

KIMCO REALTY CORP
Form 424B5
July 28, 2003

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PROSPECTUS SUPPLEMENT
(To Prospectus dated June 18, 2003)

\$250,000,000

**Series C Medium-Term Notes
Due Nine Months or More From Date of Issue**

We may offer from time to time up to \$250,000,000 aggregate initial offering price, or its equivalent in one or more foreign currencies, of our Series C Medium-Term Notes Due Nine Months or More From Date of Issue. This aggregate initial offering price is subject to reduction as a result of the sale by us of other securities described in the accompanying prospectus. Prior to the date of this prospectus supplement, we issued Series C Medium-Term Notes with an aggregate principal amount of \$152,000,000. Each note will mature on any day nine months or more from the date of issue, as specified in the applicable pricing supplement to this prospectus supplement, and may be subject to redemption at our option or repayment at the option of the holder of that note, in each case, in whole or in part, prior to its stated maturity date, if and as specified in the applicable pricing supplement. In addition, each note will be denominated or payable, or both, in United States dollars or a foreign currency, as specified in the applicable pricing supplement. The notes, other than notes denominated or payable in a foreign currency, will be issued in minimum denominations of \$1,000 and integral multiples of \$1,000, unless otherwise specified in the applicable pricing supplement, while notes that are denominated or payable in a foreign currency will be issued in the minimum denominations specified in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, notes will bear interest at fixed rates or at floating rates. The applicable pricing supplement will specify whether a floating rate note is a regular floating rate note, a floating rate/fixed rate note or an inverse floating rate note and whether the rate of interest on that note is determined by reference to one or more of the CD rate, the CMT rate, the commercial paper rate, the eleventh district cost of funds rate, the federal funds rate, LIBOR, the prime rate or the treasury rate, or any other interest rate basis or formula, as adjusted by any spread or spread multiplier or both. Interest on each floating rate note will accrue from its date of issue and, unless otherwise specified in the applicable pricing supplement, will be payable monthly, quarterly, semiannually or annually in arrears, as specified in the applicable pricing supplement and on the maturity date or date of earlier redemption or repayment. Unless otherwise specified in the applicable pricing supplement, the rate of interest on each floating rate note will be reset daily, weekly, monthly, quarterly, semiannually or annually, as specified in the applicable pricing supplement. Interest on each fixed rate note will accrue from its date of issue and, unless otherwise specified in the applicable pricing supplement, will be payable semiannually in arrears on April 1 and October 1 of each year and on the maturity date or date of earlier redemption or repayment. Notes may also be issued that do not bear any interest currently or that bear interest at a below market rate.

The interest rate, or formula for the determination of the interest rate, applicable to each note and the other variable terms of that note will be established by us on the date of issue of that note and will be specified in the applicable pricing supplement. We may change the interest rates or formulas and other terms of notes, but no change will affect any note already issued or as to which an offer to purchase has been accepted by us.

Each note will be issued in book-entry form or, if so specified in the applicable pricing supplement, in fully registered certificated form. Each book-entry note will be represented by one or more fully registered global securities deposited with or on behalf of The Depository Trust Company and registered in the name of The Depository Trust Company or its nominee. Interests in the global securities will be shown on, and transfers of the global securities will be effected only through, records maintained by The Depository Trust Company (with respect to its participants) and its participants (with respect to beneficial owners).

Investing in the notes involves risks. See "Certain Risk Factors" on page S-3 of this prospectus supplement and "Risk Factors" on page 2 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of the notes or passed upon the accuracy or adequacy of this prospectus supplement, the accompanying prospectus, or any applicable pricing supplement. Any representation to the contrary is a criminal offense.

	Price to Public	Agents' Discounts and Commissions	Proceeds to Company
Per Note	100%	.125% - .750%	99.875% - 99.250%
Total(1)	\$250,000,000	\$312,500 - \$1,875,000	\$249,687,500 - \$248,125,000

(1) Or its equivalent in one or more foreign currencies.

We may sell notes to the agents referred to below as principal for resale at varying or fixed offering prices or through the agents as agent using their reasonable efforts on our behalf. We may also sell notes without the assistance of any agent.

If we sell other securities referred to in the accompanying prospectus, we may be limited in offering and selling the entire amount of notes referred to in this prospectus supplement.

Merrill Lynch & Co.
Banc of America Securities LLC
Banc One Capital Markets, Inc.
BNY Capital Markets, Inc.
Credit Suisse First Boston
Goldman, Sachs & Co.
JPMorgan
Morgan Stanley
UBS Investment Bank
Wachovia Securities

The date of this prospectus supplement is July 28, 2003.

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement. Neither we nor any agent has authorized any other person to provide you with different or additional information. If any one provides you with different or additional information, you should not rely on it. Neither we nor any agent is making an offer to sell the notes in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any pricing supplement is accurate only as of its date.

References in this prospectus supplement to "Kimco," "the Company," "we," "us" or "our" are to Kimco Realty Corporation.

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CERTAIN RISK FACTORS

This prospectus supplement does not describe all of the risks of an investment in the notes, whether resulting from those notes being denominated or payable in or determined by reference to a currency other than United States dollars or to one or more interest rate, currency or other indices or formulas or otherwise. We and the agents disclaim any responsibility to advise you of those risks as they exist at the date of this prospectus supplement or as they change from time to time. You should consult your own financial and legal advisors as to the risks entailed by an investment in those notes and the suitability of investing in those notes in light of your particular circumstances. The notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions or transactions involving the applicable interest rate index or currency index or other indices or formulas. You should carefully consider, among other factors, the matters discussed below.

Structure Risks

An investment in notes indexed, as to principal, premium, if any, and/or interest, if any, to one or more currencies (including exchange rates and swap indices between currencies), commodities, interest rates or other indices or formulas, either directly or inversely, entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security. Those risks include, without limitation, the possibility that those indices or formulas may be subject to significant changes, that no interest will be payable or that interest will be payable at a rate lower than one applicable to a conventional fixed rate or floating rate debt security issued by us at the same time, that the repayment of principal or premium, if any, or both, may occur at times other than that expected by the holder or beneficial owner of that note, and that the holder or beneficial owner of the note could lose all or a substantial portion of principal or premium, if any, or both, payable on the maturity date or date of earlier redemption or repayment of that note. Those risks depend on a number of interrelated factors, including economic, financial and political events, over which we have no control. Additionally, if the index or formula used to determine the amount of principal, premium, if any, and/or interest, if any, payable with respect to those notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices or formula or formulas will be magnified. In recent years, values of certain indices and formulas have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in the value of any particular index or formula that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

Any optional or mandatory redemption feature of the notes might affect the market value of those notes. Since we may choose to or may be required to redeem those notes when prevailing interest rates are relatively low, holders and beneficial owners of those notes generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the current interest rate on those notes.

The notes will not have an established trading market when issued, and there can be no assurance of a secondary market for the notes or the liquidity of that market if one develops.

The secondary market, if any, for the notes will be affected by a number of factors independent of our creditworthiness and the value of the applicable index or indices or formula or formulas, including the complexity and volatility of each such index or formula, the method of calculating the principal, premium, if any, and/or interest, if any, in respect of those notes, the time remaining to the maturity of those notes, the outstanding amount of those notes, any redemption features of those notes, the amount of other debt securities linked to that index or formula and the level, direction and volatility of market interest rates generally. These factors also will affect the market value of those notes. In addition, notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Holders of those notes may not be able to sell those notes readily or at prices that will enable them to realize their anticipated yield. No investor should purchase the notes unless such investor understands and is able to bear the risk that those notes may not be readily saleable, that the value of those notes will fluctuate over time and that these fluctuations may be significant.

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Exchange Rates and Exchange Controls

An investment in foreign currency notes entails significant risks that are not associated with a similar investment in a debt security denominated and payable in United States dollars. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the United States dollar and the currency in which the particular note is payable and the possibility of the imposition or modification of exchange controls by the applicable governments or monetary authorities. These risks generally depend on factors over which we have no control, such as economic, financial and political events and the supply and demand for the applicable currencies. In addition, if the formula used to determine the amount of principal, premium, if any, and/or interest, if any, payable with respect to foreign currency notes contains a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, rates of exchange between the United States dollar and foreign currencies have been highly volatile and volatility should be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the currency applicable to a foreign currency note against the United States dollar would result in a decrease in the United States dollar-equivalent yield of that foreign currency note, in the United States dollar-equivalent value of the principal and premium, if any, payable on the maturity date or date of earlier redemption or repayment of that foreign currency note, and, generally, in the United States dollar-equivalent market value of that foreign currency note.

Governments or monetary authorities have imposed from time to time, and may in the future impose or revise, exchange controls at or prior to the date on which any payment of principal of, or premium, if any, or interest, if any, on, a foreign currency note is due, which could affect exchange rates as well as the availability of the currency in which that foreign currency note is payable on that date. Even if there are no exchange controls, it is possible that the currency in which that foreign currency note is payable would not be available on the applicable payment date due to other circumstances beyond our control. In these cases, we will be entitled to satisfy our obligations in respect of that foreign currency note in United States dollars.

Credit Ratings

Any credit ratings assigned to our medium-term note program may not reflect the potential impact of all risks related to structure and other factors on the trading market for or the trading value of the notes. Accordingly, you should consult your own financial and legal advisors as to the risks entailed by an investment in the notes and the suitability of investing in those notes in light of your particular circumstances.

DESCRIPTION OF NOTES

The notes will be issued as a series of debt securities under an Indenture, dated September 1, 1993, as amended by the First Supplemental Indenture dated August 4, 1994, the Second Supplemental Indenture dated April 7, 1995 and as further amended or supplemented from time to time, between us and The Bank of New York (as successor to IBJ Schroder Bank & Trust Company), as trustee. The indenture is subject to, and governed by, the Trust Indenture Act of 1939, as amended. The following summary of certain provisions of the notes and the indenture does not purport to be complete and is qualified in its entirety by reference to the actual provisions of the notes and the indenture. Capitalized terms used but not defined in this prospectus supplement will have the meanings given to them in the accompanying prospectus, the notes or the indenture, as the case may be. The term debt securities, as used in this prospectus supplement, refers to all of our debt securities, including the notes, issued and issuable from time to time under the indenture. The following description of the notes will apply to each note offered in connection with this prospectus supplement unless otherwise specified in the applicable pricing supplement.

General

All debt securities, including the notes, issued and to be issued under the indenture are or will be, as the case may be, our unsecured general obligations and rank or will rank, as the case may be, *pari passu* with all our other unsecured and unsubordinated indebtedness from time to time outstanding. However, the notes are effectively subordinated to the mortgages and our other secured indebtedness (approximately \$277.1 million

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at March 31, 2003), which encumber some of our assets. The indenture does not limit the aggregate initial offering price of the debt securities that may be issued under the indenture and debt securities may be issued under the indenture from time to time in one or more series up to the aggregate initial offering price from time to time authorized by us for each series.

The notes are currently limited to up to \$250,000,000 aggregate initial offering price, or its equivalent in one or more foreign currencies. Prior to the date of this prospectus supplement, we issued Series C Medium-Term Notes with an aggregate principal amount of \$152,000,000 pursuant to a prospectus supplement dated September 26, 2001. We may, from time to time, without the consent of the holders of the notes, provide for the issuance of additional notes of the same series or other debt securities under the indenture in addition to the \$250,000,000 aggregate initial offering price of notes offered by this prospectus supplement. The notes will be offered on a continuous basis and will mature on any day nine months or more from their dates of issue, as specified in the applicable pricing supplement. Unless otherwise specified in the applicable pricing supplement, interest-bearing notes will either be fixed rate notes or floating rate notes, as specified in the applicable pricing supplement. Notes may also be issued that do not bear any interest currently or that bear interest at a below market rate.

Unless otherwise specified in the applicable pricing supplement, the notes will be denominated in, and payments of principal, premium, if any, and/or interest will be made in, United States dollars. The notes also may be denominated in, or payments of principal, premium, if any, and/or interest may be made in, or both, one or more foreign currencies. Those notes are referred to in this prospectus supplement as foreign currency notes. Unless otherwise specified in the applicable pricing supplement, payments in respect of foreign currency notes will be made in the currency in which those foreign currency notes are denominated. The currency in which a note is payable (or, if that currency is no longer legal tender for the payment of public and private debts in the relevant country or, in the case of Euro, in the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the European Union, then the currency which is then legal tender in that country for the payment of those debts) is referred to in this prospectus supplement as the specified currency. References in this prospectus supplement to "United States dollars," "U.S. dollars" and "U.S.\$" are to the lawful currency of the United States of America.

Unless otherwise specified in the applicable pricing supplement, purchasers are required to pay for the notes in the applicable specified currencies. At the present time, there are limited facilities in the United States for the conversion of United States dollars into foreign currencies and vice versa, and commercial banks do not generally offer non-United States dollar checking or savings account facilities in the United States. Each applicable agent through which a foreign currency note is purchased may be prepared to arrange for the conversion of United States dollars into the applicable specified currency to enable the purchaser to pay for the related foreign currency note, provided that a request is made to that agent on or prior to the fifth Business Day (as defined below) preceding the date of delivery of that foreign currency note, or by such other day determined by that agent. Each conversion will be made by an agent on the terms and subject to the conditions, limitations and charges as that agent may from time to time establish in accordance with its regular foreign exchange practices. All costs of exchange will be borne by the purchaser of each foreign currency note.

Interest rates offered by us with respect to the notes may differ depending upon, among other things, the aggregate principal amount of notes purchased in any single transaction. Notes with different variable terms other than interest rates may also be offered concurrently to different investors. Interest rates or formulas and other terms of notes are subject to change by us from time to time, but those changes will not affect any note already issued or as to which an offer to purchase has been accepted by us.

Each note will be issued as a book-entry note represented by one or more fully registered global securities or, if so specified in the applicable pricing supplement, as a fully registered certificated note. The authorized denominations of each note other than a foreign currency note will be \$1,000 and integral multiples of \$1,000, while the authorized denominations of each foreign currency note will be specified in the applicable pricing supplement.

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Payments of principal of, and premium, if any, and interest, if any, on, book-entry notes represented by global securities will be made by us through the trustee to The Depository Trust Company. In the case of certificated notes, payment of principal and premium, if any, due on the stated maturity date or any prior date on which the principal, or an installment of principal, of each certificated note becomes due and payable, whether by the declaration of acceleration, notice of redemption at our option, notice of the holder's option to elect repayment or otherwise (the stated maturity date or such prior date, as the case may be, is referred to in this prospectus supplement as the "maturity date" with respect to the principal of the applicable note repayable on that date) will be made in immediately available funds upon presentation and surrender of that note (and, in the case of any repayment on an optional repayment date, upon delivery of a duly completed election form in accordance with the provisions described below) at the office or agency maintained by us for that purpose in the Borough of Manhattan, The City of New York, currently the corporate trust office of the trustee located at One State Street, New York, New York 10004. Payment of interest due on the maturity date of each certificated note will be made to the person to whom payment of the principal and premium, if any, shall be made. Payment of interest due on each certificated note on any interest payment date (as defined below) other than the maturity date will be made by check mailed to the address of the holder of the note entitled to that interest payment as its address shall appear in our security register. Notwithstanding the foregoing, a holder of \$10,000,000 (or, if the applicable specified currency is other than United States dollars, the equivalent of \$10,000,000 in the specified currency) or more in aggregate principal amount of notes (whether having identical or different terms and provisions) will be entitled to receive interest payments on any interest payment date other than the maturity date by wire transfer of immediately available funds if appropriate wire transfer instructions have been received in writing by the trustee not less than 15 days prior to such interest payment date. Any such wire transfer instructions received by the trustee shall remain in effect until revoked by that holder of notes. For special payment terms applicable to foreign currency notes, see "Special Provisions Relating to Foreign Currency Notes" Payment of Principal, Premium, if any, and Interest, if any.

As used in this prospectus supplement, "Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; *provided, however*, that, with respect to foreign currency notes, such day is also not a day on which commercial banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as defined below) of the country issuing the specified currency (or, if the specified currency is the Euro, the day must also be a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open); *provided, further*, that, with respect to notes as to which LIBOR is an applicable interest rate basis, that day is also a London Business Day (as defined below). "London Business Day" means any day on which commercial banks are open for business, including dealings in the LIBOR Currency (as defined below) are transacted in the London interbank market.

"Principal Financial Center" means (i) the capital city of the country issuing the specified currency, or (ii) the capital city of the country in which the LIBOR currency relates, as applicable, except, in the case of (i) or (ii) above, that with respect to United States dollars, Australian dollars, Canadian dollars, Deutsche marks, Dutch guilders, Italian lire, Portuguese escudos, South African rand and Swiss francs, the "Principal Financial Center" shall be The City of New York, Sydney and (solely in the case of the specified currency) Melbourne, Toronto, Frankfurt, Amsterdam, Milan, London (solely in the case of the LIBOR currency), Johannesburg, and Zurich, respectively.

Book-entry notes may be transferred or exchanged only through The Depository Trust Company. Registration of transfer or exchange of certificated notes will be made at the office or agency maintained by us for such purpose in the Borough of Manhattan, The City of New York. No service charge will be made by us or the trustee for any such registration of transfer or exchange of notes, but we may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with that transfer or exchange (other than exchanges pursuant to the indenture not involving any transfer).

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Redemption at Our Option

Unless otherwise specified in the applicable pricing supplement, the notes will not be subject to, or entitled to the benefit of, any sinking fund. The notes will be redeemable at our option prior to the stated maturity date only if agreed to by us and the purchasers of those notes at the time of sale and an initial redemption date is specified in the applicable pricing supplement. If so specified, the notes will be subject to redemption at our option on any date on or after the applicable initial redemption date in whole or from time to time in part in increments of \$1,000 or other minimum denomination specified in that pricing supplement (provided that any remaining principal amount of those notes shall be at least \$1,000 or the minimum denomination), at the applicable Redemption Price (as defined below), together with unpaid interest accrued to the date of redemption, on notice given not more than 60 nor less than 30 calendar days prior to the date of redemption and in accordance with the provisions of the indenture. [Redemption Price], with respect to a note, means an amount equal to the initial redemption percentage specified in the applicable pricing supplement (as adjusted by the annual redemption percentage reduction, if applicable) multiplied by the unpaid principal amount to be redeemed. The initial redemption percentage, if any, applicable to a note shall decline at each anniversary of the initial redemption date by an amount equal to the applicable annual redemption percentage reduction, if any, until the Redemption Price is equal to 100% of the unpaid principal amount to be redeemed. See also [Original Issue Discount Notes].

Repayment at the Holder of the Note's Option

The notes will be repayable by us at the option of the holders of those notes prior to the stated maturity date only if agreed to by us and the purchasers of those notes at the time of sale and one or more optional repayment dates are specified in the applicable pricing supplement. If so specified, the notes will be subject to repayment at the option of the holders of those notes on any optional repayment date in whole or from time to time in part in increments of \$1,000 or other minimum denomination specified in the applicable pricing supplement (provided that any remaining principal amount of those notes will be at least \$1,000 or that other minimum denomination), at a repayment price equal to 100% of the unpaid principal amount to be repaid, together with unpaid interest accrued to the date of repayment.

For any note to be repaid, the Trustee must receive, at its corporate trust office in the Borough of Manhattan, The City of New York, (or any other address of which we shall from time to time notify the holders of the notes) not more than 60 nor less than 30 calendar days prior to the date of repayment, the particular notes to be repaid and:

□ in the case of a Certificated Note, the form entitled [Option to Elect Repayment] duly completed, or

□ in the case of a book-entry note, repayment instructions from the applicable beneficial owner (as defined below) to The Depository Trust Company and forward by The Depository Trust Company.

Only The Depository Trust Company may exercise the repayment option in respect of global securities representing book-entry notes. Accordingly, beneficial owners (as defined below) of global securities that desire to have all or any portion of the book-entry notes represented by the global securities repaid must instruct the participant (as defined below) through which they own their interest to direct The Depository Trust Company to exercise the repayment option on their behalf by forwarding the payment instructions to the trustee as aforesaid. In order to ensure that these instructions are received by the trustee on a particular day, the applicable beneficial owner must so instruct the participant through which it owns its interest before that participant's deadline for accepting instructions for that day. Different firms may have different deadlines for accepting instructions from their customers. Accordingly, beneficial owners should consult their participants for the respective deadlines. All instructions given to participants from beneficial owners of global securities relating to the option to elect repayment shall be irrevocable. In addition, at the time payment instructions are given, each beneficial owner shall cause the participant through which it owns its interest to transfer that beneficial owner's interest in the global security representing the related book-entry notes, on The Depository Trust Company records, to the trustee. See [Book-Entry Notes].

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If applicable, we will comply with the requirements of Section 14(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules promulgated thereunder and any other securities laws or regulations in connection with any repayment of the notes at the option of the registered holders thereof.

We may at any time purchase notes at any price or prices in the open market or otherwise. Notes so purchased by us may, at our discretion, be held, resold or surrendered to the trustee for cancellation.

Interest

General

Unless otherwise specified in the applicable pricing supplement, each interest-bearing note will bear interest from its date of issue at the rate per annum, in the case of a fixed rate note, or pursuant to the interest rate formula, in the case of a floating rate note, in each case as specified in the applicable pricing supplement, until the principal is paid or duly made available for payment. Unless otherwise specified in the applicable pricing supplement, interest payments in respect of fixed rate notes and floating rate notes will equal the amount of interest accrued from and including the immediately preceding Interest Payment Date in respect of which interest has been paid or duly made available for payment (or from and including the date of issue, if no interest has been paid or duly made available for payment with respect to the applicable note) to but excluding the applicable interest payment date or the maturity date, as the case may be (each, an "Interest Period").

Interest on fixed rate notes and floating rate notes will be payable in arrears on each Interest Payment Date and on the maturity date. Unless otherwise specified in the applicable pricing supplement, the first payment of interest on any note originally issued between a Record Date (as defined below) and the related interest payment date will be made on the interest payment date immediately following the next succeeding Record Date to the registered holder of that note on the next succeeding Record Date. Unless otherwise specified in the applicable pricing supplement, a "Record Date" shall be the fifteenth calendar day (whether or not a Business Day) immediately preceding the related interest payment date.

Fixed Rate Notes

Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be payable on April 1 and October 1 of each year (each, an "Interest Payment Date") and on the maturity date. Unless otherwise specified in the applicable pricing supplement, interest on fixed rate notes will be computed on the basis of a 360-day year of twelve 30-day months.

If any Interest Payment Date or the maturity date of a fixed rate note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and/or interest will be made on the next succeeding Business Day with the same force and effect as if made on the date that payment was due, and no additional interest will accrue on that payment for the period from and after that Interest Payment Date or the maturity date, as the case may be, to the date of that payment on the next succeeding Business Day.

Floating Rate Notes

Unless otherwise specified in the applicable pricing supplement, floating rate notes will be issued as described below. The applicable pricing supplement will specify certain terms with respect to which each floating rate note is being delivered, including: whether the floating rate note is a "regular floating rate note," a "floating rate/fixed rate note" or an "inverse floating rate note," the fixed rate commencement date, if applicable, fixed interest rate, if applicable, interest rate basis or bases, initial interest rate, if any, interest reset period and dates, interest payment period and dates, index maturity, maximum interest rate and/or minimum interest rate, if any, and spread and/or spread multiplier, if any, as such terms are defined below. If one or more of the applicable interest rate bases is LIBOR or the CMT rate, the applicable pricing supplement will specify the LIBOR Currency and Designated LIBOR Page or the Designated CMT Maturity Index and Designated CMT Telerate Page, respectively, as those terms are defined below.

The interest rate borne by the floating rate notes will be determined as follows:

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- (i) Unless the floating rate note is designated as a "floating rate/fixed rate note" or an "inverse floating rate note," or as having an addendum attached or as having "Other/Additional Provisions" apply, in each case relating to a different interest rate formula, that floating rate note will be designated as a "regular floating rate note" and, except as described below or in the applicable pricing supplement, will bear interest at the rate determined by reference to the applicable interest rate basis or bases (a) plus or minus the applicable spread, if any, and/or (b) multiplied by the applicable spread multiplier, if any. Commencing on the first interest reset date, the rate at which interest on such regular floating rate note will be payable will be reset as of each interest reset date; *provided, however*, that the interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate.
- (ii) If the floating rate note is designated as a "floating rate/fixed rate note," then, except as described below or in the applicable pricing supplement, that floating rate note will bear interest at the rate determined by reference to the applicable interest rate basis or bases (a) plus or minus the applicable spread, if any, and/or (b) multiplied by the applicable spread multiplier, if any. Commencing on the first interest reset date, the rate at which interest on such floating rate/fixed rate note will be payable will be reset as of each interest reset date; *provided, however*, that (y) the interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate and (z) the interest rate in effect for the period commencing on the fixed rate commencement date to the maturity date shall be the fixed interest rate, if that rate is specified in the applicable pricing supplement or, if the fixed interest rate is not specified, the interest rate in effect on the day immediately preceding the fixed rate commencement date.
- (iii) If the floating rate note is designated as an "inverse floating rate note," then, except as described below or in the applicable pricing supplement, that floating rate note will bear interest at the fixed interest rate minus the rate determined by reference to the applicable interest rate basis or bases (a) plus or minus the applicable spread, if any, and/or (b) multiplied by the applicable spread multiplier, if any; *provided, however*, that, unless otherwise specified in the applicable pricing supplement, the interest rate thereon will not be less than zero. Commencing on the first interest reset date, the rate at which interest on that inverse floating rate note will be payable will be reset as of each interest reset date; *provided, however*, that the interest rate in effect for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate.

The "spread" is the number of basis points to be added to or subtracted from the related interest rate basis or bases applicable to that floating rate note. The "spread multiplier" is the percentage of the related interest rate basis or bases applicable to that floating rate note by which the interest rate basis or bases will be multiplied to determine the applicable interest rate on that floating rate note. The "index maturity" is the period to maturity of the instrument or obligation with respect to which the related interest rate basis or bases will be calculated.

Unless otherwise specified in the applicable pricing supplement, the interest rate with respect to each interest rate basis will be determined in accordance with the applicable provisions below. Except as set forth above or in the applicable pricing supplement, the interest rate in effect on each day will be (i) if that day is an interest reset date, the interest rate determined as of the interest determination date (as defined below) immediately preceding such interest reset date or (ii) if that day is not an interest reset date, the interest rate determined as of the interest determination date immediately preceding the most recent interest reset date.

Interest on floating rate notes will be determined by reference to the applicable interest rate basis or interest rate bases, which may, as described below, include (i) the CD rate, (ii) the CMT rate, (iii) the commercial paper rate, (iv) the eleventh district cost of funds rate, (v) the federal funds rate, (vi) LIBOR, (vii) the prime rate, (viii) the treasury rate, or (ix) any other interest rate basis or interest rate formula as may be specified in the applicable pricing supplement; *provided, however*, that the interest rate in effect on a floating rate note for the period, if any, from the date of issue to the first interest reset date will be the initial interest rate; *provided, further*, that with respect to a floating rate/fixed rate note the interest rate in effect for the period commencing on the fixed rate commencement date to the maturity date will be the fixed interest rate, if the fixed interest rate is specified in the applicable pricing supplement or, if the fixed interest rate is

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not so specified, the interest rate in effect thereon on the day immediately preceding the fixed rate commencement date.

The applicable pricing supplement will specify whether the rate of interest on the related floating rate note will be reset daily, weekly, monthly, quarterly, semiannually or annually or on another specified basis (each, an "interest reset period") and the dates on which that rate of interest will be reset (each, an "interest reset date"). Unless otherwise specified in the applicable pricing supplement, the interest reset dates will be, in the case of floating rate notes which reset: (i) daily, each Business Day; (ii) weekly, the Wednesday of each week (with the exception of weekly reset floating rate notes as to which the treasury rate is an applicable interest rate basis, which will reset the Tuesday of each week, except as described below); (iii) monthly, the third Wednesday of each month (with the exception of monthly reset floating rate notes as to which the eleventh district cost of funds rate is an applicable interest rate basis, which will reset on the first calendar day of the month); (iv) quarterly, the third Wednesday of March, June, September and December of each year; (v) semiannually, the third Wednesday of the two months specified in the applicable pricing supplement; and (vi) annually, the third Wednesday of the month specified in the applicable pricing supplement; provided however, that, with respect to floating rate/fixed rate notes, the rate of interest on those notes will not reset after the applicable fixed rate commencement date.

If any interest reset date for any floating rate note would otherwise be a day that is not a Business Day, the particular interest reset date will be postponed to the next succeeding Business Day, except that in the case of a floating rate note as to which LIBOR is an applicable interest rate basis and that Business Day falls in the next succeeding calendar month, the particular interest reset date will be the immediately preceding Business Day. In addition, in the case of a floating rate note as to which the treasury rate is an applicable interest rate basis, if the interest determination date would otherwise fall on an interest reset date, the particular interest reset date will be postponed to the next succeeding Business Day.

The interest rate applicable to each Interest Reset Period commencing on the related interest reset date will be the rate determined by reference to the applicable interest rate basis as of the interest determination date and calculated on or prior to the Calculation Date (as defined below), except with respect to LIBOR and the eleventh district cost of funds rate, which will be calculated on the applicable interest determination date. The "interest determination date" with respect to the CD rate, the CMT rate and the commercial paper rate will be the second Business Day preceding the applicable interest reset date; the "interest determination date" with respect to the eleventh district cost of funds rate will be the last working day of the month immediately preceding the applicable interest reset date on which the Federal Home Loan Bank of San Francisco publishes the Index (as defined below); the "interest determination date" with respect to the federal funds rate, and the prime rate will be the Business Day preceding the related interest reset date; and the "interest determination date" with respect to LIBOR will be the second London Business Day immediately preceding the applicable interest reset date, unless the "LIBOR Currency" is British pounds sterling, in which case the "interest determination date" will be the applicable interest reset date. With respect to the treasury rate, the "interest determination date" will be the day in the week in which the applicable interest reset date falls on which day Treasury Bills (as defined below) are normally auctioned (*i.e.*, Treasury Bills are normally sold at an auction held on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that the auction may be held on the preceding Friday); *provided, however*, that if an auction is held on the Friday of the week preceding the related interest reset date, the interest determination date will be the preceding Friday. The "interest determination date" pertaining to a floating rate note the interest rate of which is determined by reference to two or more interest rate bases will be the latest Business Day which is at least two Business Days before the related interest reset date for the applicable floating rate note on which each interest rate basis is determinable. Each interest rate basis will be determined as of that date, and the applicable interest rate will take effect on the applicable interest reset date.

A floating rate note may also have either or both of the following: (i) a maximum interest rate, or ceiling, that may accrue during any interest period and (ii) a minimum interest rate, or floor, that may accrue during any interest reset period. In addition to any maximum interest rate that may apply to any floating rate note, the interest rate on floating rate notes will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application.

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Except as provided below or in the applicable pricing supplement, interest will be payable, in the case of floating rate notes which reset: (i) daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable pricing supplement; (ii) quarterly, on the third Wednesday of March, June, September and December of each year; (iii) semiannually, on the third Wednesday of the two months of each year specified in the applicable pricing supplement; and (iv) annually, on the third Wednesday of the month of each year specified in the applicable pricing supplement (each, an "interest payment date") and, in each case, the maturity date will also be an interest payment date.

If any interest payment date other than the maturity date for any floating rate note would otherwise be a day that is not a Business Day, the particular interest payment date will be postponed to the next succeeding Business Day, except that in the case of a floating rate note as to which LIBOR is an applicable interest rate basis and that Business Day falls in the next succeeding calendar month, that interest payment date will be the immediately preceding Business Day. If the maturity date of a floating rate note falls on a day that is not a Business Day, the required payment of principal, premium, if any, and interest will be made on the next succeeding Business Day with the same force and effect as if made on the date that payment was due, and no additional interest will accrue on the payment for the period from and after the maturity date to the date of the payment on the next succeeding Business Day.

All percentages resulting from any calculation on floating rate notes will be rounded to the nearest one hundred-thousandth of a percentage point, with five-one millionths of a percentage point rounded upwards. For example, 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655), and all dollar amounts used in or resulting from any calculation on floating rate notes will be rounded, in the case of United States dollars, to the nearest cent or, in the case of a foreign currency or composite currency, to the nearest unit (with one-half cent or unit being rounded upwards).

With respect to each floating rate note, accrued interest is calculated by multiplying its principal amount by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day in the particular Interest Period. Unless otherwise specified in the applicable pricing supplement, the interest factor for each of those days will be computed by dividing the interest rate applicable to that day by 360, in the case of floating rate notes for which an applicable interest rate basis is the CD rate, the commercial paper rate, the eleventh district cost of funds rate, the federal funds rate, LIBOR or the prime rate, or by the actual number of days in the year in the case of floating rate notes for which an applicable interest rate basis is the CMT rate or the treasury rate. Unless otherwise specified in the applicable pricing supplement, the interest factor for floating rate notes for which the interest rate is calculated with reference to two or more interest rate bases will be calculated in each period in the same manner as if only one of the applicable interest rate bases applied as specified in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, The Bank of New York will be the "Calculation Agent." The interest rate applicable to each Interest Period will be determined by the Calculation Agent on or prior to the Calculation Date, except with respect to LIBOR and the eleventh district cost of funds rate, which will be determined on the particular interest determination date. Upon request of the holder of any floating rate note, the Calculation Agent will disclose the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next succeeding interest reset date with respect to that floating rate note. Unless otherwise specified in the applicable pricing supplement, the "Calculation Date," if applicable, pertaining to any interest determination date will be the earlier of (i) the tenth calendar day after that interest determination date, or, if that day is not a Business Day, the next succeeding Business Day or (ii) the Business Day immediately preceding the applicable interest payment date or the maturity date, as the case may be.

Unless otherwise specified in the applicable pricing supplement, the Calculation Agent shall determine each interest rate basis in accordance with the following provisions.

CD Rate. Unless otherwise specified in the applicable pricing supplement, "CD rate" means, with respect to any Interest Determination Date relating to a floating rate note for which the interest rate is determined with reference to the CD rate (a "CD rate interest determination date"), (1) the rate on the CD rate interest determination date for negotiable United States dollar certificates of deposit having the index

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maturity specified in the applicable pricing supplement as published in H.15(519) (as defined below), under the caption "CDs (Secondary Market)," or, (2) if the rate referred to in clause (1) is not published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on that CD rate interest determination date for negotiable United States dollar certificates of deposit of the particular index maturity specified in the applicable pricing supplement as published in H.15 Daily Update (as defined below), or such other recognized electronic source used for the purpose displaying the applicable rate, under the caption "CDs (Secondary Market)," or (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the CD Rate interest determination date calculated by the Calculation Agent as the arithmetic mean of the secondary market offered rates as of 10:00 A.M., New York City time, on such CD rate interest determination date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the agents or their affiliates) selected by the Calculation Agent for negotiable United States dollar certificates of deposit of major United States money market banks for negotiable United States certificates of deposit with a remaining maturity closest to the particular index maturity specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at that time, or (4) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (3) the CD rate in effect on such CD rate interest determination date.

"H.15(519)" means the weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.

"H.15 Daily Update" means the daily update of H.15(519), available through the world-wide-web site of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication.

CMT Rate. Unless otherwise specified in the applicable pricing supplement, "CMT rate" means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to the CMT rate (a "CMT rate interest determination date").

(1) if CMT Telerate Page 7051 is specified in the applicable pricing supplement, (a) the percentage equal to the yield for United States Treasury securities at "constant maturity" having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption "Treasury Constant Maturities", as the yield is displayed on Bridge Telerate, Inc. (or any successor service) on page 7051 (or any other page as may replace the specified page on that service) ("Telerate Page 7051"), for the particular Interest determination date, or (b) if the rate referred to in clause (a) does not so appear on Telerate Page 7051, the percentage equal to the yield for United States Treasury securities at "constant maturity" having the particular index maturity and for the CMT rate interest determination date as published in H.15(519) under the caption "Treasury Constant Maturities", or (c) if the rate referred to in clause (b) does not so appear in H.15(519), the rate on the CMT rate interest determination date for the period of the particular index maturity as may then be published by either the Federal Reserve System Board of Governors or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519), or (d) if the rate referred to in clause (c) is not so published, the rate on the CMT rate interest determination date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that interest determination date of three leading primary United States government securities dealers in The City of New York (which may include the agents or their affiliates) (each, a "Reference Dealer"), selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular index maturity, a remaining term to maturity no more than 1 year shorter than that index maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or (e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the particular interest determination date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or (f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the particular interest determination date calculated by the Calculation

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Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that interest determination date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity greater than the particular index maturity, a remaining term to maturity closest to that index maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or (g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the particular interest determination date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations will be eliminated, or (h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT rate in effect on the particular interest determination date.

(2) if CMT Telerate Page 7052 is specified in the applicable pricing supplement:

- (a) the percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at [constant maturity] having the index maturity specified in the applicable pricing supplement as published in H.15(519) opposite the caption [Treasury Constant Maturities], as the yield is displayed on Bridge Telerate, Inc. (or any successor service) (on page 7052 or any other page as may replace the specified page on that service) ([Telerate Page 7052]), for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which the CMT rate interest determination date falls, or (b) if the rate referred to in clause (a) does not so appear on Telerate Page 7052, the percentage equal to the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at [constant maturity] having the particular index maturity and for the week or month, as applicable, preceding the CMT rate interest determination date as published in H.15(519) opposite the caption [Treasury Constant Maturities], or (c) if the rate referred to in clause (b) does not so appear in H.15(519), the one-week or one-month, as specified in the applicable pricing supplement, average yield for United States Treasury securities at [constant maturity] having the particular index maturity as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which the CMT rate interest determination date falls, or (d) if the rate referred to in clause (c) is not so published, the rate on the CMT rate interest determination date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 P.M., New York City time, on that interest determination date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation, or, in the event of equality, one of the highest, and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury securities with an original maturity equal to the particular index maturity, a remaining term to maturity no more than 1 year shorter than that index maturity and in a principal amount that is representative for a single transaction in the securities in that market at that time, or (e) if fewer than five but more than two of the prices referred to in clause (d) are provided as requested, the rate on the CMT rate interest determination date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of the quotations shall be eliminated, or (f) if fewer than three prices referred to in clause (d) are provided as requested, the rate on the CMT rate interest determination date calculated by the Calculation Agent as a yield to maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 P.M., New York City time, on that interest determination date of three Reference Dealers selected by the Calculation Agent from five Reference Dealers selected by the Calculation Agent and eliminating the highest quotation or, in the event of equality, one of the highest and the lowest quotation or, in the event of equality, one of the lowest, for United States Treasury

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securities with an original maturity greater than the particular index maturity, a remaining term to maturity closest to that index maturity and in a principal amount that is representative for a single transaction in the securities in that market at the time, or (g) if fewer than five but more than two prices referred to in clause (f) are provided as requested, the rate on the CMT rate interest determination date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest or the lowest of the quotations will be eliminated, or (h) if fewer than three prices referred to in clause (f) are provided as requested, the CMT rate in effect on that CMT interest determination date.

If two United States Treasury securities with an original maturity greater than the index maturity specified in the applicable pricing supplement have remaining terms to maturity equally close to the particular index maturity, the quotes for the United States Treasury security with the shorter original remaining term to maturity will be used.

Commercial Paper Rate. Unless otherwise specified in the applicable pricing supplement, [commercial paper rate] means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to the commercial paper rate (a [commercial paper rate interest determination date]), (1) the Money Market Yield (as defined below) on the commercial paper rate interest determination date of the rate for commercial paper having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption [Commercial Paper]Nonfinancial], or (2) if the rate referred to in clause (1) is not published by 3:00 P.M., New York City time, on the related Calculation Date, then the commercial paper rate on that commercial paper rate interest determination date will be the Money Market Yield of the rate for commercial paper having the index maturity specified in the applicable pricing supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption [Commercial Paper]Nonfinancial], or (3) if the rate referred to in clause (2) is not published by 3:00 P.M., New York City time, on the related Calculation Date, the commercial paper rate on that commercial paper rate interest determination date calculated by the Calculation Agent as the Money Market Yield of the arithmetic mean of the offered rates at approximately 11:00 A.M., New York City time, on that commercial paper rate interest determination date of three leading dealers of United States dollar commercial paper in The City of New York (which may include the agents or their affiliates) selected by the Calculation Agent for commercial paper having the particular index maturity specified in the applicable pricing supplement placed for industrial issuers whose bond rating is [Aa], or the equivalent, from a nationally recognized statistical rating organization, or (4) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (3), the commercial paper rate determined as of that commercial paper rate interest determination date will be the commercial paper rate in effect on that commercial paper rate interest determination date.

[Money Market Yield] means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 \times (D \times M)} \times 100$$

where [D] refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and [M] refers to the actual number of days in the applicable Interest Reset Period.

Eleventh District Cost of Funds Rate. Unless otherwise specified in the applicable pricing supplement, [eleventh district cost of funds rate] means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to the eleventh district cost of funds rate (an [eleventh district cost of funds rate interest determination date]), (1) the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which that eleventh district cost of funds rate interest determination date falls as set forth under the caption [11th District] on the display on Bridge Telerate, Inc. (or any successor service) on Telerate page 7058 (or any other page as may replace the specified page on that service) ([Telerate Page 7058]) as of 11:00 A.M., San

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Francisco time, on that eleventh district cost of funds rate interest determination date, or (2) if the rate referred to in clause (1) does not so appear on Telerate Page 7058, the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the Index) by the Federal Home Loan Bank of San Francisco as that cost of funds for the calendar month immediately preceding that eleventh district cost of funds rate interest determination date, or (3) if the Federal Home Loan Bank of San Francisco fails to announce the index on or prior to that eleventh district cost of funds rate interest determination date for the calendar month immediately preceding that eleventh district cost of funds rate interest determination date, the eleventh district cost of funds rate in effect on that eleventh district cost of funds rate interest determination date.

Federal Funds Rate. Unless otherwise specified in the applicable pricing supplement, federal funds rate means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to the federal funds rate (a federal funds rate interest determination date), (1) the rate on such federal funds rate interest determination date for United States dollar federal funds as published in H.15(519) under the caption Federal Funds (Effective) and displayed on Bridge Telerate, Inc. (or any successor service) on page 120 (or any other page as may replace the specified page on that service) (Telerate Page 120), or (2) if the rate referred to in clause (1) does not so appear on Telerate Page 120 or is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on that federal funds rate interest determination date for United States dollar federal funds published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption Federal Funds (Effective), or (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the federal funds rate interest determination date calculated by the Calculation Agent as an arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of federal funds transactions in The City of New York (which may include the agents or their affiliates) selected by the Calculation Agent prior to 9:00 A.M., New York City time, on that federal funds rate interest determination date, or (4) if the brokers so selected by the Calculation Agent are not quoting as mentioned in clause (3), the federal funds rate in effect on that federal funds rate interest determination date.

LIBOR. Unless otherwise specified in the applicable pricing supplement, LIBOR means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to LIBOR (a LIBOR interest determination date), (1) if LIBOR Telerate is specified in the applicable pricing supplement or if neither LIBOR Reuters nor LIBOR Telerate is specified in the applicable pricing supplement as the method for calculating LIBOR, the rate for deposits in the LIBOR Currency having the Index Maturity specified in the applicable pricing supplement, commencing on the related interest reset date, that appears on the LIBOR Page as of 11:00 A.M., London time, on the LIBOR interest determination date, or (2) if LIBOR Reuters is specified in the applicable pricing supplement, the arithmetic mean of the offered rates calculated by the Calculation Agent, or the offered rate, if the LIBOR page by its terms provides only for a single rate, for deposits in the LIBOR currency having the index maturity specified in that pricing supplement, commencing on such interest reset date, that appear (or, if only a single rate is required as aforesaid, appears) on the LIBOR Page as of 11:00 A.M., London time, on such LIBOR interest determination date, or (3) if fewer than two offered rates appear, or no rate appears, as the case may be, on the LIBOR Page as specified in clause (1) or (2), as applicable, the rate calculated by the Calculation Agent of at least two offered quotations obtained by the Calculation Agent after requesting the principal London offices of each of four major reference banks (which may include affiliates of the agents) in the London interbank market to provide the Calculation Agent with its offered quotation for deposits in the LIBOR currency for the period of the index maturity specified in the applicable pricing supplement, commencing on such interest reset date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on that LIBOR interest determination date and in a principal amount that is representative for a single transaction in the LIBOR Currency in that market at that time, or (4) if fewer than two offered quotations referred to in clause (3) are provided as requested, the rate calculated by the Calculation Agent as the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the applicable Principal Financial Center, on that LIBOR interest determination date by three major banks (which may include affiliates of the Agents) in the Principal Financial Center selected by the Calculation Agent for loans in the LIBOR Currency to leading European banks having the index maturity specified in the applicable

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pricing supplement and in a principal amount that is representative for a single transaction in that LIBOR currency in that market at that time, or (5) if the banks so selected by the Calculation Agent are not quoting as mentioned in clause (4), LIBOR in effect on that LIBOR interest determination date.

□LIBOR currency□ means the currency specified in the applicable pricing supplement as to which LIBOR shall be calculated or, if no currency is specified in the applicable pricing supplement, United States dollars.

□LIBOR page□ means either (a) if □LIBOR Reuters□ is specified in the applicable pricing supplement, the display on the Reuter Monitor Money Rates Service (or any successor service) on the page specified in that pricing supplement (or any other page as may replace that page on that service) for the purpose of displaying the London interbank rates of major banks for the LIBOR currency, or (b) if □LIBOR Telerate□ is specified in the applicable pricing supplement or neither □LIBOR Reuters□ nor □LIBOR Telerate□ is specified in the applicable pricing supplement as the method for calculating LIBOR, the display on Bridge Telerate, Inc. (or any successor service) on the page specified in that pricing supplement (or any other page as may replace that page on that service) for the purpose of displaying the London interbank rates of major banks for the LIBOR currency.

Prime Rate. Unless otherwise specified in the applicable pricing supplement, □prime rate□ means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to the prime rate (a □prime rate interest determination date□), (1) the rate on such prime rate interest determination date as published in H.15(519) under the caption □Bank Prime Loan□, or (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the prime rate interest determination date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying the applicable rate, under the caption □Bank Prime Loan□, or (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the prime rate interest determination date calculated by the Calculation Agent as the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen US PRIME1 Page (as defined below) as the applicable bank□s prime rate or base lending rate as 11:00 A.M., New York City time, on that interest determination date, or (4) if fewer than four rates referred to in clause (3) are so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on the prime rate interest determination date calculated by the Calculation Agent as the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on that prime rate interest determination date by three major banks which may include affiliates of the agents in The City of New York selected by the Calculation Agent, or (5) the banks so selected by the Calculation Agent are not quoting as mentioned in clause (4), the prime rate determined as of that prime rate interest determination date will be the prime rate in effect on that prime rate interest determination date.

□Reuters Screen US PRIME1 Page□ means the display on the Reuter Monitor Money Rates Service (or any successor service) on the □US PRIME 1□ page (or any other page as may replace that page on that service) for the purpose of displaying prime rates or base lending rates of major United States banks.

Treasury Rate. Unless otherwise specified in the applicable pricing supplement, □treasury rate□ means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined by reference to the treasury rate (a □treasury rate interest determination date□), (1) the rate from the auction held on the treasury rate interest determination date (the □Auction□) of direct obligations of the United States (□Treasury Bills□) having the index maturity specified in the applicable pricing supplement under the caption □INVESTMENT RATE□ on the display on Bridge Telerate, Inc. (or any successor service) on page 56 (or any other page as may replace that page on that service) (□Telerate Page 56□) or page 57 (or any other page as may replace that page on that service) (□Telerate Page 57□), or (2) if the rate referred to in clause (1) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond Equivalent Yield (as defined below) of the rate for the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption □U.S. Government Securities/Treasury Bills/Auction High□, or (3) if the rate referred to in clause (2) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the Bond

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Equivalent Yield of the auction rate of the applicable Treasury Bills as announced by the United States Department of the Treasury, or (4) if the rate referred to in clause (3) is not so announced by the United States Department of the Treasury, or if the Auction is not held, the Bond Equivalent Yield of the rate on the treasury rate interest determination date of the applicable Treasury Bills as published in H.15(519) under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or (5) if the rate referred to in clause (4) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the treasury rate interest determination date of the applicable Treasury Bills as published in H.15 Daily Update, or another recognized electronic source used for the purpose of displaying the applicable rate, under the caption "U.S. Government Securities/Treasury Bills/Secondary Market", or (6) if the rate referred to in clause (5) is not so published by 3:00 P.M., New York City time, on the related Calculation Date, the rate on the treasury rate interest determination date calculated by the Calculation Agent as the Bond Equivalent Yield of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on that treasury rate interest determination date, of three primary United States government securities dealers (which may include the Agents or their affiliates) selected by the Calculation Agent for the issue of Treasury Bills with a remaining maturity closest to the index maturity specified in the applicable pricing supplement, or (7) if the dealers so selected by the Calculation Agent are not quoting as mentioned in clause (6), the treasury rate in effect on the treasury rate interest determination date.

"Bond Equivalent Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Bond Equivalent Yield} = \frac{D \times N}{360 \times (D \times M)} \times 100$$

where "D" refers to the applicable per annum rate for Treasury Bills quoted on a bank discount basis and expressed as a decimal, "N" refers to 365 or 366, as the case may be, and "M" refers to the actual number of days in the applicable interest reset period.

Other Provisions; Addenda

Any provisions with respect to the notes, including the specification and determination of one or more Interest Rate Bases, the calculation of the interest rate applicable to a floating rate note, the Interest Payment Dates, the stated maturity date, any redemption or repayment provisions or any other term relating to the notes, may be modified or supplemented or both as specified under "Other/Additional Provisions" on the face of the notes or in an addendum relating to the notes, if so specified on the face of the applicable notes and, in each case, as specified in the applicable pricing supplement.

Amortizing Notes

We may from time to time offer amortizing notes with the amount of principal thereof and interest thereon payable in installments over their terms. Unless otherwise specified in the applicable pricing supplement, interest on each amortizing note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to amortizing notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount of those amortizing notes. Further information concerning additional terms and provisions of amortizing notes will be specified in the applicable pricing supplement, including a table setting forth repayment information for those amortizing notes.

Original Issue Discount Notes

We may from time to time offer notes ("original issue discount notes" or "OID notes") that have an issue price (as specified in the applicable pricing supplement) that is less than 100% of the principal amount of those notes (i.e., par). OID notes may not bear any interest currently or may bear interest at a rate that is below market rates at the time of issuance. Unless otherwise specified in the applicable pricing supplement, the difference between the issue price of an OID note and par is referred to in this prospectus supplement as the "discount" by more than a percentage equal to the product of 0.25% and the number of full years to the

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stated maturity date. In the event of redemption, repayment or acceleration of maturity of an OID note, the amount payable to the holder of an OID note will be equal to the sum of: (i) the issue price (increased by any accruals of discount) and, in the event of any redemption of the applicable OID note (if applicable), multiplied by the initial redemption percentage specified in the applicable pricing supplement (as adjusted by the annual redemption percentage reduction, if applicable); and (ii) any unpaid accrued interest on the OID note to the date of redemption, repayment or acceleration of maturity, as the case may be.

Unless otherwise specified in the applicable pricing supplement, for purposes of determining the amount of discount that has accrued as of any date on which a redemption, repayment or acceleration of maturity occurs for an OID note, a discount will be accrued using a constant yield method. The constant yield will be calculated using a 30-day month, 360-day year convention, a compounding period that, except for the Initial Period (as defined below), corresponds to the shortest period between Interest Payment Dates for the applicable OID note (with ratable accruals within a compounding period), a coupon rate equal to the initial coupon rate applicable to the OID note and an assumption that the maturity of an OID note will not be accelerated. If the period from the date of issue to the initial Interest Payment Date for an OID note (the "Initial Period") is shorter than the compounding period for the OID note, a proportionate amount of the yield for an entire compounding period will be accrued. If the Initial Period is longer than the compounding period, then the period will be divided into a regular compounding period and a short period with the short period being treated as provided in the preceding sentence. The accrual of the applicable discount may differ from the accrual of original issue discount for purposes of the Internal Revenue Code of 1986, as amended (the "Code"), certain OID notes may not be treated as having original issue discount within the meaning of the Code, and notes other than OID notes may be treated as issued with original issue discount for federal income tax purposes. See "Certain United States Federal Income Tax Considerations."

Indexed Notes

We may from time to time offer notes ("index notes") with the amount of principal, premium and/or interest payable in respect thereof to be determined with reference to the price or prices of specified commodities or stocks, to the exchange rate of one or more designated currencies relative to one or more other currencies or to other items, in each case, as specified in the applicable pricing supplement. In certain cases, holders of indexed notes may receive a principal payment on the maturity date that is greater than or less than the principal amount of those indexed notes depending upon the relative value on the maturity date of the specified indexed item. Information as to the method for determining the amount of principal, premium, if any, and/or interest payable in respect of indexed notes, certain historical information with respect to the specified indexed item and any material tax considerations associated with an investment in indexed notes will be specified in the applicable pricing supplement. See also "Certain Risk Factors."

Book-Entry Notes

We have established a depository arrangement with The Depository Trust Company with respect to the book-entry notes, the terms of which are summarized below. Any additional or differing terms of the depository arrangement with respect to the book-entry notes will be described in the applicable pricing supplement.

Upon issuance, all book-entry notes of like tenor and terms up to \$500,000,000 aggregate principal amount bearing interest (if any) at the same rate or pursuant to the same formula and having the same date of issue, specified currency Interest Payment Dates (if any), stated maturity date, redemption provisions (if any), repayment provisions (if any) and other terms will be represented by a single global security. Each global security representing book-entry notes will be deposited with, or on behalf of, The Depository Trust Company and will be registered in the name of The Depository Trust Company or a nominee of The Depository Trust Company. No global security may be transferred except as a whole by a nominee of The Depository Trust Company to The Depository Trust Company or to another nominee of The Depository Trust Company, or by The Depository Trust Company or that nominee to a successor of The Depository Trust Company or a nominee of that successor.

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So long as The Depository Trust Company or its nominee is the holder of a global security, The Depository Trust Company or its nominee, as the case may be, will be the sole owner of the book-entry notes represented thereby for all purposes under the indenture. Except as otherwise provided below, the beneficial owners of the global security or securities representing book-entry notes will not be entitled to receive physical delivery of certificated notes and will not be considered the holders of those notes for any purpose under the indenture, and no global security representing book-entry notes shall be exchangeable or transferable. Accordingly, each beneficial owner must rely on the procedures of The Depository Trust Company and, if such beneficial owner is not a participant in The Depository Trust Company's system, on the procedures of the participant through which that beneficial owner owns its interest in order to exercise any rights of a registered holder under such global security or the indenture. The laws of some jurisdictions require that some purchasers of securities take physical delivery of those securities in certificated form. Those limits and those laws may impair the ability to transfer beneficial interests in a global security representing book-entry notes.

Unless otherwise specified in the applicable pricing supplement, each global security representing book-entry notes will be exchangeable for certificated notes of like tenor and terms and of differing authorized denominations in a like aggregate principal amount, only if (i) The Depository Trust Company notifies us that it is unwilling or unable to continue as depository for the global securities or The Depository Trust Company ceases to be a clearing agency registered under the Exchange Act (if so required by applicable law or regulation) and, in each case, a successor depository is not appointed by us within 90 days after we receive that notice or become aware of that unwillingness, inability or ineligibility, (ii) we in our sole discretion determine that the global securities shall be exchangeable for certificated notes or (iii) there shall have occurred and be continuing an Event of Default under the indenture with respect to the notes and beneficial owners representing a majority in aggregate principal amount of the book-entry notes represented by global securities advise The Depository Trust Company to cease acting as depository. Upon the occurrence of any of these exchanges, the certificated notes shall be registered in the names of the beneficial owners of the global security or securities representing book-entry notes, which names shall be provided by The Depository Trust Company's participants (as identified by The Depository Trust Company) to the trustee.

The following is based on information furnished by The Depository Trust Company:

The Depository Trust Company will act as securities depository for the book-entry notes. The book-entry notes will be issued as fully registered securities registered in the name of Cede & Co. (The Depository Trust Company's partnership nominee). One fully registered global security will be issued for each issue of book-entry notes, each in the aggregate principal amount of that issue, and will be deposited with The Depository Trust Company. If, however, the aggregate principal amount of any issue exceeds \$500,000,000, one global security will be issued with respect to each \$200,000,000 of principal amount and an additional global security will be issued with respect to any remaining principal amount of that issue.

The Depository Trust Company is a limited-purpose trust company organized under the New York Banking Law, a [banking organization] within the meaning of the New York Banking Law, a member of the Federal Reserve System, a [clearing corporation] within the meaning of the New York Uniform Commercial Code, and a [clearing agency] registered pursuant to the provisions of Section 17A of the E