

US BANCORP \DE\
Form DEF 14A
March 08, 2013

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

SCHEDULE 14A

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

Filed by the Registrant X

Filed by a Party other than the Registrant O

Check the appropriate box:

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

U.S. Bancorp
(Name of Registrant as Specified In Its Charter)

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

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 - (3) Filing Party:
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800 Nicollet Mall
Minneapolis, Minnesota 55402
(651) 466-3000

March 8, 2013

Dear Shareholders:

We are pleased to invite you to our 2013 annual meeting of shareholders to be held on Tuesday, April 16, 2013, at 11:00 a.m., local time, at the Morrison Center for the Performing Arts, Boise State University, 2201 West Cesar Chavez Lane, Boise, Idaho. At this year's meeting, you will hear a report on matters of current interest to our shareholders and be asked to vote on the items described in the proxy statement.

We hope you will be able to attend the meeting. However, even if you are planning to attend the meeting in person, we strongly encourage you to vote by Internet or telephone or complete, sign and return your proxy card prior to the meeting. This will ensure that your shares are represented at the meeting. The proxy statement explains more about proxy voting and contains additional information about the business to be conducted at the meeting. Please read it carefully.

If you are not able to attend the meeting, you will still be able to access an audio replay of the management presentation given at the meeting from our website. Instructions on how to access the replay are included in the attached proxy statement.

Every shareholder vote is important. To ensure your vote is counted at the annual meeting, please vote as promptly as possible.

Thank you for your ongoing support of our company. We look forward to seeing you at the annual meeting.

Sincerely,

Richard K. Davis
Chairman, President and Chief Executive Officer

ANNUAL MEETING LOCATION

Morrison Center for the Performing Arts
Boise State University
2201 West Cesar Chavez Lane
Boise, Idaho 83725

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF U.S. BANCORP

Date and Time: Tuesday, April 16, 2013, at 11:00 a.m., local time

Place: Morrison Center for the Performing Arts
Boise State University
2201 West Cesar Chavez Lane
Boise, Idaho 83725

- Items of Business:**
1. The election of 14 directors named in the proxy statement.
 2. The ratification of the selection of Ernst & Young LLP as our independent auditor for the 2013 fiscal year.
 3. An advisory vote to approve the compensation of our executives disclosed in this proxy statement.
 4. A shareholder proposal seeking the establishment of a policy requiring that the Chairman of the Board be an independent director.
 5. Any other business that may properly be considered at the meeting or any adjournment of the meeting.

Record Date: You may vote at the meeting if you were a shareholder of record at the close of business on February 20, 2013.

Voting by Proxy: It is important that your shares be represented and voted at the meeting. You may vote your shares by Internet or telephone by no later than 11:59 p.m., Eastern time, on April 15, 2013 (or April 11, 2013, for shares held in the U.S. Bank 401(k) Savings Plan), as directed on the enclosed proxy card. You may also complete, sign and return the enclosed proxy card by mail. Voting in any of these ways will not prevent you from attending or voting your shares at the meeting. We encourage you to vote by Internet or telephone in order to reduce mailing and handling expenses.

By Order of the Board of Directors

James L. Chosy
Secretary

March 8, 2013

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**Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting
to be Held on April 16, 2013:**

Our proxy statement and 2012 Annual Report are available at www.usbank.com/proxymaterials.

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Questions and Answers About the Annual Meeting and Voting

The Board of Directors of U.S. Bancorp is soliciting proxies for use at the annual meeting of shareholders to be held on April 16, 2013, and at any adjournment of the meeting. This proxy statement and the enclosed proxy card are first being mailed or made available to shareholders on or about March 8, 2013.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

How do I vote my shares?

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

electronically, using the Internet;

over the telephone by calling a toll-free number; or

by completing, signing and mailing the printed proxy card.

The Internet and telephone voting procedures have been set up for your convenience. We encourage you to reduce corporate expense by submitting your vote by Internet or telephone. The procedures have been designed:

- > to authenticate your identity;
- > to allow you to give voting instructions; and
- > to confirm that those instructions have been recorded properly.

If you are a shareholder of record and you would like to submit your proxy vote by Internet or telephone, please refer to the specific instructions and the control number provided on the enclosed proxy card. If you wish to submit your proxy by mail, please return your signed proxy card to us before the annual meeting. If you received your proxy materials by e-mail, the e-mail contains voting instructions, including a control number required to vote your shares, and links to the proxy materials on the Internet.

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

How does the Board recommend that I vote?

The Board of Directors recommends that you vote:

- > **"FOR"** the election of each of the nominees to the Board of Directors;
- > **"FOR"** the ratification of the selection of Ernst & Young LLP as our independent auditor for the 2013 fiscal year;
- > **"FOR"** the advisory approval of the compensation of our executives disclosed in this proxy statement; and
- >

"**AGAINST**" the shareholder proposal seeking the establishment of a policy requiring that the Chairman of the Board be an independent director.

We are not aware of any other matters that will be voted on at the annual meeting. However, if any other business properly comes before the meeting, the persons named as proxies for shareholders will vote on those matters in a manner they consider appropriate.

What is the purpose of the meeting?

At our annual meeting, shareholders will act upon the matters outlined in the notice of annual meeting of shareholders and described in this proxy statement. Management will also report on our performance during the last fiscal year and, once the business of the annual meeting is concluded, respond to questions from shareholders.

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Questions and Answers About the Annual Meeting and Voting

Who is entitled to vote at the meeting?

The Board has set February 20, 2013, as the record date for the annual meeting. If you were a shareholder of record at the close of business on February 20, 2013, you are entitled to vote at the meeting. As of the record date, 1,864,005,910 shares of our common stock were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 1,864,005,910 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

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

- > you have properly submitted a proxy vote by Internet, telephone or mail, even if you abstain from voting on one or more matters;
- > you are present and vote in person at the meeting; or
- > you hold your shares in street name (as discussed below) and you do not provide voting instructions and your broker, bank, trust or other nominee uses its discretionary authority to vote your shares on the ratification of the selection of our independent auditor.

What is a proxy statement?

It is a document that we are required to give you, or provide you access to, when we are soliciting your vote in accordance with regulations of the Securities and Exchange Commission (the "SEC").

What is a proxy?

It is your designation of another person to vote stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. When you designate a proxy, you also may direct the proxy how to vote your shares. We refer to this as your "proxy vote." Two executive officers, Richard K. Davis and James L. Chosy, have been designated as the proxies to cast the votes of our shareholders at our 2013 annual meeting of shareholders.

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

If your shares are registered directly in your name with our transfer agent, Computershare Investor Services, you are considered the shareholder of record with respect to those shares.

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

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

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If you hold any shares in the U.S. Bank 401(k) Savings Plan, you are receiving, or being provided access to, the same proxy materials as any other shareholder of record. However, your proxy vote will serve as voting instructions to the plan trustee. Your voting instructions must be received at least five days prior to the annual meeting in order to count. In accordance with the terms of the plan, the trustee will vote all of the shares held in the plan in the same proportion as the actual proxy votes submitted by plan participants at least five days prior to the annual meeting.

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Questions and Answers About the Annual Meeting and Voting

Can I vote my shares in person at the meeting?

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

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

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

What if I hold my shares in street name and do not provide voting instructions?

If you hold your shares in street name and do not provide voting instructions, your broker, bank, trust or other nominee has discretionary authority to vote your shares on the ratification of the selection of Ernst & Young LLP as our independent auditor. However, in the absence of your specific instructions as to how to vote, your broker, bank, trust or other nominee does not have discretionary authority to vote on any other proposal. It is important, therefore, that you provide instructions to your broker, bank, trust or other nominee so that your vote with respect to the other proposals is counted.

What vote is required and what is the effect of abstentions?

You may vote "FOR," "AGAINST" or "ABSTAIN" for each nominee for the Board of Directors and on the other proposals. The following table summarizes for each proposal the votes required for approval of the proposal and the effect of voting "ABSTAIN."

| Proposal | Votes Required for Approval | Effect of "ABSTAIN" Vote |
|---------------------------------|---|-------------------------------|
| Election of directors | Majority of shares voted | No effect |
| Approval of all other proposals | Majority of shares present and entitled to vote | Same effect as "AGAINST" vote |

What does it mean if I receive more than one proxy card or voting instruction form?

If you receive more than one proxy card or voting instruction form, it means that you hold shares in more than one account. To ensure that all of your shares are voted, vote separately by Internet or telephone for each proxy card and voting instruction form you receive, or sign and return each proxy card and voting instruction form.

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

If you submit your proxy by Internet or submit a signed proxy card and do not specify how you want to vote your shares, we will vote your shares in accordance with the above recommendations of the Board. Our telephone voting procedures do not permit you to submit your proxy vote by telephone without specifying how you want your shares voted.

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting. If you are a shareholder of record, you may revoke your proxy and change your vote by:

- > if you voted over the Internet or by telephone, voting again over the Internet or by telephone by no later than 11:59 p.m., Eastern time, on April 15, 2013;
- > if you completed and returned a proxy card, submitting a new proxy card with a later date and returning it so that it is received by April 15, 2013; or

>

submitting written notice of revocation to our Corporate Secretary at the address shown on page 5 of this proxy statement so that it is received by April 15, 2013.

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Questions and Answers About the Annual Meeting and Voting

Attending the meeting will not revoke your proxy unless you specifically request to revoke it or submit a ballot at the meeting. To request an additional proxy card, or if you have any questions about the annual meeting or how to vote or revoke your proxy, you should write to Investor Relations, U.S. Bancorp, 800 Nicollet Mall, Minneapolis, MN 55402 or call (866) 775-9668.

If you are a participant in the U.S. Bank 401(k) Savings Plan, you may revoke your proxy and change your vote as described above, but only until 11:59 p.m., Eastern time, on April 11, 2013. If you hold your shares in street name, contact your broker, bank, trust or other nominee regarding how to revoke your proxy and change your vote.

Will my vote be kept confidential?

Yes. We have procedures to ensure that all proxies, ballots and voting tabulations that identify shareholders are kept permanently confidential, except to meet legal requirements, to assert claims for or defend claims against our company, to allow authorized individuals to count and certify the results of the shareholder vote, if a proxy solicitation in opposition to the Board takes place or to respond to shareholders who have written comments on proxy cards or who have requested disclosure. We also have the voting tabulations performed by an independent third party.

Who will count the votes?

Representatives of Broadridge Financial Solutions, Inc., our tabulation agent, will tabulate the votes and act as independent inspectors of election.

How do I attend the meeting?

You are entitled to attend the annual meeting only if you were, or you hold a valid legal proxy naming you to act for, one of our shareholders on the record date. Before we will admit you to the meeting, we must be able to confirm:

- > your identity by reviewing a valid form of photo identification, such as a driver's license; and
- > you were, or are validly acting for, a shareholder of record on the record date by:
 - > verifying your name and stock ownership against our list of registered shareholders, if you are the record holder of your shares;
 - > reviewing other evidence of your stock ownership, such as your most recent brokerage or bank statement, if you hold your shares in street name; or
 - > reviewing a written proxy that shows your name and is signed by the shareholder you are representing, in which case either the shareholder must be a registered shareholder of record or you must have a brokerage or bank statement for that shareholder as described above.

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

At the entrance to the meeting, we will verify that your name appears in our stock records, or will inspect your brokerage or bank statement as your proof of ownership or any written proxy you present as the representative of a shareholder. We will decide in our sole discretion whether the documentation you present for admission to the meeting meets the requirements described above. The admission of persons who are guests of shareholders is subject to the discretion of management. Anyone needing special assistance should call Investor Relations at (866) 775-9668. Please allow ample time for the admission procedures described above.

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If you are not able to attend the meeting, you will still be able to access an audio replay of the management presentation given at the meeting from our website. You can find instructions on how to access the replay and the presentation materials on our website at www.usbank.com by clicking on "About U.S. Bank" and then "Webcasts & Presentations."

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Questions and Answers About the Annual Meeting and Voting

Who pays for the cost of proxy preparation and solicitation?

We pay for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks, trusts or other nominees for forwarding proxy materials to street name holders. We have retained Phoenix Advisory Partners to assist in the solicitation of proxies for the annual meeting for a fee of approximately \$10,500, plus associated costs and expenses.

We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone, facsimile, e-mail or in person. They will not receive any additional compensation for these activities.

How can I contact U.S. Bancorp's Board of Directors?

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

The Office of the Corporate Secretary
U.S. Bancorp
BC-MN-H23I
800 Nicollet Mall
Minneapolis, MN 55402

Any such letters will be delivered to the independent lead director, or to a specified director if so addressed. Letters relating to accounting matters will also be delivered to our chief risk officer for handling in accordance with the Audit Committee's policy on investigation of complaints relating to accounting matters.

How can I receive my proxy materials electronically in the future?

Instead of receiving future copies of our proxy materials by mail, you can elect to receive an e-mail with links to these documents, your control number and instructions for voting over the Internet. Opting to receive your proxy materials electronically will save the cost of producing and mailing documents to you and will also help conserve environmental resources. Your e-mail address will be kept separate from any other company operations and will be used for no other purpose.

If we mailed you a printed copy of our proxy statement and annual report and you would like to sign up to receive these materials electronically in the future, you can choose this option by:

- > following the instructions provided on your proxy card or voting instruction form;
- > following the instructions provided when you vote over the Internet; or
- > going to <http://enroll.icsdelivery.com/usb> and following the instructions provided.

You may revoke this request at any time by following the instructions at <http://enroll.icsdelivery.com/usb>. Your election is permanent unless you revoke it later.

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Proposal 1 Election of Directors

PROPOSAL 1 ELECTION OF DIRECTORS

Our Board of Directors currently has 14 members, and directors are elected annually to one-year terms. All of our current directors have been nominated for election by the Board to hold office until the 2014 annual meeting and the election of their successors.

The current directors are the only nominees, and each of them has previously been elected by the shareholders. The Board has determined that, except for Richard K. Davis, each nominee for election as a director at the annual meeting is independent from U.S. Bancorp as discussed later in this proxy statement under "Corporate Governance Director Independence."

Director Selection and Qualifications

Director Nominee Selection Process

The selection process for director candidates includes the following steps:

- > identification of director candidates by the Governance Committee based upon suggestions from current directors and executive officers and recommendations received from shareholders;
- > possible engagement of a director search firm to provide names and biographies of director candidates for the Governance Committee's consideration;
- > interviews of candidates by the chair of the Governance Committee and two other Governance Committee members;
- > reports to the Board by the Governance Committee on the selection process;
- > recommendations by the Governance Committee; and
- > formal nomination by the Board for inclusion in the slate of directors at the annual meeting.

Director candidates recommended by shareholders are given the same consideration as candidates suggested by directors and executive officers. A shareholder seeking to recommend a prospective candidate for the Governance Committee's consideration should submit the candidate's name and sufficient written information about the candidate to permit a determination by the Governance Committee whether the candidate meets the director selection criteria set forth below and in our Corporate Governance Guidelines. Recommendations should be sent to the Chair of the Governance Committee in care of the Corporate Secretary of U.S. Bancorp at the address listed on page 5 of this proxy statement.

Director Qualification Standards

We will only consider individuals as candidates for director who possess the highest personal and professional ethics, integrity and values, and who are committed to representing the long-term interests of our shareholders. In evaluating candidates for nomination as a director of U.S. Bancorp, the Governance Committee will also consider other criteria, including:

- > current or recent experience as a CEO of a public company or as a leader of another major complex organization;
- > business and financial expertise;
- > geography;
- > experience as a director of a public company;
- > gender and ethnic diversity on the Board; and
- > independence.

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Proposal 1 Election of Directors

For incumbent directors, the Governance Committee also considers past performance on the Board and contributions to their respective committees.

The Governance Committee also expects each director to display independent thought, practical wisdom and mature judgment. In addition, directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively and should be committed to serving on the Board for an extended period of time. One or more of our directors must possess the education or experience required to qualify as an audit committee financial expert.

2013 Nominees for Director

Each of our director nominees meets the qualification standards described above and in our Corporate Governance Guidelines. In nominating current and new directors, our Governance Committee considers, among other things:

- > *Business Experience.* Our Governance Committee considers the balance of business experience represented on the Board. Many of our directors have had experience as a CEO of a large publicly held or private corporation. This background provides experience in general management of large organizations, and oversight of finance, marketing, sales and administrative functions. It also provides experience in risk assessment, corporate governance matters and interaction with boards of directors. Many of our directors have current or recent experience as a director of another large publicly held or private company, which also provides valuable experience in addressing complex governance and business issues relevant to our company.
- > *Diversity.* Our Governance Committee considers racial, gender and geographical diversity in our director candidates, and discusses these matters in the course of considering the mix of attributes and qualifications of each candidate. As a financial institution with activities in all 50 states, and a retail footprint of 25 states, we believe it is useful to have directors with backgrounds and experience in our significant geographic markets, and we have indicated the primary geographic location of each director in his or her biographical information below.
- > *Tenure.* Our Governance Committee also finds it important to maintain a balance of tenure on the Board. Long-serving directors bring valuable business and governance experience with our company and familiarity with the challenges it has faced over the years, while newer directors bring fresh perspective and new ideas.

Each of the nominees has agreed to serve as a director if elected. Proxies may not be voted for more than 14 directors. If, for any reason, any nominee becomes unable to serve before the election, the persons named as proxies will vote your shares for a substitute nominee selected by the Board of Directors. Alternatively, the Board of Directors, at its option, may reduce the number of directors that are nominated for election. In addition, as described below under "Corporate Governance - Majority Vote Standard for Election of Directors," each of the nominees has tendered his or her resignation as a director in accordance with our corporate governance guidelines to be effective if he or she fails to receive the required vote for election to the Board and the Board accepts the tendered resignation.

Included below is certain information that the nominees for election as directors have provided as well as additional information that the Board considered in nominating the individuals for election to the Board. Board service dates listed include service as directors of U.S. Bancorp's predecessor companies.

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Proposal 1 Election of Directors

Business Experience: Mr. Baker, 54, is the Chairman and Chief Executive Officer of Ecolab Inc., a provider of water and hygiene services and technologies for the food, hospitality, industrial and energy markets. He has served as Chairman since May 2006 and Chief Executive Officer since July 2004. He served as President of Ecolab from 2002 until 2011. He joined Ecolab in 1989 and held various leadership positions within the company before being named President and Chief Operating Officer in 2002.

Other Directorships:

- > **Ecolab Inc.** since May 2006 (Chairman)

Mr. Baker provides the valuable perspective gained from leading a company through the current economic and corporate governance environment as the CEO of an S&P 500 industrial company with global operations.

Douglas M. Baker, Jr.

St. Paul, Minnesota
Director since 2008

Committees

- > Governance
- > Risk Management

Business Experience: Mr. Belton, 53, is Executive Vice President, Global Strategy, Growth and Marketing Innovation of General Mills, Inc., an S&P 500 manufacturer and marketer of consumer food products. He has held this position since September 2010. Mr. Belton served as Executive Vice President, Worldwide Health, Brand and New Business Development of General Mills from 2005 until September 2010. He joined General Mills in 1983 and held various leadership positions within the company before being named Senior Vice President of Yoplait USA, General Mills Canada Corporation and New Business Development in 2002.

Other Directorships:

- > Navistar International Corporation from 1999 to 2009

Y. Marc Belton

Minneapolis, Minnesota
Director since 2009

Committees

- > Audit
- > Community
Reinvestment and
Public Policy

As a current executive officer with overall responsibility for the global strategy and marketing functions of General Mills, Mr. Belton brings to our Board of Directors expertise in the retail industry, an important area for a major consumer bank such as U.S. Bank, and many years of outstanding work in the field of brand management and business development. Mr. Belton is a member of the Executive Leadership Council in Washington D.C., the nation's premier leadership organization comprised of the most senior African-American corporate executives in Fortune 500 companies, where he participates in current discussions of leadership, management and business issues across many industries.

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Proposal 1 Election of Directors

Business Experience: Ms. Buyniski Gluckman, 61, is retired Chairman and Chief Executive Officer of United Medical Resources, Inc., a third-party administrator of employer healthcare benefits. She served as Chief Executive Officer since founding United Medical Resources in 1983 until April 2008, and as Chairman from 1983 until the acquisition of United Medical Resources by UnitedHealth Group Incorporated in December 2005. Commencing with that transaction and until April 2008, Ms. Buyniski Gluckman assumed the additional duties of Chief Executive Officer of Midwest Security Administrators, another third-party administrator of employer healthcare benefits that is also a subsidiary of UnitedHealth Group.

Other Directorships:

- > **Ohio National Financial Services, Inc.** since 1993 (Audit and Investment Committees)

**Victoria Buyniski
Gluckman**

Cincinnati, Ohio
Director since 1990

Ms. Buyniski Gluckman brings an entrepreneurial perspective to our Board, having founded her own successful company based on a concept she developed while working in the public healthcare field. Her company grew on the basis of excellent customer service, which is also a cornerstone of U.S. Bancorp's brand and strategy. In addition, Ms. Buyniski Gluckman's service on the board of directors of Ohio National gives her additional experience in the business and management of a large, complex financial services company.

Committees

- > Compensation and Human Resources
- > Community Reinvestment and Public Policy

Business Experience: Mr. Collins, 65, is retired Chairman and Chief Executive Officer of Medtronic, Inc., a leading medical device and technology company, and, like U.S. Bancorp, an S&P 100 company. Mr. Collins served as Chairman of Medtronic from 2002 until August 2008 and Chief Executive Officer from 2002 until August 2007. Mr. Collins also served as Chief Operating Officer of Medtronic from 1994 to 1996 and President and Chief Operating Officer from 1996 to 2002. Since April 2009, Mr. Collins has acted as a senior advisor for Oak Hill Capital Partners, which manages a private equity portfolio of over \$8 billion of private equity capital, and over \$20 billion of investment capital.

Other Directorships:

- > **Cargill, Incorporated** since 2000 (Human Resources Committee Chair; Governance, Audit and Executive Committees)
- > **The Boeing Company** since 2007 (Finance Committee Chair; Audit Committee)
- > **Alcoa Inc.** since 2010 (Audit and Compensation and Benefits Committees)
- > Medtronic, Inc. from 2002 to 2008

Arthur D. Collins, Jr.

Chicago, Illinois
Director since 1996

Committees

- > Chair, Governance
- > Compensation and Human Resources
- > Executive

Mr. Collins's experience at Medtronic and Oak Hill Capital gives him a broad perspective on a variety of business and financial issues that is valuable in his service on our Board. Additionally, his experience on Cargill's Board has provided an opportunity for him to gain perspective in an industry directly applicable to U.S. Bancorp's business, as Cargill has a number of significant business segments in the financial services sector.

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Proposal 1 Election of Directors

Business Experience: Mr. Davis, 55, is Chairman, President and Chief Executive Officer of U.S. Bancorp. He has served as Chairman since December 2007, as President since October 2004 and as Chief Executive Officer since December 2006. He also served as Chief Operating Officer of U.S. Bancorp from October 2004 until December 2006. Mr. Davis has held management positions with our company since joining Star Banc Corporation, one of our predecessors, as Executive Vice President in 1993.

Other Directorships:

- > **Xcel Energy Inc.** since 2006 (Lead Director)

As Chairman, President and Chief Executive Officer of U.S. Bancorp, Mr. Davis brings to all Board discussions and deliberations deep knowledge of the company and its business and is the voice of management on the Board. Mr. Davis also brings extensive leadership experience and industry knowledge to the Board gained as Chairman of the Financial Services Roundtable, as Chairman of The Clearing House, and as representative for the Ninth District of the Federal Reserve where he serves on its Financial Advisory Committee.

Richard K. Davis

Minneapolis, Minnesota
Director since 2006

Committees

- > Chair, Executive
- > Risk Management

Business Experience: Mr. Hernandez, 55, is the Founding Principal and Chief Executive Officer of Hernandez Media Ventures, a privately held company engaged in the acquisition and management of media assets. He has served in this capacity since January 2001. Mr. Hernandez served as Chairman of Telemundo Group, Inc., a Spanish-language television and entertainment company, from 1998 to 2000 and as President and Chief Executive Officer from 1995 to 2000.

Other Directorships:

- > **MGM Resorts International** since 2002 (Lead Director; Audit Committee Chair; Corporate and Social Responsibility Committee)

Roland A. Hernandez

Pasadena, California
Director since 2012

Committees

- > Audit
- > Community Reinvestment and Public Policy

- > **Vail Resorts, Inc.** since 2002 (Lead Director; Nominating and Governance Committee Chair; Executive and Audit Committees)

- > **Sony Corporation** since 2008 (Nominating Committee)

- > The Ryland Group, Inc. from 2001 to 2012
- > Lehman Brothers Holdings, Inc. from 2005 to 2012
- > Wal-Mart Stores, Inc. from 1998 to 2008
- > Telemundo Group, Inc. from 1990 to 2000

As the former President, Chief Executive Officer and Chairman of a television and entertainment company, and through his experience on the Boards of MGM Resorts, Sony Corporation and Wal-Mart Stores, Mr. Hernandez has gained a broad understanding of the retail consumer particularly relevant to a major consumer bank such as U.S. Bank. In addition, with his extensive experience on the boards of large public corporations, Mr. Hernandez brings broad corporate governance expertise, along with significant knowledge of board operations, to our Board

of Directors.

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Proposal 1 Election of Directors

Business Experience: Ms. Woo Ho, 64, is President of the San Francisco Port Commission, the governing board responsible for the San Francisco, California, waterfront adjacent to San Francisco Bay. She has served as President since January 2012 and as a Commissioner since May 2011. Ms. Woo Ho served as President and Chief Executive Officer of United Commercial Bank, a California commercial bank, from September 2009 to November 2009. She served as President of Community Banking at United Commercial from January 2009 to September 2009. Ms. Woo Ho served as Executive Vice President responsible for Enterprise Marketing at Wells Fargo & Company, a diversified financial services company, in 2008. She served as President of the Consumer Credit Group of Wells Fargo from 1998 to 2007. Ms. Woo Ho was also a member of the Wells Fargo Management Committee from 1999 to 2008.

Ms. Woo Ho's over 35 years of commercial and consumer banking experience brings valuable industry experience and knowledge to U.S. Bancorp's Board.

Doreen Woo Ho

San Francisco, California
Director since 2012

Committees

- > Audit
- > Risk Management

Business Experience: Mr. Johnson, 69, is the retired Chairman and Chief Executive Officer of Hormel Foods Corporation, a food processing company, and serves as a director of the Hormel Foundation. Mr. Johnson served as Chairman of Hormel from 1995 through October 2006 and Chief Executive Officer from 1993 through December 2005. He served as President from 1992 until May 2004. He joined Hormel in 1991 as Executive Vice President, Sales and Marketing.

Other Directorships:

- > **Meredith Corporation** since 1994 (Finance Committee Chair; Nominating/Governance Committee)
- > **Ecolab Inc.** since 1996 (Audit Committee Chair; Governance Committee)
- > Hormel Foods Corporation from 1991 to 2006

Joel W. Johnson

Scottsdale, Arizona
Director since 1999

Committees

- > Audit
- > Risk Management

Mr. Johnson's perspective as the former Chairman and Chief Executive Officer of a multinational S&P 500 consumer products company is valuable to U.S. Bancorp, given its major consumer lines of business as well as businesses expanding outside U.S. markets.

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Proposal 1 Election of Directors

Business Experience: Ms. Kirtley, 62, a certified public accountant, is a business consultant on strategic and corporate governance issues. She has served in this capacity during all of the past five years. Ms. Kirtley brings extensive experience, expertise and insight to our Board in the areas of audit and corporate governance. In addition to her expertise in audit and tax issues developed in part as a senior manager at a predecessor to auditing firm Ernst & Young LLP, Ms. Kirtley also brings corporate management experience from her tenure at Vermont American Corporation, where she held the positions of Treasurer, Vice President and Chief Financial Officer.

Other Directorships:

- > **Res-Care, Inc.** since 1998 (Audit Committee Chair)
- > **Papa Johns International, Inc.** since 2003 (Audit Committee Chair; Compensation Committee)
- > Lancer Corporation from 1999 to 2006
- > Alderwoods Group, Inc. from 2002 to 2006

Olivia F. Kirtley

Louisville, Kentucky
Director since 2006

Committees

- > Chair, Audit
- > Governance
- > Executive

Ms. Kirtley's excellence in her field has been recognized in her past service as Chair of the American Institute of Certified Public Accountants, Chair of the AICPA Board of Examiners, and as a current U.S. member and Deputy President of the Board of the International Federation of Accountants (IFAC), which establishes international auditing, ethics and education standards for the global accounting profession. In addition, she brings to our Board and Governance Committee a deep understanding of a wide range of current governance issues gained by her work as a corporate governance consultant and a faculty member of The Conference Board Directors' Institute.

Business Experience: Mr. Levin, 68, is Chairman and Chief Executive Officer of Wilton Brands Inc., a creative consumer products company, and has served in that position since October 2009. Mr. Levin has also served as Chairman and Chief Executive Officer of JW Levin Partners LLC, a management and investment firm, since founding the firm in February 2005. He served as Vice Chairman of Clinton Group, a private diversified asset management company, from December 2007 until October 2008. Mr. Levin served as Chairman of Sharper Image Corporation, a specialty retailer, from September 2006 until April 2008 and as interim Chief Executive Officer from September 2006 until April 2007. From 1998 until January 2005, Mr. Levin served as the Chairman and Chief Executive Officer of American Household, Inc. (formerly Sunbeam Corporation), a leading consumer products company.

Other Directorships:

- > **Ecolab Inc.** since 1992 (Lead Director; Compensation Committee Vice Chair; Governance Committee Chair)
- > **Saks Incorporated** since 2007 (Audit and Finance Committees)
- > Sharper Image Corporation from 2006 to 2008
- > Wendy's International from 2006 to 2008
- > American Household, Inc. (formerly Sunbeam Corporation) from 1998 to 2005

Jerry W. Levin

New York, New York
Director since 1995

Committees

- > Chair, Compensation and Human Resources
- > Governance
- > Executive

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Mr. Levin has served as the CEO of six well-known companies, including those listed above, in the branded consumer products sector, and possesses significant expertise in corporate strategy and governance through his successful career as a turnaround, restructuring, and mergers and acquisitions expert. Retail branding and marketing expertise is important to U.S. Bancorp's businesses, and Mr. Levin's expertise in those fields provides great value to our Board.

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Proposal 1 Election of Directors

Business Experience: Mr. O'Maley, 66, is the retired Chairman, President and Chief Executive Officer of Ohio National Mutual Holdings, Inc. and its subsidiary Ohio National Financial Services, Inc., an intermediate insurance holding company that markets insurance and financial products through its affiliates, including The Ohio National Life Insurance Company. Mr. O'Maley served as Executive Chairman of these companies from November 2010 to May 2012 after serving as Chairman, President and Chief Executive Officer of Ohio National Mutual Holdings and Ohio National Financial Services from 1994 until November 2010. He joined Ohio National in 1992.

Other Directorships:

- > The Midland Company from 1998 to 2008

David B. O'Maley

Cincinnati, Ohio
Director since 1995

As the retired Chairman, President and Chief Executive Officer of a large financial services company, Mr. O'Maley provides significant financial industry expertise to our Board discussions and is familiar with the current regulatory and business environment.

Committees

- > Compensation and Human Resources
- > Governance

Business Experience: Dr. Owens, 65, is President of Cincinnati State Technical and Community College, an institution of higher education, and has served in that position since September 2010. Dr. Owens has also been providing services as an independent consultant in medicine, business, education and work-site employee benefits since 2001 and has served as the President and Chairman of the Board for Project GRAD (Graduation Really Achieves Dreams), a national non-profit organization formed to improve inner-city education, since 2001. From 2004 to 2010, Dr. Owens served as Coroner of Hamilton County, Ohio.

An internationally known physician and an entrepreneur with accomplished administrative skills in medicine, education and business who has served the public on a variety of community boards, Dr. Owens brings a unique perspective to our Board by combining business expertise and leadership with a strong focus on community service and public policy. Dr. Owens has served as president and chairman of national non-profit organizations devoted to education and empowerment, and has focused his efforts on founding and supporting a number of community service organizations. Dr. Owens's experience is especially valuable in his role as chair of our Board's Community Reinvestment and Public Policy Committee.

**O'dell M. Owens, M.D.,
M.P.H.**

Cincinnati, Ohio
Director since 1991

Committees

- > Chair, Community Reinvestment and Public Policy
- > Audit
- > Executive

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Proposal 1 Election of Directors

Business Experience: Mr. Schnuck, 64, is the former Chairman and Chief Executive Officer of Schnuck Markets, Inc., a regional supermarket chain. He was elected President of Schnuck Markets in 1984 and served as Chief Executive Officer from 1989 until January 2006. He served as Chairman from 1991 until December 2006. Mr. Schnuck continues to be active in the Schnuck Markets business and serves as Chair of its Executive Committee.

As the Chair of the Executive Committee of a large, regional food retailer, Mr. Schnuck continues to be involved in the strategic and business concerns of that company, and brings to our company substantial leadership experience gained as its longtime Chairman and Chief Executive Officer. Mr. Schnuck also served for nine years on the board of governors of the Uniform Code Council, the agency that oversees his industry's most fundamental technologies, serving as chairman for two terms, giving him additional insight into technological innovation in retail business, which is an important focus in various U.S. Bancorp business lines. Mr. Schnuck served as a bank director for several of U.S. Bank's predecessor banks from 1979 to 1991, and of predecessor bank holding companies from 1991 to 2001.

Craig D. Schnuck

St. Louis, Missouri
Director since 2002

Committees

- > Community Reinvestment and Public Policy
- > Risk Management

Business Experience: Mr. Stokes, 70, is the former Chairman and former Chief Executive Officer of Anheuser-Busch Companies, Inc., a marketer and producer of beer, operator of family entertainment parks and manufacturer of packaging materials which is now a part of Anheuser-Busch In-Bev N.V./S.A. He served as Chairman of Anheuser-Busch Companies, Inc. from December 2006 to November 2008. He served as President and Chief Executive Officer from 2002 until December 2006 and was affiliated with Anheuser-Busch commencing in 1969.

Other Directorships:

- > **Ameren Corporation** since 2004 (Human Resources Committee Chair; Finance Committee)
- > Anheuser-Busch Companies, Inc. from 2006 to 2008

Patrick T. Stokes

St. Louis, Missouri
Director since 1992

Committees

- > Chair, Risk Management
- > Compensation and Human Resources
- > Executive

As the former Chairman and Chief Executive Officer of a large, multinational consumer products company, Mr. Stokes's experience in the retail industry, along with the customer service and customer experience critical to that company's theme parks, brings valuable consumer and retail insights to our Board. Mr. Stokes also has valuable management experience in another highly regulated industry through his service as a director of Ameren Corporation, an S&P 500 electric and natural gas utility company.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" ELECTION OF THE 14 NOMINATED DIRECTORS TO SERVE UNTIL THE NEXT ANNUAL MEETING AND THE ELECTION OF THEIR SUCCESSORS.

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Corporate Governance

CORPORATE GOVERNANCE

Our Board of Directors and management are dedicated to exemplary corporate governance. Good corporate governance is vital to our continued success. Our Board of Directors has adopted Corporate Governance Guidelines to provide a corporate governance framework for our directors and management to effectively pursue our objectives for the benefit of our shareholders. The Board reviews and updates these guidelines and the charters of the Board committees at least annually in response to evolving best practices and the results of annual Board and committee evaluations. Our Corporate Governance Guidelines, as well as our Code of Ethics and Business Conduct, can be found at www.usbank.com by clicking on "About U.S. Bank" and then "Corporate Governance" and then, as applicable, "Corporate Governance Guidelines" or "Code of Ethics."

Director Independence

Our Board of Directors has determined that each of the following directors, comprising all of our non-employee directors, has no material relationship with U.S. Bancorp and is independent: Douglas M. Baker, Jr., Y. Marc Belton, Victoria Buyniski Gluckman, Arthur D. Collins, Jr., Roland A. Hernandez, Doreen Woo Ho, Joel W. Johnson, Olivia F. Kirtley, Jerry W. Levin, David B. O'Maley, O'dell M. Owens, M.D., M.P.H., Craig D. Schnuck and Patrick T. Stokes. Richard K. Davis, our only other director, is not independent because he is an executive officer of U.S. Bancorp.

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

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

In assessing the independence of our directors, our Governance Committee and full Board carefully considered all of the business relationships between U.S. Bancorp and our directors and their respective affiliated companies, other than ordinary banking relationships. This review was based primarily on responses of the directors to a questionnaire regarding employment, business, familial, compensation and other relationships with U.S. Bancorp and our management. Where relationships other than ordinary banking relationships existed, the Board determined that,

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

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Corporate Governance

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

- > U.S. Bank National Association ("U.S. Bank"), U.S. Bancorp's principal banking subsidiary, purchased approximately \$7,600 of water care, pest elimination and commercial food equipment products and services in 2012 from Ecolab Inc., of which Douglas M. Baker is Chairman and Chief Executive Officer;
- > U.S. Bank has a real estate lease arrangement with General Mills, Inc., of which Y. Marc Belton is Executive Vice President, Global Strategy, Growth and Marketing Innovation, that pre-dates Mr. Belton's service on our Board; and
- > Victoria Buyniski Gluckman has a son that is a non-executive employee of U.S. Bank, and O'dell M. Owens, M.D., M.P.H., has a son that was a non-executive employee of U.S. Bank during a portion of 2012.

The Board also considered the relationship between U.S. Bancorp and Schnuck Markets, Inc., a corporation with which our director Craig D. Schnuck is affiliated, that is described later in this proxy statement under the heading "Certain Relationships and Related Transactions – Related Person Transactions."

Board Meetings and Committees

The Board of Directors conducts its business through meetings of the Board and the following standing committees: Audit; Governance; Compensation and Human Resources; Risk Management; Community Reinvestment and Public Policy; and Executive. The standing committees report on their deliberations and actions at each full Board meeting. Each of the standing committees has the authority to engage outside experts, advisors and counsel to the extent it considers appropriate to assist the committee in its work. Each of the standing committees has adopted and operates under a written charter. These charters can be found on our website at www.usbank.com by clicking on "About U.S. Bank" and then "Corporate Governance" and "Board of Directors."

The Board of Directors held eight meetings during fiscal year 2012. Each director attended at least 75% of the total meetings of the Board and Board committees on which he or she served during the fiscal year. The average attendance rate of all directors in 2012 was 97%.

Executive Sessions

The non-employee directors meet in executive session, without the chief executive officer ("CEO") or any other member of management present, at the end of each regularly scheduled Board meeting and may meet without the CEO at any other time. The lead director presides over these executive sessions. See "Board Leadership Structure." In addition, at each regularly scheduled meeting, the Board holds a session between the CEO and the independent directors. This provides a platform for discussions outside the presence of the non-Board management attendees, as well as an opportunity for the independent directors to go into executive session (without the CEO).

During each committee meeting, the committees held executive sessions without members of management present except that, during four Audit Committee meetings, the Audit Committee met in private session with our independent auditor instead of holding an executive session.

Committee Member Qualifications

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All of the Audit Committee members meet the independence and experience requirements of the NYSE and the SEC. Our Board of Directors has identified Olivia F. Kirtley, our Audit Committee chair, as an audit committee financial expert under the rules of the SEC. The Audit Committee charter generally prohibits Audit Committee members from serving on more than two other public company audit committees. Currently, no Audit Committee members exceed this restriction.

All of the Governance Committee members and Compensation and Human Resources Committee members meet the independence requirements of the NYSE.

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Corporate Governance

Committee Responsibilities

| Committee | Primary Responsibilities |
|---|--|
| Audit | <p data-bbox="304 394 327 426">></p> <p data-bbox="87 457 255 520">Held 9 meetings during 2012</p> <p data-bbox="304 464 1492 611">Assisting the Board of Directors in overseeing the quality and integrity of our financial statements, including matters related to risks associated with financial reporting and audit and accounting issues, as well as internal control, our compliance with legal and regulatory requirements, the qualifications and independence of our independent auditor, the integrity of the financial reporting processes, both internal and external, and the performance of our internal audit function and independent auditor;</p> <p data-bbox="304 653 327 684">></p> <p data-bbox="304 726 834 758">retaining and terminating the independent auditor; and</p> <p data-bbox="304 800 327 831">></p> <p data-bbox="304 863 951 894">compensating and overseeing the work of the independent auditor.</p> |
| Governance | <p data-bbox="304 892 327 924">></p> <p data-bbox="87 955 255 1018">Held 5 meetings during 2012</p> <p data-bbox="304 961 1492 1024">Discharging the Board's responsibilities relating to corporate governance matters, including developing and recommending to the Board a set of corporate governance principles;</p> <p data-bbox="304 1066 327 1098">></p> <p data-bbox="304 1140 746 1171">overseeing succession planning for our CEO;</p> <p data-bbox="304 1213 327 1245">></p> <p data-bbox="304 1276 1139 1308">identifying and recommending to the Board individuals qualified to become directors;</p> <p data-bbox="304 1350 327 1381">></p> <p data-bbox="304 1423 962 1455">managing the performance review process for our current directors;</p> <p data-bbox="304 1497 327 1528">></p> <p data-bbox="304 1560 759 1591">overseeing the evaluation of management; and</p> <p data-bbox="304 1633 327 1665">></p> <p data-bbox="304 1696 1046 1728">making recommendations to the Board regarding any shareholder proposals.</p> |
| Compensation and Human Resources | <p data-bbox="304 1732 327 1764">></p> <p data-bbox="87 1837 255 1900">Held 7 meetings during 2012</p> <p data-bbox="304 1791 1492 1822">Discharging the Board's responsibilities relating to the compensation of our executive officers and non-employee directors;</p> <p data-bbox="304 1896 327 1927">></p> |

approving our compensation plans, practices and programs;

>

evaluating and discussing with the risk officers of the Company the risk incentives in our compensation plans and programs; and

>

evaluating the CEO's performance and the succession plans for executive officers other than our CEO.

>

Risk Management

Held 7 meetings during 2012

Overseeing our overall enterprise risk management function, including our policies, procedures and practices relating to the management of credit risk; financial, liquidity and market risk; and operational risk;

>

approving and making recommendations to the Board of Directors regarding the issuance or repurchase of debt and equity securities;

>

reviewing and evaluating potential mergers and acquisitions; and

>

reviewing actions regarding our capital, including our dividend policy.

>

Community Reinvestment and Public Policy

Held 4 meetings during 2012

Reviewing and considering our position and practices on matters of public interest and public responsibility and similar issues involving our relationship with the community at large;

>

reviewing our activities, performance and compliance with the Community Reinvestment Act and fair lending regulations; and

>

reviewing our policies and procedures with respect to sustainability and corporate political contributions and related activity.

Executive

Held no meetings during 2012

The Executive Committee has authority to exercise all powers of the Board of Directors between regularly scheduled Board meetings.

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Corporate Governance

Risk Oversight by the Board of Directors

As part of its overall responsibility to oversee the management, business and strategy of our company, one of the primary responsibilities of our Board of Directors is to oversee the risk management and the risk mitigation processes of the company. While management is responsible for defining the various risks facing our company, formulating risk management policies and procedures, and managing risk exposures on a day-to-day basis, our Board's responsibility is to monitor the company's risk management processes by informing itself concerning our material risks and evaluating whether management has reasonable controls in place to address the material risks.

While we do not want to eliminate all risk, we want to understand, assess and manage risk consistent with our business strategy. We want our decisions to reflect a defined risk tolerance, which has been approved by the Board of Directors, and we have long had a robust enterprise risk management framework in order to manage risk appropriately. As part of its oversight responsibility, the Board:

- > considers the company's risk tolerance as an integral part of the strategic planning process;
- > oversees the amounts and types of risk taken by management in executing the corporate strategy;
- > monitors the risk experience of the company against the policies and procedures set to control those risks; and
- > evaluates the role of incentive compensation in managing the company's risk tolerance.

The Board's risk oversight function is carried out through its committees, and the primary risks faced by the company that are most likely to affect its financial stability and results of operations are overseen by the Risk Management, Audit, and Compensation and Human Resources Committees.

As described in the preceding discussion of committee responsibilities:

- > the **Risk Management Committee** is primarily responsible for oversight of the company's risks, such as credit risk, financial, liquidity, market, compliance, operational and reputational risk, and overall enterprise risk;
- > the **Audit Committee** is focused on financial statement and accounting risk and internal control;
- > the **Compensation and Human Resources Committee** oversees the company's compensation policies and arrangements to ensure that they encourage appropriate levels of risk-taking by management with respect to the company's strategic goals, and to determine whether any of them give rise to risks that are reasonably likely to have a material adverse effect on the company. More information on the evaluation performed by the Compensation and Human Resources Committee is included in the Compensation Discussion and Analysis section beginning on page 38 of this proxy statement; and
- > the **Governance Committee** reviews carefully the responsibilities of each Board committee to ensure that all significant risk categories are addressed by at least one committee.

In addition, the Risk Management and Audit Committees meet annually in joint session to give each committee the opportunity to review the risk areas primarily overseen by the other. Finally, at each meeting of the full Board of Directors, each committee gives a detailed review of the

matters it discussed and conclusions it reached during its recent meetings.

The Board committees carry out their responsibilities using informational reports from management with respect to all risk areas that are relevant and important at the time. The committees must therefore be confident that an appropriate risk monitoring structure is in place at the management level, in order to be provided accurate and useful informational reports. Our management-level risk oversight structure is robust. We rely on a comprehensive enterprise risk management process to aggregate, monitor, measure and manage risks. This system enables the Board of Directors to establish a mutual understanding with management of the effectiveness of the company's risk management practices and capabilities, to review the company's risk exposure and to elevate certain key risks for discussion at the Board level. A framework exists designed to account for the introduction of emerging risks or any increase in risks routinely taken, which would either be largely controlled by the risk limits in place or identified through the frequent risk reporting that occurs throughout the company.

Table of Contents**Corporate Governance**

In addition, an **Executive Risk Committee**, chaired by the chief risk officer and including our CEO, chief financial officer ("CFO"), chief operational risk officer, chief credit officer, chief technology officer and general counsel, meets monthly, and more frequently when circumstances merit, to provide executive management oversight of our enterprise risk framework, assess appropriate levels of risk exposure and actions that may be required for identified risks to be adequately mitigated, promote effective management of all risk categories, and foster the establishment and maintenance of an effective risk culture. The executive vice president of human resources also joins the meetings to report on the Federal Reserve examination process for executive compensation and the risk measurement aspects of that evaluation, which is described further below. These officers manage large, sophisticated groups within the company that are dedicated to controlling and monitoring risk to the levels deemed appropriate by the Board of Directors and executive management. These individuals, together with the company's controller, treasurer and others, also provide the Board's committees with the information the committees need and request in order to carry out their oversight responsibilities.

A robust framework of management-level risk management committees supports the work of the Executive Risk Committee and the Board of Directors. The four primary committees are:

- > **Corporate Risk Committee**, chaired by the chief operational risk officer, which manages operational risk exposures;
- > **Executive Credit Management Committee**, chaired by the chief credit officer, which ensures that products that have credit risk are supported by sound credit practices; reviews asset quality, trends, portfolio performance statistics and loss forecasts; and reviews and adjusts credit policies accordingly;
- > **Asset Liability Committee**, chaired by the CFO, which ensures that the policies, guidelines and practices established to manage our financial risks, including interest rate risk, market risk, liquidity risk, operations risk and capital adequacy, are followed; and
- > **Incentive Review Committee**, chaired by the executive vice president of human resources and including the CFO, the chief risk officer, the chief operational risk officer, the chief credit officer and the general counsel, which reviews and evaluates all of the company's incentive compensation programs and policies for risk sensitivity and mitigation, and reports to the Compensation and Human Resources Committee of the Board.

These committees are supported by among others: the Basel Oversight Committee, which helps oversee our Basel II project implementation; the Independent Model Validation Committee, which assists in the efficient and effective implementation of our Independent Model Validation Program; the Trust Risk Management Committee, which coordinates fiduciary governance and risk management processes for our trust divisions; and the Information Security Program Committee, which assists in the efficient and effective implementation of our Information Security Program.

Board Leadership Structure

Our Board has carefully considered the critical issue of Board leadership. In the context of risk management, the leadership of each of the committees that is primarily responsible for risk management is vested in an independent committee chair. With regard to the leadership of the meetings of the full Board, our Board of Directors has adopted a flexible policy regarding the issue of whether the positions of chairman and CEO should be separate or combined. This policy allows the Board to evaluate regularly whether the company is best served at any particular time by having the CEO or another director hold the position of chairman. If the position of chairman is not held by an independent director, an independent lead director is elected with powers virtually identical to those of an independent chairman.

At this time, Mr. Davis serves as chairman and as CEO. The Board believes there are a number of important advantages to combining the positions of chairman and CEO at this time. Critically, it most effectively utilizes Mr. Davis's extensive experience and knowledge regarding the company and provides for the most efficient leadership of our Board and company. Mr. Davis, with over 19 years' experience at U.S. Bancorp,

including eight years as President and six years as CEO, has the knowledge, expertise and experience to understand and clearly articulate to the Board the opportunities and risks facing U.S. Bancorp and to lead discussions on important

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Corporate Governance

matters affecting our business. The Board believes that combining the CEO and chairman positions creates a firm link between management and the Board and helps the Board respond quickly and effectively to the many business, market and regulatory challenges resulting from the rapidly changing financial services industry. Mr. Davis's service as chairman also provides clarity of leadership for the company and more effectively allows the company to present its vision and strategy with a unified voice.

Although the Board believes that it is more effective to have one person serve as the chairman and CEO at this time, it also recognizes the importance of strong independent leadership on the Board. Accordingly, it has reaffirmed the strong role of the lead director, whose specific duties are to:

- > lead executive sessions of the Board's independent or non-management directors, and preside at any session of the Board where the chairman is not present;
- > act as a regular communication channel between our independent directors and the CEO;
- > set the Board's agenda jointly with the CEO;
- > approve Board meeting schedules to ensure there is sufficient time for discussion of all agenda items;
- > oversee the scope, quantity and timing of the flow of information from management to the Board;
- > be the representative of the independent directors in discussions with our major shareholders regarding their concerns and expectations;
- > call special Board meetings or special meetings of the independent directors, as needed;
- > approve the retention of consultants who report directly to the Board;
- > assist the Board and company officers in assuring compliance with and implementation of our Corporate Governance Guidelines;
- > advise the independent Board committee chairs in fulfilling their designated roles and responsibilities to the Board;
- > review shareholder communications addressed to the full Board or to the lead director; and
- > interview, along with the chair of the Governance Committee, all Board candidates and make recommendations to the Governance Committee and the Board.

The powers and duties of chairman and lead director differ only in that the chairman presides over the normal business portion of the meetings of the Board. Since the lead director may call for an executive session of independent directors at any time, and has joint control over the agenda and the information provided to directors for Board meetings, the Board does not believe that the fact that he does not preside over the normal Board meeting business sessions limits the ability of the Board to have open exchanges of views, or to address any issues the Board chooses, independently of the chairman. In addition, much of the work of the Board is conducted through its committees, none of which, other than the Executive Committee, is chaired by the chairman of the Board.

The lead director is appointed by the Board upon recommendation of the Governance Committee. Patrick T. Stokes, chair of the Risk Management Committee, has served as lead director since January 2011. Mr. Stokes is actively engaged as lead director and works closely with Mr. Davis on Board matters. The lead director is appointed annually by the Board upon recommendation of the Governance Committee with the expectation that the lead director will generally serve three, and may serve up to five, consecutive terms.

Majority Vote Standard for Election of Directors

Our bylaws provide that in uncontested elections a nominee for director will be elected to the Board if the number of votes cast "FOR" the nominee's election exceeds the number of votes cast "AGAINST" that nominee's election. The voting standard for directors in a contested election is a plurality of the votes cast at the meeting.

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Corporate Governance

Our Corporate Governance Guidelines provide that director nominees must submit a contingent resignation in writing to the Governance Committee, which becomes effective if the director fails to receive a sufficient number of votes for re-election at the annual meeting of shareholders and the Board accepts the resignation. The Board will nominate for election or re-election as director only candidates who have tendered such a contingent resignation.

Our Corporate Governance Guidelines further provide that if an incumbent director fails to receive the required vote for re-election, our Governance Committee will act within 90 days after certification of the shareholder vote to determine whether to accept the director's resignation, and will submit a recommendation for prompt consideration by the Board. The Board expects the director whose resignation is under consideration to abstain from participating in any decision regarding his or her resignation. The Governance Committee and the Board may consider any factors they deem relevant in deciding whether to accept a director's resignation.

If each member of the Governance Committee fails to receive the required vote in favor of his or her election in the same election, then those independent directors who did receive the required vote will appoint a committee amongst themselves to consider the resignations and recommend to the Board whether to accept them. However, if the only directors who received the required vote in the same election constitute three or fewer directors, all directors may participate in the decision regarding whether to accept the resignations.

Each director nominee named in this proxy statement has tendered an irrevocable resignation as a director in accordance with our Corporate Governance Guidelines, which resignation will become effective if he or she fails to receive the required vote for election at the annual meeting and the Board accepts his or her resignation.

Succession Planning and Management Development

A primary responsibility of the Board is planning for succession with respect to the positions of Chairman of the Board and CEO, as well as overseeing management succession planning for other senior management positions. The Board's process targets the building of enhanced management depth, considers continuity and stability within the company, and responds to the company's evolving needs and changing circumstances. Toward that goal, the executive talent development and succession planning process is integrated into the Board's annual activities.

The Board works with the Governance Committee to evaluate a number of potential internal and external candidates as successors to the CEO, and considers emergency, temporary succession as well as long-term succession. The Compensation and Human Resources Committee is responsible for reviewing succession planning for executive officer positions other than the CEO. The CEO makes available to the Board his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for those individuals.

Director Policies

Policy Regarding Service on Other Boards

Our Board of Directors has established a policy that restricts our directors from serving on the boards of directors of more than three public companies in addition to their service on our Board of Directors unless the Board determines that such service will not impair their service on the U.S. Bancorp Board. Currently, no directors exceed this restriction.

Policy Regarding Attendance at Annual Meetings

We encourage, but do not require, our Board members to attend the annual meeting of shareholders. Last year all but one of our then-current directors attended the annual shareholders' meeting.

Retirement Policy

Our Board of Directors has established a guideline that an independent director will retire at the first annual meeting of shareholders held after his or her 72nd birthday. In accordance with this guideline, Richard G. Reiten retired from our Board of Directors at the 2012 annual meeting.

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Certain Relationships and Related Transactions

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Related Person Transactions

Lending Transactions

During 2012, U.S. Bancorp and our banking and investment subsidiaries engaged in transactions in the ordinary course of business with some of our directors, officers and the persons we know that beneficially owned more than 5% of our common stock on December 31, 2012, and the entities with which they are associated. All loans and loan commitments and any transactions involving other financial products and services in connection with these transactions were made in the ordinary course of business, on substantially the same terms, including current interest rates and collateral, as those prevailing at the time for comparable transactions with others not related to our banking and investment subsidiaries and did not involve more than the normal risk of collectibility or present other unfavorable features.

Transactions with Entities Affiliated with Directors

During 2012, U.S. Bank operated 36 branches and 71 ATMs in grocery stores owned by Schnuck Markets, Inc., of which Craig D. Schnuck, one of our directors, beneficially owns approximately 13% of the outstanding capital stock. Mr. Schnuck's sister, Nancy A. Diemer, and his four brothers, Scott C. Schnuck, Todd R. Schnuck, Mark J. Schnuck and Terry E. Schnuck, also each beneficially own approximately 13% of the outstanding capital stock of Schnuck Markets. In addition, each of Mr. Schnuck's brothers is a director of, and holds the following officer positions with, Schnuck Markets: Scott C. Schnuck, Chairman and Chief Executive Officer; Todd R. Schnuck, President; Mark J. Schnuck, Vice President; and Terry E. Schnuck, Assistant Secretary. Rent and fee payments by U.S. Bank to Schnuck Markets were approximately \$2.04 million in 2012. In addition, during 2012, U.S. Bank leased a free-standing building from Schnuck Markets. Rent and fee payments by U.S. Bank were approximately \$0.35 million in 2012. The consolidated gross revenues of Schnuck Markets in 2012 were approximately \$2.6 billion. These transactions were conducted at arms' length in the ordinary course of business of each party to the transaction. As discussed above under the heading "Corporate Governance – Director Independence," the Board of Directors has determined that this relationship is immaterial to Mr. Schnuck, and that Mr. Schnuck is an independent director.

Transactions with 5% Shareholder

BlackRock, Inc. ("BlackRock") has reported that it, together with certain of its subsidiaries, is the beneficial owner of more than 5% of our common stock, as indicated below under the heading "Security Ownership of Certain Beneficial Owners and Management." From time to time, customers of our Wealth Management and Securities Services and Money Center business lines invest in certain mutual funds that are affiliated with BlackRock. In connection with these investments, we perform certain customary shareholder servicing on behalf of the administrators of these funds that may include, among other things, printing and mailing prospectuses to our customers, aggregating customer buy and sell orders, engaging in recordkeeping and other similar services. We receive a servicing fee from the relevant fund administrators for these services. In 2012, these shareholder servicing fees were approximately \$2.93 million in the aggregate. Additionally, in 2012 U.S. Bank and our broker-dealer subsidiary engaged in the purchase and sale of approximately \$3.8 billion of corporate and municipal fixed income securities with various entities affiliated with BlackRock. The purchases and sales to BlackRock represented approximately 5.5% of the aggregate purchases and sales of corporate fixed income securities and 1.2% of the aggregate purchases and sales of municipal fixed income securities by U.S. Bank and our broker-dealer subsidiary. These fixed income securities included U.S. Bancorp bonds that were underwritten by that broker-dealer subsidiary. All of these business relationships and transactions with BlackRock and its affiliates were conducted at arms' length in the ordinary course of business of each party to the relationship or transaction.

Review of Related Person Transactions

The Board has adopted written Related Party Transactions Evaluation and Approval Policy and Procedures for the review, evaluation and approval or ratification of transactions between the Company and its related persons and/or

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Certain Relationships and Related Transactions

their respective affiliated entities. "Related persons" under this policy include our directors, director nominees, executive officers, holders of more than 5% of our common stock, and their respective immediate family members. Their "immediate family members" include children, stepchildren, parents, stepparents, spouses, siblings, mothers-and fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any person (other than a tenant or employee) sharing the person's household. Each of the related person transactions described above was approved or ratified in accordance with the policy.

Except as described below, the policy requires the Governance Committee of the Board to review and evaluate and either approve or disapprove all transactions or series of transactions in which:

- > the amount involved will, or may be expected to exceed \$120,000 in any fiscal year; and
- > the company is, or will be a participant; and
- > a related person or an entity affiliated with a related person has, or will have a direct or indirect interest (other than solely as a result of being a director or less than 10% owner of an entity that is party to the transaction).

The Board, however, has determined that the Governance Committee does not need to review or approve certain transactions even if the amount involved will exceed \$120,000, including the following transactions:

- > lending and other financial services transactions or relationships that are in the ordinary course of business and non-preferential, and comply with applicable laws;
- > transactions in which the related person's interest derives solely from his or her services as a director of, and/or his or her ownership of less than ten percent of the equity interest (other than a general partner interest) in, another corporation or organization that is a party to the transaction;
- > transactions in which the related person's interest derives solely from his or her ownership of a class of equity securities of the company and all holders of that class of equity securities received the same benefit on a pro rata basis;
- > transactions where the rates or charges involved are determined by competitive bids, or that involve the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority; and
- > employment and compensation arrangements for any executive officer and compensation arrangements for any director, provided that such arrangements have been approved by the Compensation and Human Resources Committee of the Board.

Under the policy, if advance Governance Committee approval of a transaction is not feasible, then the transaction will be considered for ratification at the next regular meeting of the Committee. When considering whether to approve or ratify a transaction, the Governance Committee will consider facts and circumstances that it deems relevant to its determination, including:

- > the nature and extent of the related person's interest in the transaction;
- > whether the transaction is on substantially the same terms as those prevailing at the time for comparable transactions with persons not affiliated with the Company;

- > the materiality of the transaction to each party;
- > whether the company's Code of Ethics could be implicated, including whether the transaction would create a conflict of interest or appearance of a conflict of interest;
- > whether the transaction is in the best interest of the Company; and
- > in the case of a non-employee director, whether the transaction would impair his or her independence.

No director is allowed to participate in the deliberations or vote on the approval or ratification of a transaction if that director is a related person with respect to the transaction under review. On an annual basis the Governance Committee assesses all ongoing relationships with related persons to confirm that the transactions are still appropriate.

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Compensation Discussion and Analysis

COMPENSATION DISCUSSION AND ANALYSIS

This section explains how we compensate the executive officers named in the Summary Compensation Table below on page 46, or the "NEOs." All of the NEOs are members of our "managing committee," which is made up of our CEO and his senior leadership team. Compensation for members of the managing committee is determined by the Compensation and Human Resources Committee of the Board of Directors (the "Compensation Committee").

Executive Compensation Highlights

Elements of Compensation (page 29)

NEO direct compensation at U.S. Bancorp is made up of the following three elements:

- > NEOs receive an annual salary.
- > NEOs are eligible for an annual cash bonus. The target bonus amount is a percentage of base salary. The actual bonus amount for each year is determined primarily by applying a formula that uses the prior year's earnings per share ("EPS") performance against targets and business line pretax operating income against targets. The Compensation Committee determines the final bonus amount for an NEO after considering individual performance during the year. (page 30)
- > NEOs receive a long-term incentive compensation award. During 2012, 50% of this award was granted in the form of performance-based restricted stock units ("RSUs") and 50% was granted in the form of stock options. The number of RSUs awarded each year is adjusted the following year according to a formula that uses a comparison of our actual return on average common equity ("ROE") to a pre-set target, as well as our ROE performance relative to our peer group companies. (page 32)

The amounts of the annual cash bonuses and the long-term incentive compensation awards are determined based on corporate performance, and make up a significant majority of each NEO's total compensation.

Strong Pay and Performance Correlation

NEO compensation at U.S. Bancorp varies significantly from year to year because it is directly linked to achievement of financial plans and operational targets.

Actual cash bonus and equity compensation received varies from targets primarily as a result of formula calculations. These calculations are based on the difference between actual corporate performance and target corporate performance using several different metrics – EPS, ROE, and business line operating income – that the Compensation Committee believes correspond strongly to the creation of shareholder value. In 2008 and 2009, below-target performance resulted in below-target award amounts, and in 2010, 2011 and 2012, above-target performance resulted in above-target award amounts. This fluctuation demonstrates the strong correlation between corporate performance and the variable pay received by our executives.

Strong Corporate and Financial Performance

The Compensation Committee believes that the company's compensation structure has been effective at encouraging the achievement of superior financial and operating results relative to our peers in an uncertain economic environment, while maintaining reasonable risk tolerances.

Our financial performance exceeded expectations during 2012, a year in which the financial services industry continued to face the challenges presented by continued economic weakness and increased regulation. Despite this environment, U.S. Bancorp exceeded its own objectives and outperformed its peers in most leading financial and operational measures during 2012.

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Compensation Discussion and Analysis

Our company's superior performance during 2012 included the following achievements:

- > U.S. Bancorp achieved record net revenue in 2012, having consistently shown annual revenue growth over the past five years.
- > U.S. Bancorp has consistently been the top performer in our peer group in the common industry performance measures of return on average assets, return on average common equity, and efficiency ratio, and was again the leader in these measures in 2012.⁽¹⁾

#1 in Return on Average Assets

#1 in Return on Average Common Equity

#1 in Efficiency Ratio⁽²⁾

- (1) Source: SNL and company reports. The peer group companies included in these tables are listed under the heading "2012 U.S. Bancorp Peer Group" on page 35 of this proxy statement.
- (2) Efficiency ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses).

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Compensation Discussion and Analysis

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This consistent superior financial performance over time has increased long-term shareholder value for our investors.

10-Year Total Shareholder Return

(1)

Source: FactSet and Bloomberg as of December 31, 2012. Assumes \$100 was invested on December 31, 2002, in U.S. Bancorp's common stock and each of the two indices and assumes reinvestment of dividends.

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We continued to grow market share in many of our business lines, in part because our consistent financial performance has allowed us to continue to invest in our businesses during the economic downturn experienced in the United States and globally since 2008.

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U.S. Bancorp continued to enjoy among the highest debt ratings in our industry, which reflect the ratings agencies' recognition of our strong, consistent financial performance, the quality of our balance sheet, our future earnings capacity and our strong management team.

Results of Our Executive Compensation Program in 2012

The results of our executive compensation program in 2012 reflected U.S. Bancorp's pay for performance philosophy:

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Annual cash incentives for 2012 were awarded in amounts consistent with our strong 2012 business results. Awards for the NEOs for 2012 ranged from 109% to 139% of their individual bonus targets, based on the company's above-target financial performance in 2012. These awards were calculated under our formula-based bonus plan and granted by the Compensation Committee after making adjustments related to individual performance.

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The number of performance-based restricted stock units awarded in early 2012 to our managing committee members was adjusted upward to 129.4% of target following the one-year performance period. This adjustment was a direct result of 2012 company ROE exceeding both its financial plan and peer ROE performance under the formula included as part of the RSU award terms.

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Compensation Discussion and Analysis

Sound Compensation Practices

Our executive compensation program includes many strong governance features, such as:

- > a significant emphasis on long-term equity incentive pay, in order to reinforce a long-term view of performance and enhance the alignment of the executives' goals with those of our shareholders;
- > one-half of the value of the long-term incentive award has historically been made in the form of performance-based restricted stock units;
- > the inclusion of provisions in equity agreements that cancel all or a portion of the vesting of equity awards under certain circumstances if it is determined that the executive exhibited an inadequate sensitivity to risk;
- > formal "risk scorecard" analyses for our senior management-level employees, which may result in annual incentive compensation adjustments in cases where the executive has demonstrated inadequate sensitivity to risk;
- > a policy addressing "clawbacks" of executive compensation, under which the company may recover payments of incentive compensation attributable to incorrectly reported earnings;
- > a prohibition on hedging and pledging of U.S. Bancorp stock by its senior executives and directors;
- > double-trigger vesting of outstanding long-term incentive awards in the event of a change in control;
- > a prohibition on repricing of stock options;
- > the use of tally sheets by the Compensation Committee in reviewing the overall compensation of our managing committee members, which includes all of the NEOs; and
- > stock ownership guidelines for our executive officers and directors.

Philosophy and Objectives of Our Executive Compensation Program

Compensation Program Goals

The Compensation Committee has designed the executive compensation program to attract, motivate, reward and retain the management talent required to achieve our corporate objectives and increase shareholder value, while at the same time making the most efficient use of our resources and strongly emphasizing pay for performance.

The Compensation Committee achieves these objectives through a compensation package that:

- > links a significant portion of total compensation to corporate, business line and individual performance, which we believe will create long-term shareholder value;
- > provides total compensation that is market competitive, permitting us to hire and retain high-caliber individuals at all levels of management;
- > emphasizes stock-based compensation, encouraging our executive officers to think and act as long-term shareholders;
- > subjects a significant percentage of executive officer total compensation to multi-year vesting, in order to enhance executive retention and encourage a long-term view of corporate achievement; and
- > encourages an appropriate sensitivity to risk on the part of senior management, which protects long-term shareholder interests.

Pay for Performance

U.S. Bancorp operates in a highly complex business environment, where it competes with many well-established financial institutions. Our long-term business objective is to maximize shareholder value by increasing net income

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and earnings per share without exposing the company to undue risk. If we are successful in achieving this objective, the Compensation Committee believes the results will inure to the financial benefit of our shareholders.

Accordingly, our executive compensation program is designed to reward our executives for achieving annual and long-term financial results that further these objectives. As we describe below under "Compensation Components," the cash incentive plan rewards performance relative to corporate and business line financial plans established at the beginning of the fiscal year, and the performance RSUs granted under the stock incentive plan are linked to ROE targets that directly measure the return generated by the company on its shareholders' investment. At the same time, the Compensation Committee carefully weighs the risks inherent in these programs against the goals of the programs and the company's stated risk tolerance. Additional discussion of the risk oversight undertaken by the Compensation Committee can be found below under "Decision Making and Policies – Risk Considerations in Setting Managing Committee Compensation."

In 2010, 2011 and 2012, our corporate performance was strong, significantly exceeding our financial plan and in 2011 and 2012 achieving record net revenue, and the formula-based annual incentive plan resulted in funding for executive bonuses that was above target levels. In 2008 and 2009, the company did not achieve its financial plans for the year and, as a result, the cash bonuses awarded under the plan were below target levels. Likewise, the amounts of performance RSUs included in the annual long-term incentive equity grants were adjusted upward in 2010, 2011 and 2012 and downward in 2009 (the first year in which this form of equity compensation was used), according to our ROE performance during the performance period applicable to these awards. This variability in the amount of the bonus pool funding and final equity award amounts is a cornerstone of our pay-for-performance compensation philosophy. However, the unusual economic and regulatory environment for financial institutions since 2008 has produced larger variances from target performance than would be expected in a more normal environment.

At-Risk Compensation

In order to have the desired incentive effect, the amount of pay that is directly linked to performance is significant. Base salary, broad-based employee benefits and our very limited perquisites are the only elements of compensation whose value does not vary annually based upon company performance. As shown in the charts below, between 85% and 89% of 2012 total direct compensation for our NEOs is dependent on our company's financial performance:

CEO Pay Mix**Other NEO Pay Mix**

At-risk Compensation: 89%

At-risk Compensation: 85%

Our CEO's base salary represents a smaller percentage of total annual compensation than the other NEOs, and therefore his proportion of annual cash incentive and long-term equity compensation are correspondingly higher. This greater emphasis on incentive compensation is consistent with our compensation philosophy of providing compensation that involves greater risk and reward potential as an employee takes on greater management responsibility at U.S. Bancorp, and is also consistent with the pay practices of our peer group.

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Compensation Discussion and Analysis

Compensation Components

Total Compensation

The direct compensation of our NEOs consists primarily of the following components:

| Annual Compensation Component | Purpose | Considerations |
|---|---|---|
| Base Salary | Provide a fixed amount of cash compensation upon which our NEOs can rely | Levels are intended to reward experience and demonstrated skills and competencies relative to the market value of the position The NEO's salary level relative to peers. Any base salary increases are based on factors such as: > experience and tenure in a position; > increased scope of responsibilities; and > individual performance |
| Annual Incentive Compensation (Cash Bonus Award) | Motivate and reward NEOs for achieving or exceeding corporate, business line and individual performance goals, which is key for our pay-for-performance objectives Aligns NEOs' interests with those of our shareholders by promoting strong annual results through achievement of financial goals set based on strategic plan | Compensation Committee annually sets target percentage of base salary for each NEO's annual cash bonus amount Target levels are structured to provide cash bonus opportunities ranging from 125% to 150% (225% for the CEO) of the NEO's base salary. At target levels, this results in more than half of the NEO's total cash compensation being dependent upon our financial results |
| Long-Term Incentive Compensation | Aligns NEOs' interests with long-term shareholder interests by linking part of each NEO's compensation to long-term corporate and stock price performance Performance-Based RSUs | Compensation Committee uses long-term compensation to emphasize alignment with the company's performance over a several-year period and minimize the risk of short-term cash bonuses influencing excessive risk-taking behavior When setting long-term award amounts, Compensation Committee considers corporate performance as well as the individual performance of the NEOs Compensation Committee uses ROE as the |

Stock Options

Support our growth strategy, provide a strong link between NEOs' compensation and our stock price, and serve as a retention tool

performance measure for RSUs because this measure directly reflects the return generated by the company on its shareholders' investment. ROE encompasses profitability, efficiency, balance sheet management and financial leverage, and requires prudent management of the balance between risk and return on capital investments

Compensation Committee sets the company ROE goals necessary to earn 100% of the RSUs originally awarded at the ROE level included in the company's financial plan at the beginning of the fiscal year. Compensation Committee believes this target to be moderately challenging and to create incentives for superior performance without incentivizing unreasonable risk-taking that could be encouraged by unachievable goals

Table of Contents**Compensation Discussion and Analysis***Executive Benefits and Perquisites*

In addition to the primary components of our executive compensation program, NEOs are also eligible to receive health benefits under the same plans available to our other employees, matching contributions to their U.S. Bank 401(k) Savings Plan accounts on the same basis as our other employees, and retirement benefits that are earned over their career with the company. Perquisites for NEOs are limited, consisting primarily of financial planning expenses, home security, parking and executive physicals, and NEOs are not grossed up for tax liabilities resulting from perquisites.

Change-in-Control Agreements

We maintain change-in-control agreements with all of our NEOs. The terms of these agreements are discussed below under the headings "Executive Compensation Potential Payments Upon Termination or Change-in-Control Potential Payments Upon Change-in-Control" and " Employment Agreement with Pamela Joseph." These change-in-control agreements are designed to reinforce and encourage the continued attention and dedication of our managing committee members to their assigned duties without distraction in the face of the potentially disruptive circumstances arising from the possibility of a change in control.

*Annual Cash Incentive Awards**Our annual incentive plan is based on a formula*

All management-level employees, including the NEOs and our other managing committee members, have the opportunity to earn annual cash bonus awards based on achievement of corporate and business line financial plans. The size of the award pool is calculated by evaluating company performance against pre-established, annual plan targets for corporate EPS and for business line pre-tax income.

How the incentive plan formula works

The company's business is comprised of 45 revenue-producing business lines and 11 corporate support business lines, each of which establishes an individual annual financial plan that makes up a portion of the company's overall annual financial plan. Each business line financial plan contains a pre-tax operating income target. Under the annual cash incentive plan applicable to most of our management-level employees, that target and the corporate EPS target are then compared to actual results to determine what formula percentage (from 0% to 200%) of the aggregate target bonuses of those employees in the business line will be available to fund awards.

The formula percentage to be applied to the aggregate target bonuses to determine bonus funding available for each business line under the annual cash incentive plan is calculated as follows:

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The percentages by which actual corporate EPS differs from the EPS target and actual business line pretax operating income differs from target pretax operating income are each multiplied by a leverage factor of four, which magnifies the positive or negative variation of actual results. For example, if the actual corporate EPS were 5% greater than the EPS target, the formula would multiply 5% by four to arrive at 20%. The 20% would then be added to 100% to get an EPS percentage component ("EPS Bonus Funding Component") of 120%. If the actual business line pretax operating income were 3% below target, the formula would multiply 3% by four to arrive at 12%. The 12% would then be subtracted from 100% to get a business line percentage component ("Business Line Bonus Funding Component") of 88%. Neither the EPS Bonus Funding Component nor the Business Line Bonus Funding Component may be less than 0% or greater than 200%.

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The formula percentage is then calculated by applying 35% to the EPS Bonus Funding Component and 65% to the Business Line Bonus Funding Component to arrive at a weighted aggregate percentage (the "Bonus Funding Percentage") for a particular business line. For example, a 120% EPS Bonus Funding Component weighted 35% and an 88% Business Line Bonus Funding Component weighted 65% results in a Bonus Funding Percentage of 99.2%.

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- > The Bonus Funding Percentage in the case of a corporate support business line is calculated slightly differently, with 35% based on the EPS Bonus Funding Component, 50% based on the weighted average Business Line Bonus Funding Components of all of the business lines, and 15% based on the support line's performance against its financial target.
- > The aggregate target bonuses of management-level employees in the business line are multiplied by that business line's Bonus Funding Percentage to determine the total amount available to fund bonus awards in that business line.

The initial calculation used to determine cash bonus awards for the managing committee members, including the NEOs, is made at a total company level after the above calculation has been made for each of the 56 business lines. That percentage (the "Overall Bonus Funding Percentage") is calculated by dividing (1) the total dollar amount of all funds available for bonuses in all 56 business lines, by (2) the total dollar amount of all target bonuses of all bonus-eligible employees in all 56 business lines. The Overall Bonus Funding Percentage is used as the initial calculation of the percentage of target bonuses to be awarded to the managing committee members, including the NEOs. For 2012, the EPS value used for purposes of the annual cash incentive plan was \$2.90, which reflects an aggregate \$0.06 upward adjustment to reported EPS for two items. Under the terms of the cash incentive plan, the effect on EPS of any variation between the actual and planned amount of credit loss accounting reserve change is reduced by 50%, which for 2012 resulted in an increase to the EPS used for purposes of funding calculations. The Compensation Committee also increased the EPS used for funding calculations so that the effect of a regulatory settlement would affect bonus funding for 2013 rather than 2012. Using precision to three decimal points in the calculation, the \$2.90 level of achievement of EPS was 9.6% greater than the 2012 EPS target of \$2.64, so the EPS Bonus Funding Component was 138.4%. The 2012 Business Line Bonus Funding Components for the company's 56 business lines ranged from 0% to 200%. The Bonus Funding Percentages for the company's 56 business lines in 2012 ranged from 49.9% to 177%. The Overall Bonus Funding Percentage in 2012 was 122.7%.

The economic instability of the past several years has been a primary driver behind fluctuating corporate financial performance, which resulted in a funding amount for the NEOs that has varied substantially from year to year. The Overall Bonus Funding Percentage for the past five years has fluctuated between 32.2% and 141.2% of target. Since the targets used in the formula plan are taken from the company's financial plans, the Compensation Committee would expect the Overall Bonus Funding Percentage to fluctuate more closely around 100% as the economy stabilizes and financial performance becomes more predictable. During the five-year period from 2008 to 2012, a time of substantial economic uncertainty, the Overall Bonus Funding Percentage has averaged 98.9% of target.

The Compensation Committee believes that the annual cash incentives for managing committee members should be set based on the aggregate measure of overall bonus funding, rather than using a measure solely related to the performance of the set of business lines for which the individual is responsible. This is because, in the view of the Compensation Committee, the managing committee is a team responsible for the performance of the entire company and should therefore have incentive funding levels that reflect the performance of the entire company.

Why we use these performance measures for the incentive plan

The Compensation Committee believes that the EPS and business line operating plan targets used in the annual cash incentive plan, which forms the basis for the managing committee members' bonus funding amounts, are appropriate performance measurements for the managing committee members because:

- > EPS is an important indicator of profitability that aligns the interests of the executive officers with those of shareholders;
- > EPS captures elements of corporate performance that are beyond those of the individual operating business lines, such as corporate funding policies and the management and use of capital;
- > the business line income targets are the fundamental drivers of the company's revenues and income before taxes;

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- > using business line and corporate targets that are part of the company's annual financial plan, which is approved by the company's Board of Directors after discussion of, among other things, the degree of achievability of that financial plan, is designed to create goals that are challenging yet reasonably achievable, which should not only tend to result in bonus funding amounts that are at approximately 100% of target, but also to provide incentives to take appropriate amounts of risk to achieve those goals; and
- > the Compensation Committee values the clear alignment of incentives for executive officers and other management employees resulting from shared performance metrics.

How we determine cash bonus amounts for each NEO

The cash bonus awards for managing committee members for 2012 were determined in January 2013 based on 2012 corporate and business line performance. While the initial calculation of the incentive bonus amounts is determined by formula as described above, the actual bonus amounts awarded by the Compensation Committee may be increased or decreased to reflect individual performance. Beginning with the amount determined as described above, the Compensation Committee then determines the final amount of each executive officer's annual incentive award based on the Compensation Committee's consideration of his or her individual performance and contributions during the year. Cash incentive award amounts are adjusted downward as well as upward based on these performance reviews. The maximum upward adjustment for any NEO during the past three years was 13.5% above the Overall Bonus Funding Percentage. The Committee believes that it is important to retain the ability to recognize outstanding individual performance in awarding annual bonuses, as well as to acknowledge circumstances where individual performance improvements are suggested or where inappropriate risk-taking behaviors have occurred.

With the view that the level of each managing committee member's cash bonus should reflect in part the levels of the cash bonuses received by the people who work, directly or indirectly, under his or her management, one measure of individual performance considered by the Compensation Committee in setting the final bonus award for each managing committee member that manages a revenue-producing business was the amount by which the total funding levels for the bonus pools of the business lines for which the managing committee member is responsible differed from their target funding levels. The Compensation Committee also considered the CEO's individual performance, and the CEO's views regarding the individual performance of the other managing committee members, in determining managing committee members' cash bonuses. Performance criteria for all managing committee members include performance relative to risk management, internal leadership, development and other business goals, community involvement, involvement in special projects and new initiatives, and talent management, as well as factors including credit quality and audit, regulatory and compliance results. Finally, the Compensation Committee reviews the level of our corporate performance relative to our peer group in the principal profitability measures used by the Board in assessing corporate performance, as well as in relative levels of total shareholder return, as a check on the appropriateness of the award levels in the context of these operational performance measures.

The Compensation Committee's determination of the amount of the 2012 cash bonus award for each NEO is described beginning on page 41 under "Compensation Decisions for Named Executive Officers."

Long-Term Incentive Awards

In 2012 and prior years, 50% of the value of each NEO's long-term incentive award was granted in the form of performance-based restricted stock units ("RSUs") and 50% was granted in the form of stock options. RSU award amounts are adjusted according to a formula tied to our one-year ROE performance, as described in detail below. Both RSUs and options vest ratably over four years from the grant date, and RSU awards are settled in shares of our common stock. Cash dividends on unvested RSUs are accrued during the performance period, but accrued dividends are only paid after the end of the performance period on shares actually earned by the executives.

How long-term incentive award amounts are set

Each year in January, the Compensation Committee determines the dollar value of that year's annual long-term incentive awards for members of the managing committee, including all of the NEOs. In setting each year's award amounts, the Compensation Committee considers the competitive market for each executive's position; absolute

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and relative total compensation amounts; internal equity; individual contributions to the company; and cost to the company. The long-term equity award amounts granted in early 2012 reflected increases for certain managing committee members, including several of the NEOs, in recognition of those individuals' value to the company. These awards were granted under the shareholder-approved U.S. Bancorp Amended and Restated 2007 Stock Incentive Plan (the "2007 Stock Plan").

Why we use the ROE performance measure for the RSU awards

The number of RSUs awarded each year is adjusted the following year according to a formula that uses a comparison of our actual return on average common equity ("ROE") to a pre-set target, as well as our ROE performance relative to our peer group companies. ROE is used as the performance measure because:

- > it directly reflects the return generated by the company on its shareholders' investment;
- > it encompasses profitability, efficiency, balance sheet management and financial leverage, and is among the most widely used indicators of financial performance in our industry;
- > achieving a high ROE requires prudent management of the tradeoffs between risk and return, requiring a decision-making process that establishes an appropriate balance between achieving the highest return on invested capital and managing risk within the company's established risk tolerance levels; and
- > using ROE as a performance measure aligns the interests of the executives with that of long-term company shareholders, as sustaining a high return on equity is a primary driver of strong earnings growth.

The Compensation Committee believes that using a one-year performance cycle for the performance RSUs provides important clarity for the NEOs and a strong pay and performance link. The one-year performance period creates a sense that strong leadership and effort will directly affect the number of RSUs ultimately received. The Compensation Committee has carefully considered using a longer cycle for its performance-based equity grants, but believes that the uncertainty in the economy and the financial industry, as well as the regulatory environment affecting our business, could have a significant effect on the company's ROE over a longer time horizon that could mute the effects of management performance. The link between performance and pay would be weakened and the incentive effect of the award reduced if members of executive management perceived that the relationship between their performance and their ultimate award value may be largely diluted by factors outside of their control.

How we determine the final award amount of performance RSUs

At the time of each RSU grant, the Compensation Committee establishes a one-year target level for U.S. Bancorp's absolute level of ROE, as well as levels of ROE achievement that would correspond to certain magnitudes of increase or decrease in award amounts. The target level of absolute ROE achievement arises directly from the company's annual financial plan, which is approved by the company's Board of Directors after consideration of, among other things, the degree of achievability of that financial plan, and is therefore designed to be a goal that is challenging yet reasonably achievable, and which should tend to result in performance that is at or near target levels. The Compensation Committee also sets the magnitude of increase or decrease in award amount based on ROE achieved relative to the median of our peers, and uses a matrix reflecting both the absolute and relative ROE parameters to determine the final RSU award amounts by interpolation using the actual ROE level achieved during the year.

The following chart shows the payout matrix set by the Compensation Committee at the time the 2012 awards were made. The adjustment matrix that was used for the 2012 awards provided for the final award amounts to range from 25% to 150% of the number of units subject to the award. Our corporate performance exceeded expectations in many respects in 2012, including by achieving an ROE of 16.2%. Based on these pre-established parameters, 16.2% was between the target and maximum levels for the 2012 award (on the vertical axis). In comparison to its peer group, U.S. Bancorp's ROE ranked first, which was above the 75th percentile (on the

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horizontal axis). The final adjustment resulted in the number of units ultimately awarded being adjusted upward to 129.4% of the target number of units awarded.

| 2012 ROE PERFORMANCE MATRIX | | | | |
|--|------------------------------|---|--|---|
| | | Target Award Number Percentage | | |
| Company ROE Result (Vertical Axis) | Company ROE of 19.5% or more | 87.5% | 125% | 150% |
| | Company ROE Target (15.5%) | 62.5% | 100% | 125% |
| | Company ROE of 11.5% or less | 25.0% | 62.5% | 87.5% |
| | | Peer Group ROE Ranking at 25th %ile or below | Peer Group ROE Ranking at Median | Peer Group ROE Ranking at 75th %ile or above |
| Peer Group ROE Ranking (Horizontal Axis) | | | | |

The Compensation Committee believes that the RSU adjustment structure provides an important balance between rewarding the achievement of absolute performance goals and strong relative performance. For example, if our ROE is less than the specified ROE minimum for U.S. Bancorp, the target award number will be reduced, even if our ROE is at or above the 75th percentile in the peer group ROE ranking. In such a case, the executive's final award (i.e. the number of RSUs that are in fact awarded and eligible to vest over the vesting period) will be less than target, even if U.S. Bancorp substantially outperforms every other company in the peer group. Conversely, if our relative ROE is significantly below the median in the peer group ROE ranking, the executive's target award number will be reduced, even if U.S. Bancorp's absolute ROE substantially exceeds the target ROE for U.S. Bancorp. Thus, executives are not rewarded for poor performance simply because peer group members have even worse performance, nor are they rewarded for exceeding expectations (set at the beginning of the performance year) if performance relative to peers is substandard. In addition, by using a sliding scale for each ROE performance measure, the matrix takes into account the amount of variance from the ROE target and peer group ROE results, providing for a performance-based award while mitigating the incentive for excessive risk-taking that may result from an "all-or-nothing" award.

Changes we made to the long-term incentive award program for 2013

Beginning with awards granted in early 2013, 75% of the value of each NEO's long-term incentive award will be comprised of performance RSU's and 25% will be comprised of stock options. In addition, beginning in 2013, the range for adjusting performance RSU award amounts will be scaled downward. The number of units subject to each award may be adjusted downward to zero or adjusted upward to 125% of the original award amount, based on corporate ROE performance. As described above, awards granted in prior years allowed the final award amounts to range from 25% to 150% of the original award amount. This change decreases the upside leverage of the formula under which final award amounts are determined.

Decision-Making and Policies*Process for Determining Compensation*

Executive compensation is determined by the Compensation Committee, which is composed entirely of independent outside directors and is responsible for setting our compensation policy. The Compensation Committee has responsibility for setting each component of compensation for our CEO with the assistance and guidance of Frederic W. Cook & Co., Inc. ("Cook & Co."), its independent professional compensation consultant. The Compensation Committee also sets the total amount and types of compensation paid to members of the Board of Directors. Our CEO and our executive vice president of human resources, also with the help of the independent compensation consultant, develop initial recommendations for all components of compensation for

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the other managing committee members and present their recommendations to the Compensation Committee for review and approval.

In making executive compensation determinations, our Compensation Committee has also considered the results of the non-binding, advisory shareholder votes on our executive compensation program in each year since 2009. Our shareholders approved our executive compensation program in each of those years, most recently approving it by 93.7% in 2012. The Compensation Committee also considered feedback from some of our largest investors, who expressed no significant concerns about our executive compensation policies and practices. The Compensation Committee was mindful of our shareholders' endorsement of the Compensation Committee's decisions and policies to date and decided to retain our general approach to executive compensation during 2012, with an emphasis on short and long-term incentive compensation that rewards our most senior executives when they deliver value for our shareholders. The Compensation Committee will continue to consider the results from this year's and future advisory shareholder votes regarding our executive compensation program.

Peer Group Analysis

Using peer information as a point of reference, the Compensation Committee focuses on corporate, business line and individual performance in determining each component of compensation. In order to recruit and retain high-performing executives, our compensation program must be competitive with the compensation opportunities provided by companies with which we compete for executive talent. In performing market checks on the level of compensation of our CEO and the other managing committee members, the Compensation Committee uses the same financial services peer group for comparative compensation data that management uses for annual financial performance comparisons.

For 2012, this peer group was unchanged from that used in prior years, and was composed of the following companies, ranked in order of asset size as of December 31, 2012, and showing U.S. Bancorp's relative positioning within the group:

2012 U.S. Bancorp Peer Group

| | |
|--|-------------------------------|
| JPMorgan Chase & Co. | BB&T Corporation |
| Bank of America Corporation | SunTrust Banks, Inc. |
| Wells Fargo & Company | Fifth Third Bancorp |
| <i>U.S. Bancorp</i> | Regions Financial Corporation |
| The PNC Financial Services Group, Inc. | KeyCorp |

This group was chosen by management for financial comparison purposes because these financial institutions, along with U.S. Bancorp, represent the ten largest financial services companies based in the United States that provide retail and commercial banking services, other than Citigroup. These companies are used for financial comparisons because, of the U.S. financial institutions, their significant lines of business are most similar to U.S. Bancorp's, with an emphasis on retail and commercial banking, and they are the companies with whom we compete for customer market share. Other companies that provide financial or similar services and are within the asset size range represented by our peer group have significantly different businesses and business strategies from ours. Some of our peer companies are significantly larger than we are, and some are significantly smaller. Within this broad range, U.S. Bancorp is at the 66th percentile rank in asset size of this peer group. All of these peer companies are included in the KBW Bank Index, which we believe is the most appropriate stock market index to use for financial comparison purposes, and which is used in the Stock Performance Chart presented on page 144 of our 2012 Annual Report.

The Compensation Committee believes that it is appropriate to monitor relative compensation amounts with respect to the same peer group that is used by management and the Board for financial performance comparisons, and that this group represents our primary industry competitors for executive talent.

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Compensation Market Checks

In January of each year, at the time that compensation decisions are made with respect to amounts of annual incentive awards and long-term incentive awards, the Compensation Committee reviews the past year's company performance relative to the peer group in the profitability measures primarily used by the Board in assessing corporate performance, as well as in relative levels of total shareholder return ("TSR"), stock price performance and company valuation. This review serves as a check on the appropriateness of the equity award levels that have been set by the Compensation Committee, as well as the appropriateness of the cash bonus funding levels that result from the application of the formula contained in the annual cash incentive plan.

In January 2013, when the Compensation Committee reviewed 2012 corporate performance in accordance with this process, the committee discussed the company's one-, two-, three- and five-year TSR in addition to ten-year TSR and other performance measures. The Compensation Committee noted that the company's one-year TSR of 21.0% was higher than that of the S&P 500 and higher than the prior year's one-year TSR. Although our one-year TSR was below the median of our peer group, the Compensation Committee noted that our two-year TSR was the highest among our peer group, demonstrating that the unusually high one-year TSR of a number of our peers was not sufficient to offset their relatively poor stock performance during the prior year. The committee also discussed our company's steady, positive short- and longer-term TSR over the past several years, which were achieved during a time of uncertainty and stress for the financial services industry and contrasted sharply with the more volatile stock performance of many of our peers. After also considering absolute and relative profitability measures as well as company valuation, the Compensation Committee concluded that the compensation decisions that were made in accordance with our compensation program were appropriate when viewed in the context of overall performance.

Later in the year, after complete compensation information is known for our peer group for the preceding fiscal year, the Compensation Committee conducts a more specific comparison of relative total compensation levels for the NEOs against various relative one-, three- and five-year performance measures. In performing this check during 2012, the Compensation Committee reviewed the following performance measures against the grant date value of executive compensation earned in 2011:

Percent Rank Relative to Peer Group⁽¹⁾

(1)

Source: SNL and FactSet (TSR); data is as of December 31, 2011. The peer group companies are listed under the heading "2012 U.S. Bancorp Peer Group" on page 35 of this proxy statement. Percent rank relative to peer group computed as the rank of the Company's value in a data set as a percentage of the data set.

(2)

Return on average assets computed as (i) fiscal year ("FY") net income as a percentage of (ii) average assets. Three-year and five-year performance calculated by adding the return in each year and dividing by 3 or 5, as applicable.

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- (3) Return on average common equity computed as (i) FY net income available to common shareholders as a percentage of (ii) average common equity. Three-year and five-year performance calculated by adding the return in each year and dividing by 3 or 5, as applicable.
- (4) Efficiency Ratio computed as noninterest expense divided by the sum of net interest income on a taxable-equivalent basis and noninterest income excluding securities gains (losses). Three-year and five-year performance calculated by adding the ratio in each year and dividing by 3 or 5, as applicable.
- (5) Total shareholder return computed as common stock value appreciation over the performance period plus reinvestment of dividends and the compounding effect of dividends paid on reinvested dividends.
- (6) Revenue growth computed as (i) FY revenue divided by revenue for the relevant prior FY minus (ii) 1. Revenue is computed as the sum of FY net interest income on a taxable-equivalent basis and noninterest income. These numbers were not adjusted for certain significant acquisitions by our peers during these time periods that positively impacted their revenue growth.
- (7) Net income growth computed as (i) FY net income divided by net income for the relevant prior FY, minus (ii) 1. These numbers were not adjusted for certain significant acquisitions by our peers during these time periods that positively impacted their net income growth. Net income growth excludes all peer companies with negative net income growth during the relevant time period.
- (8) EPS growth computed as (i) FY diluted earnings per share divided by diluted earnings per share for the relevant prior FY, minus (ii) 1. These numbers were not adjusted for certain significant acquisitions by our peers during these time periods that positively impacted their earnings per share growth. EPS growth excludes all peer companies with negative EPS growth during the relevant time period.

These market checks are used to assess the alignment of relative compensation levels within the peer group with relative performance levels within the group, to ensure that relative levels of pay are competitive with those of the companies with whom the company competes for executive talent, while remaining reasonable and appropriate. The Committee believes that the relative compensation of our NEOs within our peer group is appropriate, given that U.S. Bancorp is at the 66th percentile rank of that group in asset size and has consistently led its peers in the common industry measures of return on assets, return on equity and efficiency ratio over the years.

Tally Sheets

Each year, after that year's compensation determinations have been made, a tally sheet summarizing the following information for each of the managing committee members, including each of the NEOs, is reviewed by the Compensation Committee and the Board:

- > total direct compensation;
- > current value of outstanding vested and unvested equity awards based on year-end fair market values;

- > deferred compensation balances;
- > present value of accumulated pension benefits;
- > value of perquisites; and
- > value of termination benefits.

Compensation Committee Consultant

The Compensation Committee retains Cook & Co. to:

- > provide advice regarding compensation program design, competitive practices, market trends and peer group composition;
- > make recommendations to the Compensation Committee in setting the pay of our CEO;
- > provide the same advisory services to the Compensation Committee and our CEO and executive vice president of human resources regarding the compensation of the other managing committee members; and
- > advise the Compensation Committee on director compensation.

Cook & Co. does not provide any other services to our company.

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The Compensation Committee reviews Cook & Co.'s independence annually. In conducting this review in 2012, the Compensation Committee considered:

- > the absence of any other services Cook & Co. provides to the company;
- > the amount of fees received by Cook & Co. from the company as a percentage of Cook & Co.'s revenue;
- > Cook & Co.'s compliance with its conflict of interest policies with respect to its engagement;
- > the absence of any business or personal relationships between Cook & Co., or the individual advisors employed by Cook & Co. working on U.S. Bancorp matters, and any Compensation Committee member;
- > the absence of any business or personal relationships between U.S. Bancorp's executive officers and Cook & Co. or the individual advisors employed by Cook & Co. and working on U.S. Bancorp matters; and
- > the lack of ownership of any U.S. Bancorp stock by Cook & Co. and the individual advisors employed by Cook & Co. and working on U.S. Bancorp matters.

Based on its review, the Compensation Committee has concluded that Cook & Co is independent of the company and Cook & Co.'s work for the Compensation Committee does not raise any conflicts of interest.

Risk Considerations in Setting Managing Committee Compensation

The Compensation Committee recognizes that the structure of our compensation program for managing committee members, to the extent that it rewards achievement of annual financial performance goals and consists partly of awards tied to the company's stock value, could lead to behaviors that focus executives on short-term performance rather than on our company's long-term welfare. If these behaviors were to occur, they could weaken the link between pay and performance, and diminish the correlation between executive compensation and the return realized by our shareholders.

Taking carefully considered risks is an integral part of any business strategy, and our compensation program is not intended to encourage management decisions that eliminate risk. Rather, the combination of various elements in our program is designed to encourage appropriate sensitivity to risk and mitigate the potential to reward risk-taking that may produce short-term results that appear in isolation to be favorable, but that may undermine the successful execution of our long-term business strategy and negatively affect shareholder value. Together with the company's processes for strategic planning, its internal control over financial reporting and other financial and compliance policies and practices, the design of our compensation program helps to discourage management actions that demonstrate insensitivity to risk.

The Compensation Committee has had a formal process for overseeing these risks since 2008, when the committee undertook a formal and extensive review of our executive compensation program to assess whether any aspect of the program would encourage any of our senior executive officers to take any unnecessary or inappropriate risks that could threaten our company's value.

As a large financial services company, we have been subject to a continuing review of incentive compensation policies and practices undertaken by the Federal Reserve Board since 2009. In the process of participating in that review, we have undertaken a thorough analysis of every incentive compensation plan in the company, the individuals covered by each plan and the risks inherent in each plan's design and implementation. An Incentive Review Committee was created to oversee that review and to provide more comprehensive oversight of the relationship between the various kinds of risk we manage and our company's incentive compensation plans and programs. The Incentive Review Committee meets at least monthly and is responsible for the ultimate review and recommendation of all company incentive plans. This committee reviews plan elements such as plan participants, performance measures, performance and payout curves or formulas, how target level performance is determined (including whether any thresholds and caps exist), how frequently payouts occur, and the mix of fixed and variable

compensation that the plan delivers. The plans and programs are also reviewed from the standpoint of reasonableness (e.g. how target pay levels compare to similar plans for similar populations at other companies, and how payout amounts relate to the results which generate the payments), how well the plans and programs are

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aligned with U.S. Bancorp's goals and objectives, and from an overall standpoint, whether these plans and programs represent an appropriate mix of short-term and long-term compensation.

As part of this review by our Incentive Review Committee, our management team, including senior risk officers and individuals from the compensation department, have identified the risks inherent in these programs and have modified plans and procedures where appropriate to mitigate certain potential risks. For example, all business line incentive compensation plans with a credit component track early defaults, or defaults that occur within the first 12 months, and must include a provision that allows the company to offset future payments by the amount of the previously paid incentives related to the early default. In addition, a "risk scorecard" analysis measuring adequacy of risk management is included in the annual performance reviews of all senior management-level employees, including the NEOs, and serves as the basis for annual cash incentive compensation plan adjustments for those employees. The use of "risk scorecards" was expanded during 2012 to include all employees who have credit responsibility and participate in annual corporate cash incentive plans. The Incentive Review Committee has reviewed its process with the Compensation Committee and discussed the areas where compensation-related risks were being addressed by plan modifications, or were mitigated by internal controls or otherwise.

The Compensation Committee also conducts an annual risk assessment of the compensation packages and components for the managing committee members. The Compensation Committee assesses the incentives for risk-taking contained in the compensation program and balances them with the other goals of the compensation program. The Compensation Committee meets at that time with our CFO, chief credit officer, chief risk officer, general counsel and executive vice president of human resources for a specific discussion of the material risks our company faces, in order to assess those risks and the overall risk tolerance of the company approved by the Board of Directors in relation to the levels of risk inherent in the compensation plans and programs and the performance targets set each year.

In evaluating the incentives for risk-taking in compensation plans and policies for managing committee members, the Compensation Committee considered the following risk-mitigating aspects of those plans and policies:

Overall Compensation Program Risk Mitigation Factors

- > *Long-term incentive focus.* The majority of the total compensation received by managing committee members is in the form of equity awards with long-term vesting schedules, which helps to ensure that executives have significant value tied to long-term stock price performance and mitigates incentives to manage the company with an excessive focus on short-term gain.

Annual Incentive Risk Mitigation Factors

- > *Broad corporate focus.* The starting point for setting the annual cash incentive award amounts for the NEOs is overall corporate (rather than business line) performance. This structure encourages the overall achievement of annual goals important to our success, while mitigating the incentives to take excessive risks in order to achieve those goals that may exist where incentive amounts are more closely linked to performance of a business line managed by the individual.
- > *Specific risk performance analysis.* A "risk scorecard analysis" is performed for all senior management-level employees, including managing committee members, and is reviewed by our Incentive Risk Committee. The results of this analysis may result in decreases in annual incentive compensation amounts in cases of inadequate risk management.
- > *Clawback policy.* The company's incentive compensation "clawback" policy discourages risk-taking that would lead to improper financial reporting.

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- > *Specific equity cancellation provisions.* Beginning in 2012, the equity award agreements for managing committee members have contained a provision that cancels the vesting of equity awards if it is determined that the executive exhibited an inadequate sensitivity to risk that caused a material adverse impact on the company or the executive's line of business.
- > *Choice of performance measure.* The performance RSUs use ROE as the measure of corporate performance for determining the final number of units subject to the award. Achieving a high ROE requires a management decision-making process that establishes an appropriate balance between achieving the highest return on invested capital and managing risk within the company's established risk tolerance levels.
- > *Adjustment cap on RSU amounts.* The amount by which the performance RSU awards may be adjusted under the performance formula is capped, which limits the potential incentive to take excessive risk in order to realize a greater payout.
- > *Stock ownership requirements.* Executives are required to hold significant amounts of company stock through ownership guidelines, which is supported by a policy prohibiting hedging and pledging of company stock, and which supports the alignment of executives' interests with long-term shareholder interests.
- > *Policy prohibiting hedging of shares.* Executives are prohibited from actions designed to hedge or offset any decrease in the market value of our common stock.

Stock Ownership

The Compensation Committee believes that significant ownership of our common stock by our managing committee members directly aligns their interests with those of our other shareholders and also helps balance the incentives for risk-taking inherent in equity-based awards. We have had a requirement for many years that our senior executives hold significant amounts of company stock. The current ownership requirements are:

| Officer | Requirement |
|----------------------------------|-----------------|
| CEO | 6 × base salary |
| Other managing committee members | 3 × base salary |

Unvested equity awards are not included in determining whether a management committee member satisfies these guidelines.

Deductibility of Performance-Based Compensation

Cash incentive awards for the NEOs are determined using the formula contained in the annual cash incentive plan and granted under our 2006 Executive Incentive Plan (the "EIP"). The EIP is designed to allow the company to issue awards that qualify as performance-based compensation under Section 162(m) of the Internal Revenue code, as amended (the "Code"). Accordingly, the annual incentive plan sets the maximum award level that can be given to any NEO under the plan for any year at 0.2% of the company's net income for the year. The Compensation Committee then uses negative discretion to reduce the amount of an executive's cash bonus award to an amount that is determined based on the process described above. This maximum award amount was established principally to position the EIP to comply with regulations under Section 162(m) of the Internal Revenue code, as amended (the "Code"), and is not indicative of the expected level of actual awards.

We review all compensation programs and payments to determine the tax impact on the company as well as on the executive officers. In addition, we review the impact of our programs against other considerations, such as

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accounting impact, shareholder alignment, market competitiveness, effectiveness and perceived value to employees. Because many different factors influence a well-rounded, comprehensive executive compensation program, the Compensation Committee may award compensation that may not be deductible under Section 162(m) of the Code.

Compensation Decisions for Named Executive Officers

The information below discusses the 2012 total compensation for each NEO.

Richard K. Davis

Mr. Davis serves as our Chairman, President and CEO.

Mr. Davis's annual cash incentive bonus was determined by the Compensation Committee, beginning with the company's Overall Bonus Funding Percentage as described above and considering the assessment of his strong individual performance. The Compensation Committee believes that, as leader of the entire organization, Mr. Davis's bonus amount should closely reflect the Overall Bonus Funding Percentage achieved by the entire company.

In assessing Mr. Davis's individual performance during 2012, the Compensation Committee performed an evaluation that identified and examined a broad range of corporate and individual performance factors, including:

- > strong, ethical company leadership;
- > industry leadership in responding to legislative and regulatory developments;
- > consistent and disciplined progress toward strategic goals;
- > achievement of financial plans; and
- > effective representation of the company with external constituents such as investors, regulators, customers, analysts, rating agencies and media.

Mr. Davis's annual cash incentive bonus awarded was 123% of target.

| Davis Target Bonus as a % of Salary | Company Overall Bonus Funding % of Target | Davis Bonus Awarded % of Target |
|--|--|--|
| 225% | 122.7% | 123% |

The Compensation Committee increased Mr. Davis's base salary in 2012 to demonstrate the Committee's approval of his leadership, and the value of his 2012 long-term incentive award was 9.1% higher than the prior year's award. The Compensation Committee believed that Mr. Davis's long-term equity award should be increased over the amount of the prior year's award because of his outstanding leadership in the company, the financial services industry, and the community; his tenure in his position; and the relative performance of the company under his leadership compared to peer group companies. His 2012 total direct compensation was as follows, compared to 2011:

| | 2012 | % Change | 2011 |
|-------------|--------------|-----------------|-------------|
| Base Salary | \$ 1,100,042 | 12.8% | \$ 975,037 |

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| | | | | | |
|---|----|------------|--------|----|-----------|
| Annual Cash Incentive Bonus | \$ | 3,044,350 | (4.9)% | \$ | 3,200,000 |
| Long Term Incentive | \$ | 6,000,000 | 9.1% | \$ | 5,500,000 |
| Total Direct Compensation (base salary, bonus and long-term incentive grant) | \$ | 10,144,392 | 4.9% | \$ | 9,675,037 |

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Mr. Cecere serves as our Vice Chairman and CFO.

Mr. Cecere's annual cash incentive bonus was determined by the Compensation Committee as described above, beginning with the Overall Bonus Funding Percentage and increased based on his strong individual performance and the recognition of his professional excellence throughout the organization and the industry.

The Compensation Committee reviewed the CEO's evaluation of Mr. Cecere's performance, which included:

- > the company's results exceeding its financial plans;
- > strong balance sheet management;
- > effective representation of the company with investors, regulators, analysts and rating agencies;
- > strong support of investment, strategic and regulatory initiatives, including outstanding management of Federal Reserve stress testing processes and results; and
- > analysis and implementation relating to changing regulatory capital frameworks, directly resulting in early achievement of anticipated new capital requirements.

His annual cash incentive bonus awarded was 129.3% of target.

| Cecere Target Bonus as a % of Salary | Company Overall Bonus Funding % of Target | Cecere Bonus Awarded % of Target |
|---|--|---|
| 150% | 122.7% | 129.3% |

The Compensation Committee increased Mr. Cecere's base salary in 2012, based on its recognition of his tenure and experience as one of the longest-serving CFOs in our peer group and the significant value he brings to the company. The value of Mr. Cecere's 2012 long-term incentive award was 7.1% higher than the prior year's award. The Compensation Committee believed that Mr. Cecere's long-term equity award should be increased over the amount of the prior year's award in order to recognize his significant contributions to the company. His 2012 total direct compensation was as follows, compared to 2011:

| | 2012 | % Change | 2011 |
|---|--------------|-----------------|--------------|
| Base Salary | \$ 675,026 | 8.0% | \$ 625,024 |
| Annual Cash Incentive Bonus | \$ 1,309,163 | (3.7)% | \$ 1,360,000 |
| Long-Term Incentive | \$ 3,750,000 | 7.1% | \$ 3,500,000 |
| Total Direct Compensation (base salary, bonus and long-term incentive grant) | \$ 5,734,189 | 4.5% | \$ 5,485,024 |

Pamela A. Joseph

Ms. Joseph serves as a Vice Chairman of U.S. Bancorp with responsibility for our payment services business and as Chairman and Chief Executive Officer of Elavon, Inc., a subsidiary of U.S. Bancorp.

Ms. Joseph's annual cash incentive bonus was determined by the Compensation Committee as described above, beginning with the Overall Bonus Funding Percentage, increased to reflect the higher funding levels of the incentive bonus pools of the business lines under her responsibility resulting from their stronger 2012 financial performance, and decreased as a result of the risk scorecard analysis process, relating to risk management results within her business lines.

The Compensation Committee also considered the CEO's evaluation of Ms. Joseph's performance, which included:

>

the strong financial performance of the lines of business under her responsibility;

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- > strong leadership of the varied aspects of her business lines, including continued international expansion of the Elavon business;
- > successful responses to significant changes in regulatory requirements affecting her business line;
- > increasing responsibility as a payments leader; and
- > leadership in corporate customer experience initiatives.

Her annual cash incentive bonus awarded was 116.7% of target.

| Joseph Target Bonus as a % of Salary | Company Overall Bonus Funding % of Target | Joseph Bonus Awarded % of Target |
|---|--|---|
| 125% | 122.7% | 116.7% |

The Compensation Committee increased Ms. Joseph's base salary in 2012, based on her strong performance and following several years without an increase. Her 2012 total direct compensation was as follows, compared to 2011:

| | 2012 | % Change | 2011 |
|---|--------------|-----------------|--------------|
| Base Salary | \$ 675,026 | 11.8% | \$ 603,773 |
| Annual Cash Incentive Bonus | \$ 984,656 | (10.0)% | \$ 1,094,000 |
| Long-Term Incentive | \$ 2,000,000 | | \$ 2,000,000 |
| Total Direct Compensation (base salary, bonus and long-term incentive grant) | \$ 3,659,682 | (1.0)% | \$ 3,697,773 |

Richard C. Hartnack

During 2012, Mr. Hartnack served as a Vice Chairman, with responsibility for our consumer and small business banking operations.

Mr. Hartnack's annual cash incentive bonus was determined by the Compensation Committee as described above, beginning with the Overall Bonus Funding Percentage, and increased to reflect the higher funding levels of the incentive bonus pools of the lines of business under his responsibility resulting from their stronger 2012 financial performance.

The Compensation Committee also considered the CEO's evaluation of Mr. Hartnack's performance, which included:

- > the strong financial performance of the lines of business under his responsibility;
- > strong leadership of our consumer, small business banking and mortgage divisions;
- > strong succession planning and talent management in preparation for his retirement;
- > demonstrated industry leadership;
- > increased customer satisfaction; and

>

successful efforts in increasing the company's distribution of retail financial services.

His annual cash incentive bonus awarded was 139.3% of target.

| Hartnack Target Bonus as a % of Salary | Company Overall Bonus Funding % of Target | Hartnack Bonus Awarded % of Target |
|---|--|---|
| 140% | 122.7% | 139.3% |

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Mr. Hartnack's 2012 total direct compensation was as follows, compared to 2011:

| | 2012 | % Change | 2011 |
|---|--------------|-----------------|--------------|
| Base Salary | \$ 603,773 | | \$ 603,773 |
| Annual Cash Incentive Bonus | \$ 1,177,433 | 3.2% | \$ 1,141,000 |
| Long-Term Incentive | \$ 1,800,000 | | \$ 1,800,000 |
| Total Direct Compensation (base salary, bonus and long-term incentive grant) | \$ 3,581,206 | 1.0% | \$ 3,544,773 |

Richard B. Payne, Jr.

Mr. Payne serves as a Vice Chairman and has responsibility for our wholesale banking operations.

Mr. Payne's annual cash incentive bonus was determined by the Compensation Committee as described above, beginning with the Overall Bonus Funding Percentage, and decreased to more closely reflect the lower funding levels of the incentive bonus pools of the lines of business under his responsibility resulting from their 2012 financial performance.

The Compensation Committee also considered the CEO's evaluation of Mr. Payne's performance, which included:

- > the financial performance of the lines of business under his responsibility;
- > his leadership in the continuing development of our wholesale banking division, including expansion in the capital markets business; and
- > his leadership in establishing the company's municipal bond business.

His annual cash incentive bonus awarded was 109.4% of target.

| Payne Target Bonus as a % of Salary | Company Overall Bonus Funding % of Target | Payne Bonus Awarded % of Target |
|--|--|--|
| 125% | 122.7% | 109.4% |

The value of Mr. Payne's 2012 long-term incentive was 10% higher than the prior year's award. The Compensation Committee believed that Mr. Payne's long-term equity award should be increased over the amount of the prior year's award, primarily in recognition of the success of his first year of responsibility for the middle-market commercial banking operations. His 2012 total direct compensation was as follows, compared to 2011:

| | 2012 | % Change | 2011 |
|---|--------------|-----------------|--------------|
| Base Salary | \$ 500,019 | | \$ 500,019 |
| Annual Cash Incentive Bonus | \$ 683,750 | (27.1)% | \$ 937,500 |
| Long-Term Incentive | \$ 2,200,000 | 10% | \$ 2,000,000 |
| Total Direct Compensation (base salary, bonus and long-term incentive grant) | \$ 3,383,769 | (1.6)% | \$ 3,437,519 |

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Compensation Committee Report

COMPENSATION COMMITTEE REPORT

The Compensation and Human Resources Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based upon this review and discussion, the Compensation and Human Resources Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and in our 2012 Annual Report on Form 10-K.

Compensation and Human Resources Committee of the Board of Directors of U.S. Bancorp

Jerry W. Levin, *Chair*
Victoria Buyniski Gluckman
Arthur D. Collins, Jr.

David B. O'Maley
Patrick T. Stokes

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Executive Compensation

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table shows the cash and non-cash compensation for each of the last three fiscal years awarded to or earned by the individuals who served as our CEO or CFO during 2012 and each of our three other most highly compensated executive officers in 2012.

| Name and Principal Position | Year | Salary (\$) | Stock Awards (\$) ⁽¹⁾ | Option Awards (\$) ⁽²⁾ | Non-Equity Incentive Plan Compensation (\$) ⁽³⁾ | Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$) ⁽⁴⁾ | All Other Compensation (\$) ⁽⁵⁾ | Total (\$) |
|--|------|----------------|--|---|---|---|--|---------------|
| Richard K. Davis | 2012 | 1,100,042 | 3,000,000 | 3,000,000 | 3,044,350 | 8,051,875 | 17,572 | 18,213,839 |
| Chairman, President and Chief Executive Officer | 2011 | 975,037 | 2,750,000 | 2,750,000 | 3,200,000 | 3,930,307 | 14,114 | 13,619,458 |
| | 2010 | 975,037 | 9,500,000 | 2,500,000 | 3,115,125 | 2,666,929 | 14,114 | 18,771,205 |
| Andrew Cecere | 2012 | 675,026 | 1,875,000 | 1,875,000 | 1,309,163 | 1,885,417 | 30,185 | 7,649,791 |
| Vice Chairman and Chief Financial Officer | 2011 | 625,024 | 1,750,000 | 1,750,000 | 1,360,000 | 954,753 | 32,163 | 6,471,940 |
| | 2010 | 603,773 | 5,500,000 | 1,500,000 | 1,313,000 | 918,078 | 13,754 | 9,848,605 |
| Pamela A. Joseph | 2012 | 675,026 | 1,000,000 | 1,000,000 | 984,656 | 3,022,698 | 16,619 | 6,698,999 |
| Vice Chairman, Payment Services | 2011 | 603,773 | 1,000,000 | 1,000,000 | 1,094,000 | 1,536,113 | 12,975 | 5,246,861 |
| | 2010 | 603,773 | 2,720,000 | 850,000 | 1,192,000 | 1,070,276 | 28,988 | 6,465,037 |
| Richard C. Hartnack ⁽⁶⁾ | 2012 | 603,773 | 900,000 | 900,000 | 1,177,433 | 726,518 | 29,720 | 4,337,444 |
| Vice Chairman, Consumer and Small Business Banking | 2011 | 603,773 | 900,000 | 900,000 | 1,141,000 | 35,369 | 29,200 | 3,609,342 |
| | 2010 | 603,773 | 1,600,000 | 800,000 | 1,285,000 | 235,663 | 20,780 | 4,545,216 |
| Richard B. Payne, Jr. | 2012 | 500,019 | 1,100,000 | 1,100,000 | 683,750 | 403,888 | 29,720 | 3,817,377 |
| Vice Chairman, Wholesale Banking | 2011 | 500,019 | 1,000,000 | 1,000,000 | 937,500 | 354,213 | 29,200 | 3,820,932 |
| | 2010 | 460,018 | 1,600,000 | 800,000 | 845,000 | 120,206 | 22,104 | 3,847,328 |

(1)

Notes on Stock Awards

The amounts in this column are calculated based on the number of restricted shares or units awarded and the fair market value of U.S. Bancorp common stock on the date the award was made in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 718.

The 2012 values in this table reflect the fair market value of each officer's target payout for the 2012 performance-based restricted stock units on the grant date. Each of these officers had the number of units subject to these awards increased to 129.4% of their respective target amounts based on our actual 2012 performance compared to the targets set in the award agreements. The fair market value of the maximum potential payout amounts for these awards on the grant date were as follows: (i) Mr. Davis, \$4,500,000;

(ii) Mr. Cecere, \$2,812,500; (iii) Ms. Joseph, \$1,500,000; (iv) Mr. Hartnack, \$1,350,000; and (v) Mr. Payne, \$1,650,000.

The 2011 values in this table reflect the fair market value of each officer's target payout for the 2011 performance-based restricted stock units on the grant date. Each of these officers had the number of units subject to these awards increased to 140.6% of their respective target amounts based on our actual 2011 performance compared to the targets set in the award agreements. The fair market value of the maximum potential payout amounts for these awards on the grant date were as follows: (i) Mr. Davis, \$4,125,000; (ii) Mr. Cecere, \$2,625,000; (iii) Ms. Joseph, \$1,500,000; (iv) Mr. Hartnack, \$1,350,000; and (v) Mr. Payne, \$1,500,000.

On February 16, 2010, we made two grants of performance-based restricted stock unit awards to these officers. One grant was the annual long-term incentive grant to these officers, and the other was a special one-time retention equity award to the officers. The 2010 values in this table reflect the fair market value of each officer's target payout on the grant date for the two awards. For each officer's 2010 performance-based restricted stock units, each of these officers had the number of units subject to these awards increased to 141.9% of their respective target amounts based on our actual 2010 performance compared to the targets set in the award agreements. The fair market value of the target and maximum potential payout amounts for these awards on the grant date were as follows: (i) Mr. Davis, \$2,500,000 target and \$3,750,000 maximum; (ii) Mr. Cecere, \$1,500,000 target and \$2,250,000 maximum; (iii) Ms. Joseph, \$850,000 target and \$1,275,000 maximum; and (iv) Messrs. Hartnack and Payne, \$800,000 target and \$1,200,000 maximum.

The special one-time retention equity awards would only vest if the average of our annual ROE in 2010, 2011 and 2012 was at or above the 50th percentile of the average annual peer group ROE during this three-year period. Our average annual ROE during this period was at the 100th percentile of the peer group, and the awards will vest in accordance with their terms. Target payouts are the same as the maximum payouts for those awards and are as follows: (i) Mr. Davis, \$7,000,000; (ii) Mr. Cecere, \$4,000,000; (iii) Ms. Joseph, \$1,870,000; and (iv) Messrs. Hartnack and Payne, \$800,000.

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(2) The amounts in this column are based on the fair value of the stock option awards as estimated using the Black-Scholes option-pricing model. The assumptions used to arrive at the Black-Scholes value are disclosed in Notes 17, 18 and 18 to our consolidated financial statements in our 2012, 2011 and 2010 Annual Reports on Form 10-K, respectively.

(3) The amounts in this column relate to awards granted under our EIP. The EIP and these awards are discussed above in the "Compensation Discussion and Analysis" section of this proxy statement.

(4) The amounts in this column represent the increase in the actuarial net present value of all future retirement benefits under the U.S. Bank Pension Plan and the U.S. Bancorp Non-Qualified Retirement Plan. The increase in value is primarily due to a significant decrease in the discount rate, an increase in pay, an increase in the age of the officers and the officers' years of service. All of the pension benefits for Messrs. Davis and Payne and Ms. Joseph are based on their respective highest five consecutive years' average pay. For Mr. Cecere, the aggregate supplemental benefits are based on his final three consecutive years' average pay, and his remaining pension benefits accrue using the cash balance formula of our pension plan as described below under the heading "Pension Benefits Defined Benefit Pension Plans." Mr. Hartnack is eligible for a fixed amount of total retirement benefits, which is reduced by benefits he earned at his former employers, as further explained below under the heading "Pension Benefits Supplemental Retirement Benefits." Pay includes both base pay and cash incentive awards earned in the applicable year.

The net present values of the pension benefits as of December 31, 2012, 2011 and 2010, used to calculate the net change in pension benefits were determined using the same assumptions used to determine our pension obligations and expense for financial statement purposes. See Note 16 to our consolidated financial statements included in our 2012 Annual Report on Form 10-K for these specific assumptions. Additional information about our Pension Plan and Non-Qualified Retirement Plan is included below under the heading "Pension Benefits." We have not provided above-market or preferential earnings on any nonqualified deferred compensation and, accordingly, no such amounts are reflected in this column.

(5) **Notes on Other Compensation**

The following table describes each component of the All Other Compensation column for 2012:

| Name | Parking Reimbursement (\$) | Matching Contribution into 401(k) Savings Plan (\$) | Reimbursement of Financial Planning Expenses (\$) | Executive Physical (\$) | Home Security System Expenses (\$) | Other (\$) | Total (\$) |
|--------------|----------------------------|---|---|-------------------------|------------------------------------|------------|------------|
| Mr. Davis | 3,180 | 10,000 | | 2,116 | 2,276 | | 17,572 |
| Mr. Cecere | 3,180 | 10,000 | 16,366 | | 639 | | 30,185 |
| Ms. Joseph | | 10,000 | 5,750 | | | 869(a) | 16,619 |
| Mr. Hartnack | 3,180 | 10,000 | 16,540 | | | | 29,720 |
| Mr. Payne | 3,180 | 10,000 | 16,540 | | | | 29,720 |

(a) Represents a \$500 cash award and related \$369 tax gross up.

The company occasionally allows its executives the personal use of tickets for sporting and special events previously acquired by the company for the purpose of business entertainment. There is no incremental cost to the company for the use.

- (6) Mr. Hartnack retired from his position as Vice Chairman, Consumer and Small Business Banking, on March 1, 2013.

Grants of Plan-Based Awards

The following table summarizes the equity and non-equity plan-based awards granted in 2012 to the executive officers named in the Summary Compensation Table. The first line of information for each executive contains information about the 2012 cash awards (paid in February 2013) that each executive was eligible to receive under our EIP, and the remaining information relates to performance-based restricted stock units and stock options granted in 2012 under our 2007 Stock Plan.

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Executive Compensation

Grants of Plan-Based Awards for Fiscal 2012

| Name | Grant Date | Date of Compensation Committee Meeting at Which Grant Was Approved | Estimated Future Payouts Under Non-Equity Incentive Plan Awards(1) | | Estimated Future Payouts Under Equity Incentive Plan Awards | | | All Other Option Awards: Number of Securities Underlying Options (#) | Exercise or Base Price of Option Awards (\$/Sh) | Grant Date Fair Value of Stock and Option Awards (\$)(3) |
|-----------------------|------------|--|--|-----------------|---|------------|-------------|--|---|--|
| | | | Target (\$) | Maximum (\$)(2) | Threshold (#) | Target (#) | Maximum (#) | | | |
| Richard K. Davis | | | 2,475,000 | 11,294,000 | | | | | | |
| | 2/15/12(4) | 1/16/12 | | | 26,196 | 104,785 | 157,177 | | | 3,000,000 |
| | 2/15/12(5) | 1/16/12 | | | | | | 294,696 | 28.63 | 3,000,000 |
| Andrew Cecere | | | 1,012,500 | 11,294,000 | | | | | | |
| | 2/15/12(4) | 1/16/12 | | | 16,372 | 65,490 | 98,234 | | | 1,875,000 |
| | 2/15/12(5) | 1/16/12 | | | | | | 184,187 | 28.63 | 1,875,000 |
| Pamela A. Joseph | | | 843,750 | 11,294,000 | | | | | | |
| | 2/15/12(4) | 1/16/12 | | | 8,732 | 34,928 | 52,392 | | | 1,000,000 |
| | 2/15/12(5) | 1/16/12 | | | | | | 98,233 | 28.63 | 1,000,000 |
| Richard C. Hartnack | | | 845,250 | 11,294,000 | | | | | | |
| | 2/15/12(4) | 1/16/12 | | | 7,856 | 31,435 | 47,151 | | | 900,000 |
| | 2/15/12(5) | 1/16/12 | | | | | | 88,410 | 28.63 | 900,000 |
| Richard B. Payne, Jr. | | | 625,000 | 11,294,000 | | | | | | |
| | 2/15/12(4) | 1/16/12 | | | 9,604 | 38,421 | 57,630 | | | 1,100,000 |
| | 2/15/12(5) | 1/16/12 | | | | | | 108,056 | 28.63 | 1,100,000 |

(1)

These columns show the potential payments for each of these executive officers under our EIP in 2013, for 2012 performance. The actual bonus incentive amounts paid based on our performance are reported above in the Non-Equity Incentive Plan Compensation column in the Summary Compensation Table. Additional information regarding our cash bonus incentives is included above in "Compensation Discussion and Analysis Compensation Components Annual Cash Incentive Awards."

(2)

Our EIP provides the opportunity for each participant in the plan to earn a bonus incentive amount equal to or less than 0.2% of our net income for the performance year. Our net income for the 2012 fiscal year was \$5.647 billion, and 0.2% of net income was \$11.294 million.

(3)

The fair value of the performance-based restricted stock units was calculated using the target number of units multiplied by the closing market price of a share of our common stock on the grant date. The Black-Scholes option pricing model was used to estimate the grant date fair value of the options in this column. Use of this model should not be construed as an endorsement of its accuracy. All stock option pricing models require predictions about the future movement of the stock price. The assumptions used to develop the grant date valuations for the options granted on February 15, 2012, were: risk-free rate of return of 0.94%, dividend rate

of 2.6%, volatility rate of 49.18%, quarterly reinvestment of dividends and an average term of 5.5 years. No adjustments have been made for non-transferability or risk of forfeiture. The real value of the stock options in this table will depend on the actual performance of our common stock during the applicable period and the fair market value of our common stock on the date the options are exercised.

(4)

These performance-based restricted stock unit awards vest at 25% per year, with vesting dates of February 15, 2013, 2014, 2015 and 2016. The target number of award units is adjusted upward or downward using a sliding scale based on (i) our 2012 ROE result versus a predetermined target and (ii) our ROE ranking within our peer group. The performance-based restricted stock unit awards accrue an amount equal to the dividends paid on our shares of common stock, which is paid at the end of the performance period on the number of shares actually earned after the performance adjustment. Based on our actual 2012 performance compared to the targets set in the award agreements for each officer's 2012 performance-based restricted stock units, each of these officers had the number of units subject to these awards increased to 129.4% of their respective target amounts. Additional information regarding these performance-based restricted stock unit awards is included above in "Compensation Discussion and Analysis Compensation Components Long-Term Incentive Awards" and the actual number of units received by each officer after this adjustment is included in the "Outstanding Equity Awards at 2012 Fiscal Year-End" table below.

(5)

These stock options were granted on February 15, 2012, and vest at 25% per year, with vesting dates of February 15, 2013, 2014, 2015 and 2016.

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Executive Compensation

Outstanding Equity Awards

The following table shows the unexercised stock options and the unvested restricted stock and restricted stock units held at the end of fiscal year 2012 by the executive officers named in the Summary Compensation Table.

Outstanding Equity Awards At 2012 Fiscal Year-End

| Name | Option Awards | | | | Stock Awards | |
|-------------------------|---|---|----------------------------|------------------------|---|---|
| | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽¹⁾ |
| Richard K. Davis | | 294,696(2) | 28.63 | 2/15/2022 | | |
| | 65,043(3) | 195,129(3) | 28.70 | 2/16/2021 | | |
| | 150,061(4) | 150,061(4) | 23.86 | 2/16/2020 | | |
| | 229,218(5) | 76,407(5) | 25.35 | 10/22/2019 | | |
| | 1,457,726 | | 31.04 | 1/16/2018 | | |
| | 919,118 | | 35.76 | 1/17/2017 | | |
| | 548,297 | | 30.00 | 1/17/2016 | | |
| | 519,010 | | 30.40 | 1/18/2015 | | |
| | 286,900 | | 28.50 | 1/20/2014 | | |
| | | | | | 135,589(6) | 4,330,713 |
| | | | | 101,039(7) | 3,227,186 | |
| | | | | 74,339(8) | 2,374,388 | |
| | | | | 293,378(9) | 9,370,493 | |
| | | | | 21,573(10) | 689,042 | |
| Andrew Cecere | | 184,187(2) | 28.63 | 2/15/2022 | | |
| | 41,391(3) | 124,173(3) | 28.70 | 2/16/2021 | | |
| | 90,037(4) | 90,037(4) | 23.86 | 2/16/2020 | | |
| | 137,530(5) | 45,844(5) | 25.35 | 10/22/2019 | | |
| | 874,636 | | 31.04 | 1/16/2018 | | |
| | 321,691 | | 35.76 | 1/17/2017 | | |
| | 250,650 | | 30.00 | 1/17/2016 | | |
| | 237,262 | | 30.40 | 1/18/2015 | | |
| | 124,300 | | 28.50 | 1/20/2014 | | |
| | | | | | 84,742(6) | 2,706,659 |
| | | | | 64,299(7) | 2,053,710 | |
| | | | | 44,603(8) | 1,424,620 | |
| | | | | 167,644(9) | 5,354,549 | |
| | | | | 12,946(10) | 413,495 | |
| Pamela A. Joseph | | 98,233(2) | 28.63 | 2/15/2022 | | |
| | 23,651(3) | 70,956(3) | 28.70 | 2/16/2021 | | |

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| | | | | | | |
|--------------------------------|------------|------------|-------|-----------|------------|-----------|
| | | 51,021(4) | 23.86 | 2/16/2020 | | |
| | 75,620(11) | 58,540(11) | 13.10 | 3/2/2019 | | |
| | 583,090 | | 31.04 | 1/16/2018 | | |
| | 275,735 | | 35.76 | 1/17/2017 | | |
| | 219,319 | | 30.00 | 1/17/2016 | | |
| | 207,604 | | 30.40 | 1/18/2015 | | |
| | 38,479 | | 28.50 | 1/20/2014 | | |
| | | | | | 45,196(6) | 1,443,560 |
| | | | | | 36,741(7) | 1,173,508 |
| | | | | | 25,274(8) | 807,252 |
| | | | | | 78,373(9) | 2,503,234 |
| | | | | | 14,195(10) | 453,388 |
| Richard C. Hartnack | | 88,410(2) | 28.63 | 2/15/2022 | | |
| | 21,287(3) | 63,862(3) | 28.70 | 2/16/2021 | | |
| | | 48,021(4) | 23.86 | 2/16/2020 | | |
| | | 55,097(11) | 13.10 | 3/2/2019 | | |
| | 466,472 | | 31.04 | 1/16/2018 | | |
| | 275,735 | | 35.76 | 1/17/2017 | | |
| | 119,319 | | 30.00 | 1/17/2016 | | |
| | | | | | 40,675(6) | 1,299,160 |
| | | | | | 33,067(7) | 1,056,160 |
| | | | | | 23,788(8) | 759,789 |
| | | | | | 33,528(9) | 1,070,884 |
| | | | | | 13,361(10) | 426,750 |

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Executive Compensation

| Name | Option Awards | | | | Stock Awards | |
|-----------------------|---|---|----------------------------|------------------------|---|---|
| | Number of Securities Underlying Unexercised Options (#) | Number of Securities Underlying Unexercised Options (#) | Option Exercise Price (\$) | Option Expiration Date | Number of Shares or Units of Stock That Have Not Vested (#) | Market Value of Shares or Units of Stock That Have Not Vested ⁽¹⁾ (\$) |
| Richard B. Payne, Jr. | | 108,056(2) | 28.63 | 2/15/2022 | | |
| | 23,651(3) | 70,956(3) | 28.70 | 2/16/2021 | | |
| | 48,020(4) | 48,021(4) | 23.86 | 2/16/2020 | | |
| | 65,289(11) | 55,097(11) | 13.10 | 3/2/2019 | | |
| | 510,204 | | 31.04 | 1/16/2018 | | |
| | 294,118 | | 35.76 | 1/17/2017 | | |
| | 118,194 | | 31.81 | 7/24/2016 | | |
| | | | | | 49,714(6) | 1,587,865 |
| | | | | | 36,741(7) | 1,173,508 |
| | | | | | 23,788(8) | 759,789 |
| | | | | 33,528(9) | 1,070,884 | |
| | | | | 13,361(10) | 426,750 | |

- (1) The amounts in these columns are calculated using a per share value of \$31.94, the closing market price of a share of our common stock on December 31, 2012, the last business day of the year.
- (2) These non-qualified stock options vest at the rate of 25% per year, with vesting dates of February 15, 2013, 2014, 2015 and 2016.
- (3) These non-qualified stock options vest at the rate of 25% per year; 25% vested on February 16, 2012, with remaining vesting to occur on February 16, 2013, 2014 and 2015.
- (4) These non-qualified stock options vest at the rate of 25% per year; 25% vested on each of February 16, 2011 and 2012, with remaining vesting to occur on February 16, 2013 and 2014.
- (5) These non-qualified stock options vest at the rate of 25% per year; 25% vested on each of October 22, 2010, 2011 and 2012, with remaining vesting to occur on October 22, 2013.
- (6) These performance-based restricted stock units, the number of which was determined based on our actual 2012 performance compared to the targets set in the applicable award agreements, vest at the rate of 25% per year, with vesting dates of February 15, 2013, 2014, 2015 and 2016.

- (7) These performance-based restricted stock units, the number of which was determined based on our actual 2011 performance compared to the targets set in the applicable award agreements, vest at the rate of 25% per year; 25% vested on February 16, 2012, with remaining vesting to occur on February 16, 2013, 2014 and 2015.
- (8) These performance-based restricted stock units, the number of which was determined based on our actual 2010 performance compared to the targets set in the applicable award agreements, vest at the rate of 25% per year; 25% vested on each of February 16, 2011 and 2012, with remaining vesting to occur on February 16, 2013 and 2014.
- (9) Since the average of our annual ROE in 2010, 2011 and 2012 was at or above the 50th percentile of the average annual peer group ROE during this three-year period, these retention performance-based restricted stock units will vest at the rate of 50% on the third anniversary of the grant date and 25% on each of the fourth and fifth anniversaries of the grant date, with vesting dates of February 16, 2013, 2014 and 2015.
- (10) These performance-based restricted stock units, the number of which was determined based on our actual 2009 performance compared to the targets set in the applicable award agreements, vest at the rate of 25% per year; 25% vested on each of March 2, 2010, 2011 and 2012, with remaining vesting to occur on March 2, 2013.
- (11) These non-qualified stock options vest at the rate of 25% per year; 25% vested on each of March 2, 2010, 2011 and 2012, with remaining vesting to occur on March 2, 2013.

Table of Contents**Executive Compensation****Option Exercises and Stock Vested**

The following table summarizes information with respect to stock option awards exercised and restricted stock and restricted stock unit awards vested during fiscal 2012 for each of the executive officers named in the Summary Compensation Table.

Option Exercises and Stock Vested for Fiscal 2012

| Name | Option Awards | | Stock Awards | |
|-----------------------|---|--|--|---|
| | Number of Shares Acquired on Exercise (#) | Value Realized on Exercise (\$) ⁽¹⁾ | Number of Shares Acquired on Vesting (#) | Value Realized on Vesting (\$) ⁽²⁾ |
| Richard K. Davis | 235,591 | 2,476,745 | 92,421 | 2,672,455 |
| Andrew Cecere | 156,054 | 1,599,108 | 56,676 | 1,638,522 |
| Pamela A. Joseph | 151,021 | 2,383,239 | 39,076 | 1,135,707 |
| Richard C. Hartnack | 498,573 | 3,970,050 | 36,273 | 1,054,450 |
| Richard B. Payne, Jr. | 100,000 | 1,992,212 | 37,498 | 1,089,546 |

- (1) Value determined by subtracting the exercise price per share from the market value per share of our common stock on the date of exercise and multiplying the difference by the number of shares acquired on exercise.
- (2) Value determined by multiplying the number of vested shares or units by the opening market price of a share of our common stock on the vesting date, or on the next business day in the event the vesting date is not on a business day.

Pension Benefits*Defined Benefit Pension Plans*

The U.S. Bank Pension Plan was created through the merger of the former U.S. Bancorp's career average pay defined benefit plan, known as the "U.S. Bancorp Cash Balance Pension Plan," and the former Firststar Corporation's non-contributory defined benefit plan, which was primarily a final average pay plan. Under the U.S. Bank Pension Plan, benefits are calculated using a final average pay formula, based upon the employee's years of service and average salary during the five consecutive years of service in which compensation was the highest during the ten years prior to retirement, with a normal retirement age of 65. Effective January 1, 2010, the company established a new cash balance formula for certain current and all future eligible employees. Participants will receive annual pay credits based on eligible pay multiplied by a percentage determined by their age and years of service. Participants will also receive an annual interest credit. Participants in the pension plan that elected to receive pension benefits using the cash balance formula had their existing benefits in the pension plan frozen and will earn future benefits under the cash balance formula. Substantially all employees are eligible to receive benefits under the U.S. Bank Pension Plan. Participation requires one year of service with U.S. Bancorp or its affiliates, and vesting of benefits requires five years of service for benefits under the final average pay formula and three years of service for benefits under the post-2009 cash balance formula. Mr. Cecere was the only officer named in the Summary Compensation Table in this proxy statement that elected to receive pension benefits using the cash balance formula.

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Although no new benefits are accrued under the former U.S. Bancorp Cash Balance Pension Plan and Firststar Corporation's plan for service after 2001, benefits previously earned under those plans have been preserved and will be part of a retiree's total retirement benefit. In order to preserve the relative value of benefits that use the final average pay formula, subsequent changes in compensation (but not in service) may increase the amount of those benefits.

Federal laws limit the amount of compensation we may consider when determining benefits payable under qualified defined benefit pension plans. We also maintain a non-contributory, non-qualified retirement plan that pays the excess pension benefits that would have been payable under our current and prior qualified defined benefit pension plans if the federal limits were not in effect. This non-qualified plan also provides additional supplemental benefits for certain of our executive officers.

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Executive Compensation

Mr. Davis earned benefits under the former Firststar Corporation plan that will be included in his ultimate retirement benefits. Mr. Cecere earned benefits under the former U.S. Bancorp Cash Balance Pension Plan that will be included in his ultimate retirement benefits. Ms. Joseph, Mr. Hartnack and Mr. Payne became employees in 2001, 2005 and 2006, respectively, and did not earn benefits under either of these prior plans.

Supplemental Retirement Benefits

Certain of our executive officers, including all of the NEOs except for Mr. Payne, are eligible for a supplemental benefit that augments benefits earned under the U.S. Bank Pension Plan and the non-qualified excess benefits discussed above. Except for Mr. Hartnack, the supplemental benefit ensures that eligible executives receive a total retirement benefit equal to a fixed percentage of the executive's final average cash compensation. For purposes of this supplemental benefit, final average cash compensation includes annual base salary, annual cash bonuses and other cash compensation awards as determined by the Compensation and Human Resources Committee. As discussed below, Mr. Hartnack's supplemental benefit is a fixed annual amount. Eligibility for these supplemental benefits has been determined by the Compensation and Human Resources Committee based on individual performance and level of responsibility.

Vesting of the supplemental benefit is generally subject to certain conditions, including that an executive officer provide a certain number of years of service determined by the Compensation and Human Resources Committee. Mr. Davis is eligible for an amount of total retirement benefits at age 62 equal to 60% of the average cash compensation during his five consecutive years of service in which he is most highly compensated, and he is fully vested in these benefits. Mr. Cecere is eligible for an amount of total retirement benefits at age 65 equal to 55% of the average cash compensation during his final three years of service, reduced by his estimated retirement benefits from Social Security. Mr. Cecere is fully vested in a portion of his supplemental benefit, with his vested portion increasing on a pro rata basis up to age 60. Ms. Joseph is eligible for an amount of total retirement benefits at age 62 equal to 55% of the average cash compensation during her five consecutive years of service in which she is most highly compensated. She will become vested in the supplemental benefit at age 56. Mr. Hartnack is eligible for an amount of total retirement benefits at age 65 of \$500,000 per year, reduced by benefits he earned at his former employers, Union Bank of California and First Chicago Corporation, which will provide benefits of approximately \$350,000 per year at age 65. Mr. Hartnack is fully vested in his supplemental benefit.

For Messrs. Davis and Hartnack and Ms. Joseph, the standard form of payment of the supplemental benefit is a ten-year certain, single life annuity. For a portion of Mr. Cecere's supplemental benefit, the standard form is either a lump sum or a joint and survivor annuity, depending on the size of the award, and for the remaining portion of the benefit, the standard form is a joint and survivor annuity. Each of Messrs. Davis, Cecere and Hartnack and Ms. Joseph have the option of electing to receive his or her supplemental benefit in other various forms of annuity benefits. In general, this election must be made prior to the applicable officer's retirement date. In addition, Mr. Davis has the option to elect to receive the pre-2005 portion of his supplemental benefit as a lump sum distribution, and Mr. Cecere has the option to elect to receive his entire supplemental benefit as a lump sum. This election must be made at least 12 months prior to the applicable officer's retirement date. The amount of the lump sum distribution equals the actuarial equivalent of the annuity form of payment and is calculated using the same actuarial assumptions for our pension plan obligations discussed in Note 16 to our consolidated financial statements included in our 2012 Annual Report on Form 10-K. The means of calculating the various annuity benefits is described in the pension plan.

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Executive Compensation

Pension Benefits Table

The following table summarizes information with respect to each plan that provides for payments or other benefits at, following, or in connection with the retirement of any of the executive officers named in the Summary Compensation Table.

| Name | Plan Name | Number of Years Credited Service (#) | Present Value of Accumulated Benefits (\$) ⁽¹⁾⁽²⁾ | Payments During Last Fiscal Year (\$) |
|------------------------------|---|--------------------------------------|--|---------------------------------------|
| Richard K. Davis | U.S. Bancorp Non-Qualified Retirement Plan: | | | |
| | Supplemental Benefits | 19 | 17,454,493 | |
| | Excess Benefit | 19 | 4,061,482 | |
| | U.S. Bank Pension Plan | 19 | 497,085 | |
| | Total | | 22,013,060(3) | |
| Andrew Cecere | U.S. Bancorp Non-Qualified Retirement Plan: | | | |
| | Supplemental Benefits | 27 | 2,314,770 | |
| | Excess Benefit | 27 | 2,294,440 | |
| | U.S. Bank Pension Plan | 27 | 387,071 | |
| | Total | | 4,996,281(4) | |
| Pamela A. Joseph | U.S. Bancorp Non-Qualified Retirement Plan: | | | |
| | Supplemental Benefits | 19 | 5,769,414 | |
| | Excess Benefit | 19 | 1,303,913 | |
| | U.S. Bank Pension Plan | 19 | 274,597 | |
| | Total | | 7,347,924(5) | |
| Richard C. Hartnack | U.S. Bancorp Non-Qualified Retirement Plan: | | | |
| | Supplemental Benefits | 8 | 1,123,919 | |
| | Excess Benefit | 8 | 523,191 | |
| | U.S. Bank Pension Plan | 8 | 302,556 | |
| | Total | | 1,949,666(6) | |
| Richard B. Payne, Jr. | U.S. Bancorp Non-Qualified Retirement Plan: | | | |
| | Supplemental Benefits | N/A | N/A | |
| | Excess Benefit | 7 | 873,988 | |
| | U.S. Bank Pension Plan | 7 | 271,733 | |
| | Total | | 1,145,721(6) | |

(1)

The measurement date and material actuarial assumptions applied in quantifying the present value of the current accrued benefits are discussed in Note 16 to our consolidated financial statements included in our 2012 Annual Report on Form 10-K. These assumptions include the use of a 3.8% discount rate for the supplemental and excess plans, a 4.1% discount rate for the qualified pension plan and the RP 2000 mortality table projected to 2013. The average pay used for the benefit calculations was historical pay through the measurement date (December 31, 2012).

The amounts in this column were calculated based on the earliest age at which the applicable officer is entitled to receive unreduced retirement benefits and ignore any vesting requirements. The earliest age of unreduced retirement benefits is 62 for Mr. Davis and Ms. Joseph and 65 for Messrs. Cecere, Hartnack and Payne.

(2)

In the event of the death of one of the officers in this table, a pre-established percentage of the officer's pension benefits will be paid to the officer's beneficiary. The actual percentage paid to the beneficiary is dependent on the form of payment of benefits elected by the officer. The default percentage is 50% to the officer's spouse. An additional lump sum death benefit may be payable based on certain actuarial calculations. Except with respect to Ms. Joseph, the present value of the payments to an officer's beneficiary would not exceed the total present value of accumulated benefits shown in this column. The amounts payable upon the death of Ms. Joseph are discussed below under the heading "Potential Payments Upon Termination or Change-in-Control Employment Agreement with Pamela A. Joseph."

(3)

Mr. Davis is eligible to begin receiving his U.S. Bank Pension Plan benefit and the pre-2005 portion of his excess and supplemental benefits upon retirement on or after reaching age 55. The remainder of his excess and supplemental benefits are payable upon the later of age 62 or retirement. The portion of his benefits available at retirement and age 55 are reduced by an early retirement benefit formula specified in the applicable plan for each year prior to him reaching age 62. The early retirement benefit formula reduces the annual pension benefit

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amount payable to Mr. Davis due to the longer benefit payment period related to the earlier commencement of benefits. Assuming that Mr. Davis had retired at the end of 2012 and his benefit payments commenced upon reaching age 55, the present value of his total accumulated pension benefits calculated under the early retirement benefit formula would be approximately \$489,000 greater than the total present value of accumulated benefit amount disclosed for him in this table.

(4)

Mr. Cecere is eligible to begin receiving his U.S. Bank Pension Plan benefit and the pre-2005 portion of his excess and supplemental benefits upon retirement at any age. The remainder of his excess and supplemental benefits are payable upon the later of age 62 or retirement. If any of the vested benefits are paid before Mr. Cecere reaches age 65, the benefits are reduced by certain early retirement benefit formulas specified in the applicable plan for each year prior to Mr. Cecere reaching age 65. These early retirement benefit formulas reduce the annual pension benefit amount payable to Mr. Cecere due to the longer benefit payment period related to the earlier commencement of benefits. The early retirement reduction formulas are slightly more favorable than a standard actuarial factor. As a result, any portion of the benefit disclosed above that is paid out at the earlier date would be slightly larger than the amounts shown above.

(5)

Includes supplemental benefit amounts which Ms. Joseph may not be entitled to receive because those amounts will not vest until December 2014. Ms. Joseph is not eligible to begin receiving her vested supplemental or excess benefits before she reaches age 62. Early retirement would not increase the amounts disclosed for her in the table.

(6)

Messrs. Hartnack and Payne are currently vested in 100% of their pension benefits.

Nonqualified Deferred Compensation

Under the U.S. Bank Executive Employees Deferred Compensation Plan (2005 Statement) (the "Executive Deferred Compensation Plan"), members of our senior management, including all of our executive officers, may choose to defer all or a part of their annual base salary and annual bonus amounts. The minimum amount that can be deferred in any calendar year is \$1,000. Cash compensation that is deferred is deemed to be invested in one of several investment funds, including a U.S. Bancorp common stock fund, as selected by the participant.

Shown below are the rates of return for each of the investment options (also known as measurement funds) available under the Executive Deferred Compensation Plan for the period from January 1, 2012, through December 31, 2012:

| Fund Name | FY 2012 Returns |
|---------------------------------|-----------------|
| Stable Value Fund | 1.64% |
| Bond Index Fund | 4.07% |
| Active Bond Fund | 10.25% |
| US Large Cap Equity Index Fund | 15.87% |
| Active US Large Cap Equity Fund | 12.08% |
| US Small-Mid Equity Index Fund | 18.37% |
| Active US Small-Mid Equity Fund | 15.89% |
| International Equity Index Fund | 18.87% |

| | |
|--|--------|
| Active International Equity Fund | 17.54% |
| Deferred Savings U.S. Bancorp Stock Fund | 20.31% |

Amounts deferred under the Executive Deferred Compensation Plan are credited with earnings and investment gains and losses by assuming that deferred amounts were invested in one or more of the hypothetical investment options selected by the plan participant. Plan participants are allowed to change their investment elections at any time, but the changes are only effective at the beginning of the following calendar quarter. The measurement funds are merely measuring tools to determine the amount by which account balances will be debited or credited to reflect deemed investment returns on deferred compensation.

Although the plan administrator has established procedures permitting a plan participant to reallocate deferred amounts among these investment alternatives after the initial election to defer, the election to defer is irrevocable, and the deferred compensation will not be paid to the executive officer until his or her retirement or earlier termination of employment. At that time, the participant will receive, depending upon the investment alternative selected by the executive officer, payment of the amounts credited to his or her account under the plan in a lump-sum cash payment, in shares of our common stock, or in up to 20 annual cash installments. If a participant dies before the entire deferred amount has been distributed, the undistributed portion will be paid to the participant's beneficiary. The benefits under the plan otherwise are not transferable by the participant.

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Prior to the establishment of the Executive Deferred Compensation Plan, members of our senior management could defer annual salary and annual bonus compensation into a prior U.S. Bancorp deferred compensation plan. Under our prior plan, a participant could defer the profit amount associated with U.S. Bancorp stock options or other equity awards. Mr. Davis has deferred amounts under our prior plan.

The following table summarizes information with respect to the participation of the executive officers named in the Summary Compensation Table in any defined contribution or other plan that provides for the deferral of compensation on a basis that is not tax-qualified.

Nonqualified Deferred Compensation

| Name | Executive | Registrant | Aggregate Earnings in Last FY | Aggregate Withdrawals/Distributions in Last FY | Aggregate Balance at Last FYE |
|-----------------------|--------------------------|--------------------------|-------------------------------|--|-------------------------------|
| | Contributions in Last FY | Contributions in Last FY | | | |
| | (\$) | (\$) | (\$) ⁽¹⁾ | (\$) | (\$) |
| Richard K. Davis | | | 361,514 | | 2,141,290 ⁽²⁾ |
| Andrew Cecere | | | | | |
| Pamela A. Joseph | | | | | |
| Richard C. Hartnack | | | | | |
| Richard B. Payne, Jr. | | | | | |

(1)

The amount reported in this column represents the change during the last fiscal year in the value of the underlying investment fund or U.S. Bancorp stock fund in which the executive officer's deferred amounts were deemed to be invested and any increases in the deferred amounts due to dividends payable upon those funds.

(2)

Of this amount, \$776,000 represents deferrals of cash compensation from prior years that were reported in the Summary Compensation Table in our proxy statement for the relevant years. The remaining balance represents the cumulative earnings on the original deferred amounts.

Potential Payments Upon Termination or Change-in-Control***Payments Made Upon Termination***

Except as discussed below under "Potential Payments Upon Change-in-Control" and "Employment Agreement with Pamela A. Joseph," if the employment of any of Messrs. Davis, Cecere, Hartnack or Payne or Ms. Joseph is voluntarily or involuntarily terminated, no additional payments or benefits will accrue or be paid to him or her, other than what the officer has accrued and is vested in under the benefit plans discussed above in this proxy statement, including under the heading "Pension Benefits." Except with respect to Ms. Joseph or in connection with a change-in-control of U.S. Bancorp, a voluntary or involuntary termination will not trigger an acceleration of the vesting of any outstanding stock options or shares of restricted stock.

Payments Made Upon Disability

Under the terms of the U.S. Bancorp Non-Qualified Retirement Plan, Messrs. Davis, Cecere and Hartnack, Ms. Joseph and all of our executive officers with a non-qualified supplemental pension benefit are eligible for a disability benefit that is equal to 60% of their current annual cash compensation. The definition of disability is similar to that used for the disability plan covering all employees. The definition of annual cash

compensation is the same definition as is used to calculate supplemental pension benefits under this plan, without using a five-year average. Mr. Payne is eligible for a disability benefit under the terms of the U.S. Bank Long-Term Disability Insurance Plan insured by Standard Insurance Company that is equal to 60% of his annual cash compensation up to \$400,000. The definition of disability is generally that a participant is unable to perform material duties of his or her own occupation, and suffers a loss of at least 20% in predisability earnings. The definition of annual cash compensation is actual cash compensation for a one-year period ending September 30. The disability benefit for any of the officers would be reduced by any benefits payable under the U.S. Bank Pension Plan, Social Security or worker's compensation and, in the case of Ms. Joseph, by benefits payable under her employment agreement. The payments continue until the participant dies, ceases to have a disability or reaches normal retirement age, or for Mr. Payne, when he reaches age 70.

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If the employment of any of our officers who have received equity compensation awards, including Messrs. Davis, Cecere, Hartnack or Payne, is terminated due to disability, the terms of our standard stock option and restricted stock agreements provide that the vesting and other terms of the stock options and restricted stock will continue as if the termination of employment did not occur. No financial information for the event of disability is set forth below in the "Potential Payments Upon Disability, Death, Involuntary Termination, or Termination After a Change-in-Control" table for the stock options and restricted stock held by Messrs. Davis, Cecere, Hartnack or Payne, as there is no immediate financial impact upon the occurrence of any of these events. The payments to which Ms. Joseph would be entitled if her employment were terminated due to disability are discussed below under "Employment Agreement with Pamela A. Joseph."

Payments Made Upon Death

In the event of the death of any of Messrs. Davis, Cecere, Hartnack or Payne or Ms. Joseph, the benefits discussed above under the heading "Payments Made Upon Termination" would be payable. Additionally, our standard stock option, restricted stock unit and restricted stock agreements contain terms that provide for the acceleration of any unvested stock options, restricted stock units or shares of restricted stock upon the death of the officer. The stock option agreements generally provide that the administrator of the officer's estate has a three-year period after death during which to exercise the options. Ms. Joseph's estate is entitled to certain additional payments upon her death as discussed below under "Employment Agreement with Pamela A. Joseph."

Potential Payments Upon Change-in-Control

We have entered into change-in-control agreements with Messrs. Davis, Cecere, Hartnack and Payne. The change-in-control agreements provide that if within 24 months after a change-in-control of U.S. Bancorp the officer's employment is terminated either by U.S. Bancorp (other than for cause or disability), or by the officer for good reason, then the officer will be entitled to a lump-sum payment consisting of (a) the officer's prorated base salary through the date of termination plus the prorated amount of any bonus or incentive for the year in which the termination occurs, based on the target bonus for the officer for that year, and (b) a severance payment equal to three times the sum of the officer's highest base salary, on an annualized basis, paid by U.S. Bancorp during the prior five years plus the highest bonus earned by the executive with respect to any single year during the prior five years. The terms "cause," "good reason" and "change-in-control" are defined in the agreements. In the event of a termination following a change-in-control, the officer would also be entitled to the benefits listed above under the heading "Payments Made Upon Termination." In addition, these officers are entitled to a tax gross up in respect of excise taxes imposed on change-in-control payments or benefits under Section 4999 of the Code. The amount of Mr. Cecere's supplemental retirement benefits will be increased in the event he receives severance payments following a change-in-control of U.S. Bancorp. See the "Potential Payments Upon Disability, Death, Involuntary Termination, or Termination After a Change-in-Control" table below.

Our standard stock option, restricted stock unit and restricted stock agreements contain terms that provide for acceleration of the vesting of any unvested stock options, restricted stock units or shares of restricted stock if an officer is terminated within 12 months after a change-in-control of U.S. Bancorp other than for cause. The accelerated options may be exercised at any time during the 12 months following the officer's termination.

Employment Agreement with Pamela A. Joseph

In connection with our acquisition of Elavon, Inc. (formerly known as Nova Information Systems, Inc.), we entered into an employment agreement with Ms. Joseph on May 7, 2001. The agreement had a two-year term and automatically renews for successive one-year terms unless either party gives written notice of termination at least 180 days prior to the expiration of the then-current term. The employment agreement provides for base salary and annual bonus compensation opportunities, medical, life and disability insurance for Ms. Joseph and other employee benefits on the same basis afforded to our similarly situated employees. Upon the occurrence of a change-in-control of U.S. Bancorp, all of Ms. Joseph's unvested non-qualified retirement benefits, supplemental retirement benefits, stock options, restricted stock and similar rights will immediately vest. In addition, Ms. Joseph is entitled to a tax gross up in respect of excise taxes imposed on change-in-control payments or benefits under Section 4999 of the Code.

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Upon a termination of Ms. Joseph's employment at any time for any reason (including death or disability, and other than a termination by us for "cause," a termination by Ms. Joseph without "good reason," or a termination due to expiration of the employment term), Ms. Joseph is entitled to:

- > a payment equal to two times her annual base salary ("Base Salary Severance");
- > a pro-rata portion of her annual bonus in respect of the calendar year in which the termination occurs;
- > accelerated vesting of unvested supplemental retirement benefits, stock options, restricted stock and similar rights; and
- > medical, life and disability insurance coverage for two years (or until such earlier time as Ms. Joseph shall become an employee of another company providing such benefits).

In addition, Ms. Joseph is entitled to the payments and benefits described in the foregoing bullets, other than the pro-rata bonus (i) following a change-in-control of U.S. Bancorp, (ii) upon a termination of employment by Ms. Joseph without "good reason" or (iii) due to the expiration of the employment term. In the event we become obligated to pay Base Salary Severance, Ms. Joseph will be prohibited from competing with us in specified ways during the two-year period following termination of her employment. In the event that Ms. Joseph experiences a termination of employment that does not give rise to Base Salary Severance, we have the option to pay Ms. Joseph her annual base salary for one year or two years or not at all and to prohibit Ms. Joseph from competing against us in specified ways for a period equal to the period of base salary continuation.

Pension Payments

No information regarding pension amounts payable to Messrs. Davis, Cecere, Hartnack or Payne is shown below in the Potential Payments Upon Disability, Death, Involuntary Termination, or Termination After a Change-in-Control table. Applicable pension amounts payable to these executive officers are discussed above under the heading "Pension Benefits." Ms. Joseph would receive acceleration of the vesting of her Supplemental Pension Benefits if her employment is terminated under the circumstances further discussed above under "Employment Agreement with Pamela A. Joseph," but that acceleration of vesting does not change the time or form of payment of her supplemental retirement benefit. The amounts reflected below are her entire benefits that would be payable if the termination of her employment occurred on December 31, 2012.

The following table shows potential payments to the executive officers named in the Summary Compensation Table upon disability, death, involuntary termination or termination upon a change-in-control of U.S. Bancorp. The amounts shown assume that termination was effective as of December 31, 2012, the last business day of the year, and are estimates of the amounts that would be paid to the executives upon termination in addition to the base salary and bonus earned by the executives during 2012. The actual amounts to be paid can only be determined at the actual time of an executive's termination.

Potential Payments Upon Disability, Death, Involuntary Termination, or Termination After a Change-in-Control

| Name | Type of Payment | Annual Disability Payments (\$) | Payments Upon Involuntary Termination | | Payments Upon Involuntary or Good Reason Termination After a Change-In-Control Occurs (\$) |
|------------------|-----------------|---------------------------------|---------------------------------------|------|--|
| | | | Upon Death (\$) | (\$) | |
| Richard K. Davis | Base Pay | 660,000 | | | 3,300,000 |
| | Bonus | 1,826,610 | | | 9,600,000 |

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Acceleration of Unvested

Equity Awards:

| | | |
|------------------|-----------|-----------|
| Stock Options(1) | 3,323,675 | 3,323,675 |
|------------------|-----------|-----------|

| | | |
|---|------------|------------|
| Restricted Stock and Restricted Stock Units(2) | 19,991,820 | 19,991,820 |
|---|------------|------------|

| | | |
|-----------------------------------|--|-----------|
| Excise Tax Gross Up Payment(3) | | 5,976,500 |
|-----------------------------------|--|-----------|

| | | | |
|--------------|-----------|------------|------------|
| Total | 2,486,610 | 23,315,495 | 42,191,995 |
|--------------|-----------|------------|------------|

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| Name | Type of Payment | Annual Disability Payments (\$) | Payments Upon Death (\$) | Payments Upon Involuntary Termination (\$) | Payments Upon Involuntary or Good Reason Termination After a Change-In-Control Occurs (\$) |
|----------------------------|--|---------------------------------|--------------------------|--|--|
| Andrew Cecere | | | | | |
| | Base Pay | 405,000 | | | 2,025,000 |
| | Bonus | 785,498 | | | 4,080,000 |
| | Acceleration of Unvested Equity Awards: | | | | |
| | Stock Options(1) | | 2,041,592 | | 2,041,592 |
| | Restricted Stock and Restricted Stock Units(2) | | 11,953,034 | | 11,953,034 |
| | Increase in Supplemental Retirement Benefits | | | | 387,341(4) |
| | Excise Tax Gross Up Payment(3) | | | | 3,330,614 |
| | Total | 1,190,498 | 13,994,626 | | 23,817,581 |
| Pamela A. Joseph | | | | | |
| | Base Pay | | 1,350,000 | 1,350,000 | 1,350,000 |
| | Bonus | | | | |
| | Acceleration of Unvested Equity Awards: | | | | |
| | Stock Options(1) | | 2,070,191 | 2,070,191 | 2,070,191 |
| | Restricted Stock and Restricted Stock Units(2) | | 6,380,940 | 6,380,940 | 6,380,940 |
| | Supplemental Retirement Benefits | | 3,092,826 | 7,211,767 | 7,211,767 |
| | Health and Welfare Benefits | | | 21,874(5) | 21,874(5) |
| | Excise Tax Gross Up Payment(3) | | | | |
| | Total | | (6)12,893,957 | 17,034,772 | 17,034,772(7) |
| Richard C. Hartnack | | | | | |
| | Base Pay | 362,250 | | | 1,811,250 |
| | Bonus | 706,460 | | | 3,855,000 |
| | Acceleration of Unvested Equity Awards: | | | | |
| | Stock Options(1) | | 1,925,588 | | 1,925,588 |
| | Restricted Stock and Restricted Stock Units(2) | | 4,612,743 | | 4,612,743 |
| | Excise Tax Gross Up Payment(3) | | | | 2,464,873 |
| | Total | 1,068,710 | 6,538,331 | | 14,669,454 |

**Richard B.
Payne, Jr.**

| | | | |
|---|---------|-----------|------------|
| Base Pay | 240,000 | | 1,500,000 |
| Bonus | | | 2,812,500 |
| Acceleration of Unvested Equity Awards: | | | |
| Stock Options(1) | | 2,013,597 | 2,013,597 |
| Restricted Stock and Restricted Stock Units(2) | | 5,018,793 | 5,018,793 |
| Excise Tax Gross Up Payment(3) | | | 2,034,855 |
| Total | 240,000 | 7,032,390 | 13,379,745 |

- (1) Value computed for each stock option grant by multiplying (i) the difference between (a) \$31.94, the closing market price of a share of our common stock on December 31, 2012, the last business day of the year, and (b) the exercise price per share for that option grant by (ii) the number of shares subject to that option grant.
- (2) Value determined by multiplying the number of shares or units that vest by \$31.94, the closing market price of a share of our common stock on December 31, 2012, the last business day of the year.
- (3) In the case of a change-in-control, the standard calculations as specified in regulations under Section 280(g) of the Code were applied to the various benefits the executive officers would receive in order to determine if any 280(g) excise taxes would be triggered and if so, what amount of 280(g) gross up payments would be required under the terms of the change-in-control agreements.
- (4) Represents an increase in the amount of supplemental retirement benefits payable to Mr. Cecere. Such increase will not be paid upon involuntary termination or termination for good reason after a change-in-control, but will be paid in accordance with the terms of the supplemental retirement benefit plan in which he participates.
- (5) Includes medical, life and disability insurance coverage for two years (or until such earlier time as Ms. Joseph shall become an employee of another company providing such benefits).
- (6) As discussed above under "Employment Agreement with Pamela A. Joseph," a termination of Ms. Joseph due to disability would not entitle her to any annual payments, but she would be entitled to all of the payments described in the Payments Upon Involuntary Termination column of this table.
- (7) As discussed above under "Employment Agreement with Pamela A. Joseph," Ms. Joseph is also entitled to the payments described in this column (i) following a change-in-control of U.S. Bancorp, (ii) upon a termination of employment by Ms. Joseph without "good reason" or (iii) due to the expiration of the employment term under her employment agreement.

Table of Contents**Director Compensation****DIRECTOR COMPENSATION***Fees for 2012*

For 2012 our non-employee directors received the following cash fees:

| | |
|--|-----------|
| Annual retainer for service on the Board | \$ 90,000 |
| Additional annual retainer for Lead Director | \$ 25,000 |
| Additional annual retainer for Audit and Risk Management Committee chairs | \$ 25,000 |
| Additional annual retainer for other committee chairs | \$ 15,000 |
| Additional annual retainer for Audit and Risk Management Committee members | \$ 7,500 |

Beginning in 2012, directors who served on U.S. Bancorp's primary banking subsidiary's board of directors or on any ad hoc committee of the U.S. Bancorp Board of Directors received \$1,500 per meeting for that service. Directors were also paid \$1,500 for each meeting he or she attended that was not a regularly scheduled Board or committee meeting.

In addition, for 2012 each non-employee director was granted restricted stock units with a grant date fair market value of approximately \$130,000. Based on our closing stock price on January 19, 2012, the date of grant, these directors were granted 4,552 restricted stock units.

The restricted stock units were granted under our 2007 Stock Plan and were fully vested at the time of grant. Each director is entitled to receive additional fully vested restricted stock units having a fair market value equal to the amount of dividends he or she would have received had restricted stock been awarded instead of restricted stock units. The restricted stock units are distributable in an equivalent number of shares of our common stock when the director ceases to serve on the Board, except that all units are forfeited if the director is removed by our shareholders for cause.

The Compensation and Human Resources Committee retained Cook & Co. to provide expertise regarding competitive compensation practices, peer analysis and recommendations to the Compensation and Human Resources Committee for guidance with respect to director compensation in 2012. To determine actual director compensation for 2012, the Compensation and Human Resources Committee reviewed director compensation information for our peer group companies. U.S. Bancorp ranked between the median and the 75th percentile of our peer group on revenue, market capitalization and assets and was at approximately the 75th percentile in net income. Estimated total average director compensation for 2012 was at approximately the 68th percentile of the peer group.

Director Stock Ownership Guidelines

The Compensation and Human Resources Committee has established stock ownership guidelines for each director of ownership of 10,000 shares of our common stock. New directors must satisfy this guideline within three years after joining the Board. All of the directors have sufficient holdings to meet or exceed the stock ownership requirements, or have not yet served on our Board for three years.

Deferred Compensation Plan Participation

Under the U.S. Bank Outside Directors Deferred Compensation Plan (2005 Statement) (the "Director Deferred Compensation Plan"), our non-employee directors may choose to defer all or a part of their cash fees. The minimum amount that can be deferred in any calendar year is \$1,000. Cash fees that are deferred are deemed to be invested in one of several investment funds, including a U.S. Bancorp common stock fund, as selected by the participant.

These investment alternatives are the same as those available under the Executive Deferred Compensation Plan. See "Executive Compensation Nonqualified Deferred Compensation" above on page 54 for the rates of return for 2012 for each of these investment options (also known as measurement funds).

Table of Contents**Director Compensation**

Amounts deferred under the Director Deferred Compensation Plan are credited with earnings and investment gains and losses by assuming that deferred amounts were invested in one or more of the hypothetical investment options selected by the plan participant. Plan participants are allowed to change their investment elections at any time, but the changes are only effective at the beginning of the following calendar quarter. The measurement funds are merely measuring tools to determine the amount by which account balances will be debited or credited to reflect deemed investment returns on deferred compensation.

Although the plan administrator has established procedures permitting a plan participant to reallocate deferred amounts among these investment alternatives after the initial election to defer, the election to defer is irrevocable, and the deferred compensation will not be paid to the director until his or her termination of service on the Board. At that time, the director will receive, depending upon the investment alternative selected by the director, payment of the amounts credited to his or her account under the plan in a lump-sum cash payment, in shares of our common stock or in up to 20 annual cash installments. If a participant dies before the entire deferred amount has been distributed, the undistributed portion will be paid to the participant's beneficiary. The benefits under the plan otherwise are not transferable by the participant.

Prior to the establishment of the Director Deferred Compensation Plan, our non-employee directors could defer their cash fees into a prior U.S. Bancorp deferred compensation plan. Under our prior plan, a director could defer the profit amount associated with U.S. Bancorp stock options or other equity awards.

Director Compensation Table

The following table shows the compensation of the individuals who served as members of our Board of Directors during any part of fiscal year 2012.

| Name ⁽¹⁾ | Fees Earned or Paid in Cash (\$) | Stock Awards (\$) ⁽²⁾ | Total (\$) |
|----------------------------------|---|---|-------------------------------|
| Douglas M. Baker, Jr. | 105,000 | 159,905 | 264,905 |
| Y. Marc Belton | 97,500 | 144,554 | 242,054 |
| Victoria Buyniski Gluckman | 90,000 | 163,844 | 253,844 |
| Arthur D. Collins, Jr. | 105,000(3) | 161,556 | 266,556 |
| Roland A Hernandez | 97,500 | 132,671 | 230,171 |
| Doreen Woo Ho | 97,500 | 132,671 | 230,171 |
| Joel W. Johnson | 105,000(3) | 161,873 | 266,873 |
| Olivia F. Kirtley | 115,000(3) | 164,604 | 279,604 |
| Jerry W. Levin | 105,000 | 161,556 | 266,556 |
| David B. O'Maley | 90,000 | 163,970 | 253,970 |
| O'dell M. Owens | 112,500 | 159,011 | 271,511 |
| Richard G. Reiten ⁽⁴⁾ | 97,500 | 142,710 | 240,210 |
| Craig D. Schnuck | 97,500 | 168,736 | 266,236 |
| Patrick T. Stokes | 140,000(3) | 161,556 | 301,556 |

(1)

Richard K. Davis, our Chairman, President and Chief Executive Officer, is not included in this table because he was an employee of U.S. Bancorp during 2012 and therefore received no compensation for his service as director. The compensation he received as an employee of U.S. Bancorp is shown above in the Summary Compensation Table.

Table of Contents**Director Compensation**

(2)

The amounts in this column are calculated based on the fair market value of our common stock on the date the grant was made in accordance with FASB ASC Topic 718. In 2012 each director received a restricted stock unit grant of 4,552 units with a full grant value of approximately \$130,000. In addition, the directors received units as dividend equivalents with full grant values as follows:

| <u>Name</u> | <u>Dividend Equivalents</u> | <u>Full Grant Value</u> | <u>Name</u> | <u>Dividend Equivalents</u> | <u>Full Grant Value</u> |
|--------------------------|---------------------------------|---------------------------------|-------------|---------------------------------|---------------------------------|
| Mr. Baker | 939 | \$29,900 | Ms. Kirtley | 1,087 | \$34,599 |
| Mr. Belton | 456 | \$14,549 | Mr. Levin | 991 | \$31,551 |
| Ms. Buyniski Gluckman | 1,063 | \$33,839 | Mr. O'Maley | 1,067 | \$33,965 |
| Mr. Collins | 991 | \$31,551 | Dr. Owens | 911 | \$29,006 |
| Mr. Hernandez | 82 | \$ 2,666 | Mr. Reiten | 420 | \$12,705 |
| Ms. Woo Ho | 82 | \$ 2,666 | Mr. Schnuck | 1,217 | \$38,731 |
| Mr. Johnson | 1,001 | \$31,868 | Mr. Stokes | 991 | \$31,551 |

All of the restricted stock units granted to directors in 2012 were fully vested at the time of grant and are distributable in an equivalent number of shares of our common stock upon the director leaving service on the Board, except that all units are forfeited if the director is removed by our shareholders for cause.

No stock options were granted to any of the directors in 2012. The directors held restricted stock units and options as of December 31, 2012, as follows:

| <u>Name</u> | <u>Restricted Stock Units</u> | <u>Vested Options</u> | <u>Name</u> | <u>Restricted Stock Units</u> | <u>Vested Options</u> |
|--------------------------|-----------------------------------|---------------------------|-------------|-----------------------------------|---------------------------|
| Mr. Baker | 43,461 | | Ms. Kirtley | 50,208 | 37,015 |
| Mr. Belton | 21,567 | | Mr. Levin | 45,871 | 109,801 |
| Ms. Buyniski Gluckman | 49,080 | 39,206 | Mr. O'Maley | 49,252 | 103,909 |
| Mr. Collins | 45,871 | 109,801 | Dr. Owens | 42,231 | 33,075 |
| Mr. Hernandez | 4,634 | | Mr. Reiten | | 33,075 |
| Ms. Woo Ho | 4,634 | | Mr. Schnuck | 56,103 | 102,409 |
| Mr. Johnson | 46,289 | 103,352 | Mr. Stokes | 45,871 | 33,075 |

In accordance with their terms, the restricted stock units held by Mr. Reiten vested and were distributed in shares of common stock when he retired from our Board of Directors.

(3)

Messrs. Collins, Johnson and Stokes and Ms. Kirtley chose to defer their cash fees under the Director Deferred Compensation Plan.

(4)

Mr. Reiten retired from our Board of Directors on April 17, 2012.

Table of Contents**Audit Committee Report and Payment of Fees to Auditor****AUDIT COMMITTEE REPORT AND PAYMENT OF FEES TO AUDITOR***Audit Committee Report*

The Audit Committee of the Board of Directors is responsible for assisting the Board in monitoring the integrity of the financial statements of U.S. Bancorp, compliance by U.S. Bancorp with legal and regulatory requirements, and the independence and performance of U.S. Bancorp's internal and external auditors.

The consolidated financial statements of U.S. Bancorp for the year ended December 31, 2012, were audited by Ernst & Young LLP, independent auditor for U.S. Bancorp.

As part of its activities, the Audit Committee has:

1. Reviewed and discussed with management the audited financial statements of U.S. Bancorp;
2. Discussed with the independent auditor the matters required to be discussed under *Statement on Auditing Standards No. 61 (Communications with Audit Committees)*, *Statement of Auditing Standards No. 99 (Consideration of Fraud in a Financial Statement Audit)*, and under the SEC, U.S. Public Company Accounting Oversight Board and NYSE rules;
3. Received the written disclosures and letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the audit committee concerning independence; and
4. Discussed with the independent auditor their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements of U.S. Bancorp for the year ended December 31, 2012, be included in U.S. Bancorp's Annual Report on Form 10-K filed with the SEC.

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

| | |
|---------------------------------|-------------------------------|
| Olivia F. Kirtley, <i>Chair</i> | Doreen Woo Ho |
| Y. Marc Belton | Joel W. Johnson |
| Roland A. Hernandez | O'dell M. Owens, M.D., M.P.H. |

Fees to Independent Auditor

The following aggregate fees were billed to us for professional services by Ernst & Young LLP for fiscal years 2012 and 2011:

| | <u>2012</u> | <u>2011</u> |
|--------------------|-------------------------|-------------|
| | <i>(\$ in millions)</i> | |
| Audit Fees | \$ 10.0 | \$ 9.6 |
| Audit-Related Fees | 2.4 | 2.4 |
| Tax Fees | 6.0 | 5.0 |
| All Other Fees | 0.2 | 0.4 |
| Total | \$ 18.6 | \$ 17.4 |

Audit Fees

Audit fees consist of fees billed to us by Ernst & Young LLP for the audit of our consolidated financial statements included in our Annual Reports on Form 10-K, reviews of our financial statements included in each of our Quarterly Reports on Form 10-Q, and audits of financial statements of our subsidiaries required by regulation. Of the above amounts, \$2.5 million in 2012 and \$2.8 million in 2011 related to procedures required by regulators, comfort letters, consents and assistance provided with our regulatory filings.

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Audit Committee Report and Payment of Fees to Auditor

Audit-Related Fees

Audit-related fees consist of fees billed to us by Ernst & Young LLP for audits of pension and other employee benefit plan financial statements, audits of the financial statements of certain of our subsidiaries and affiliated entities, reviews of internal controls not related to the audit of our consolidated financial statements, and Statement on Standards for Attestation Engagements No. 16 internal controls procedures in various lines of business to support their customers' business requirements.

Tax Fees

Tax fees consist of fees billed to us by Ernst & Young LLP for tax compliance and review, tax planning and other tax services. The aggregate fees billed for tax compliance and review services, including the preparation of and assistance with federal, state and local income tax returns, sales and use filings, foreign and other tax compliance, provided to us by Ernst & Young LLP was \$3.8 million in each of 2012 and 2011. In addition to fees being paid for tax compliance services, we paid \$2.1 million and \$1.2 million for tax planning and other tax services provided to us by Ernst & Young LLP during 2012 and 2011, respectively. Included in tax planning and other tax services was \$0.8 million in 2012 associated with advisory services related to new tax reporting regulations, and \$0.7 million and \$0.5 million for services associated with business acquisitions in 2012 and 2011, respectively. During 2011, we transitioned most domestic tax return preparation to our internal tax compliance function from Ernst & Young LLP, resulting in the decrease in fees for tax services paid to Ernst & Young LLP in 2011 and 2012.

All Other Fees

Other fees in 2012 related to a market study for a business line, and in 2011 consisted of advisory projects related to the implementation of new reporting requirements issued by banking regulators.

Administration of Engagement of Independent Auditor

The Audit Committee is responsible for appointing, compensating, retaining and overseeing the work of our independent auditor, including approving the services provided by the independent auditor and the associated fees. The Audit Committee has established a policy for pre-approving the services provided by our independent auditor in accordance with the auditor independence rules of the SEC. This policy requires the review and pre-approval by the Audit Committee of all audit and permissible non-audit services provided by our independent auditor and an annual review of the financial plan for audit fees. To ensure that auditor independence is maintained, the Audit Committee annually pre-approves the audit services to be provided by our independent auditor and the related estimated fees for such services, as well as the nature and extent of specific types of audit-related, tax and other non-audit services to be provided by the independent auditor during the year.

As the need arises, other specific permitted services are pre-approved on a case-by-case basis during the year. A request for pre-approval of services on a case-by-case basis must be submitted by our controller or chief risk officer. These requests are required to include information on the nature of the particular service to be provided, estimated related fees and management's assessment of the impact of the service on the auditor's independence. The Audit Committee has delegated to its chair pre-approval authority between meetings of the Audit Committee. Any pre-approvals made by the chair must be reported to the Audit Committee. The Audit Committee will not delegate to management the pre-approval of services to be performed by our independent auditor.

All of the services provided by our independent auditor in 2012 and 2011, including services related to the Audit-Related Fees, Tax Fees and All Other Fees described above, were approved by the Audit Committee under its pre-approval policies.

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Proposal 2 Ratification of Selection of Independent Auditor

PROPOSAL 2 RATIFICATION OF SELECTION OF INDEPENDENT AUDITOR

The Audit Committee has selected Ernst & Young LLP as our independent auditor for the 2013 fiscal year. Ernst & Young LLP began serving as our independent auditor for the fiscal year ended December 31, 2003. Our Audit Committee has carefully considered the selection of Ernst & Young LLP as our independent auditor, and has also considered whether there should be regular rotation of the independent external audit firm. In conjunction with the mandated rotation of the audit firm's lead engagement partner, the Audit Committee and its Chairman are involved in the process for selecting Ernst & Young LLP's new lead engagement partner. The members of the Audit Committee believe that the continued retention of Ernst & Young LLP to serve as our independent auditor is in the best interests of the company and its stockholders.

While we are not required to do so, we are submitting the selection of Ernst & Young LLP to serve as our independent auditor for the 2013 fiscal year, for ratification in order to ascertain the views of our shareholders on this appointment. If the selection is not ratified, the Audit Committee will reconsider its selection. Representatives of Ernst & Young LLP are expected to be present at the annual meeting, will be available to answer shareholder questions and will have the opportunity to make a statement if they desire to do so.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" RATIFICATION OF THE SELECTION OF ERNST & YOUNG LLP AS THE INDEPENDENT AUDITOR OF U.S. BANCORP FOR THE 2013 FISCAL YEAR.

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Proposal 3 Advisory Vote to Approve the Compensation of Our Executives Disclosed in This Proxy Statement

PROPOSAL 3 ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR EXECUTIVES DISCLOSED IN THIS PROXY STATEMENT

Executive compensation is an important matter to us. We are asking our shareholders to provide advisory approval of the compensation of our executive officers named in the Summary Compensation Table, as we have described it in the "Compensation Discussion and Analysis" section of this proxy statement, beginning on page 24. While this "say-on-pay" vote is advisory (not binding on our company), it will provide information to our Compensation and Human Resources Committee regarding investor sentiment about our executive compensation philosophy, policies and practices, which the Compensation and Human Resources Committee will take into account when considering future compensation arrangements. We currently conduct annual advisory votes on executive compensation and expect to conduct the next advisory vote at our 2014 annual meeting of shareholders.

We have designed our executive compensation program to attract, motivate, reward and retain the senior management talent required to achieve our corporate objectives and increase shareholder value. Our compensation policies and procedures are centered on a pay-for-performance philosophy and are strongly aligned with the long-term interests of our shareholders.

The Company is presenting this proposal, which gives you as a shareholder the opportunity to endorse or not endorse our executive pay program by voting "FOR" or "AGAINST" the following resolution:

"RESOLVED, that the shareholders approve, on an advisory basis, the compensation of the named executive officers, as described in the Compensation Discussion and Analysis, the compensation tables and the related disclosure contained in this proxy statement."

As discussed in the "Compensation Discussion and Analysis" section earlier in this proxy statement, the Compensation and Human Resources Committee of the Board of Directors believes that the compensation for 2012 of our executive officers named in the Summary Compensation Table is reasonable and appropriate, is justified by the performance of the company in a difficult environment, and is working to ensure management's interests are aligned with our shareholders' interests to support long-term value creation.

In deciding how to vote on this proposal, the Board requests that you consider the following factors, which are more fully discussed in the "Compensation Discussion and Analysis" section beginning on page 24:

- > Our company was the top performer among its peers by numerous industry measures in 2012 and has been among the top performers for many years.
- > Our executive compensation programs are centered on a pay-for-performance philosophy and are strongly aligned with the long-term interests of our shareholders. A large majority of the total compensation of our senior executives is tied to short-term and long-term corporate performance, and therefore the value of that compensation varies widely depending upon the results we provide for our shareholders.
- > Our executive compensation program reflects many best practices that are intended to further align executive compensation with shareholder interests and to mitigate risk.

This vote, which is required pursuant to Section 14A of the Exchange Act, is not intended to address any specific item of compensation, but rather our overall compensation policies and procedures relating to our named executive officers described in this proxy statement. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of our named executive officers.

Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Board values shareholders' opinions and the Compensation and Human Resources Committee will take into account the outcome of the vote when considering future executive compensation arrangements.

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THIS PROXY STATEMENT.

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Proposal 4 Shareholder Proposal Seeking the Establishment of a Policy Requiring That the Chairman of the Board be an Independent Director

PROPOSAL 4 SHAREHOLDER PROPOSAL SEEKING THE ESTABLISHMENT OF A POLICY REQUIRING THAT THE CHAIRMAN OF THE BOARD BE AN INDEPENDENT DIRECTOR

The Board of Directors unanimously recommends that you vote "AGAINST" the shareholder proposal set forth below.

Shareholder Proposal

Gerald R. Armstrong, 910 Sixteenth Street, No. 412, Denver, Colorado 80202-2917, (303) 355-1199, the owner of 7,276 shares of our common stock, has advised us that he plans to introduce the following resolution at the annual meeting. In accordance with rules of the SEC, the text of the proponent's resolution and supporting statement is printed verbatim from his submission.

That the shareholders of U.S. BANCORP request its Board of Directors to establish a policy requiring that the Board's chairman be an "independent director," as defined by the rules of the New York Stock Exchange, and who has not previously served as an executive officer of U.S. BANCORP.

This policy should not be implemented to violate any contractual obligation and should specify: (a) how to select a new "Independent" chairman if the current chairman ceases to be independent during the time between annual meetings of shareholders; and, (b) that compliance is excused if no independent director is available and willing to serve as Chairman.

The reasons given by the proponent for the resolution are as follows:

This proposal's proponent is a long-term shareholder of U.S. BANCORP and is responsible for its declassification of terms of directors from three years to one year and the elimination of its super-majority voting requirements.

He is familiar with U.S. BANCORP's problems which originated under administrations where one person served as Chairman and President and was accountable only to himself. The current dividend remains reduced by more than 55%!

Our current chairman and president, Richard Davis, is serving as a director of Xcel Energy which also lacks an independent chairman and is faced with a failed "SmartGridCity" which could cost its shareholders millions. It is described as "poorly planned, poorly managed, and a failed experiment" (The Denver Post November 4, 2012).

This proposal was presented by the proponent in last year's meeting of KeyCorp where it received a majority vote of shareholders and had been recommended by governance consultants.

Norges Bank Investment Management, has stated in support of a similar proposal:

"The roles of Chairman of the Board and CEO are fundamentally different and should not be held by the same person. There should be a clear division of responsibilities between these positions to insure a balance of power and authority on the Board. Approximately, 43% of S&P 1500 companies have separate CEO and Chairman positions.

"The Board should be led by an independent Chairman. Such a structure will put the Board in a better position to make independent evaluations and decisions, hire management, decide a remuneration policy that encourages performance, provide strategic direction and support management in taking a long-term view in development of business strategies. An independently led board is better able to oversee and give guidance to corporation executives, help prevent conflict or the perception of conflict, and effectively strengthen the system of checks-and-balances with corporate structure and thus protect shareholder value."

If you agree, please vote "FOR" this proposal.

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Proposal 4 Shareholder Proposal Seeking the Establishment of a Policy Requiring That the Chairman of the Board be an Independent Director

Board of Directors' Recommendation

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "AGAINST" THIS PROPOSAL. PROXIES WILL BE VOTED AGAINST THE PROPOSAL UNLESS YOU VOTE IN FAVOR OF IT.

The Board should retain the flexibility to determine the most effective leadership structure for U.S. Bancorp.

U.S. Bancorp's governing documents allow the roles of chairman and CEO to be filled by the same or different individuals. This approach allows the Board flexibility to determine whether the two roles should be separate or combined based upon U.S. Bancorp's needs and the Board's assessment of our company's leadership from time to time. The Board has deep knowledge of our strategic goals, the unique opportunities and challenges we face, and the various strengths and capabilities of our directors and U.S. Bancorp's senior management. Thus, rather than taking a "one-size fits all" approach to Board leadership, the Board is best positioned to determine the most effective leadership structure for U.S. Bancorp at any given time.

U.S. Bancorp's shareholders are best served by our current leadership structure.

In light of the current environment for the financial services industry and U.S. Bancorp's business objectives, the Board believes that the most effective leadership structure for U.S. Bancorp at the present time is for our CEO, Richard K. Davis, to serve as chairman of the Board. Combining the positions of chairman and CEO most effectively utilizes Mr. Davis' extensive experience and knowledge regarding our company. Mr. Davis, with over 19 years of service at U.S. Bancorp (including over eight years as President and six years as CEO), has the knowledge, expertise and experience to understand and clearly articulate to the Board the opportunities and risks facing U.S. Bancorp. The Board believes that combining the CEO and chairman positions helps the Board respond quickly and effectively to the many business, market and regulatory challenges facing companies in the rapidly changing financial services industry. The Board believes the combined role of chairman and CEO serves as a highly effective bridge between the Board and management and provides the leadership to execute our business strategy and create shareholder value. In addition, Mr. Davis's service as chairman provides a clarity of leadership for the company and more effectively allows the company to present its vision with one voice.

U.S. Bancorp's corporate governance practices provide for strong independent leadership and effective independent oversight of our company.

The Board is committed to the highest standards of good governance and has adopted practices and procedures to provide for Board independence and effective management oversight:

>

With the exception of Mr. Davis, the Board is comprised entirely of independent directors.

>

The Board has a strong, independent lead director. Whenever the chairman of the Board is not an independent director, the members of the Board elect an independent director to act as lead director based on the recommendation of our Governance Committee. The lead director is expected to serve in that capacity for three to five years, and has substantial leadership responsibilities. These responsibilities are described above under the caption "Corporate Governance Board Leadership Structure." The powers and duties of the chairman and the lead director differ only in that chairman presides over the normal business portion of the meetings of the Board. The lead director conducts executive sessions of the Board without Mr. Davis at every regular Board meeting and may call for an executive session of independent directors at any time, and has joint control over Board meeting agendas. Patrick T. Stokes has served as lead director since January 2011. Mr. Stokes is actively engaged as lead director and works closely with Mr. Davis on Board matters. The lead director provides independent oversight of management and meaningful coordination between our chairman and our independent directors.

>

Each of the Audit Committee, Governance Committee and Compensation and Human Resources Committee is comprised solely of independent directors. This means the independent directors oversee critical matters such as the quality and integrity of our financial statements; our compliance with legal and regulatory requirements; the compensation of our executive officers, including our chairman and CEO; the nomination of directors; and the evaluation of the Board and its committees.

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Proposal 4 Shareholder Proposal Seeking the Establishment of a Policy Requiring That the Chairman of the Board be an Independent Director

- > The Compensation and Human Resources Committee is responsible for evaluating the CEO's performance and determining his compensation.

- > The Board and the Audit Committee, Governance Committee and Compensation and Human Resources Committee each meet in executive session on a regular basis without the presence of management.

- > All Board members have complete access to management and the authority to retain legal, accounting and other outside consultants to advise the Board and the committees as they deem appropriate.

The proposal's suggestion that U.S. Bancorp's dividend rate is attributable to its Board leadership structure is misleading.

In March 2009, the Board prudently reduced U.S. Bancorp's quarterly cash dividend rate to preserve capital in the face of the severe U.S. economic crisis. The proposal incorrectly suggests that this dividend reduction was somehow attributable to the chairman and CEO positions being held by the same person. Instead, U.S. Bancorp's dividend rate is determined by the Board based on U.S. Bancorp's capital position and discussions with federal bank regulators. Since March 2009, U.S. Bancorp's quarterly cash dividend rate has been increased by 290%.

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Security Ownership of Certain Beneficial Owners and Management

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table shows how many shares of our common stock were beneficially owned as of February 4, 2013, by:

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

Unless otherwise noted, the shareholders listed in the table have sole voting and investment power with respect to the shares of common stock owned by them. None of the shares beneficially owned by our directors or executive officers are subject to any pledge, in accordance with our company policy prohibiting them from pledging or hedging our common stock.

| Name of Beneficial Owner | Common Stock ⁽¹⁾ | Options Exercisable Within 60 Days of | Restricted Stock | Deferred | Total | Percent of Common Stock Outstanding |
|---|-----------------------------|---------------------------------------|----------------------|-----------------------------|-------------|-------------------------------------|
| | | February 4, 2012 | Units ⁽²⁾ | Compensation ⁽³⁾ | | |
| Douglas M. Baker, Jr. | 1,000 | | 47,684 | | 48,684 | * |
| Y. Marc Belton | 10,400 | | 25,661 | | 36,061 | * |
| Victoria Buyniski Gluckman | 188,393 | 39,206 | 53,336 | 7,106 | 288,041 | * |
| Andrew Cecere | 192,608 | 2,209,952 | 161,687 | | 2,564,247 | * |
| Arthur D. Collins, Jr. | 45,290 | 109,801 | 50,108 | 13,338 | 218,537 | * |
| Richard K. Davis | 363,145 | 4,389,120 | 273,008 | 67,001 | 5,092,274 | * |
| Richard C. Hartnack | 125,304 | 1,005,309 | 63,210 | | 1,193,823 | * |
| Roland A. Hernandez | | | 8,629 | | 8,629 | * |
| Doreen Woo Ho | | | 8,629 | | 8,629 | * |
| Joel W. Johnson | 64,759 | 103,352 | 50,528 | 15,433 | 234,072 | * |
| Pamela A. Joseph | 108,283 | 1,555,758 | 89,564 | | 1,753,605 | * |
| Olivia F. Kirtley | 10,058 | 37,015 | 54,470 | 11,536 | 113,079 | * |
| Jerry W. Levin | | 109,801 | 50,108 | | 159,909 | * |
| David B. O'Maley | 284,102 | 103,909 | 53,509 | 11,061 | 452,581 | * |
| O'dell M. Owens, M.D., M.P.H. | | 33,075 | 46,446 | 65,723 | 145,244 | * |
| Richard B. Payne, Jr. | 45,342 | 1,189,249 | 66,694 | | 1,301,285 | * |
| Craig D. Schnuck | 21,813 | 102,409 | 60,400 | | 184,622 | * |
| Patrick T. Stokes | 18,557 | 33,075 | 50,108 | 44,461 | 146,201 | * |
| All directors and executive officers as a group | | | | | | |
| (27 persons)(4) | 2,091,758 | 16,232,642 | 1,510,510 | 246,095 | 20,081,005 | 1.07% |
| BlackRock, Inc.(5) | 127,713,481 | | | | 127,713,481 | 6.85% |

*

Indicates less than 1%.

(1)

Includes the following shares beneficially owned by the indicated director or executive officer:

>

For Mr. Cecere, includes 341 shares held by Mr. Cecere's wife, as to which Mr. Cecere has no voting or investment power; and 9,968 shares held in the U.S. Bank 401(k) Savings Plan;

>

For Mr. Davis, includes 142,634 shares held in a trust of which Mr. Davis's wife is trustee and as to which Mr. Davis has no voting or investment power; 179,972 shares held in a trust of which Mr. Davis is trustee; and 15,539 shares held in the U.S. Bank 401(k) Savings Plan;

>

For Mr. Hartnack, includes 2,719 shares held in the U.S. Bank 401(k) Savings Plan;

>

For Ms. Joseph, includes 10,506 shares held in the U.S. Bank 401(k) Savings Plan;

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Security Ownership of Certain Beneficial Owners and Management

- > For Mr. Payne, includes 2,205 shares held in the U.S. Bank 401(k) Savings Plan and 2,000 shares held in an IRA account;
- > For Mr. Schnuck, includes 9,756 shares held in a trust of which Mr. Schnuck is trustee;
- > For Mr. Stokes, includes 17,122 shares held in a trust of which Mr. Stokes is trustee; and 1,435 shares in the aggregate held by a limited partnership and a limited liability company affiliated with Mr. Stokes and as to which Mr. Stokes has no voting or investment power; and
- > For All executive officers as a group, includes 123,235 shares held in the U.S. Bank 401(k) Savings Plan for the accounts of certain executive officers; and 62,592 shares of restricted stock granted to certain executive officers which are subject to future vesting conditions.

(2) Restricted stock units held by our officers are distributable in an equivalent number of shares of our common stock upon vesting. Vested restricted stock units held by our directors are not distributable until the holder ceases to serve on the Board unless the holder is removed by our shareholders for cause. The number of restricted stock units that are currently vested, or that vest within 60 days of February 4, 2013, is included in this column.

(3) Certain of our directors and officers have deferred cash compensation under our deferred compensation plans. Some of these deferred amounts will be paid out in shares of our common stock upon the director's or officer's retirement or other termination of employment or service with U.S. Bancorp. The directors and officers have no voting or investment power as to these shares. The number of shares to which the directors and officers would have been entitled had their employment or service with U.S. Bancorp been terminated as of February 4, 2013, is included in this column.

(4) Two executive officers in this group, neither of whom are named in the Summary Compensation Table, own, either directly or indirectly, non-voting Depositary Shares, each share representing ownership of 1/1,000th of a share of our Series F Non-Cumulative Perpetual Preferred Stock (the "Series F Depositary Shares"), and non-voting Depositary Shares, each share representing ownership of 1/1,000th of a share of our Series G Non-Cumulative Perpetual Preferred Stock (the "Series G Depositary Shares"). The combined ownership of these two executive officers, 3,000 Series F Depositary Shares and 4,000 Series G Depositary Shares, is less than 1% of either series of Depositary Shares.

(5) Based on Amendment No. 3 to Schedule 13G filed with the SEC on February 5, 2013, by BlackRock, on behalf of itself and certain of its subsidiaries. The address for BlackRock is 40 East 52nd Street, New York, NY 10022.

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Other Matters

OTHER MATTERS

Annual Report to Shareholders and Form 10-K

Our 2012 Annual Report to Shareholders, including financial statements for the year ended December 31, 2012, accompanies this proxy statement. The 2012 Annual Report to Shareholders is also available on our website at www.usbank.com/proxymaterials. Copies of our 2012 Annual Report on Form 10-K, which is on file with the SEC, are available to any shareholder who submits a request in writing to Investor Relations, U.S. Bancorp, BC-MN-H23K, 800 Nicollet Mall, Minneapolis, Minnesota 55402. Copies of any exhibits to the Form 10-K are also available upon written request and payment of a fee covering our reasonable expenses in furnishing the exhibits.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers and directors to file initial reports of ownership and reports of changes in ownership of our securities with the SEC. Executive officers and directors are required to furnish us with copies of these reports. Based solely on a review of the Section 16(a) reports furnished to us with respect to 2012 and written representations from the executive officers and directors, we believe that all Section 16(a) filing requirements applicable to our executive officers and directors during 2012 were satisfied, except that Patrick T. Stokes was late in filing three Form 4 reports relating to purchases of common stock in 2010.

"Householding" of Proxy Materials

The SEC rules allow a single copy of the proxy statement and annual report to be delivered to multiple shareholders sharing the same address and last name, or who we reasonably believe are members of the same family, and who consent to receive a single copy of these materials in a manner provided by these rules. This practice is referred to as "householding." Although we do not household for our registered shareholders, some brokers, banks, trusts and other nominees household U.S. Bancorp proxy statements and annual reports, delivering a single copy of each to multiple shareholders sharing an address unless contrary instructions have been received from the affected shareholders. Once you have received notice from your broker, bank, trust or other nominee that they will be householding materials to your address, householding will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in householding and would prefer to receive a separate copy of our proxy statement or annual report, or if you are receiving multiple copies of either document and wish to receive only one, please notify your broker, bank, trust or other nominee. We will deliver promptly upon written or oral request a separate copy of our proxy statement and/or our annual report to a shareholder at a shared address to which a single copy of either document was delivered. For copies of either or both documents, shareholders should write to Investor Relations, U.S. Bancorp, BC-MN-H23K, 800 Nicollet Mall, Minneapolis, Minnesota 55402, or call (866) 775-9668.

Deadlines for Submitting Shareholder Proposals for 2014 Annual Meeting

In order for a shareholder proposal to be considered for inclusion in our proxy statement for the 2014 annual meeting, we must receive the written proposal at our principal executive offices at U.S. Bancorp, BC-MN-H23I, 800 Nicollet Mall, Minneapolis, Minnesota 55402, Attention: Corporate Secretary, on or before November 8, 2013. The proposal must comply with SEC regulations regarding the inclusion of shareholder

proposals in company-sponsored proxy materials.

Our bylaws provide that a shareholder may nominate from the floor a director for election at the annual meeting if proper written notice is received by the Corporate Secretary of U.S. Bancorp at our principal executive offices in Minneapolis, Minnesota, at least 120 days in advance of the anniversary of the prior year's annual meeting. A shareholder may present from the floor a proposal other than a director nomination if proper written notice is received by the Corporate Secretary at least 120 days in advance of the anniversary of the date the proxy

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Other Matters

statement for the prior year's annual meeting was released to shareholders. For the 2014 annual meeting, notices of director nominations and shareholder proposals to be made from the floor must be received on or before December 17, 2013, and November 8, 2013, respectively. The notice must contain the specific information required by our bylaws. You can find a copy of our bylaws on our website at www.usbank.com by clicking on "About U.S. Bank" and then "Corporate Governance" and then "Corporate Governance Documents."

Shareholder proposals and director nominations for which notice is received by us after November 8, 2013, and December 17, 2013, respectively, may not be presented in any manner at the 2014 annual meeting.

Other Matters

We do not know of any other matters that may be presented for consideration at the annual meeting. If any other business does properly come before the annual meeting, the persons named as proxies on the enclosed proxy card, or proxy voting instruction form, will vote as they deem in the best interests of U.S. Bancorp.

James L. Chosy

Secretary

Dated: March 8, 2013

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