

US BANCORP \DE\
Form 424B5
May 08, 2009

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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-150298

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Maximum aggregate offering price	Amount of registration fee(1)
\$1,084,873,000 1.800% Senior Notes due May 15, 2012	\$ 1,084,873,000	\$ 60,536

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

Pricing Supplement dated May 7, 2009
(To prospectus dated April 17, 2008 and
prospectus supplement dated April 25, 2008)

Medium-Term Notes, Series R
\$1,084,873,000 1.800% Senior Notes due May 15, 2012
Guaranteed Under the FDIC's Temporary Liquidity Guarantee Program

This pricing supplement supplements the terms and conditions in the prospectus, dated April 17, 2008, as supplemented by the prospectus supplement, dated April 25, 2008 (as so supplemented, together with all documents incorporated by reference, the prospectus). Unless otherwise defined in this pricing supplement, terms used herein have the same meanings as are given to them in the prospectus.

CUSIP No.:	91160HAC1	Issue Price (Dollar Amount and Percentage of Principal Amount):
Series R (Senior)		Amount: \$1,083,484,363 / 99.872%
		Net Proceeds to the Company: \$1,081,911,297
Form of Note:		
<input checked="" type="checkbox"/> Book-Entry		Interest Rate/Initial Interest Rate: 1.800%
<input type="checkbox"/> Certificated		Interest Payment Dates: November 15 and May 15, beginning November 16, 2009
Principal Amount:		Regular Record Date: 15 Calendar Days prior to each Interest Payment Date
\$1,084,873,000		
Trade Date: May 7, 2009		Interest Determination Date:
Original Issue Date: May 12, 2009		Interest Reset Date:
Maturity Date: May 15, 2012		
Base Rate (and, if applicable, related Interest Periods):		Index Source:
<input checked="" type="checkbox"/> Fixed Rate Note		Index Maturity:

- o Commercial Paper Note
- o Federal Funds Note
- o LIBOR Note
- o EURIBOR Note
- o Prime Rate Note
- o CD Rate Note
- o Treasury Rate Note
- o CMT Rate Note
- o Other Base Rate
- o Zero Coupon Note

Spread:

Spread Multiplier:

Maximum Interest Rate:

Day Count: 30/360

Minimum Interest Rate:

For Original Issue Discount

Notes:

Original Issue Discount%:

Yield to Maturity:

Underwriting Discount:

0.145%

Guarantee:

FDIC guaranteed as described below.

This debt is guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and is backed by the full faith and credit of the United States. The details of the FDIC guarantee are provided in the FDIC's regulations, 12 CFR Part 370, and at the FDIC's website, www.fdic.gov/tlgp. The expiration date of the FDIC's guarantee is the earlier of the maturity date of the debt or December 31, 2012.

The FDIC guarantee has not been registered under the Securities Act of 1933.

None of the Securities and Exchange Commission, any state securities commission, or any other regulatory body has approved or disapproved of these notes or passed upon the adequacy or accuracy of this pricing supplement, the attached prospectus supplement, or the attached prospectus. Any representation to the contrary is a criminal offense.

We expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company and its direct participants, including Euroclear and Clearstream, on or about May 12, 2009.

Joint Bookrunners

Morgan Stanley

Goldman, Sachs & Co.

Co-Managers

Cabrera Capital Markets, LLC

Loop Capital Markets, LLC

May 7, 2009

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SUPPLEMENTAL DESCRIPTION OF THE NOTES

General

The following description of the particular terms of the notes supplements the description of the general terms of the debt securities set forth under the heading "Description of Notes" in the attached prospectus supplement.

The notes offered by this pricing supplement will be issued under the senior indenture between us and Citibank, N.A., which we refer to as the "senior trustee," as amended from time to time. The notes will not be listed on any securities exchange. The notes are not subject to redemption or repayment prior to maturity and will not be subject to any sinking fund. For a general description of the notes, see "Description of Notes" in the accompanying prospectus supplement.

The notes are guaranteed by the Federal Deposit Insurance Corporation, which we refer to as the "FDIC," under the FDIC's Temporary Liquidity Guarantee Program, which we refer to as the "Program."

Defaults and Waivers

The events of default applicable to the notes will be defined as any one of the following events:

- (1) default (a) by us in the payment of interest on the notes when it becomes due and payable and continuance of that default for a period of 30 days and (b) by the FDIC in the payment of interest on the notes in accordance with the Program (12 C.F.R. Part 370);
- (2) default (a) by us in the payment of principal of (or premium, if any, on) the notes at maturity and (b) by the FDIC in the payment of principal of (or premium, if any, on) the notes in accordance with the Program (12 C.F.R. Part 370);
- (3) default by us (a) in the payment of interest on any other Series R note when it becomes due and payable and continuance of that default for a period of 30 days or (b) in the payment of principal of (or premium, if any on) any other Series R notes at maturity;
- (4) our failure to perform any other covenant in the senior indenture (other than a covenant included in the senior indenture solely for the benefit of a series of senior debt securities other than the Series R notes), which failure continues for 60 days after written notice;
- (5) default in the payment of indebtedness for money borrowed under any indenture or instrument under which we have or a principal subsidiary bank has outstanding indebtedness in an amount in excess of \$5,000,000 which has become due and has not been paid, or whose maturity has been accelerated and the default has not been cured or acceleration annulled within 60 days after written notice; and
- (6) some events of bankruptcy, insolvency or reorganization which involve us or a principal subsidiary bank.

If any event of default specified in clause (1) or (2) above with respect to the notes occurs and is continuing, either the senior trustee or the holders of not less than 25% in principal amount of the outstanding notes may declare the principal amount of, premium, if any, and accrued interest on all the notes to be due and payable immediately. In case of any other event of default, there is no right to declare the principal amount of, premium, if any, or accrued interest on the notes immediately due and payable. As a result, the remedies available to the holders of notes offered by us pursuant to this pricing supplement and the senior trustee under the senior indenture upon the occurrence of an event

of default are substantially limited.

Subject to the conditions set forth in the senior indenture, the holders of a majority in principal amount of the outstanding Series R notes subject to the FDIC Guarantee (as defined below) may annul the declaration and waive past defaults, except uncured payment defaults and other specified defaults.

The provisions set forth in this Defaults and Waivers section supersede the provisions set forth in the first and third paragraphs under the heading Description of Notes Events of Default in the attached prospectus supplement.

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Each series of senior debt securities created pursuant to the senior indenture prior to the date hereof that is not subject to the FDIC Guarantee permits either the senior trustee or the holders of not less than 25% in principal amount of the outstanding senior debt securities of that series to declare the principal amount of and accrued interest on all senior debt securities of that series to be due and payable immediately, or provides for automatic acceleration, upon the occurrence of certain additional events of default not applicable to the notes. As a result of the limited acceleration events described above, the notes offered by us pursuant to this pricing supplement will not have the benefit of these additional acceleration rights applicable to some of our other senior debt securities.

The senior indenture requires the senior trustee, if we are in default of any payment obligation with respect to the notes offered pursuant to this pricing supplement without regard to any cure period, to provide written notice to the FDIC within one business day.

Modification of the Senior Indenture

In addition to the consents referred under the heading "Description of Notes - Modification and Waiver" in the attached prospectus supplement, the express written consent of the FDIC will be required to amend, modify or waive any provision of any Series R notes subject to the FDIC Guarantee or the provisions of the senior indenture relating to principal or interest payment, default provisions of any such notes or ranking of such notes; any provisions of Series R notes subject to the FDIC Guarantee or of the senior indenture required to be included by a Master Agreement, which we refer to as the "Master Agreement," between us and the FDIC relating to our participation in the Program referred to below under "FDIC Guarantee Under the Temporary Liquidity Guarantee Program"; or any other provision that would require the consent of all holders of the relevant tranche of Series R notes.

FDIC Guarantee Under the Temporary Liquidity Guarantee Program

The notes represent our senior unsecured debt obligations and are guaranteed by the FDIC under the Program. U.S. Bancorp is a U.S. bank holding company that has agreed to participate in the Program and comply with the requirements of the Program in order for the notes to qualify for the FDIC's guarantee, which we refer to as the "FDIC Guarantee." The FDIC has concluded that the FDIC Guarantee is backed by the full faith and credit of the United States pursuant to Section 15(d) of the Federal Deposit Insurance Act. However, the FDIC Guarantee is subject to certain limitations that you should consider. Before investing in the notes, you should read this section carefully, including the information under the caption "Risk Factors Relating to the FDIC Guarantee." As described below under "Filing of Claims Under the Program," under the FDIC Guarantee, our uncured failure to make a timely payment of any principal of or interest on the notes offered hereby obligates the FDIC to make such payment following the senior trustee's notification to the FDIC of the uncured payment failure and satisfaction of demand requirements. The FDIC is obligated to satisfy its guarantee obligations by making scheduled payments of principal and interest pursuant to the terms of the notes through the earlier of maturity and December 31, 2012. Our failure to pay any principal of or interest on the notes will not be deemed an event of default under the notes and holders of the notes will not be permitted to accelerate the maturity of the notes during any period when the FDIC is making timely guarantee payments of principal and interest in respect of the notes. The details of the FDIC Guarantee are provided in the FDIC's regulations, 12 C.F.R. Part 370, which we refer to as the "Rule," and at the FDIC's website at www.fdic.gov/tlgp (the FDIC's website is not incorporated by reference herein).

We have amended or supplemented the appropriate terms of the senior indenture (including the form of the notes) in order to include the provisions set forth in the Rule that are required to be included in the governing documents of any securities, such as the notes, that are guaranteed by the FDIC pursuant to the FDIC Guarantee. We have appointed the senior trustee as the authorized representative to take action on behalf of holders of notes under the FDIC Guarantee. In addition, as required by the Program, we have entered into the Master Agreement with the FDIC, which will govern certain aspects of the Program and pursuant to which terms we have agreed to pay the FDIC any amounts it pays to

the holders of the notes under the FDIC Guarantee of the notes. In addition, we have agreed not to amend or waive any provision of the notes required by the Master Agreement with regard to principal, interest, payment, default or ranking without the express written consent of the FDIC.

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The FDIC Guarantee is exempt from registration under the Securities Act of 1933, has not been registered with the SEC and is not entitled to the protections of, the Trust Indenture Act of 1939.

The Program is new and the rules, procedures and practices of the FDIC governing the operation of the Program, including the FDIC Guarantee of the notes, may be amended and are subject to evolving interpretation by the FDIC. The following summary is based on the Rule adopted by the FDIC on November 21, 2008, as amended by an interim rule released by the FDIC on March 17, 2009, and the FDIC's interpretive guidance since such dates.

The Program

On October 14, 2008, the FDIC created the Program, and the FDIC adopted final rules related to the Program on November 21, 2008 and amended such final rules with interim rules related to the Program on March 17, 2009. Under the Program, the FDIC will guarantee the newly issued senior unsecured debt of participating eligible entities, including insured depository institutions and eligible holding companies of insured depository institutions. We are an eligible entity under the Program, and a participant under the Program. As a participant, our senior unsecured debt may be guaranteed by the FDIC if it satisfies the Program's criteria. From time to time, we may issue debt securities that are not eligible for the FDIC Guarantee and that will not be guaranteed. We will provide purchasers of our debt instruments with a written statement indicating whether the debt instruments we are offering are FDIC-guaranteed under the Program.

As a participant in the Program, we are eligible to issue FDIC-guaranteed notes up to an issuance limit, provided we comply with the terms and conditions of the Program, including payment of fees, delivery of notice to the FDIC of issuance of guaranteed debt, providing certain disclosures, and certification to the FDIC that such issuance is within our issuance limit. In the event that we are not in compliance with the Program, we would be unable to issue additional FDIC-guaranteed debt; however, the outstanding notes would not lose the benefit of the FDIC Guarantee. The Program guarantees eligible debt issued through October 31, 2009.

Filing of Claims Under the Program

The FDIC's payment obligation under the Program will be triggered by our uncured failure to make a timely payment of principal of or interest on the notes offered hereby (a payment default). The senior trustee is obligated to give notice to the FDIC if we are in default of any payment under the notes (without regard to any cure period) within one business day of such default. Upon a payment default, the senior trustee, as duly authorized representative of the holders of the notes, will be required under the senior indenture to make a demand for payment on the guaranteed amount on behalf of all holders of the notes (i) in the case of any payment default prior to maturity of the notes, on the earlier of the date that the applicable cure period ends (or if such date is not a business day, the immediately succeeding business day) and 60 days following such payment default and (ii) in the case of any payment due on the maturity date for the notes, on the business day following such maturity date (or if such date is not a business day, the immediately succeeding business day). Under the terms of the Program and the senior indenture, the demand for payment must be accompanied by a proof of claim, with accompanying evidence, in form and content satisfactory to the FDIC of (1) the senior trustee's capacity to act as representative, (2) the senior trustee's exclusive authority to act as representative, (3) the occurrence of a payment default and (4) the authority to make an assignment of each noteholder's rights, title and interest in the notes and to effect the transfer to the FDIC of each noteholder's claim in an insolvency proceeding. To receive payment under the Program, the senior trustee, on behalf of the holders of the notes, will be required to assign all of the holders' rights, titles and interest in the notes to the FDIC and to transfer to the FDIC the holders' claim in any insolvency proceeding. The senior trustee, as assignor of such rights, will be required to certify that it has not, without the FDIC's prior consent, agreed to any material amendment of the notes or the senior indenture, or accelerated the maturity of the notes. If the FDIC makes payment under the FDIC Guarantee on the notes upon our failure to pay, the FDIC will be subrogated to the claims of the holders of the notes against us to

the extent of such payment. If a holder of notes receives any distribution from us or our bankruptcy estate prior to the FDIC's payment under the guarantee, the guaranteed amount paid by the FDIC will be reduced by the amount the holder has received in the distribution from U.S. Bancorp or its bankruptcy estate. Upon receipt of a timely filed conforming proof of claim, the FDIC will make payment of the guaranteed amount.

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Under the terms of the Program, DTC (as defined below), as the sole registered holder of the notes, may elect not to be represented by the senior trustee for purposes of making demand for payments under the FDIC Guarantee. If the registered holder of the notes has elected not to have the senior trustee act as its authorized representative, or is otherwise not represented by the senior trustee in such capacity, such holder may make demand for payment in the circumstances described above. The demand for payment on the guaranteed amount must be accompanied by a proof of claim, with accompanying evidence, in form and content satisfactory to the FDIC of (1) the occurrence of a payment default and (2) the claimant's ownership of such notes. The demand also must be accompanied by an assignment of such holder's rights, title and interest in such notes to the FDIC and the transfer to the FDIC of such holder's claim in any insolvency proceeding. The registered holder will be required to certify that it has not, without the FDIC's prior consent, agreed to any material amendment of the notes or the senior indenture, or accelerated the maturity of the notes. If the FDIC makes payment under the FDIC Guarantee on the notes upon our failure to pay, the FDIC will be subrogated to the claims of the holders of such notes against us to the extent of such payment. Upon receipt of a timely filed conforming proof of claim, the FDIC will make payment of the guaranteed amount, subject to the payment reduction provision described above.

If a demand for payment under the FDIC Guarantee is not made within 60 days of the occurrence of a payment default, the FDIC will be under no obligation to make the payments on the notes under the FDIC Guarantee. The Program does not specify a deadline by which the FDIC must make payment following receipt of a proper demand from the senior trustee. The FDIC will not pay any additional interest or penalty amounts in respect of any event of default or resulting delay in payment that may occur.

To receive payment under the Program, the senior trustee, on behalf of the holders of the notes, will be required to assign all of such holders' rights, titles and interest in such notes to the FDIC and to transfer to the FDIC such holders' claim in any insolvency proceeding. The senior trustee, as assignor of such rights, will be required to certify that it has not, without the FDIC's prior consent, agreed to any material amendment of the notes or the senior indenture, or accelerated the maturity of the notes.

Our Payment Default is Not an Event of Default if the FDIC Makes Payment

There shall not be deemed to be an event of default under the senior indenture pursuant to which the notes are issued which would permit or result in the acceleration of amounts due under the notes, if such an event of default is due solely to our failure to make timely payment with respect to the notes, provided that the FDIC is making timely guarantee payments with respect to the notes in accordance with the Program.

Delivery and Form

The notes will be issued only in fully registered form, in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.

The notes will be represented by global notes deposited with, or on behalf of, The Depository Trust Company (DTC), as depository (the Depository) and registered in the name of Cede & Co. (DTC's partnership nominee), and purchasers of the notes will not be entitled to receive physical delivery of the notes in definitive form and will not be considered holders thereof. See Description of Notes Form of Notes; Book-Entry Notes in the accompanying prospectus supplement.

Beneficial interests in the notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the global notes through DTC either directly if they are participants in DTC or indirectly through organizations that are participants in DTC, including Clearstream and Euroclear.

Clearance and Settlement Procedures

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds. Any payment on or delivery of the notes at its maturity date will be made in accordance with the applicable procedures of DTC.

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USE OF PROCEEDS

We intend to use the net proceeds from the sale of the notes offered by this pricing supplement for general corporate purposes, including working capital, capital expenditures, investments in or advances to existing or future subsidiaries, repayment of maturing obligations and refinancing of outstanding indebtedness; provided, however that under the Program, we may not use the proceeds from the offering of the notes to prepay indebtedness that is not guaranteed by the FDIC. Pending such use, we may temporarily invest the proceeds or use them to reduce short-term indebtedness (other than short-term indebtedness that is not guaranteed by the FDIC).

RISK FACTORS RELATING TO THE FDIC GUARANTEE

You should review carefully the information in this pricing supplement and the attached prospectus supplement about the notes. For more information regarding risks that may materially affect our business and results, please refer to our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference in this pricing supplement.

Acceleration of the Notes Will Not Be Available if the FDIC Makes Timely Payments.

Upon an event of default (including a default involving a bankruptcy event), neither the senior trustee nor the holders of the notes will be entitled to accelerate the maturity of the notes as long as the FDIC makes timely payments on the notes.

You May Lose the Right to Payment under the FDIC Guarantee if the Senior Trustee Fails to Follow the FDIC Claims Process.

If we fail to make a payment of interest or principal, you will be required to follow the regulations of the Program, which supersede your rights under the senior indenture as described in the prospectus supplement. We have appointed the senior trustee as authorized representative under a supplemental indenture to the senior indenture. The authorized representative will be responsible, upon our failure to make a required payment of interest or principal, to make a demand of the FDIC under the FDIC Guarantee. The senior trustee must make the demand, with the required proof of claim, to the FDIC within 60 days of the occurrence of a payment default. If the senior trustee fails to follow the FDIC claims process pursuant to the Program, holders may be deprived of all rights and remedies with respect to the guarantee claim. In addition, any holder may elect to not be so represented as provided by the terms of the Program. If a holder makes the decision to represent itself under the applicable regulations, the holder will be required to provide the proof of claim and other documentation, in form and content satisfactory to the FDIC, necessary to receive payment under the FDIC Guarantee. So long as the notes are in global form, only the Depositary, as the sole registered holder of the notes, will be able to make such an election. If the Depositary, as the sole registered holder of the notes, elects not to be represented by the senior trustee and fails to follow the FDIC claims process pursuant to the Program, the beneficial owners of the notes may be deprived of all rights and remedies with respect to the guarantee claim.

Payments Under the FDIC Guarantee May Be Delayed.

There is no designated period within which the FDIC is required to make payments under the FDIC Guarantee after it receives the required written demand. As a result, if the FDIC is required to make such payments, they could be paid at a time that is significantly later than the date that the payment is otherwise due under the terms of the notes.

The Determination of the FDIC on Any Matter Related to the FDIC Claims Process Will be Final and Binding on You and Us, Subject to Judicial Review.

The determination by the FDIC on any matter relating to the FDIC claims process will be a final administrative determination, which will be final and binding on all concerned, including the holders of the notes. Holders of the notes will have the right to challenge the FDIC's determination only by commencing an action in the U.S. District Court for the District of Columbia or New York within 60 days after the FDIC makes its determination.

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The Program is a new program, and was enacted under final rules that the FDIC adopted on November 21, 2008 and amended by interim rules that the FDIC promulgated on March 17, 2009. To date, no claims have been made or paid under the Program, and the FDIC's procedures under the program have not yet been fully documented. The rules governing the Program may be amended, and are subject to evolving interpretation by the FDIC after the date of this pricing supplement. As a result, your ability to obtain payment on the notes under the FDIC Guarantee is subject to rules, interpretations, procedures, and practices of the FDIC that could be changed at any time in the future. Any developments of this kind may be adverse to holders of the notes.

Our summary of the FDIC Guarantee and the risks of purchasing the notes in reliance on that guarantee, as set forth in this pricing supplement, are based solely on the rules adopted by the FDIC as of the date appearing on the front cover. Purchasers of the notes should refer to the FDIC's website, www.fdic.gov/tlgp (which website is not incorporated by reference herein), for additional information about the Program and related claim procedures.

MATERIAL UNITED STATES TAX CONSIDERATIONS

For a brief description of the tax effects of an investment in the notes, see "Certain United States Federal Income Tax Consequences" on page S-27 of the attached prospectus supplement.

SUPPLEMENTAL INFORMATION CONCERNING THE PLAN OF DISTRIBUTION

We have entered into a terms agreement, dated as of May 7, 2009, with the underwriters named below, for whom Morgan Stanley & Co. Incorporated and Goldman, Sachs & Co. are acting as representatives. Subject to the terms and conditions set forth in the terms agreement, we have agreed to sell to each of the underwriters, and each of the underwriters has severally agreed to purchase, the principal amount of notes set forth opposite its name below:

Underwriters	Principal Amount of Fixed Rate Notes	
Morgan Stanley & Co. Incorporated	\$	531,587,770
Goldman, Sachs & Co.		531,587,770
Cabrera Capital Markets, LLC		10,848,730
Loop Capital Markets, LLC		10,848,730
Total	\$	1,084,873,000

We have been advised by the underwriters that they propose initially to offer the notes to the public at the issue price set forth on page one of this pricing supplement, and may offer the notes to certain dealers at the issue price less a concession not in excess of 0.10% of the principal amount of the notes. The underwriters may allow, and the dealers may reallow, a concession to certain other dealers not in excess of 0.05% of the principal amount of the notes. After the initial public offering, the issue price and these concessions may be changed from time to time.

The notes are a new issue of securities with no established trading market. The underwriters have advised us that they intend to make a market in the notes, but the underwriters are not obligated to do so and may discontinue any market making at any time without notice. The trading market for the notes may not be liquid.

The terms agreement provides that the obligations of the underwriters are subject to certain conditions precedent and that the underwriters will purchase all the notes if any are purchased.

In connection with this offering, the underwriters and their respective affiliates may engage in transactions that stabilize, maintain, or otherwise affect the market price of the notes. Those transactions may include stabilization transactions effected in accordance with Rule 104 of Regulation M under the Securities Exchange Act of 1934, pursuant to which those underwriters and affiliates may bid for or purchase notes for the purpose of stabilizing the market price. The underwriters also may create a short position for the account of the underwriters by selling more notes in connection with this offering than it is committed to purchase from us. In that case, the underwriters may purchase notes in the open market following completion of this offering to cover their short position. Any of the transactions described in this paragraph may result in the maintenance of price of the notes at a level above that

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which might otherwise prevail in the open market. None of the transactions described in this paragraph is required, and, if they are undertaken, they may be discontinued at any time.

The terms agreement provides that we will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or contribute to payments the underwriters may be required to make in respect thereof.

The notes will not be exclusively marketed and targeted to retail customers.

We estimate that the total offering expenses for the notes, excluding the underwriters' discounts, will be approximately \$20,000. In addition, we will pay an assessment fee to the FDIC at an equivalent rate of 120 basis points per annum on the principal amount of the notes for the FDIC's guarantee.

Some or all of the underwriters or their affiliates have provided and will in the future continue to provide banking and/or other financial services to us and our subsidiaries.

LEGAL MATTERS

Certain legal matters will be passed upon for us by Squire, Sanders & Dempsey L.L.P., Cincinnati, Ohio, our counsel, and for the underwriter, by Shearman & Sterling LLP, New York, New York.

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**Filed Pursuant to Rule 424b5
File No. 333-150298**

**PROSPECTUS SUPPLEMENT
(To Prospectus dated April 17, 2008)**

**MEDIUM-TERM NOTES, SERIES R (SENIOR)
MEDIUM-TERM NOTES, SERIES S (SUBORDINATED)
Due Nine Months or More From Date of Issue**

U.S. Bancorp may at any time offer senior medium-term notes, Series R, and subordinated medium-term notes, Series S. The specific terms of each note offered will be included in a pricing supplement. The notes offered will specify whether they are senior or subordinated notes and, unless the applicable pricing supplement specifies otherwise, they will have the following general terms:

The notes will mature nine (9) months or more from the date of issue.

The notes will bear interest at either a fixed or floating rate or will be zero coupon notes. Floating rate interest will be based on one or more of the following base rates, adjusted by a spread or a spread multiplier, or both:

commercial paper rate	prime rate
federal funds rate	CD rate
LIBOR	treasury rate
EURIBOR	CMT rate
any other rate specified in the applicable pricing supplement	

The notes will be denominated in U.S. dollars and have minimum denominations of \$1,000, or will be in any foreign currency we specify.

We may redeem the notes if specified in the applicable pricing supplement.

Zero coupon notes will not pay interest.

Each note will be represented either by a registered global note held by or on behalf of The Depository Trust Company or by a certificate issued in definitive form.

The notes may be issued at a discount from the principal amount payable at maturity and will constitute original issue discount notes.

U.S. Bancorp will pay an agent a commission in respect of any notes sold to or through such agent as agreed upon between U.S. Bancorp and such agent at the time of sale. Actual commissions payable in respect of any sale of notes will be specified in the applicable pricing supplement.

The notes are not deposits or other obligations of a bank and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. The notes are not secured. **Potential purchasers of the notes should consider the information set forth in the Risk Factors section beginning on page S-2 of this prospectus supplement.**

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

Offers to purchase the notes are being solicited from time to time by the agents listed below. We may sell notes to the agents as principal for resale at varying or fixed offering prices or through the agents using their reasonable efforts on our behalf. We also reserve the right to offer and sell notes directly to investors on our own behalf and to appoint other agents. There is no established trading market for the notes and there is no assurance that the notes will be sold and that a secondary market for the notes will develop.

Lehman Brothers

Banc of America Securities LLC
BNY Capital Markets, Inc.
Deutsche Bank Securities Inc.
JPMorgan
RBC Capital Markets
Wachovia Securities

Barclays Capital
Citi
Goldman, Sachs & Co.
Merrill Lynch & Co.
RBS Greenwich Capital

BNP PARIBAS
Credit Suisse
HSBC
Morgan Stanley
UBS Investment Bank

April 25, 2008

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You should rely only on the information contained or incorporated by reference in this prospectus supplement, the attached prospectus and any pricing supplement. We have not authorized anyone else to provide you with different or additional information. We are offering to sell these securities and seeking offers to buy these securities only in jurisdictions where offers and sales are permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the attached prospectus is accurate as of any date other than their respective dates.

In this prospectus supplement, the words "USB," "we," "us" and "our" refer to U.S. Bancorp and its subsidiaries. If we have not defined certain terms in this prospectus supplement, we have defined them in the indentures described below.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement sets forth certain terms of the notes that we may offer, and it supplements the general information contained in the attached prospectus. This prospectus supplement supersedes the attached prospectus to the extent that it contains information which differs from the information in the attached prospectus.

Each time we issue notes, we will provide a pricing supplement to this prospectus supplement. The pricing supplement will contain the specific description of the notes that we are offering and the terms of the offering. The pricing supplement will supersede this prospectus supplement or the attached prospectus to the extent that it contains information which differs from the information contained in this prospectus supplement or the attached prospectus.

In making your investment decision, it is important for you to read and consider all information contained in this prospectus supplement and in the attached prospectus and the applicable pricing supplement. You should also read and consider the information contained in the documents identified under the heading **Where You Can Find More Information** on page 1 of the attached prospectus.

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RISK FACTORS

Your investment in the notes will involve certain risks. This prospectus supplement and the attached prospectus do not describe all of those risks. In addition to the risk factors and other information concerning our business included in our Annual Report on Form 10-K for the year ended December 31, 2007, which is incorporated by reference in the attached prospectus, you should, in consultation with your own financial and legal advisors, carefully consider the following discussion of risks and the section entitled "Foreign Currency Risks" in this prospectus supplement before deciding whether an investment in the notes is suitable for you. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these investment risks.

The notes are structurally subordinated to debt of our subsidiaries.

Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, unless we are ourselves a creditor with recognized claims against the subsidiary. Any capital loans that we make to any of our banking subsidiaries would be subordinate in right of payment to deposits and to other indebtedness of these banking subsidiaries. Claims from creditors (other than us), against the subsidiaries, may include long-term and medium-term debt and substantial obligations related to deposit liabilities, federal funds purchased, securities sold under repurchase agreements, and other short-term borrowings. The notes are not obligations of, nor guaranteed by, our subsidiaries, and our subsidiaries have no obligation to pay any amounts due on the notes. The indentures relating to the notes do not limit our ability or the ability of our subsidiaries to issue or incur additional debt or preferred stock.

The notes are our obligations but our assets consist primarily of equity in our subsidiaries and, as a result, our ability to make payments on the notes depends on our receipt of dividends, loan payments and other funds from our subsidiaries. The payment of dividends by a bank subsidiary is subject to federal law restrictions as well as to the laws of the subsidiary's state of incorporation. Our bank subsidiaries hold a significant portion of their mortgage loan and investment portfolios indirectly through their ownership interests in direct and indirect subsidiaries.

Subordinated notes have limited acceleration rights.

The holders of senior notes may declare those notes in default and accelerate the due date of those notes if an event of default shall occur and be continuing. Acceleration of the senior notes may adversely impact our ability to pay obligations on subordinated notes. Holders of subordinated notes do not have the right to declare those notes in default and may accelerate payment of indebtedness only upon our bankruptcy or reorganization.

You may not be able to sell your notes if an active trading market for the notes does not develop.

There is currently no secondary market for the notes. The agents currently intend, but are not obligated, to make a market in the notes. Even if a secondary market does develop, it may not be liquid and may not continue for the term of the notes. If the secondary market for the notes is limited, there may be few buyers should you choose to sell your notes prior to maturity and this may reduce the price you receive.

We may choose to redeem the notes when prevailing interest rates are relatively low.

If your notes are redeemable at our option, we may choose to redeem your notes from time to time, especially when prevailing interest rates are lower than the rate borne by the notes. If prevailing rates are lower at the time of redemption, you would not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the notes being redeemed. Our redemption right also may adversely impact your ability to sell your notes as the optional redemption date or period approaches.

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The trading value of the notes may be less than the principal amount of the notes.

The trading market for, and trading value of, the notes may be affected by a number of factors. These factors include:

- the time remaining to maturity of the notes;
- the aggregate amount outstanding of the relevant notes;
- any redemption features of the notes; and
- the level, direction, and volatility of market interest rates generally.

Often, the only way to liquidate your investment in the notes prior to maturity will be to sell the notes. At that time, there may be a very illiquid market for the notes or no market at all.

Changes in our credit ratings may affect the value of the notes.

Our credit ratings are an assessment of our ability to pay our obligations as they become due. Consequently, real or anticipated changes in our credit ratings may affect the trading value of the notes. However, because your return on the notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit ratings will not reduce the other investment risks related to the notes.

The amount of interest we may pay on the notes may be limited by state law.

New York law governs the notes. New York usury laws limit the amount of interest that can be charged and paid on loans, including debt securities like the notes. Under present New York law, the maximum permissible rate of interest is 25% per year on a simple interest basis. This limit may not apply to notes in which \$2,500,000 or more has been invested. Floating rate notes may not have a stated rate of interest and may exceed this limit. While we believe that a state or federal court sitting outside of New York may give effect to New York law, many other states also have laws that regulate the amount of interest that may be charged to and paid by a borrower. We do not intend to claim the benefits of any laws concerning usurious rates of interest.

FORWARD-LOOKING STATEMENTS

This prospectus supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. These statements often include the words may, could, would, should, believes, expects, anticipates, estimates, intends, plans, targets, potentially, probably, pr similar expressions. These forward-looking statements cover, among other things, our anticipated future revenue and expenses and our future plans and prospects. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including changes in general business and economic conditions, changes in interest rates, legal and regulatory developments, increased competition from both banks and non-banks, changes in customer behavior and preferences, effects of mergers and acquisitions and related integration, and effects of critical accounting policies and judgments. For discussion of these and other risks that may cause actual results to differ from expectations, please refer to the Risk Factors section, above, and to our Annual Report on Form 10-K for the year ended December 31, 2007 and 2007 Annual Report attached as Exhibit 13 thereto on file with the SEC, including the sections entitled Risk Factors and Corporate Risk Profile. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

U.S. BANCORP

We are a multi-state financial holding company, headquartered in Minneapolis, Minnesota. We were incorporated in Delaware in 1929 and operate as a financial holding company and a bank holding company under the Bank Holding Company Act of 1956. We provide a full range of financial services through our subsidiaries, including lending and depository services, cash management, foreign exchange and trust and investment

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management services. Our subsidiaries also engage in credit card services, merchant and automated teller machine processing, mortgage banking, insurance, brokerage and leasing services. We are the parent company of U.S. Bank National Association and U.S. Bank National Association ND.

Our common stock is traded on the New York Stock Exchange under the ticker symbol USB. Our principal executive offices are located at 800 Nicollet Mall, Minneapolis, Minnesota 55402, and the contact telephone number is (866) 775-9668.

We refer you to the documents incorporated by reference in the attached prospectus, as described in the section Where You Can Find More Information, for more information about us and our businesses.

USE OF PROCEEDS

We intend to use the net proceeds we receive from the sale of the notes offered by this prospectus supplement for general corporate purposes, including working capital, capital expenditures, investments in or advances to existing or future subsidiaries, repayment of maturing obligations and refinancing of outstanding indebtedness. Pending such use, we may temporarily invest the proceeds or use them to reduce short-term indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

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

	Year Ended December 31,				
	2007	2006	2005	2004	2003
Ratio of Earnings to Fixed Charges:					
Excluding interest on deposits	2.65	3.14	4.27	5.98	6.40
Including interest on deposits	1.95	2.23	2.84	3.88	3.64

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

DESCRIPTION OF NOTES

The following is a description of certain terms of the notes offered hereby which does not purport to be complete in all respects. This description is subject to, and qualified in its entirety by reference to, the indentures referred to below. The particular terms of the notes sold under any pricing supplement will be described in that pricing supplement. The terms and conditions stated in this section will apply to each note unless the applicable pricing supplement indicates otherwise. References to interest payments and interest-related information do not apply to the zero coupon notes defined below.

General

At our option, we may issue the notes as medium-term notes, Series R, which will represent the senior notes, or as medium-term notes, Series S, which will represent the subordinated notes. We will issue the senior notes under a senior indenture, dated October 1, 1991, as amended or supplemented from time to time, between us and Citibank, N.A., as senior trustee. We will issue the subordinated notes under a subordinated indenture dated October 1, 1991, as

amended by a first supplemental indenture dated April 1, 1993, between us and Citibank, N.A., as subordinated trustee. The indentures are qualified under the Trust Indenture Act of 1939. In this prospectus supplement, the senior indenture and the subordinated indenture are referred to collectively as the indentures, and the senior trustee and subordinated trustee are referred to collectively as the trustees. The indentures are exhibits to the registration statement of which this prospectus supplement and the attached prospectus are a part.

The Series R notes issued under the senior indenture will constitute a single series of senior securities under the senior indenture. The Series S notes issued under the subordinated indenture will constitute a single series of

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subordinated securities under the subordinated indenture. The notes will mature on a date that is nine (9) months or more from the date of issue, as stated in the applicable pricing supplement. The Series R notes will represent unsecured, unsubordinated debt of USB and will rank equally with all other unsecured and unsubordinated debt of USB. The Series S notes will represent unsecured, subordinated debt of USB and will rank junior to, and be subordinated to, all senior indebtedness of USB.

Because we are a holding company, our rights and the rights of our creditors, including the holders of the notes, to participate in the assets of any subsidiary during its liquidation or reorganization, will be subject to the prior claims of the subsidiary's creditors, unless we are ourselves a creditor with recognized claims against the subsidiary. Any capital loans that we make to any of our banking subsidiaries would be subordinate in right of payment to deposits and to other indebtedness of these banking subsidiaries. Claims from creditors (other than us), against the subsidiaries, may include long-term and medium-term debt and substantial obligations related to deposit liabilities, federal funds purchased, securities sold under repurchase agreements, and other short-term borrowings.

The indentures do not limit the aggregate principal amount of debt securities that we may issue under them, nor the amount of other debt that we may issue.

We may from time to time, without your consent, reopen an outstanding tranche of notes and issue additional notes having the same terms and conditions as such outstanding notes (or the same terms and conditions except for the offering price, issue date and amount of the first interest payment).

Unless the applicable pricing supplement states otherwise:

the notes will mature on a business day that is nine (9) months or more from the date of issue, but a note payable at the commercial paper rate will mature after at least nine months and one day from its date of issue;

we will pay interest on fixed rate notes semi-annually;

the Series S notes will mature after at least five years from their date of issue;

if the maturity date of any note or the interest payment date of any note (other than a floating rate note) specified in the applicable pricing supplement for such note is a day that is not a business day, interest, principal and premium, if any, will be paid on the next day that is a business day with the same force and effect as if made on the maturity date or the interest payment date, as the case may be, and no interest on that payment will accrue for the period from and after that maturity date or the interest payment date, as the case may be;

we will issue the notes at 100% of their principal amount;

holders will not be able to elect to have their notes repaid before the maturity date;

we will issue the notes, other than the foreign currency notes, in U.S. dollars;

we will issue the notes, other than the foreign currency notes, in fully registered form and in authorized denominations of \$1,000 or any integral multiple of \$1,000;

the principal, premium, and interest, if any, payable at maturity or at redemption on each note will be paid in immediately available funds when the note is presented at the corporate trust office of the paying agent; and

we will issue the notes as global securities registered in the name of a nominee of The Depository Trust Company, as depository. We will refer to these notes as global notes in this prospectus supplement. We can also issue the notes in definitive registered form, without coupons, otherwise known as a certificated note, as described in the applicable pricing supplement.

The notes can be presented for payment of principal and interest, the transfer of the notes can be registered and the notes can be exchanged at the offices that we maintain for this purpose as described under the heading Interest and Principal Payments below. However, global notes can be exchanged only in the manner and to the extent described under the heading Book-Entry Notes below.

The term business day means, and unless the applicable pricing supplement specifies otherwise, any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or

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obligated by law or executive order to close. For LIBOR notes issued in U.S. dollars, a business day, with respect to any payment, is any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or obligated by law or executive order to close, and is also a London business day, and with respect to an interest determination date, is a London business day. For notes denominated in a specified currency other than euro, the term business day means any day that is not a Saturday or Sunday and that is not a day that banking institutions in New York City are generally authorized or obligated by law or executive order to close, and is also a day on which commercial banks and foreign exchange markets settle payments in the principal financial center of the country of the relevant specified currency (if other than New York City). For notes denominated in euro, the term business day means any day that is not a Saturday or Sunday, and is also a day on which the Trans-European Automated Real Time Gross Settlement Express Transfer System is operating, which we will refer to as a TARGET business day.

Unless otherwise specified in the applicable pricing supplement, the principal financial center of any country for the purpose of the foregoing definition is as provided in the 2000 ISDA Definitions, as amended and updated from time to time, published by the International Swaps and Derivatives Association, Inc. (which we will refer to as the ISDA definitions).

London business day means any day on which dealings in U.S. dollars are transacted in the London interbank market.

The applicable pricing supplement relating to each note will describe the following:

whether the note is a senior note or a subordinated note;

whether the note is being issued at a price other than 100% of its principal amount;

the principal amount of the note;

the date on which the note will be issued;

the date on which the note will mature;

whether the note is a fixed rate note, a floating rate note, or a zero coupon note;

any additional terms applicable to any foreign currency notes with respect to the payment of principal and any premium or interest for that note;

the annual rate at which the note will bear interest and the interest payment date and regular record date, if different from those described below;

whether the note is an original issue discount note, and if so, any additional provisions relating to this feature of the note;

whether the note may be redeemed at our option, and any provisions relating to redemption of the note;

whether the note will be represented by a certificated note and any provisions relating to this feature of the note;

the authorized denominations of foreign currency notes; and

any other terms of the note consistent with the provisions of the applicable indenture.

Unless the applicable pricing supplement specifies otherwise, neither indenture contains provisions specifically designed to protect holders in the event of a highly leveraged transaction involving us. Payment of the Series S notes may be accelerated only in the event of our bankruptcy or reorganization. Unless the applicable pricing supplement indicates otherwise, the subordinated note indenture does not provide for any right of acceleration of the payment of principal of the Series S notes if there is a default in the payment of principal or interest or in the performance of any covenant or agreement in the Series S notes or in the subordinated note indenture.

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Interest and Principal Payments

Unless the applicable pricing supplement specifies otherwise, we will make payments of principal, interest owed, and premium, if any, with respect to any note, in U.S. dollars. If the specified currency for a note is other than U.S. dollars, we will (unless otherwise specified in the applicable pricing supplement) arrange to convert all payments in respect of that note into U.S. dollars in the manner described in the following paragraph. The holder of a note having a specified currency other than U.S. dollars may (if the applicable pricing supplement and that note so indicate) elect to receive all payments in respect of that note in the specified currency by delivery of a written notice to the paying agent for that note not later than fifteen calendar days prior to the applicable payment date. That election will remain in effect until revoked by written notice to the paying agent received not later than fifteen calendar days prior to the applicable payment date.

In the case of a note having a specified currency other than U.S. dollars, the amount of any U.S. dollar payment in respect of that note will be based on the bid quoted by the exchange rate agent as of 11:00 a.m., London time, on the second day preceding the payment date on which banks are open for business in London and New York City, for the purchase of U.S. dollars with the specified currency for settlement on the payment date of the aggregate amount of the specified currency payable to all holders of notes denominated other than in U.S. dollars and who are scheduled to receive U.S. dollar payments. If this bid quotation is not available, the exchange rate agent will obtain a bid quotation from a leading foreign exchange bank in London or New York City selected by the exchange rate agent for this purchase. If the bids are not available, payment of the aggregate amount due to all holders of notes on the payment date will be made in the specified currency. All currency exchange costs will be borne by the holder of the note by deductions from these payments.

Except as provided under the heading **Book-Entry Notes** below, we will pay interest to the person in whose name a note, or any predecessor note, is registered at the close of business on the regular record date next preceding each interest payment date. Interest payable at maturity or upon redemption will be payable to the person to whom the principal will be payable.

The agent for payment, transfer and exchange of the notes, who will be referred to in this prospectus supplement as the paying agent, is U.S. Bank Trust National Association, one of our affiliates, acting through its corporate trust office in New York City, New York. Unless the applicable pricing supplement specifies otherwise, we will pay the principal, interest, and premium, if any, at maturity or redemption in immediately available funds to The Depository Trust Company, as depository, or its nominee as the registered owner of the global notes representing the book-entry notes. But we may at our option, pay interest on any certificated note, other than interest at maturity or upon redemption, by mailing a check to the address of the person or entity entitled to the payment shown on our security register at the close of business on the regular record date related to the interest payment date.

Unless the applicable pricing supplement specifies otherwise, holders of U.S. \$10,000,000 or more in aggregate principal amount of certificated notes will receive payments of interest, other than interest at maturity or upon redemption, by wire transfer of immediately available funds, if they have given appropriate wire transfer instructions to the paying agent in writing not later than the regular record date.

Except as provided under the heading **Book-Entry Notes** below, if the original issue date of a note is between a regular record date and an interest payment date, the initial interest payment will be made on the interest payment date following the next succeeding regular record date. We will make the interest payment to the registered holder on that next succeeding regular record date.

We can change interest rates and base rates, as defined below, from time to time but this change will not affect any note issued or note that we agreed to issue. Unless the applicable pricing supplement specifies otherwise, the interest

payment dates and the regular record dates for fixed rate notes will be as described below under the heading Fixed Rate Notes and the interest payment dates and the regular record dates for floating rate notes will be as described below under the heading Floating Rate Notes.

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Interest Rates

General.

The interest rate on the notes will be determined by either:

in the case of fixed rate notes, a fixed rate; or

in the case of floating rate notes, a floating rate determined by one or more base rates, which may be adjusted by a spread or a spread multiplier, or both.

A floating rate note may also have either or both of the following:

a maximum interest rate limitation, or ceiling, on the rate at which interest will accrue during any interest period; and

a minimum interest rate limitation, or floor, on the rate at which interest will accrue during any interest period.

Each note that bears interest will bear interest from and including its date of issue or from and including the most recent interest payment date on which interest has been paid or duly provided for:

at the fixed rate per annum applicable to the related interest period; or

at the rate per annum determined by reference to the base rate applicable to the related interest period or interest periods, in each case as specified in the note and in the applicable pricing supplement, until the principal is paid or made available for payment.

Interest will be payable on each interest payment date and at maturity or upon redemption.

The interest rate on a note for any interest period will in no event be higher than the maximum rate permitted by New York law as this law may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per year on a simple interest basis. This limit may not apply to notes in which \$2,500,000 or more has been invested.

The applicable pricing supplement will specify the following with respect to each note that bears interest:

the issue price and interest payment dates;

for any fixed rate note, the interest rate;

for any floating rate note:

the initial interest rate, as defined below;

the method, which may vary from interest period to interest period, of calculating the interest rate applicable to each interest period including, if applicable, the fixed rate per annum applicable to one or more interest periods;

the index maturity, which means the period to maturity of any instrument on which the base rate for any interest period is predicated;

any spread or spread multiplier, as defined below;

the interest determination dates, as defined below;

the interest reset dates, as defined below;

any minimum or maximum interest rate limitations;

whether the note is an original issue discount note; and

any other terms related to interest on the notes.

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Fixed Rate Notes

How Interest Accrues

Each fixed rate note will bear interest from the date of issue at the annual rate stated on its face and in the applicable pricing supplement. Unless the applicable pricing supplement specifies otherwise, interest payments for fixed rate notes will be the amount of interest accrued to, but excluding, the relevant interest payment date.

When Interest Is Paid

Unless the applicable pricing supplement states otherwise, the interest payment dates for fixed rate notes will be February 1 and August 1 of each year and at maturity or, if applicable, upon redemption. The regular record dates for fixed rate notes will be the day, whether or not a business day, fifteen calendar days preceding each interest payment date.

How Interest Is Calculated

Interest on fixed rate notes will be computed and paid on the basis of a 360-day year of twelve 30-day months.

If a Payment Date Is Not a Business Day

If any interest payment date on a fixed rate note is not a business day, the interest payment will be made on the next day that is a business day, and no interest will accrue for the period from and after the scheduled interest payment date.

Floating Rate Notes

General

Each floating rate note will bear interest at a floating rate determined by reference to an interest rate basis or formula, which we refer to as the base rate.

The applicable pricing supplement may designate one or more of the following base rates as applicable to each floating rate note:

the commercial paper rate;

the federal funds rate;

LIBOR;

EURIBOR;

the prime rate;

the CD rate;

the CMT rate;

the treasury rate; or

one or more other base rates specified in the applicable pricing supplement.

The interest rate on each floating rate note for each interest period will be determined by reference to the applicable base rate specified in the applicable pricing supplement for that interest period, plus or minus the applicable spread, if any, and/or multiplied by the applicable spread multiplier, if any.

The spread is the number of basis points, each one-hundredth of a percentage point, specified in the applicable pricing supplement to be added or subtracted from the base rate for that floating rate note. For example, if a note bears interest at LIBOR plus one basis point, or .01%, and the calculation agent determines that LIBOR is 5.00% per annum, the note will bear interest at 5.01% per annum until the next interest reset date. The spread multiplier is the percentage specified in the applicable pricing supplement to be applied to the base rate for a floating rate note. For

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example, if a note bears interest at 90% of LIBOR, and the calculation agent determines that LIBOR is 5.00% per annum, the note will bear interest at 4.50% per annum until the next interest reset date.

When Interest on Floating Rate Notes Is Paid

Unless the applicable pricing supplement specifies otherwise and except as provided below, we will pay interest on floating rate notes on the following interest payment dates:

in the case of floating rate notes with a daily, weekly or monthly interest reset date, on the third Wednesday of each month of each year;

in the case of floating rate notes with a quarterly interest reset date, on the third Wednesday of March, June, September and December of each year;

in the case of floating rate notes with a semi-annual interest reset date, on the third Wednesday of the two months of each year specified in the applicable pricing supplement; and

in the case of floating rate notes with an annual interest reset date, on the third Wednesday of the month of each year specified in the applicable pricing supplement.

We will also pay interest, in the case of all floating rate notes, at maturity or upon redemption.

Unless the applicable pricing supplement specifies otherwise, the regular record dates for the floating rate notes will be the day, whether or not a business day, fifteen calendar days preceding each interest payment date.

If a Payment Date Is Not a Business Day

If any interest payment date for a floating rate note is a day that is not a business day, the interest payment date for the floating rate note will be postponed to the next day that is a business day, provided that, for LIBOR and EURIBOR notes, if that business day is in the next calendar month, the interest payment date will be the immediately preceding business day.

How Floating Interest Rates Are Reset

The rate of interest on each floating rate note will be reset daily, weekly, monthly, quarterly, semi-annually or annually, as specified in the applicable pricing supplement. The date on which the floating rate note is reset is called the interest reset date.

Unless the applicable pricing supplement specifies otherwise, the interest reset date will be as follows:

in the case of floating rate notes which are reset daily, each business day;

in the case of floating rate notes, other than treasury rate notes, which are reset weekly, the Wednesday of each week;

in the case of floating rate notes that are treasury rate notes which are reset weekly, the Tuesday of each week, except if the auction date falls on a Tuesday, then the next business day, as provided below;

in the case of floating rate notes which are reset monthly, the third Wednesday of each month;

in the case of floating rate notes which are reset quarterly, the third Wednesday of March, June, September and December of each year;

in the case of floating rate notes which are reset semi-annually, the third Wednesday of the two months of each year specified in the applicable pricing supplement; and

in the case of floating rate notes which are reset annually, the third Wednesday of the month of each year specified in the applicable pricing supplement.

The applicable pricing supplement will indicate the interest rate in effect from the date of issue to the first interest reset date with respect to a floating rate note, which we will refer to as the initial interest rate. If any interest reset date for a floating rate note is a day that is not a business day, the interest reset date will be postponed to the

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next day that is a business day, provided that, for LIBOR and EURIBOR notes, if the next business day is in the succeeding calendar month, the interest reset date will be the immediately preceding business day.

Date Interest Rate Is Determined

Unless the applicable pricing supplement specifies otherwise, the interest rate determined for any interest determination date will become effective on the next succeeding interest reset date. The interest determination date is the date that the calculation agent will refer to when determining the new interest rate at which a floating rate will reset.

Unless the applicable pricing supplement states otherwise, the interest determination date for any interest reset date will be:

for commercial paper rate notes, CD rate notes and CMT rate notes, the second business day before such interest reset date;

for federal funds rate notes and prime rate notes, the business day immediately preceding such interest reset date;

for LIBOR notes, the second London business day before such interest reset date;

for EURIBOR notes, the second TARGET business day before such interest reset date; and

for treasury rate notes, the business day (other than the interest reset date) on which treasury bills would normally be auctioned in the week in which such interest reset date falls.

Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, but the auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is held on the preceding Friday, that Friday will be the interest determination date for the interest reset date for treasury rate notes occurring in the next week. If an auction falls on a day that is an interest reset date for a treasury rate note, the interest reset date will be the following business day.

The interest determination date for a floating rate note, which interest rate is determined by two or more base rates, will be the latest business day that is at least two business days prior to the interest reset date for the floating rate note on which each such base rate can be determined.

How Interest on Floating Rate Notes Is Calculated

Interest on floating rate notes will accrue from and including the most recent interest payment date on which interest is paid or duly provided for, or, if no interest is paid or duly provided for, the date will be from and including the issue date or any other date specified in the pricing supplement on which interest begins to accrue. Interest will accrue to, but excluding, the next interest payment date, or if earlier, the date on which the principal is paid or duly made available for payment. Accrued interest for a floating rate note will be calculated by multiplying the principal amount of the floating rate note by an accrued interest factor. The accrued interest factor will be the sum of the interest factors calculated for each day in the period for which the interest is being paid.

Unless the applicable pricing supplement states otherwise, the interest factor for each day is computed by dividing the annual interest rate, expressed as a decimal, applicable to that day:

by 360, for commercial paper rate notes, federal funds rate notes, EURIBOR notes, LIBOR notes, prime rate notes, and CD rate notes; or

by the actual number of days in the year, in the case of treasury rate notes and CMT rate notes.

Unless the applicable pricing supplement states otherwise, all percentages resulting from any calculation for the floating rate notes will be rounded, if necessary, 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 will be rounded to 9.87655% or .0987655, and 9.876544% or .09876544 will be rounded to 9.87654% or .0987654. All calculations of the accrued interest factor for any day on floating rate notes will be rounded, if necessary, to the nearest one hundred-millionth, with five one-billionths rounded upward. For example, .098765455 will be rounded

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to .09876546 and .098765454 will be rounded to .09876545. All dollar amounts used in or resulting from any of these calculations will be rounded to the nearest cent, with one-half cent being rounded upwards.

The interest rate in effect on each day will be:

if the day is an interest reset date, the interest rate for the interest determination date related to the interest reset date; or

if the day is not an interest reset date, the interest rate for the interest determination date related to the next preceding interest reset date, subject in either case to any maximum or minimum interest rate referred to in the applicable pricing supplement.

Unless the applicable pricing supplement specifies otherwise, U.S. Bank Trust National Association, one of our affiliates, will be the calculation agent for any issue of floating rate notes. On or before each calculation date, the calculation agent will determine the interest rate as described below and notify the paying agent. The paying agent will determine the accrued interest factor applicable to the floating rate note. The paying agent will, at the request of the holder of a floating rate note, provide the interest rate then in effect and the interest rate that will become effective as a result of a determination made on the most recent interest determination date for the floating rate note. The determinations of interest rates made by the calculation agent are conclusive and binding, and neither the trustee nor the paying agent have the duty to verify them.

Unless the applicable pricing supplement specifies otherwise, the calculation date, if applicable, related to any interest determination date on a floating rate note will be the earlier of:

the tenth calendar day after the interest determination date, or, if that day is not a business day, the following business day; and

the business day before the applicable interest payment date, maturity date or redemption date, as the case may be.

Base Rates

Commercial Paper Rate. Commercial paper rate notes will bear interest at the interest rates, calculated with reference to the commercial paper rate and the spread and/or spread multiplier, if any, specified in the commercial paper rate notes and in the applicable pricing supplement. Commercial paper rate notes will also be subject to the minimum and the maximum interest rates, if any.

Unless the applicable pricing supplement specifies otherwise, 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), the money market yield, calculated as described below, of the rate on that date for commercial paper having the index maturity specified in the applicable pricing supplement as published in Statistical Release H.15(519), Selected Interest Rates or any successor publication of the Board of Governors of the Federal Reserve System, which we will refer to as H.15(519), under the heading Commercial Paper Nonfinancial.

Unless the applicable pricing supplement states otherwise, the following procedures will be followed if the commercial paper rate cannot be determined as described above:

If the rate is not published by 3:00 p.m., New York City time, on the calculation date relating to the commercial paper rate interest determination date, then the commercial paper rate will be the money market yield of the rate on the commercial paper rate interest determination date for commercial paper rate having the index maturity specified in the applicable pricing supplement as set forth in the daily update of H.15(519), available through the worldwide website of the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/h15/update>, or any successor site or publication, which we will refer to as the H.15 Daily Update, under the heading Commercial Paper Nonfinancial.

If by 3:00 p.m., New York City time, on the calculation date, the rate is not published in either H.15(519) or the H.15 Daily Update, then the calculation agent shall determine the commercial paper rate to be the money market yield of the arithmetic mean of the offered rates as of 11:00 a.m., New York City time, on the

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commercial paper rate interest determination date of three leading dealers of commercial paper in New York City, selected by the calculation agent, after consultation with us, for commercial paper having the index maturity specified in the applicable pricing supplement placed for an industrial issuer whose bond rating is AA or the equivalent, from a nationally recognized statistical rating agency.

If the dealers selected by the calculation agent are not quoting as described in the previous bullet point, the commercial paper rate in effect immediately before the commercial paper interest determination date will not change and will remain the commercial paper rate in effect on the commercial paper interest determination date.

Money market yield is a yield calculated under the following formula:

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

where *D* refers to the applicable annual 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 interest period for which the interest is being calculated.

Federal Funds Rate. Federal funds rate notes will bear interest at the interest rates, calculated with reference to the federal funds rate and the spread and/or spread multiplier, if any, specified in the federal funds rate notes and in the applicable pricing supplement. Federal funds rate notes will be subject to the minimum and the maximum interest rate, if any. The Federal funds rate will be calculated by reference to either the federal funds (effective) rate, the federal funds open rate or the federal funds target rate, as specified in the applicable pricing supplement.

Unless otherwise specified in the applicable pricing supplement, federal funds rate means the rate determined by the calculation agent, 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), in accordance with the following provisions:

(i) If federal funds (effective) rate is the specified federal funds rate in the applicable pricing supplement, the federal funds rate as of the applicable federal funds rate interest determination date shall be the rate with respect to such date for United States dollar federal funds as published in H.15(519) opposite the caption Federal funds (effective), as such rate is displayed on Reuters on page FEDFUNDS1 (or any other page as may replace such page on such service) (Reuters Page FEDFUNDS1) under the heading EFFECT, or, if such rate is not so published by 3:00 p.m., New York City time, on the calculation date, the rate with respect to such federal funds rate interest determination date for United States dollar federal funds as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Federal funds (effective). If such rate does not appear on Reuters Page FEDFUNDS1 or is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the federal funds rate with respect to such federal funds rate interest determination date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of U.S. dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the calculation agent, prior to 9:00 a.m., New York City time, on the business day following such federal funds rate interest determination date; *provided, however*, that if the brokers so selected by the calculation agent are not quoting as mentioned in this sentence, the federal funds rate determined as of such federal funds rate interest determination date will be the federal funds rate in effect on such federal funds rate interest determination date.

(ii) If federal funds open rate is the specified federal funds rate in the applicable pricing supplement, the federal funds rate as of the applicable federal funds rate interest determination date shall be the rate on such date under the heading Federal Funds for the relevant index maturity and opposite the caption Open as such rate is displayed on Reuters on page 5 (or any other page as may replace such page on such service) (Reuters Page 5), or, if such rate does not appear on Reuters Page 5 by 3:00 p.m., New York City time, on the calculation date, the federal funds rate for the federal funds rate interest determination date will be the rate for that day displayed on FFPREBON Index page on Bloomberg L.P. (Bloomberg), which is the Fed Funds

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Opening Rate as reported by Prebon Yamane (or a successor) on Bloomberg. If such rate does not appear on Reuters Page 5 or is not displayed on FFPREBON Index page on Bloomberg or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the federal funds rate on such federal funds rate interest determination date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the calculation agent prior to 9:00 a.m., New York City time, on such federal funds rate interest determination date; *provided, however*, that if the brokers so selected by the calculation agent are not quoting as mentioned in this sentence, the federal funds rate determined as of such federal funds rate interest determination date will be the federal funds rate in effect on such federal funds rate interest determination date.

(iii) If federal funds target rate is the specified federal funds rate in the applicable pricing supplement, the federal funds rate as of the applicable federal funds rate interest determination date shall be the rate on such date as displayed on the FDTR Index page on Bloomberg. If such rate does not appear on the FDTR Index page on Bloomberg by 3:00 p.m., New York City time, on the calculation date, the federal funds rate for such federal funds rate interest determination date will be the rate for that day appearing on Reuters Page USFFTARGET= (or any other page as may replace such page on such service) (Reuters Page USFFTARGET=). If such rate does not appear on the FDTR Index page on Bloomberg or is not displayed on Reuters Page USFFTARGET= by 3:00 p.m., New York City time, on the related calculation date, then the federal funds rate on such federal funds rate interest determination date shall be calculated by the calculation agent and will be the arithmetic mean of the rates for the last transaction in overnight United States dollar federal funds arranged by three leading brokers of United States dollar federal funds transactions in New York City (which may include the agents or their affiliates) selected by the calculation agent prior to 9:00 a.m., New York City time, on such federal funds rate interest determination date.

LIBOR. LIBOR notes will bear interest at the interest rates, calculated with reference to the London interbank offered rate, commonly referred to as LIBOR, and the spread and/or spread multiplier, if any, specified on the face of the LIBOR notes and in the applicable pricing supplement. LIBOR notes will be subject to the minimum and the maximum interest rate, if any.

Unless otherwise specified in the applicable pricing supplement, the calculation agent will determine LIBOR for each interest determination date relating to a LIBOR note as follows:

(i) 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), LIBOR will be the rate for deposits in the designated LIBOR currency having the index maturity specified in such pricing supplement as such rate is displayed on Reuters on page LIBOR01 (or any other page as may replace such page on such service for the purpose of displaying the London interbank rates of major banks for the Designated LIBOR Currency) (Reuters Page LIBOR01) as of 11:00 a.m., London time, on such LIBOR interest determination date. If no such rate so appears, LIBOR on such LIBOR interest determination date will be determined in accordance with provision described in clause (ii) below.

(ii) With respect to LIBOR interest determination date on which no rate is displayed on Reuters Page LIBOR01 as specified in clause (i) above, the calculation agent shall request the principal London offices of each of four major reference banks (which may include affiliates of the agents) in the London interbank market, as selected by the calculation agent to provide the calculation agent with its offered quotation for deposits in the designated LIBOR currency for the period of the index maturity specified in the applicable pricing supplement, commencing on the related interest reset date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR interest determination date and in a principal amount that is representative for a single transaction in the designated LIBOR currency in such market at such time. If at least two such quotations are so provided, then LIBOR on such LIBOR interest determination date will be the arithmetic mean calculated by the calculation agent of

such quotations. If fewer than two such quotations are so provided, then LIBOR on such LIBOR interest determination date will be the arithmetic mean calculated by the calculation agent of the rates quoted at approximately 11:00 a.m., in the

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applicable principal financial center (as defined below), on such LIBOR interest determination date by three major banks (which may include affiliates of the agents) in such principal financial center selected by the calculation agent for loans in the designated LIBOR currency to leading European banks, having the index maturity specified in the applicable pricing supplement and in a principal amount that is representative for a single transaction in the designated LIBOR currency in such market at such time; *provided, however*, that if the banks so selected by the calculation agent are not quoting as mentioned in this sentence, LIBOR determined as of such LIBOR interest determination date shall be LIBOR in effect on such LIBOR interest determination date.

As referenced above, *designated LIBOR currency* means the currency specified in the applicable pricing supplement as to which LIBOR shall be calculated or, if no such currency is specified in the applicable pricing supplement, U.S. dollars. *Principal financial center* means (i) the capital city of the country issuing the specified currency or (ii) the capital city of the country to which the designated LIBOR currency, if applicable, relates, except, in each case, that with respect to United States dollars, Australian dollars, Canadian dollars, euro, New Zealand dollars, South African rand and Swiss francs, the *principal financial center* shall be New York City, Sydney, Toronto, London (solely in the case of the Designated LIBOR Currency), Wellington, Johannesburg and Zurich, respectively.

EURIBOR. EURIBOR notes will bear interest at the interest rates, calculated with reference to EURIBOR and the spread and/or multiplier, if any, specified in the EURIBOR notes and in the applicable pricing supplement. EURIBOR notes will be subject to the minimum and maximum interest rate, if any.

Unless otherwise specified in the applicable pricing supplement, EURIBOR means, with respect to any interest determination date relating to a floating rate note for which the interest rate is determined with reference to EURIBOR (a *EURIBOR interest determination date*), a base rate equal to the interest rate for deposits in euro designated as *EURIBOR* and sponsored jointly by the European Banking Federation and ACI the Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing that rate. EURIBOR will be determined in the following manner:

EURIBOR will be the offered rate for deposits in euro having the index maturity specified in the applicable pricing supplement, beginning on the second euro business day after such EURIBOR interest determination date, as that rate appears on Reuters Page EURIBOR 01 as of 11:00 a.m., Brussels time, on such EURIBOR interest determination date.

If the rate described above does not appear on Reuters Page EURIBOR 01, EURIBOR will be determined on the basis of the rates, at approximately 11:00 a.m., Brussels time, on such EURIBOR interest determination date, at which deposits of the following kind are offered to prime banks in the euro-zone interbank market by the principal euro-zone office of each of four major banks in that market selected by the calculation agent: euro deposits having such EURIBOR index maturity, beginning on such EURIBOR interest reset date, and in a representative amount. The calculation agent will request that the principal euro-zone office of each of these banks provide a quotation of its rate. If at least two quotations are provided, EURIBOR for such EURIBOR interest determination date will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, EURIBOR for such EURIBOR interest determination date will be the arithmetic mean of the rates for loans of the following kind to leading euro-zone banks quoted, at approximately 11:00 a.m., Brussels time on that interest determination date, by three major banks in the euro-zone selected by the calculation agent: loans of euro having such EURIBOR index maturity, beginning on such EURIBOR interest reset date, and in an amount that is representative of a single transaction in euro in that market at the time.

If fewer than three banks selected by the calculation agent are quoting as described above, EURIBOR for the new interest period will be EURIBOR in effect for the prior interest period. If the initial base rate has been in effect for the prior interest period, however, it will remain in effect for the new interest period.

Prime Rate. Prime rate notes will bear interest at the interest rates, calculated with reference to the prime rate and the spread and/or spread multiplier, if any, specified in the prime rate notes and in the applicable pricing supplement. Prime rate notes will be subject to the minimum and the maximum interest rate, if any.

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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*), the rate on such date as such rate is published in H.15(519) under the caption *Bank prime loan* or, if not published by 3:00 p.m., New York City time, on the related calculation date, the rate on such prime rate interest determination date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption *Bank prime loan*. If such rate is not yet published in H.15(519), H.15 Daily Update, or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the prime rate shall be the arithmetic mean calculated by the calculation agent of the rates of interest publicly announced by each bank that appears on Reuters on page USPRIME1 (or any other page as may replace such page on such service for the purpose of displaying prime rates or base lending rates of major United States banks) (*Reuters Page USPRIME1*) as such bank's prime rate or base lending rate as of 11:00 a.m., New York City time, on such prime rate interest determination date. If fewer than four such rates so appear on the Reuters Page USPRIME1 for such prime rate interest determination date by 3:00 p.m., New York City time, on the related calculation date, then the prime rate shall be the arithmetic mean calculated by the calculation agent 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 such prime rate interest determination date by three major banks (which may include affiliates of the dealers) in New York City selected by the calculation agent; *provided, however*, that if the banks so selected by the calculation agent are not quoting as mentioned in this sentence, the prime rate determined as of such prime rate interest determination date will be the prime rate in effect on such prime rate interest determination date.

Reuters Page USPRIME1 means the display on the Reuters 3000 Xtra Service (or any successor service) on the USPRIME1 Page (or such other page as may replace the USPRIME1 Page on such service) for the purpose of displaying prime rates or base lending rates of major U.S. banks.

CD Rate. CD rate notes will bear interest at the interest rates, calculated with reference to the CD rate and the spread and/or spread multiplier, if any, specified in the CD rate notes and in the applicable pricing supplement. CD rate notes will be subject to the minimum and maximum interest rates if any. Unless the applicable pricing supplement specifies otherwise, *CD rate* means, with respect to any interest determination date relating to any floating rate note for which the CD rate is an applicable base rate (a *CD rate interest determination date*), the rate on that date for negotiable U.S. dollar certificates of deposit having the index maturity specified in the applicable pricing supplement as published in H.15(519), under the heading *CDs (Secondary Market)*. If the CD rate cannot be determined in this manner, the following procedures will apply:

- (i) If the rate described above is not published by 3:00 p.m., New York City time, on the relevant calculation date, then the CD rate will be the rate on that CD rate interest determination date for negotiable U.S. dollar certificates of deposit having the specified index maturity as published in H.15 Daily Update, or other recognized electronic sources used for the purpose of displaying the applicable rate, under the caption *CDs (Secondary Market)*.
- (ii) If by 3:00 p.m., New York City time, on the applicable calculation date, that rate is not published in either H.15(519), H.15 Daily Update or another recognized electronic source, the CD rate for that CD rate interest determination date will be calculated by the calculation agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on that CD rate interest determination date, of three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in New York City, which may include one or more of the agents or their affiliates, selected by the calculation agent, after consultation with us, for negotiable U.S. dollar certificates of deposit of major U.S. money market banks for negotiable certificates of deposit with a remaining maturity closest to the index maturity specified in the applicable pricing supplement in an amount that is representative for a single transaction in that market at that time.

(iii) If the dealer(s) selected as described above by the calculation agent are not quoting rates as set forth above, the CD rate for that CD interest rate determination date will be the CD rate in effect for the immediately preceding interest reset period, or if there was no interest reset period, then the rate of interest payable will be the initial interest rate.

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Treasury Rate. Treasury rate notes will bear interest at the interest rates, calculated with reference to the treasury rate and the spread and/or spread multiplier, if any, specified in the treasury rate notes and in the applicable pricing supplement. Treasury rate notes will be subject to the minimum and the maximum interest rate, if any.

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), the rate from the auction held on such treasury rate interest determination date (the auction) of direct obligations of the United States (treasury bills) having the index maturity specified in such pricing supplement under the caption INVEST RATE on the display on Reuters page USAUCTION10 (or any other page as may replace such page on such service) or page USAUCTION11 (or any other page as may replace such page on such service) or, if not so published at 3:00 p.m., New York City time, on the related calculation date, the bond equivalent yield (as defined below) of the rate for such treasury bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption U.S. Government Securities/Treasury Bills/Auction High. If such rate is not so published in the related H.15 Daily Update or another recognized source by 3:00 p.m., New York City time, on the related calculation date, the treasury rate on such treasury rate interest determination date shall be the bond equivalent yield of the auction rate of such treasury bills as announced by the United States Department of the Treasury. In the event that such auction rate is not so announced by the United States Department of the Treasury on such calculation date, or if no such auction is held, then the treasury rate on such treasury rate interest determination date shall be the bond equivalent yield of the rate on such treasury rate interest determination date of treasury bills having the index maturity specified in the applicable pricing supplement as published in H.15(519) under the caption U.S. government securities/treasury bills/secondary market or, if not yet published by 3:00 p.m., New York City time, on the related calculation date, the rate on such treasury rate interest determination date of such treasury bills as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption U.S. government securities/treasury bills (secondary market). If such rate is not yet published in the H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related calculation date, then the treasury rate on such treasury rate interest determination date shall be calculated by the calculation agent and shall be 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 such treasury rate interest determination date, of the three leading 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; *provided, however*, that if the dealers so selected by the calculation agent are not quoting as mentioned in this sentence, the treasury rate determined as of such treasury rate interest determination date will be the treasury rate in effect on such treasury rate interest determination date.

The 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.

Constant Maturity Treasury (CMT) Rate. CMT rate notes will bear interest at the interest rates calculated with reference to the CMT rate and the spread and/or spread multiplier, if any, specified in the CMT rate notes and in the applicable pricing supplement. CMT rate notes will be subject to the minimum and the maximum interest rate, if any.

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):

(i) If Reuters Page FRBCMT is the specified CMT Reuters Page in the applicable pricing supplement, the CMT rate on the CMT rate interest determination date shall be a percentage equal to the yield for United

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States Treasury securities at constant maturity having the index maturity specified in the applicable pricing supplement as set forth in H.15(519) under the caption Treasury constant maturities, as such yield is displayed on Reuters (or any successor service) on page FRBCMT (or any other page as may replace such page on such service) (Reuters Page FRBCMT) for such CMT rate interest determination date. If such rate does not appear on Reuters Page FRBCMT, the CMT rate on such CMT rate interest determination date shall be a percentage equal to the yield for United States Treasury securities at constant maturity having the index maturity specified in the applicable pricing supplement and for such CMT rate interest determination date as set forth in H.15(519) under the caption Treasury constant maturities. If such rate does not appear in H.15(519), the CMT rate on such CMT rate interest determination date shall be the rate for the period of the index maturity specified in the applicable pricing supplement as may then be published by either the Federal Reserve Board or the United States Department of the Treasury that the calculation agent determines to be comparable to the rate that would otherwise have been published in H.15(519). If the Federal Reserve Board or the United States Department of the Treasury does not publish a yield on United States Treasury securities at constant maturity having the index maturity specified in the applicable pricing supplement for such CMT rate interest determination date, the CMT rate on such CMT rate interest determination date shall be calculated by the calculation agent and shall be 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 such CMT rate interest determination date of three leading primary United States government securities dealers in New York City (which may include the agents or their affiliates) (each, a reference dealer) selected by the calculation agent from five such 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 index maturity specified in the applicable pricing supplement, a remaining term to maturity no more than one year shorter than such index maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than three prices are provided as requested, the CMT rate on such CMT rate interest determination date shall be calculated by the calculation agent and shall be 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 such CMT rate interest determination date of three reference dealers selected by the calculation agent from five such 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 index maturity specified in the applicable pricing supplement, a remaining term to maturity closest to such index maturity and in a principal amount that is representative for a single transaction in such securities in such market at such time. If two such 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 such index maturity, the quotes for the treasury security with the shorter original term to maturity will be used. If fewer than five but more than two such prices are provided as requested, the CMT rate on such CMT rate interest determination date shall be calculated by the calculation agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT rate determined as of such CMT rate interest determination date shall be the CMT rate in effect on such CMT rate interest determination date.

(ii) If Reuters Page FEDCMT is the specified CMT Reuters Page in the applicable pricing supplement, the CMT rate on the CMT rate interest determination date shall be a 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 set forth in H.15(519) opposite the caption Treasury Constant Maturities, as such yield is displayed on Reuters on page FEDCMT (or any other page as may replace such page on such service) (Reuters Page FEDCMT) for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT rate interest determination date falls. If such rate does not appear on Reuters Page FEDCMT, the CMT rate on such CMT rate interest determination date shall be a 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 for the week or

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