US BANCORP \DE\
Form DEF 14A
March 04, 2002

QuickLinks -- Click here to rapidly navigate through this document

SCHEDULE 14A INFORMATION

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

Filed by the Registrant /X/
Filed by a party other than the Registrant / /

Check the appropriate box:
/ / Preliminary Proxy Statement
/ / **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
/X/ Definitive Proxy Statement
/ / Definitive Additional Materials
/ / Soliciting Material Pursuant to § 240.14a-12

U.S. BANCORP

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):

/X/ No fee required
/ / Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

/ / Fee paid previously with preliminary materials.

/ / Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

225 South Sixth Street
Minneapolis, Minnesota 55402
(612) 973-1111

March 8, 2002

Dear Shareholders:

You are cordially invited to join us for our 2002 annual meeting of shareholders, which will be held on Tuesday, April 16, 2002, at 11:00 a.m., Central Time, at the America's Center, 701 Convention Plaza in downtown St. Louis, Missouri. For your convenience, a map showing the location of the America's Center is provided on the back of the accompanying proxy statement. Holders of record of our common stock as of February 22, 2002 are entitled to notice of and to vote at the 2002 annual meeting.

The Notice of Annual Meeting of Shareholders and the proxy statement that follow describe the business to be conducted at the meeting. We also will report on matters of current interest to our shareholders.

We hope you will be able to attend the meeting. However, even if you plan to attend in person, please vote your shares promptly to ensure they are represented at the meeting. You may submit your proxy vote by telephone or Internet as described in the following materials or by completing and signing the enclosed proxy card and returning it in the envelope provided. If you decide to attend the meeting and wish to change your proxy vote, you may do so automatically by voting in person at the meeting.

If your shares are held in the name of a broker, trust, bank or other nominee, you will need proof of ownership to be admitted to the meeting, as described under "How can I attend the meeting?" on page 4 of the proxy statement.

We look forward to seeing you at the annual meeting.

Sincerely,

Jerry A. Grundhofer	John F. Grundhofer
President and Chief Executive Officer	*Chairman*

225 South Sixth Street
Minneapolis, Minnesota 55402
(612) 973-1111

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

Date and Time:	Tuesday, April 16, 2002, at 11:00 a.m. Central Time
Place:	America's Center 701 Convention Plaza St. Louis, Missouri
Items of Business:	1. The election of six directors, each for a three-year term. 2. The ratification of the selection of PricewaterhouseCoopers LLP as U.S. Bancorp's independent auditors for the fiscal year ending December 31, 2002. 3. A shareholder proposal to require simple majority voting. 4. Any other business that may properly be considered at the meeting or any adjournment of the meeting.
Record Date:	You may vote at the meeting if you were a shareholder of record at the close of business on February 22, 2002.
Voting by Proxy:	If you cannot attend the annual meeting in person, you may vote your shares by telephone or via the Internet by no later than 7:00 p.m. Eastern Time on April 15, 2002 (as directed on the enclosed proxy card), or by completing, signing and promptly returning the enclosed proxy card. We encourage you to vote by telephone or via the Internet in order to reduce our mailing and handling expenses. If you choose to submit your proxy by mail, we have enclosed an envelope addressed to U.S. Bank for which no postage is required if mailed in the United States.

By Order of the Board of Directors

Lee R. Mitau
Secretary

March 8, 2002

PROXY STATEMENT

TABLE OF CONTENTS

PROXY STATEMENT
2002 ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD APRIL 16, 2002

The Board of Directors of U.S. Bancorp is soliciting proxies for use at the annual meeting of shareholders to be held on April 16, 2002, and at any adjournment of the meeting. This proxy statement and the enclosed form of proxy are first being mailed or given to shareholders on or about March 8, 2002.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

What is the purpose of the meeting?

At our annual meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting of Shareholders. These include the election of directors, ratification of the selection of our independent auditors, and consideration of a shareholder proposal. Also, management will report on our performance during the last fiscal year and respond to questions from shareholders.

Who is entitled to vote at the meeting?

The Board has set February 22, 2002 as the record date for the annual meeting. If you were a shareholder of record at the close of business on February 22, 2002, you are entitled to vote at the meeting.

As of the record date, 1,908,485,712 shares of common stock were issued and outstanding and, therefore, eligible to vote at the meeting.

What are my voting rights?

Holders of our common stock are entitled to one vote per share. Therefore, a total of 1,908,485,712 votes are entitled to be cast at the meeting. There is no cumulative voting.

How many shares must be present to hold the meeting?

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

- you are present and vote in person at the meeting; *or*
- you have properly submitted a proxy card by mail, by telephone or over the Internet.

How do I vote my shares?

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

- over the telephone by calling a toll-free number;
- electronically, using the Internet; or
- by completing, signing and mailing the enclosed proxy card.

The telephone and Internet voting procedures have been set up for your convenience. The procedures have been designed to authenticate your identity, to allow you to give voting instructions, and to confirm that those instructions have been recorded properly. If you are a shareholder of record and you would like to submit your proxy by telephone or Internet, please refer to the specific instructions provided on the enclosed proxy card. If you wish to vote using a paper format, please return your signed proxy to us before the annual meeting.

If you hold your shares in "street name," you must vote your shares in the manner prescribed by your broker or nominee. Your broker or nominee has enclosed or otherwise provided a voting instruction card for you to use in directing the broker or nominee how to vote your shares.

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

If your shares are registered directly in your name, you are considered the shareholder of record with respect to those shares.

If your shares are held in a stock brokerage account or by a bank or other nominee, then the brokerage firm, bank or other nominee is considered to be the shareholder of record with respect to those shares. However, you still are considered the beneficial owner of those shares, and your shares are said to be held in "street name." Street name holders generally cannot vote their shares directly and must instead instruct the brokerage firm, bank or other nominee how to vote their shares using the method described above under "How do I vote my shares?"

How do I vote if my shares are held in the U.S. Bancorp 401(k) Savings Plan or other plans of U.S. Bancorp?

If you hold any shares in the U.S. Bancorp 401(k) Savings Plan or other plans of U.S. Bancorp, your completed proxy card or telephone or Internet proxy vote will serve as voting instructions to the plan trustee. However, your voting instructions must be received at least 10 days prior to the annual meeting in order to count. In accordance with the terms of the plans, the trustee will vote all of the shares held in the plans in the same proportion as the actual proxy votes submitted by plan participants at least 10 days prior to the annual meeting.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means that you hold shares registered in more than one account. To ensure that all of your shares are voted, sign and return each proxy card or, if you submit your proxy vote by telephone or via the Internet, vote once for each proxy card you receive.

Can I vote my shares in person at the meeting?

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

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

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

What vote is required for the election of directors or for a proposal to be approved?

The affirmative vote of a majority of the voting power of the common stock present and entitled to vote at the meeting is required for the election of each director and for the approval of each proposal.

How are votes counted?

You may either vote "FOR" or "WITHHOLD" authority to vote for each nominee for the Board of Directors. You may vote "FOR," "AGAINST" or "ABSTAIN" on the other proposals.

If you submit your proxy but abstain from voting or withhold authority to vote, your shares will be counted as present at the meeting for the purpose of determining a quorum. Your shares also will be counted as present at the meeting for the purpose of calculating the vote on the particular proposal or the election of directors.

If you abstain from voting on the proposals, your abstention has the same effect as a vote against those proposals. If you withhold authority to vote for one or more of the directors, this has the same effect as a vote against those directors.

If you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote under the rules of the New York Stock Exchange, Inc. In this situation, a "broker non-vote" occurs. Shares that constitute broker non-votes will be counted as present at the meeting for the purpose of determining a quorum, but are not considered as entitled to vote on the proposal in question. This effectively reduces the number of shares needed to approve the proposal.

How does the Board recommend that I vote?

The Board of Directors recommends a vote:

FOR all of the nominees for director;

FOR the ratification of the selection of PricewaterhouseCoopers LLP as U.S. Bancorp's independent auditors for the fiscal year ending December 31, 2002; and

AGAINST the shareholder proposal.

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

If you do not specify how you want to vote your shares on your proxy card or when giving your proxy by telephone or via the Internet, we will vote them:

FOR all of the nominees for director;

FOR the ratification of the selection of PricewaterhouseCoopers LLP as U.S. Bancorp's independent auditors for the fiscal year ending December 31, 2002; and

AGAINST the shareholder proposal.

Can I change my vote after submitting my proxy?

Yes. You may revoke your proxy and change your vote at any time before your proxy is voted at the annual meeting, in any of the following ways:

by sending a written notice of revocation to the Secretary of U.S. Bancorp;

by submitting a later-dated proxy to the Secretary of U.S. Bancorp;

by submitting a later-dated proxy by telephone or via the Internet; or

by voting in person at the meeting.

How can I attend the meeting?

Shareholders may be asked to present valid picture identification, such as a driver's license or passport, before being admitted to the meeting. If you hold your shares in street name, you also will need proof of ownership to be admitted to the meeting. A recent brokerage statement or letter from the broker or bank are examples of proof of ownership.

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

Who pays for the cost of proxy preparation and solicitation?

U.S. Bancorp pays for the cost of proxy preparation and solicitation, including the reasonable charges and expenses of brokerage firms, banks or other nominees for forwarding proxy materials to street name holders. We have retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for the annual meeting for a fee of approximately $11,500, plus associated costs and expenses.

We are soliciting proxies primarily by mail. In addition, our directors, officers and regular employees may solicit proxies by telephone or facsimile or personally. These individuals will receive no additional compensation for their services other than their regular salaries.

Can I receive future proxy statements and annual reports electronically instead of receiving paper copies through the mail?

Yes. If you are a shareholder of record or if your shares are held in our 401(k) Savings Plan or other plans of U.S. Bancorp, you may request and consent to electronic delivery of future proxy statements and annual reports by accessing the Web site www.econsent.com/usb. If your shares are held in street name, please contact your broker or bank and ask about the availability of electronic delivery.

SECURITY OWNERSHIP OF BENEFICIAL OWNERS AND MANAGERS

The following table shows how many shares of our common stock were beneficially owned as of February 8, 2002, by each of our directors, director nominees and executive officers named in the Summary Compensation Table in this proxy statement, and by all of our directors and executive officers as a group. To the best of our knowledge, no shareholder beneficially owned more than 5% of our common stock as of February 8, 2002.

Unless otherwise noted, the shareholders listed in the table have sole voting and investment powers with respect to the shares of common stock owned by them.

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(1)	Percent of Common Stock Outstanding
Linda L. Ahlers	55,847	*
Victoria Buyniski Gluckman	126,038(2)(3)	*

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership[1]	Percent of Common Stock Outstanding
Arthur D. Collins, Jr.	56,635	*
Peter H. Coors	59,268	*
John C. Dannemiller	140,100[3]	*
Richard K. Davis	1,265,128[3][4]	*
Andrew S. Duff	762,523[5]	*
Joshua Green III	20,212,428[6]	1.06%
Jerry A. Grundhofer	5,480,249[3][7]	*
John F. Grundhofer	5,786,832[8]	*
J.P. Hayden, Jr.	2,634,905[9]	*
Roger L. Howe	548,880	*
Thomas H. Jacobsen	3,117,957[10]	*
Delbert W. Johnson	79,930	*
Joel W. Johnson	32,247	*
Jerry W. Levin	65,987	*
Sheldon B. Lubar	254,042[3][11]	*
Frank Lyon, Jr.	14,169,470[12]	*
Daniel F. McKeithan, Jr.	92,248[13]	*
David M. Moffett	1,176,064[3][14]	*
David B. O'Maley	882,817[3][15]	*
O'dell M. Owens, M.D.	101,827[3]	*
Thomas E. Petry	273,017[3]	*
Richard G. Reiten	35,469[3]	*
S. Walter Richey	120,468[16]	*
Craig D. Schnuck	56,482[17]	*
Warren R. Staley	32,388	*
Patrick T. Stokes	32,342[3]	*
John J. Stollenwerk	62,241[3][18]	*
All directors and executive officers as a group (37 persons)	62,193,506[19]	3.23%

* Indicates less than 1%.

(1) Includes the following shares subject to options exercisable within 60 days: Ms. Ahlers, 45,275 shares; Ms. Buyniski Gluckman, 96,080 shares; Mr. Collins, 47,794 shares; Mr. Coors, 48,108 shares; Mr. Dannemiller, 93,536 shares; Mr. Davis, 1,091,228 shares; Mr. Duff, 628,851 shares; Mr. Green, 46,023 shares; Mr. Jerry A. Grundhofer, 4,472,766 shares; Mr. John F. Grundhofer, 4,614,509 shares; Mr. Hayden, 58,565 shares; Mr. Howe, 58,743 shares; Mr. Jacobsen, 2,814,422 shares; Mr. Delbert Johnson, 49,118 shares; Mr. Joel Johnson, 28,132 shares; Mr. Levin, 48,586

shares; Mr. Lubar, 22,436 shares; Mr. Lyon, 21,036 shares; Mr. McKeithan, 25,248 shares; Mr. Moffett, 1,107,500 shares; Mr. O'Maley, 96,210 shares; Dr. Owens, 37,179 shares; Mr. Petry, 95,305 shares; Mr. Reiten, 26,139 shares; Mr. Richey, 60,516 shares; Mr. Schnuck, 39,669 shares; Mr. Staley, 28,214 shares; Mr. Stokes, 18,273 shares; and Mr. Stollenwerk, 24,829 shares.

(2) Includes 13,500 shares held by United Medical Resources, Inc., of which Ms. Buyniski Gluckman is founder, President, Chief Executive Officer and a director.

(3) Includes the following shares held in trust for the benefit of the director or officer pursuant to our deferred compensation plan, as to which the directors and officers have no voting or investment power: Ms. Buyniski Gluckman, 2,625 shares; Mr. Dannemiller, 48,864 shares; Mr. Davis, 33,422 shares; Mr. Jerry A. Grundhofer, 484,313 shares; Mr. Lubar, 2,770 shares; Mr. Moffett, 64,786 shares; Mr. O'Maley, 4,447 shares; Dr. Owens, 42,148 shares; Mr. Petry, 170,912 shares; Mr. Reiten, 2,180 shares; Mr. Stokes, 2,210 shares; and Mr. Stollenwerk, 4,439 shares.

(4) Includes 51,308 shares of restricted stock subject to future vesting conditions; and 5,025 shares held in a U.S. Bancorp 401(k) savings plan.

(5) Includes 108,483 shares of restricted stock subject to future vesting conditions.

(6) Includes 6,247,093 shares held by Joshua Green Corporation, of which Mr. Green is Chairman and Chief Executive Officer; 12,468,881 shares held by a limited partnership, of which Joshua Green Corporation is a general partner; 17,358 shares held by a trust, as to which Mr. Green has shared voting and investment power; 17,358 shares held by Mr. Green's wife, as to which he has no voting or investment power; and 1,089,338 shares held by a charitable foundation of which Mr. Green is President, and as to which Mr. Green has shared voting and investment power.

(7) Includes 16,135 shares held in a U.S. Bancorp 401(k) savings plan; 173,589 shares held by a trust, as to which Mr. Jerry A. Grundhofer has shared voting and investment power; and 300,268 restricted stock units, as to which he has no voting or investment power.

(8) Includes 75,000 shares of restricted stock subject to future vesting conditions; 11,586 shares held in a U.S. Bancorp 401(k) savings plan; 1,060,738 shares held in a family trust of which Mr. John F. Grundhofer is a trustee and a beneficiary, as to which he shares voting and investment power; and 27,412 shares held by a charitable foundation created by Mr. Grundhofer.

(9) Includes 125,829 shares held by The Midland Company and a total of 2,334,600 shares held by four subsidiaries of The Midland Company, of which Mr. Hayden is Chairman of the Executive Committee of the Board of Directors, as to which shares Mr. Hayden has no voting or investment power and disclaims beneficial ownership. Excludes 445,883 shares held by Mr. Hayden's wife, as to which he has no voting or investment power and disclaims beneficial ownership.

(10) Includes 299,097 shares held by a trust, as to which Mr. Jacobsen has shared voting and investment power.

(11) Excludes 159,626 shares held by Mr. Lubar's wife, as to which he has no voting or investment power and disclaims beneficial ownership; and 535,560 shares held by Mr. Lubar's four adult children, as to which he shares voting and investment power and disclaims beneficial ownership.

(12) Includes 14,140,016 shares held by two limited partnerships in which Mr. Lyon has indirect interests. Excludes 34,501 shares held by the Lyon Foundation, of which Mr. Lyon is President, as to which he disclaims beneficial ownership.

(13) Excludes 2,500 shares held by Mr. McKeithan's wife, as to which he has no voting or investment power.

---

(14) Includes 51,308 shares of restricted stock subject to future vesting conditions; and 10,642 shares held in a U.S. Bancorp 401(k) savings plan. Excludes 30,291 shares held by Mr. Moffett's wife, as to which he has no voting or investment power and disclaims beneficial ownership.

(15) Includes 720,000 shares held by Ohio National Life Insurance Company, of which Mr. O'Maley is Chairman, President and Chief Executive Officer, as to which he has no voting or investment power and disclaims beneficial ownership.

(16) Excludes 10,687 shares held by Mr. Richey's wife, as to which he has no voting or investment power and disclaims beneficial ownership.

(17) Includes 7,057 shares held jointly by Mr. Schnuck and his wife, as to which he has shared voting and investment power.

(18)

Includes 3,003 shares held by Mr. Stollenwerk's children, as to which Mr. Stollenwerk has no voting or investment power; and 8,019 shares held in a family trust, as to which Mr. Stollenwerk has no voting or investment power. Excludes 16,852 shares held by Mr. Stollenwerk's wife, as to which Mr. Stollenwerk has no voting or investment power and disclaims beneficial ownership.

(19) Includes 102,867 shares held in a U.S. Bancorp 401(k) savings plan for the accounts of certain executive officers; 867,292 shares held in trust for the benefit of certain directors and executive officers pursuant to our deferred compensation plan; and 19,097,042 shares subject to options exercisable within 60 days.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our executive officers and directors to file initial reports of ownership and reports of changes in ownership of our securities with the Securities and Exchange Commission. Executive officers and directors are required to furnish us with copies of these reports. Roger L. Howe, a director, filed a Form 5 for fiscal year 2001 reporting a sale by a family member of shares of our common stock that should have been reported earlier on a Form 4. Based solely on a review of the Section 16(a) reports furnished to us during fiscal year 2001 and written representations from the executive officers and directors, we believe that all other Section 16(a) filing requirements applicable to our executive officers and directors during fiscal year 2001 were satisfied.

PROPOSAL 1 ELECTION OF DIRECTORS

The number of directors currently serving on our Board of Directors is 25. Our Board of Directors is divided into three classes of approximately equal size. The members of each class are elected to serve a three-year term with the term of office for each class ending in consecutive years. At this year's annual meeting, the terms of our Class I directors will expire. J.P. Hayden, Jr., Thomas H. Jacobsen and Sheldon B. Lubar, who currently serve as Class I directors with terms expiring at the upcoming annual meeting, and S. Walter Richey and Joshua Green III, who currently serve as Class II directors with terms expiring at the 2003 annual meeting, have announced their intention to retire at the upcoming annual meeting. In connection with their retirements, our Board of Directors has determined to decrease the number of directors in Class I from eight to six directors and the number of directors in Class II from nine to seven directors. The number of directors in Class III will remain at eight. Linda L. Ahlers, Joel W. Johnson, David B. O'Maley, O'dell M. Owens, M.D. and Warren R. Staley are the current Class I directors who have been nominated for re-election to the Board to serve until the 2005 annual meeting or until their successors are elected and qualified. In addition, our Board of Directors is nominating Craig D. Schnuck to serve as a Class I director. Each of the nominees has agreed to serve as a director if elected. The enclosed proxy may not be voted for more than six directors.

If, for any reason, any nominee becomes unable to serve before the election, the persons named as proxies will vote your shares for a substitute nominee selected by the Board of Directors. Alternatively, the Board of Directors, at its option, may reduce the number of directors constituting Class I directors.

The election of each nominee requires the affirmative vote of a majority of the common stock present and entitled to vote at the annual meeting.

The Board of Directors recommends a vote FOR election of the six nominated directors. Proxies will be voted for the election of the six nominees unless otherwise specified.

The nominees and directors provided the following information about themselves. Dates listed for the nominees and continuing directors include service as directors of predecessor companies to U.S. Bancorp.

CLASS I DIRECTORS NOMINEES FOR TERMS ENDING IN 2005

LINDA L. AHLERS: Age 51, director since 1997. Ms. Ahlers is President of Marshall Field's, the department store division of Target Corporation, Minneapolis, Minnesota, a diversified retail company. Ms. Ahlers has been associated with Target Corporation (formerly known as

Dayton Hudson Corporation) since 1977. She assumed her current position in February 1996 and previously served as Executive Vice President, Merchandising, of the department store division, and in various capacities with Target Stores, Inc., an affiliate of Target Corporation.

JOEL W. JOHNSON: Age 58, director since 1999. Mr. Johnson is Chairman, President and Chief Executive Officer of Hormel Foods Corporation, Austin, Minnesota, a meat and food processing company. He joined Hormel in 1991 as Executive Vice President, Sales and Marketing, and was elected President in 1992. In 1993, Mr. Johnson assumed the title of Chief Executive Officer, and he was elected Chairman of the Board in 1995. In addition to serving as a director of Hormel, Mr. Johnson also is a director of Ecolab, Inc. and Meredith Corporation.

DAVID B. O'MALEY: Age 55, director since 1995. Mr. O'Maley is Chairman, President and Chief Executive Officer of Ohio National Financial Services, Inc., Cincinnati, Ohio, an intermediate insurance holding company, and a number of its affiliates, including The Ohio National Life Insurance Company, Cincinnati, Ohio, a marketer of insurance and financial products, and Ohio National Mutual Holdings, Inc., the parent of Ohio National Financial Services. Mr. O'Maley has held these positions since 1994 and has been with Ohio National since 1992. In addition to serving as a director of Ohio National Financial Services, Mr. O'Maley is a director of Ohio National Equity Sales Company, Ohio National Equities, Inc., KGO Development, Inc. and The Midland Company, Inc.

O'DELL M. OWENS, M.D., M.P.H.: Age 54, director since 1991. Dr. Owens is Medical Director of United Healthcare Insurance Company of Ohio, Cincinnati, Ohio, a provider of healthcare coverage and related services. Dr. Owens has served in his current position since 1999. Dr. Owens served from 1998 to 1999 as Senior Vice President of Women's Health for Franciscan Health System of Southwest Ohio, Cincinnati, Ohio, a hospital system, and as Director of Reproductive Endocrinology and Infertility at The Christ Hospital, Cincinnati, Ohio, a medical service provider, from 1986 to 1998. Dr. Owens also is a director of the Greater Cincinnati Northern Kentucky Airport Board.

WARREN R. STALEY: Age 59, director since 1999. Mr. Staley is Chairman and Chief Executive Officer of Cargill, Incorporated, Minneapolis, Minnesota, an international marketer, processor and distributor of agricultural, food, financial and industrial products. He joined Cargill in 1969 and was elected President and Chief Operating Officer in 1998. He was named Chief Executive Officer in 1999 and Chairman in 2000. He has held merchandising, administrative and general management positions in corn milling in the United States and in Europe, was head of Cargill in Argentina and was President of Worldwide Feed and President of North America and Latin America for Cargill. Mr. Staley is a director of Cargill, Incorporated and Target Corporation.

CRAIG D. SCHNUCK: Age 53. Mr. Schnuck is Chairman and Chief Executive Officer of Schnuck Markets, Inc., St. Louis, Missouri, a supermarket chain. Mr. Schnuck has served in his current position since 1991. He was elected President in 1984 and Chief Executive Officer in 1989. Mr. Schnuck also serves as a director of GenAmerica Financial and the DESCO Group.

CLASS II DIRECTORS TERMS ENDING IN 2003

PETER H. COORS: Age 55, director since 1996. Mr. Coors is Chairman of Coors Brewing Company, Golden, Colorado, the principal subsidiary of Adolph Coors Company. He has been associated with Coors Brewing Company since 1970 and was named Chairman in 2000. He served as Vice Chairman and Chief Executive Officer of Coors Brewing Company from 1993 to 2000 and as Vice President of Adolph Coors Company, a producer, marketer and seller of malt-based beverages, from 1993 to 2000. He also has served Coors Brewing Company as Director of Financial Planning, Director of Market Research and Vice President of Sales and Marketing, as President of Coors Distribution Company, and as President of the brewing division of Adolph Coors Company. Mr. Coors also serves as a director of Adolph Coors Company and Energy Corporation of America.

JERRY A. GRUNDHOFER: Age 57, director since 1993. Mr. Grundhofer is President and Chief Executive Officer of U.S. Bancorp and Chairman, President and Chief Executive Officer of U.S. Bank National Association. He has served in his current positions since the merger of Firstar Corporation and U.S. Bancorp in February 2001. From 1993 until the merger, he served as Chairman, President and Chief Executive Officer of U.S. Bancorp predecessors Firstar Corporation and Star Banc Corporation. Mr. Grundhofer also serves as a director of Ecolab, Inc., The Midland Company, Inc., Ohio National Financial Services, Inc. and The Ohio National Life Insurance Company.

ROGER L. HOWE: Age 67, director since 1985. Mr. Howe is the retired Chairman of the Board of U.S. Precision Lens, Inc. (now known as Corning Precision Lens Incorporated), Cincinnati, Ohio, a manufacturer of lens systems for projection video and a specialist at making lenses from optical plastics. Mr. Howe served as Chairman of U.S. Precision Lens, Inc. from 1971 until his retirement in 1997. Mr. Howe also is a director of Cintas Corporation and Convergys Corporation.

FRANK LYON, JR.: Age 60, director since 1995. Mr. Lyon has served as President of Wingmead Farms, North Little Rock, Arkansas, a 14,000-acre agricultural concern since 1976, and as President of Summer Wind Farm, Georgetown, Kentucky, a thoroughbred breeding operation, since 1995.

DANIEL F. McKEITHAN, JR.: Age 66, director since 1977. Mr. McKeithan is President and Chief Executive Officer of Tamarack Petroleum Company, Inc., Milwaukee, Wisconsin, an operator of oil and gas wells, since 1981, and President of Active Investor Management, Inc., Milwaukee, Wisconsin, a manager of oil and gas wells, since 1984. Mr. McKeithan also is a director of Marcus Corporation and is a trustee of Northwestern Mutual.

PATRICK T. STOKES: Age 59, director since 1992. Mr. Stokes is Senior Executive Vice President of Anheuser-Busch Companies, Inc., St. Louis, Missouri, the holding company parent of Anheuser-Busch, Incorporated, and President and Chief Executive Officer of Anheuser-Busch, Incorporated, St. Louis, Missouri, a producer and distributor of beer. Mr. Stokes has been affiliated with Anheuser-Busch since 1969, was elected President of Anheuser-Busch, Incorporated in 1990, and has served in his current position since 2000. Mr. Stokes also serves as a director of Anheuser-Busch Companies, Inc.

JOHN J. STOLLENWERK: Age 62, director since 1998. Mr. Stollenwerk is President and Chief Executive Officer of Allen-Edmonds Shoe Corporation, Port Washington, Wisconsin, a manufacturer of fine shoes. He became President of Allen-Edmonds in 1981 and Chief Executive Officer in 1999. Mr. Stollenwerk also serves as a director of Northwestern Mutual Life Insurance Company, Koss Corporation, Badger Meter, Inc. and Wire Maid, Inc.

CLASS III DIRECTORS TERMS ENDING IN 2004

VICTORIA BUYNISKI GLUCKMAN: Age 50, director since 1990. Ms. Buyniski Gluckman is President and Chief Executive Officer of United Medical Resources, Inc., Cincinnati, Ohio, a third-party administrator of employer healthcare benefits. She has held these positions since founding United Medical Resources in 1983. Ms. Buyniski Gluckman also is a director of The Health Alliance, Ohio National Financial Services, Inc. and The Ohio National Life Insurance Company.

ARTHUR D. COLLINS, JR.: Age 54, director since 1996. Mr. Collins is President and Chief Executive Officer of Medtronic, Inc., Minneapolis, Minnesota, a leading medical device and technology company. Mr. Collins joined Medtronic in 1992. He was elected to his present position in 1996 and previously served as Chief Operating Officer, Corporate Executive Vice President and President of Medtronic International, Ltd., a subsidiary of Medtronic, Inc. Prior to joining Medtronic, Mr. Collins served in a number of senior executive positions with Abbott Laboratories from 1978 through 1992, most recently as Corporate Vice President responsible for worldwide diagnostic business units. He also serves as a director of Medtronic and Cargill, Incorporated.

JOHN C. DANNEMILLER: Age 63, director since 1990. Mr. Dannemiller is the retired Chairman of Applied Industrial Technologies (formerly known as Bearings, Inc.), Cleveland, Ohio, a distributor of industrial products and fluid power products and systems. Mr. Dannemiller served as Chairman of Applied Industrial Technologies from 1992 to 2000. He also is a director of Lamson & Sessions Co.

JOHN F. GRUNDHOFER: Age 62, director since 1990. Mr. Grundhofer is Chairman of U.S. Bancorp. He has served as Chairman since 1999, and also served as Chairman from 1990 to 1997. Mr. Grundhofer served as Chief Executive Officer of U.S. Bancorp from 1990 until February 2001, and served as President from 1990 until 1999. He reassumed the position of President from August 2000 until the merger of Firstar Corporation and U.S. Bancorp in February 2001. Prior to joining U.S. Bancorp, Mr. Grundhofer served as Vice Chairman and Senior Executive Officer for Southern California with Wells Fargo Bank, N.A. Mr. Grundhofer also is a director of Minnesota Life Insurance Company and Donaldson Company, Inc.

DELBERT W. JOHNSON: Age 63, director since 1994. Mr. Johnson has served as Vice President of Safeguard Scientifics, Inc., Wayne, Pennsylvania, a diversified information technology company that develops, operates and manages emerging growth information technology companies, since 2000. Prior to 2000, Mr. Johnson served as Chairman and Chief Executive Officer of Pioneer Metal Finishing, a metal finishing company and a division of Safeguard Scientifics. He joined Pioneer in 1965 and was elected Chairman and Chief Executive Officer in 1978. From 1987 through 1993, Mr. Johnson also served on the Board of Directors of the Federal Reserve Bank of Minneapolis and, in 1989, was named Chairman. In 1990, he was selected as Vice Chairman and became Chairman of the Federal Reserve Board Conference of Chairmen. Mr. Johnson also is a director of Ault Inc., Safeguard Scientifics, Inc. and CompuCom Systems, Inc.

JERRY W. LEVIN: Age 57, director since 1995. Mr. Levin is Chairman and Chief Executive Officer of Sunbeam Corporation, Boca Raton, Florida, a leading consumer products company. He has held these positions since 1998. Prior to joining Sunbeam, Mr. Levin served as Chairman and Chief Executive Officer of The Coleman Company, Inc., Wichita, Kansas, a manufacturer and marketer of outdoor recreational products, from 1997 to 1998. He served as Chief Executive Officer of Revlon, Inc., New York, New York, a maker of cosmetics and personal care and professional products, from 1992 until

1997. He was President of Revlon from 1991 to 1992. Prior to that, Mr. Levin was Chairman of Coleman Holdings, Inc., the parent of The Coleman Company, from 1989 to 1991. From 1974 to 1989, Mr. Levin held a number of senior executive positions with The Pillsbury Company, Minneapolis, Minnesota. In addition to serving as Chairman of Sunbeam, Mr. Levin is a director of Revlon, Inc. and Ecolab, Inc.

THOMAS E. PETRY: Age 62, director since 1987. Mr. Petry is the retired Chairman and Chief Executive Officer of Eagle-Picher Industries, Inc., Cincinnati, Ohio, a manufacturer of products for automotive, defense, aerospace and construction markets, as well as other industrial markets. Mr. Petry held these positions from 1994 to 1998. Mr. Petry also is a director of CINergy Corp., Wm. Powell Co. and Union Central Life Insurance Company.

RICHARD G. REITEN: Age 62, director since 1998. Mr. Reiten is Chairman and Chief Executive Officer of Northwest Natural Gas Company, Portland, Oregon, a distributor of natural gas. Mr. Reiten joined Northwest Natural Gas in 1996 as President, a position he held until 2001, and Chief Operating Officer, a position he held until being named Chief Executive Officer in 1997. He was named Chairman in 2000. Mr. Reiten also has served as President and Chief Operating Officer of Portland General Electric Company, Portland, Oregon, the largest utility company in Oregon, from 1992 to 1995, and as President of Portland General Corporation from 1989 to 1992. In addition to serving as a director of Northwest Natural Gas, Mr. Reiten is a director of Building Materials Holding Corporation, AEGIS Insurance Services, The Regence Group and ESCO, Inc.

INFORMATION REGARDING THE BOARD OF DIRECTORS

Board Meetings and Committees

The Board of Directors conducts its business through meetings of the Board and five standing committees: Executive, Audit, Compensation, Community Outreach and Fair Lending, and Governance.

The Board held seven meetings during fiscal year 2001. Each director attended at least 75% of the total meetings of the Board and Board committees on which the director served during the fiscal year, except Warren R. Staley, who attended 67% of such meetings.

Executive Committee

Members:	Jerry A. Grundhofer, *Co-Chair* John F. Grundhofer, *Co-Chair* Arthur D. Collins, Jr. J.P. Hayden, Jr. Roger L. Howe Delbert W. Johnson Sheldon B. Lubar	Daniel F. McKeithan, Jr. David B. O'Maley Thomas E. Petry Richard G. Reiten S. Walter Richey Warren R. Staley Patrick T. Stokes

The Executive Committee has authority to exercise all powers of the Board of Directors between regularly scheduled Board meetings and acts as a credit committee. The Executive Committee held eight meetings in 2001.

Audit Committee

Members:	Warren R. Staley, *Chair* Linda L. Ahlers	Daniel F. McKeithan, Jr. O'dell M. Owens, M.D.

Victoria Buyniski Gluckman
Joshua Green III
Roger L. Howe
Delbert W. Johnson
Thomas E. Petry
Richard G. Reiten
John J. Stollenwerk

The Audit Committee is responsible for assisting the Board of Directors in monitoring the integrity of the financial statements of U.S. Bancorp, compliance by U.S. Bancorp with legal and regulatory requirements, and the independence and performance of our internal and external auditors. The Audit Committee recommends to the Board the independent auditors to audit our books and records, reviews the scope and results of the annual audit, and reviews the annual audited financial statements. The Audit Committee has adopted and operates under a written charter. All of the Audit Committee members meet the independence and experience requirements of The New York Stock Exchange, Inc. The Audit Committee held five meetings in 2001.

Compensation Committee

Members:

Thomas E. Petry, *Chair*
Arthur D. Collins, Jr.
Peter H. Coors
J.P. Hayden, Jr.
Roger L. Howe
Jerry W. Levin
Frank Lyon, Jr.
David B. O'Maley
Richard G. Reiten
S. Walter Richey
John J. Stollenwerk

The Compensation Committee establishes our compensation policy, determines the compensation paid to our executive officers and directors, approves eligibility for benefits under our employee benefit plans and administers our stock-based plans and makes awards under those plans. All of the Compensation Committee members are non-employee directors. The Compensation Committee held eight meetings in 2001.

Community Outreach and Fair Lending Committee

Members:

Peter H. Coors, *Chair*
Linda L. Ahlers
Victoria Buyniski Gluckman
John C. Dannemiller
Joshua Green III
Thomas H. Jacobsen
Delbert W. Johnson
Joel W. Johnson
Frank Lyon, Jr.
O'dell M. Owens, M.D.
John J. Stollenwerk

The Community Outreach and Fair Lending Committee is responsible for reviewing our activities with respect to community development and compliance with the Community Reinvestment Act and fair lending regulations. The Community Outreach and Fair Lending Committee held five meetings in 2001.

Governance Committee

Members:

Sheldon B. Lubar, *Chair*
Arthur D. Collins, Jr.
Peter H. Coors
John C. Dannemiller
J.P. Hayden, Jr.
Joel W. Johnson
Jerry W. Levin
Daniel F. McKeithan, Jr.
Patrick T. Stokes

The Governance Committee reviews and makes recommendations to the Board regarding our corporate governance principles and processes, including policies related to director retention, resignation and retirement. The Committee also manages the performance review process for our current directors, recommends new directors, reviews New York Stock Exchange requirements for Audit Committee membership and qualifications of Board members designated to serve on the Audit Committee, and makes recommendations to the Board regarding any shareholder proposals. The Governance Committee held three meetings in 2001. Shareholders who wish to submit a director nomination to the Governance Committee must submit the nomination before the deadline set forth in "Shareholder Proposals for the 2003 Annual Meeting" below. The nomination must include the specific information required by our bylaws. You may obtain a copy of our bylaws by contacting our Secretary, U.S. Bancorp, 225 South Sixth Street, Minneapolis, Minnesota 55402, telephone (612) 973-1111.

Director Compensation Policy and Retirement Plan

Fees for Fiscal Year 2002. For fiscal year 2002, directors who are not U.S. Bancorp employees will receive the following cash fees:

Annual retainer for service on the Board	$	40,000
Additional annual retainer for Committee chairs	$	5,000
Attendance fee for each Board meeting	$	1,500
Attendance fee for each Committee meeting	$	1,000

In addition, for fiscal year 2002, each non-employee director has been granted options to purchase 8,600 shares of our common stock. All of the stock options granted to our directors are granted under our 2001 Stock Incentive Plan, have a 10-year term, vest in equal, annual increments over a four-year period from the date of grant, and have an exercise price equal to the fair market value of our common stock on the date the option is granted. Non-employee directors are granted an additional option to purchase 6,100 shares of our common stock upon initial election to the Board. Directors who retire or join the Board at any time after January 1 will receive pro rata annual retainers and option grants based on the number of months in which they serve as directors during the fiscal year.

To determine director compensation, a peer group of 18 diversified financial services and financial holding companies that closely match U.S. Bancorp in terms of size and scope of operations was established. U.S. Bancorp's market capitalization was in the 77th percentile of the market capitalization of that peer group. Compensation for our directors was designed to result in cash compensation at the competitive median and total compensation at the 75th percentile of the peer group, which is consistent with our compensation policy.

Deferred Compensation Plan. Our non-employee directors may choose to defer all or a part of their cash fees under our deferred compensation plan. The minimum amount that can be deferred in any calendar year is $1,000. Deferred amounts may be invested in any of three investment alternatives, including:

- an interest-bearing cash account;
- shares of our common stock, based on the fair market value of the common stock on the date of deferral, with dividends reinvested in additional shares; or
- one of several mutual funds.

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

2001 Stock Incentive Plan. Directors also may choose to convert all or a part of their cash fees into options to purchase common stock pursuant to our 2001 Stock Incentive Plan. Directors who choose to convert their cash compensation into stock options will receive a number of stock options equal to (a) 150% multiplied by the amount of cash compensation deferred, divided by (b) the fair market value of one option to purchase our common stock, as determined by the Black-Scholes valuation method. The exercise price of the stock options will equal the fair market value of our common stock on the date the options are issued. The options have a 10-year term and vest in equal, annual increments over a four-year period from the date of grant.

Director Retirement and Death Benefit Plan. Until April 1997, U.S. Bancorp maintained a director retirement and death benefit plan to provide payments to certain non-employee directors after retirement from the Board. The Board terminated this plan for new directors effective April 30, 1997, but plan benefits continue to be payable to certain directors of U.S. Bancorp who were in office on April 30, 1997 and who have completed 60 months of service (measured as provided in the plan) as a director of U.S. Bancorp. Benefits accrue in the amount of the annual retainer in effect on the date a director's service terminates, multiplied by the number of years of service (not to exceed 10 years). Benefits are paid in annual installments over a 10-year period. If a director retires after reaching age 67 or after completion of 12 years of service, the director receives lifetime payments not limited to 10 years, calculated based on the annual retainer in effect on the date of retirement. Due to the termination of the plan, benefits for eligible, current directors will be determined as if their service as directors had terminated on April 30, 1997 (except that additional service after that date may be considered in determining the form of benefit to be paid). As a result, the benefits payable to those directors will be based on the annual retainer and each director's service as of April 30, 1997. A director who retires after 12 years of service but who is not then 67 does not receive the first payment until age 67. In the event of a director's death, a lump-sum payment may be made. In the event of certain types of changes of control of U.S. Bancorp, benefits payable under the plan will be paid in a lump sum within

30 days.

EXECUTIVE COMPENSATION

Report of the Compensation Committee

The Compensation Committee of U.S. Bancorp is composed entirely of independent outside directors and is responsible for setting corporate compensation policy. The goal of U.S. Bancorp's compensation program is to attract, motivate, reward and retain the management talent required to achieve corporate objectives and increase shareholder value.

Base salaries of the executive officers named in the Summary Compensation Table below other than for Messrs. Jerry A. Grundhofer and John F. Grundhofer were determined by the Compensation Committee using senior management's recommendations. Salaries were decided based on individual performance and industry standards as determined through external compensation studies and information from regional bank holding companies.

The Compensation Committee administers the Executive Incentive Plan, the purpose of which is to reward the achievement of corporate financial objectives established in advance by the Compensation Committee. Participants in the plan include executives reporting directly to the Chief Executive Officer. Performance measures considered in determining plan awards include fully diluted earnings per share (EPS), return on average equity (ROE), credit quality and individual performance, all as compared against established objectives. Awards under the plan are made at the recommendation of the Chief Executive Officer and with the approval of the Committee based on an assessment of corporate performance, the participant's line of business performance, and other individual performance factors. The target award opportunity for the executive officers named in the Summary Compensation Table below ranged from 120% to 200% of base salary, depending on the individual's position. No bonuses were paid pursuant to the Executive Incentive Plan for 2001 performance because U.S. Bancorp's earnings did not reach the established thresholds.

The Compensation Committee also administers the U.S. Bancorp 2001 Stock Incentive Plan, the purpose of which is to encourage long-term growth in U.S. Bancorp's shareholder value. Stock options, restricted stock and other stock awards may be granted pursuant to the plan, based on factors including corporate performance, individual responsibilities and performance, grant guidelines based on the Black-Scholes valuation method, and information from regional bank holding companies, diversified financial services companies and other competitive indices. Stock options granted in 2001 vest in equal annual amounts over a four-year period from the date of grant. Generally, 50% of restricted stock granted in 2001 vests two years after the date of grant, an additional 25% vests three years after the date of grant, and the final 25% vests four years after the date of grant.

Mr. Jerry A. Grundhofer's compensation was determined by the Compensation Committee and approved by the Board. His 2001 base salary of $975,000 and his 2001 bonus opportunity and stock awards were established under the terms of his employment agreement with U.S. Bancorp and are consistent with industry standards as determined from a peer group of regional bank holding companies and diversified financial services companies. The peer group includes some of the bank holding companies included in the Standard & Poor's Major Regional Banks' Index, the performance of which is shown in the stock performance chart presented elsewhere in this proxy statement. His bonus opportunity was based on the same criteria used in the Executive Incentive Plan for granting bonus awards to other executive officers and no bonus was paid to him for 2001. On December 18, 2001, he was granted options to purchase 1,000,000 shares, exercisable in equal annual amounts over a four-year period with an exercise price of $19.23, and on January 2, 2002, he was awarded 300,268 restricted stock units in connection with his new employment agreement, which vest in full on December 31, 2006.

Mr. John F. Grundhofer's 2001 base salary and bonus opportunity were established in accordance with his employment agreement with U.S. Bancorp.

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

Thomas E. Petry, *Chair*
Arthur D. Collins, Jr.
Peter H. Coors
J.P. Hayden, Jr.
Roger L. Howe
Jerry W. Levin
Frank Lyon, Jr.
David B. O'Maley
Richard G. Reiten
S. Walter Richey
John J. Stollenwerk

Employment and Change-in-Control Agreements

We have entered into employment agreements with Messrs. Jerry A. Grundhofer and John F. Grundhofer and into change-in-control agreements with Messrs. Davis, Duff and Moffett. The agreements are designed to enhance our ability to attract and retain high caliber senior management at a time when mergers and acquisitions are common in the financial services industry.

Mr. Jerry A. Grundhofer entered into an employment agreement with U.S. Bancorp providing for his continued services and leadership through 2006, as well as more comprehensive non-competition and other restrictive covenants after termination of his employment. Under Mr. Jerry A. Grundhofer's employment agreement, effective as of October 16, 2001, he will serve as President and Chief Executive Officer for a term ending on December 31, 2006, and shall be elected Chairman of U.S. Bancorp effective upon Mr. John F. Grundhofer's retirement or December 31, 2002, whichever is earlier. The agreement provides for an annual base salary of at least $975,000 and entitles Mr. Jerry A. Grundhofer to an annual bonus based on corporate performance for that year. The agreement also provides long-term and retention incentives through an award of 300,268 restricted stock units, which will vest on December 31, 2006 and will be distributed to him in shares of our common stock on January 15 of the calendar year following the calendar year in which his employment with U.S. Bancorp and all affiliates terminates. Prior to the date of distribution, he may elect to surrender the restricted stock units at the vesting date and receive the then value of the units as retirement income under our non-qualified retirement plan. In the event his employment is terminated by U.S. Bancorp other than for cause or disability, or voluntarily by him for good reason, either before or following a change of control of U.S. Bancorp, Mr. Jerry A. Grundhofer will receive a lump-sum severance payment consisting of a pro rata base salary and annual bonus through the date of termination plus the product of (a) the number of months from the date of termination until December 31, 2006 (but not more than 36 months), divided by 12 and (b) the sum of his base salary and annual bonus; all of his non-vested stock options, restricted stock and restricted stock units will vest immediately; and his medical benefits and certain other benefits will be continued. U.S. Bancorp also will reimburse Mr. Jerry A. Grundhofer for any excise taxes that he may incur as a result of these payments and any income and excise taxes on the excise tax reimbursement payments. If the termination occurs on or after a change in control of U.S. Bancorp, he also will receive an additional three years of service credit for purposes of computing his retirement benefits under our non-qualified retirement plan. "Change of control" is defined in the agreement and includes certain mergers, sales of assets and tender offers.

We also have an employment agreement with Mr. John F. Grundhofer, executed in connection with the merger of Firstar Corporation into the former U.S. Bancorp. Under the agreement, he will serve as Chairman of U.S. Bancorp and Co-Chairman of the Executive Committee of the Board for the period beginning on the effective date of the merger (February 27, 2001) and ending on December 31, 2002. Until the first annual shareholders' meeting following his 65th birthday, he will serve as a member of the Board. During the term of the agreement, he is entitled to receive an annual base salary and an annual bonus equal to the annual base salary and annual bonus paid to the Chief Executive Officer, but in no event will his base salary be less than the base salary paid to him prior to the merger. On completion of the merger, he was granted 100,000 shares of restricted stock and a stock option to acquire 2.4 million shares of common stock at an exercise price equal to the fair market value of the common stock on the date of grant and with a term of 10 years. The restricted stock and stock option will vest in four equal annual installments on each of the first four anniversaries of the completion of the merger, subject to earlier vesting upon a change in control of U.S. Bancorp and certain terminations of Mr. John F. Grundhofer's employment, including his retirement. Commencing upon the expiration of the term of the agreement, he will be paid an annual retirement benefit of $2.92 million, less any benefits payable under our tax-qualified and non-qualified retirement plans. The agreement also contains non-competition, non-solicitation and confidentiality provisions that apply to Mr. John F. Grundhofer while employed and during specified periods after his employment terminates. Upon termination of his employment by U.S. Bancorp other than for cause or disability, or by him for good

reason, he will be entitled to a payment consisting of a pro rata annual bonus through the date of termination, based on the highest annual bonus earned in the three years prior to the termination date, plus the product of (a) the number of months from the date of termination until December 31, 2002, divided by 12 and (b) the sum of his base salary and annual bonus (based on the highest annual bonus earned in the three years prior to the termination date). Also, his restricted stock and stock options will vest immediately, and U.S. Bancorp will continue to provide him and his spouse with medical and dental benefits for the remainder of their lives. U.S. Bancorp also will reimburse Mr. John F. Grundhofer for any excise taxes that he may incur as a result of these payments and any income and excise taxes on the excise tax reimbursement payments.

The change-in-control agreements with Messrs. Davis, Duff and Moffett provide that if the officer is terminated within 24 months after a change in control by U.S. Bancorp other than for cause or disability, or by the officer for good reason, then the officer will be entitled to a lump-sum payment consisting of (a) the officer's prorated base salary through the date of termination plus the prorated amount of any bonus or incentive for the year in which the termination occurs, based on the target bonus for the officer for that year, and (b) a severance payment equal to three times the sum of the executive's highest base salary, on an annualized basis, paid by U.S. Bancorp during the prior five years plus the highest bonus earned by the executive with respect to any single year during the prior five years. U.S. Bancorp also will pay any excise taxes that he may incur as a result of these payments and any income and excise taxes on the excise tax payments and will continue medical benefits and certain other benefits. "Change of control" is defined in the agreements and includes certain mergers, sales of assets and tender offers.

Summary Compensation Table

The following table shows the cash and non-cash compensation for each of the last three fiscal years awarded to or earned by our Chief Executive Officer and each of our four other most highly compensated executive officers during fiscal year 2001.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation		
Name and Principal Position	**Year**	**Salary ($)[1]**	**Bonus ($)[2]**	**Other Annual Compensation ($)[4]**	**Restricted Stock Awards ($)[7]**	**Securities Underlying Options (#)**	**All Other Compensation ($)**
Jerry A. Grundhofer	2001	975,037		66,548[5]	6,170,507[8]	1,000,000	89,813[11]
President and	2000	942,788	282,837	50,831[5]		1,070,000	10,938
Chief Executive Officer	1999	850,000	1,700,000	25,661[5]		590,000	402,443
John F. Grundhofer	2001	962,535		160,720[6]	2,334,000[9]	2,400,000	65,016[12]
Chairman	2000	900,000	1,500,000	173,436[6]			78,951
	1999	895,003	750,000	171,417[6]		2,427,936	68,025
Richard K. Davis	2001	450,017			1,004,610[10]	260,000	5,604[13]
Vice Chairman	2000	407,692	106,000			350,000	355,826
	1999	350,000	525,000			540,000	11,198
David M. Moffett	2001	450,017			1,004,610[10]	260,000	108,188[14]
Vice Chairman and	2000	407,692	106,000			350,000	482,167
Chief Financial Officer	1999	350,000	525,000			540,000	42,248
Andrew S. Duff	2001	375,000	275,000[3]	558	1,004,610[10]	170,000	
Vice Chairman	2000	350,000	825,000	666	1,000,006	253,000	
	1999	202,500	1,645,000	666		328,900	