

US BANCORP \DE\  
Form 424B3  
December 20, 2005

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This prospectus supplement relates to an effective registration statement under the Securities Act of 1933, but it is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

**SUBJECT TO COMPLETION, DATED DECEMBER 19, 2005**

**Filed Pursuant to Rule 424(B)(3)  
File No. 333-124535-01**

**PROSPECTUS SUPPLEMENT (To Prospectus Dated August 3, 2005)**

**Securities  
USB Capital VIII  
% Trust Preferred Securities  
fully and unconditionally guaranteed by**

The % Trust Preferred Securities, each with a \$ liquidation amount, are referred to in this prospectus supplement as the capital securities. Each capital security represents an undivided beneficial interest in the assets of USB Capital VIII, or the trust, which is a Delaware statutory trust. U.S. Bancorp will own all of the common securities of the trust.

The only assets of the trust will be % Income Capital Obligation Notes<sup>SM</sup> due December , 2065, issued by U.S. Bancorp, which we refer to in this prospectus supplement as the ICONs, and related proceeds. The trust will pay distributions on the capital securities only from the proceeds, if any, of interest payments on the ICONs. The ICONs are junior subordinated debt instruments and will bear interest from the date they are issued at the annual rate of % of their principal amount, payable quarterly in arrears on March , June , September and December of each year, beginning March , 2006.

We may elect to defer interest payments on the ICONs as described in this prospectus supplement. If we have optionally deferred interest payments for a period of more than five consecutive years, we will be required to sell our common stock and/or perpetual non-cumulative preferred stock and to pay interest on the ICONs only from the net proceeds of those sales. If we do not pay interest on the ICONs, the trust will not make the corresponding distributions on the capital securities. U.S. Bancorp will guarantee payment of distributions on the capital securities only to the extent U.S. Bancorp makes corresponding payments to the trust on the ICONs.

We may redeem the ICONs in whole or in part on or after December , 2010, or in whole at any time if certain changes occur in tax or investment company laws and regulations or if the capital securities cease to constitute Tier 1 capital of U.S. Bancorp for regulatory capital purposes. We will not redeem the ICONs unless we obtain the prior approval of the Board of Governors of the Federal Reserve System to do so, if such approval is then required by the Federal Reserve Board. To the extent we redeem the ICONs, the trust must redeem a corresponding amount of the capital securities.

**Investing in the capital securities involves risks. See Risk Factors beginning on page S-14.**

The capital securities and the ICONs are not deposits or other obligations of a bank. They are not insured by the FDIC or any other government agency. We will apply to list the capital securities on the New York Stock Exchange under the symbol USB Pr G. Trading of the capital securities on the New York Stock Exchange is expected to commence within 30 days of the date of the initial delivery of the capital securities.

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

<b>Per Capital Security</b>	<b>Total</b>
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Public offering price(1)	\$	\$
Underwriting commission to be paid by U.S. Bancorp	\$	\$
Proceeds (before expenses)	\$	\$

(1) Any accrued distributions on the capital securities from December , 2005 should be added to the public offering price.

We have granted the underwriters a right to request from us the opportunity to purchase up to additional capital securities at the public offering price less the underwriting commission of \$ per capital security, within 30 days from the date of this prospectus supplement, to cover over-allotments, if any.

The underwriters expect to deliver the capital securities in book-entry form only through The Depository Trust Company on or about December , 2005.

**Merrill Lynch & Co.**  
**Morgan Stanley**

**Citigroup**

**UBS Investment Bank**

**Wachovia Securities**

**A.G. Edwards**

**Bear, Stearns & Co. Inc.**

**RBC Dain Rauscher**

The date of this prospectus supplement is December , 2005.

*Income Capital Obligation Notes is a service mark of Merrill Lynch & Co., Inc.*

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You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus. This prospectus supplement and the accompanying prospectus may be used only for the purpose for which they have been prepared. No one is authorized to give information other than that contained in this prospectus supplement and the accompanying prospectus and in the documents referred to in this prospectus supplement and the accompanying prospectus and which are made available to the public. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or any document incorporated by reference is accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase, any of the capital securities, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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**SUMMARY**

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

**About U.S. Bancorp**

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

Our common stock is traded on the New York Stock Exchange under the ticker symbol USB. Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota, 55402. Our telephone number is (651) 466-3000.

**About USB Capital VIII**

USB Capital VIII is a statutory trust organized under Delaware law by the trustees and us. USB Capital VIII was established solely for the following purposes:

- to issue the capital securities, which represent undivided beneficial ownership interests in USB Capital VIII's assets, to the public;
- to use proceeds from the sale of capital securities to buy our % Income Capital Obligation Notes<sup>sm</sup> ( ICONs ) due 2065;
- to issue the common securities to us in a total liquidation amount equal to at least 3% of the trust's total capital in exchange for our ICONs;
- to maintain USB Capital VIII's status as a grantor trust for United States federal income tax purposes; and
- to engage in other activities that are directly related to the activities described above, such as registering the transfer of the capital securities.

Because USB Capital VIII was established only for the purposes listed above, the ICONs will be USB Capital VIII's sole assets. Payments on the ICONs will be USB Capital VIII's sole source of income. USB Capital VIII will issue only one series of capital securities.

<sup>sm</sup> *Income Capital Obligation Notes is a service mark of Merrill Lynch & Co., Inc.*

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**The Offering**

Title Securities Offered	<p>USB Capital VIII % Trust Preferred Securities. capital securities in denominations of \$ each with an aggregate liquidation amount of \$ . Each capital security will represent an undivided beneficial ownership interest in the assets of the trust. Each capital security will entitle its holder to receive quarterly cash distributions as described below.</p>
USB Capital VIII	<p>The issuer of the capital securities is USB Capital VIII, a Delaware statutory trust. We created it for the sole purpose of issuing the capital securities to the public, using the proceeds of the sale to buy our % Income Capital Obligation Notes<sup>sm</sup> ( ICONs ) due 2065, issuing common securities in a total liquidation amount equal to 3% of the trust s total capital to us in exchange for an additional amount of ICONs, and engaging in the other transactions described below. The ICONs are junior subordinated debt instruments.</p> <p>USB Capital VIII has five trustees. The three administrative trustees are officers of U.S. Bancorp. Wilmington Trust Company will act as the property trustee and the Delaware trustee of the trust.</p> <p>The trust will hold the ICONs that it buys from us and that it receives in exchange for the issuance of common securities to us. We will retain the common securities that we receive from the trust. The trust will make payments on the capital securities at the same rate and at the same times as we pay interest on the ICONs. The trust will use the payments it receives on the ICONs to make the corresponding payments on the capital securities. We will guarantee payments made on the capital securities to the extent described below. Both the ICONs and the guarantee will be subordinated to our other indebtedness to the extent described under Ranking of ICONs and Guarantee below.</p>
Distributions	<p>If you purchase the capital securities, as an undivided beneficial owner in the ICONs, you will be entitled to receive cumulative cash distributions at an annual rate of % . Interest on the ICONs will accrue, and as a result distributions on the capital securities will accumulate from the date of issuance, and will be paid quarterly in arrears on March , June , September and December of each year, beginning March , 2006, unless they are deferred as described below.</p>
Distribution Deferral	<p>We can, on one or more occasions, defer the quarterly interest payments on the ICONs for one or more periods (each, an Optional Deferral Period ) of up to 20 consecutive quarters, or five years. In other words, we may declare at our discretion up to a five-year interest payment moratorium on the ICONs and may choose to do that on more than one occasion. A deferral of interest payments cannot extend, however, beyond the maturity date of the ICONs, nor can we begin a new Optional Deferral Period until we have paid all accrued interest on the ICONs from the previous Optional Deferral Period.</p>

<sup>sm</sup> *Income Capital Obligation Notes is a service mark of Merrill Lynch & Co., Inc.*



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If we defer interest payments on the ICONs, the trust also will defer distributions on the capital securities. Any deferred interest on the ICONs will accrue additional interest at an annual rate of % (which rate will be equal to the annual interest rate on the ICONs), compounded quarterly, to the extent permitted by applicable law. Once we pay all deferred interest payments on the ICONs, including all accrued interest, we can again defer interest payments on the ICONs as described above, but not beyond the maturity date of the ICONs.

We will provide to the trust written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date, and any such notice will be forwarded promptly by the trust to each holder of record of capital securities.

If we defer interest for a period of five consecutive years from the commencement of an Optional Deferral Period, we will be required to pay all accrued and unpaid interest from the proceeds of the issuance of common stock and/or perpetual non-cumulative preferred stock pursuant to the Alternative Payment Mechanism, as described below under Obligations After Five Years of Optional Deferral. We may pay the accrued and unpaid interest at any time during an Optional Deferral Period.

**Obligations After Five Years of  
Optional Deferral**

If we fail to pay all accrued and unpaid interest on the ICONs for a period of five consecutive years following the commencement of an Optional Deferral Period:

unless we notify the trust that a Market Disruption Event (as defined below) has occurred, we will be required to sell our common stock and/or perpetual non-cumulative preferred stock pursuant to the Alternative Payment Mechanism and use the net proceeds of those sales to pay all accrued and unpaid interest on the ICONs on or prior to the next interest payment date, in each case as described under Alternative Payment Mechanism ; and

we will be prohibited from paying interest on the ICONs from any other source until all accrued and unpaid interest has been paid pursuant to the Alternative Payment Mechanism.

Our use of other sources to fund interest payments would be a breach of our obligations under the ICONs, but would not be an event of default under the indenture. In addition, our failure to pay interest on the ICONs for an additional period of up to five consecutive years following an Optional Deferral Period will not constitute an event of default under the indenture if we notify the trust that a Market Disruption Event has occurred. See Certain Terms of the ICONs Obligations After Five Years of Optional Deferral and Market Disruption Events. However, an event of default under the indenture will occur, notwithstanding the occurrence of any Market Disruption Event, if we fail to pay all accrued and unpaid interest for a period of more than ten consecutive years after the commencement of an Optional Deferral Period.

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**Alternative Payment Mechanism** Subject to the exclusion described in **Market Disruption Events** below, if we have optionally deferred interest payments otherwise due on the ICONs for a period of more than five consecutive years, we will be required to sell our common stock and/or perpetual non-cumulative preferred stock until we have raised an amount of Eligible Equity Proceeds, as described below, at least equal to the aggregate amount of interest on the ICONs that will be accrued and unpaid as of the next interest payment date. We have agreed to pay all accrued and unpaid interest on the ICONs on the next interest payment date to the extent, and only to the extent, of those Eligible Equity Proceeds, provided that our use of other sources of funds to pay interest payments would not, by itself, be an event of default under the indenture that would permit the trust or holders of capital securities to accelerate the ICONs.

For each interest payment date, **Eligible Equity Proceeds** means the net proceeds (after underwriters or placement agents fees, commissions or discounts and other expenses relating to the issuances) we have received during the 180-day period prior to that interest payment date from the sale or offering of any combination of the following equity securities to persons that are not our affiliates:

shares of our common stock, including treasury shares and shares of common stock sold pursuant to our dividend reinvestment plan and employee benefit plans; and/or

shares of our perpetual non-cumulative preferred stock;

provided, in each case, that we have obtained the prior approval of the Board of Governors of the Federal Reserve System (the **Federal Reserve Board**) for the issuance and sale of such securities.

**Market Disruption Events**

A **Market Disruption Event** means the occurrence or existence of any of the following events or sets of circumstances:

trading in securities generally on the New York Stock Exchange or any other national securities exchange or over-the-counter market on which our common stock and/or preferred stock is then listed or traded shall have been suspended or its settlement generally shall have been materially disrupted;

we would be required to obtain the consent or approval of a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue shares of our common stock and/or perpetual non-cumulative preferred stock, and we fail to obtain that consent or approval notwithstanding our commercially reasonable efforts to obtain that consent or approval (including, without limitation, failing to obtain approval for such issuance from the Federal Reserve Board after having given notice to the Federal Reserve Board as required under the indenture); or

an event occurs and is continuing as a result of which the offering document for the offer and sale of our common stock and/or perpetual non-cumulative preferred stock would, in our reasonable judgment, contain an untrue statement of a material fact or omit to state a material fact



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required to be stated in that offering document or necessary to make the statements in that offering document not misleading and either (a) the disclosure of that event at the time the event occurs, in our reasonable judgment, would have a material adverse effect on our business or (b) the disclosure relates to a previously undisclosed proposed or pending material business transaction, the disclosure of which would impede our ability to consummate that transaction, provided that one or more events described under this bullet shall not constitute a Market Disruption Event with respect to more than one interest payment date.

We will be excused from our obligations under the Alternative Payment Mechanism in respect of any interest payment date if we provide written certification to the trust (which the trust will promptly forward upon receipt to each holder of record of capital securities) no more than 20 and no less than 10 business days in advance of that interest payment date certifying that:

a Market Disruption Event was existing after the immediately preceding interest payment date;

and either (a) the Market Disruption Event continued for the entire period from the business day immediately following the preceding interest payment date to the business day immediately preceding the date on which that certification is provided or (b) the Market Disruption Event continued for only part of this period, but we were unable after commercially reasonable efforts to raise sufficient Eligible Equity Proceeds during the rest of that period to pay all accrued and unpaid interest.

Our certification of a Market Disruption Event will identify which type of Market Disruption Event has occurred with respect to the applicable interest payment date, and the date(s) on which that event occurred or existed.

If, due to a Market Disruption Event, we were able to raise some, but not all, Eligible Equity Proceeds in respect of an interest payment date, we will apply any available Eligible Equity Proceeds to pay accrued and unpaid interest on the applicable interest payment date, and you will be entitled to receive your pro rata share of any amounts received on the ICONs; provided, however, that if we have outstanding securities in addition to the ICONs under which we are obligated to sell shares of common stock and/or perpetual non-cumulative preferred stock and apply the net proceeds to the payment of deferred interest, then on any date and for any period the amount of net proceeds received by us from those sales and available for payment of the deferred interest shall be applied to the ICONs and those other securities on a pro rata basis, or on such other basis as the Federal Reserve Board may approve.

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**Dividend Stopper**

During any period in which we defer interest payments on the ICONs, we will not and our subsidiaries will not do any of the following, with certain limited exceptions:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities (including other ICONs) that rank equally with or junior in interest to the ICONs; or

make any guarantee payments on any guarantee of debt securities of any of our subsidiaries (including under other guarantees of ICONs) if the guarantee ranks equally with or junior in interest to the ICONs, except in some circumstances.

**Redemption**

The trust will redeem all of the outstanding capital securities when the ICONs are repaid at maturity. The ICONs are scheduled to mature on December 1, 2065.

In addition, if we redeem any ICONs before their maturity, the trust will use the cash it receives on the redemption of the ICONs to redeem, on a proportionate basis, the capital securities and the common securities. We can redeem the ICONs before their maturity at 100% of their principal amount plus accrued and unpaid interest in whole or in part on one or more occasions any time on or after December 1, 2010, or in whole at any time if certain changes occur in tax or investment company laws and regulations or if the capital securities cease to constitute Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board. These circumstances are more fully described below under the caption Certain Terms of the ICONs Redemption in this prospectus supplement.

We will not redeem the ICONs unless we obtain the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board.

**Replacement Capital Covenant**

Around the time of the initial issuance of the ICONs, we will enter into a Replacement Capital Covenant (as defined under Certain Terms of the Replacement Capital Covenant ) in which we will covenant for the benefit of holders of a designated series of our indebtedness, other than the ICONs, or in certain limited cases a designated series of indebtedness of our subsidiary, U.S. Bank National Association, that we will not redeem the ICONs and the trust will not redeem the capital securities on or before December 1, 2035, unless (a) subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we have received proceeds from the sale of specified securities that (i) have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the ICONs at that time and (ii) qualify as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board and (b) we have obtained the prior approval of the Federal Reserve Board, if such approval is then required by the Federal Reserve Board. The Replacement Capital Covenant is not intended for the benefit of holders of the ICONs or capital securities



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and may not be enforced by them, and the Replacement Capital Covenant is not a term of the indenture, the trust agreement, the ICONs or the capital securities.

Liquidation Preference

Upon any dissolution, winding-up or liquidation of USB Capital VIII involving the liquidation of the ICONs, the holders of the capital securities will be entitled to receive, out of assets held by the trust, subject to the rights of any creditors of the trust, the liquidation distribution in cash. The trust will be able to make this distribution of cash only if we redeem the ICONs.

The Guarantee

We will fully and unconditionally guarantee the payment of all amounts due on the capital securities to the extent the trust has funds available for payment of such distributions. The guarantee will be subordinated to our other indebtedness to the extent described under **Ranking of the ICONs and Guarantee** below.

We also are obligated to pay most of the expenses and obligations of the trust (other than the trust's obligations to make payments on the capital securities and common securities, which are covered only by the guarantee).

The guarantee does not cover payments when the trust does not have sufficient funds to make payments on the capital securities. In other words, if we do not make a payment on the ICONs, the trust will not have sufficient funds to make payments on the capital securities, and the guarantee will not obligate us to make those payments on the trust's behalf. In addition, our obligations under the guarantee are subordinate to our obligations to other creditors to the same extent as the ICONs. For more information, see **Description of the Guarantee** in the accompanying prospectus.

Ranking of the ICONs and Guarantee

Our payment obligations under the ICONs and the guarantee will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our current and future indebtedness, including, among other things, indebtedness for borrowed money, indebtedness evidenced by bonds, debentures, notes or similar instruments, similar obligations arising from off-balance sheet guarantees and direct credit substitutes, obligations associated with derivative products including but not limited to interest rate and foreign exchange contracts and forward contracts related to mortgages, commodity contracts, capitalized lease obligations, and guarantees of any of the foregoing, but not including trade account payables and accrued liabilities arising in the ordinary course of business; provided, however, that the ICONs and the guarantee will rank equally in right of payment with any **Pari Passu Securities**.

**Pari Passu Securities** means (i) indebtedness that, among other things, (a) qualifies or is issued to financing vehicles issuing securities that qualify as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board and (b) by its terms ranks equally with the ICONs in right of payment and upon liquidation; and (ii) guarantees of indebtedness described in clause (i) or securities issued by one or more financing vehicles described in clause (i). **Pari Passu Securities** does not include our junior



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subordinated debentures or guarantees issued in connection with our currently outstanding trust preferred securities, each of which will rank senior to the capital securities being issued by USB Capital VIII.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries. As a result, the ability of holders of the ICONs to benefit from any distribution of assets of any subsidiary upon the liquidation or reorganization of such subsidiary is subordinate to the prior claims of present and future creditors of that subsidiary. The capital securities, the ICONs and the guarantee do not limit our or our subsidiaries' ability to incur additional debt, including debt that ranks senior in priority of payment to the ICONs and the guarantee. At September 30, 2005, our indebtedness and obligations, on an unconsolidated basis, totaled approximately \$12 billion. In addition, the ICONs will be effectively subordinated to all of our subsidiaries' existing and future indebtedness and other obligations, including, but not limited to, obligations to depositors. At September 30, 2005, our subsidiaries' direct borrowings and deposit liabilities totaled approximately \$173 billion.

**Trust Enforcement Events**

An event of default under the indenture constitutes an event of default under the amended and restated trust agreement. We refer to such an event as a Trust Enforcement Event. For more information on events of default under the indenture, see Certain Terms of the ICONs Events of Default in this prospectus supplement. Upon the occurrence and continuance of a Trust Enforcement Event, the property trustee, as the sole holder of the ICONs, will have the right under the indenture to declare the principal amount of the ICONs due and payable. The amended and restated trust agreement does not provide for any other events of default.

If the property trustee fails to enforce its rights under the ICONs (whether or not a Trust Enforcement Event has occurred), any holder of capital securities may, to the extent permitted by applicable law, institute a legal proceeding against us to enforce the property trustee's rights under the ICONs and the indenture without first instituting legal proceedings against the property trustee or any other person. In addition, if a Trust Enforcement Event has occurred due to our failure to pay interest or principal on the ICONs when due, then the registered holder of capital securities may institute a direct action on or after the due date directly against us for enforcement of payment to that holder of the principal of or interest on the ICONs having a principal amount equal to the total liquidation amount of that holder's capital securities. In connection with such a direct action, we will have the right under the indenture to set off any payment made to that holder by us. The holders of capital securities will not be able to exercise directly any other remedy available to the holders of the ICONs.

Pursuant to the amended and restated trust agreement, the holder of the common securities will be deemed to have waived any Trust Enforcement Event regarding the common securities until all Trust Enforcement Events regarding the capital securities have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events regarding the capital securities have been so cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the capital securities and only the holders of the capital



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securities will have the right to direct the enforcement actions of the property trustee.

**Voting Rights**

Holders of capital securities will have only limited voting rights. In particular, holders of capital securities may not elect or remove any trustee, except after a Trust Enforcement Event. If a Trust Enforcement Event occurs, a majority in liquidation amount of the holders of the capital securities would be entitled to remove or appoint the property trustee and the Delaware trustee.

**Dissolution of the Trust and Distribution of the ICONs**

We can dissolve USB Capital VIII at any time, subject to obtaining the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board.

If we dissolve the trust, or if the trust dissolves because of certain other specified events (such as our bankruptcy), the trust will distribute the ICONs to holders of the capital securities and the common securities on a proportionate basis.

**Use of Proceeds**

The net proceeds from the offering of the capital securities are estimated to be \$ \_\_\_\_\_, or \$ \_\_\_\_\_ if the underwriters exercise their over-allotment option in full. USB Capital VIII will use the proceeds of the sale of the capital securities to purchase the ICONs. We intend to use all of the proceeds from the sale of the ICONs for general corporate purposes. We expect the capital securities to qualify as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board.

**Listing**

We will apply to list the capital securities on the New York Stock Exchange. Trading is expected to commence within 30 days after the capital securities are first issued. You should be aware that the listing of the capital securities will not necessarily ensure that an active trading market will be available for the capital securities or that you will be able to sell your capital securities at the price you originally paid for them.

If USB Capital VIII distributes the ICONs, we will use our best efforts to list them on the New York Stock Exchange or wherever the capital securities are then listed.

**Expected Ratings**

We expect that the capital securities will be rated Aa3, A- and A+ by Moody's Investor Services, Standard & Poor's and Fitch Ratings, respectively. None of these securities ratings is a recommendation to buy, sell or hold these securities. Each rating may be subject to revision or withdrawal at any time, and should be evaluated independently of any other rating.

**Form of the Capital Securities**

The capital securities will be represented by one or more global securities that will be deposited with and registered in the name of The Depository Trust Company, New York, New York. This means that you will not receive a certificate for your capital securities and the capital securities will not be registered in your name. For more details, see the information under the caption "Book-Entry Issuance" in the accompanying prospectus.



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U.S. Federal Income Tax  
Consequences

In connection with the issuance of the capital securities (as defined in the accompanying prospectus under [Description of Capital Securities](#) ), Sullivan & Cromwell LLP, as special tax counsel, will render its opinions to us and the trust that, for United States federal income tax purposes, (i) the trust will be classified as a grantor trust and not an association taxable as a corporation and (ii) the ICONs will be classified as indebtedness (although there is no clear authority on point). These opinions are subject to certain customary conditions. See [Certain United States Federal Income Tax Consequences](#).

Each purchaser of capital securities or a beneficial interest therein agrees to treat the trust as a grantor trust and itself as the owner of an undivided beneficial interest in the ICONs, and to treat the ICONs as indebtedness for all United States federal, state and local tax purposes. We intend to treat the trust and the ICONs in the same manner.

A holder of the capital securities thus will include its proportionate share of income and deductions on the ICONs for United States federal tax purposes. If we elect to defer interest on the ICONs, the holders of the capital securities will be required to accrue income for United States federal income tax purposes in an amount of the accumulated distributions on the ICONs, in the form of original issue discount, even though cash distributions are deferred and even though they may be cash basis taxpayers.

Risk Factors

See [Risk Factors](#) and the other information in this prospectus supplement, the accompanying prospectus and our reports incorporated by reference therein for a discussion of factors you should carefully consider before deciding to invest in the capital securities.

**Table of Contents****Summary Selected Consolidated Financial Data of U.S. Bancorp and Subsidiaries**

We provide below our selected consolidated financial data as of and for the periods specified. You should read the data below with the more detailed information, consolidated financial statements and the notes to the consolidated financial statements that we refer you to in the accompanying prospectus under the caption *Where You Can Find More Information*.

	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>	
	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>(\$ and shares in millions, except per share data)</b>				
<b>Condensed Income Statement</b>				
Net interest income (taxable-equivalent basis)	\$ 5,303	\$ 7,140	\$ 7,217	\$ 6,847
Securities gains (losses), net	(57)	(105)	245	300
Noninterest income	4,556	5,624	5,068	4,911
<b>Total net revenue</b>	<b>9,802</b>	<b>12,659</b>	<b>12,530</b>	<b>12,058</b>
Noninterest expense	4,399	5,785	5,597	5,740
Provision for credit losses	461	669	1,254	1,349
Income from continuing operations before taxes	4,942	6,205	5,679	4,969
Taxable-equivalent adjustment	23	29	28	33
Applicable income taxes	1,573	2,009	1,941	1,708
Income from continuing operations	3,346	4,167	3,710	3,228
Discontinued operations (after-tax)			23	(23)
Cumulative effect of accounting change (after-tax)				(37)
Net income	\$ 3,346	\$ 4,167	\$ 3,733	\$ 3,168
<b>Financial Ratios</b>				
Return on average assets	2.22%	2.17%	1.99%	1.84%
Return on average equity	22.5	21.4	19.2	18.3
Net interest margin (taxable-equivalent basis)	4.00	4.25	4.49	4.65
Efficiency ratio	44.6	45.3	45.6	48.8
<b>Per Common Share</b>				
Earnings per share from continuing operations	\$ 1.82	\$ 2.21	\$ 1.93	\$ 1.68
Diluted earnings per share from continuing operations	1.80	2.18	1.92	1.68
Earnings per share	1.82	2.21	1.94	1.65
Diluted earnings per share	1.80	2.18	1.93	1.65
Dividends declared per share	.90	1.020	.855	.780
<b>Average Balance Sheet Data</b>				

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Loans	\$ 131,432	\$ 122,141	\$ 118,362	\$ 114,453
Loans held for sale	1,723	1,608	3,616	2,644
Investment securities	42,308	43,009	37,248	28,829
Earning assets	176,851	168,123	160,808	147,410
Assets	201,505	191,593	187,630	171,948
Noninterest-bearing deposits	29,003	29,816	31,715	28,715
Deposits	120,552	116,222	116,553	105,124
Short-term borrowings	18,313	14,534	10,503	10,116
Long-term debt	36,016	35,115	33,663	32,172
Shareholders' equity	19,911	19,459	19,393	17,273
Average shares outstanding	1,836	1,887	1,924	1,916
Average diluted shares outstanding	1,862	1,913	1,936	1,925
<b>Period End Balance Sheet Data</b>				
Loans	\$ 136,627	\$ 126,315	\$ 118,235	\$ 116,251
Allowance for credit losses	2,258	2,269	2,369	2,422
Investment securities	41,516	41,481	43,334	28,488
Assets	206,895	195,104	189,471	180,027
Deposits	120,795	120,741	119,052	115,534
Long-term debt	36,257	34,739	33,816	31,582
Shareholders' equity	19,864	19,539	19,242	18,436
Regulatory capital ratios Tangible common equity	6.2%	6.4%	6.5%	5.7%
Tier 1 capital	8.4	8.6	9.1	8.0
Total risk-based capital	12.8	13.1	13.6	12.4
Leverage	7.7	7.9	8.0	7.7

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**RISK FACTORS**

*Before purchasing any capital securities, you should read carefully this prospectus supplement and the accompanying prospectus and pay special attention to the following risk factors.*

*Because USB Capital VIII will rely on the payments it receives on the ICONs to fund all payments on the capital securities, and because USB Capital VIII may distribute the ICONs in exchange for the capital securities, you are making an investment decision regarding the ICONs as well as the capital securities. You should carefully review the information in this prospectus supplement and the accompanying prospectus about the capital securities, the guarantee and the ICONs.*

**You Will Not Receive Distributions on the Capital Securities If We Elect to Defer Interest Payments on the ICONs, Which We May Do in our Discretion for One or More Periods of Up to Five Years.**

We may elect at our option to defer payment of all or part of the current and accrued interest otherwise due on the ICONs for a period of up to 20 consecutive interest periods, or five years, as described in this prospectus supplement under Certain Terms of the ICONs Option to Defer Interest Payments. If we fail to pay interest on the ICONs, the trust will make no distributions on the capital securities.

We do not intend to defer interest payments on the ICONs. However, if we do so in the future, the capital securities may trade at a price that does not reflect fully the value of the accrued but unpaid distributions. Even if we do not do so, our right to defer interest payments on the ICONs could mean that the market price for the capital securities may be more volatile than that of other securities without interest deferral rights.

**You May Not Receive Distributions on the Capital Securities for a Total of Up to Ten Years If One or More Market Disruption Events Occur after the First Five Years of Interest Deferral or We Are Otherwise Unable to Issue Stock.**

If we elect to defer interest payments for 20 consecutive interest periods, or five years, as described under Certain Terms of the ICONs Option to Defer Interest Payments, we will be prohibited from paying current or accrued and unpaid interest after such Optional Deferral Period from any source other than Eligible Equity Proceeds, as described under Certain Terms of the ICONs Alternative Payment Mechanism. In addition, following such five-year deferral period, we may fail to pay interest for up to an additional five years resulting in a total of up to ten years without payment of interest on the ICONs and, accordingly, without payment of distributions on the capital securities if we have notified the trust of the occurrence of one or more Market Disruption Events.

Even if in the absence of a Market Disruption Event, our ability to sell our stock will depend on a variety of factors within and beyond our control, including, without limitation, our financial performance, the strength of the equity markets generally, the relative demand for stock of companies within our industry, dilution caused by prior stock offerings, and the expectation among investors that future stock offerings may cause additional dilution. It is possible that we may need shareholder approval to sell our stock, for example to approve an amendment to our certificate of incorporation increasing the number of authorized shares or to comply with stock exchange regulation, and we may not be successful in obtaining this approval. If we do not sell sufficient stock to fund interest payments in these circumstances, we will not be permitted to pay interest to the trust, even if we have cash available from other sources.

**We Must Obtain Federal Reserve Board Approval Before Using the Alternative Payment Mechanism.**

The indenture for the ICONs provides that we must notify the Federal Reserve Board if the Alternative Payment Mechanism is applicable and that we may not sell our common stock or perpetual non-cumulative preferred stock or apply any Eligible Equity Proceeds to pay interest pursuant to the Alternative Payment Mechanism if such actions have not been approved by the Federal Reserve Board. Accordingly, if we elect to defer interest for 20 consecutive quarterly interest payment dates and do not obtain the prior approval of the Federal Reserve Board thereafter, we will be unable to pay interest and may continue to defer interest pending such approval for an additional period of up to 20 consecutive quarterly interest payment dates without triggering an event of default under the indenture. As a result, we could defer interest for up to 40 consecutive quarterly interest payment dates, or 10 years without being required to sell our common stock or perpetual non-cumulative preferred stock to raise Eligible Equity Proceeds.



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**Our Failure to Raise Eligible Equity Proceeds Is Not, by Itself, an Event of Default under the Indenture for the ICONs.**

Although we are required under the terms of the indenture for the ICONs, absent a Market Disruption Event, to pay all accrued and unpaid interest on the ICONs after a five-year Optional Deferral Period, our failure to raise sufficient Eligible Equity Proceeds or our use of other funds to pay interest will not, by itself, constitute an event of default under the indenture. In addition, an event of default under the indenture for the ICONs will not occur if we fail to pay interest during the five-year period following the end of the initial five-year Optional Deferral Period if we have notified the trust of the occurrence of one or more Market Disruption Events.

**We Are Not Permitted to Pay Current Interest on the ICONs Until We Have Paid All Outstanding Deferred Interest, and This Could Have the Effect of Extending Interest Deferral Periods.**

If we have optionally deferred interest payments otherwise due on the ICONs for a period of more than five consecutive years, we will be prohibited from paying current interest on the ICONs from any source other than Eligible Equity Proceeds until all accrued and unpaid interest has been paid pursuant to the Alternative Payment Mechanism, provided that our failure to pay that current interest on the ICONs will not constitute an event of default under the indenture if we have notified the trust of the occurrence of one or more Market Disruption Events. As a result, we may not be able to pay current interest on the ICONs even though we have available funds if we do not undertake or complete stock sales to raise sufficient proceeds to satisfy our outstanding deferred interest obligations. Accordingly, the occurrence of a Market Disruption Event could have the effect of extending interest deferral periods.

**Holders of Our Senior Indebtedness Will Get Paid Before You Will Get Paid Under the Guarantee.**

Our obligations under the ICONs and the guarantee will be junior in right of payment and upon liquidation to all of our existing and future indebtedness, with certain limited exceptions. Accordingly, we will not be permitted to make any payments on the ICONs or the guarantee if we are in default on this other indebtedness. In addition, in the event of our bankruptcy, liquidation or dissolution, our assets must be used to pay off this other indebtedness in full before any payments may be made on the ICONs or the guarantee.

At September 30, 2005, our indebtedness and obligations, on an unconsolidated basis, totaled approximately \$12 billion, all of which will rank senior in right of payment and upon liquidation to the ICONs. None of the indenture pursuant to which the ICONs will be issued, the guarantee, the certificate of trust which created USB Capital VIII or the amended and restated trust agreement limit our ability to incur additional indebtedness.

For more information, see below under the captions *Certain Terms of the ICONs*, *Ranking of ICONs and Guarantee* in this prospectus supplement and *Description of the Guarantee*, *Status of Guarantees* in the accompanying prospectus.

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

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

There are various regulatory restrictions on the ability of our banking subsidiaries to pay dividends or make other payments to us. At September 30, 2005, our banking subsidiaries could pay a total of approximately \$1.1 billion in dividends to us in a calendar year without prior regulatory approval.

In addition, our right to participate in any distribution of assets of any of our subsidiaries upon the subsidiary's liquidation or otherwise, and thus your ability as a holder of the capital securities to benefit indirectly from such distribution, will be subject to the prior claims of creditors of that subsidiary, except to the extent that any of our claims as a creditor of such subsidiary may be recognized. As a result, the capital securities will effectively be subordinated to all existing and future liabilities and obligations of our subsidiaries. Therefore, holders of the capital securities should look only to our assets for payments on the ICONs and indirectly on the capital securities. Further,

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the ICONs and the guarantee also will be effectively subordinated to all existing and future obligations of our subsidiaries.

At September 30, 2005, our subsidiaries' direct borrowings and deposit liabilities totaled approximately \$173 billion.

### **If We Do Not Make Payments on the ICONs, USB Capital VIII Will Not Be Able to Pay Distributions and Other Payments on the Capital Securities and the Guarantee Will Not Apply.**

USB Capital VIII's ability to make timely distribution and redemption payments on the capital securities is completely dependent upon our making timely payments on the ICONs. If we default on the ICONs, USB Capital VIII will lack funds for the payments on the capital securities. If this happens, holders of capital securities will not be able to rely upon the guarantee for payment of such amounts because the guarantee only guarantees that we will make distribution and redemption payments on the capital securities if USB Capital VIII has the funds to do so itself but does not. Instead, you or the property trustee may proceed directly against us for payment of any amounts due on the capital securities.

For more information, see below under the caption "Certain Terms of the Capital Securities - Trust Enforcement Events" in this prospectus supplement.

### **Our Right to Redeem or Repurchase the ICONs Is Limited by a Covenant That We Are Making in Favor of Certain of our Debtholders.**

By their terms, the ICONs may be redeemed by us, in whole or in part, before their maturity at 100% of their principal amount plus accrued and unpaid interest on one or more occasions any time on or after December 31, 2010, or in whole at any time if certain changes occur in tax or investment company laws and regulations or in the treatment of the capital securities as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board. However, around the time of the initial issuance of the ICONs, we are entering into a Replacement Capital Covenant, which is described under "Certain Terms of the Replacement Capital Covenant," that will limit our right to redeem or repurchase ICONs. In the Replacement Capital Covenant, we covenant for the benefit of holders of a designated series of our indebtedness that ranks senior to the ICONs, or in certain limited cases holders of a designated series of indebtedness of U.S. Bank National Association, that we will not redeem or repurchase ICONs or capital securities on or before December 31, 2035 unless (a) subject to certain limitations, during the 180 days prior to the date of that redemption or repurchase we have received proceeds from the sale of specified securities that (i) have equity-like characteristics that are the same as, or more equity-like than, the applicable characteristics of the ICONs at the time of redemption or repurchase and (ii) qualify as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board, and (b) we have obtained the prior approval of the Federal Reserve Board, if such approval is then required by the Federal Reserve Board.

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

### **You May Have to Include Interest in Your Taxable Income Before You Receive Cash.**

If we defer interest payments on the ICONs, you will be required to accrue interest income for United States federal income tax purposes in respect of your proportionate share of the accrued but unpaid interest on the ICONs held by USB Capital VIII, even if you normally report income when received. As a result, you will be required to include the accrued interest in your gross income for United States federal income tax purposes prior to your receiving any cash distribution. If you sell your capital securities prior to the record date for the first distribution after a deferral period, you would never receive the cash from us related to the accrued interest that you reported for tax purposes.

**You should consult with your own tax advisor regarding the tax consequences of an investment in the capital securities.**



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For more information regarding the tax consequences of purchasing the capital securities, see below under the caption **Certain United States Federal Income Tax Consequences** **Interest Income and Original Issue Discount, Receipt of ICONs or Cash Upon Liquidation of the Trust** and **Sales of Capital Securities** in this prospectus supplement.

**The Capital Securities May Be Redeemed Prior to Maturity; You May Be Taxed on the Proceeds and You May Not Be Able to Reinvest the Proceeds at the Same or a Higher Rate of Return.**

The ICONs (and therefore the capital securities) may be redeemed in whole or in part on one or more occasions any time on or after December 31, 2010, or in whole upon the occurrence of certain special events relating to changes in tax or investment company laws or regulations or the treatment of the capital securities as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board, subject to receipt of any necessary Federal Reserve Board approval. The redemption price for the ICONs would be equal to 100% of the principal amount plus accrued and unpaid interest. If such a redemption happens, USB Capital VIII must use the redemption price it receives to redeem, on a proportionate basis, capital securities and common securities having an aggregate liquidation amount equal to the aggregate principal amount of the ICONs redeemed.

The redemption of the capital securities would be a taxable event to you for United States federal income tax purposes.

In addition, you may not be able to reinvest the money that you receive in the redemption at a rate that is equal to or higher than the rate of return on the capital securities.

**Federal Banking Authorities May Restrict the Ability of USB Capital VIII to Make Distributions on or Redeem the Capital Securities.**

Federal banking authorities will have the right to examine USB Capital VIII and its activities because USB Capital VIII is our subsidiary. Under certain circumstances, including any determination that our relationship to USB Capital VIII would result in an unsafe and unsound banking practice, these banking authorities have the authority to issue orders which could restrict the ability of USB Capital VIII to make distributions on or to redeem the capital securities.

**An Active Trading Market for the Capital Securities May Not Develop.**

We will apply to list the capital securities on the New York Stock Exchange. Trading is expected to commence within 30 days after the capital securities are first issued. You should be aware that the listing of the capital securities will not necessarily ensure that an active trading market will be available for the capital securities or that you will be able to sell your capital securities at the price you originally paid for them.

**We Generally Will Control USB Capital VIII Because Your Voting Rights Are Very Limited.**

You will only have limited voting rights. In particular, you may not elect and remove any trustees, except when there is a default under the ICONs. If such a default occurs, a majority in liquidation amount of the holders of the capital securities would be entitled to remove or appoint the property trustee and the Delaware trustee.

For more information, see below under the caption **USB Capital VIII** in this prospectus supplement.

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**FORWARD-LOOKING STATEMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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**U.S. BANCORP**

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

**Contact Information**

Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota 55402, and our telephone number is (651) 466-3000.

**USB CAPITAL VIII**

**Purpose and Ownership of USB Capital VIII**

USB Capital VIII is a statutory trust organized under Delaware law by the trustees and us. USB Capital VIII was established solely for the following purposes:

to issue the capital securities, which represent undivided beneficial ownership interests in USB Capital VIII's assets, to the public;

to use proceeds from the sale of capital securities to buy the ICONs;

to issue the common securities to us in a total liquidation amount equal to 3% of the trust's total capital in exchange for the ICONs;

to maintain USB Capital VIII's status as a grantor trust for United States federal income tax purposes; and

to engage in other activities that are directly related to the activities described above, such as registering the transfer of the capital securities.

Because USB Capital VIII was established only for the purposes listed above, the ICONs will be USB Capital VIII's sole assets. Payments on the ICONs will be USB Capital VIII's sole source of income. USB Capital VIII will issue only one series of capital securities.

As issuer of the ICONs, we will pay:

all fees, expenses and taxes related to USB Capital VIII and the offering of the capital securities and common securities; and

all ongoing costs, expenses and liabilities of USB Capital VIII, except obligations to make distributions and other payments on the common securities and the capital securities.

For so long as the capital securities remain outstanding, we will:

own, directly or indirectly, all of the common securities;

cause USB Capital VIII to remain a statutory trust and not to voluntarily dissolve, wind-up, liquidate or be terminated, except as permitted by the certificate of trust by which USB Capital VIII was created;

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use our commercially reasonable efforts to ensure that USB Capital VIII will not be an investment company for purposes of the Investment Company Act of 1940; and

take no action that would be reasonably likely to cause USB Capital VIII to be classified as other than a grantor trust for United States federal income tax purposes.

### **The Trustees**

The business and affairs of USB Capital VIII will be conducted by its five trustees. The three administrative trustees will be individuals who are our employees. The fourth trustee, Wilmington Trust Company, as property trustee, will hold title to the ICONs for the benefit of the holders of the capital securities and will have the power to exercise all the rights and powers of a registered holder of the ICONs. The fifth trustee, Wilmington Trust Company, as Delaware trustee, maintains its principal place of business in Delaware and meets the requirements of Delaware law for Delaware statutory trusts. In addition, Wilmington Trust Company, as guarantee trustee, will hold the guarantee for the benefit of the holders of the capital securities.

We have the sole right to appoint, remove and replace the trustees of USB Capital VIII, unless an event of default occurs with respect to the ICONs. In that case, the holders of a majority in liquidation amount of the capital securities will have the right to remove and appoint the property trustee and the Delaware trustee.

### **Additional Information**

For additional information concerning USB Capital VIII, see *About the Trusts* in the accompanying prospectus. USB Capital VIII will not be required to file any reports with the SEC after the issuance of the capital securities. As discussed below under the caption *Accounting Treatment* in this prospectus supplement, we will provide certain information concerning USB Capital VIII and the capital securities in the financial statements included in our own periodic reports to the SEC.

### **Office of USB Capital VIII**

The executive office of USB Capital VIII is c/o U.S. Bancorp, 800 Nicollet Mall, Minneapolis, Minnesota 55402, and its telephone number is (651) 466-3000.

### **USE OF PROCEEDS**

The net proceeds from the offering of the capital securities by USB Capital VIII are estimated to be \$ , or \$ if the underwriters exercise their over-allotment option in full. USB Capital VIII will use the proceeds of the sale of the capital securities to buy the ICONs. We intend to use all of the proceeds from the sale of the ICONs for general corporate purposes.

### **ACCOUNTING TREATMENT**

Historically, issuer trusts that issued trust preferred securities have been consolidated by their parent companies and the accounts of such issuer trusts have been included in the consolidated financial statements of such parent companies. However, the Financial Accounting Standards Board ( FASB ) Interpretation No. 46, *Consolidation of Variable Interest Entities*, or FIN 46, as revised in December 2003, provides guidance for determining when an entity should consolidate another entity that meets the definition of a variable interest entity. FIN 46 requires a variable interest entity to be consolidated if the company will absorb a majority of the expected losses, will receive a majority of the expected residual returns, or both. For financial reporting purposes, we treat our existing trusts formed for the purpose of issuing trust preferred securities, and will treat USB Capital VIII, as unconsolidated subsidiaries and report the aggregate principal amount of the ICONs we issue to the various trusts as liabilities, record the assets related to the cash and common securities received from the trusts in our consolidated balance sheet, and report interest payable on the ICONs as an interest expense in our consolidated statements of operations.

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**Table of Contents****REGULATORY TREATMENT**

We are required by the Federal Reserve to maintain certain levels of capital for bank regulatory purposes. We expect that the capital securities will be treated as Tier 1 capital of U.S. Bancorp. Since 1996, it has been the position of the Federal Reserve that certain qualifying amounts of cumulative preferred stock instruments having the characteristics of the trust preferred securities could be included as Tier 1 capital for bank holding companies; however, capital received from the sale of such cumulative preferred stock instruments, including the trust preferred securities, cannot constitute, as a whole, more than 25% of total Tier 1 capital. On March 1, 2005, the Federal Reserve Board adopted a final rule which amended its risk-based capital standards. The amended standards provide that qualifying trust preferred securities shall continue to be included in Tier 1 capital, subject to stricter quantitative limits within Tier 1 capital that do not become effective until March 31, 2009. Those stricter quantitative limits will require the deduction of goodwill in computing Tier 1 capital limits for restricted core capital elements that include trust preferred securities and will thereby reduce the amount of trust preferred securities that we will be able to include in Tier 1 capital in the future.

**RATIO OF EARNINGS TO FIXED CHARGES**

Our ratio of earnings to fixed charges for each of the periods indicated is as follows:

	<b>Nine Months Ended September 30,</b>		<b>Year Ended December 31,</b>			
	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Ratio of Earnings to Fixed Charges:</b>						
Excluding interest on deposits	4.50	5.98	6.40	4.88	2.26	2.76
Including interest on deposits	2.98	3.88	3.64	2.79	1.50	1.69

For the purpose of computing the ratios of earnings to fixed charges, earnings consist of consolidated income from continuing operations before provision for income taxes, minority interest and fixed charges, and fixed charges consist of interest expense, amortization of debt issuance costs and the portion of rental expense deemed to represent interest.

**Table of Contents****CERTAIN TERMS OF THE CAPITAL SECURITIES**

*We have summarized below certain terms of the capital securities. This summary supplements the general description of the capital securities under the caption *Description of Capital Securities* and elsewhere in the accompanying prospectus. To the extent that this summary is inconsistent with the description in the accompanying prospectus, you should rely on the summary below. This summary is not a complete description of all of the terms and provisions of the capital securities. For more information, we refer you to the certificate of trust, the form of the second amended and restated trust agreement and the form of capital security certificate, which we filed as exhibits to the registration statement of which the accompanying prospectus is a part.*

The capital securities represent undivided beneficial ownership interests in the assets of USB Capital VIII. The only assets of USB Capital VIII will be the ICONs. The capital securities will rank equally with the common securities except as described below under the caption *Subordination of Common Securities* in this section.

**Distributions**

As an undivided beneficial owner in the ICONs, you will receive distributions on the capital securities that are cumulative and will accumulate from the date of issuance at the annual rate of % of the liquidation amount of \$ for each capital security. Interest on the ICONs will accrue and, as a result, distributions on the capital securities will accumulate and will be payable quarterly in arrears on March , June , September and December of each year, beginning March , 2006. The amount of distributions payable for any period will be computed on the basis of a 360-day year comprised of twelve 30-day months. The amount of distributions payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month.

Interest not paid when due will accrue additional interest at the annual rate of % (which rate will be equal to the annual interest rate on the ICONs) on the amount of unpaid interest, compounded quarterly, to the extent permitted by applicable law. As a result, distributions not paid when due will accumulate additional distributions at the annual rate of % on the amount of unpaid distributions, compounded quarterly, to the extent permitted by applicable law. When we refer to any payment of distributions, the term *distributions* includes any such additional accumulated distributions.

If distributions are payable on a date that is not a business day, payment will be made on the next business day and without any interest or other payment as a result of such delay. A business day means each day except Saturday, Sunday and any day on which banking institutions in The City of New York are authorized or required by law to close or on which the corporate trust office of the property trustee or the indenture trustee is closed for business.

USB Capital VIII's income available for the payment of distributions will be limited to our payments made on the ICONs. As a result, if we do not make interest payments on the ICONs, then USB Capital VIII will not have funds to make distributions on the capital securities.

**Deferral of Distributions**

If the ICONs are not in default, we can, on one or more occasions, defer the quarterly interest payments on the ICONs for one or more periods (each, an *Optional Deferral Period* ) of up to 20 consecutive quarters, or five years. A deferral of interest payments cannot extend, however, beyond the maturity date of the ICONs. If we defer interest payments on the ICONs, USB Capital VIII also will defer distributions on the capital securities. During an *Optional Deferral Period*, interest on the ICONs will accrue and compound quarterly at the annual rate of %, to the extent permitted by applicable law, and, as a result, distributions otherwise due to you would continue to accumulate from the date that these distributions were due.

Once we make all deferred interest payments on the ICONs, including all accrued interest, we again can defer interest payments on the ICONs in the same manner as discussed above, but not beyond the maturity date of the ICONs. As a result, there could be multiple periods of varying length during which you would not receive cash distributions from USB Capital VIII. In addition, we will be prohibited from paying interest, except from the net proceeds of certain sales of our common stock and/or perpetual non-cumulative preferred stock, in the

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circumstances described under **Certain Terms of the ICONs Obligations After Five Years of Optional Deferral**. Our use of other sources to fund interest payments would be a breach of our obligations under the ICONs, but would not be an event of default under the indenture.

We currently do not intend to defer interest payments on the ICONs. If we defer such interest payments, however, neither we nor our subsidiaries generally will be permitted to pay dividends on or repurchase shares of our capital stock or make payments on debt securities or guarantees that rank equal or junior to the ICONs and the guarantee. These limitations are described in greater detail below under the caption **Certain Terms of the ICONs Option to Defer Interest Payments** in this prospectus supplement.

If we choose to defer payments of interest on the ICONs, then the ICONs would at that time be treated as being issued with original issue discount for United States federal income tax purposes. This means you will be required to include your share of the accrued but unpaid interest on the ICONs in your gross income for United States federal income tax purposes before you receive cash distributions from USB Capital VIII. This treatment will apply as long as you own capital securities. For more information, see below under the caption **Certain United States Federal Income Tax Consequences Interest Income and Original Issue Discount** in this prospectus supplement.

We will provide to the trust written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date, and any such notice will be forwarded promptly by the trust to each holder of record of capital securities. In addition, we will be excused from our obligations under the Alternative Payment Mechanism in respect of any interest payment date if we provide written certification to the trust (which the trust will promptly forward upon receipt to each holder of record of trust preferred securities) no more than 20 and no less than 10 business days in advance of that interest payment date certifying as to the matters regarding the occurrence of a Market Disruption Event described under **Certain Terms of the ICONs Alternative Payment Mechanism**.

During any period in which we defer interest payments on the ICONs, we will not and our subsidiaries will not do any of the following, with certain limited exceptions:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities (including other ICONs) that rank equally with or junior in interest to the ICONs; or

make any guarantee payments on any guarantee of debt securities of any of our subsidiaries (including under other guarantees of ICONs) if the guarantee ranks equally with or junior in interest to the ICONs, except in some circumstances.

**Payment of Distributions**

Distributions on the capital securities will be payable to holders on the relevant record date. If the capital securities are issued in the form of global securities, as is expected, the record date for determining who will receive distributions on the capital securities will be the business day preceding the payment date for such distributions; otherwise the record date will be the fifteenth day preceding the payment date for such distributions. For more information on global securities, see **Global Securities; Book-Entry Issue** below, and under the caption **Book-Entry Issuance** in the accompanying prospectus. Distributions payable on any capital securities that are not paid on the scheduled distribution date will cease to be payable to the person in whose name such capital securities are registered on the relevant record date, and such distribution will instead be payable to the person in whose name such capital securities are registered on a special record date set for this purpose.

Payments on the capital securities while they are in book-entry form will be made in immediately available funds to DTC, the depositary for the capital securities.

**Table of Contents****Redemption**

As described further below under Certain Terms of the ICONs Redemption, we may redeem the ICONs before their maturity at 100% of their principal amount plus accrued and unpaid interest:

in whole or in part, on one or more occasions at any time on or after December , 2010; or

in whole at any time if certain changes occur in tax or investment company laws and regulations, or in the treatment of the capital securities as Tier 1 capital of U.S. Bancorp for purposes of the capital guidelines of the Federal Reserve Board. These events, which we refer to as Special Events, are described in detail below under the caption Certain Terms of the ICONs Redemption Redemption Upon a Special Event.

We may not redeem the ICONs unless we receive the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board.

When we repay the ICONs, either at maturity on December , 2065, or upon early redemption (as discussed above), USB Capital VIII will use the cash it receives from the repayment or redemption of the ICONs to redeem a corresponding amount of the capital securities and common securities. The redemption price for the capital securities will be equal to the liquidation amount, \$ per capital security, plus accumulated but unpaid distributions on the capital securities to the redemption date. For more information, see Certain Terms of the ICONs Redemption.

***Redemption Procedures***

USB Capital VIII will give you at least 30 days but not more than 60 days notice before any redemption of capital securities. To the extent funds are available for payment, USB Capital VIII will irrevocably deposit with DTC sufficient funds to pay the redemption amount for the capital securities being redeemed. USB Capital VIII also will give DTC irrevocable instructions and authority to pay the redemption amount to its participants. Any distribution to be paid on or before a redemption date for any capital securities called for redemption will be payable to the registered holders on the record date for the distribution.

Once notice of redemption is given and USB Capital VIII irrevocably deposits the redemption amount, additional distributions on the capital securities will cease to accumulate from and after the redemption date. In addition, all rights of the holders of the capital securities called for redemption will cease, except for the right to receive distributions payable prior to the redemption date and the redemption amount.

If any redemption date is not a business day, the redemption amount will be payable on the next business day, without any interest or other payment in respect of any such delay.

If payment of the redemption amount for any capital securities called for redemption is not paid because the payment of the redemption price on the ICONs is not made, interest on the ICONs will continue to accrue from the originally scheduled redemption date to the actual date of payment, and, as a result, distributions on the capital securities will continue to accumulate.

In addition, we may and our affiliates may, at any time, purchase outstanding capital securities by tender, in the open market or by private agreement.

**Optional Liquidation of USB Capital VIII and Distribution of ICONs**

We may dissolve USB Capital VIII at any time, and after satisfying the creditors of USB Capital VIII, may cause the ICONs to be distributed to the holders of the common securities and the capital securities on a proportionate basis. We may not dissolve USB Capital VIII, however, unless we first receive:

the approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board; and

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an opinion of independent counsel that the distribution of the ICONs will not be taxable to the holders for United States federal income tax purposes.

See below under the caption "Certain Terms of the ICONs - Distribution of ICONs" in this prospectus supplement.

If we elect to dissolve USB Capital VIII, thus causing the ICONs to be distributed to the holders of the common securities and the capital securities on a proportionate basis, we will continue to have the right to redeem the ICONs in certain circumstances as described above.

### **Subordination of Common Securities**

Payment of distributions or any redemption or liquidation amounts by USB Capital VIII regarding the capital securities and the common securities will be made proportionately based on the total liquidation amounts of the securities. However, if we are in default under the ICONs, USB Capital VIII will make no payments on the common securities until all unpaid amounts on the capital securities have been provided for or paid in full.

### **Trust Enforcement Events**

An event of default under the indenture constitutes an event of default under the amended and restated trust agreement. We refer to such an event as a "Trust Enforcement Event." For more information on events of default under the indenture, see "Certain Terms of the ICONs - Events of Default" in this prospectus supplement. Upon the occurrence and continuance of a Trust Enforcement Event, the property trustee, as the sole holder of the ICONs, will have the right under the indenture to declare the principal amount of the ICONs due and payable. The amended and restated trust agreement does not provide for any other events of default.

If the property trustee fails to enforce its rights under the ICONs, any holder of capital securities may, to the extent permitted by applicable law, institute a legal proceeding against us to enforce the property trustee's rights under the ICONs and the indenture without first instituting legal proceedings against the property trustee or any other person. In addition, if a Trust Enforcement Event is due to our failure to pay interest or principal on the ICONs when due, then the registered holder of capital securities may institute a direct action on or after the due date directly against us for enforcement of payment to that holder of the principal of or interest on the ICONs having a principal amount equal to the total liquidation amount of that holder's capital securities. In connection with such a direct action, we will have the right under the indenture to set off any payment made to that holder by us. The holders of capital securities will not be able to exercise directly any other remedy available to the holders of the ICONs.

Pursuant to the amended and restated trust agreement, the holder of the common securities will be deemed to have waived any Trust Enforcement Event regarding the common securities until all Trust Enforcement Events regarding the capital securities have been cured, waived or otherwise eliminated. Until all Trust Enforcement Events regarding the capital securities have been so cured, waived or otherwise eliminated, the property trustee will act solely on behalf of the holders of the capital securities and only the holders of the capital securities will have the right to direct the enforcement actions of the property trustee.

### **Voting Rights**

Holders of capital securities will have only limited voting rights. In particular, holders of capital securities may not elect or remove any trustee, except when there is a default under the ICONs. If such a default occurs, a majority in liquidation amount of the holders of the capital securities would be entitled to remove or appoint the property trustee and the Delaware trustee.

### **Remedies**

So long as any ICONs are held by the property trustee, the holders of a majority of all outstanding capital securities will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee, or to direct the exercise of any power conferred upon the property trustee under the amended and restated trust agreement, including the right to direct the property trustee, as holder of the ICONs to:

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exercise the remedies available to it under the indenture as a holder of the ICONs, including the right to rescind or annul a declaration that the principal of all the ICONs will be due and payable;

consent to any amendment, modification or termination of the indenture or the ICONs, guarantee or other applicable transaction document where consent is required; or

waive any past default that is waivable under the indenture.

However, where a consent or action under the indenture would require the consent or action of the holders of more than a majority of the total principal amount of ICONs affected by it, only the holders of that greater percentage of the capital securities may direct the property trustee to give the consent or to take such action. See Description of Capital Securities Voting Rights; Amendment of Each Trust Agreement in the accompanying prospectus.

If an event of default under the indenture has occurred and is continuing, the holders of 25% of the total liquidation amount of the capital securities may direct the property trustee to declare the principal and interest on the ICONs due and payable.

**Meetings**

Any required approval of holders of capital securities may be given at a meeting of holders of capital securities convened for such purpose or pursuant to written consent. The property trustee will cause a notice of any meeting at which holders of capital securities are entitled to vote to be given to each holder of record of capital securities in the manner described in the amended and restated trust agreement.

No vote or consent of the holders of capital securities will be required for USB Capital VIII to redeem and cancel its capital securities in accordance with the amended and restated trust agreement.

**Global Securities; Book-Entry Issue**

We expect that the capital securities will be issued in the form of global securities held by The Depository Trust Company as described under the caption Book-Entry Issuance in the accompanying prospectus.

**Information Concerning the Property Trustee**

The property trustee, other than during the occurrence and continuance of a Trust Enforcement Event, undertakes to perform only the duties that are specifically described in the amended and restated trust agreement and, after a Trust Enforcement Event which has not been cured or waived, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his own affairs. Subject to this provision, the property trustee is under no obligation to exercise any of the powers vested in it by the amended and restated trust agreement at the request of any holder of capital securities unless it is offered reasonable security and indemnity against the costs, expenses and liabilities that might be incurred in connection with taking that action.

**Table of Contents****CERTAIN TERMS OF THE ICONS**

*We have summarized below certain terms of the ICONs. This summary supplements the general description of these securities under the caption "Description of Junior Subordinated Debt Securities" and elsewhere in the accompanying prospectus. To the extent that this summary is inconsistent with the description in the accompanying prospectus, you should rely on the summary below. This summary is not a complete description of all of the terms and provisions of the ICONs. For more information, we refer you to the Junior Subordinated Indenture, dated as of April 28, 2005, which was filed as an exhibit to the registration statement of which the accompanying prospectus is a part, as supplemented from time to time, and the form of the ICONs, which we will file with the SEC.*

The ICONs will be issued pursuant to an indenture between us and Wilmington Trust Company (as successor to Delaware Trust Company, National Association) as indenture trustee. The indenture provides for the issuance from time to time of ICONs, such as the ICONs, in an unlimited dollar amount and an unlimited number of series.

**Interest Rate and Maturity**

The ICONs will bear interest at the annual rate of  $\quad\%$ , payable quarterly in arrears on March  $\quad$ , June  $\quad$ , September and December  $\quad$  of each year, beginning March  $\quad$ , 2006. Interest payments not paid when due will themselves accrue additional interest at the annual rate of  $\quad\%$  (which rate will be equal to the annual interest rate on the ICONs) on the amount of unpaid interest, to the extent permitted by law, compounded quarterly. The amount of interest payable for any period will be computed based on a 360-day year comprised of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month. The distribution provisions of the capital securities correspond to the interest payment provisions for the ICONs because the capital securities represent undivided beneficial ownership interests in the ICONs.

The ICONs do not have a sinking fund. This means that we are not required to make any principal payments prior to maturity.

The ICONs will mature on December  $\quad$ , 2065.

**Ranking of the ICONs and Guarantee**

Our payment obligations under the ICONs and the guarantee will be unsecured and will rank junior and be subordinated in right of payment and upon liquidation to all of our current and future indebtedness, including, among other things, indebtedness for borrowed money, indebtedness evidenced by bonds, debentures, notes or similar instruments, similar obligations arising from off-balance sheet guarantees and direct credit substitutes, obligations associated with derivative products including but not limited to interest rate and foreign exchange contracts and forward contracts related to mortgages, commodity contracts, capitalized lease obligations, and guarantees of any of the foregoing, but not including trade account payables and accrued liabilities arising in the ordinary course of business; provided, however, that the ICONs and the guarantee will rank equally in right of payment with any Pari Passu Securities.

Pari Passu Securities means (i) indebtedness that, among other things, (a) qualifies or is issued to financing vehicles issuing securities that qualify as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board and (b) by its terms ranks equally with the ICONs in right of payment and upon liquidation; and (ii) guarantees of indebtedness described in clause (i) or securities issued by one or more financing vehicles described in clause (i). Pari Passu Securities does not include our junior subordinated debentures or guarantees issued in connection with our currently outstanding trust preferred securities, each of which will rank senior to the capital securities being issued by USB Capital VIII.

As a holding company, our assets primarily consist of the equity securities of our subsidiaries. As a result, the ability of holders of the ICONs to benefit from any distribution of assets of any subsidiary upon the liquidation or reorganization of such subsidiary is subordinate to the prior claims of present and future creditors of that subsidiary.

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The capital securities, the ICONs and the guarantee do not limit our or our subsidiaries' ability to incur additional debt, including debt that ranks senior in priority of payment to the ICONs and the guarantee. At September 30, 2005, our indebtedness and obligations, on an unconsolidated basis, totaled approximately \$12 billion. In addition, the ICONs will be effectively subordinated to all of our subsidiaries' existing and future indebtedness and other obligations, including, but not limited to, obligations to depositors. At September 30, 2005, our subsidiaries' direct borrowings and deposit liabilities totaled approximately \$173 billion.

**Redemption**

We may redeem the ICONs before their maturity at 100% of their principal amount plus accrued and unpaid interest:

in whole or in part, on one or more occasions at any time on or after December 31, 2010; or

in whole at any time if certain changes occur in tax or investment company laws and regulations, or in the treatment of the capital securities as Tier 1 capital of U.S. Bancorp under the capital guidelines of the Federal Reserve Board. These events, which we refer to as Special Events, are described in detail below under the caption *Redemption Upon a Special Event*.

We may not redeem the ICONs unless we receive the prior approval of the Federal Reserve Board to do so, if such approval is then required by the Federal Reserve Board.

**General**

When we repay the ICONs, either at maturity on December 31, 2065 or upon early redemption (as discussed above), USB Capital VIII will use the cash it receives from the repayment or redemption of the ICONs to redeem a corresponding amount of the capital securities and common securities. The redemption price for the capital securities will be equal to the liquidation amount, \$ 100 per capital security, plus accumulated but unpaid distributions on the capital securities to the redemption date.

If less than all the capital securities and the common securities are redeemed, the total amount of the capital securities and the common securities to be redeemed will be allocated proportionately among the capital securities and common securities, unless an event of default under the ICONs or similar event has occurred, as described above under the caption *Certain Terms of the Capital Securities - Subordination of Common Securities*.

If we do not elect to redeem the ICONs, then the capital securities will remain outstanding until the repayment of the ICONs unless we liquidate USB Capital VIII and distribute the ICONs to you. For more information, see *Certain Terms of the Capital Securities - Optional Liquidation of USB Capital VIII and Distribution of ICONs*.

**Redemption Upon a Special Event**

If a Special Event has occurred and is continuing, and we cannot cure that event by some reasonable action, then we may redeem the ICONs within 90 days following the occurrence of the Special Event. A Special Event means, for these purposes, the occurrence of a Tax Event, a Regulatory Capital Event or an Investment Company Event. We summarize each of these events below.

A Tax Event means that either we or USB Capital VIII will have received an opinion of counsel (which may be our counsel or counsel of an affiliate but not an employee and which must be reasonably acceptable to the property trustee) experienced in tax matters stating that, as a result of any:

amendment to, or change (including any announced prospective change) in, the laws (or any regulations under those laws) of the United States or any political subdivision or taxing authority affecting taxation; or

interpretation or application of the laws, enumerated in the preceding bullet point, or regulations by any court, governmental agency or regulatory authority,

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there is more than an insubstantial risk that:

USB Capital VIII is, or will be within 90 days of the date of the opinion of counsel, subject to U.S. federal income tax on interest received on the ICONs;

interest payable by us to USB Capital VIII on the ICONs is not, or will not be within 90 days of the date of the opinion of counsel, deductible, in whole or in part, for U.S. federal income tax purposes; or

USB Capital VIII is, or will be within 90 days of the date of the opinion of counsel, subject to more than a minimal amount of other taxes, duties, assessments or other governmental charges.

A **Regulatory Capital Event** means the reasonable determination by us that, as a result of any: amendment to, or change (including any prospective change) in, the laws or any applicable regulation of the United States or any political subdivision; or

as a result of any official or administrative pronouncement or action or judicial decision interpreting or applying the laws or regulations, which amendment is effective or announced on or after the date of issuance the capital securities,

there is more than an insubstantial risk of impairment of our ability to treat the capital securities (or any substantial portion) as Tier 1 capital for purposes of the capital guidelines of the Federal Reserve Board.

An **Investment Company Event** means the receipt by us and USB Capital VIII of an opinion of counsel experienced in matters relating to investment companies to the effect that, as a result of any: change in law or regulation; or

change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority,

USB Capital VIII is or will be considered an investment company that is required to be registered under the Investment Company Act, which change becomes effective on or after the original issuance of the capital securities.

***Redemption Procedures***

Notices of any redemption of the ICONs and the procedures for that redemption shall be the same as those described for the redemption of the trust preferred securities under **Certain Terms of the Capital Securities Redemption** **Redemption Procedures**. Notice of any redemption will be given at least 30 days but not more than 60 days before the redemption date to each holder of ICONs at its registered address.

**Distribution of the ICONs**

If the property trustee distributes the ICONs to the holders of the capital securities and the common securities upon the liquidation of USB Capital VIII, we will cause the ICONs to be issued in denominations of \$ principal amount and integral multiples thereof. We anticipate that the ICONs would be distributed in the form of one or more global securities and that DTC would act as depository for the ICONs. The depository arrangements for the ICONs would be substantially the same as those in effect for the capital securities.

For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemption and other notices and other matters, see **Book-Entry Issuance** in the accompanying prospectus.

**Option to Defer Interest Payments**

We can defer quarterly interest payments on the ICONs for one or more Optional Deferral Periods for up to 20 consecutive quarters, or five years, if the ICONs are not in default. A deferral of interest payments cannot extend,

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however, beyond the maturity date of the ICONs. During the Optional Deferral Period, interest will continue to accrue on the ICONs, compounded quarterly, and deferred interest payments will accrue additional interest at % (which rate will be equal to the annual interest rate on the ICONs) to the extent permitted by applicable law. No interest will be due and payable on the ICONs until the end of the Optional Deferral Period except upon a redemption of the ICONs during a deferral period.

We may pay at any time all or any portion of the interest accrued to that point during a deferral period. At the end of the deferral period or on any redemption date, we will be obligated to pay all accrued and unpaid interest (subject as described under Obligations After Five Years of Optional Deferral below).

Once we pay all accrued and unpaid interest on the ICONs, we again can defer interest payments on the ICONs as described above, provided that a deferral period cannot extend beyond the maturity date of the ICONs.

### ***Certain Limitations During a Deferral Period***

During any deferral period, we will not and our subsidiaries will not be permitted to:

declare or pay any dividends or distributions, or redeem, purchase, acquire, or make a liquidation payment on any of our capital stock;

make any payment of principal of or interest or premium, if any, on or repay, repurchase or redeem any of our debt securities (including other ICONs or other junior subordinated debt) that rank equally with or junior in interest to the ICONs; or

make any guarantee payments on any guarantee of debt securities of any of our subsidiaries (including under other guarantees of ICONs or other junior subordinated debt) if the guarantee ranks equally with or junior in interest to the ICONs.

However, at any time, including during a deferral period, we will be permitted to:

pay dividends or distributions in additional shares of our capital stock;

make payments under the guarantee of the series of the capital securities and the common securities;

declare or pay a dividend in connection with the implementation of a shareholders rights plan, or issue stock under such a plan or repurchase such rights; and

purchase common stock for issuance pursuant to any employee benefit plans.

### ***Notice***

We will provide to USB Capital VIII written notice of any optional deferral of interest at least 10 and not more than 60 business days prior to the applicable interest payment date, and any such notice will be forwarded promptly by the trust to each holder of record of capital securities.

If we defer interest for a period of five consecutive years from the commencement of an Optional Deferral Period, we will be required to pay all accrued and unpaid interest from the proceeds of the issuance of common stock and/or perpetual non-cumulative preferred stock pursuant to the Alternative Payment Mechanism, as described below under Obligations After Five Years of Optional Deferral. We may pay the accrued and unpaid interest at any time during an Optional Deferral Period.

### ***Obligations After Five Years of Optional Deferral***

If we fail to pay all accrued and unpaid interest on the ICONs for a period of five consecutive years following the commencement of an Optional Deferral Period, we will notify the Federal Reserve Board and

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unless we notify the trust that a Market Disruption Event (as defined below) has occurred, we will be required to sell our common stock and/or perpetual non-cumulative preferred stock pursuant to the Alternative Payment Mechanism and use the net proceeds of those sales to pay all accrued and unpaid interest on the ICONs on or prior to the next interest payment date, in each case as described under **Alternative Payment Mechanism** ; and

we will be prohibited from paying interest on the ICONs from any other source until all accrued and unpaid interest has been paid pursuant to the Alternative Payment Mechanism.

Our use of other sources to fund interest payments would be a breach of our obligations under the ICONs, but would not be an event of default under the indenture. In addition, our failure to pay interest on the ICONs for an additional period of up to five consecutive years following an Optional Deferral Period will not constitute an event of default under the indenture if we notify the trust that a Market Disruption Event has occurred. See below under the caption **Market Disruption Events** in this section. However, an event of default under the indenture will occur, notwithstanding the occurrence of any Market Disruption Event, if we fail to pay all accrued and unpaid interest for a period of more than ten consecutive years after the commencement of an Optional Deferral Period.

### **Alternative Payment Mechanism**

Subject to the exclusion described in **Market Disruption Events** below, if we have optionally deferred interest payments otherwise due on the ICONs for a period of more than five consecutive years, we will be required to sell our common stock and/or perpetual non-cumulative preferred stock until we have raised an amount of Eligible Equity Proceeds at least equal to the aggregate amount of interest on the ICONs that will be accrued and unpaid as of the next interest payment date. We have agreed to pay all accrued and unpaid interest on the ICONs on the next interest payment date to the extent, and only to the extent, of those Eligible Equity Proceeds, provided that our use of other sources of funds to pay interest payments would not, by itself, be an event of default under the indenture that would permit the trust or holders of capital securities to accelerate the ICONs.

For each interest payment date, **Eligible Equity Proceeds** means the net proceeds (after underwriters or placement agents fees, commissions or discounts and other expenses relating to the issuances) we have received during the 180-day period prior to that interest payment date from the sale or offering of any combination of the following equity securities to persons that are not our affiliates:

shares of our common stock, including treasury shares and shares of common stock sold pursuant to our dividend reinvestment plan and employee benefit plans; and/or

shares of our perpetual non-cumulative preferred stock;

provided, in each case, that we have obtained the prior approval of the Federal Reserve Board for the issuance and sale of such securities.

### **Market Disruption Events**

A **Market Disruption Event** means the occurrence or existence of any of the following events or sets of circumstances:

trading in securities generally on the New York Stock Exchange or any other national securities exchange or over-the-counter market on which our common stock and/or preferred stock is then listed or traded shall have been suspended or its settlement generally shall have been materially disrupted;

we would be required to obtain the consent or approval of a regulatory body (including, without limitation, any securities exchange) or governmental authority to issue shares of our common stock and/or perpetual non-cumulative preferred stock, and we fail to obtain that consent or approval notwithstanding our commercially reasonable efforts to obtain that consent or approval (including, without limitation, failing to obtain approval for such issuance from the Federal Reserve Board after having given notice to the Federal Reserve Board as required under the indenture); or

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an event occurs and is cont