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Proc-Type: 2001,MIC-CLEAR

Originator-Name: keymaster@town.hall.org

Originator-Key-Asymmetric:

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0000950123-94-000946.txt : 19940519

0000950123-94-000946.hdr.sgml : 19940519

ACCESSION NUMBER: 0000950123-94-000946

CONFORMED SUBMISSION TYPE: 424B5

PUBLIC DOCUMENT COUNT: 1

FILED AS OF DATE: 19940518

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: REPUBLIC NEW YORK CORP

CENTRAL INDEX KEY: 0000083246

STANDARD INDUSTRIAL CLASSIFICATION: 6021

IRS NUMBER: 132764867

STATE OF INCORPORATION: MD

FISCAL YEAR END: 1231

FILING VALUES:

FORM TYPE: 424B5

SEC ACT: 1933 Act

SEC FILE NUMBER: 033-49507

FILM NUMBER: 94529331

BUSINESS ADDRESS:

STREET 1: 452 FIFTH AVE

CITY: NEW YORK

STATE: NY

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BUSINESS PHONE: 2125256100

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PROSPECTUS SUPPLEMENT, REPUBLIC NEW YORK CORP.

Republic New York Corporation

[logo]

6,000,000 DEPOSITARY SHARES  
EACH REPRESENTING A ONE-FOURTH INTEREST IN A SHARE OF  
ADJUSTABLE RATE CUMULATIVE PREFERRED STOCK, SERIES D  
(\$100 STATED VALUE)  
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Each of the depositary shares offered hereby (the "Depositary Shares") represents a one-fourth interest in a share of Republic New York Corporation's (the "Corporation") Adjustable Rate Cumulative Preferred Stock, Series D (\$100 Stated Value) (the "Preferred Stock") deposited with Chemical Bank, as depositary (the "Depositary"), and, through the Depositary, will entitle the holder thereof to all proportional rights and preferences of the Preferred Stock (including dividend, voting, redemption and liquidation rights). The proportionate liquidation preference of each Depositary Share will be \$25. See "Certain Terms of Depositary Shares" in this Prospectus Supplement and "Description of Depositary Shares" in the Prospectus accompanying this Prospectus Supplement.

Dividends on the Preferred Stock will be cumulative from the date of original issue and will be payable quarterly on January 1, April 1, July 1 and October 1 of each year, commencing July 1, 1994. All dividends payable on shares of the Preferred Stock to the Depositary, as record holder of the Preferred Stock, will be distributed to the record holders of the Depositary Shares representing such Preferred Stock in accordance with the Deposit Agreement (as defined herein). See "Description of Depositary Shares -- Dividends and Other Distributions" in the Prospectus accompanying this Prospectus Supplement.

The dividend rate on the Preferred Stock for the dividend period ending on June 30, 1994 will be 6.05% per annum, which is equivalent to \$0.16 per Depositary Share. Thereafter, the dividend rate on the Preferred Stock will be equal to 81% of the Effective Rate (as defined below) in effect from time to time, but in no event less than 4 1/2% or more than 10 1/2% per annum. The "Effective Rate" for each quarterly dividend period will be the highest of the "Treasury Bill Rate," "Ten Year Constant Maturity Rate" and the "Thirty Year Constant Maturity Rate" determined in advance of such dividend period. See "Certain Terms of the Preferred Stock -- Applicable Rate."

The Preferred Stock will be redeemable, in whole or in part, at the option of the Corporation on or after July 1, 1999 at \$100 per share (which is equivalent to \$25 per Depositary Share) plus accrued but unpaid dividends to the redemption date. See "Certain Terms of the Preferred Stock -- Redemption."

Application has been made to list the Depositary Shares on the New York Stock Exchange. See "Underwriting."

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NEITHER THE DEPOSITARY SHARES NOR THE PREFERRED STOCK ARE SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK OR NONBANK SUBSIDIARY OF THE CORPORATION AND ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY OR INSTRUMENTALITY.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	Price to Public(1)	Underwriting Discount(2) (3)	Proceeds to the Corporation(1) (3) (4)
Per Depositary Share.....	\$25.00	\$.7875	\$24.2125
Total.....	\$150,000,000	\$4,725,000	\$145,275,000

(1) Plus accrued dividends, if any, from May 23, 1994.

(2) The Corporation has agreed to indemnify the Underwriters against certain liabilities under the Securities Act of 1933. See "Underwriting."

(3) The underwriting discount will be \$0.50 per Depositary Share with respect to any Depositary Shares sold to certain institutions. Therefore, to the extent of any such sales to such institutions, the actual total underwriting discount will be less than, and the actual total proceeds to the Corporation will be greater than, the amounts shown in the table above.

(4) Before deducting expenses of the Corporation estimated to be \$75,000.

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The Depositary Shares offered by this Prospectus Supplement are offered by the Underwriters subject to prior sale, withdrawal, cancellation or modification of the offer, to delivery to and acceptance by the Underwriters and to certain further conditions. It is expected that delivery of the Depositary Shares will be made in New York, New York, on or about May 23, 1994.

LEHMAN BROTHERS

BEAR, STEARNS & CO. INC.

PAINWEBBER INCORPORATED

PRUDENTIAL SECURITIES INCORPORATED

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE DEPOSITARY SHARES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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REPUBLIC NEW YORK CORPORATION

The Corporation is a bank holding company incorporated in Maryland. At March 31, 1994, the Corporation had consolidated total assets of \$41.9 billion and stockholders' equity of \$2.5 billion. Its principal asset is the capital stock of Republic National Bank of New York (the "Bank"). Management expects that the Bank will remain the Corporation's principal asset and source of revenue and net income in the foreseeable future. As of March 31, 1994, the Bank accounted for approximately 75% of the consolidated assets of the Corporation, approximately 70% of the consolidated revenues and 70% of consolidated net income of the Corporation. Based on total assets at March 31, 1994, the Corporation was the twentieth largest bank holding company in the United States.

The Bank is a commercial bank which provides a variety of banking and financial services on a worldwide basis to corporations, financial institutions, governments and individuals. At March 31, 1994, the Bank had total assets of \$32.1 billion, total deposits of \$18.5 billion and total stockholder's equity of \$2.0 billion. Based on total deposits at December 31, 1993, the date rankings were last available, the Bank was the fifteenth largest commercial bank in the United States. The Bank owns approximately 49% of Safra Republic Holdings S.A. ("Safra Republic"), a European-based bank holding company with five banking subsidiaries located in France, Gibraltar, Guernsey, Luxembourg and Switzerland.

The Corporation's other significant bank subsidiary is Republic Bank for Savings ("RBS") (formerly known as The Manhattan Savings Bank). At March 31, 1994, RBS had total assets of \$6.4 billion, total deposits of \$4.7 billion and total stockholder's equity of \$445 million.

APPLICATION OF PROCEEDS

Of the net proceeds to be received by the Corporation from the sale of the Depositary Shares offered hereby, approximately \$34 million will be used to redeem all of the outstanding shares of the Corporation's Cumulative Preferred Stock, Floating Rate Series B and the balance will be used for general corporate purposes, including, from time to time, the redemption or the purchase, in the open market or in privately negotiated transactions, of other outstanding indebtedness or preferred stock of the Corporation and the making of advances to its subsidiaries, principally, the Bank. Such advances may require the approval

of bank regulatory authorities, and, pending ultimate application, the net proceeds may be used to make short-term investments or to reduce short-term borrowings. Management anticipates that the Corporation may, from time to time, engage in additional equity or debt financings.

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SUMMARY FINANCIAL INFORMATION

The following table sets forth, in summary form, certain financial data of the Corporation for each of the years in the five-year period ended December 31, 1993, and for the three months ended March 31, 1993 and 1994, and is qualified in its entirety by the detailed information and consolidated financial statements included in the documents incorporated by reference in the accompanying Prospectus.

THREE MONTHS ENDED YEARS  
 ENDED DECEMBER 31, MARCH 31,  
 (1) -----  
 -----  
 -----  
 ----- 1989 1990 1991  
 1992 1993 1993 1994 -----  
 -----  
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- ----- (DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS) (UNAUDITED)

Consolidated Summary of  
 Income: Net interest  
 income..... \$ 356,866 \$  
 457,324 \$ 581,246 \$ 720,364  
 \$ 775,851 \$ 191,485 \$  
 198,186 Provision for loan  
 losses... 209,000 40,000  
 62,000 120,000 85,000 25,000  
 10,000 Net interest income  
 after provision for loan  
 losses.....  
 147,866 417,324 519,246  
 600,364 690,851 166,485  
 188,186 Other operating  
 income..... 278,183 270,584  
 271,433 302,247 395,472  
 80,976 104,545 Other  
 operating expenses....  
 369,999 464,583 502,933  
 555,342 634,965 146,865  
 175,928 Income before income

taxes.....					
	56,050	223,325	287,746		
	347,269	451,358	100,596		
	116,803	Net			
income.....					
	23,997	201,220	227,360		
	258,883	301,205	68,745		
79,779 Net income applicable to common					
stock.....	1,223				
	180,177	204,627	230,497		
	272,790	61,580	72,695	Per	
Share of Common Stock: Net income per share (after dividends on preferred stock):					
Primary.....	\$				
.03	\$ 3.62	\$ 3.95	\$ 4.42	\$	
5.20	\$ 1.18	\$ 1.38	Fully		
diluted.....	.03	3.62			
	3.90	4.32	5.05	1.15	1.34
Book value.....					
	23.44	26.61	29.60	32.71	
41.57	33.67	37.32	Dividends		
declared.....	.85	.88			
	.95	1.00	1.08	.27	.33
Dividend Payout Ratio(2).....	* 24.56%				
24.10%	22.67%	20.80%	22.88%		
23.82%	Average Number of Common Shares Outstanding (in thousands):				
Primary.....					
	45,223	49,726	51,852	52,204	
	52,466	52,196	52,557	Fully	
diluted.....					
	45,223	49,726	54,292	56,020	
	56,321	56,052	56,396		
Consolidated Average Balances: Interest-bearing deposits with banks.....					
	\$9,141,358	\$8,030,285			
	\$8,558,149	\$7,792,737			
	\$7,452,339	\$9,646,318			
	\$4,878,003	Investment			
securities.....	4,467,388				
	6,394,720	7,892,363			
	11,927,912	14,177,927			
13,942,581	15,360,940	Loans,			

	net of unearned			
income.....				
	8,366,561	10,603,379		
	9,623,397	8,732,432		
	8,890,559	8,204,384		
10,395,212	Interest-earning			
assets.....	23,695,247			
	26,370,288	27,025,728		
	29,962,625	32,560,058		
33,480,107	33,081,625	Total		
assets.....				
	27,914,609	30,858,023		
	31,114,281	33,667,270		
	37,371,326	37,375,547		
	40,894,341	Total		
deposits.....				
	18,265,587	19,409,957		
	19,413,886	18,634,036		
	20,951,074	20,743,253		
21,201,816	Total long-term			
debt.....	2,641,185			
	2,389,401	2,562,166		
	4,148,477	4,637,595		
	4,472,588	4,916,743		
Preferred stock.....				
	309,425	309,425	403,260	
	540,984	556,425	556,425	
556,425	Common stockholders'			
equity.....				
	1,105,036	1,242,375		
	1,440,897	1,625,157		
	1,808,857	1,727,068		
2,194,660	Return on: Average			
	interest-earning			
assets(3).....				
.10%	.76%	.84%	.86%	.93%
.83%	.98%	Average total		
assets(3).....	.09	.65	.73	
.77	.81	.75	.79	Average
	common stockholders'			
equity(4).....				
.11	14.50	14.20	14.18	15.08
	14.46	13.43	Average	
Stockholders' Equity(5) to:				
Average total assets.....				
5.07%	5.03%	5.93%	6.43%	
6.33%	6.11%	6.73%	Average	
	loans, net of unearned			
income.....				
16.91	14.63	19.16	24.81	

	26.60	27.83	26.46
Consolidated Ratio of			
Earnings to Fixed Charges			
and Preferred Stock			
Dividends(6): Excluding			
interest on			
deposits.....			
1.01x	1.32x	1.51x	1.55x
1.78x	1.66x	1.81x	Including
interest on			
deposits.....			
1.00	1.10	1.15	1.23
	1.29	1.35	1.34

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\* Not meaningful.

- (1) The results of operations for the three months ended March 31, 1993 and 1994 are not audited, but, in the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results of operations for such periods have been included. The results for the three months ended March 31, 1994, which include rate of return ratios on an annualized basis, are not necessarily indicative of the results that may be expected for the full year or any other interim period.
- (2) Calculated as dividends declared on common stock divided by net income applicable to common stock.
- (3) Based on net income.
- (4) Based on net income applicable to common stock.
- (5) Stockholders' equity includes preferred stock and common stockholders' equity.
- (6) For the purpose of computing the consolidated ratio of earnings to fixed charges and preferred stock dividends, earnings represent consolidated income before income taxes plus fixed charges. Fixed charges and preferred stock dividends excluding interest on deposits consist of interest on long-term debt and short-term borrowings and one-third of rental expense (which is deemed representative of the interest factor) and the pre-tax equivalent of preferred stock dividends. Fixed charges and preferred stock dividends including interest on deposits consist of the foregoing items plus interest on deposits.

CERTAIN TERMS OF THE DEPOSITARY SHARES

The following description of certain terms of the Depositary Shares supplements, and to the extent inconsistent therewith, supersedes, the description of the general terms and provisions of the depositary shares set



forth under the heading "Description of Depositary Shares" in the Prospectus accompanying this Prospectus Supplement, to which reference is hereby made. This description does not purport to be complete and is qualified in its entirety by the provisions of the Deposit Agreement (as defined below), a form of which has been filed as an exhibit to the Registration Statement.

The shares of Preferred Stock represented by the Depositary Shares will be deposited under the Deposit Agreement, dated as of May 23, 1994 (the "Deposit Agreement"), between the Corporation, Chemical Bank, as Depositary and the holders from time to time of depositary receipts issued by the Depositary thereunder ("Depositary Receipts"). Depositary Receipts will be issuable only in definitive registered form. Each Depositary Share will represent a one-fourth interest in a share of the Preferred Stock. Subject to the terms of the Deposit Agreement, each owner of a Depositary Share will be entitled, through the Depositary and in proportion to the one-fourth interest in a share of the Preferred Stock represented by such Depositary Share, to all rights and preferences of a share of the Preferred Stock (including dividend, voting, redemption and liquidation rights). See "Certain Terms of the Preferred Stock" below and "Description of Preferred Stock" and "Description of Depositary Shares" in the Prospectus accompanying this Prospectus Supplement.

Chemical Bank will act as Depositary and as transfer agent, dividend disbursing agent and registrar for the Depositary Shares and the Preferred Stock and acts as the transfer agent, dividend disbursing agent and registrar for the Corporation's common stock and certain series of the Corporation's preferred stock. In addition, the Corporation and the Bank have other relationships arising in the ordinary course of business with Chemical Bank and its affiliates.

#### CERTAIN TERMS OF THE PREFERRED STOCK

The following description of certain terms of the Preferred Stock supplements, and to the extent inconsistent therewith supersedes, the description of the general terms and provisions of the preferred stock set forth under the heading "Description of Preferred Stock" in the Prospectus accompanying this Prospectus Supplement, to which reference is hereby made. This description does not purport to be complete and is qualified in its entirety by the Corporation's Charter, which has been filed as an exhibit to the Registration Statement, and the Articles Supplementary creating the Preferred Stock, which will be filed as an exhibit to the Registration Statement.

#### GENERAL

The Corporation's Charter currently authorizes the issuance of 20,000,000 shares of preferred stock (which may be issued from time to time by, and with such designations, preferences, voting rights and other rights, qualifications, limitations and restrictions determined in resolutions of, the Corporation's Board of Directors).

At March 31, 1994, there were outstanding 52,475,051 shares of Common

Stock, 678,500 shares of Cumulative Preferred Stock, Floating Rate Series B (the "Floating Rate Preferred Stock"), 625 shares of Series A and 625 shares of Series B Dutch Auction Rate Transferable Securities Preferred Stock ("DARTS"), 750 shares of Remarketed Preferred Stock ("RP"), 500 shares of Money Market Cumulative Preferred Stock ("MMP"), 3,450,000 shares of \$3.375 Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") and 4,000,000 shares of \$1.9375 Cumulative Preferred Stock. The Floating Rate Preferred Stock, the DARTS, the RP, the MMP, the Convertible Preferred Stock and the \$1.9375 Cumulative Preferred Stock are collectively referred to as the "Other Preferred Stock". All outstanding shares of the Other Preferred Stock are fully paid and nonassessable.

Under the Articles Supplementary creating the issue of Preferred Stock, the Corporation is authorized to issue 1,500,000 shares of Preferred Stock. The shares of Preferred Stock, upon issuance against full payment of the purchase price therefor, will be fully paid and nonassessable. The Preferred Stock will be without par value, will have a \$100 stated value per share and will rank, with respect to

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dividends, voting, preferences, qualifications, limitations, restrictions and the distribution of assets upon liquidation, equally with the Other Preferred Stock. The Preferred Stock will have no preemptive rights.

The capital stock of the Corporation does not represent or constitute a deposit account and is not insured by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

#### DIVIDENDS

Holders of Depositary Shares representing shares of Preferred Stock will be entitled to receive cumulative cash dividends when, as and if declared by the Board of Directors of the Corporation, out of funds legally available therefor, for the period from the date of original issue of such shares to and including June 30, 1994 (the "Initial Dividend Period"), and, for each dividend period thereafter commencing on each January 1, April 1, July 1 and October 1, and ending on and including the day next preceding the first day of the next dividend period (such Initial Dividend Period and each of such other periods being hereinafter referred to as a "Dividend Period") at a rate per annum equal to the Applicable Rate (as discussed below) in respect of such Dividend Period. The amount of dividends per share payable for the Initial Dividend Period and for any portion of any other Dividend Period less than a full Dividend Period shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed in the Dividend Period for which the dividends are payable, and by multiplying the Applicable Rate by \$100.

Dividends will accrue from the date of original issuance and will be payable when, as and if declared by the Board of Directors of the Corporation,

out of funds legally available therefor, quarterly on each January 1, April 1, July 1 and October 1 in each year, commencing July 1, 1994 (each, a "Dividend Payment Date"), to the holders of record as they appear on the stock transfer records of the Corporation on the preceding December 15, March 15, June 15 and September 15 in each year or if such day is not a business day, the next preceding business day. To the extent not declared and paid for any past Dividend Periods, dividends may be declared and paid at any time, without reference to any regular Dividend Payment Date, to holders of record on such date, not exceeding 30 days preceding the payment date therefor, as may be fixed by the Board of Directors of the Corporation, or a duly authorized committee of the Board of Directors. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend that is not paid when it accrues.

The Preferred Stock and, accordingly, the Depositary Shares, will be entitled to all of the other dividend rights and subject to certain limitations on the payment of dividends as set forth in the accompanying Prospectus. See "Description of Preferred Stock - Dividends" in the accompanying Prospectus.

#### APPLICABLE RATE

General. The dividend rate per annum referred to above for any Dividend Period (the "Applicable Rate") will be equal to (i) in the case of the Initial Dividend Period, 6.05% per annum (which is equivalent to \$0.16 per Depositary Share) and (ii) in the case of any subsequent Dividend Period, 81% of the Effective Rate (as defined below), but not less than 4 1/2% per annum, or more than 10 1/2% per annum. The "Effective Rate" for any Dividend Period will be equal to the highest of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate (each as defined below under "Three-way Pricing Index") for the Dividend Period. In the event that the Corporation determines in good faith that for any reason:

(i) any one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate cannot be determined for any Dividend Period, then the Effective Rate for such Dividend Period will be equal to the higher of whichever two such rates can be so determined;

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(ii) only one of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate can be determined for any Dividend Period, then the Effective Rate for such Dividend Period will be equal to whichever such rate can be so determined; or

(iii) none of the Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate can be determined for any Dividend Period, then the Effective Rate for the preceding Dividend Period will be continued for such Dividend Period.

Three-way Pricing Index. Except as described below in this paragraph, the

"Treasury Bill Rate" for each Dividend Period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period (as defined below)) for three-month U.S. Treasury bills, as published weekly by the Federal Reserve Board (as defined below) during the Calendar Period immediately preceding the last ten calendar days preceding the Dividend Period for which the dividend rate on the Preferred Stock is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum market discount rate during any such Calendar Period, then the Treasury Bill Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for three-month U.S. Treasury bills, as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum market discount rate for three-month U.S. Treasury bills is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Treasury Bill Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum market discount rates (or the one weekly per annum market discount rate, if only one such rate is published during the relevant Calendar Period) for all of the U.S. Treasury bills then having remaining maturities of not less than 80 nor more than 100 days, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such rates, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason no such U.S. Treasury bill rates are published as provided above during such Calendar Period, then the Treasury Bill Rate for such Dividend Period will be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable non-interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 nor more than 100 days from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Treasury Bill Rate for any Dividend Period as provided above in this paragraph, the Treasury Bill Rate for such Dividend Period will be the arithmetic average of the per annum market discount rates based upon the closing bids during such Calendar Period for each of the issues of marketable interest-bearing U.S. Treasury securities with a remaining maturity of not less than 80 nor more than 100 days, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described below in this paragraph, the "Ten Year Constant Maturity Rate" for each Dividend Period will be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (as defined below) (or

the one weekly per annum Ten Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last ten calendar days preceding the Dividend Period for which the dividend rate on the Preferred Stock is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Ten Year Average Yield during such Calendar Period, then the Ten Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum Ten Year Average Yields (or the one weekly per annum Ten Year Average Yield, if only one such yield is published during the

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relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Ten Year Average Yield is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Ten Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities (as defined below)) then having remaining maturities of not less than eight nor more than twelve years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Ten Year Constant Maturity Rate for such Dividend Period as provided above in this paragraph, then the Ten Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than eight nor more than twelve years from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

Except as described below in this paragraph, the "Thirty Year Constant Maturity Rate" for each Dividend Period will be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (as defined below) (or the one weekly per annum Thirty Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly by the Federal Reserve Board during the Calendar Period immediately preceding the last ten calendar days preceding the Dividend Period for which the dividend rate on the Preferred Stock is being determined. In the event that the Federal Reserve Board does not publish such a weekly per annum Thirty Year Average Yield during

such Calendar Period, then the Thirty Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum Thirty Year Average Yields (or the one weekly per annum Thirty Year Average Yield, if only one such yield is published during the relevant Calendar Period), as published weekly during such Calendar Period by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that a per annum Thirty Year Average Yield is not published by the Federal Reserve Board or by any Federal Reserve Bank or by any U.S. Government department or agency during such Calendar Period, then the Thirty Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the two most recent weekly per annum average yields to maturity (or the one weekly per annum average yield to maturity, if only one such yield is published during the relevant Calendar Period) for all of the actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) then having remaining maturities of not less than twenty-eight nor more than thirty years, as published during such Calendar Period by the Federal Reserve Board or, if the Federal Reserve Board does not publish such yields, by any Federal Reserve Bank or by any U.S. Government department or agency selected by the Corporation. In the event that the Corporation determines in good faith that for any reason the Corporation cannot determine the Thirty Year Constant Maturity Rate for any Dividend Period as provided above in this paragraph, then the Thirty Year Constant Maturity Rate for such Dividend Period will be the arithmetic average of the per annum average yields to maturity based upon the closing bids during such Calendar Period for each of the issues of actively traded marketable U.S. Treasury fixed interest rate securities (other than Special Securities) with a final maturity date not less than twenty-eight nor more than thirty years from the date of each such quotation, as chosen and quoted daily for each business day in New York City (or less frequently if daily quotations are not generally available) to the Corporation by at least three recognized dealers in U.S. Government securities selected by the Corporation.

The Treasury Bill Rate, the Ten Year Constant Maturity Rate and the Thirty Year Constant Maturity Rate will each be rounded to the nearest five one-hundredths of one percent.

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The Applicable Rate with respect to each Dividend Period (other than the Initial Dividend Period) will be calculated as promptly as practicable by the Corporation according to the appropriate method described above. The Corporation will cause notice of each Applicable Rate to be enclosed with the dividend payment checks next mailed to the holders of the Preferred Stock and indirectly through the Depositary, to holders of the Depositary Shares. For as long as the Depositary is a holder of the Preferred Stock, the Corporation will advise the Depositary of each Applicable Rate promptly after its determination. It is expected that the holders of Depositary Shares will be able to determine such Applicable Rate thereafter by telephoning the Depositary.

As used above, the term "Calendar Period" means a period of fourteen

calendar days; the term "Federal Reserve Board" means the Board of Governors of the Federal Reserve System; the term "Special Securities" means securities which can, at the option of the holder, be surrendered at face value in payment of any Federal estate tax or which provide tax benefits to the holder and are priced to reflect such tax benefits or which were originally issued at a deep or substantial discount; the term "Ten Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of ten years); and the term "Thirty Year Average Yield" means the average yield to maturity for actively traded marketable U.S. Treasury fixed interest rate securities (adjusted to constant maturities of thirty years).

#### LIQUIDATION RIGHTS

The liquidation preference for shares of Preferred Stock is \$100 per share (which is equivalent to \$25 per Depositary Share) plus an amount equal to all dividends thereon (whether or not earned or declared) accrued to and unpaid through the date of final distribution. Neither the consolidation nor the merger of the Corporation with or into any other corporation or corporations nor a reorganization of the Corporation alone nor the sale or transfer by the Corporation of all or substantially all of its assets shall be deemed to be a dissolution or liquidation of the Corporation.

The holders of the shares of Preferred Stock will not be entitled to receive the liquidation preference of such shares until the liquidation preference of any shares of the Corporation's capital stock ranking senior to the Preferred Stock as to rights upon liquidation, dissolution or winding up shall have been paid (or a sum set aside therefor sufficient to provide for payment) in full. No such senior capital stock of the Corporation is currently outstanding, and the holders of Preferred Stock, and indirectly the holders of Depositary Shares, will have certain voting rights with respect to the creation of any such senior capital stock. See "Voting Rights" below and in the accompanying Prospectus.

The Corporation is a legal entity separate and distinct from the Bank, RBS, Republic Factors Corp. ("Factors") and its other subsidiaries. Accordingly, the right of the Corporation, its stockholders and its creditors to participate in any distribution of the assets or earnings of the Bank, RBS, Factors and its other subsidiaries is necessarily subject to the prior claims of the respective creditors of the Bank, RBS, Factors or its other subsidiaries, except to the extent that claims of the Corporation in its capacity as a creditor of the Bank, RBS, Factors or its other subsidiaries may be recognized.

For further information regarding the liquidation rights of the Preferred Stock, and indirectly those of the holders of the Depositary Shares, see "Description of Preferred Stock -- Rights Upon Liquidation" in the accompanying Prospectus.

#### REDEMPTION

The Preferred Stock may be redeemed on or after July 1, 1999, at the option of the Corporation, for cash, on at least 30 but not more than 60 days' notice at any time or from time to time, as a whole or in part, at \$100 per share (which is equivalent to \$25 per Depositary Share), plus, in each case, dividends accrued and accumulated but unpaid to but excluding the redemption date. The Preferred Stock will not be subject to any sinking fund or other obligation of the Corporation to purchase or redeem the Preferred Stock or Depositary Shares. Any such redemption may be effected only with prior approval of the Federal Reserve Board (unless at such time it is determined that such approval is not required).

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For further information regarding the redemption rights of the Preferred Stock, and indirectly those of the holders of the Depositary Shares, see "Description of Preferred Stock -- Redemption" in the accompanying Prospectus.

#### CONVERSION OR EXCHANGE RIGHTS

The Preferred Stock is not convertible into or exchangeable for shares of any other class or series of capital stock of the Corporation.

#### VOTING RIGHTS

Except as set forth below or as otherwise, from time to time, required by law or the Corporation's Charter, holders of the Preferred Stock, and indirectly the holders of Depositary Shares, will not have any voting rights.

Whenever dividends payable on any shares of the Preferred Stock shall be in arrears for six consecutive calendar quarters, the holders of such shares of Preferred Stock (voting separately as a class with any holders of Cumulative Preferred Stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional directors (on the terms set forth below) of the Corporation at the next annual meeting of stockholders and at each subsequent meeting called for the election of directors until all dividends accumulated on such shares of the Preferred Stock and Cumulative Preferred Stock shall have been fully paid or set aside for payment. In such case, the entire Board of Directors of the Corporation will be increased by two directors.

The holders of the Preferred Stock are entitled to two votes per share (equivalent to one-half vote per Depositary Share), the holders of the Cumulative Preferred Stock are entitled to one-half vote per share and the holders of the Convertible Preferred Stock and the holders of the Floating Rate Preferred Stock are entitled to one vote per share, in each case on all matters on which they are entitled to vote (representing one vote per \$50 of liquidation preference). The holders of the DARTS, the holders of the MMP and the holders of the RP are entitled to 2,000 votes per share on all matters on which they are entitled to vote (representing one vote per \$50 of liquidation preference).



Under interpretations adopted by the Federal Reserve Board, if the holders of Preferred Stock become entitled to vote for the election of directors because dividends are in arrears as described herein, such Preferred Stock may then be deemed a "class of voting securities" and a holder of 25% or more of such Preferred Stock (or a holder of 5% or more if it otherwise exercises a "controlling influence" over the Corporation) may then be subject to regulation as a bank holding company in accordance with the Bank Holding Company Act of 1936, as amended (the "BHCA"). In addition, at such time as such Preferred Stock is deemed a class of voting securities, any other bank holding company may be required to obtain the prior approval of the Federal Reserve Board to acquire 5% or more of such Preferred Stock under the BHCA, and any person other than a bank holding company may be required to obtain the prior approval of the Federal Reserve Board under the Change in Bank Control Act to acquire 10% or more of such Preferred Stock.

For further information regarding the voting rights of the Preferred Stock, and indirectly those of the holders of the Depositary Shares, see "Description of Preferred Stock -- Voting Rights" in the accompanying Prospectus.

TAXATION

Owners of the Depositary Shares will be treated for Federal income tax purposes as if they were owners of the Preferred Stock represented by such Depositary Shares and, accordingly, must take into account for Federal income tax purposes the income and deductions to which they would be entitled if they were holders of such Preferred Stock.

UNDERWRITING

The underwriters of the offering of Depositary Shares (the "Underwriters"), for whom Lehman Brothers Inc., Bear, Stearns & Co. Inc., PaineWebber Incorporated and Prudential Securities Incorporated are acting as representatives (collectively, the "Representatives"), have severally agreed, subject to the terms and conditions of the Underwriting Agreement, to purchase from the Corporation the aggregate number of Depositary Shares set forth opposite their respective names below:

NUMBER OF UNDERWRITER DEPOSITARY SHARES ----	
-----	
-----	Lehman
	Brothers Inc.
.....	3,000,000
	Bear, Stearns & Co. Inc.
.....	925,000
	PaineWebber
	Incorporated.....

925,000 Prudential Securities Incorporated.....	925,000
Goldman, Sachs & Co.....	75,000
Kidder, Peabody & Co. Incorporated.....	75,000
Smith Barney Shearson Inc. .....	75,000 -----
	---
Total.....	6,000,000 -----

The Underwriting Agreement provides that the obligations of the Underwriters are subject to certain conditions precedent and that, if any of the foregoing shares are purchased by the Underwriters pursuant to the Underwriting Agreement, all such shares must be so purchased. The Corporation has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments that the Underwriters may be required to make in respect thereof.

The Underwriters have advised the Corporation that they propose to offer all or part of the Depositary Shares directly to the public at the price to the public set forth on the cover page of this Prospectus Supplement, and in part to certain dealers, at such price less a concession not in excess of \$.50 per Depositary Share. The Underwriters may allow and such dealers may reallow discounts not in excess of \$.25 per Depositary Share to certain other dealers. After the initial public offering, the price and concessions may be changed. The Depositary Shares are offered subject to receipt and acceptance by the Underwriters and to certain other conditions, including the right to reject orders in whole or in part.

The Depositary Shares are a new issue of securities with no established trading market. Application has been made to list the Depositary Shares on the New York Stock Exchange. There can be no assurance that the Depositary Shares will be so listed or will continue to be listed. Although the Corporation has been advised by the Underwriters that they may from time to time purchase Depositary Shares in the secondary market, they are not obligated to do so and may discontinue market-making at any time without notice. Consequently, there can be no assurance as to the liquidity of the trading market for the Depositary Shares.

Underwriters and certain of their associates and affiliates may be customers of (including borrowers from), engage in transactions with, and/or perform services for the Corporation and its subsidiaries in the ordinary course of business.

LEGAL OPINIONS

The validity of the Depositary Shares offered hereby and the issuance of

the shares of the Preferred Stock in connection therewith will be passed upon for the Corporation by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, counsel to the Corporation, and for the Underwriters by Cravath, Swaine & Moore, Worldwide Plaza, 825 Eighth Avenue, New York, New York 10019, counsel to the Underwriters. Such counsel will rely as to matters of Maryland law on the opinion of Piper & Marbury, Charles Center South, 36 South Charles Street, Baltimore, Maryland 21201. Cravath, Swaine & Moore has provided legal services to the Corporation and its subsidiaries from time to time.

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## PROSPECTUS

Republic New York Corporation

[LOGO]

Debt Securities and Debt Warrants  
Currency Warrants, Stock-Index Warrants and Other Warrants  
Preferred Stock, Depositary Shares and Preferred Stock Warrants  
Common Stock Warrants

Republic New York Corporation (the "Corporation") may from time to time offer, together or separately, (i) one or more series of its unsecured debt securities which may be either senior debentures, notes, bonds and/or other evidences of indebtedness ("Senior Securities") or subordinated debentures, notes, bonds and/or other evidences of indebtedness ("Subordinated Securities"), both of which may be convertible into common stock, par value \$5 per share, of the Corporation ("Common Stock") or preferred stock, without par value, of the Corporation ("Preferred Stock"), (ii) warrants to purchase Senior Securities or Subordinated Securities ("Debt Warrants"), (iii) options, warrants or other rights entitling the holder to receive the cash value of the right to purchase ("Currency Call Warrants") or the right to sell ("Currency Put Warrants" and collectively with the Currency Call Warrants being referred to herein as the "Currency Warrants") foreign currencies or composite currencies, (iv) options, warrants or other rights entitling the holder to receive an amount in cash determined by reference to increases ("Stock-Index Call Warrants") and decreases ("Stock-Index Put Warrants" and collectively with Stock-Index Call Warrants being referred to herein as the "Stock-Index Warrants") in the level of a specified stock-index which may be based on one or more U.S. or foreign stocks or a combination thereof, (v) options, warrants or other rights relating to other items or indexes ("Other Warrants"), (vi) shares of Preferred Stock which may be convertible into shares of Common Stock or exchangeable for Debt Securities, (vii) shares of Preferred Stock represented by depositary shares ("Depositary Shares"), (viii) warrants to purchase shares of Preferred Stock ("Preferred Stock Warrants") and (ix) warrants to purchase shares of Common Stock ("Common Stock Warrants"), in amounts, at prices and on terms to be determined at the time of the offering. The Senior Securities and the Subordinated Securities are collectively referred to herein as the "Debt Securities"; the Debt Warrants, Currency Warrants, Stock-Index Warrants, Other Warrants, Preferred Stock Warrants and Common Stock Warrants are collectively

referred to herein as the "Warrants"; and the Debt Securities, Warrants, shares of Preferred Stock and Depositary Shares are collectively referred to herein as the "Securities."

The Securities offered pursuant to this Prospectus may be offered separately or together in one or more series up to an aggregate initial public offering price of \$1,000,000,000 or the equivalent thereof denominated in foreign currencies or units of two or more foreign currencies such as European Currency Units, at individual prices and on terms to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement").

The Senior Securities will rank equally with all other unsubordinated and unsecured indebtedness of the Corporation. The Subordinated Securities will be subordinated to all existing and future Senior Indebtedness of the Corporation (as defined). See "Description of Debt Securities".

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and, among other things, will include, where applicable, (i) in the case of Debt Securities, the specific designation, aggregate principal amount, currency, denominations, maturity, premium, rate and time of payment of interest, terms for redemption at the option of the Corporation or repayment at the option of the holder, terms for sinking fund payments, terms for conversion or exchange into other Securities and any initial public offering price; (ii) in the case of shares of Preferred Stock, the specific title and stated value, any dividend, liquidation, redemption, conversion, voting and other rights, the initial public offering price and whether interests in the Preferred Stock will be represented by Depositary Shares; (iii) in the case of Warrants, where applicable, the duration, aggregate amount, offering price, exercise price and detachability; (iv) Debt Warrants, Preferred Stock Warrants and Common Stock Warrants, the applicable type and amount of Securities covered thereby; (v) in the case of Stock-Index Warrants or Other Warrants, the applicable securities index or other items or indices with respect to which such warrants shall apply and the method of determining the cash value payable in connection with the exercise of such warrants; (vi) in the case of Currency Warrants, the currency to which U.S. dollars will be compared, the method of determining the cash value payable in connection with the exercise of such Currency Warrants, the manner in which such Currency Warrants may be exercised and any restrictions on exercise of such Currency Warrants; and (vii) in the case of Depositary Shares, the fraction of a share of Preferred Stock which each such Depositary Share will represent.

The Prospectus Supplement will also contain information, where applicable, about certain U.S. federal income tax, accounting and other considerations relating to, and any listing on a securities exchange of, the Securities covered by the Prospectus Supplement.

The Securities are not savings accounts, deposits or other obligations of any bank or nonbank subsidiary of the Corporation and are not insured by the Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND  
EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES  
AND EXCHANGE COM-MISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON  
THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION  
TO THE CONTRARY IS A CRIMINAL OFFENSE.  
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The Securities may be sold directly by the Corporation, or through agents designated from time to time, or through underwriters or dealers. If any agents of the Corporation, or any underwriters are involved in the sale of the Securities, the names of such agents or underwriters and any applicable fees, commissions or discounts and the net proceeds to the Corporation from such sale will be set forth in the applicable Prospectus Supplement. The Corporation may also issue contracts under which the counterparty may be required to purchase Debt Securities, Preferred Stock or Depositary Shares. Such contracts would be issued with the Debt Securities, Preferred Stock, Depositary Shares and/or Warrants in amounts, at prices and on terms to be set forth in the applicable Prospectus Supplement. See "Plan of Distribution."

THE DATE OF THIS PROSPECTUS IS MAY 7, 1993.

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#### INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following document heretofore filed by the Corporation with the Securities and Exchange Commission (the "Commission") is incorporated herein by reference:

1. Annual Report on Form 10-K for the year ended December 31, 1992, filed with the Commission pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

All reports subsequently filed pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering of the Securities shall be deemed to be incorporated by reference into this Prospectus. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

THE CORPORATION WILL PROVIDE WITHOUT CHARGE TO EACH PERSON TO WHOM THIS PROSPECTUS IS DELIVERED, ON THE REQUEST OF ANY SUCH PERSON, A COPY OF ANY OR ALL DOCUMENTS INCORPORATED HEREIN BY REFERENCE (OTHER THAN EXHIBITS TO SUCH DOCUMENTS). WRITTEN REQUESTS SHOULD BE DIRECTED TO:

Republic New York Corporation  
452 Fifth Avenue  
New York, New York 10018  
Telephone requests may be directed to (212) 525-6100.

No person is authorized to give any information or to make any representations, other than those contained or incorporated by reference in this Prospectus or the Prospectus Supplement, in connection with the offering contemplated hereby, and, if given or made, such information or representations must not be relied upon as having been authorized by the Corporation or any underwriter, dealer or agent. This Prospectus and the Prospectus Supplement do not constitute an offer to sell or a solicitation of an offer to buy any securities other than the registered securities to which they relate and do not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. Neither the delivery of this Prospectus or the Prospectus Supplement, nor any sale made hereunder or thereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation since the date hereof or thereof or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to such date.

#### AVAILABLE INFORMATION

The Corporation is subject to the informational requirements of the Exchange Act and in accordance therewith files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information can be inspected and copied at the public reference facilities of the Commission, Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's New York Regional Office, 7 World Trade Center, New York, New York 10048, and Chicago Regional Office, Suite 1400, Northwestern Atrium Center, 500 West Madison Street, Chicago, Illinois 60661, and copies of such materials can be obtained from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Reports, proxy statements and other information concerning the Corporation can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

This Prospectus constitutes part of a registration statement on Form S-3 (together with all amendments and exhibits, the "Registration Statement") filed by the Corporation with the Commission under the Securities Act of 1933, as amended. This Prospectus does not contain all of the information included in the Registration Statement, certain parts of which are omitted in accordance with applicable regulations. For further information pertaining to the Corporation and the Securities

thereto which may be inspected without charge at the office of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and copies thereof may be obtained from the Commission upon payment of the prescribed fees.

#### REPUBLIC NEW YORK CORPORATION

The Corporation is a bank holding company incorporated in Maryland. At December 31, 1992, the Corporation had consolidated total assets of \$37.1 billion and stockholders' equity of \$2.3 billion. Its principal asset is the capital stock of Republic National Bank of New York (the "Bank"). Management expects that the Bank will remain the Corporation's principal asset and source of revenue and net income in the foreseeable future. As of December 31, 1992, the Bank accounted for approximately 80% of the consolidated assets of the Corporation, and for the year ended December 31, 1992, the Bank accounted for approximately 70% of the consolidated revenues and net income of the Corporation. Based on total assets at September 30, 1992, the date rankings were last available, the Corporation was the nineteenth largest bank holding company in the United States.

The Corporation is a legal entity separate and distinct from the Bank, The Manhattan Savings Bank ("Manhattan"), Republic Factors Corp. ("Factors") and its other subsidiaries. Accordingly, the right of the Corporation, its stockholders and its creditors to participate in any distribution of the assets or earnings of the Bank, Manhattan, Factors and its other subsidiaries is necessarily subject to the prior claims of the respective creditors of the Bank, Manhattan, Factors or its other subsidiaries, except to the extent that claims of the Corporation in its capacity as a creditor of the Bank, Manhattan, Factors or its other subsidiaries may be recognized.

The Corporation's principal executive offices are located at 452 Fifth Avenue, New York, New York 10018, and its telephone number is (212) 525-6100.

#### REPUBLIC NATIONAL BANK OF NEW YORK

The Bank is a commercial bank which provides a variety of banking and financial services on a worldwide basis to corporations, financial institutions, governments and individuals. At December 31, 1992, the Bank had total assets of \$29.9 billion, total deposits of \$17.8 billion and total stockholder's equity of \$1.9 billion. Based on total deposits at December 31, 1992, the Bank was the fourteenth largest commercial bank in the United States.

The Bank is headquartered in New York City with 33 domestic branch banking offices in New York City and Westchester and Rockland Counties. The Bank maintains wholly-owned foreign banking subsidiaries in The Bahamas, Canada, Uruguay, Singapore and the Cayman Islands, eight foreign branch offices in the Caribbean, Europe, the Far East and Latin America and representative offices in the Far East and Latin America. The Bank's facilities are supplemented by a network of correspondent banks throughout the world. The Bank also has Edge Act banking subsidiaries in Beverly Hills, California and Miami, Florida. The Bank owns approximately 49% of Safra Republic Holdings S.A., a European-based bank

holding company with five banking subsidiaries located in France, Gibraltar, Guernsey, Luxembourg and Switzerland.

#### THE MANHATTAN SAVINGS BANK

The Corporation's other significant bank subsidiary is Manhattan. At December 31, 1992, Manhattan had total assets of \$6.2 billion, total deposits of \$5.2 billion and total stockholder's equity of \$427 million. Manhattan's principal banking office is located at 415 Madison Avenue, New York, New York. Manhattan has 26 full service branch banking offices in New York City and Nassau, Suffolk and Westchester counties as well as 10 branches in Broward, Dade and Marion counties, Florida.

Manhattan is engaged in the granting of mortgages on residential real property located primarily in New York State, including one-to four-family dwellings, units within condominium projects or units within cooperative housing projects. Manhattan's deposit activities include accepting savings, demand, money market, fixed-rate, individual retirement, Keogh and NOW accounts. Manhattan also provides consumer credit and is active in the bond market. In providing such banking services, Manhattan

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competes with other savings banks, thrift institutions, insurance companies, domestic commercial banks and other providers of financial services.

#### REPUBLIC FACTORS CORP.

Factors, which is the Corporation's only other significant subsidiary, engages in factoring activities, purchasing, without recourse, from approximately 450 clients, accounts receivable from over 55,000 customers primarily in the retail apparel industry throughout the United States, which are due on average in 60 days, although certain clients receive payment for these receivables prior to their maturity date. From time to time, Factors makes advances to clients in excess of the receivables purchased. These advances are seasonal in nature and may be either secured or unsecured. Letter of credit accommodations are also provided. For these services, Factors earns commissions, interest and service fees. Factors' headquarters and principal office is located in New York, New York. In addition, Factors has offices located in Los Angeles, California and Charlotte, North Carolina.

#### OTHER FINANCIAL SERVICE SUBSIDIARIES

With the approval of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") on October 9, 1992, Republic New York Securities Corporation ("RNYSC"), a wholly-owned subsidiary of the Corporation, commenced operations on November 2, 1992 as a full-service securities brokerage whose principal activities are prime brokerage, securities borrowing and lending, margin lending, third party research and vendor services, correspondent



clearing, and asset management and fiduciary services offered primarily to institutional investors and high net worth individuals. RNYSC is a registered broker-dealer with the Commission and is a member of the National Association of Securities Dealers, Inc. and the New York Stock Exchange, Inc. In addition, it is an associate member of the American Stock Exchange and the Philadelphia Stock Exchange. The Federal Reserve Board is considering the Corporation's application for prior approval to engage in certain additional activities through RNYSC, including underwriting and dealing in securities.

Republic Clearing Corporation ("RCC") is a wholly-owned subsidiary of the Corporation. RCC has been active in the futures markets since 1977 and is registered with the Commodity Futures Trading Commission and the National Futures Association as a futures commission merchant. It is anticipated that the Corporation will merge the operations of RCC with and into those of RNYSC during the second quarter of 1993 in order to consolidate associated securities, back-office, record keeping and related functions into one business unit.

The Corporation has received approval from the Federal Reserve Board to engage in certain investment and financial advisory activities through its wholly-owned subsidiary, Republic Asset Management Corporation ("RAM"). It is anticipated that RAM will commence operations in the second quarter of 1993 and will provide a broad range of investment, economic and financial advice to individuals, corporations and governments, among others. RAM is a registered investment advisor under the Investment Company Act of 1940 and is registered as a commodity trading advisor and commodity pool operator with the Commodity Futures Trading Commission.

#### SUPERVISION AND REGULATION

General. As a bank holding company registered under the Bank Holding Act of 1956, as amended (the "Act"), the Corporation is subject to substantial regulation and supervision by the Federal Reserve Board. The Corporation's subsidiary banks are subject to regulation and supervision by federal and state bank regulatory agencies, including the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation ("FDIC") and the New York State Banking Department. Federal banking and other laws impose a number of requirements and restrictions on the operations and activities of depository institutions. In addition, the federal banking agencies are currently implementing recently enacted legislation that might result in additional substantial restrictions on operations and activities, and increase operating costs.

Holding Company Activities. Under the Act, bank holding companies may engage directly, or indirectly through subsidiaries, in activities which the Federal Reserve Board determines to be so

incident thereto. Acquisitions of existing companies and engaging in activities which the Federal Reserve Board has not theretofore determined to be permissible for bank holding companies normally require specific Federal Reserve Board approval. The Corporation, as well as its subsidiaries, is prohibited from engaging in certain tie-in arrangements in connection with any extension of credit, lease or provision of any property or services.

Capital Requirements. The Federal Reserve Board has established guidelines implementing risk-based capital requirements for bank holding companies. The guidelines, which became final at the end of 1992, provide that the minimum ratio of total capital to risk-weighted assets (including certain off-balance sheet activities, such as standby letters of credit and derivative instruments) be equal to 8.0% of risk-weighted assets. Of this amount, at least half must be composed of common equity, minority interests, noncumulative perpetual preferred stock and a limited amount of cumulative perpetual preferred stock, less goodwill ("Tier 1 capital"). The remainder may consist of certain amounts of subordinated debt and cumulative preferred stock and a limited amount of the allowance for loan losses ("Tier 2 capital").

In 1992, the Federal Reserve Board issued interpretations of its capital regulations indicating, among other things, that subordinated debt of bank holding companies issued on or after September 4, 1992 is not includable as Tier 2 capital for calculation of regulatory capital ratios if the subordinated debt is subject, among other things, to certain covenants or rights of acceleration. Unlike prior subordinated debt securities issued by the Corporation, the Subordinated Securities issued under the 1992 Subordinated Indenture (as defined herein) are intended to qualify as Tier 2 capital under these interpretations. See "Description of Debt Securities -- The Indentures".

In addition to the risk-based capital requirements described above, the Federal Reserve Board has also adopted a minimum leverage ratio (defined as Tier 1 capital divided by consolidated quarterly average total assets) for bank holding companies. Bank holding companies that are experiencing significant growth or are actively seeking acquisitions are expected to maintain a leverage ratio of 4% to 5%.

In December 1992, the Federal Reserve Board approved a final rule altering the method of computation of Tier 1 capital of bank holding companies. Subject to certain exceptions, in calculating Tier 1 capital under the revised rule, bank holding companies will be required to deduct all intangible assets other than purchased mortgage servicing rights and purchased credit card relationships, each valued at least quarterly at the lesser of 90% of their fair market value or 100% of their book value, in an aggregate amount not exceeding 50% of Tier 1 capital. For purchased credit card relationships, the total may not exceed 25% of Tier 1 capital. The new rule became effective on March 15, 1993.

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), which became law in December 1991, further requires the federal bank regulatory agencies bi-annually to review risk-based capital standards to ensure

that they adequately address interest rate risk, concentration of credit risk and risks from non-traditional activities. Proposed regulations incorporating concentrations of credit risk and risk from non-traditional activities into bank capital requirements were proposed on March 29, 1993 and are currently being reviewed by the Corporation.

**Holding Company Liability.** Under the Federal Reserve Board's policy, the Corporation is expected to act as a source of financial strength to each of its subsidiary banks and to commit resources to support such subsidiary banks in circumstances in which it might not do so absent such policy. In addition, any capital loans by the Corporation to any subsidiary bank are required to be subordinated in right of payment to deposits and certain other indebtedness of such subsidiary bank.

A bank holding company also could be liable under certain provisions of FDICIA for the capital deficiencies of a subsidiary bank that does not satisfy applicable minimum regulatory capital requirements. In such cases, the subsidiary bank will be required to adopt a capital plan approved by the appropriate bank regulators and the liability of the parent holding company is limited to the lesser of 5% of the bank's assets at the time it became "undercapitalized" or the amount needed to comply with

the capital plan and such liability is accorded a priority, in the event of the bankruptcy of the parent holding company, over the parent's general unsecured creditors.

It should be noted that the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") provides for cross-guarantees of the liabilities of insured depository institutions pursuant to which any bank or savings association subsidiary of a holding company may be required to reimburse the FDIC for any loss or anticipated loss to the FDIC that arises from a default of any of such holding company's other subsidiary banks or savings associations or for assistance provided by the FDIC to such an institution in danger of default. This right of recovery by the FDIC is generally superior to any claim of the shareholders of the depository institution that is liable or any affiliate of such institution. All of the domestic banking subsidiaries of the Corporation are subject to such cross-guarantees.

**New Banking Regulations.** FDICIA revised sections of the Federal Deposit Insurance Act affecting bank regulation, deposit insurance and funding of the Bank Insurance Fund administered by the FDIC. FDICIA also revised bank regulatory structures embodied in several other federal banking statutes, required the federal banking regulators to set five capital levels ranging from "well capitalized" to "critically undercapitalized", authorized federal banking regulators to intervene in connection with the deterioration of a bank's capital level, placed limits on real estate lending and tightened audit requirements. Among other things, such new regulations adopt truth-in-savings disclosure

requirements and prohibit or limit the acceptance of brokered deposits by insured financial institutions that do not meet the banking agencies' definition of "well-capitalized". The bank regulatory agencies are also actively considering proposals that affect a wide range of operational and managerial matters, including asset quality, earnings, stock valuation and employee compensation, limitations on activities of state-chartered banks, and new reporting and audit requirements.

PRINCIPAL STOCKHOLDER

At December 31, 1992, there were 52,190,243 shares of Common Stock of the Corporation outstanding. As of such date, Edmond J. Safra, through Saban S.A. and one other entity, beneficially owned 14,989,212 shares of Common Stock, representing approximately 28.7% of the Corporation's outstanding Common Stock. The Corporation knows of no other stockholder who owned, as of December 31, 1992, beneficially or of record, more than 10% of its outstanding voting securities.

CONSOLIDATED RATIOS OF EARNINGS TO FIXED CHARGES

YEARS ENDED DECEMBER 31, -----	-----	-----	-----	-----	-----
- 1988	1989	1990	1991	1992	----
----	----	----	----	----	Excluding
					interest on
					deposits.....
1.68x	1.12x	1.38x	1.60x	1.66x	
					Including interest on
					deposits.....
1.14	1.03	1.11	1.17	1.26	

For the purpose of computing the consolidated ratios of earnings to fixed charges, earnings represent consolidated income before income taxes plus fixed charges. Fixed charges excluding interest on deposits consist of interest on long-term debt and short-term borrowings and one-third of rental expense (which is deemed representative of the interest factor). Fixed charges including interest on deposits consist of the foregoing items plus interest on deposits.

CONSOLIDATED RATIOS OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

YEARS ENDED DECEMBER 31, -----	-----	-----	-----	-----	-----
- 1988	1989	1990	1991	1992	----
----	----	----	----	----	Excluding
					interest on
					deposits.....
1.56x	1.01x	1.32x	1.51x	1.55x	
					Including interest on

deposits.....  
1.12 1.00 1.10 1.15 1.23

For the purpose of computing the consolidated ratios of earnings to combined fixed charges and preferred stock dividends, earnings represent consolidated income before income taxes plus fixed charges. Fixed charges and preferred stock dividends excluding interest on deposits consist of interest on long-term debt and short-term borrowings and one-third of rental expense (which is deemed representative of the interest factor) and the pre-tax equivalent of preferred stock dividends. Fixed

charges and preferred stock dividends including interest on deposits consist of the foregoing items plus interest on deposits.

#### APPLICATION OF PROCEEDS

Except as may otherwise be provided in the Prospectus Supplement, the net proceeds from the sale of the Securities will be used for general corporate purposes. Pending ultimate application, the net proceeds may be used to make short-term investments or reduce short-term borrowings.

Management anticipates that the Corporation may, from time to time, engage in additional financings, which may include the issuance of debt and/or equity securities otherwise than pursuant to this Prospectus.

#### DESCRIPTION OF DEBT SECURITIES

The following description of the Debt Securities sets forth certain general terms and provisions of the Indentures under which the Debt Securities are to be issued. The particular terms of each issue of Debt Securities, as well as any modifications or additions to such general terms that may apply in the case of such Debt Securities, will be described in the Prospectus Supplement relating to such Debt Securities. Accordingly, for a description of the terms of a particular issue of Debt Securities, reference must be made to both the Prospectus Supplement relating thereto and to the following description.

#### THE INDENTURES

Senior Securities have been and, if issued in the future, will be issued under an Indenture dated as of May 15, 1986, as supplemented by a First Supplemental Indenture dated as of May 15, 1991 and a Second Supplemental Indenture dated as of April 15, 1993, between the Corporation and Citibank, N.A. ("Citibank"), as successor Trustee (said Indenture as so supplemented, the "Senior Indenture"). Subordinated Securities have been and, if issued in the future, may be issued under either an Indenture dated as of May 15, 1986, as supplemented by a First Supplemental Indenture dated as of May 15, 1991 and a

Second Supplemental Indenture dated as of April 15, 1993, between the Corporation and Citibank, as successor Trustee (said Indenture as so supplemented, the "1986 Subordinated Indenture") or a separate Indenture dated as of October 15, 1992 and a First Supplemental Indenture dated as of April 15, 1993 between the Corporation and Citibank, as Trustee (the "1992 Subordinated Indenture"). The Senior Indenture, the 1986 Subordinated Indenture and the 1992 Subordinated Indenture are sometimes referred to herein collectively as the "Indentures" and individually as an "Indenture".

The existence of both the 1986 Subordinated Indenture and the 1992 Subordinated Indenture reflects recent changes in the treatment of subordinated debt securities for purposes of regulatory capital. In 1992, the Federal Reserve Board issued interpretations of its capital regulations indicating, among other things, that subordinated debt of bank holding companies issued on or after September 4, 1992 is includable in capital for calculation of regulatory capital ratios only if the subordination of the debt meets certain specified criteria and if the debt may be accelerated only for bankruptcy, insolvency and similar matters and is not subject to certain covenants, including a covenant prohibiting the sale of any major subsidiary. Following this interpretation, the Corporation entered into the 1992 Subordinated Indenture since it appeared that the terms of the 1986 Subordinated Indenture might not satisfy these requirements. Accordingly, to obtain the most favorable treatment for regulatory capital purposes the 1992 Subordinated Indenture contains subordination and acceleration provisions intended to be consistent with the 1992 Federal Reserve Board interpretations and does not contain any covenant restricting the ability of the Corporation to dispose of or issue stock of the Bank or addressing any other matter prohibited by the Federal Reserve Board's interpretations. See "Disposition or Issuance of Capital Stock of the Bank" and "Events of Default, Notice and Waiver."

The Indentures have, and the supplemental indentures referred to herein will be, filed as exhibits to the Registration Statement of which this Prospectus is a part. Each Indenture is available for inspection at the corporate trust office of Citibank at 120 Wall Street, 13th Floor, New York, New York 10043. The following description of the Indentures and summaries of certain provisions thereof do not

purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the respective Indentures. All section references appearing herein are to sections of the applicable Indenture or Indentures, and capitalized terms defined in the Indentures are used herein as therein defined (unless otherwise defined herein).

There is no requirement that future issues of debt securities of the Corporation be issued under any of the Indentures, and the Corporation is free to employ other indentures or documentation, containing provisions different from those included in the Indentures or applicable to one or more issues of

Debt Securities, in connection with future issues of such other debt securities.

#### GENERAL TERMS OF DEBT SECURITIES

Each Indenture provides that the Debt Securities issued thereunder may be issued without limit as to aggregate principal amount, in one or more series, in each case as established from time to time in or pursuant to authority granted by a resolution of the Board of Directors of the Corporation or as established in one or more indentures supplemental to such Indenture (Section 301 of the Indentures). Each Indenture also provides that there may be more than one Trustee under such Indenture, each with respect to one or more series of Debt Securities. Any Trustee under any Indenture may resign or be removed with respect to one or more series of Debt Securities issued under such Indenture, and a successor Trustee may be appointed to act with respect to such series (Section 610 of the Senior Indenture and the 1986 Subordinated Indenture, and Section 608 of the 1992 Subordinated Indenture).

In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities issued under the same Indenture, each such Trustee shall be a Trustee of a trust under such Indenture separate and apart from the trust administered by any other such Trustee (Section 611 of the Senior Indenture and the 1986 Subordinated Indenture, and Section 609 of the 1992 Subordinated Indenture), and, except as otherwise indicated herein, any action described herein to be taken by the Trustee may be taken by each such Trustee with respect to, and only with respect to, the one or more series of Debt Securities for which it is Trustee under such Indenture.

Reference is made to the Prospectus Supplement relating to the Debt Securities to be offered for the following terms thereof: (1) the title of the Debt Securities; (2) any limit on the aggregate principal amount of the Debt Securities; (3) the purchase price of the Debt Securities (expressed as a percentage of the principal amount); (4) the date or dates on which the principal (and premium, if any) of the Debt Securities will be payable; (5) the rate or rates (which may be fixed or variable), or the method by which such rate or rates shall be determined, at which the Debt Securities will bear interest, if any; (6) the date or dates from which any such interest will accrue, the date or dates on which any such interest will be payable and the Regular Record Dates for such Interest Payment Dates; (7) the place or places where the principal of (and premium, if any) and interest, if any, on the Debt Securities will be payable; (8) the period or periods within which, the price or prices at which and the terms and conditions upon which the Debt Securities may be redeemed, as a whole or in part, at the option of the Corporation, if the Corporation is to have such an option; (9) the obligation, if any, of the Corporation to redeem or purchase the Debt Securities pursuant to any sinking fund or analogous provision or at the option of a Holder thereof, and the period or periods within which, the price or prices at which and the terms and conditions upon which the Debt Securities will be redeemed or purchased, as a whole or in part, pursuant to such obligation; (10) the currency or currencies in which the Debt Securities are denominated, which may be in U.S. dollars, a foreign currency or units of two or more foreign currencies or a composite currency or currencies; (11)

whether the amount of payments of principal of (and premium, if any) or interest, if any, on the Debt Securities may be determined with reference to an index, formula or other method (which index, formula or method may, but need not be, based on a currency, currencies, currency unit or units or composite currency or currencies) and the manner in which such amounts shall be determined; (12) any additions or deletions in the terms of the Debt Securities with respect to the Events of Default set forth in the respective Indentures; (13) the terms, if any, upon which the Debt Securities may be convertible into Common Stock or Preferred Stock of the Corporation and the terms and conditions upon which such conversion will be effected, including the initial conversion price or rate, the conversion period and any other provision in addition to or in lieu of

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those described herein; (14) whether the Debt Securities will be issued in certificated or book-entry form; and (15) any other terms of the Debt Securities not inconsistent with the provisions of the respective Indentures. Principal, premium, if any, and interest, if any, will be payable, and the Debt Securities will be transferable, in the manner described in the applicable Prospectus Supplement relating to such Debt Securities.

Debt Securities may be issued under the Indentures as Original Issue Discount Securities to be offered and sold at a substantial discount from the principal amount thereof. Special federal income tax, accounting and other considerations applicable thereto will be described in the applicable Prospectus Supplement.

Unless otherwise provided with respect to a series of Debt Securities, the Debt Securities will be issued only in registered form without coupons in denominations of \$1,000 and integral multiples thereof (Section 302 of the Indentures).

#### CERTIFICATED SECURITIES

Except as may be set forth in the applicable Prospectus Supplement, Debt Securities will not be issued in definitive form. If, however, Debt Securities are to be issued in definitive form, no service charge will be made for any transfer or exchange of Debt Securities issued as Certificated Securities, but the Corporation may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Section 305 of the Indentures).

#### BOOK-ENTRY SECURITIES

General. It is expected that Debt Securities will be issued as global securities registered in the name of The Depository Trust Company, New York, New York, or a successor thereof (which successor shall be a clearing agency registered under the Exchange Act if so required by applicable law) (The



Depository Trust Company or such successor being herein referred to as the "Depository"), and registered in the name of the Depository or a nominee thereof. Such global securities (each a "Global Security") will be issued only for Debt Securities having the same tenor and terms.

Upon the issuance of any Global Security, the Depository will credit, on its book-entry registration and transfer system, the respective principal amount of the Book-Entry Securities represented by such Global Security to the accounts of institutions that have accounts with the Depository ("participants"). The accounts to be credited shall be designated by the underwriter or agent, or by the Corporation if such Book-Entry Securities are to be offered and sold directly by the Corporation. Ownership of beneficial interests in a Global Security will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in a Global Security will be shown on, and the transfer of that ownership will be effected only through, records maintained by the Depository or its nominee for such Global Security (with respect to interests of participants) or by participants or persons that hold through participants (with respect to interests of persons other than participants). The laws of certain states require that certain purchasers of securities take physical delivery of such securities as certificates issued in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

Principal, premium, if any, and interest payments on Book-Entry Securities will be made to the Depository or its nominee, as the case may be, as the registered holder of the Global Security representing such Book-Entry Securities. The Corporation has been advised that the Depository or its nominee, upon receipt of any payment of principal, premium, if any, or interest in respect of a Global Security, will immediately credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Security as shown on the records of the Depository or its nominee. The Corporation also expects that payments by participants (or by persons that hold interests for customers through participants) to owners of beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in

"street name", and will be the responsibility of such participants (or of such persons that hold interests for customers through participants).

Each owner of a beneficial interest in a Global Security must ensure that the person through whom its interest is held (i.e., either a participant or other person that holds interests through a participant) maintains accurate records of such owner's beneficial interest in the Global Security. The interests of participants (which may be in the form of a custodial relationship) will be shown on records maintained by the Depository for such Global Security.

The designation of the Depository or its nominee as custodian for participants and persons that hold interests through participants (either as principal, nominee or custodian) will be shown on the Register maintained by the Trustee.

Neither the Corporation nor any underwriter or agent (unless beneficial interests in Global Securities are held through such underwriter or agent for its customer) will have any responsibility or liability for any aspect of the records relating to, or for payments made on account of beneficial ownership interests in, a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

If the Depository notifies the Corporation that it is unwilling or unable to continue as Depository for the Global Securities representing the Book-Entry Securities or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act if so required by applicable law or regulation, and, in either case, a successor depository is not appointed by the Corporation within 90 days, the Corporation will issue Certificated Securities in exchange for such Global Securities. In addition, the Corporation may at any time and in its sole discretion determine not to have any Securities represented by Global Securities and, in such event, will issue Certificated Securities in exchange for all of the Global Securities. Furthermore, after the occurrence of an Event of Default, holders representing a majority in principal amount of each series of Book-Entry Securities then outstanding may advise the Depository through its participants to cease acting as depository for the Global Securities of such series, and, in such event, the Corporation will issue Certificated Securities in exchange for such Global Securities. The Certificated Securities so issued in exchange for such Global Securities shall be in the same minimum denominations and be of like aggregate principal amount and tenor as the portion of each such Global Security to be exchanged. Except as provided above, owners of beneficial interests in a Global Security will not be entitled to receive physical delivery of Certificated Securities and will not be considered the registered holders of such Securities for any purpose (including receiving payments of principal, premium, if any, and interest).

Unless and until it is exchanged for Certificated Securities, a Global Security may not be transferred except as a whole by the Depository for such Global Securities to a nominee of such Depository or by a nominee of such Depository to such Depository or another nominee of such Depository or by the Depository or any such nominee to a successor of such Depository or a nominee of such successor.

Information Concerning the Depository. The Depository is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. The Depository was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. The

Depository's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom (and/or their representatives) own the Depository. Access to the Depository's book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

The information in this section concerning the Depository and its book-entry system has been obtained from sources that the Corporation believes to be reliable, but the Corporation takes no responsibility for the accuracy thereof.

#### MERGER

The Indentures provide that the Corporation may not consolidate with or merge into another Person or participate in a transaction in which all of the issued and outstanding shares of its Capital Stock are acquired by another Person by a vote of the Corporation's stockholders or sell, convey, exchange, transfer or lease its properties and assets substantially as an entirety to any Person unless (a) such Person shall be a corporation organized under the laws of any domestic or foreign jurisdiction and shall expressly assume the due and punctual payment of the principal of and interest (and premium, if any) on the Debt Securities and the performance of all of the covenants and conditions of the Indentures and (b) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing (Section 801 of the Indentures).

#### DISPOSITION OR ISSUANCE OF CAPITAL STOCK OF THE BANK

Senior Indenture and 1986 Subordinated Indenture. The Senior Indenture and the 1986 Subordinated Indenture prohibit the issuance, sale or other disposition of Capital Stock, or securities convertible into, or options, warrants or rights to acquire, Capital Stock of the Bank or of any Subsidiary which owns shares of Capital Stock, or securities convertible into, or options, warrants or rights to acquire, Capital Stock of the Bank, with the following exceptions: (a) dispositions of directors' qualifying shares; (b) sales or other dispositions for fair market value, if, after giving effect to such disposition and to conversion of any shares or securities convertible into Capital Stock, the Corporation would own directly or indirectly not less than 80% of each class of the Capital Stock of the Bank; (c) sales or other dispositions made in compliance with an order of a court or regulatory authority of competent jurisdiction; (d) sales by the Bank of its Capital Stock, or securities convertible into, or options, warrants or rights to acquire, its Capital Stock, to its stockholders so long as prior to such sale the Corporation owned securities of the same class and the sale does not reduce the percentage of securities of such class owned by the Corporation; and (e) any issuance of

Capital Stock, or securities convertible into, or options, warrants or rights to acquire, Capital Stock, of the Bank or any Subsidiary of the Corporation or another Subsidiary (Section 1007 of the Senior Indenture and the 1986 Subordinated Indenture).

1992 Subordinated Indenture. Unlike the Senior Indenture and the 1986 Subordinated Indenture, the 1992 Subordinated Indenture does not prohibit or limit the issuance, sale or other disposition of Capital Stock of the Bank, or securities convertible into, or options, warrants or rights to acquire, Capital Stock of the Bank or of any Subsidiary which owns shares of Capital Stock, or securities convertible into, or options, warrants or other rights to acquire, Capital Stock of the Bank. Under the Federal Reserve Board's interpretations referred to above, a limitation on the disposition or issuance of Capital Stock of the Bank would prevent the Subordinated Securities issued under the 1992 Subordinated Indenture from being included in capital for calculation of regulatory capital ratios. See "The Indentures" above.

#### EVENTS OF DEFAULT, NOTICE AND WAIVER

Senior Indenture and 1986 Subordinated Indenture. The Senior Indenture and the 1986 Subordinated Indenture provide that the following events are Events of Default thereunder with respect to any series of Debt Securities issued thereunder: (a) default for 30 days in the payment of any installment of interest on any Debt Security of such series; (b) default in the payment of the principal of (or premium, if any, on) any Debt Security of such series at its Maturity; (c) default in making a sinking fund payment or analogous obligation, if any, or payment of the purchase price of any Debt Security of such series, when and as the same shall be due and payable by the terms of the Debt Securities of such series; (d) default in the performance of any other covenant of the Corporation in such Indentures (other than a covenant included in such Indentures solely for the benefit of a series of Debt Securities other than such series), continued for 90 days after written notice as provided in such Indenture; (e) certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Corporation or its property or the Bank; and (f) any other Event of Default

provided with respect to a particular series of Debt Securities (Section 501 of the Senior Indenture and the 1986 Subordinated Indenture). No Event of Default with respect to a particular series of Debt Securities (except the events described in clause (e) above) necessarily constitutes an Event of Default with respect to any other series of Debt Securities issued under the same or another Indenture.

The Trustee may withhold notice to the Holders of any series of Debt Securities of any default with respect to such series (except a default in the payment of the principal of (or premium, if any) or interest, if any, on any Debt Security of such series or in the payment of any sinking fund installment

or analogous payment obligation or any payment of the purchase price of any Debt Security of such series) if the board of directors or Responsible Officers of the Trustee consider such withholding to be in the interest of such Holders (Section 602 of the Senior Indenture and the 1986 Subordinated Indenture).

If an Event of Default described in clause (a), (b), (c) or (f) above with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Debt Securities of that series to be due and payable immediately. If an Event of Default described in clause (d) or (e) above occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of all the Debt Securities then Outstanding under the Senior Indenture or the 1986 Subordinated Indenture, as the case may be ("Senior/Old Subordinated Indenture Securities"), may declare the principal amount (or, if any such Senior/Old Subordinated Indenture Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Senior/Old Subordinated Indenture Debt Securities to be due and payable immediately. However, at any time after such a declaration of acceleration with respect to Debt Securities of such series (or of all Outstanding Senior/Old Subordinated Indenture Securities, as the case may be) has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee prior to the Stated Maturity thereof, the Holders of a majority in principal amount of Outstanding Debt Securities of such series (or of all Outstanding Senior/Old Subordinated Indenture Securities, as the case may be) may, subject to certain conditions, rescind and annul such acceleration if all Events of Default, other than the non-payment of accelerated principal (or specified portion thereof), with respect to Debt Securities of such series (or of all Outstanding Senior/Old Subordinated Indenture Securities, as the case may be) have been cured or waived as provided in the Senior Indenture and the 1986 Subordinated Indenture (Section 502 of the Senior Indenture and the 1986 Subordinated Indenture). The Senior Indenture and the 1986 Subordinated Indenture also provide that the Holders of not less than a majority in principal amount of the Debt Securities of a series (or of all Outstanding Senior/Old Subordinated Indenture Securities, as the case may be) may, subject to certain limitations, waive any past default and its consequences (Section 513 of the Senior Indenture and the 1986 Subordinated Indenture). Reference is made to the Prospectus Supplement relating to any series of Debt Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof. Within 120 days after the close of each fiscal year, the Corporation must file with the Trustee a statement, signed by specified officers, stating whether or not such officers have knowledge of any default, and, if so, specifying each such default and the nature and status thereof (Section 1005 of the Senior Indenture and the 1986 Subordinated Indenture).

Subject to provisions in the Senior Indenture and the 1986 Subordinated Indenture relating to its duties in case of default, the Trustee thereunder is under no obligation to exercise any of its rights or powers under such Indentures at the request, order or direction of any Holders of any series of Outstanding Senior/Old Subordinated Indenture Securities, unless such Holders shall have offered to the Trustee thereunder reasonable security or indemnity (Section 603 of the Senior Indenture and the 1986 Subordinated Indenture). Subject to such provisions for indemnification and certain limitations contained in the Senior Indenture and the 1986 Subordinated Indenture, the Holders of not less than a

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majority in principal amount of the Outstanding Debt Securities of a series (or of all the Outstanding Senior/Old Subordinated Indenture Securities, as the case may be) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee thereunder, or of exercising any trust or power conferred upon such Trustee (Section 512 of the Senior Indenture and the 1986 Subordinated Indenture).

1992 Subordinated Indenture. The 1992 Subordinated Indenture provides that the following events are the only Events of Default thereunder with respect to any series of Subordinated Securities issued thereunder: (a) default for 30 days in the payment of any installment of interest on any Subordinated Security of such series; (b) default in the payment of the principal of (or premium, if any, on) any Subordinated Security of such series at its Maturity; (c) default in making a sinking fund payment or analogous obligation, if any, or payment of the purchase price of any Subordinated Security of such series, when and as the same shall be due and payable by the terms of the Subordinated Securities of such series; (d) certain events relating to the bankruptcy, insolvency or reorganization of the Corporation or the appointment of a receiver for the Bank; and (e) any other Event of Default provided with respect to a particular series of Subordinated Securities (Section 501 of the 1992 Subordinated Indenture). No Event of Default with respect to a particular series of Subordinated Securities other than the event described in clause (d) above necessarily constitutes an Event of Default with respect to any other series of Subordinated Securities issued under the same or another Indenture.

Unless provided with respect to a particular series of Subordinated Securities issued under the 1992 Subordinated Indenture, there will be no right of acceleration of the payment of principal of the Subordinated Securities issued under the 1992 Subordinated Indenture upon a default in the payment of principal or interest on such Subordinated Securities or in the performance of any covenant or agreement contained in such Subordinated Securities or in the 1992 Subordinated Indenture. Under the 1992 Subordinated Indenture, payment of principal of the Subordinated Securities may only be accelerated upon the occurrence of certain events relating to the bankruptcy, insolvency or reorganization of the Corporation or the appointment of a receiver for the Bank. Inclusion of any rights of acceleration other than those set forth above would

prevent the Subordinated Securities issued under the 1992 Subordinated Indenture from being included as regulatory capital. See "The Indentures" above. As a result, the Events of Default under the 1992 Subordinated Indenture are narrower than those under the Senior Indenture and the 1986 Subordinated Indenture.

As with the Senior Indenture and the 1986 Subordinated Indenture, the Trustee may withhold notice to the Holders of any series of Subordinated Securities of any default with respect to such series (except a default in the payment of the principal of (or premium, if any) or interest, if any, on any Subordinated Security of such series or in the payment of any sinking fund installment or analogous payment obligation or any payment of the purchase price of any security of such series) if the board of directors or Responsible Officers of the Trustee consider such withholding to be in the interest of such Holders (Section 601 of the 1992 Subordinated Indenture).

If an Event of Default described in clause (e) above with respect to Subordinated Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Subordinated Securities of that series may declare the principal amount (or, if the Subordinated Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Subordinated Securities of that series to be due and payable immediately. If an Event of Default described in clause (d) above occurs and is continuing, then in each such case the Trustee or the Holders of not less than 25% in principal amount of all the Subordinated Securities then Outstanding under the 1992 Subordinated Indenture ("New Subordinated Indenture Securities") may declare the principal amount (or, if any such New Subordinated Indenture Securities are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the New Subordinated Indenture Securities to be due and payable immediately. However, at any time after such a declaration of acceleration with respect to Subordinated Securities of such series (or of all Outstanding New Subordinated Indenture Securities, as the case may be) has

been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee prior to the Stated Maturity thereof, the Holders of a majority in principal amount of Outstanding Subordinated Securities of such series (or of all Outstanding New Subordinated Indenture Securities, as the case may be) may, subject to certain conditions, rescind and annul such acceleration if all Events of Default with respect to Subordinated Securities of such series (or of all Outstanding New Subordinated Indenture Securities, as the case may be) have been cured or waived as provided in such Indenture (Section 502 of the 1992 Subordinated Indenture). The 1992 Subordinated Indenture also provides that the Holders of not less than a majority in principal amount of the Outstanding New Subordinated Indenture Securities of a series (or of all Outstanding New Subordinated Indenture Securities, as the case may be) may, subject to certain

limitations, waive any past Events of Default and their consequences (Section 513 of the 1992 Subordinated Indenture). Reference is made to the Prospectus Supplement relating to any series of Subordinated Securities which are Original Issue Discount Securities for the particular provisions relating to acceleration of a portion of the principal amount of such Original Issue Discount Securities upon the occurrence of an Event of Default and the continuation thereof. Within 120 days after the close of each fiscal year, the Corporation must file with the Trustee a statement, signed by a specified officer, stating whether or not such officer has knowledge of any default, and, if so, specifying each such default and the nature and status thereof (Section 1005 of the 1992 Subordinated Indenture).

Subject to provisions in the 1992 Subordinated Indenture relating to its duties in case of default, the Trustee thereunder is under no obligation to exercise any of its rights or powers under such Indenture at the request, order or direction of any Holders of any series of Outstanding New Subordinated Indenture Securities, unless such Holders shall have offered to the Trustee thereunder reasonable security or indemnity (Section 602 of the 1992 Subordinated Indenture). Subject to such provisions for indemnification and certain limitations contained in the 1992 Subordinated Indenture, the Holders of not less than a majority in principal amount of the Outstanding Subordinated Securities of a series (or of all the Outstanding Indenture Securities, as the case may be) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee thereunder, or of exercising any trust or power conferred upon such Trustee (Section 512 of the 1992 Subordinated Indenture).

#### MODIFICATION OF THE INDENTURES

Senior Indenture and 1986 Subordinated Indenture. Except as to modifications not adverse to the Holders of any series of Debt Securities issued thereunder, modifications and amendments of the Senior Indenture and the 1986 Subordinated Indenture may be made only with the consent of the Holders of not less than a majority in aggregate principal amount of all Outstanding Senior/Old Subordinated Indenture Securities which are affected by the modification or amendment; provided that no such modification or amendment may, without the consent of the Holder of each such Debt Security affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest (or premium, if any) on, any Debt Security; (b) reduce the principal amount of, or the rate of interest on, or any premium payable on redemption of, such Debt Security, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon declaration of acceleration of the Maturity thereof or would be provable in bankruptcy; (c) change the Place of Payment, or the coin or currency, for payment of principal of, premium, if any, or interest on any such Debt Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (e) reduce the above-stated percentage of Outstanding Debt Securities of any series necessary to modify or amend such Indentures; (f) subordinate the indebtedness evidenced by the Senior Securities to any indebtedness of the Corporation, or subordinate the indebtedness evidenced by the Subordinated



Securities issued thereunder to any indebtedness of the Corporation other than Senior Indebtedness (as defined therein); or (g) modify the foregoing requirements other than to increase such percentage or add to the amendments which may not be made without the consent of the Holder of each Debt Security affected thereby (Section 902 of the Senior Indenture and the 1986 Subordinated Indenture). However, the Holders of a majority in aggregate principal amount of all of

the Outstanding Senior/Old Subordinated Indenture Securities may waive compliance by the Corporation with the restrictions described under the subheading "Disposition or Issuance of Capital Stock of the Bank" (Section 1009 of the Senior Indenture and the 1986 Subordinated Indenture).

1992 Subordinated Indenture. Except as to modifications not adverse to the Holders of any series of Subordinated Securities issued thereunder, modifications and amendments of the 1992 Subordinated Indenture may be made only with the consent of the Holders of not less than a majority in aggregate principal amount of all Outstanding New Subordinated Indenture Securities which are affected by the modification or amendment; provided that no such modification or amendment may, without the consent of the Holder of each such Subordinated Security affected thereby, (a) change the Stated Maturity of the principal of, or any installment of interest (or premium, if any) on, any Subordinated Security; (b) reduce the principal amount of, or the rate of interest on, or any premium payable on redemption of, such Subordinated Security, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon declaration of acceleration of the Maturity thereof or would be provable in bankruptcy; (c) change the Place of Payment, or the coin or currency, for payment of principal of, premium, if any, or interest on any such Subordinated Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any such Subordinated Security; (e) reduce the above-stated percentage of Outstanding Securities of any series necessary to modify or amend such Indenture; (f) subordinate the indebtedness evidenced by the Subordinated Securities issued thereunder to any indebtedness of the Corporation other than Senior Indebtedness (as defined therein); or (g) modify the foregoing requirements other than to increase such percentage or add to the amendments which may not be made without the consent of the Holder of each Subordinated Security affected thereby (Section 902 of the 1992 Subordinated Indenture).

#### SENIOR SECURITIES

Senior Securities are to be issued under the Senior Indenture. Each series of Senior Securities will constitute Senior Indebtedness and will rank equally with each other series of Senior Securities and other Senior Indebtedness. All subordinated debt (including, but not limited to, all Subordinated Securities issued under the 1986 Subordinated Indenture and the 1992 Subordinated Indenture) will be subordinated to the Senior Securities and other Senior

Indebtedness (as defined in the relevant Indenture).

#### SUBORDINATION OF SUBORDINATED SECURITIES

1986 Subordinated Indenture. The payment of the principal of and interest on the Subordinated Securities issued under the 1986 Subordinated Indenture will be subordinated in right of payment, as set forth in the 1986 Subordinated Indenture, to the prior payment in full of all Senior Indebtedness (as defined therein) of the Corporation, whether outstanding on the date of the 1986 Subordinated Indenture or thereafter incurred. Senior Indebtedness is defined in the 1986 Subordinated Indenture as (a) the principal of and premium, if any, and unpaid interest on indebtedness for money borrowed, (b) purchase money and similar obligations, (c) obligations under capital leases, (d) guarantees, assumptions or purchase commitments relating to, or other transactions as a result of which the Corporation is responsible for the payment of, such indebtedness of others, (e) renewals, extensions and refunding of any such indebtedness and (f) interest or obligations in respect of any such indebtedness accruing after the commencement of any insolvency or bankruptcy proceedings; unless, in each case, the instrument by which the Corporation incurred, assumed or guaranteed such indebtedness expressly provides that such indebtedness is subordinate or junior in right of payment to any other indebtedness of the Corporation (Section 101 of the 1986 Subordinated Indenture). At December 31, 1992, the aggregate Senior Indebtedness of the Corporation, as defined in the 1986 Subordinated Indenture, was approximately \$975 million.

1992 Subordinated Indenture. The payment of the principal of and interest on the Subordinated Securities issued under the 1992 Subordinated Indenture will be subordinated as set forth in the 1992 Subordinated Indenture to the Senior Indebtedness of the Corporation, whether outstanding on the date of the 1992 Subordinated Indenture or thereafter incurred. Senior Indebtedness is defined in the

1992 Subordinated Indenture to include both obligations defined as Senior Indebtedness in the 1986 Subordinated Indenture and Other Obligations which are defined as including obligations associated with derivative products, such as interest rate and currency exchange contracts, foreign exchange contracts, commodity contracts and similar arrangements. Thus, Senior Indebtedness is defined in the 1992 Subordinated Indenture in a broader manner than in the 1986 Subordinated Indenture (Section 101 of the 1992 Subordinated Indenture). At December 31, 1992, the aggregate Senior Indebtedness of the Corporation, as defined in the 1992 Subordinated Indenture, was approximately \$988 million.

Ranking. No class of Subordinated Securities is subordinated to any other class of subordinated debt securities; Subordinated Securities issued under the 1992 Subordinated Indenture are, however, expressly subordinated to a broader group of Senior Indebtedness than is the case with respect to the Holders of Subordinated Securities issued under the 1986 Subordinated Indenture. See "1992

Subordinated Indenture" above. Thus, in a bankruptcy or insolvency of the Corporation, the holders of such Subordinated Securities may receive less, ratably, than holders of Subordinated Securities issued under the 1986 Subordinated Indenture. See "1992 Subordinated Indenture" above and "Subordination Provisions" below.

Subordination Provisions. In the event (a) of any distribution of assets of the Corporation upon any dissolution, winding up, liquidation or reorganization of the Corporation, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of the Corporation or otherwise, except a distribution in connection with a merger or consolidation or a conveyance or transfer of all or substantially all of the properties of the Corporation which complies with the requirements of Article Eight of the 1986 Subordinated Indenture or the 1992 Subordinated Indenture, as the case may be, or (b) that a default shall have occurred and be continuing with respect to the payment of principal of (or premium, if any) or interest on any Senior Indebtedness, as defined in the relevant Indenture (excluding, in the case of the 1992 Subordinated Indenture, the Other Obligations), or (c) that the principal of the Subordinated Securities of any series issued under such Indenture (or in the case of Original Issue Discount Securities, the portion of the principal amount thereof referred to in Section 502 of the 1986 Subordinated Indenture or the 1992 Subordinated Indenture, as the case may be) shall have been declared due and payable pursuant to Section 502 of the 1986 Subordinated Indenture or the 1992 Subordinated Indenture, as the case may be, and such declaration shall not have been rescinded and annulled as provided in said Section 502, then:

(1) in a circumstance described in the foregoing clause (a) or (b), the holders of all Senior Indebtedness, as defined in the relevant Indenture (excluding, in the case of the 1992 Subordinated Indenture, the Other Obligations), and in the circumstance described in the foregoing clause (c), the holders of all Senior Indebtedness, as defined in the relevant Indenture (excluding, in the case of the 1992 Subordinated Indenture, the Other Obligations), outstanding at the time the principal of such Subordinated Securities issued under such Indenture (or in the case of Original Issue Discount Securities, such portion of the principal amount) shall have been so declared due and payable, shall first be entitled to receive payment of the full amount due thereon in respect of principal, premium (if any) and interest, or provision shall be made for such payment in money or money's worth, before the Holders of any of the Subordinated Securities issued under any Indenture are entitled to receive any payment on account of the principal of (or premium, if any) or interest on the indebtedness evidenced by the Subordinated Securities;

(2) if upon any payment or distribution contemplated in clause (1) after giving effect to the subordination provisions contemplated therein there shall remain any amounts of cash, property or securities of the Corporation available for payment or distribution in respect of Subordinated Securities, then the amount of such cash, property or

securities shall be shared ratably among the Holders of all Subordinated Securities issued under the 1986 Subordinated Indenture and the 1992 Subordinated Indenture and any subordinated indebtedness ranking on a parity therewith; provided, however, that in the case of a circumstance described in the foregoing clause (a), if at such time any creditors in respect of Other Obligations (as defined in the 1992 Subordinated

Indenture) have not then received payment in full of all amounts due or to become due on or in respect of such Other Obligations, then the ratable portion of cash, property or securities distributable to the Holders of Subordinated Securities issued under the 1992 Subordinated Indenture shall first be applied to pay or provide for the payment in full of all of the Other Obligations before any payment or distribution may be made in respect of Subordinated Securities issued under the 1992 Subordinated Indenture;

(3) any payment by, or distribution of assets of, the Corporation of any kind or character, whether in cash, property or securities (other than certain subordinated securities of the Corporation issued in a reorganization or readjustment), to which the Holders of any of the Securities or the Trustee would be entitled except for the provisions of Article Fourteen of the 1986 Subordinated Indenture or the 1992 Subordinated Indenture, as the case may be, shall be paid or delivered by the Person making such payment or distribution directly to the holders of Senior Indebtedness (other than Other Obligations) or to the holders of Other Obligations, as the case may be (as provided in clauses (1) and (2) above), or on their behalf, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness (other than Other Obligations) or Other Obligations, as the case may be, held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness (other than Other Obligations) or Other Obligations, as the case may be (as provided in clauses (1) and (2) above), remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made to or in respect of the holders of the Subordinated Securities, as contemplated in clause (1) above, or the holders of Subordinated Securities issued under the 1992 Subordinated Indenture as contemplated by clause (2) above;

(4) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Corporation of any kind or character described in the foregoing clause (a) is received by the Trustee under the 1986 Subordinated Indenture or the 1992 Subordinated Indenture, as the case may be, or the Holders of any of the Subordinated Securities issued under either of such Indentures, before all Senior Indebtedness, as defined in the relevant Indenture, is paid in full, such payment or distribution shall be paid over to the holders of such Senior Indebtedness or on their behalf, ratably as aforesaid, for application to the payment of all such Senior

Indebtedness remaining unpaid until all such Senior Indebtedness, as defined in the relevant Indenture, shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

By reason of such subordination in favor of the Holders of Senior Indebtedness in the event of insolvency, creditors of the Corporation who are not Holders of Senior Indebtedness or of the Subordinated Securities may recover less, ratably, than Holders of Senior Indebtedness and may recover more, ratably, than the Holders of the Subordinated Securities. By reason of the obligation of the Holders of Subordinated Securities issued under the 1992 Subordinated Indenture to pay over any cash, property and securities to creditors in respect of Other Obligations, in the event of insolvency, holders of Existing Subordinated Indebtedness may recover less, ratably, than creditors in respect of Other Obligations and may recover more, ratably, than the Holders of Subordinated Securities issued under the 1992 Subordinated Indenture.

#### OUTSTANDING AMOUNT OF SUBORDINATED SECURITIES

Subordinated Securities issued under the relevant Indenture are not subordinated to the Corporation's issues of Putable Capital Notes, Floating Rate Subordinated Notes due 2009 and 2010, 9.70% Subordinated Notes due 2009, 9 1/2% Subordinated Notes due 2014, 9 1/2% Subordinated Notes due 2000, 9 3/4% Subordinated Notes due 2000, 8 7/8% Subordinated Notes due 2001, 9 1/8% Subordinated Notes due 2021, 9.30% Subordinated Notes due 2021, 8.25% Subordinated Notes due 2001, 7 7/8% Subordinated Notes due 2001, 7 3/4% Subordinated Notes due 2002, 7 1/4% Subordinated Notes due 2002, Floating Rate Subordinated Notes due October 28, 2002 and Subordi-

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nated Floating Rate Yield Curve Notes due 2002, outstanding in the aggregate principal amount of \$2.125 billion as of the date hereof. See "Subordination of Subordinated Securities -- Ranking" above.

#### CONCERNING CITIBANK

The Corporation and the Bank maintain deposit accounts and conduct banking transactions with Citibank and Citicorp, the parent of Citibank, in the ordinary course of their businesses. Citibank has made available a \$20 million line of credit to support obligations on commercial paper of the Corporation.

#### CONVERTIBLE DEBT SECURITIES

The following provisions will apply to Debt Securities that will be convertible into Common Stock or Preferred Stock (the "Convertible Debt Securities") unless otherwise provided in the Prospectus Supplement for such Debt Securities.

Conversion. The holder of any Convertible Debt Securities will have the right, exercisable at any time during the time period specified in the applicable Prospectus Supplement, unless previously redeemed by the Corporation, to convert such Convertible Debt Securities into shares of Common Stock or Preferred Stock at the conversion rate for each \$1,000 principal amount of Convertible Debt Securities set forth in the Prospectus Supplement. The holder of a Convertible Debt Security may convert a portion thereof which is \$1,000 or any integral multiple of \$1,000 (Section 1402 of the Senior Indenture and Section 1502 of the 1986 and 1992 Subordinated Indentures). In the case of Convertible Debt Securities called for redemption, conversion rights will expire at the close of business on the date fixed for the redemption specified in the Prospectus Supplement, except that, in the case of redemption at the option of such holder, if applicable, such right will terminate upon receipt of written notice of the exercise of such option (Section 1402 of the Senior Indenture and Section 1502 of the 1986 and 1992 Subordinated Indentures).

In certain events, the conversion price or rate will be subject to adjustment as contemplated in the applicable Indenture. For Debt Securities convertible into Common Stock, such events include the issuance of shares of Common Stock of the Corporation as a dividend; subdivisions and combinations of Common Stock; the issuance to all holders of Common Stock of rights or warrants entitling such holders (for a period not exceeding 45 days) to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share of Common Stock; and the distribution to all holders of Common Stock of shares of capital stock of the Corporation (other than Common Stock), evidences of indebtedness of the Corporation or of assets (excluding cash dividends paid from retained earnings and dividends payable in Common Stock for which adjustment is made as referred to above) or subscription rights or warrants (other than those referred to above). In any of such cases, no adjustment of the conversion price or rate will be required unless an adjustment would require a cumulative increase or decrease of at least 1% in such price or rate (Section 1405 of the Senior Indenture and Section 1505 of the 1986 and 1992 Subordinated Indentures). Fractional shares of Common Stock will not be issued upon conversion, but, in lieu thereof, the Corporation will pay a cash adjustment (Section 1406 of the Senior Indenture and Section 1506 of the 1986 and 1992 Subordinated Indentures). Convertible Debt Securities convertible into Common Stock surrendered for conversion between the record date for an interest payment, if any, and the interest payment date (except such Convertible Debt Securities called for redemption on a redemption date during such period) must be accompanied by payment of an amount equal to the interest thereon which the registered holder is entitled to receive (Section 1404 of the Senior Indenture and Section 1504 of the 1986 and 1992 Subordinated Indentures).

The adjustment provisions for Debt Securities convertible into shares of Preferred Stock will be determined at the time of an issuance of such Debt Securities and will be set forth in the applicable Prospectus Supplement related thereto.

Except as set forth in the applicable Prospectus Supplement, any

Convertible Debt Securities called for redemption, unless surrendered for conversion on or before the close of business on the redemption date, are subject to being purchased from the holder of such Convertible Debt Securities by one or

more investment bankers or other purchasers who may agree with the Corporation to purchase such Convertible Debt Securities and convert them into Common Stock or Preferred Stock, as the case may be (Section 1108 of the Indentures).

#### DESCRIPTION OF DEBT WARRANTS

The following description of the terms of the Debt Warrants sets forth certain general terms and provisions of the Debt Warrants to which any Prospectus Supplement may relate. The particular terms of the Debt Warrants offered by any Prospectus Supplement and the extent, if any, to which such general provisions do not apply to the Debt Warrants so offered will be described in the Prospectus Supplement relating to such Debt Warrants.

The Debt Warrants are to be issued under one or more Debt Warrant Agreements to be entered into between the Corporation and a bank or trust company, as Debt Warrant Agent, all as set forth in the Prospectus Supplement relating to the particular issue of Debt Warrants. Debt Warrants may be issued independently or together with other securities offered by any Prospectus Supplement and may be attached to or separate from such other securities. Copies of the form of Debt Warrant Agreement, including the form of Debt Warrant Certificate representing the Debt Warrant, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the form of Debt Warrant Agreement and Debt Warrant Certificate do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Debt Warrant Agreement and the Debt Warrant Certificates, respectively, including the definitions therein of certain terms.

#### GENERAL

If Debt Warrants are offered, the applicable Prospectus Supplement will describe the terms of the Debt Warrants to be offered, including, where applicable, the following: (1) the offering price; (2) the currency in which Debt Warrants may be purchased; (3) the designation, aggregate principal amount, currency and terms of the Debt Securities purchasable upon exercise of such Debt Warrants; (4) the designation and terms of the Debt Securities with which such Debt Warrants are issued and the number of Debt Warrants issued with each such Debt Security; (5) the date on and after which such Debt Warrants and the related Debt Securities will be separately transferable; (6) the principal amount of Debt Securities purchasable upon exercise of such Debt Warrants and the price at and currency in which such principal amount of Debt Securities may be purchased upon such exercise; (7) the date on which the right to exercise

Debt Warrants shall commence and the date on which such right shall expire (the "Expiration Date"); (8) whether the Debt Warrants represented by the Debt Warrant Certificates will be issued in registered or bearer form; (9) information with respect to book-entry procedures, if any; and (10) any other terms of the Debt Warrants (which shall not be inconsistent with the provisions of the Debt Warrant Agreements).

Debt Warrant Certificates may be exchanged for new Debt Warrant Certificates of different denominations, may (if in registered form) be presented for registration of transfer, and may be exercised at the corporate trust office of the Debt Warrant Agent or any other office indicated in the applicable Prospectus Supplement. Prior to the exercise of their Debt Warrants, holders of Debt Warrants will not have any of the rights of Holders of the Debt Securities purchasable upon such exercise, including the right to receive payments of principal of, premium, if any, or interest, if any, on the Debt Securities purchasable upon such exercise or to enforce covenants in the Indenture.

Prospective purchasers of Debt Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Debt Warrants. The Prospectus Supplement relating to any issue of Debt Warrants will describe such considerations.

#### EXERCISE OF DEBT WARRANTS

Each Debt Warrant will entitle the holder thereof to purchase such principal amount of Debt Securities at such exercise price as shall in each case be set forth in, or calculable from, the Prospectus

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Supplement relating to such Debt Warrants. Debt Warrants may be exercised at any time prior to 5:00 p.m. New York time on the Expiration Date set forth in the Prospectus Supplement relating thereto. After the close of business on the Expiration Date (or such later date to which such Expiration Date may be extended by the Corporation), unexercised Debt Warrants will become void.

Debt Warrants may be exercised by delivery to the Debt Warrant Agent of payment as provided in the applicable Prospectus Supplement of the amount required to purchase the Debt Securities purchasable upon such exercise together with certain information set forth on the reverse side of the Debt Warrant Certificate. Debt Warrants will be deemed to have been exercised upon receipt of the exercise price, subject to the receipt, within five business days, of the Debt Warrant Certificate evidencing such Debt Warrants. Upon receipt of such payment and the Debt Warrant Certificate properly completed and duly executed at the corporate trust office of the Debt Warrant Agent or any other office indicated in the applicable Prospectus Supplement, the Corporation will, as soon as practicable, issue and deliver pursuant to the Indenture the Debt Securities purchasable upon such exercise. If fewer than all of the Debt Warrants



represented by such Debt Warrant Certificate are exercised, a new Debt Warrant Certificate will be issued for the remaining amount of Debt Warrants.

#### MODIFICATIONS

The Debt Warrant Agreement and the terms of the Debt Warrants may be amended by the Corporation and the Debt Warrant Agent, without the consent of the holder thereof, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, or in any other manner which the Corporation and the Debt Warrant Agent may deem necessary or desirable and which will not adversely affect the interests of the owners.

#### ENFORCEABILITY OF RIGHTS BY HOLDERS

The Debt Warrant Agent will act solely as an agent of the Corporation in connection with the issuance and exercise of Debt Warrants. The Debt Warrant Agent shall have no duty or responsibility in case of any default by the Corporation in the performance of its obligations under the Debt Warrant Agreement or Debt Warrant Certificate. Each holder may, without the consent of the Debt Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise his Debt Warrants.

#### DESCRIPTION OF CURRENCY WARRANTS

The following description of the terms of the Currency Warrants sets forth certain general terms and provisions of the Currency Warrants to which any Prospectus Supplement may relate. The particular terms of the Currency Warrants offered by any Prospectus Supplement and the extent, if any, to which such general provisions do not apply to the Currency Warrants so offered will be described in the Prospectus Supplement relating to such Currency Warrants.

The Currency Warrants are to be issued under one or more Currency Warrant Agreements to be entered into between the Corporation and a bank or trust company, as Currency Warrant Agent, all as set forth in the Prospectus Supplement relating to the particular issue of Currency Warrants. Currency Warrants may be issued independently or together with other Securities offered by any Prospectus Supplement and may be attached to or separate from such other Securities. Copies of the form of Currency Warrant Agreement, including the form of Currency Warrant Certificates representing the Currency Warrants, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the form of Currency Warrant Agreement and Currency Warrant Certificate do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Currency Warrant Agreement and the Currency Warrant Certificates, respectively, including the definitions therein of certain terms.

#### GENERAL

The Corporation may issue Currency Warrants either in the form of Currency Put Warrants entitling the holders thereof to receive from the Corporation the

Currency Warrant Cash Settlement Value (as defined below) in U.S. dollars of the right to sell a specified amount of a specified foreign

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currency or composite currency (the "Designated Currency") for a specified amount of U.S. dollars, or Currency Call Warrants entitling the Owners thereof to receive from the Corporation the Currency Warrant Cash Settlement Value in U.S. dollars of the right to purchase a specified amount of Designated Currency for a specified amount of U.S. dollars. Unless otherwise indicated in the Prospectus Supplement, a Currency Warrant will be settled only in cash, in U.S. dollars and, accordingly, will not require or entitle an Owner thereof to sell, deliver, purchase or take delivery of any currency or currency unit, including any foreign or composite currency.

Unless otherwise provided in the applicable Prospectus Supplement, the Currency Warrant Cash Settlement Value of an exercised Currency Warrant will be an amount stated in U.S. dollars which, in the case of a Currency Put Warrant, is the greater of (i) zero and (ii) the amount computed by subtracting from a nominal amount of U.S. dollars specified in the Prospectus Supplement (the "U.S. Dollar Constant") an amount equal to the U.S. Dollar Constant times a fraction, the numerator of which is the strike price set forth in the applicable Prospectus Supplement and the denominator of which is the spot exchange rate on the exercise date and, in the case of a Currency Call Warrant, will be the greater of (i) zero and (ii) the amount computed by subtracting the U.S. Dollar Constant from an amount equal to the U.S. Dollar Constant times a fraction, the numerator of which is the strike price set forth in the applicable Prospectus Supplement and the denominator of which is the spot exchange rate on the exercise date. If the Currency Warrants are to be offered either in the form of Currency Put Warrants or Currency Call Warrants, an Owner will receive a cash payment upon exercise only if the Currency Warrants have a Currency Warrant Cash Settlement Value in excess of zero at that time.

If Currency Warrants are offered, the applicable Prospectus Supplement will describe the terms of the Currency Warrants offered thereby, including, where applicable, the following: (1) whether such Currency Warrants will be Currency Put Warrants, Currency Call Warrants, or both; (2) the aggregate amount of such Currency Warrants; (3) the offering price; (4) the Designated Currency, which may be a foreign currency or a composite currency (including ECUs), and information regarding such currency or composite currency; (5) the date on which the right to exercise such Currency Warrants shall commence and the date such right shall expire (the "Currency Warrant Expiration Date"); (6) the procedures and conditions relating to exercise; (7) the circumstances, if any, which will cause the Currency Warrants to be deemed to be automatically exercised; (8) the minimum number of Currency Warrants to be exercised at any one time other than upon automatic exercise and any other restrictions on exercise; (9) the method of determining the Currency Warrant Cash Settlement Value, including the strike price or range of strike prices and the U.S. Dollar Constant; (10) the national securities exchange on which the Currency Warrants will be listed; (11) whether

the Currency Warrants will be issued in certificated or book-entry form; (12) the place or places at which payment of the Currency Warrant Cash Settlement Value is to be made by the Corporation; (13) information with respect to book-entry procedures, if any; (14) the plan of distribution of such Currency Warrants; (15) the identity of the Currency Warrant Agent; and (16) any other terms of such Currency Warrants (which shall not be inconsistent with the provisions of the Currency Warrant Agreement).

Prospective purchasers of Currency Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Currency Warrants. The Prospectus Supplement relating to any issue of Currency Warrants will describe such considerations.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the Prospectus Supplement, each issue of Currency Warrants will be issued in book-entry form and represented by a single global Currency Warrant Certificate ("Global Currency Warrant"). Each Global Currency Warrant will be deposited with, or on behalf of, a bank, trust company or other financial institution as depository (the "Currency Warrant Depository"), and registered in the name of the Currency Warrant Depository or a nominee thereof. The Currency Warrant Depository or its nominee will be considered the owner or holder of the Currency Warrants for all purposes under the Currency Warrant Agreement. Owners will not generally be entitled to receive definitive certificates representing Currency Warrants. An Owner's beneficial interest in a Currency Warrant will be recorded on or through the records of the brokerage firm or other

entity that maintains such Owner's account. In turn, the total amount of beneficial interest in Currency Warrants represented by an individual, financial institution or other participant for its clients will be maintained on the records of the Currency Warrant Depository in the name of such brokerage firm or its agent. Therefore, Owners of beneficial interests in Currency Warrants must rely upon the record of such brokerage firm or other entity or such participant to evidence their interest in a Currency Warrant. Transfer of ownership of any Currency Warrant will be effected only through the selling Owner's brokerage firm. Neither the Corporation nor the Currency Warrant Agent will have any responsibility or liability for any aspect of the records relating to beneficial ownership interests of global Currency Warrant Certificates, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Currency Warrant Cash Settlement Value on exercise of a Currency Warrant will be paid by the Currency Warrant Agent to the Currency Warrant Depository. The Currency Warrant Depository will be responsible for crediting the amount of such payments to the accounts of participants or indirect participants in accordance with its standard procedures. Each participant or

indirect participant will be responsible for disbursing such payments to the beneficial Owners of the Currency Warrants that it represents and to each brokerage firm for which it acts as agent. Each such brokerage firm will be responsible for disbursing funds to the Owners of the beneficial interest in the Currency Warrants that it represents.

If the Currency Warrant Depository is at any time unwilling or unable to continue as Currency Warrant Depository and a successor Currency Warrant Depository is not appointed by the Corporation within 90 days, the Corporation will issue Currency Warrants in definitive form in exchange for the Global Currency Warrant. In addition, the Corporation may at any time determine not to have the Currency Warrants represented by a Global Currency Warrant and, in such event, will issue Currency Warrants in definitive form in exchange for the Global Currency Warrant. In either instance, an Owner of a beneficial interest in the Global Currency Warrant will be entitled to have a number of Currency Warrants equivalent to such beneficial interest registered in its name and will be entitled to physical delivery of such Currency Warrants in definitive form.

#### EXERCISE OF CURRENCY WARRANTS

Except as may otherwise be provided in the Prospectus Supplement relating thereto, each Currency Warrant will entitle the Owner thereof to the Currency Warrant Cash Settlement Value of such Currency Warrant on the applicable Exercise Date, in each case as such terms will be defined in the applicable Prospectus Supplement. If not exercised prior to 3:00 p.m., New York City time, on the fifth New York Business Day preceding the Currency Warrant Expiration Date, "in-the-money" Currency Warrants (i.e., those for which the Currency Warrant Cash Settlement Value exceeds zero) will be deemed automatically exercised as of the Currency Warrant Expiration Date. Currency Warrants will also be deemed automatically exercised if they are delisted even if such Warrants are "out-of-the-money" at such time in which case no payment will be required to be made to or by the beneficial Owner thereof. Procedures for exercise of the Currency Warrants will be set out in the applicable Prospectus Supplement.

#### LISTING

Unless otherwise provided in the Prospectus Supplement, each issue of Currency Warrants will be listed on a national securities exchange, subject only to official notice of issuance, as a condition of sale of any such Currency Warrants. In this regard, it should be noted that if the Corporation issues Currency Warrants on a foreign currency that does not currently underlie a standardized option traded on a national securities exchange, before such Currency Warrants could be traded on a national securities exchange, such exchange would have to receive approval of the Commission. There can be no assurance that such approval will be granted. In the event that the Currency Warrants are delisted from, or permanently suspended from trading on such exchange, and, at or prior to such delisting or suspension, the Currency Warrants shall not have been listed on another national securities exchange, Currency Warrants not previously exercised will be deemed automatically

delisting or permanent suspension becomes effective. The Corporation will notify Owners of Currency Warrants as soon as practicable of such delisting or permanent trading suspension. The applicable Currency Warrant Agreement will contain a covenant of the Corporation not to seek delisting of the Currency Warrants, or suspension of their trading, on such exchange unless the Currency Warrants have been, at the time, approved for listing on another national securities exchange.

#### MODIFICATIONS

The Currency Warrant Agreement and the terms of the Currency Warrants may be amended by the Corporation and the Currency Warrant Agent, without the consent of the Owners or the registered holder thereof, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Corporation may deem necessary or desirable and which will not materially and adversely affect the interests of the Owners.

The Corporation and the Currency Warrant Agent also may modify or amend the Currency Warrant Agreement and the terms of the Currency Warrants, with the consent of the Owners of not less than a majority in number of the then outstanding unexercised Currency Warrants affected, provided that no such modification or amendment that increases the Strike Price in the case of a Currency Call Warrant, decreases the Strike Price in the case of a Currency Put Warrant, shortens the period of time during which the Currency Warrants may be exercised or otherwise materially and adversely affects the exercise rights of the Owners of the Currency Warrants or reduces the number of outstanding Currency Warrants the consent of whose Owners is required for modification or amendment of the Currency Warrant Agreement or the terms of the Currency Warrants may be made without the consent of the Owners affected thereby.

#### MERGER, CONSOLIDATION, SALE OR OTHER DISPOSITIONS

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Corporation, then the successor or assuming corporation shall succeed to and be substituted for the Corporation in, and the Corporation will be relieved of any further obligation under, the Currency Warrant Agreement or the Currency Warrants.

#### ENFORCEABILITY OF RIGHTS BY OWNERS

The Currency Warrant Agent will act solely as an agent of the Corporation in connection with the issuance and exercise of Currency Warrants. The Currency Warrant Agent shall have no duty or responsibility in case of any default by the

Corporation in the performance of its obligations under the Currency Warrant Agreement or Currency Warrant Certificate. Each Owner may, without the consent of the Currency Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise, and to receive payment for, his Currency Warrants.

#### RISK FACTORS

The Currency Warrants involve a high degree of risk, including foreign exchange risks and the risk of expiring worthless. Purchasers should be prepared to sustain a loss of some or all of the purchase price of their Currency Warrants. Prospective purchasers of Currency Warrants should be experienced with respect to foreign exchange transactions, options and option transactions and should reach an investment decision only after careful consideration with their advisors of the suitability of Currency Warrants in light of their particular financial circumstances, the information set forth herein and the risk factors and information regarding the Currency Warrants and the Designated Currency set forth in the Prospectus Supplement relating to such Currency Warrants.

#### DESCRIPTION OF STOCK-INDEX WARRANTS

The following description of the terms of the Stock-Index Warrants sets forth certain general terms and provisions of the Stock-Index Warrants to which any Prospectus Supplement may relate. The particular terms of the Stock-Index Warrants offered by any Prospectus Supplement and the extent, if

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any, to which such general provisions do not apply to the Stock-Index Warrants so offered will be described in the Prospectus Supplement relating to such Stock-Index Warrants.

The Stock-Index Warrants are to be issued under one or more Stock-Index Warrant Agreements to be entered into between the Corporation and a bank or trust company, as Stock-Index Warrant Agent, all as will be set forth in the Prospectus Supplement relating to the particular issue of Stock-Index Warrants. Stock-Index Warrants may be issued independently or together with other Securities offered by any Prospectus Supplement and may be attached to or separate from such other Securities. Copies of the form of Stock-Index Warrant Agreement, including the form of Stock-Index Warrant Certificates representing the Stock-Index Warrants, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the form of Stock-Index Warrant Agreement and Stock-Index Warrant Certificate do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Stock-Index Warrant Agreement and the Stock-Index Warrant Certificates, respectively, including the definitions therein of certain terms.

#### GENERAL

The Corporation may issue Stock-Index Warrants either in the form of Stock-Index Put Warrants, entitling the owners thereof to receive from the Corporation the Stock-Index Cash Settlement Value (as described in the applicable Prospectus Supplement) in U.S. dollars, which amount will be determined by reference to the amount, if any, by which the Stock-Index Exercise Price exceeds the closing value of the Index on the Valuation Date (the "Index Value") at the time of exercise, or in the form of Stock-Index Call Warrants, entitling the Owners thereof to receive from the Corporation the Stock-Index Cash Settlement Value in U.S. dollars, which amount will be determined by reference to the amount, if any, by which the Index Value at the time of exercise exceeds the Stock-Index Exercise Price.

The Prospectus Supplement for an issue of Stock-Index Warrants will set forth the formula pursuant to which the Stock-Index Cash Settlement Value will be determined. In addition, if so specified in the applicable Prospectus Supplement, following the occurrence of a Market Disruption Event (as defined therein), the Stock-Index Cash Settlement Value may be determined on a different basis than under normal exercise of a Stock-Index Warrant.

Unless otherwise indicated in the Prospectus Supplement, a Stock-Index Warrant will be settled only in cash and, accordingly, will not require or entitle an Owner thereof to sell, deliver, purchase or take delivery of any shares of any underlying stock or any other securities. The Owners will not be entitled to any of the rights of the holders of any underlying stock.

If Stock-Index Warrants are offered, the Prospectus Supplement will describe the terms of Stock-Index Warrants offered thereby, including the following: (1) whether such Stock-Index Warrants are Stock-Index Put Warrants, Stock-Index Call Warrants or both; (2) the aggregate amount of such Stock-Index Warrants; (3) the offering price; (4) the Stock Index for such Stock-Index Warrants, which may be based on one or more U.S. or foreign stocks or a combination thereof and may be a preexisting U.S. or foreign stock index compiled and published by a third party or an index based on one or more underlying stock or stocks selected by the Corporation solely in connection with the issuance of such Stock-Index Warrants, and certain information regarding such Stock Index and the underlying stock or stocks; (5) the date on which the right to exercise such Stock-Index Warrants commences and the date on which such right expires (the "Stock-Index Warrant Expiration Date"); (6) the procedures and conditions relating to exercise; (7) the circumstances which will cause the Stock-Index Warrants to be deemed to be automatically exercised, if any; (8) the minimum number, if any, of Stock-Index Warrants to be exercised at any one time other than upon automatic exercise and any other restrictions on exercise; (9) the maximum number, if any, of such Stock-Index Warrants that may, subject to the Corporation's election, be exercised by all Owners (or by any person or entity) on any day; (10) the method of providing for a substitute index or otherwise determining the amount payable in connection with the exercise of such Stock-Index Warrants if the Stock Index changes or ceases to be made available by its publisher, which determination will be made by an independent expert; (11) the

national securities exchange on which the Stock-Index Warrants will be listed, if any; (12) whether the Stock-Index Warrants will be issued in certificated or book-entry form; (13) the place or places at which payment of the Stock-Index Warrant Cash Settlement Value is to be made by the Corporation; (14) information with respect to book-entry procedures, if any; (15) the plan of distribution of such Stock-Index Warrants; (16) the identity of the Stock-Index Warrant Agent; (17) any provisions permitting an Owner of a Stock-Index Warrant to condition a Stock-Index Exercise Notice on the absence of certain specified changes in the Index Value after the Stock-Index Warrant Exercise Date; and (18) any other terms of such Stock-Index Warrants (which shall not be inconsistent with the provisions of the Stock-Index Warrant Agreement).

Prospective purchasers of Stock-Index Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Stock-Index Warrants. The Prospectus Supplement relating to any issue of Stock-Index Warrants will describe such considerations.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the Prospectus Supplement relating thereto, each issue of Stock-Index Warrants will be issued in book-entry form and represented by a single global Stock-Index Warrant, registered in the name of a bank, trust company or other financial institution as depository (the "Stock-Index Warrant Depository"). The Stock-Index Warrant Depository or its nominee will be considered the owner or holder of the Stock-Index Warrants for all purposes under the Stock-Index Warrant Agreement. Owners of beneficial interests in the Global Stock-Index Warrant will generally not be entitled to receive physical delivery of definitive certificates representing Stock-Index Warrants. An Owner's beneficial interest in a Stock-Index Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains such Owner's account. In turn, the total number of Stock-Index Warrants held by an individual brokerage firm for its clients will be maintained on the records of the Stock-Index Warrant Depository in the name of such brokerage firm or its agent. Therefore, Owners of Stock-Index Warrants must rely upon the record of such brokerage firm or other entity or such participant to evidence such Owners' ownership of a Stock-Index Warrant. Transfer of beneficial interests in a Global Stock-Index Warrant maintained by the Stock-Index Warrant Depository will be effected only through records maintained by such depository or its nominee for such Global Stock-Index Warrant (with respect to interests of participants) or by participants or persons that hold through participants (with respect to persons other than participants). Neither the Corporation nor the Stock-Index Warrant Agent will have any responsibility or liability for any aspect of the records relating to or payment made on account of beneficial ownership interests in the Global Stock-Index Warrant, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.



The Stock-Index Cash Settlement Value will be paid by the Stock-Index Warrant Agent to the Stock-Index Warrant Depository. The Stock-Index Warrant Depository will be responsible for crediting the amount of such payments to the accounts of participants or indirect participants in accordance with its standard procedures. Each participant or indirect participant will be responsible for disbursing such payments to the beneficial Owners of the Stock-Index Warrants that it represents and to each brokerage firm for which it acts as agent. Each such brokerage firm will be responsible for disbursing funds to the owners of the Stock-Index Warrants that it represents.

If the Stock-Index Warrant Depository is at any time unwilling or unable to continue as Stock-Index Warrant Depository and a successor Depository is not appointed by the Corporation within 90 days, the Corporation will issue Stock-Index Warrants in definitive form in exchange for the Global Stock-Index Warrant. In addition, the Corporation may at any time determine not to have the Stock-Index Warrants represented by a Global Stock-Index Warrant and, in such event, will issue Stock-Index Warrants in definitive form in exchange for the Global Stock-Index Warrant. In either instance, an Owner of a beneficial interest in the Global Stock-Index Warrant will be entitled to have a number of Stock-Index Warrants equivalent to such beneficial interest registered in its name and will be entitled to physical delivery of such Stock-Index Warrants in definitive form.

#### EXERCISE OF STOCK-INDEX WARRANTS

Except as may otherwise be provided in the Prospectus Supplement relating thereto, each Stock-Index Warrant will entitle the Owner thereof to the Stock-Index Cash Settlement Value of such Stock-Index Warrant on the applicable Valuation Date, in each case as such terms will further be defined in the Prospectus Supplement relating thereto. Unless otherwise provided in the Prospectus Supplement, if not exercised prior to 3:00 p.m., New York City time, on the Stock-Index Warrant Expiration Date, Stock-Index Warrants will be deemed automatically exercised as of the Stock-Index Warrant Expiration Date even if they are then "out-of-the-money" at such time, in which case no payment will be required to be made to or by the Owner thereof. Procedures for exercise of the Stock-Index Warrants will be set out in the applicable Prospectus Supplement.

#### LISTING

Unless otherwise provided in the Prospectus Supplement, each issue of Stock-Index Warrants will be listed on a national securities exchange, as specified in the Prospectus Supplement, subject only to official notice of issuance, as a condition to the sale of any such Stock-Index Warrants. In the event that the Stock-Index Warrants are delisted from, or permanently suspended from trading on, such exchange, and, at or prior to such delisting or suspension, the Stock-Index Warrants shall not have been listed on another

national securities exchange, Stock-Index Warrants not previously exercised will be deemed automatically exercised on the date such delisting or permanent trading suspension becomes effective. The Stock-Index Cash Settlement Value to be paid in such event will be as set forth in the applicable Prospectus Supplement. The Corporation will notify holders of Stock-Index Warrants as soon as practicable of such delisting or permanent trading suspension. The applicable Stock-Index Warrant Agreement will contain a covenant of the Corporation not to seek delisting of the Stock-Index Warrants from, or permanent suspension of their trading on, such exchange, unless such Stock-Index Warrants have been, at the time, approved for listing on another national securities exchange.

#### MODIFICATIONS

The Stock-Index Warrant Agreement and the terms of the Stock-Index Warrants may be amended by the Corporation and the Stock-Index Warrant Agent, without the consent of the Owners or the registered holder, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Corporation may deem necessary or desirable and which will not materially and adversely affect the interests of the Owners.

The Corporation and the Stock-Index Warrant Agent also may modify or amend the Stock-Index Warrant Agreement and the terms of the Stock-Index Warrant, with the consent of the beneficial Owners of not less than a majority in number of the then outstanding unexercised Stock-Index Warrants affected, provided that no such modification or amendment that increases the Exercise Price in the case of a Stock-Index Call Warrant, decreases the Exercise Price in the case of a Stock-Index Put Warrant, shortens the period of time during which the Stock-Index Warrants may be exercised or otherwise materially and adversely affects the exercise rights of the Owners of the Stock-Index Warrants or reduces the number of outstanding Stock-Index Warrants the consent of whose Owners is required for modification or amendment of the Stock-Index Warrant Agreement or the terms of the Stock-Index Warrants may be made without the consent of the Owners affected thereby.

#### MERGER, CONSOLIDATION, SALE OR OTHER DISPOSITIONS

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Corporation, then the successor or assuming corporation shall succeed to and be substituted for the Corporation in, and the Corporation will be relieved of any further obligation under, the Stock-Index Warrant Agreement or the Stock-Index Warrants.

#### ENFORCEABILITY OF RIGHTS BY OWNERS

The Stock-Index Warrant Agent will act solely as an agent of the

Corporation in connection with the issuance and exercise of Stock-Index Warrants. The Stock-Index Warrant Agent shall have no duty or responsibility in case of any default by the Corporation in the performance of its obligations under the Stock-Index Warrant Agreement or Stock-Index Warrant Certificate. Each Owner may, without the consent of the Stock-Index Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise, and to receive payment for, his Stock-Index Warrants.

#### RISK FACTORS RELATING TO THE STOCK-INDEX WARRANTS

The Stock-Index Warrants may entail risks primarily related to fluctuations in the applicable Stock Index and possible illiquidity in the secondary market. These risks will vary depending on the particular terms of the Stock-Index Warrants and will be more fully described in the applicable Prospectus Supplement.

#### DESCRIPTION OF OTHER WARRANTS

The Other Warrants may be issued, if permitted under applicable law, to buy or sell debt securities of or guaranteed by the United States, to buy or sell a commodity or a unit of a commodity index or to buy or sell some other item or unit of an index other than indexes covered by Stock-Index Warrants (collectively, "Exercise Items"). Owners of Other Warrants will be entitled to receive from the Corporation the cash settlement value in U.S. dollars of the right to buy or sell the Exercise Items (the "Other Warrant Cash Settlement Value"). An Owner of Other Warrants will receive a cash payment upon exercise only if the Other Warrants have an Other Warrant Cash Settlement Value in excess of zero at that time.

The Other Warrants are to be issued under one or more Other Warrant Agreements to be entered into between the Corporation and a bank or trust company, as Other Warrant Agent, all as set forth in the Prospectus Supplement relating to the particular issue of Other Warrants. Other Warrants may be issued independently or together with other Securities offered by any Prospectus Supplement and may be attached to or separate from such other Securities. Copies of the form of Other Warrant Agreement, including the forms of Warrant Certificates representing the Other Warrants, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the form of Other Warrant Agreement and Other Warrant Certificate do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the Other Warrant Agreement and the Other Warrant Certificates, respectively, including the definitions therein of certain terms.

#### GENERAL

Unless otherwise indicated in the Prospectus Supplement, an Other Warrant will be settled only in cash, in U.S. dollars, and accordingly, will not require or entitle an owner thereof to sell, deliver, purchase or take delivery of any Exercise Items.

If Other Warrants are offered, the applicable Prospectus Supplement will describe the terms of such Other Warrants, including, where applicable, the following: (1) the title and aggregate number of such Other Warrants; (2) the offering price; (3) the material risk factors relating to such Other Warrants; (4) the Exercise Items that such Other Warrants represent the right to buy or sell; (5) the procedures and conditions relating to exercise; (6) the date on which the right to exercise the Other Warrants shall commence and the date such right shall expire (the "Other Warrant Expiration Date"); (7) the method of determining the Other Warrant Cash Settlement Value; (8) whether such Other Warrants will be issued in certificated or book-entry form; (9) whether such Other Warrants will be listed on a national securities exchange; (10) information with respect to book-entry procedures, if any; (11) the identity of the Other Warrant Agent; and (12) any other terms of such Other Warrants (which shall not be inconsistent with the provisions of the Other Warrant Agreement).

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Prospective purchasers of Other Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Other Warrants. The Prospectus Supplement relating to any issue of Other Warrants will describe such considerations.

#### BOOK-ENTRY PROCEDURES

Except as may otherwise be provided in the Prospectus Supplement, each issue of Other Warrants will be issued in book-entry form and represented by a single global Other Warrant Certificate ("Global Other Warrant"). Each Global Other Warrant will be deposited with, or on behalf of, a depository (the "Other Warrant Depository"), and registered in the name of the Other Warrant Depository or a nominee thereof. The Other Warrant Depository or its nominee will be considered the owner or holder of the Other Warrants for all purposes under the Other Warrant Agreement. Owners will not generally be entitled to receive definitive certificates representing Other Warrants. An owner's beneficial ownership interest in an Other Warrant will be recorded on or through the records of the brokerage firm or other entity that maintains such Owner's account. In turn, the total amount of beneficial interest in Other Warrants represented by an individual brokerage firm for its clients will be maintained on the records of the Other Warrant Depository in the name of such brokerage firm or its agent. Therefore, Owners of Other Warrants must rely upon the record of such brokerage firm or other entity or such participant to evidence such Owners' ownership of an Other Warrant. Transfer of ownership of any Other Warrant will be effected only through the selling Owner's brokerage firm. Neither the Corporation nor the Other Warrant Agent will have any responsibility or liability for any aspect of the records relating to beneficial ownership interests in the Global Other Warrant, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Other Warrant Cash Settlement Value on exercise of an Other Warrant

will be paid by the Other Warrant Agent to the Other Warrant Depository. The Other Warrant Depository will be responsible for crediting the amount of such payments to the accounts of participants or indirect participants in accordance with its standard procedures. Each participant or indirect participant will be responsible for disbursing such payments to the beneficial Owners of the Other Warrants that it represents and to each brokerage firm for which it acts as agent. Each such brokerage firm will be responsible for disbursing funds to the Owners of the Other Warrants that it represents.

If the Other Warrant Depository is at any time unwilling or unable to continue as Other Warrant Depository and a successor depository is not appointed by the Corporation within 90 days, the Corporation will issue Other Warrants in definitive form in exchange for the Global Other Warrant. In addition, the Corporation may at any time determine not to have the Other Warrants represented by a Global Other Warrant and, in such event, will issue Other Warrants in definitive form in exchange for the Global Other Warrant. In either instance, an Owner of a beneficial interest in the Global Other Warrant will be entitled to have a number of Other Warrants equivalent to such beneficial interest registered in its name and will be entitled to physical delivery of such Other Warrants in definitive form.

#### EXERCISE OF OTHER WARRANTS

Except as may otherwise be provided in the Prospectus Supplement relating thereto, each Other Warrant will entitle the owner thereof to the Other Warrant Cash Settlement Value of such Other Warrant on the applicable Valuation Date, in each case as such terms will further be defined in the Prospectus Supplement relating thereto. Unless otherwise provided in the Prospectus Supplement, if not exercised prior to 3:00 p.m., New York City time, on the Other Warrant Expiration Date, Other Warrants will be deemed automatically exercised as of the Other Warrant Expiration Date even if they are then "out-of-the-money" at such time, in which case no payment will be required to be made to or by the Owner thereof.

#### LISTING

Unless otherwise provided in the relevant Prospectus Supplement, each issue of Other Warrants will be listed on a national securities exchange, subject only to official notice of issuance, as a condition

of sale of any such Other Warrants. In this regard, it should be noted that if the Corporation issues Other Warrants on an Exercise Item that does not currently underlie a standardized option traded on a national securities exchange, before such Other Warrants could be traded on a national securities exchange, such exchange would have to receive approval of the Commission. There can be no assurance that such approval will be granted. In the event that the Other Warrants are delisted from, or permanently suspended from trading on, such

exchange, and, at or prior to such delisting or suspension, the Other Warrants shall not have been listed on another national securities exchange, Other Warrants not previously exercised will be deemed automatically exercised on the date such delisting or permanent suspension becomes effective. The Corporation will notify Owners of Other Warrants as soon as practicable of such delisting or permanent trading suspension. The applicable Other Warrant Agreement will contain a covenant of the Corporation not to seek delisting of the Other Warrants, if listed, or suspension of their trading, on such exchange unless the Other Warrants have been, at the time, approved for listing on another national securities exchange.

#### MODIFICATIONS

The Other Warrant Agreement and the terms of the Other Warrants may be amended by the Corporation and the Other Warrant Agent, without the consent of the Owners or the registered holder, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Corporation may deem necessary or desirable and which will not materially and adversely affect the interests of the Owners.

The Corporation and the Other Warrant Agent also may modify or amend the Other Warrant Agreement and the terms of the Other Warrants, with the consent of the beneficial Owners of not less than a majority in number of the then outstanding unexercised Other Warrants affected, provided that no such modification or amendment that shortens the period of time during which the Other Warrants may be exercised or otherwise materially and adversely affects the exercise rights of the Owners of the Other Warrants or reduces the number of outstanding Other Warrants the consent of whose Owners is required for modification or amendment of the Other Warrant Agreement or the terms of the Other Warrants may be made without the consent of the Owners affected thereby.

#### MERGER, CONSOLIDATION, SALE OR OTHER DISPOSITIONS

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Corporation, then the successor or assuming corporation shall succeed to and be substituted for the Corporation in, and the Corporation will be relieved of any further obligation under, the Other Warrant Agreement or the Other Warrants.

#### ENFORCEABILITY OF RIGHTS BY OWNERS

The Other Warrant Agent will act solely as an agent of the Corporation in connection with the issuance and exercise of Other Warrants. The Other Warrant Agent shall have no duty or responsibility in case of any default by the Corporation in the performance of its obligations under the Other Warrant Agreement or Other Warrant Certificate. Each Owner may, without the consent of the Other Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise, and to receive payment for, their Other Warrants.

The Other Warrants may entail significant risks, including, without limitation, the possibility of significant fluctuation in the market for the applicable Exercise Item, the potential illiquidity in the secondary market and the risk that they will expire worthless. These risks will vary depending on the particular terms of the Other Warrants and will be more fully described in the applicable Prospectus Supplement.

#### DESCRIPTION OF PREFERRED STOCK

The following description of the terms of the shares of Preferred Stock that may be offered by the Corporation sets forth certain general terms and provisions of the Preferred Stock to which any Prospectus Supplement may relate. Certain other terms of any series of Preferred Stock and the terms of any related option, put or right of the Corporation to require the holder of any other Security offered to also acquire shares of Preferred Stock, will be specified in the applicable Prospectus Supplement. If so specified in the applicable Prospectus Supplement, the terms of any series of Preferred Stock may differ from the terms set forth below. The description of the terms of the Preferred Stock set forth below and in any Prospectus Supplement does not purport to be complete and is subject to and qualified in its entirety by reference to the Articles Supplementary relating to the applicable series of Preferred Stock, which Articles will be filed as an exhibit to or incorporated by reference in the Registration Statement of which this Prospectus forms a part.

#### GENERAL

Pursuant to the Corporation's Articles of Incorporation and the Maryland General Corporation Law, the Board of Directors of the Corporation has the authority without further stockholder action, to issue from time to time up to a maximum of 20,000,000 shares of preferred stock without par value, in one or more series and for such consideration as may be fixed from time to time by the Board of Directors of the Corporation and to fix before the issuance of any shares of preferred stock of a particular series, the designation of such series, the number of shares to comprise such series, the dividend rate or rates payable with respect to the shares of such series, the redemption price or prices, if any, and the terms and conditions of any redemption, the voting rights, any sinking fund provisions for the redemption or purchase of the shares of such series, the terms and conditions upon which the shares are convertible or exchangeable, if they are convertible or exchangeable, and any other relative rights, preferences and limitations pertaining to such series.

As of the date of this Prospectus, the Corporation has outstanding five issues of preferred stock, representing in the aggregate 8,131,000 shares. See "Description of the Corporation's Outstanding Capital Stock -- General". Another

6,000,000 shares of preferred stock have been reserved for issuance pursuant to the Corporation's September 1991 shelf registration statement. As a result, on the date hereof, the Corporation has 5,869,000 shares available for issuance as Preferred Stock pursuant hereto.

Under interpretations adopted by the Federal Reserve Board, if the holders of Preferred Stock of any series become entitled to vote for the election of directors because dividends on such series are in arrears as described under "Voting Rights" below, such series may then be deemed a "class of voting securities" and a holder of 25% or more of such series (or a holder of 5% or more if it otherwise exercises a "controlling influence" over the Corporation) may then be subject to regulation as a bank holding company. In addition, at such time as such series is deemed a class of voting securities, any other bank holding company may be required to obtain the prior approval of the Federal Reserve Board to acquire 5% or more of such series, and any person other than a bank holding company may be required to obtain the prior approval of the Federal Reserve Board to acquire 10% or more of such series.

The Preferred Stock shall have the dividend, liquidation, redemption, voting and conversion or exchange rights set forth below unless otherwise specified in the applicable Prospectus Supplement. Reference is made to the Prospectus Supplement relating to the particular series of Preferred Stock offered thereby for specific terms, including: (i) the designation, stated value and liquidation preference of such Preferred Stock and the number of shares offered; (ii) the initial public offering price at which such shares will be issued; (iii) the dividend rate or rates (or method of calculation), the dividend periods, the date on which dividends shall be payable and whether such dividends shall be cumulative or noncumulative and, if cumulative, the dates from which dividends shall commence to cumulate; (iv) any redemption or sinking fund provisions; (v) any conversion or exchange provisions; and (vi) any additional dividend, liquidation, redemption, sinking fund and other rights, preferences, privileges, limitations and restrictions of such Preferred Stock.

The Preferred Stock will, when issued against payment therefor, be fully paid and nonassessable. Unless otherwise specified in the applicable Prospectus Supplement, the shares of each series of Preferred Stock will upon issuance rank on a parity in all respects with the outstanding shares of preferred stock of the Corporation. Holders of Preferred Stock will have no preemptive rights to subscribe for any additional securities which may be issued by the Corporation. Unless otherwise specified in the applicable Prospectus Supplement, Chemical Bank (or its successors) will be the transfer agent and registrar for the Preferred Stock.

Because the Corporation is a holding company, its rights and the rights of holders of its securities, including the holders of Preferred Stock, to participate in the distribution of assets of any subsidiary of the Corporation upon the latter's liquidation or recapitalization will be subject to the prior



claims of such subsidiary's creditors and preferred stockholders, except to the extent the Corporation may itself be a creditor with recognized claims against such subsidiary or a holder of preferred stock of such subsidiary.

The shares of Preferred Stock will not be savings or deposit accounts or other obligations of a bank and will not be insured by the FDIC.

#### DIVIDENDS

The holders of the Preferred Stock will be entitled to receive, when and as declared by the Board of Directors of the Corporation, out of funds legally available therefor, dividends at such rates and on such dates as will be specified in the applicable Prospectus Supplement. Such rates may be fixed or variable or both. If variable, the formula used for determining the dividend rate for each dividend period will be specified in the applicable Prospectus Supplement. Dividends will be payable to the holders of record as they appear on the stock books of the Corporation on such record dates as will be fixed by the Board of Directors of the Corporation. Dividends may be paid in the form of cash, Preferred Stock (of the same or a different series) or Common Stock of the Corporation, in each case as specified in the applicable Prospectus Supplement.

Dividends on any series of Preferred Stock may be cumulative or noncumulative, as specified in the applicable Prospectus Supplement. If the Board of Directors of the Corporation fails to declare a dividend payable on a dividend payment date on any Preferred Stock for which dividends are noncumulative ("Noncumulative Preferred Stock"), then the holders of such Preferred Stock will have no right to receive a dividend in respect of the dividend period relating to such dividend payment date, and the Corporation will have no obligation to pay the dividend accrued for such period, whether or not dividends on such Preferred Stock are declared or paid on any future dividend payment dates.

The Corporation shall not declare or pay or set apart for payment any dividends on any series of its preferred stock ranking, as to dividends, on a parity with or junior to the outstanding Preferred Stock of any series unless (i) if such series of Preferred Stock has a cumulative dividend ("Cumulative Preferred Stock"), full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on such Preferred Stock for all dividend periods terminating on or prior to the date of payment of any such dividends on such other series of preferred stock of the Corporation, or (ii) if such series of Preferred Stock is Noncumulative Preferred Stock, full dividends for the then current dividend period on such Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment. When dividends are not paid in full upon Preferred Stock of any series and any other shares of preferred stock of the Corporation ranking on a parity as to dividends with such Preferred Stock, all dividends declared upon such Preferred Stock and any other preferred stock of the Corporation ranking on a parity as to dividends with such Preferred Stock shall be declared pro rata so that the amount of dividends declared per share on such

Preferred Stock and such other shares shall in all cases bear to each other the same ratio that the accrued dividends per share on such Preferred Stock (which shall not, if such Preferred Stock is Noncumulative Preferred Stock, include any accumulation in respect of unpaid dividends for prior dividend periods) and such other preferred stock bear to each other.

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Except as set forth in the preceding sentence, unless full dividends on the outstanding Cumulative Preferred Stock of any series have been declared and paid or set apart for payment for all past dividend periods and full dividends for the then current dividend period on the outstanding Noncumulative Preferred Stock of any series have been declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment, no dividends (other than in Common Stock of the Corporation or other shares of the Corporation ranking junior to such Preferred Stock as to dividends and upon liquidation) shall be declared or paid or set aside for payment, nor shall any other distribution be made, on the Common Stock of the Corporation or on any other shares of the Corporation ranking junior to or on a parity with such Preferred Stock as to dividends or upon liquidation.

Unless full dividends on the Cumulative Preferred Stock of any series have been declared and paid or set apart for payment for all past dividend periods and full dividends for the then current dividend period on the Noncumulative Preferred Stock of any series have been declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment, no Common Stock or any other shares of the Corporation ranking junior to or on a parity with such Preferred Stock as to dividends or upon liquidation shall be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid or made available for a sinking fund for the redemption of any such shares) by the Corporation or any subsidiary of the Corporation except by conversion into or exchange for shares of the Corporation ranking junior to such Preferred Stock as to dividends and upon liquidation.

#### REDEMPTION

Preferred Stock may be redeemable, in whole or in part, at the option of the Corporation, out of funds legally available therefor, and may be subject to mandatory redemption pursuant to a sinking fund or otherwise, in each case upon terms, at the times and at the redemption prices specified in the applicable Prospectus Supplement and subject to the rights of holders of other securities of the Corporation. Preferred Stock redeemed by the Corporation will be restored to the status of authorized but unissued shares of preferred stock.

The Prospectus Supplement relating to a series of Preferred Stock that is subject to mandatory redemption will specify the number of shares of such Preferred Stock that shall be redeemed by the Corporation in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accrued and unpaid dividends

thereon (which shall not, if such Preferred Stock is Noncumulative Preferred Stock, include any accumulation in respect of unpaid dividends for prior dividend periods) to the date of redemption. The redemption price may be payable in cash or other property, as specified in the applicable Prospectus Supplement. If the redemption price for Preferred Stock of any series is payable only from the net proceeds of the issuance of capital stock of the Corporation, the terms of such Preferred Stock may provide that, if no such capital stock shall have been issued or to the extent the net proceeds from any issuance are insufficient to pay in full the aggregate redemption price then due, such Preferred Stock shall automatically and mandatorily be converted into shares of the applicable capital stock of the Corporation pursuant to conversion provisions specified in the applicable Prospectus Supplement.

If fewer than all the outstanding shares of Preferred Stock of any series are to be redeemed, the number of shares to be redeemed will be determined by the Board of Directors of the Corporation and such shares may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held by such holders (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by the Board of Directors of the Corporation.

Notwithstanding the foregoing, if any dividends, including any accumulation, on Cumulative Preferred Stock of any series are in arrears, no Preferred Stock of such series shall be redeemed unless all outstanding Preferred Stock of such series is simultaneously redeemed, and the Corporation shall not purchase or otherwise acquire any Preferred Stock of such series; provided, however, that the foregoing shall not prevent the purchase or acquisition of Preferred Stock of such series pursuant to a

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purchase or exchange offer provided such offer is made on the same terms to all holders of the Preferred Stock of such series.

Notice of redemption shall be given by mailing the same to each record holder of the Preferred Stock to be redeemed, not less than 30 nor more than 60 days prior to the date fixed for redemption thereof, at the address of such holder as the same shall appear on the stock books of the Corporation. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for such Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date; and (vi) the date upon which the holder's conversion or exchange rights, if any, as to such shares, shall terminate. If fewer than all the shares of Preferred Stock of any series are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of shares of Preferred Stock to be redeemed from each such holder.

If notice of redemption of any shares of Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Corporation, separate and apart from its other funds, in trust for the pro rata benefit of holders of any shares of Preferred Stock so called for redemption, from and after the redemption date for such shares, dividends on such shares shall cease to accrue and such shares shall no longer be deemed to be outstanding, and all rights of the holders thereof as stockholders of the Corporation (except the right to receive the redemption price) shall cease. Upon surrender, in accordance with such notice, of the certificates representing any such shares (properly endorsed or assigned for transfer, if the Board of Directors of the Corporation shall so require and the notice shall so state), the redemption price set forth above shall be paid out of the funds provided by the Corporation. If fewer than all the shares represented by any such certificate are redeemed, a new certificate shall be issued representing the unredeemed shares without cost to the holder thereof.

#### CONVERSION OR EXCHANGE RIGHTS

The Prospectus Supplement relating to a series of Preferred Stock that is convertible or exchangeable will state the terms on which shares of such series are convertible or exchangeable into Common Stock, another series of Preferred Stock or Debt Securities. To the extent regulatory approval may be required for shares of Preferred Stock to be convertible or exchangeable for Debt Securities, the Corporation will seek to obtain such approval.

#### RIGHTS UPON LIQUIDATION

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any distribution of assets is made to holders of Common Stock or any other class or series of shares ranking junior to such Preferred Stock upon liquidation, liquidating distributions in the amount of the liquidation preference of such Preferred Stock plus accrued and unpaid dividends (which shall not, in the case of Noncumulative Preferred Stock, include any accumulation in respect of unpaid dividends for prior dividend periods). If, upon any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the amounts payable with respect to Preferred Stock of any series and any other shares of the Corporation ranking as to any such distribution on a parity with such Preferred Stock are not paid in full, the holders of such Preferred Stock and of such other shares will share ratably in any such distribution of assets of the Corporation in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the liquidating distribution to which they are entitled, the holders of Preferred Stock of any series will not be entitled to any further participation in any distribution of assets by the Corporation.

#### VOTING RIGHTS

Except as indicated below or in the applicable Prospectus Supplement, or

except as expressly required by applicable law, the holders of Preferred Stock will not be entitled to vote.

Whenever dividends on any shares of Cumulative Preferred Stock shall be in arrears for six consecutive quarterly periods, the holders of such shares of Cumulative Preferred Stock (voting separately as a class with all other series of cumulative preferred stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional directors of the Corporation at the next annual meeting of stockholders and at each subsequent meeting until all dividends accumulated on such shares of Cumulative Preferred Stock shall have been fully paid or set aside for payment. In such case, the entire Board of Directors of the Corporation will be increased by two directors.

So long as any shares of Preferred Stock remain outstanding, the Corporation shall not, without the affirmative vote of the holders of at least two-thirds of the votes of the shares of Preferred Stock outstanding at the time, given in person or by proxy, at a meeting (voting separately as one class): (i) authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock ranking prior to the Preferred Stock with respect to payment of dividends or distribution of assets upon liquidation, dissolution or winding up, (ii) authorize, create or issue, or increase the authorized or issued amount of, any class or series of stock (including any class or series of Preferred Stock) which ranks on a parity with the Preferred Stock as to dividends and upon liquidation, dissolution or winding up ("Parity Stock") unless the Articles Supplementary or other provisions of the charter creating or authorizing such class or series provide that if in any case the stated dividends or amounts payable upon liquidation, dissolution or winding up are not paid in full on the Preferred Stock and all outstanding shares of Parity Stock, the shares of all Parity Stock shall share ratably in the payment of dividends, including accumulations (if any) in accordance with the sums which would be payable on all Parity Stock if all dividends in respect of all shares of Parity Stock were paid in full, and on any distribution of assets upon liquidation, dissolution or winding up ratably in accordance with the sums which would be payable in respect of all shares of Parity Stock if all sums payable were discharged in full, or (iii) amend, alter or repeal the provisions of the Articles of Incorporation, including the Articles Supplementary relating to the Preferred Stock, whether by merger, consolidation, or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of such shares of Preferred Stock or the holders thereof; provided, however, that any increase in the amount of the authorized preferred stock or any outstanding series of preferred stock or any other capital stock of the Corporation, or the creation and issuance of other series of preferred stock including the Preferred Stock offered hereby or of any other capital stock of the Corporation, in each case ranking on a parity with or junior to the Preferred Stock with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up shall not be deemed to

materially and adversely affect such rights, preferences, privileges or voting powers.

So long as any shares of Preferred Stock remain outstanding, the Corporation will not, without the affirmative vote of the holders of at least a majority of the votes of all shares of Parity Stock outstanding and entitled to vote at the time, (a) directly or indirectly sell, transfer or otherwise dispose of, or permit the Bank or any other subsidiary of the Corporation to issue, sell, transfer or otherwise dispose of, any shares of voting stock of the Bank, or securities convertible into or options, warrants or rights to acquire voting stock of the Bank, unless after giving effect to any such transaction the Bank remains a Controlled Subsidiary (as hereinafter defined) of the Corporation or of a Qualified Successor Company (as hereinafter defined); (b) merge or consolidate with, or convey substantially all of its assets to, any person or corporation unless the entity surviving such merger or consolidation or the transferee of such assets is the Corporation or a Qualified Successor Company; or (c) permit the Bank to merge, consolidate with, or convey substantially all of its assets to, any person or corporation unless the entity surviving such merger or consolidation or the transferee of such assets is a Controlled Subsidiary of the Corporation or of a Qualified Successor Company, except as required to comply with applicable law. The term "Qualified Successor Company" means a corporation (or other similar organization or entity whether organized under or pursuant to the laws of the United States or any State thereof or of another jurisdiction) which (i) is or is required to be a registered bank holding company under the United States Bank Holding Company Act of 1956, as amended, or any successor legislation, (ii) issues to the holders of Preferred Stock, in exchange for the Preferred Stock, shares of

preferred stock having at least the same relative rights and preferences as the shares of Preferred Stock (the "Exchanged Stock"), (iii) immediately after such transaction has no outstanding or authorized class of stock or equity securities ranking prior to the Exchanged Stock with respect to the payment of dividends or the distribution of assets upon liquidation, dissolution or winding up and (iv) holds, as a Controlled Subsidiary or Subsidiaries, either the Bank or one or more other banking corporations which, collectively, immediately after such transaction hold substantially all of the assets and liabilities which the Bank held immediately prior to such transaction (which may be in addition to the other assets and liabilities acquired in such transaction). "Controlled Subsidiary" means any corporation at least 80% of the outstanding shares of voting stock of which shall at the time be owned directly or indirectly by the Corporation or a Qualified Successor Company. In connection with the exercise of the voting rights described in this paragraph, the holders of all series of Parity Stock which are granted such voting rights will vote as a class.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected, all outstanding shares of Preferred Stock shall have been redeemed

or sufficient funds shall have been deposited in trust to effect such redemption.

## DESCRIPTION OF DEPOSITARY SHARES

### GENERAL

The Corporation may issue receipts ("Depositary Receipts") for Depositary Shares, each of which will represent a fraction of a share of Preferred Stock. Shares of Preferred Stock of each class or series represented by Depositary Shares will be deposited under a separate Deposit Agreement (the "Deposit Agreement") among the Corporation, Chemical Bank (or its successor, the "Preferred Stock Depositary") and the holders from time to time of the Depositary Receipts. Subject to the terms of the Deposit Agreement, each owner of a Depositary Receipt will be entitled, in proportion to the fraction of a share of Preferred Stock represented by such Depositary Share, to all the rights and preferences of the Preferred Stock represented thereby (including dividend, voting, conversion, redemption and liquidation rights).

The Depositary Shares will be evidenced by Depositary Receipts issued pursuant to the applicable Deposit Agreement at the time such receipts are issued. Immediately following the issuance and delivery of the Preferred Stock by the Corporation to the Preferred Stock Depositary, the Corporation will cause the Preferred Stock Depositary to issue, on behalf of the Corporation, the Depositary Receipts to the Underwriters. Copies of the applicable form of Deposit Agreement and Depositary Receipt may be obtained from the Corporation upon request, and the following summary of the form thereof filed as an exhibit to the Registration Statement of which this Prospectus is a part is qualified in its entirety by reference thereto.

### DIVIDENDS AND OTHER DISTRIBUTIONS

The Preferred Stock Depositary will distribute all dividends or other cash distributions received in respect of the Preferred Stock to the record holders of Depositary Receipts in proportion to the number of such Depositary Receipts owned by such holders, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the Preferred Stock Depositary.

In the event of a distribution other than in cash, the Preferred Stock Depositary will distribute property received by it to the record holders of Depositary Receipts entitled thereto, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to the Preferred Stock Depositary, unless the Preferred Stock Depositary determines that it is not feasible to make such distribution, in which case the Preferred Stock Depositary may, with the approval of the Corporation, sell such property and distribute the net proceeds from such sale to such holders.

## WITHDRAWAL OF STOCK

Upon surrender of the Depositary Receipts at the corporate trust office of the Preferred Stock Depositary (unless the related Depositary Shares have previously been called for redemption), the holder of the Depositary Shares evidenced thereby will be entitled to delivery, at such office to or upon his order, of the number of whole shares of the Preferred Stock and any money or other property represented by such Depositary Shares. Holders of Depositary Receipts will be entitled to receive whole shares of the Preferred Stock on the basis of the proportion of Preferred Stock represented by each Depositary Share as specified in the relevant Prospectus Supplement, but holders of such whole shares of Preferred Stock will not thereafter be entitled to receive Depositary Shares therefor. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of whole shares of Preferred Stock to be withdrawn, the Preferred Stock Depositary will deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares.

## REDEMPTION OF DEPOSITARY SHARES

Whenever the Corporation redeems shares of Preferred Stock held by the Preferred Stock Depositary, the Preferred Stock Depositary will redeem as of the same redemption date the number of Depositary Shares representing shares of the Preferred Stock so redeemed, provided the Corporation shall have paid in full to the Preferred Stock Depositary the redemption price of the Preferred Stock to be redeemed plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption. The redemption price per Depositary Share will be equal to the redemption price and any other amounts per share payable with respect to the Preferred Stock. If less than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected by the Preferred Stock Depositary by lot or pro rata or other equitable method, in each case as may be determined by the Corporation.

After the date fixed for redemption, the Depositary Shares so called for redemption will no longer be deemed to be outstanding and all rights of the holders of the Depositary Shares so called for redemption will cease, except the right to receive any moneys payable upon such redemption and any money or other property to which the holders of such Depositary Shares were entitled upon such redemption upon surrender to the Preferred Stock Depositary of the Depositary Receipts evidencing such Depositary Shares.

## VOTING THE PREFERRED STOCK

Upon receipt of notice of any meeting at which the holders of the Preferred Stock are entitled to vote, the Preferred Stock Depositary will mail the information contained in such notice of meeting to the record holders of the Depositary Receipts relating to Preferred Stock. Each record holder of such Depositary Shares on the record date (which will be the same date as the record



date for the Preferred Stock) will be entitled to instruct the Preferred Stock Depositary as to the exercise of the voting rights pertaining to the amount of Preferred Stock represented by such holder's Depositary Receipts. The Preferred Stock Depositary will endeavor, insofar as practicable, to vote the amount of Preferred Stock represented by such Depositary Shares in accordance with such instructions, and the Corporation will agree to take all reasonable action which may be deemed necessary by the Preferred Stock Depositary in order to enable the Preferred Stock Depositary to do so. The Preferred Stock Depositary will abstain from voting shares of Preferred Stock to the extent it does not receive specific instructions from the holders of Depositary Receipts representing shares of Preferred Stock. The Preferred Stock Depositary's liability with respect to voting underlying shares of Preferred Stock is limited.

#### EXCHANGE OF PREFERRED STOCK

Whenever the Corporation exchanges all of the shares of Preferred Stock held by the Preferred Stock Depositary for Debt Securities or Common Stock, the Preferred Stock Depositary will exchange as of the same exchange date all Depositary Shares representing all of the shares of the Preferred Stock so exchanged for Debt Securities or Common Stock, provided the Corporation shall have issued and

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deposited with the Preferred Stock Depositary, Debt Securities or Common Stock for all of the shares of the Preferred Stock to be exchanged. The exchange rate per Depositary Share shall be equal to the exchange rate per share of Preferred Stock multiplied by the fraction of a share of Preferred Stock represented by one Depositary Share, plus all money and other property, if any, represented by such Depositary Shares, including all amounts paid by the Corporation in respect of dividends which on the exchange date have accrued on the shares of Preferred Stock to be so exchanged and have not theretofore been paid.

#### CONVERSION OF PREFERRED STOCK

The Depositary Shares, as such, are not convertible or exchangeable into Common Stock or any other securities or property of the Corporation. Nevertheless, if so specified in the applicable Prospectus Supplement relating to an offering of Depositary Shares, the Depositary Receipts may be surrendered by holders thereof to the Preferred Stock Depositary with written instructions to the Preferred Stock Depositary to instruct the Corporation to cause conversion or exchange of the Preferred Stock represented by the Depositary Shares evidenced by such receipts into whole shares of Common Stock, other shares of Preferred Stock or Debt Securities of the Corporation, and the Corporation has agreed that upon receipt of such instructions and any amounts payable in respect thereof, it will cause the conversion or exchange thereof utilizing the same procedures as those provided for delivery of Preferred Stock to effect such conversions or exchange. If the Depositary Shares represented by a Depositary Receipt are to be converted in part only, a new Depositary Receipt

or Receipts will be issued for any Depositary Shares not to be converted or exchanged. See "Description of Preferred Stock Conversion or Exchange Rights."

#### AMENDMENT AND TERMINATION OF THE DEPOSIT AGREEMENT

The form of Depositary Receipt evidencing the Depositary Shares and any provision of the Deposit Agreement may at any time be amended by agreement between the Corporation and the Preferred Stock Depositary. However, any amendment that materially and adversely alters the rights of the holders of Depositary Receipts will not be effective unless such amendment has been approved by the holders of at least a majority (or, in the case of amendments relating to or affecting rights to receive dividends or distributions or voting, redemption or conversion rights, two-thirds) of the Depositary Shares then outstanding.

The Deposit Agreement may be terminated by the Corporation upon not less than 60 days' notice whereupon the Preferred Stock Depositary shall deliver or make available to each holder of Depositary Receipts, upon surrender of the Depositary Receipts held by such holder, such number of whole or fractional shares of Preferred Stock represented by such receipts. The Deposit Agreement will automatically terminate if (i) all outstanding Depositary Shares have been redeemed, (ii) there has been a final distribution in respect of the Preferred Stock in connection with any liquidation, dissolution or winding up of the Corporation and such distribution has been distributed to the holders of Depositary Receipts or (iii) each share of Preferred Stock shall have been converted or exchanged.

#### CHARGES OF PREFERRED STOCK DEPOSITARY

The Corporation will pay all transfer and other taxes and governmental charges arising solely from the existence of the Deposit Agreement. The Corporation will pay the fees and expenses of the Preferred Stock Depositary in connection with the performance of its duties under the Deposit Agreement. Holders of Depositary Receipts will pay transfer and other taxes and governmental charges and such other charges as are expressly provided in the Deposit Agreement to be for their accounts.

#### RESIGNATION AND REMOVAL OF DEPOSITARY

The Preferred Stock Depositary may resign at any time by delivering to the Corporation notice of its election to do so, and the Corporation may at any time remove the Preferred Stock Depositary, any such resignation or removal to take effect upon the appointment of a successor Preferred Stock Depositary, which successor Preferred Stock Depositary must be appointed within 60 days after

delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined

capital and surplus of at least \$50,000,000.

#### MISCELLANEOUS

The Preferred Stock Depositary will forward to holders of Depositary Shares any reports and communications from the Corporation which are received by the Preferred Stock Depositary with respect to the underlying Preferred Stock.

Neither the Preferred Stock Depositary nor the Corporation will be liable if it is prevented from or delayed in, by law or any circumstances beyond its control, performing its obligations under the Deposit Agreement. The obligations of the Corporation and the Preferred Stock Depositary under the Deposit Agreement will be limited to performing their duties thereunder without negligence or willful misconduct, and the Corporation and the Depositary will not be obligated to prosecute or defend any legal proceeding in respect of any Depositary Shares or any shares of Preferred Stock unless satisfactory indemnity is furnished. The Corporation and the Preferred Stock Depositary may rely on advice of counsel or accountants, or information provided by persons presenting shares of Preferred Stock for deposit, holders of Depositary Shares or other persons believed to be authorized or competent and on documents believed to be genuine.

In the event the Preferred Stock Depositary shall receive conflicting claims, requests or instructions from any holders of Depositary Receipts, on the one hand, and the Corporation, on the other hand, the Preferred Stock Depositary shall be entitled to act on such claims, requests or instructions received from the Corporation.

#### DESCRIPTION OF PREFERRED STOCK WARRANTS

The Corporation may issue Preferred Stock Warrants for the purchase of Preferred Stock. Preferred Stock Warrants may be issued independently or together with other Securities offered by any Prospectus Supplement and may be attached to or separate from such other Securities. Each series of Preferred Stock Warrants will be issued under one or more warrant agreements (each a "Preferred Stock Warrant Agreement") to be entered into between the Corporation and a bank or trust company, as Preferred Stock Warrant Agent, all as set forth in the Prospectus Supplement relating to the particular issue of offered Preferred Stock Warrants. The Preferred Stock Warrant Agent will act solely as an agent of the Corporation in connection with the Preferred Stock Warrant Certificates and will not assume any obligation or relationship of agency or trust for or with any holders of Preferred Stock Warrant Certificates or beneficial owners of Preferred Stock Warrants. Copies of the form of Preferred Stock Warrant Agreements, including the form of Preferred Stock Warrant Certificates representing the Preferred Stock Warrants, are filed as exhibits to the Registration Statement of which this Prospectus is a part. The following summaries of certain provisions of the form of Preferred Stock Warrant Agreement and Preferred Stock Warrant Certificate do not purport to be complete and are subject to and are qualified in their entirety by reference to, all the provisions of the Preferred Stock Warrant Agreement and the Preferred Stock

GENERAL

If Preferred Stock Warrants are offered, the applicable Prospectus Supplement will describe the terms of such Preferred Stock Warrants, including the following, where applicable: (1) the offering price; (2) the designation, aggregate number and terms of the series of Preferred Stock purchasable upon exercise of such Preferred Stock Warrants and minimum number of Preferred Stock Warrants that are exercisable; (3) the designation and terms of the series of Preferred Stock with which such Preferred Stock Warrants are being offered and the number of such Preferred Stock Warrants being offered with each such Preferred Stock; (4) the date on and after which such Preferred Stock Warrants and the related series of Preferred Stock will be transferable separately; (5) the number and stated values of the series of Preferred Stock purchasable upon exercise of each such Preferred Stock Warrant and the price at which such number of shares of Preferred Stock of such series may be purchased upon such exercise; (6) the date on which the right to exercise such Preferred Stock Warrants shall

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commence and the date on which such right shall expire (the "Preferred Stock Warrant Expiration Date"); (7) whether the Preferred Stock Warrants represented by the Preferred Stock Warrant Certificates will be issued in registered or bearer form; (8) information with respect to book-entry procedures, if any; and (9) any other terms of such Preferred Stock Warrants for the purchase of shares of Preferred Stock which shall not be inconsistent with the provisions of the Preferred Stock Warrant Agreements.

Preferred Stock Warrant Certificates may be exchanged for new Preferred Stock Warrant Certificates of different denominations, may (if in registered form) be presented for registration of transfer, and may be exercised at the corporate trust office of the Preferred Stock Warrant Agent or any other office indicated in the applicable Prospectus Supplement. Prior to the exercise of any Preferred Stock Warrant, a Holder thereof shall have no rights of a holder of shares of the Preferred Stock purchasable upon such exercise, including the right to receive payment of dividends, if any, on the underlying Preferred Stock or the right to vote such underlying Preferred Stock.

Prospective purchasers of Preferred Stock Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Preferred Stock Warrants. The Prospectus Supplement relating to any issue of Preferred Stock Warrants will describe such considerations.

EXERCISE OF PREFERRED STOCK WARRANTS

Each Preferred Stock Warrant will entitle the Holder thereof to purchase such number of shares of Preferred Stock at such exercise price as shall be set

forth in, or calculable from, the Prospectus Supplement relating to the offered Preferred Stock Warrants. After the close of business on the Expiration Date (or such later date to which such Expiration Date may be extended by the Corporation), unexercised Preferred Stock Warrants will become void.

Preferred Stock Warrants may be exercised by delivery to the Preferred Stock Warrant Agent of payment as provided in the applicable Prospectus Supplement of the amount required to purchase the shares of Preferred Stock purchasable upon such exercise together with certain information set forth on the reverse side of the Preferred Stock Warrant Certificate. Preferred Stock Warrants will be deemed to have been exercised upon receipt of the exercise price, subject to the receipt, within five business days, of the Preferred Stock Warrant Certificate evidencing such Preferred Stock Warrants. Upon receipt of such payment and the Preferred Stock Warrant Certificate properly completed and duly executed at the corporate trust office of the Preferred Stock Warrant Agent or any other office indicated in the applicable Prospectus Supplement, the Corporation will, as soon as practicable, issue and deliver the shares of Preferred Stock purchasable upon such exercise. If fewer than all of the Preferred Stock Warrants represented by such Preferred Stock Warrant Certificate are exercised, a new Preferred Stock Warrant Certificate will be issued for the remaining number of Preferred Stock Warrants.

#### MODIFICATIONS

The Preferred Stock Warrant Agreement and the terms of the Preferred Stock Warrants may be amended by the Corporation and the Preferred Stock Warrant Agent, without the consent of the Holders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Corporation may deem necessary or desirable and which will not materially and adversely affect the interests of the owners.

The Corporation and the Preferred Stock Warrant Agent also may modify or amend the Preferred Stock Warrant Agreement and the terms of the Preferred Stock Warrants, with the consent of the Holders of not less than a majority in number of the then outstanding unexercised Preferred Stock Warrants affected, provided that no such modification or amendment that shortens the period of time during which the Preferred Stock Warrants may be exercised or otherwise materially and adversely affects the exercise rights of the Holders of the Preferred Stock Warrants or reduces the number of outstanding Preferred Stock Warrants the consent of whose Holders is required for modification or

amendment of the Preferred Stock Warrant Agreement or the terms of the Preferred Stock Warrants may be made without the consent of the Holders affected thereby.

#### MERGER, CONSOLIDATION, SALE OR OTHER DISPOSITIONS

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Corporation, then the successor or assuming corporation shall succeed to and be substituted for the Corporation in, and the Corporation will be relieved of any further obligation under, the Preferred Stock Warrant Agreement or the Preferred Stock Warrants.

#### ENFORCEABILITY OF RIGHTS BY HOLDERS

The Preferred Stock Warrant Agent will act solely as an agent of the Corporation in connection with the issuance and exercise of Preferred Stock Warrants. The Preferred Stock Warrant Agent shall have no duty or responsibility in case of any default by the Corporation in the performance of its obligations under the Preferred Stock Warrant Agreement or Preferred Stock Warrant Certificate. Each Holder may, without the consent of the Preferred Stock Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise his Preferred Stock Warrants.

#### DESCRIPTION OF COMMON STOCK WARRANTS

The Corporation may issue Common Stock Warrants for the purchase of Common Stock. Common Stock Warrants may be issued independently or together with other Securities offered by any Prospectus Supplement and may be attached to or separate from such Securities. Each series of Common Stock Warrants will be issued under one or more warrant agreements (each a "Common Stock Warrant Agreement") to be entered into between the Corporation and a bank or trust company, as Common Stock Warrant Agent, all as set forth in the Prospectus Supplement relating to the particular issue of Common Stock Warrants. The Common Stock Warrant Agent will act solely as an agent of the Corporation in connection with the Common Stock Warrant Certificates and will not assume any obligation or relationship of agency or trust for or with any holders of Common Stock Warrant Certificates or beneficial owners of Common Stock Warrants. Copies of the form of Common Stock Warrant Agreements, including the form of Common Stock Warrant Certificates representing the Common Stock Warrants, are filed as exhibits to the Registration Statement to which this Prospectus pertains. The following summaries of certain provisions of the form of Common Stock Warrant Agreement and Common Stock Warrant Certificate do not purport to be complete and are subject to and are qualified in their entirety by reference to, all the provisions of the Common Stock Warrant Agreement and the Common Stock Warrant Certificates.

#### GENERAL

If Common Stock Warrants are offered, the related Prospectus Supplement will describe the terms of such Common Stock Warrants, including the following, where applicable: (1) the offering price; (2) the aggregate number of shares of Common Stock purchasable upon exercise of such Common Stock Warrants and minimum number of Common Stock Warrants that are exercisable; (3) the number of shares of Common Stock with which such Common Stock Warrants are being offered and the number of such Common Stock Warrants being offered with each such share of

Common Stock; (4) the date on and after which such Common Stock Warrants and the related shares of Common Stock will be transferable separately; (5) the number of shares of Common Stock purchasable upon exercise of each such Common Stock Warrant and the price at which such number of shares of Common Stock may be purchased upon such exercise; (6) the date on which the right to exercise such Common Stock Warrants shall commence and the date on which such right shall expire (the "Common Stock Warrant Expiration Date"); (7) whether the Common Stock Warrants represented by the Common Stock Warrant Certificates will be issued in registered or bearer form; (8) information with respect to book-entry procedures, if any; and (9) any other terms of such Common Stock Warrants for the purchase of shares of Common Stock which shall not be inconsistent with the provisions of the Common Stock Warrant Agreements.

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Common Stock Warrant Certificates may be exchanged for new Common Stock Warrant Certificates of different denominations, may (if in registered form) be presented for registration of transfer, and may be exercised at the corporate trust office of the Common Stock Warrant Agent or any other office indicated in the applicable Prospectus Supplement. Prior to the exercise of any Common Stock Warrants to purchase Common Stock, Holders of such Common Stock Warrants will not have any rights of holders of shares of the Common Stock purchasable upon such exercise, including the right to receive payments of dividends, if any, on the Common Stock purchasable upon such exercise or to exercise any applicable right to vote.

Prospective purchasers of Common Stock Warrants should be aware that special U.S. federal income tax, accounting and other considerations may be applicable to instruments such as Common Stock Warrants. The Prospectus Supplement relating to any issue of Common Stock Warrants will describe such considerations.

#### EXERCISE OF COMMON STOCK WARRANTS

Each Common Stock Warrant will entitle the Holder thereof to purchase such number of shares of Common Stock at such exercise price as shall be set forth in, or calculable from, the Prospectus Supplement relating to the Common Stock Warrants. After the close of business on the Expiration Date (or such later date to which such Expiration Date may be extended by the Corporation), unexercised Common Stock Warrants will become void.

Common Stock Warrants may be exercised by delivery to the Common Stock Warrant Agent of payment as provided in the applicable Prospectus Supplement of the amount required to purchase the shares of Common Stock purchasable upon such exercise together with certain information set forth on the reverse side of the Common Stock Warrant Certificate. Common Stock Warrants will be deemed to have been exercised upon receipt of the exercise price, subject to the receipt, within five business days, of the Common Stock Warrant Certificate evidencing such Common Stock Warrants. Upon receipt of such payment and the Common Stock

Warrant Certificate properly completed and duly executed at the corporate trust office of the Common Stock Warrant Agent or any other office indicated in the applicable Prospectus Supplement, the Corporation will, as soon as practicable, issue and deliver the shares of Common Stock purchasable upon such exercise. If fewer than all of the Common Stock Warrants represented by such Common Stock Warrant Certificate are exercised, a new Common Stock Warrant Certificate will be issued for the remaining amount of Common Stock Warrants.

#### MODIFICATIONS

The Common Stock Warrant Agreement and the terms of the Common Stock Warrants may be amended by the Corporation and the Common Stock Warrant Agent, without the consent of the Holders, for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provision contained therein, or in any other manner which the Corporation may deem necessary or desirable and which will not materially and adversely affect the interests of the owners.

The Corporation and the Common Stock Warrant Agent also may modify or amend the Common Stock Warrant Agreement and the terms of the Common Stock Warrants, with the consent of the Holders of not less than a majority in number of the then outstanding unexercised Common Stock Warrants affected, provided that no such modification or amendment that shortens the period of time during which the Common Stock Warrants may be exercised or otherwise materially and adversely affects the exercise rights of the Holders of the Common Stock Warrants or reduces the number of outstanding Common Stock Warrants the consent of whose Holders is required for modification or amendment of the Common Stock Warrant Agreement or the terms of the Common Stock Warrants may be made without the consent of the Holders affected thereby.

#### COMMON STOCK WARRANT ADJUSTMENTS

Unless otherwise indicated in the applicable Prospectus Supplement, the exercise price of, and the number of shares of Common Stock covered by a Common Stock Warrant are subject to adjustment in

certain events, including: (i) the issuance of Common Stock as a dividend or distribution on the Common Stock; (ii) subdivisions and combinations of the Common Stock; (iii) the issuance to all holders of Common Stock of certain rights or warrants entitling them to subscribe for or purchase Common Stock within 45 days after the date fixed for the determination of the stockholders entitled to receive such rights or warrants, at less than the current market price (as defined in the Common Stock Warrant Agreement for such series of Common Stock Warrants); and (iv) the distribution to all holders of Common Stock of evidences of indebtedness or assets of the Corporation (excluding certain cash dividends and distributions described below) or rights or warrants (excluding those referred to above). In the event that the Corporation shall



distribute any rights or warrants to acquire capital stock pursuant to clause (iv) above (the "Capital Stock Rights"), pursuant to which separate certificates representing such Capital Stock Rights will be distributed subsequent to the initial distribution of such Capital Stock Rights (whether or not such distribution shall have occurred prior to the date of the issuance of a series of Common Stock Warrants), such subsequent distribution shall be deemed to be the distribution of such Capital Stock Rights; provided, however, that the Corporation may, in lieu of making any adjustment in the exercise price of, and the number of shares of Common Stock covered by, a Common Stock Warrant upon a distribution of separate certificates representing such Capital Stock Rights, make proper provision so that each holder of such a Common Stock Warrant who exercises such Common Stock Warrant (or any portion thereof) (a) before the record date for such distribution of separate certificates shall be entitled to receive upon such exercise shares of Common Stock issued with Capital Stock Rights and (b) after such record date and prior to the expiration, redemption or termination of such Capital Stock Rights shall be entitled to receive upon such exercise, in addition to the shares of Common Stock issuable upon such exercise, the same number of such Capital Stock Rights as would a holder of the number of shares of Common Stock that such Common Stock Warrant so exercised would have entitled the Holder thereof to acquire in accordance with the terms and provisions applicable to the Capital Stock Rights if such Common Stock Warrant was exercised immediately prior to the record date for such distribution. Common Stock owned by or held for the account of the Corporation or any majority owned subsidiary shall not be deemed outstanding for the purpose of any adjustment.

No adjustment in the exercise price of, and the number of shares of Common Stock covered by, a Common Stock Warrant will be made for regular quarterly or other periodic or recurring cash dividends or distributions or for cash dividends or distributions to the extent paid from retained earnings. In any such cases, no adjustment will be required unless such adjustment would require a change of at least 1% in the exercise price then in effect, provided, however, that any such adjustment not so made will be carried forward and taken into account in any subsequent adjustment; and provided further that any such adjustment not so made shall be made no later than three years after the occurrence of the event requiring such adjustment to be made or carried forward. Notwithstanding any of the foregoing, the issuance of Common Stock under any employee benefit plan of the Corporation providing for the purchase of shares of Common Stock by the Corporation's stockholders or employees at a price less than the market price for such shares and the grant or exercise of any rights thereunder, shall not require an adjustment to the exercise price of, and the number of shares of Common Stock covered by, a Common Stock Warrant. Except as stated above, the exercise price of, and the number of shares of Common Stock covered by, a Common Stock Warrant will not be adjusted for the issuance of Common Stock or any securities convertible into or exchangeable for Common Stock, or securities carrying the right to purchase any of the foregoing.

In the case of (i) a reclassification or change of the Common Stock, (ii) a consolidation or merger involving the Corporation, or (iii) a sale or conveyance to another corporation of the property and assets of the Corporation as an entirety or substantially as an entirety, in each case as a result of which

holders of the Corporation's Common Stock shall be entitled to receive stock, securities, other property or assets (including cash) with respect to or in exchange for such Common Stock, the Holders of the Common Stock Warrants then outstanding will be entitled thereafter to convert such Common Stock Warrants into the kind and amount of shares of stock and other securities or property which they would have received upon such reclassification, change, consolidation, merger, sale or conveyance had

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such Common Stock Warrants been exercised immediately prior to such reclassification, change, consolidation, merger, sale or conveyance.

#### MERGER, CONSOLIDATION, SALE OR OTHER DISPOSITIONS

If at any time there shall be a merger, consolidation, sale, transfer, conveyance or other disposition of substantially all of the assets of the Corporation, then the successor or assuming corporation shall succeed to and be substituted for the Corporation in, and the Corporation will be relieved of any further obligation under, the Common Stock Warrant Agreement or the Common Stock Warrants.

#### ENFORCEABILITY OF RIGHTS BY HOLDERS

The Common Stock Warrant Agent will act solely as an agent of the Corporation in connection with the issuance and exercise of Common Stock Warrants. The Common Stock Warrant Agent shall have no duty or responsibility in case of any default by the Corporation in the performance of its obligations under the Common Stock Warrant Agreement or Common Stock Warrant Certificate. Each Holder may, without the consent of the Common Stock Warrant Agent, enforce by appropriate legal action, on his own behalf, his right to exercise his Common Stock Warrants.

#### DESCRIPTION OF THE CORPORATION'S OUTSTANDING CAPITAL STOCK

##### GENERAL

The Corporation's Articles of Incorporation authorize the issuance of 150,000,000 shares of Common Stock, and 15,000,000 shares of preferred stock (which may be issued from time to time by, and with such designations, preferences, voting rights and other rights, qualifications, limitations and restrictions determined in a resolution of, the Corporation's Board of Directors). At the Annual Meeting of Stockholders of the Corporation to be held on Wednesday, April 21, 1993, it has been proposed that the authorized number of shares of preferred stock be increased from 15,000,000 to 20,000,000 shares.

The rights of holders of Common Stock will be subject to, and may be adversely affected by, the rights of holders of any Preferred Stock that has been issued and may be issued in the future. The Board of Directors may cause

shares of Preferred Stock to be issued to obtain additional financing, in connection with acquisitions, to officers, directors and employees of the Corporation and its subsidiaries pursuant to benefit plans or otherwise and for other proper corporate purposes.

At December 31, 1992, there were outstanding 52,190,243 shares of Common Stock, 678,500 shares of Cumulative Preferred Stock, Floating Rate Series B (the "Floating Rate Preferred Stock"), 625 shares of Series A and 625 shares of Series B Dutch Auction Rate Transferable Securities Preferred Stock ("DARTS"), 750 shares of Remarketed Preferred Stock ("RP"), 500 shares of Money Market Cumulative Preferred Stock ("MMP"), 3,450,000 shares of \$3.375 Cumulative Convertible Preferred Stock (the "Convertible Preferred Stock") and 4,000,000 shares of \$1.9375 Cumulative Preferred Stock (the "\$1.9375 Preferred Stock"). The Floating Rate Preferred Stock, the DARTS, the RP, the MMP, the Convertible Preferred Stock and the \$1.9375 Preferred Stock are collectively referred to as the "Outstanding Preferred Stock". All outstanding shares of Common Stock and Preferred Stock are fully paid and nonassessable. Another 6,000,000 shares of Preferred Stock have been reserved for issuance pursuant to the Corporation's September 1991 shelf registration statement.

The capital stock of the Corporation does not represent or constitute a deposit account and is not insured by the FDIC.

The statements made under this caption include summaries of certain provisions contained in the Corporation's Articles of Incorporation and By-Laws and of various Articles Supplementary pursuant to which the Outstanding Preferred Stock has been issued. These statements do not purport to be complete and are qualified in their entirety by reference to such Articles of Incorporation and By-Laws and such Articles Supplementary.

#### COMMON STOCK

Dividends. The Corporation may pay dividends on the Common Stock out of funds legally available therefor when, as and if declared by the Board of Directors. Currently, the principal sources of funds available for the payment of dividends are dividends received from the Bank and Manhattan and earnings from investments. The payment of dividends by the Bank and Manhattan is subject to limitations imposed by the laws and applicable regulations of the United States, the State of New York and the Office of the Comptroller of the Currency. These limitations are based on the level of retained earnings of each of the three entities. If dividends paid by Manhattan exceed the amount of its earnings and profits accumulated after 1951 as computed for federal income tax purposes, such excess could be deemed, for federal income tax purposes, to have been paid out of Manhattan's bad debt reserves, in which case Manhattan would have additional gross income. Manhattan, however, does not anticipate that dividends paid will exceed such tax earnings and profits.

Voting Rights. Except as described under "Outstanding Preferred Stock -- Voting Rights" below, the holders of the Common Stock currently possess exclusive voting rights in the Corporation. The Board of Directors of the Corporation may, however, specify voting power with respect to any Preferred Stock which may be issued in the future. Each holder of Common Stock is entitled to one vote per share. There is no cumulative voting in the election of directors. Actions requiring approval of stockholders generally require approval by a majority vote of outstanding shares.

Liquidation Rights. In the event of liquidation, dissolution, or winding up of the Corporation, the holders of its Common Stock would be entitled to receive, after payment of all of its debts, liabilities and of all sums to which holders of any Preferred Stock may be entitled, all of the remaining assets of the Corporation.

Preemptive Rights. Holders of the Common Stock are not entitled to preemptive rights with respect to any shares that may be issued.

#### OUTSTANDING PREFERRED STOCK

General. The Outstanding Preferred Stock has preference over the Common Stock with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation. Holders of the Outstanding Preferred Stock do not have any preemptive rights.

Dividends. Dividends on the Outstanding Preferred Stock are cumulative. Dividends on the Cumulative Floating Rate Preferred Stock, DARTS, RP and MMP are at floating rates periodically determined on the basis of various formulae or auction procedures. Dividends on the Convertible Preferred Stock are payable quarterly at an annual rate of \$3.375 per share. Dividends on the \$1.9375 Preferred Stock are payable quarterly at an annual rate of \$1.9375 per share.

Voting Rights. Whenever dividends on the Outstanding Preferred Stock are not paid in full (for six consecutive quarterly periods, in the case of the \$1.9375 Preferred Stock, the Convertible Preferred Stock, the Floating Rate Preferred Stock and the DARTS, and for such number of dividend periods which shall in the aggregate contain not less than 540 days, in the case of the RP and for not less than 540 consecutive days, in the case of the MMP), the holders of any such Outstanding Preferred Stock shall be entitled to vote for the election of two directors until all past due dividends have been paid or provided for. The holders of the \$1.9375 Preferred Stock are entitled to one-half vote per share and the holders of the Convertible Preferred Stock and the Floating Rate Preferred Stock are entitled to one vote per share on all matters on which they are entitled to vote (representing one vote per \$50 of liquidation preference). The holders of the DARTS, the holders of the MMP and the holders of the RP are entitled to 2,000 votes per share on all matters on which they are entitled to vote (representing one vote per \$50 of liquidation preference). Holders of the Outstanding Preferred Stock also have voting rights (a) in the case of the Corporation's authorization, creation or issuance, or any increase in authorized or issued amounts, of any class or series of stock ranking either prior to such

Outstanding Preferred Stock or, in certain cases, on a parity therewith or (b) in connection with the amendment, authorization or repeal of provisions of the Corporation's Articles of Incorporation (including Articles

Supplementary relating to such Outstanding Preferred Stock) that would materially and adversely affect any right, preference, privilege or voting power of such shares of Outstanding Preferred Stock or the holders thereof. The affirmative vote of holders of the Outstanding Preferred Stock may also be required in connection with (i) the sale, transfer or disposition of certain assets of the Corporation, (ii) the merger or consolidation or sale of substantially all of the assets of the Corporation or (iii) the merger, consolidation or sale of substantially all of the assets of the Bank, unless in the case of either (ii) or (iii) the Corporation or the Bank, as the case may be, is the surviving entity or the surviving entity is a bank or bank holding company meeting certain requirements.

Liquidation Rights. In the event of liquidation, dissolution or winding up of the Corporation, the holders of the outstanding \$1.9375 Preferred Stock are entitled to receive a distribution of \$25.00 per share, the holders of the Convertible Preferred Stock and the Floating Rate Preferred Stock are entitled to receive a distribution of \$50.00 per share, and the holders of the outstanding DARTS, RP and MMP are entitled to receive a distribution of \$100,000 per share, plus, in each case, accrued dividends, if any.

Redemption. The Corporation has the option to redeem the Outstanding Preferred Stock, in each case, as a whole or in part, on specified dates and at specified redemption prices.

#### PLAN OF DISTRIBUTION

The Corporation may sell the Securities: (i) through underwriters; (ii) to dealers; (iii) through agents; or (iv) directly to a limited number of institutional purchasers or to a single purchaser. The Prospectus Supplement with respect to the Securities will set forth the name or names of the underwriters, if any, any underwriting discounts and other items constituting underwriters' compensation, any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers.

If underwriters are used in a sale of any Securities, such Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The Securities may be offered to the public through underwriters or through a group of underwriters. Unless otherwise set forth in the Prospectus Supplement, the obligations of the underwriters to purchase the Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities if any are purchased. Any initial

public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If a dealer is utilized in the sale of any Securities in respect of which this Prospectus is delivered, the Corporation will sell such Securities to the dealer, as principal. The dealer may then resell such Securities to the public at varying prices to be determined by such dealer at the time of resale. The name of the dealer and the terms of the transaction will be set forth in the Prospectus Supplement relating thereto.

The Securities may be sold by the Corporation through agents designated by the Corporation from time to time. Any such agent involved in the offer or sale of the Securities offered in respect of which this Prospectus is delivered will be named, and any fees or commissions payable by the Corporation to such agent will be set forth, in the Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

The Securities may be sold directly by the Corporation to institutional investors or others, who may be deemed to be underwriters within the meaning of the Securities Act of 1933 with respect to any resale thereof. The terms of any such sales will be described in the Prospectus Supplement relating thereto.

The Corporation may also issue contracts under which the counterparty may be required to purchase Debt Securities, Preferred Stock or Depositary Shares. Such contracts would be issued with Debt Securities, Preferred Stock or Depositary Shares and/or Warrants in amounts, at prices and on terms to be set forth in a Prospectus Supplement.

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If so indicated in the Prospectus Supplement, the Corporation will authorize underwriters, dealers and agents to solicit offers by certain specified institutions to purchase the Securities from the Corporation at the public offering price set forth in the Prospectus Supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Such contracts will be subject only to those conditions set forth in the Prospectus Supplement, and the Prospectus Supplement will set forth the commission payable for solicitation of such contracts.

Underwriters, dealers and agents may be entitled, under agreements entered into with the Corporation, to indemnification by the Corporation against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Any such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Corporation in the ordinary course of business.

The place and time of delivery of the Securities will be set forth in the

GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES

When so provided in the Prospectus Supplement, investors in the Global Securities representing any of the Securities issued hereunder may hold beneficial interest in such Global Securities through the Depository, CEDEL or Euroclear (as defined below) or through participants. The Global Securities may be traded as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle as set forth in the applicable Prospectus Supplement.

Cedel S.A. ("CEDEL") is incorporated under the laws of Luxembourg as a professional depository. CEDEL holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between CEDEL participants through electronic book-entry changes in accounts of CEDEL participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled in CEDEL in any of 28 currencies, including United States dollars. CEDEL provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. CEDEL interfaces with domestic markets in several countries. As a professional depository, CEDEL is subject to regulation by the Luxembourg Monetary Institute. CEDEL participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Indirect access to CEDEL is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a CEDEL participant, either directly or indirectly.

The Euroclear System was created in 1968 to hold securities for participants of the Euroclear System and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may now be settled in any of 27 currencies, including United States dollars. The Euroclear System includes various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with the Depository. The Euroclear System is operated by Morgan Guaranty Trust Company of New York, Brussels, Belgium office (the "Euroclear Operator" or "Euroclear"), under contract with Euroclear Clearance System S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for the Euroclear System on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to

the Euroclear System is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator is the Belgian branch of Morgan Guaranty Trust Company of New York ("Morgan") which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Federal Reserve Board and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the "Terms and Conditions"). The Terms and Conditions govern transfers of securities and cash within the Euroclear System, withdrawals of securities and cash from the Euroclear System, and receipts of payments with respect to securities in the Euroclear System. All securities in the Euroclear System are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Principal, premium, if any, and interest payments with respect to Securities held through CEDEL or Euroclear will be credited to the cash accounts of CEDEL participants or Euroclear participants in accordance with the relevant system's rules and procedures, to the extent received by its depository. Such distributions will be subject to tax reporting in accordance with relevant United States tax laws and regulations as described below. The CEDEL or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a holder under the relevant Indenture on behalf of a CEDEL participant or Euroclear participant only in accordance with its relevant rules and procedures and subject to its depository's ability to effect such actions on its behalf through the Depository.

#### INITIAL SETTLEMENT

All Global Securities will be registered in the name of Cede & Co. as nominee of the Depository. Investors' interests in the Global Securities will be represented through financial institutions acting on their behalf as direct and indirect participants in the Depository. As a result, CEDEL and Euroclear will hold positions on behalf of their participants through their respective depositories, Citibank and Morgan, which in turn will hold such positions in accounts as participants of the Depository.

Global Securities held through the Depository will follow the settlement practices described above. Investor securities custody accounts will be credited with their holdings against payment on the settlement date. Global Securities



held through CEDEL or Euroclear accounts will follow the settlement procedures applicable to conventional eurobonds, except that there will be no temporary global security and no "lock-up" or restricted period. Global Securities will be credited to the securities custody accounts on the settlement date against payment.

#### SECONDARY MARKET TRADING

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between Depository Participants. Secondary market trading between Depository participants will be settled using the procedures described above.

Trading between CEDEL and/or Euroclear Participants. Secondary market trading between CEDEL participants and/or Euroclear participants will be settled using the procedures applicable to conventional eurobonds.

Trading between Depository Seller and CEDEL or Euroclear Purchaser. When beneficial interests in the Global Securities are to be transferred from the account of a Depository participant to the account of a CEDEL participant or a Euroclear participant, the purchaser will send instructions to CEDEL or Euroclear through a participant at least one business day prior to settlement. CEDEL or Euroclear will instruct Citibank or Morgan, respectively, as the case may be, to receive a beneficial interest in the Global Securities against payment. Unless otherwise set forth in the Prospectus Supplement, payment will include interest accrued on the beneficial interest in the Global Securities so transferred from and

including the last coupon payment date to and excluding the settlement date, on the basis on which interest is calculated on the Debt Securities. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by Citibank or Morgan to the Depository participant's account against delivery of the beneficial interest in the Global Securities. After settlement has been completed, the beneficial interest in the Global Securities will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the CEDEL or Euroclear participant's account. The securities credit will appear the next day (European time) and the cash debit will be back-valued to, and the interest on the beneficial interest in Global Securities will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the CEDEL or Euroclear cash debit will be valued instead as of the actual settlement date.

CEDEL participants and Euroclear participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within CEDEL or Euroclear. Under this approach, they may take on credit exposure to CEDEL or Euroclear until the Global Securities are credited to their accounts one day later.

As an alternative, if CEDEL or Euroclear has extended a line of credit to them, participants can elect not to preposition funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, CEDEL participants or Euroclear participants purchasing beneficial interest in Global Securities would incur overdraft charges for one day, assuming they cleared the overdraft when the beneficial interests in the Global Securities were credited to their accounts. However, interest on the beneficial interests in the Global Securities would accrue from the value date. Therefore, in many cases the investment income on the Global Securities earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

Since the settlement is taking place during New York business hours, Depository participants can employ their usual procedures for sending a beneficial interest in Global Securities to Citibank or Morgan for the benefit of CEDEL participants or Euroclear participants. The sale proceeds will be available to the Depository seller on the settlement date. Thus, to the Depository participant a cross-market transaction will settle no differently than a trade between two Depository participants.

Trading between CEDEL or Euroclear Seller and Depository Purchaser. Due to time zone differences in their favor, CEDEL and Euroclear participants may employ their customary procedures for transactions in which the beneficial interest in the Global Securities to be transferred by the respective clearing system, through Citibank or Morgan, to a Depository participant. The seller will send instructions to CEDEL or Euroclear through a participant at least one business day prior to settlement. In these cases, CEDEL or Euroclear will instruct Citibank or Morgan, as appropriate, to deliver the beneficial interest in the Global Securities to the Depository participant's account against payment. Payment will include interest accrued on the beneficial interests in the Global Securities from and including the last coupon payment date to and excluding the settlement date on the basis on which interest is calculated on the Global Securities. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the CEDEL or Euroclear participant the following day, and receipt of the cash proceeds in the CEDEL or Euroclear participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the CEDEL or Euroclear participant have a line of credit with its respective clearing system and elect to be in debit in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft charges incurred over that one-day period. If settlement is not

completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the CEDEL or Euroclear participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use CEDEL or Euroclear and that purchase beneficial interests in Global Securities from Depository participants for credit to CEDEL participants or Euroclear participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(1) borrowing through CEDEL or Euroclear for one day (until the purchase side of the day trade is reflected in their CEDEL or Euroclear accounts) in accordance with the clearing system's customary procedures;

(2) borrowing beneficial interests in the Global Securities in the U.S. from a Depository participant no later than one day prior to settlement, which would give beneficial interests in the Global Securities sufficient time to be reflected in the appropriate CEDEL or Euroclear account in order to settle the sale side of the trade; or

(3) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the Depository participant is at least one day prior to the value date for the sale to the CEDEL participant or Euroclear participant.

Although the Depository, CEDEL and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Securities among participants of the Depository, CEDEL and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

#### CERTAIN U.S. FEDERAL INCOME TAX DOCUMENTATION REQUIREMENTS

A beneficial owner of Global Securities holding securities, directly or indirectly, through CEDEL or Euroclear (or through the Depository if the holder has an address outside the U.S.) will be subject to the 30% U.S. withholding tax that generally applies to payments of interest (including original issue discount) on registered debt issued by U.S. persons, unless (i) each clearing system, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business in the chain of intermediaries between such beneficial owner and the U.S. entity required to withhold tax complies with applicable certification requirements, and (ii) such beneficial owner takes one of the following steps to obtain an exemption or reduced tax rate:

Exemption for non-U.S. persons (Form W-8). Non-U.S. persons that are

beneficial owners (other than a beneficial owner that owns actually or constructively 10% or more of the total combined voting power of all classes of stock of the Corporation entitled to vote or a controlled foreign corporation that is related to the Corporation through stock ownership) can obtain a complete exemption from the withholding tax by filing a properly completed Form W-8 (Certificate of Foreign Status).

Exemption for non-U.S. persons with effectively connected income (Form 4224). A non-U.S. person, including a non-U.S. corporation or bank with a U.S. branch, that is a beneficial owner and for which the interest income is effectively connected with its conduct of a trade or business in the United States, can obtain an exemption from the withholding tax by filing a properly completed Form 4224 (Exemption from Withholding of Tax on Income Effectively Connected with the Conduct of a Trade or Business in the United States).

Exemption or reduced rate for non-U.S. persons resident in treaty countries (Form 1001). Non-U.S. persons that are beneficial owners that are entitled to the benefits of an income tax treaty with the United States can obtain an exemption or reduced tax rate (depending on the treaty terms) by filing a properly completed Form 1001 (Ownership, Exemption or Reduced Rate Certificate). If the treaty provides only for a reduced rate, withholding tax will be imposed at that rate unless the filer alternatively files Form W-8. Form 1001 may be filed by the beneficial owner or his agent.

Exemption for U.S. persons (Form W-9). U.S. persons can obtain a complete exemption from the withholding tax by filing a properly completed Form W-9 (Request for Taxpayer Identification Number and Certification).

## U.S. FEDERAL INCOME TAX REPORTING PROCEDURE

The beneficial owner of the Global Security or, in the case of a Form 1001 or a Form 4224 filer, his agent, files by submitting the appropriate form to the entity through whom it directly holds the Global Security. For example, if the beneficial owner is listed directly on the books of Euroclear or CEDEL as the holder of the Debt Security, the IRS Form must be provided to Euroclear or CEDEL, as the case may be. Each person through which a Debt Security is held must submit, on behalf of the beneficial owner, the IRS Form (or in certain cases a copy thereof) under applicable procedures to the person through which it holds the Debt Security, until the IRS Form is received by the U.S. person who would otherwise be required to withhold U.S. federal income tax from interest on the Debt Security. For example, in the case of Debt Securities held through Euroclear or CEDEL, the IRS Form (or a copy thereof) must be received by the U.S. depository of such clearing agency. Applicable procedures include, if a beneficial owner of the Debt Security provides an IRS Form W-8 to a securities clearing organization, bank or other financial institution (a "financial

institution") that holds the Debt Security in the ordinary course of its trade or business on the owner's behalf, that such financial institution certify to the person otherwise required to withhold U.S. federal income tax from such interest, under penalties of perjury, that such statement has been received from the beneficial owner by it or by a financial institution between it and the beneficial owner and that it furnish the payor with a copy thereof.

As used in this section on tax documentation requirements, the term "U.S. person" means (i) a citizen or resident of the United States, (ii) a corporation or partnership organized in or under the laws of the United States or any State thereof or (iii) an estate or trust the income of which is includable in gross income for U.S. tax purposes, regardless of its source.

This summary does not deal with all aspects of U.S. income tax and withholding that may be relevant to foreign beneficial owners of the Global Securities, including special categories of foreign investors who may not be eligible for exemptions from U.S. withholding tax. Investors are advised to consult their own tax advisors for specific tax advice concerning their holding and disposing of beneficial interests in the Global Securities. Any additional requirements, if applicable, will be set forth in the Prospectus Supplement.

LEGAL OPINIONS

The legality of the Securities offered hereby will be passed upon for the Corporation by Shearman & Sterling, 599 Lexington Avenue, New York, New York 10022, and, if underwriters are utilized, on behalf of such underwriters by such counsel, which will be named in the Prospectus Supplement, as such underwriters may select.

EXPERTS

The consolidated statements of condition of the Corporation as of December 31, 1992 and 1991, and the related consolidated statements of income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 1992, and the consolidated statements of condition of the Bank as of December 31, 1992 and 1991 incorporated by reference in the Corporation's Annual Report on Form 10-K for the year ended December 31, 1992 have been incorporated herein by reference in reliance upon the report of KPMG Peat Marwick, independent certified public accountants, incorporated herein by reference, and upon the authority of said firm as experts in accounting and auditing.

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NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS OR

THE ACCOMPANYING PROSPECTUS SUPPLEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE CORPORATION OR ANY AGENT OR THE UNDERWRITERS. THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT DO NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES OFFERED HEREBY IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS PROSPECTUS OR ANY PROSPECTUS SUPPLEMENT NOR ANY SALE MADE HEREUNDER OR THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CORPORATION SINCE THE DATE HEREOF.

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REPUBLIC NEW YORK  
CORPORATION

[LOGO]

6,000,000 DEPOSITARY SHARES

EACH REPRESENTING A ONE-FOURTH INTEREST IN A SHARE OF ADJUSTABLE RATE CUMULATIVE  
PREFERRED STOCK, SERIES D

(\$100 STATED VALUE)

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PROSPECTUS SUPPLEMENT  
MAY 16, 1994

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LEHMAN BROTHERS

BEAR, STEARNS & CO. INC.

PAINWEBBER INCORPORATED

PRUDENTIAL SECURITIES INCORPORATED  
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-----END PRIVACY-ENHANCED MESSAGE-----