

US BANCORP \DE\
Form 424B2
May 11, 2009

Table of ContentsRule 424(b)(2)
Registration No. 333-150298

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 11, 2009

PROSPECTUS SUPPLEMENT

(To Prospectus dated April 17, 2008)

Shares

U.S. Bancorp

Common Stock

We are offering shares of our common stock, par value \$.01 per share. The common stock is listed on the New York Stock Exchange (the *NYSE*) under the symbol *USB*. On May 8, 2009, the last reported sale price of our common stock on the NYSE was \$20.54 per share.

Our common stock is not a savings account, deposit or other obligation of any of our bank or non-bank subsidiaries and is not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

Investing in our common stock involves risks. See Risk Factors on page S-3 of this prospectus supplement to read about factors you should consider before buying our common stock.

Neither the Securities and Exchange Commission, any state securities commission, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System nor any other regulatory body has approved or disapproved of these securities or determined if this prospectus supplement is truthful or complete. Any representation to the contrary is a criminal offense.

| | Per Share | Total |
|--|------------------|--------------|
| Public offering price | \$ | \$ |
| Underwriting discounts and commissions | \$ | \$ |
| Proceeds to U.S. Bancorp (before expenses) | \$ | \$ |

The underwriters expect to deliver the common stock in book-entry form only, through the facilities of The Depository Trust Company, against payment on or about _____, 2009.

The underwriters also may purchase up to an additional _____ shares of common stock within 30 days of the date of this prospectus supplement to cover over-allotments, if any.

Joint Book-Running Managers

Morgan Stanley

Goldman, Sachs & Co.

Prospectus Supplement dated _____, 2009

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering of our common stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, dated April 17, 2008, which describes more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading "Where You Can Find More Information" below.

When acquiring any securities discussed in this prospectus supplement, you should rely only on the information provided in this prospectus supplement and the accompanying prospectus, including the information incorporated by reference. Neither we nor any underwriters have authorized anyone to provide you with different information. We are not offering the common stock in any jurisdiction where the offer is prohibited. You should not assume that the information in this prospectus supplement or any document incorporated by reference is accurate or complete at any date other than the date mentioned on the cover page of these documents.

If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement. If the information conflicts with any statement in a document which we have incorporated by reference, then you should consider only the statement in the more recent document.

Unless otherwise mentioned or unless the context requires otherwise, all references in this prospectus supplement and the accompanying prospectus to the Company, we, us and our refer to U.S. Bancorp.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the Securities and Exchange Commission (the *SEC*). The prospectus is part of the registration statement, and the registration statement also contains additional information and exhibits. We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, our SEC filings are available to the public from the SEC's web site at <http://www.sec.gov>. Our SEC filings are also available at the offices of the NYSE. For further information on obtaining copies of our public filings at the NYSE, you should call (212) 656-5060.

The SEC allows us to incorporate by reference the information we file with them, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the following documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), on or after the date of this prospectus supplement and before the termination of the offering of the securities (other than, with respect to Current Reports on Form 8-K, information that is deemed not to have been filed in accordance with SEC rules).

The documents listed below are incorporated by reference into this prospectus supplement:

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Annual Report on Form 10-K for the year ended December 31, 2008 (the *2008 Annual Report*);

Quarterly Report on Form 10-Q for the quarter ended March 31, 2009;

Current Reports on Form 8-K, filed January 7, 2009, January 21, 2009, March 4, 2009, March 6, 2009, March 13, 2009, April 21, 2009 and May 8, 2009 (other than, in each case, information that is deemed not to have been filed in accordance with SEC rules);

the definitive Proxy Statement on Schedule 14A filed on March 18, 2009; and

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The description of our common stock set forth in our registration statement on Form 8-A filed under the Exchange Act on October 6, 1994, by First Bank System, Inc. (now known as U.S. Bancorp), including any amendment or report filed for the purpose of updating such description.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

U.S. Bancorp
800 Nicollet Mall
Minneapolis, Minnesota 55402
Attn: Investor Relations Department
(612) 303-0799 or (866) 775-9668

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, targets, potentially, probably, or similar expressions. These forward-looking statements cover, among other things, our anticipated future revenue and expenses and our future plans and prospects. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated. A continuation of the recent turbulence in the global financial markets, particularly if it worsens, could impact our performance, both directly by affecting our revenues and the value of our assets and liabilities, and indirectly by affecting our counterparties and the economy generally. Dramatic declines in the housing market in the past year have resulted in significant write-downs of asset values by financial institutions. Concerns about the stability of the financial markets generally have reduced the availability of funding to certain financial institutions, leading to a tightening of credit, reduction of business activity, and increased market volatility. There can be no assurance that any governmental program or legislation will help to stabilize the U.S. financial system or alleviate the industry or economic factors that may adversely impact our business. In addition, our business and financial performance could be impacted as the financial industry restructures in the current environment, by increased regulation of financial institutions or other effects of recently enacted or proposed legislation, by changes in the creditworthiness and performance of our counterparties, and by changes in the competitive landscape. Our results could also be adversely affected by continued deterioration in general business and economic conditions; changes in interest rates; deterioration in the credit quality of our loan portfolios or in the value of the collateral securing those loans; deterioration in the value of securities held in our investment securities portfolio; legal and regulatory developments; increased competition from both banks and non-banks; changes in customer behavior and preferences; effects of mergers and acquisitions and related integration; effects of critical accounting policies and judgments; and management's ability to effectively manage credit risk, market risk, operational risk, legal risk, and regulatory and compliance risk. For discussion of these and other risks that may cause actual results to differ from expectations, please refer to the Risk Factors section elsewhere in this prospectus supplement, our 2008 Annual Report including the information contained in Exhibit 13 thereto, including the sections entitled Risk Factors and Corporate Risk Profile, and our Quarterly Report. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

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SUMMARY

The following information should be read together with the information contained in or incorporated by reference 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, as well as the information incorporated by reference herein, before making a decision about whether to invest in the common stock. To the extent the following information is inconsistent with the information in the accompanying prospectus, you should rely on the following information. If any statement in this prospectus supplement conflicts with any statement in a document which we have incorporated by reference, then you should consider only the statement in the more recent document. You should pay special attention to the Risk Factors section of this prospectus supplement to determine whether an investment in our common stock is appropriate for you.

U.S. Bancorp

We are a multi-state financial services 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 ATM processing, mortgage banking, insurance, brokerage and leasing. We are the parent company of U.S. Bank National Association and U.S. Bank National Association ND.

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**

The following summary contains basic information about our common stock and this offering and is not intended to be complete. It does not contain all the information that is important to you. For a more complete understanding of the common stock, you should read the section of this prospectus supplement entitled "Description of Capital Stock."

| | |
|---|---|
| Common stock we are offering | shares |
| Common stock outstanding after this offering | shares(1)(2) |
| Over-allotment option | shares |
| Use of proceeds after expenses | Subject to consultation with our banking regulators, we will notify the U.S. Treasury of our intent to repurchase all of the 6,599,000 shares of our Series E Fixed Rate Cumulative Perpetual Preferred Stock (the <i>Series E Preferred Stock</i>) and the related warrant to purchase 32,679,102 shares of our common stock issued to the U.S. Treasury under the CPP and, if permitted to do so, we expect to fund any such repurchase in part with the proceeds of this offering and the contemplated medium-term notes offering described below. We may also use the net proceeds of this offering and the medium-term notes offering for general corporate purposes and may contribute some portion of the net proceeds to the capital of our subsidiaries, which will use such amount for their general corporate purposes. |
| NYSE symbol | USB |

- (1) The number of shares of common stock outstanding immediately after the closing of this offering is based on 1,758,586,395 shares of common stock outstanding as of March 31, 2009.
- (2) Unless otherwise indicated, the number of shares of common stock presented in this prospectus supplement excludes shares issuable pursuant to the exercise of the underwriters' over-allotment option, 15,252,051 shares of common stock issuable upon conversion of our outstanding convertible senior debentures, 119,340,158 shares of common stock issuable under our employee benefit plans, 137,620 shares of common stock issuable under warrants and the warrant for the issuance of 32,679,102 shares of common stock held by the U.S. Treasury.

Proposed Medium-Term Notes Offering

Concurrent with this offering, under a separate pricing supplement, we may offer \$ _____ aggregate principal amount of medium-term notes in a public offering with Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. acting as joint book-running managers. There is no assurance that the medium-term notes offering will be completed or, if completed, we will sell all of the \$ _____ aggregate principal amount of notes that may be offered. The completion of this offering is not conditioned on the completion of the medium-term notes offering.

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RISK FACTORS

An investment in our common stock involves certain risks. You should carefully consider the risks described below and the risks described in our 2008 Annual Report including in the Corporate Risk Profile and Risk Factors sections of Exhibit 13 thereto, 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 common stock could decline due to any of these risks, and you may lose all or part of your investment. This prospectus supplement also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below, elsewhere in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference therein.

The price of our common stock may fluctuate significantly, which may make it difficult for you to resell shares of common stock owned by you at times or at prices you find attractive.

Our stock price may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include, in addition to those described in Forward-Looking Statements :

actual or anticipated quarterly fluctuations in our operating results and financial condition;

changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to us or other financial institutions;

failure to meet analysts' revenue or earnings estimates;

speculation in the press or investment community generally or relating to our reputation or the financial services industry;

strategic actions by us or our competitors, such as acquisitions, restructurings, dispositions or financings;

actions by our current shareholders, including sales of common stock by existing shareholders and/or directors and executive officers;

fluctuations in the stock price and operating results of our competitors;

future sales of our equity or equity-related securities;

changes in the frequency or amount of dividends or share repurchases;

proposed or adopted regulatory changes or developments;

anticipated or pending investigations, proceedings, or litigation that involve or affect us;

domestic and international economic factors unrelated to our performance; and

general market conditions and, in particular, developments related to market conditions for the financial services industry.

In addition, in recent years, the stock market in general has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price, notwithstanding our operating results. We expect that the market price of our common stock will continue to fluctuate and there can be no assurances about the levels of the market prices for our common stock.

There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.

Except as described under the heading "Underwriting" below, we are not restricted from issuing additional common stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The issuance of any additional shares of common stock or preferred stock or securities convertible into, exchangeable for or that represent the right to receive common stock or the exercise of such securities could be substantially dilutive to shareholders of our common stock. Holders of our shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series. The market price of our common stock could decline as a result of sales of shares of our common stock made after this offering or the perception that such sales could occur. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or

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estimate the amount, timing or nature of our future offerings. Thus, our shareholders bear the risk of our future offerings reducing the market price of our common stock and diluting their stock holdings in us.

In addition, the terms of the warrant we issued to the U.S. Treasury under the CPP includes an anti-dilution adjustment that provides that if we issue shares of common stock or securities convertible or exercisable into or exchangeable for shares of our common stock at a price that is less than 90% of the market price of such shares on the last trading day preceding the date of the agreement to sell such shares, the number of shares of common stock to be issued would increase and the per share price of common stock to be purchased pursuant to the warrant would decrease. This anti-dilution adjustment may have a further dilutive effect on other holders of our common stock.

You may not receive dividends on the common stock.

Holders of our common stock are only entitled to receive such dividends as our board of directors may declare out of funds legally available for such payments. Furthermore, holders of our common stock are subject to the prior dividend rights of holders of our preferred stock at any time outstanding or depositary shares representing such preferred stock then outstanding.

As of March 31, 2009, 12,510 shares of our Series A Non-Cumulative Perpetual Preferred Stock (*Series A Preferred Stock*) were reserved for issuance in connection with the stock purchase agreement entered into in connection with our issuance in March 2006 of \$1.25 billion of 6.189% Fixed-to-Floating Rate Normal ITS (the *Normal ITS*) through USB Capital IX, a Delaware statutory trust (the *Trust*); 5,000 shares of our Series C Non-Cumulative Perpetual Preferred Stock (*Series C Preferred Stock*) were reserved for issuance in connection with our issuance in December 2006 of \$500 million of Fixed-to-Floating Rate Exchangeable Non-Cumulative Perpetual Series A Preferred Stock (the *USB Realty Preferred Securities*) of USB Realty Corp., a Delaware corporation; 40,000 shares of our Series B Non-Cumulative Perpetual Preferred Stock (*Series B Preferred Stock*) and 20,000 shares of our Series D Non-Cumulative Perpetual Preferred Stock (*Series D Preferred Stock*) were issued and outstanding; and 6,599,000 shares of our Series E Preferred Stock were issued to the U.S. Treasury under the CPP. Under the terms of the Series A Preferred Stock (if and when issued and outstanding), the Series B Preferred Stock, the Series C Preferred Stock (if and when issued and outstanding), the Series D Preferred Stock and the Series E Preferred Stock, our ability to declare or pay dividends on or repurchase our common stock or other equity or capital securities will be subject to restrictions in the event that we fail to declare and pay (or set aside for payment) full dividends on the Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock or Series E Preferred Stock, as applicable. In addition, prior to November 14, 2011, unless we have redeemed all of the Series E Preferred Stock or the U.S. Treasury has transferred all of the Series E Preferred Stock to third parties, the consent of the U.S. Treasury will be required for us to, among other things, increase our quarterly common stock dividend above \$0.425 per share, except in limited circumstances.

Although we have historically declared cash dividends on our common stock, we are not required to do so. On March 4, 2009, our board of directors declared a quarterly common stock dividend of \$0.05 per share, which was a reduction from the quarterly common stock dividend of \$0.425 per share declared in the previous quarter. We reduced our dividend for the first quarter of 2009 to preserve capital. In an effort to further preserve capital in light of the challenges facing the banking industry and regulatory constraints or for other reasons, we may further reduce or eliminate our common stock dividend in the future. This could also adversely affect the market price of our common stock.

There can be no assurance when the Series E Preferred Stock can be redeemed and the Warrant can be repurchased.

Subject to obtaining the required regulatory approvals, we will repurchase the Series E Preferred Stock and the related warrant issued to the U.S. Treasury with the proceeds from this offering, as described in Use of Proceeds; however, there can be no assurance when the Series E Preferred Stock and the related warrant can be repurchased, if at all. Until such time as the Series E Preferred Stock and the related warrant are repurchased, we will remain subject to the terms and conditions of those instruments, which, among other things, require us to obtain regulatory approval to pay dividends on our common stock in excess of \$0.425 per share and, with some exceptions, to repurchase shares of our common stock. Further, our continued participation in the CPP subjects us to increased regulatory and legislative oversight, including with respect to executive compensation. These new and any future oversight and legal requirements and implementing standards under the CPP may have unforeseen or unintended adverse effects on the financial services industry as a whole, and particularly on CPP participants such as ourselves.

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Our results of operations and our ability to fund dividend payments on our common stock and all payments on our other obligations depend upon the results of operations of our subsidiaries.

We are a separate and distinct legal entity from our banking and non-banking subsidiaries. Our principal source of funds to make payments on securities is dividends from our banking subsidiaries. Various federal and state statutes and regulations limit the amount of dividends that our banking and non-banking subsidiaries may pay to us without regulatory approval. In particular, dividend and other distributions from our bank to our holding company could require notice to or approval of the applicable regulatory authority in the future if the dividends and distributions fail to satisfy certain tests, in which case there would be no assurances that we would receive such approval.

In addition, if, in the opinion of the applicable regulatory authority, a bank under its jurisdiction is engaged in or is about to engage in an unsafe or unsound practice, such authority may require, after notice and hearing, that such bank cease and desist from such practice. Depending on the financial condition of our banking subsidiaries, the applicable regulatory authority might deem us to be engaged in an unsafe or unsound practice if our banking subsidiaries were to pay dividends. The Federal Reserve and the Office of the Comptroller of the Currency have issued policy statements generally requiring insured banks and bank holding companies only to pay dividends out of current operating earnings. The Federal Reserve recently released a supervisory letter advising bank holding companies, among other things, that as a general matter a bank holding company should inform the Federal Reserve and should eliminate, defer or significantly reduce its dividends if (i) the bank holding company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends, (ii) the bank holding company's prospective rate of earnings is not consistent with the bank holding company's capital needs and overall current and prospective financial condition, or (iii) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios.

Payment of dividends would also be subject to regulatory limitations if any of our banking subsidiaries became under-capitalized for purposes of the prompt corrective action regulations of the federal bank regulatory agencies that are the primary regulators of our banking subsidiaries. Under-capitalized is currently defined as having a total risk-based capital ratio of less than 8.0%, a Tier 1 risk-based capital ratio of less than 4.0%, or a leverage ratio (that is, capital to total consolidated assets) of less than 4.0%. Throughout 2008, our banking subsidiaries were in compliance with all regulatory capital requirements and considered to be well-capitalized.

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

We may make additional offerings of debt, which would be senior to our common stock upon liquidation, and/or preferred equity securities which may be senior to our common stock for purposes of dividend distributions or upon liquidation.

We may make additional offerings of debt or preferred equity securities, including medium-term notes, trust preferred securities, senior or subordinated notes and preferred stock. Upon liquidation, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. If we issue preferred stock in the future that has a preference over our common stock with respect to the payment of dividends or upon our liquidation, dissolution, or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of holders of our common stock could be adversely affected.

Anti-takeover provisions could negatively impact our shareholders.

Provisions of Delaware law and provisions of our certificate of incorporation and bylaws, such as our board of directors' ability to issue a series of preferred stock as a defensive measure, could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. These provisions could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our shareholders.

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USE OF PROCEEDS

We expect to receive net proceeds from this offering of approximately \$ billion (or approximately \$ billion if the underwriters exercise their over-allotment option in full), after deduction of underwriting discounts and commissions and estimated expenses payable by us.

Subject to consultation with our banking regulators, we will notify the U.S. Treasury of our intent to repurchase all of the 6,599,000 shares of our Series E Preferred Stock and the related warrant for 32,679,102 shares of our common stock issued to the U.S. Treasury under the CPP and, if permitted to do so, we expect to fund a portion of any such repurchase with the proceeds of this offering and the contemplated medium-term notes offering described above. The Series E Preferred Stock would be repurchased at its \$1,000 per share liquidation preference, plus accrued and unpaid interest.

If we do not repurchase the Series E Preferred Stock and the related warrant, we may use the net proceeds of this offering and the contemplated medium-term notes offering for general corporate purposes and may contribute some portion of the net proceeds to the capital of our subsidiaries, which will use such amount for their general corporate purposes.

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Our common stock is listed and traded on the NYSE under the symbol USB. As of April 30, 2009, there were 1,758,762,596 shares of our common stock issued and outstanding. The following table sets forth for the periods indicated the high and low reported sales prices of our common stock on the NYSE, and the cash dividends declared per share.

| | High Sale Price | Low Sale Price | Dividends Declared per Share |
|--------------------------------------|----------------------------|---------------------------|---|
| 2009: | | | |
| Second Quarter (through May 8, 2009) | \$ 21.92 | \$ 13.92 | \$.050 |
| First Quarter | \$ 25.43 | \$ 8.06 | \$.425 |
| 2008: | | | |
| Fourth Quarter | \$ 37.31 | \$ 20.22 | \$.425 |
| Third Quarter | \$ 42.23 | \$ 20.57 | \$.425 |
| Second Quarter | \$ 35.25 | \$ 27.78 | \$.425 |
| First Quarter | \$ 35.01 | \$ 27.86 | \$.425 |
| 2007: | | | |
| Fourth Quarter | \$ 34.21 | \$ 30.21 | \$.425 |
| Third Quarter | \$ 34.17 | \$ 29.09 | \$.400 |
| Second Quarter | \$ 35.18 | \$ 32.74 | \$.400 |
| First Quarter | \$ 36.84 | \$ 34.40 | \$.400 |

On May 8, 2009, the last reported sale price of our common stock on the NYSE was \$20.54 per share.

Currently, our ability to declare or pay dividends on shares of our common stock is subject to certain restrictions in the event that we fail to pay or set aside full dividends on the Series E Preferred Stock for all past dividend periods. In addition, we must obtain regulatory approval to pay dividends on our common stock in excess of \$0.425 per share. For the first quarter of 2009, our board of directors declared a dividend of \$.05 per share of common stock, which is substantially lower than has been declared and paid in prior quarters. The purpose of this dividend reduction was to fortify our capital base by increasing common equity as a proportion of total capital, to ensure that we can withstand the challenges currently facing the banking industry while remaining positioned to take advantage of opportunities for growth, and to give our company the flexibility to redeem the investment of the U.S. Treasury in the company under the CPP. In the future, dividends on our common stock will be determined in light of our results of operations, financial condition, regulatory constraints and other factors deemed relevant by our board of directors. The Federal Reserve recently released a supervisory letter advising bank holding companies, among other things, that as a general matter a bank holding company should inform the Federal Reserve and should eliminate, defer or significantly reduce its dividends if (i) the bank holding company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends, (ii) the bank holding company's prospective rate of earnings is not consistent with the bank holding company's capital needs and overall current and prospective financial condition, or (iii) the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. Payments of dividends on our common stock may be subject to any preferential rights under any of our preferred stock that may be outstanding from time to time. See Description of Capital Stock.

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DESCRIPTION OF CAPITAL STOCK

The following description summarizes the terms of our capital stock but does not purport to be complete, and it is qualified in its entirety by reference to the applicable provisions of federal law governing bank holding companies, Delaware law and our certificate of incorporation and bylaws. Our certificate of incorporation and bylaws are incorporated by reference as exhibits to our 2008 Annual Report filed with the SEC. See [Where You Can Find More Information](#).

Common Stock

We are authorized to issue up to 4,000,000,000 shares of common stock, par value \$.01 per share, and 50,000,000 shares of preferred stock, par value \$1.00 per share. As of March 31, 2009, there were 1,972,643,007 shares of common stock issued (including 214,062,612 shares held in treasury). Our common stock is listed on the New York Stock Exchange under the symbol [USB](#).

Voting and Other Rights. Each share of common stock is entitled to one vote per share, and, in general, a majority of votes cast with respect to a matter is sufficient to authorize action upon routine matters. Directors are elected by a majority of the votes cast, and shareholders do not have the right to cumulate their votes in the election of directors. For that reason, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all of the directors standing for election. In general, however:

amendments to the certificate of incorporation are approved if the votes cast within a voting group favoring the action exceed the votes cast within the voting group opposing the action; and

a merger or dissolution, or the sale of all or substantially all of its assets, must be approved by the affirmative vote of the holders of a majority of the voting power of the outstanding voting shares and the affirmative vote of the holders of a majority of the outstanding shares of each class entitled to vote on the matter as a class.

No Preemptive or Conversion Rights. Our common stock will not entitle its holders to any preemptive rights, redemption privileges, sinking fund privileges or conversion rights.

Assets upon Dissolution. In the event of liquidation, holders of common stock will receive proportionately any assets legally available for distribution to our shareholders with respect to shares held by them, subject to any prior rights of any of our preferred stock then outstanding.

Distributions. Holders of our common stock will be entitled to receive the dividends or distributions that our board of directors may declare out of funds legally available for these payments. The payment of distributions by us is subject to the restrictions of Delaware law applicable to the declaration of distributions by a corporation. Under Delaware law, a corporation may not pay a dividend out of net profits if the capital stock of the corporation is less than the stated amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of the corporation's assets. In addition, the payment of distributions to shareholders is subject to any prior rights of outstanding preferred stock.

As a bank holding company, our ability to pay distributions is affected by the ability of our banking subsidiaries to pay dividends. The ability of these banking subsidiaries, as well as us, to pay dividends in the future currently is, and could be further, influenced by bank regulatory requirements and capital guidelines.

Restrictions on Ownership. The Bank Holding Company Act of 1956 requires any bank holding company (as defined in that Act) to obtain the approval of the Federal Reserve Board prior to acquiring more than 5% of our outstanding common stock. Any person other than a bank holding company is required to obtain prior approval of the Board of Governors of the Federal Reserve System to acquire 10% or more of our outstanding common stock under the Change in Bank Control Act. Any holder of 25% or more of our outstanding common stock, other than an individual, is subject to regulation as a bank holding company under the Bank Holding Company Act.

Additional Anti-Takeover Provisions Contained in the Certificate of Incorporation and Bylaws

In addition to the ability to issue preferred stock as described below, our certificate of incorporation and bylaws contain additional provisions that may make it less likely that our management would be changed or that someone

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would acquire voting control of us without our board of directors' consent. Under our bylaws, our board of directors can supplement, amend or repeal the bylaws, subject to limitations under the Delaware General Corporation Law. Our shareholders also have the power to supplement, amend or repeal our bylaws at any annual or special meeting of the shareholders.

Preferred Stock

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

Series A Preferred Stock. In connection with the offering of the Normal ITS of the Trust, we entered into a stock purchase agreement with the Trust under which we agreed to issue and sell to the Trust 12,510 shares of our Series A Preferred Stock, \$100,000 liquidation preference per share. When and if issued, shares of the Series A Preferred Stock will rank senior to our common stock, equally with shares of our Series B Preferred Stock, Series C Preferred Stock (when and if issued and outstanding), Series D Preferred Stock and Series E Preferred Stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series A Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. Holders of Series A Preferred Stock will not have preemptive or subscription rights.

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

Dividends. Series A Preferred Stock, when and if issued, will pay non-cumulative cash dividends only when, as and if declared by our board of directors. Any dividends on shares of Series A Preferred Stock will be calculated (a) if the Series A Preferred Stock is issued prior to April 15, 2011, at a rate per annum equal to 6.189% until April 15, 2011, payable semi-annually, and (b) thereafter, at a rate per annum that will be reset quarterly and will equal a rate determined by reference to three-month LIBOR with a minimum of 3.50%, payable quarterly. If we pay a partial dividend or skip a dividend payment on the Series A Preferred Stock at any time, we will be subject to certain restrictions.

Redemption. Subject to certain conditions (including but not limited to date restrictions, Federal Reserve approval and covenanting in favor of certain debt holders), the Series A Preferred Stock is redeemable at our option, in whole or in part, at a redemption price equal to \$100,000 per share, plus any declared and unpaid dividends without regard to any undeclared dividends.

Voting Rights. Except as provided by applicable law, the holders of the Series A Preferred Stock will have no voting rights and will not be entitled to elect any directors.

Series B Preferred Stock. As of March 31, 2009, there were 40,000 shares of Series B Preferred Stock issued and outstanding. Shares of the Series B Preferred Stock rank senior to our common stock, equally with shares of our Series A Preferred Stock (if and when issued and outstanding), Series C Preferred Stock (if and when issued and outstanding), Series D Preferred Stock and Series E Preferred Stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders

of the Series B Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. Holders of Series B Preferred Stock will not have preemptive or subscription rights.

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

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Dividends. Holders of Series B Preferred Stock will be entitled to receive, when, as and if declared by our board of directors or a duly authorized committee of the board of directors, out of assets legally available for the payment of dividends under Delaware law, non-cumulative cash dividends. These dividends will accrue, with respect to each dividend period, on the liquidation preference amount of \$25,000 per share at a rate per annum determined by reference to three-month LIBOR with a minimum of 3.50%, payable quarterly. Dividends on shares of Series B Preferred Stock will not be cumulative. If we pay a partial dividend or skip a dividend payment on the Series B Preferred Stock at any time, we will be subject to certain restrictions.

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 (subject to prior approval of the Federal Reserve and the terms of the applicable Replacement Capital Covenant), in whole or in part, at a redemption price equal to \$25,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

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

Whenever 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 (which includes the Series A Preferred Stock (if and when issued and outstanding), the Series D Preferred Stock and the Series E Preferred Stock) as to payment of dividends, and upon which similar voting rights have been conferred and are exercisable, shall have not been declared and paid for an amount equal to six or more dividend payments, whether or not for consecutive dividend periods, the number of directors on our board of directors shall automatically increase by two and the holders of shares of Series D Preferred Stock, together with the holders of all other affected classes and series of parity stock, voting as a single class, shall be entitled to elect the two additional directors. These voting rights will continue until full dividends have been paid regularly on the shares of the Series B Preferred Stock and any other class or series of parity stock as to payment of dividends for at least four dividend periods.

So long as any shares of Series B Preferred Stock remain outstanding, the vote or consent of the holders of at least 662/3% of the shares of Series B Preferred Stock shall be necessary to (i) issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Series B Preferred Stock and all other parity stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up of the Company; or (ii) to amend our certificate of incorporation or the Certificate of Designations of the Series B Preferred Stock or any other series of preferred stock so as to materially and adversely affect the powers, preferences, privileges or rights of the Series B Preferred Stock, taken as a whole.

Series C Preferred Stock. Pursuant to the terms of the USB Realty Preferred Securities, if the Office of the Comptroller of the Currency so directs upon the occurrence of certain exchange events, each outstanding USB Realty Preferred Security will be exchanged for one share of our Series C Preferred Stock, \$100,000 liquidation preference per share. When and if issued, shares of the Series C Preferred Stock will rank senior to our common stock, equally with shares of our Series A Preferred Stock (when and if issued and outstanding), Series B Preferred Stock, Series D Preferred Stock and Series E Preferred Stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series C Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. Holders of Series C Preferred Stock will not have preemptive or subscription rights.

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

Dividends. Series C Preferred Stock, when and if issued, will pay non-cumulative cash dividends only when, as and if declared by our board of directors. Any dividends on shares of Series C Preferred Stock will be calculated (a) if the Series C Preferred Stock is issued prior to January 15, 2012, at a rate per annum equal to 6.091% until January 15, 2012, payable quarterly and (b) thereafter, reset quarterly at a rate per annum equal to three-month

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LIBOR plus 1.147%, payable quarterly. If we pay a partial dividend or skip a dividend payment on the Series C Preferred Stock at any time, we will be subject to certain restrictions.

Redemption. Subject to certain conditions (including but not limited to Federal Reserve approval and covenanting in favor of certain debt holders), the Series C Preferred Stock is redeemable at our option, in whole or in part, at a redemption price equal to \$100,000 per share, plus any declared and unpaid dividends without regard to any undeclared dividends.

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

Whenever dividends on any shares of the Series C Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series C Preferred Stock (which includes the Series A Preferred Stock (if and when issued and outstanding), the Series B Preferred Stock, Series D Preferred Stock and the Series E Preferred Stock) as to payment of dividends, and upon which similar voting rights have been conferred and are exercisable, shall have not been declared and paid for an amount equal to six or more dividend payments, whether or not for consecutive dividend periods, the number of directors on our board of directors shall automatically increase by two and the holders of shares of Series C Preferred Stock, together with the holders of all other affected classes and series of parity stock, voting as a single class, shall be entitled to elect the two additional directors. These voting rights will continue until full dividends have been declared and paid on the shares of the Series C Preferred Stock and any other class or series of parity stock as to payment of dividends for at least three dividend periods and have been set aside for payment for the fourth consecutive dividend period.

Series D Preferred Stock. As of March 31, 2009, there were 20,000 shares of Series D Preferred Stock issued and outstanding. Shares of the Series D Preferred Stock rank senior to our common stock, equally with shares of our Series A Preferred Stock (if and when issued and outstanding), Series B Preferred Stock, Series C Preferred Stock (if and when issued and outstanding) and Series E Preferred Stock, and at least equally with each other series of our preferred stock we may issue (except for any senior series that may be issued with the requisite consent of the holders of the Series D Preferred Stock), with respect to the payment of dividends and distributions of assets upon liquidation, dissolution or winding up. Holders of Series D Preferred Stock will not have preemptive or subscription rights.

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

Dividends. Holders of Series D Preferred Stock will be entitled to receive, when, as and if declared by our board of directors or a duly authorized committee of the board of directors, out of assets legally available for the payment of dividends under Delaware law, non-cumulative cash dividends. These dividends will accrue, with respect to each dividend period, on the liquidation preference amount of \$25,000 per share at a rate per annum of 7.875%. Dividends on shares of Series D Preferred Stock will not be cumulative. If we pay a partial dividend or skip a dividend payment on the Series D Preferred Stock at any time, we will be subject to certain restrictions.

Redemption. The Series D Preferred Stock is not redeemable prior to April 15, 2013. On and after that date, the Series D Preferred Stock will be redeemable at our option (subject to prior approval of the Federal Reserve and the terms of the applicable Replacement Capital Covenant), in whole or in part, at a redemption price equal to \$25,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends.

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

Whenever dividends on any shares of the Series D Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series D Preferred Stock (which includes the Series A Preferred Stock (if and when issued and outstanding), Series B Preferred Stock, Series C Preferred Stock (if and when issued and outstanding) and the Series E Preferred Stock) as to payment of dividends, and upon which similar voting rights have been conferred and are exercisable, shall have not been declared and paid for an amount equal to six or more dividend payments, whether or not for consecutive dividend periods, the number of directors on our board of directors shall

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automatically increase by two and the holders of shares of Series D Preferred Stock, together with the holders of all other affected classes and series of parity stock, voting as a single class, shall be entitled to elect the two additional directors. These voting rights will continue until full dividends have been paid regularly on the shares of the Series D Preferred Stock and any other class or series of parity stock as to payment of dividends for at least four dividend periods.

So long as any shares of Series D Preferred Stock remain outstanding, the vote or consent of the holders of at least 66²/₃% of the shares of Series D Preferred Stock shall be necessary to (i) issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any class or series of stock ranking senior to the Series D