stock units) that are granted to participants who may be “covered employees” under Section 162(m) of the Internal Revenue Code and that are intended to be “qualified performance based compensation” within the meaning of Section 162(m) of the Internal Revenue Code, to the extent required by Section 162(m) of the Internal Revenue Code, must be conditioned solely on the achievement of one or more objective performance goals established by the Committee within the time
prescribed by Section 162(m) of the Internal Revenue Code, and must otherwise comply with the requirements of Section 162(m) of the Internal Revenue Code.

Performance goals must be based solely on one or more of the business criteria set forth in the Plan. No eligible person may be granted performance awards under the Plan in excess of 800,000 shares of stock in the aggregate in any taxable year.

**Dividend Equivalents**

The holder of dividend equivalents will be entitled to receive payments equivalent to the amount of any cash dividends paid on shares of our common stock. A dividend equivalent may be denominated or payable in cash, shares of stock or other securities, or other awards or property. The Committee will determine any other terms and conditions applicable to the dividend equivalents.

**Stock Awards**

The Committee may grant shares of our common stock without any restrictions on the shares if the Committee determines that the grant of the stock award is consistent with the purposes of the Plan. The Committee will determine any terms and conditions applicable to the stock awards.

**Other Stock-Based Awards**

The Committee also is authorized to establish the terms and conditions of other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of our common stock (including securities convertible into shares of our common stock). The Committee will determine the terms of any such awards.

**Consideration for Awards**

Awards may be granted to you in exchange for no cash payment from you or for a cash payment or other consideration, as determined by the Committee or as may be required by applicable law.

**Exercise or Purchase Price of Awards**

The exercise or purchase price of an award may be paid, at the discretion of the Committee, in whole or in part in cash, shares, other securities, other awards or other property. Payment may be made in a lump sum or in installments, as determined by the Committee.

**Tax Withholding**

All federal, state, local or foreign payroll, withholding, income or other taxes applicable to you as a result of your participation in the Plan are solely and absolutely your responsibility. However, in order to comply with all applicable federal, state, local or foreign income tax laws or regulations, we expect to withhold or collect all applicable taxes from you or otherwise take appropriate action to ensure that all applicable taxes are withheld or collected from you.

In order to assist you in paying all or a portion of the applicable taxes to be withheld or collected upon your exercise or receipt of (or the lapse of restrictions relating to) an award, the Committee may, in its discretion and subject to additional terms and conditions it may adopt, permit you to satisfy your tax obligations by:

- having us withhold a portion of the shares otherwise to be delivered to you upon your exercise or receipt of (or the lapse of restrictions relating to) an award, such that the number of shares withheld have a fair market value equal to the amount of your tax obligation; or
- delivering to us a number of other shares of our common stock then owned by you with a fair market value equal to the amount of your tax obligation.
An election to deliver shares of stock or have us withhold shares to pay your tax obligations must be made on or before the date on which the amount of tax to be withheld is determined.

Shares of common stock withheld by us may be treated as if first issued to you upon exercise or receipt of (or lapse of restrictions relating to) the award, resulting in gain or loss to you, and then resold to us, which may result in additional gain or loss to you.

Fair Market Value

Determinations of fair market value under the Plan will be made in accordance with methods and procedures established by the Committee. However, as a general rule, the fair market value of shares of our common stock on a given date will be the closing price of one share as reported on the New York Stock Exchange on that date, or, if the New York Stock Exchange is not open for trading on that date, then on the most recent preceding date when it was open for trading.

Risk of Investment

The shares of common stock offered pursuant to the terms of the Plan are not savings accounts, deposits or other obligations of any bank or savings association and are not insured by the Federal Deposit Insurance Corporation, Bank Insurance Fund, Savings Association Insurance Fund or any other governmental agency or guaranteed by any bank. Investing in our common stock through the Plan involve risks, including the risk that the value of the common stock will fall below the price you paid to acquire it, in which case you may lose all or a portion of what you invested by purchasing common stock through the Plan. As with any investment, the past performance of our common stock is not a guarantee or indicator of future results. You should review the financial information regarding U.S. Bancorp that is contained in reports filed by us with the Securities and Exchange Commission, which reports are incorporated by reference into this prospectus. See the section of this prospectus entitled “Incorporation of Certain Documents by Reference.”

Award Agreement

Even after you have been granted an award under the Plan, you will not have any rights under that award unless and until your award agreement has been duly executed by U.S. Bancorp and, if requested by us, signed by you, or until such award agreement is delivered and accepted through any electronic medium in accordance with procedures established by U.S. Bancorp.

Amendments to Awards; No Option or SAR Repricing

The Committee may waive any of U.S. Bancorp’s conditions or rights under any outstanding award, prospectively or retroactively. The Committee may also amend, alter, suspend, discontinue or terminate any outstanding award held by you. However, the Committee may not take such action without your consent if the change to the award would adversely affect your rights with respect to that award.

U.S. Bancorp intends that awards under the Plan will satisfy the requirements of Section 409A of the Internal Revenue Code to avoid any adverse tax results thereunder, and the Committee will administer and interpret the Plan and all award agreements in a manner consistent with that intent. If any provision of the Plan or an award agreement would result in adverse tax consequences under Section 409A, the Committee may amend that provision (or take any other action reasonably necessary) to avoid any adverse tax results and no action taken to comply with Section 409A shall be deemed to impair or otherwise adversely affect the rights of any holder of an award or any beneficiary of an award.

In no case may an option or SAR be amended to reduce its initial exercise price or grant price, and no option or SAR may be canceled and replaced with an option or SAR having a lower exercise price or grant price, except pursuant to the adjustment rules described below under “Shares Available for Awards—Adjustments to Available Shares.”
Transferability

You may not assign, transfer, pledge, or otherwise encumber an award (other than stock awards) granted to you under the Plan, except:

- by will;
- by the laws of descent and distribution; or
- if permitted by the Committee, by designation of a beneficiary.

Any awards granted to you under the Plan are exercisable only by you or, if permissible under applicable law, by your guardian or legal representative.

The Committee, in its discretion and subject to such additional terms and conditions as it determines, may permit you to transfer a nonqualified stock option granted under the Plan to one of your family members if the transfer is not for value and your family member does not make any subsequent transfers of the option (other than by will or the laws of descent and distribution).

SHARES AVAILABLE FOR AWARDS

The aggregate number of shares of our common stock, par value $.01 per share, that may be issued under all awards under the Plan is 120,000,000. Of these shares, 34,000,000 shares are available for granting awards other than stock options or stock appreciation rights. If any shares of common stock subject to an award (or to which an award relates) are not purchased or are forfeited (including shares of restricted stock, whether or not dividends have been paid on the shares), the shares will be available for future awards under the Plan. Similarly, if any award terminates or is cancelled without the delivery of shares or other consideration, the shares will be available for future awards under the Plan. Shares of common stock tendered by participants as full or partial payment to U.S. Bancorp upon exercise of an award, and shares of common stock withheld by U.S. Bancorp or otherwise remitted to U.S. Bancorp to satisfy the participant’s tax withholding obligations with respect to an award, will not become available for future awards under the Plan.

The number of shares of our common stock that may be issued under the Plan is subject to adjustment as described in the section below entitled “Adjustments to Available Shares.” The shares available for awards under the Plan will be authorized but unissued shares or shares that have been reacquired by U.S. Bancorp and designated as treasury shares.

Accounting for Awards

If an award granted under the Plan entitles you to receive or purchase shares of our common stock, then on the date of grant of the award, the number of shares covered by the award (or to which the award relates) will be counted against the total number of shares available for granting awards under the Plan. As a result, the shares available for granting future awards under the Plan will be reduced as of the date of grant.

For SARs settled in shares of common stock upon exercise, the total number of shares with respect to which the SAR is exercised (rather than the number of shares actually issued upon exercise) will be counted against the number of shares available for awards under the Plan. Awards that do not entitle the holder to receive or purchase shares of common stock, and awards that are denominated at the time of grant as payable only in cash and that are settled in cash, will not be counted against the aggregate number of shares available for awards under the Plan. If performance awards granted under U.S. Bancorp’s executive incentive plans are payable in shares of common stock, those shares may be issued under the Plan and will be counted against the aggregate number of shares available for granting awards under the Plan.
Limitations on Shares Available for Certain Awards

The limitations described below are subject to adjustment as described in the section below entitled “Adjustments to Available Shares.”

Section 162(m) Limitation for Certain Types of Awards

No eligible person may be granted any award under the Plan, the value of which award is based solely on an increase in the value of our common stock after the date of grant of the award, for more than 5,000,000 shares of common stock, in the aggregate, in any taxable year.

Section 162(m) Limitation for Performance Awards

No eligible person may be granted performance awards under the Plan in excess of 800,000 shares, in the aggregate, in any taxable year.

Awards Other than Awards of Options and SARs

Only 34,000,000 of the 120,000,000 shares of common stock authorized for the granting of awards under the Plan will be available for granting awards other than stock options or stock appreciation rights.

Adjustments to Available Shares

In the event that any dividend or other distribution, stock split or combination or consolidation of stock is declared with respect to the shares of common stock, the number of shares available for issuance under the Plan and for certain types of awards under the Plan shall be increased or decreased proportionately, and the shares of common stock then subject to each award shall be increased or decreased proportionately without any change in the aggregate purchase price therefore.

In the event the shares of common stock shall be changed into or exchanged for a different number or class of shares of stock or securities of U.S. Bancorp or of another corporation, whether through recapitalization, reorganization, reclassification, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of shares of our common stock or other securities, issuance of warrants or other rights to purchase shares of our common stock or other securities, or any other similar corporate transaction or event, such that an equitable adjustment would be required in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, then the number of shares available for issuance under the Plan and for certain types of awards under the Plan shall be adjusted proportionately, and an equitable adjustment shall be made to each share of common stock subject to an award such that no dilution or enlargement of the benefits or potential benefits occurs. Each such share of common stock then subject to each award shall be adjusted to the number and class of shares into which each outstanding share of common stock shall be so exchanged such that no dilution or enlargement of the benefits occurs, all without change in the aggregate purchase price for the shares of common stock then subject to each award.

As a result of the changes and events described above, the Committee may adjust any or all of: (i) the number and type of shares (or other securities or other property) that may be made the subject of awards or delivered under the Plan; (ii) the number and type of shares (or other securities or other property) subject to outstanding awards; (iii) the purchase or exercise price of a share of common stock under any outstanding award or the measure to be used to determine the amount of the benefit payable on an award; and (iv) any other adjustments the Committee determines to be equitable.
RESALE OF SECURITIES GRANTED OR PURCHASED UNDER THE PLAN

If you acquire shares of our common stock upon the exercise or receipt of awards under the Plan, you may resell your shares without restriction (except for restricted stock, which cannot be resold until all restrictions lapse). You should remember that the securities laws prohibit you from selling your shares while you are aware of material non-public information concerning U.S. Bancorp.

Our executive officers and directors who wish to resell shares acquired under the Plan (including shares acquired upon the exercise of an option) must comply with the resale provisions of Rule 144 promulgated under the Securities Act of 1933 and the reporting requirements under Section 16 of the Securities Exchange Act of 1934. Shares acquired by our executive officers and directors as a result of an award or the exercise of an award may be resold under Rule 144 without a one-year holding period.

U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of the U.S. federal income tax consequences of the issuance, exercise and payment of (or lapse of restrictions with respect to) awards under the Plan, based on currently applicable provisions of the Internal Revenue Code. The following description applies to U.S. citizens and residents who receive awards under the Plan. Participants who are neither U.S. citizens nor residents but who perform services in the United States may also be subject to U.S. federal income tax under some circumstances. In addition, former citizens or long-term residents of the United States may be subject to special expatriate tax rules, which are not addressed in this summary.

Due to the complexity of the applicable provisions of the Internal Revenue Code, this prospectus describes only the general federal tax principles affecting awards that may be granted under the Plan. Depending on individual facts and circumstances, these general tax principles might not apply to you. In addition, these general tax principles are subject to changes that may be brought about by subsequent legislation or by regulations and administrative rulings, which may be applied on a retroactive basis. Furthermore, if you are an executive officer or director of U.S. Bancorp subject to Section 16(b) of the Securities Exchange Act of 1934, special rules may apply to you. (See “Special Rules for Executive Officers and Directors Subject to Section 16(b)” below.)

You also may be subject to state, local or foreign income taxes and you should refer to the applicable laws in those jurisdictions.

For all of these reasons, we note that (i) the tax advice set forth herein was not intended or written to be used, and cannot be used by you or anyone else, for the purpose of avoiding federal income tax penalties that may be imposed; (ii) the advice was written to support the promotion or marketing of the transactions described herein; and (iii) we urge you to consult your own tax advisor to determine your tax liability in connection with the receipt or exercise of an award or the subsequent disposition of shares received in connection with or upon exercise of an award.

Tax Consequences With Respect to Awards

Non-Qualified Stock Options

• Grant. You will not recognize any taxable income at the time a non-qualified option is granted.

• Exercise. Upon the exercise of a non-qualified option, you will recognize ordinary income in the amount by which the fair market value of the common stock at the time of exercise exceeds the option exercise price. If you pay the exercise price by tendering other shares of our common stock then owned by you, you will recognize ordinary income in an amount equal to the fair market value of the number of shares received upon exercise that exceed the number of other shares you tendered.

• Tax Deduction for U.S. Bancorp. We will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income, to the extent such amount satisfies the general rules concerning deductibility of compensation.
• **Tax Basis of the Acquired Shares.** If you pay the non-qualified option exercise price in cash, your original tax basis in the shares received upon exercise will equal the sum of (1) the option exercise price plus (2) the amount you are required to recognize as income as a result of the exercise. If you pay the option exercise price by tendering other shares of our common stock then owned by you, you will not recognize gain or loss on the tendered shares, but your original tax basis for an equal number of shares acquired upon exercise of the option will be the same as your adjusted tax basis for the tendered shares. The remaining acquired shares will have an original tax basis equal to (a) the sum of the amount of the exercise price paid in cash, if any, plus (b) any amount that you are required to recognize as income as a result of the option exercise.

• **Sale of Shares.** When you sell shares acquired upon the exercise of a non-qualified option, the difference between the amount received and the adjusted tax basis of the shares will be gain or loss. If, as usually is the case, the common stock is a capital asset in your hands, the gain or loss will be capital gain or loss.

• **Characterization of Capital Gain or Loss.** Any capital gain or loss you recognize upon sale of the shares will be taxed as long-term capital gain or loss if you have held the shares for more than 12 months and as short-term capital gain or loss if you have held the stock for 12 months or less. For purposes of determining whether you will recognize long-term or short-term capital gain or loss on your subsequent sale of the shares, the holding period will begin at the time you exercise the option. However, if, as usually is the case, the common stock is a capital asset in your hands, the holding period for acquired shares having the same basis as tendered shares will include the period during which you held the tendered shares.

**Incentive Stock Options**

• **Grant.** You will not recognize any taxable income at the time an incentive stock option is granted.

• **Exercise.** Upon the exercise of an incentive stock option, you will not recognize any income for purposes of the regular income tax. However, you may be required to recognize income for purposes of the alternative minimum tax (or “AMT”).

For purposes of the AMT, an incentive stock option will be treated as a non-qualified option. Accordingly, for purposes of the AMT, you must recognize ordinary income in the amount by which the fair market value of the common stock at the time of exercise exceeds the option exercise price. As a result, if you recognize a substantial amount of AMT income upon exercise of the incentive stock option in relation to your taxable income from wages and other sources in the year you exercise the option, you may be subject to the AMT. Furthermore, the fact that you recognize AMT income at the time you exercise an incentive stock option may not alter the amount of regular income you must recognize at the time you sell or otherwise dispose of the shares acquired upon exercise of the incentive stock option.

We urge you to consult your own tax advisor regarding the effect of the AMT and the desirability of selling or otherwise disposing of shares acquired upon exercise of an incentive stock option in the same calendar year in which you acquired the shares to avoid having the AMT apply in the year you exercise the option and the regular tax apply in the year you sell the shares. We also urge you to consult your own tax advisor regarding the benefit that may be available from a tax credit for a prior year’s minimum tax liability provided for in Section 53 of the Internal Revenue Code.

• **Tax Deduction for U.S. Bancorp.** If you sell or otherwise dispose of shares acquired upon the exercise of an incentive stock option more than two years from the date the option was granted to you and more than one year after you exercised the option, then we will not be allowed a deduction for federal income tax purposes in connection with the grant or exercise of the option. However, if you sell or otherwise dispose of the shares before the holding period described above is satisfied, then we will be allowed a tax deduction at the time and in the amount you recognize ordinary income, if and to the extent the amount satisfies the general rules concerning deductibility of compensation. Under current law, this income is not subject to income or payroll tax withholding.
• **Tax Basis of the Acquired Shares.** If you pay the exercise price for an incentive stock option in cash, your original tax basis in the shares received upon exercise will equal the option exercise price.

If you pay the exercise price for an incentive stock option by tendering other shares of our common stock already owned by you, and you acquired those tendered shares through any means other than by exercising one or more incentive stock options, you will not recognize gain or loss on the tendered shares, but your original tax basis for an equal number of shares acquired upon exercise of the option will be the same as your adjusted tax basis for the tendered shares. The remaining acquired shares will have an original tax basis equal to the amount of the exercise price paid in cash, if any. If you pay the exercise price solely by tendering other shares of our common stock, then the original tax basis of the remaining acquired shares will be zero.

If you pay the exercise price for an incentive stock option by tendering shares of our common stock already owned by you, and you acquired those tendered shares by exercising another incentive stock option, Section 1036 of the Internal Revenue Code generally provides that you will recognize no gain or loss with respect to the tendered shares (except possibly for purposes of the AMT as described above), as long as you have held the tendered shares for a period of time ending at least two years after the date the option for the tendered shares was granted and at least one year after you acquired the tendered shares upon exercise of the option.

• **Sale of Shares and Characterization of Capital Gain or Loss.** If you sell or otherwise dispose of shares acquired upon exercise of an incentive stock option at a time more than two years from the date the option was granted to you and more than one year after you exercised the option, and if, as usually is the case, the common stock is a capital asset in your hands, then you will recognize long-term capital gain or loss in an amount equal to the difference between the sale price of the shares and the exercise price you paid for the shares.

If you sell or otherwise dispose of shares acquired upon exercise of an incentive stock option before the holding period described above is satisfied, then you will recognize ordinary income at the time of the disposition in an amount equal to the lesser of (1) the difference between the exercise price and the fair market value of the shares at the time the option was exercised or (2) the difference between the exercise price and the amount realized upon disposition of the shares, and you will recognize long-term or short-term capital gain or loss (depending on whether you have held the shares for more than 12 months or for 12 months or less) in an amount equal to the difference between the sale price of the shares and the fair market value of the shares on the date you exercised the option.

**Stock Appreciation Rights**

• **Grant.** At the time a SAR is granted, you will not recognize any taxable income.

• **Exercise.** At the time a SAR is exercised or paid, you will recognize ordinary income equal to the cash or fair market value of any shares of common stock received at that time (in the amount that is equal to the excess of the fair market value of a share of our common stock on the date the SAR is exercised or paid over the grant price of the SAR).

• **Tax Deduction for U.S. Bancorp.** Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income upon the exercise or payment of a SAR.

• **Tax Basis of the Acquired Shares.** Your tax basis in any shares received will equal the fair market value of those shares at the time you recognize ordinary income as a result of the exercise or payment of the SAR.

• **Sale of Shares.** If, as usually is the case, the shares are a capital asset in your hands, any additional gain or loss recognized on a subsequent sale or exchange of the shares will not be ordinary income but will qualify as a capital gain or loss.
• **Characterization of Capital Gain or Loss.** Any capital gain or loss you recognize upon sale of the shares will be characterized as long-term capital gain or loss if you have held the shares for more than 12 months and as short-term capital gain or loss if you have held the stock for 12 months or less. For purposes of determining whether you will recognize long-term or short-term capital gain or loss on your subsequent sale of the shares, the holding period will begin at the time you exercise the SAR.

**Restricted Stock Awards**

• **Grant and Lapse of Restrictions.** Section 83(b) of the Internal Revenue Code allows you to elect, within 30 days after the date you receive a restricted stock award, to recognize and be taxed on ordinary income equal to the fair market value of the common stock at that time. If you do not make a Section 83(b) election within 30 days from the date you receive a restricted stock award, you will recognize ordinary income equal to the fair market value of the common stock upon expiration of the restriction period.

• **Forfeiture.** If you do not make the Section 83(b) election described above and, before the restriction period expires, you forfeit the restricted stock under the terms of the award, you will not recognize any ordinary income in connection with the restricted stock award. If you do make a Section 83(b) election and subsequently forfeit the restricted stock under the terms of the award, you will not be allowed an ordinary income tax deduction with respect to the forfeiture. However, you may be entitled to a capital loss.

We urge you to consult your tax advisor to determine, in light of current tax rates and possible future tax legislation, whether it is more advantageous for you to make a Section 83(b) election upon receipt of a restricted stock award (resulting in a current tax liability plus the potential for future capital gains, currently taxed at lower rates than the rate applicable to ordinary income, and a risk of forfeiture without an ordinary income tax deduction) than not making the Section 83(b) election (resulting in the deferral of tax and the eventual recognition as ordinary income of any appreciation in the fair market value of your shares).

• **Dividends Received on Restricted Stock.** Dividends received by you before the end of the restriction period will be taxed as ordinary income to you, provided, however, that dividends on restricted stock for which an election under Section 83 has been made will be treated as dividend income rather than compensation income.

• **Tax Deduction for U.S. Bancorp.** Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income in connection with a restricted stock award. Dividends on the restricted stock that are received by you before the end of the restriction period will also be deductible by us subject to the general rules concerning compensation.

• **Tax Basis of Shares.** Your basis in the shares will equal their fair market value at the time you recognize ordinary income.

• **Sale of Shares.** You cannot sell or otherwise dispose of the restricted stock until after the restriction period expires. When you sell the shares after the restriction period expires, you will recognize gain or loss in an amount by which the sale price of the shares differs from your tax basis in the shares. If, as usually is the case, the shares are a capital asset in your hands, any gain or loss recognized on a sale or other disposition of the shares will qualify as capital gain or loss.

• **Characterization of Capital Gain or Loss.** Any capital gain or loss you recognize upon sale of the shares will be treated as long-term capital gain or loss if you have held the shares for more than 12 months from the date you recognized ordinary income with respect to the shares and as short-term capital gain or loss if you have held the stock for 12 months or less from the date you recognized ordinary income.

**Restricted Stock Units**

• **Grant.** At the time restricted stock units are granted, you will not recognize any taxable income.
• **Vesting.** At the time restricted stock units vest, you will recognize ordinary income equal to the cash or fair market value of the shares of common stock received at that time; provided, however, that, if the terms of the restricted stock unit so provide, payment and income recognition may be delayed until a later date to the extent permitted under applicable tax laws.

• **Dividend Equivalents Received on Restricted Stock Units.** Dividend equivalents received by you before you receive common stock in settlement of your restricted stock units will be taxed as ordinary income to you.

• **Tax Deduction for U.S. Bancorp.** Subject to the general rules concerning deductibility of compensation, we will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income upon the vesting of the restricted stock units.

• **Tax Basis of Shares.** Your basis in any shares received will equal the fair market value of the shares at the time you recognize ordinary income.

• **Sale of Shares.** If, as usually is the case, the common stock is a capital asset in your hands, any additional gain or loss recognized on a subsequent sale or exchange of the shares will not be ordinary income but will qualify as capital gain or loss.

• **Characterization of Capital Gain or Loss.** Any capital gain or loss you recognize upon sale of the shares will be treated as long-term capital gain or loss if you have held the shares for more than 12 months from the date you recognized ordinary income with respect to the shares and as short-term capital gain or loss if you have held the stock for 12 months or less from the date you recognized ordinary income.

**Stock Awards and Performance Awards**

• **Grant.** You will recognize taxable income at the time the cash or stock is granted equal to the fair market value at the date of grant.

• **Tax Deduction for U.S. Bancorp.** We will be allowed an income tax deduction in the amount that, and for our taxable year in which, you recognize ordinary income, to the extent such amount satisfies the general rules concerning deductibility of compensation.

• **Tax Basis of Shares.** Your basis in the shares will equal their fair market value at the time you recognize ordinary income.

• **Sale of Shares.** When you sell the shares, you will recognize gain or loss in an amount by which the sale price of the shares differs from your tax basis in the shares. If, as usually is the case, the shares are a capital asset in your hands, any gain or loss recognized on a sale or other disposition of the shares will qualify as capital gain or loss.

• **Characterization of Capital Gain or Loss.** Any capital gain or loss you recognize upon sale of the shares will be treated as long-term capital gain or loss if you have held the shares for more than 12 months from the date you recognized ordinary income with respect to the shares and as short-term capital gain or loss if you have held the stock for 12 months or less from the date you recognized ordinary income.

**Other Stock-Based Awards**

The Plan also authorizes other stock-based awards, the terms of which are not specified in the Plan. The federal income tax consequences to recipients and to U.S. Bancorp upon the grant and exercise of the other stock-based awards will depend on the terms of such awards.
Special Rules for Executive Officers and Directors Subject to Section 16(b)

If you are an executive officer or director of U.S. Bancorp subject to Section 16(b) of the Securities Exchange Act of 1934, any shares you acquire upon exercise or payout of a non-qualified option, an incentive stock option (for purposes of the AMT only), a SAR or a restricted stock unit, and any shares of restricted stock that vest, may be treated as restricted property for purposes of Section 83 of the Internal Revenue Code if you have had a non-exempt acquisition of shares of U.S. Bancorp stock within the six months prior to the exercise, payout or vesting. In that case, you may be deemed to have acquired the shares at a date up to six months after the date the award was exercised or paid out or vested, and you will recognize (and be taxed on) ordinary income as of the later date that the transfer restrictions under Section 16(b) of the Securities Exchange Act of 1934 no longer apply, rather than as of the date of exercise, payout or vesting.

However, Section 83(b) of the Internal Revenue Code allows you to elect to recognize ordinary income as of the date you acquired the shares, without regard to Section 16(b) restrictions. You must make the election in the manner specified in Section 83(b) within 30 days after the date you acquire shares pursuant to an award. If (1) the shares you acquired upon the exercise, payout or vesting of the award are treated as restricted property for purposes of Section 83 of the Internal Revenue Code because of the application of Section 16(b) of the Securities Exchange Act of 1934 and (2) you do not make a Section 83(b) election within the required time period, the amount of ordinary income to you will be determined as follows:

- For non-qualified options (and incentive stock options treated as non-qualified options for purposes of the AMT), you will recognize and be taxed on ordinary income in the amount by which the fair market value of the shares at the later date exceeds the exercise price, rather than recognizing, and being taxed on, ordinary income in the amount by which the fair market value of the shares on the exercise date exceeds the exercise price.

- For a SAR, you will recognize and be taxed on ordinary income in the amount of the fair market value of the shares of common stock at the later date, rather than recognizing, and being taxed on, ordinary income in the amount of the fair market value of the shares as of the date you exercised or were paid on the SAR.

- For restricted stock units, you will recognize and be taxed on ordinary income in the amount of the fair market value of the shares of common stock at the later date, rather than recognizing, and being taxed on, ordinary income in the amount of the fair market value of the shares on the date the shares were paid out pursuant to the restricted stock unit award.

- For restricted stock, because you acquire the shares at the time the restricted stock award is granted, a Section 83(b) election must be made within 30 days of grant (as opposed to the date of payout in the case of a restricted stock unit or the date of exercise in the case of an option or SAR). Accordingly, if your restricted stock vests within six months after a non-exempt acquisition under Section 16(b) of the Securities Exchange Act of 1934, then unless you made a Section 83(b) election at the time the restricted stock award was granted, you will recognize and be taxed on ordinary income in the amount of the fair market value of the shares of common stock at the later date that the transfer restrictions under Section 16(b) of the Securities Exchange Act of 1934 no longer apply, rather than recognizing, and being taxed on, ordinary income in the amount of the fair market value of the shares on the date the restricted stock vested.

We urge you to consult your own tax advisor for more details about these special rules and to help you determine if you should make a Section 83(b) election.

Change in Control

Depending on the terms of your award agreement and the determinations of the Committee, upon a change in control of U.S. Bancorp, restrictions on your award may lapse, or your award may mature or become exercisable, on an accelerated schedule. If this type of benefit, or other benefits and payments connected with your award that result from a change in control of U.S. Bancorp, are granted to certain individuals (such as our executive officers), the benefits and payments may be deemed to be “parachute payments” within the meaning of Section 280G of the Internal Revenue Code. Section 280G provides that if parachute payments to an individual equal or exceed three
times the individual’s “base amount,” the excess of the parachute payments over one times the base amount (1) will not be deductible by us and (2) will be subject to an excise tax payable by the individual. “Base amount” is the individual’s average annual compensation over the five taxable years preceding the taxable year in which the change in control occurs. We urge you to consult your own tax advisor regarding your tax liability upon a change in control of U.S. Bancorp.

**LONG-TERM INCENTIVE EMPLOYEE CHOICE**

Under our 2007 Long-Term Incentive Employee Choice program (the “Choice Program”), we may allow participants under the Plan, other than officers or directors of U.S. Bancorp who are subject to Section 16 of the Securities Exchange Act of 1934, an opportunity to make certain elections between stock options and shares of restricted stock they will be awarded. If you are given the opportunity to participate in the Choice Program, you will be provided with documents explaining the program, which you should review thoroughly. As a result of the Choice Program, we may offer options to purchase up to 120,000,000 shares of our common stock.

**INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE**

We file annual, quarterly and special reports, proxy statements and other information with the Securities and Exchange Commission. The Securities and Exchange Commission allows us to incorporate by reference some of the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information that we incorporate by reference is considered to be part of this prospectus, and later information that we file with the Securities and Exchange Commission will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the Securities and Exchange Commission under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until our offering is completed:

- our latest annual report on Form 10-K, which contains our audited financial statements for our latest fiscal year;
- our quarterly reports on Form 10-Q and current reports on Form 8-K filed with the Securities and Exchange Commission since the end of our last fiscal year; and
- the description of our common stock contained in any registration statement or report filed by us under the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

We will provide you at no cost, upon your written or oral request, a copy of any or all of the documents incorporated by reference in this prospectus (other than exhibits, unless such exhibits are specifically incorporated by reference into such documents) and any report, proxy statement or other communication distributed by us to our shareholders generally. Requests for copies should be directed to the Executive Compensation Department, U.S. Bancorp, 800 Nicollet Mall, Minneapolis, Minnesota 55402, or by calling (651) 466-3000.