

SECURITIES AND EXCHANGE COMMISSION

FORM S-3

Registration statement for specified transactions by certain issuers

Filing Date: **1993-07-13**
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FILER

TRANSAMERICA FINANCE CORP

CIK: **99193** | IRS No.: **951077235** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **S-3** | Act: **33** | File No.: **033-49763** | Film No.: **93509825**
SIC: **6153** Short-term business credit institutions

Business Address
1150 S OLIVE ST
LOS ANGELES CA 90015
2137424321

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRANSAMERICA FINANCE CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE 95-1077235
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER IDENTIFICATION NO.)
INCORPORATION OR ORGANIZATION)

1150 SOUTH OLIVE STREET
LOS ANGELES, CALIFORNIA 90015
(213) 742-4321
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF
REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

EDWIN C. SUMMERS, ESQ.
SENIOR VICE PRESIDENT, SECRETARY AND GENERAL COUNSEL
TRANSAMERICA FINANCE CORPORATION
1150 SOUTH OLIVE STREET
LOS ANGELES, CALIFORNIA 90015
(213) 742-4785
(NAME, ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE,
OF AGENT FOR SERVICE)

COPIES TO:

M. PETER LILLEVAND, ESQ. PETER H. DARROW, ESQ.
DANA M. KETCHAM, ESQ. CLEARY, GOTTLIEB, STEEN & HAMILTON
ORRICK, HERRINGTON & SUTCLIFFE ONE LIBERTY PLAZA
400 SANSOME STREET NEW YORK, NEW YORK 10006
SAN FRANCISCO, CALIFORNIA 94111

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. //

If any securities being registered on this Form are to be offered on a

delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, please check the following box. /x/

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED (1)	PROPOSED MAXIMUM OFFERING PRICE PER UNIT (2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1) (2)	AMOUNT OF REGISTRATION FEE
<S>	<C>	<C>	<C>	<C>
Senior and Subordinated Debt Securities and Warrants to Purchase Debt Securities.....	\$2,000,000,000	100% (1)	\$2,000,000,000	\$625,000

</TABLE>

- (1) Or, (i) if any Debt Securities are issued at an original issue discount, such greater principal amount as shall result in an aggregate initial offering price equal to \$2,000,000,000 United States dollars or (ii) if any Debt Securities or Warrants are issued with a principal amount denominated in a foreign currency or composite currency, such principal amount as shall result in an aggregate initial offering price equivalent to \$2,000,000,000 United States dollars at the time of initial offering.
- (2) Exclusive of accrued interest, if any. These figures are estimates made solely for the purpose of calculating the registration fee.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

SUBJECT TO COMPLETION, DATED JULY 13, 1993

PROSPECTUS

\$2,000,000,000

TRANSAMERICA FINANCE CORPORATION

DEBT SECURITIES AND WARRANTS

Transamerica Finance Corporation (the "Company") from time to time may offer its debt securities consisting of senior debentures, notes, bonds and/or other evidences of indebtedness ("Senior Securities") and/or subordinated debentures, notes, bonds and/or other evidences of indebtedness ("Subordinated Securities");

the Senior Securities and the Subordinated Securities being herein collectively referred to as "Debt Securities") and warrants to purchase Debt Securities ("Warrants") with an aggregate initial public offering price of up to \$2,000,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies, including European Currency Units ("ECU"). The Debt Securities and Warrants may be offered in separate series in amounts, at prices and on terms to be set forth in supplements to this Prospectus. The Debt Securities and Warrants may be sold for U.S. Dollars, one or more foreign currencies or amounts determined by reference to an index and the principal of and any interest on the Debt Securities may likewise be payable in U.S. Dollars, one or more foreign currencies or amounts determined by reference to an index.

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

The terms of the Debt Securities and any Warrants, including, where applicable, the specific designation, aggregate principal amount, currency, denomination, maturity, premium, rate (which may be fixed or variable) and time of payment of interest, terms for redemption at the option of the Company or the holder, for sinking fund payments, for payments of additional amounts or for exercising the Warrants, and the initial public offering price, will be set forth in the accompanying Prospectus Supplement (the "Prospectus Supplement").

The Debt Securities and Warrants may be sold through underwriting syndicates led by one or more managing underwriters or through one or more underwriters acting alone. The Debt Securities and Warrants may also be sold directly by the Company or through agents designated from time to time. If any underwriters or agents are involved in the sale of the Debt Securities or Warrants, their names, the principal amount of Debt Securities or Warrants to be purchased by them and any applicable fee, commission or discount arrangements with them will be set forth in the Prospectus Supplement. See "Plan of Distribution." With regard to the Warrants, if any, in respect of which this Prospectus is being delivered, the applicable Prospectus Supplement will set forth a description of the Debt Securities for which the Warrants are exercisable and the offering price, if any, exercise price, duration, detachability and any other specific terms of the Warrants.

The Debt Securities may be issued in registered form or bearer form with coupons attached or both. In addition, all or a portion of the Debt Securities of a series may be issuable in temporary or permanent global form. Debt Securities in bearer form will be offered only (1) to persons located outside the United States and (2) to non-United States persons and to offices located outside the United States of certain United States financial institutions.

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. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus is _____, 1993.

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF +
+ANY SUCH STATE. +
+++++

AVAILABLE INFORMATION

The Company is subject to the informational requirements of the Securities Exchange Act of 1934 and in accordance therewith files reports and other information with the Securities and Exchange Commission (the "Commission"). Such reports and other information can be inspected and copied at Regional Offices of the Commission located at 230 South Dearborn Street, Chicago, Illinois and 75 Park Place, New York, New York; and at the Public Reference Office of the Commission at 450 Fifth Street, N.W., Washington D.C. Copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington D.C. 20549 at prescribed rates. In addition, certain securities of the Company are listed on the New York Stock Exchange, and such reports and other information concerning the Company can also be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York.

INFORMATION INCORPORATED BY REFERENCE

The Company's annual report on Form 10-K for the year ended December 31, 1992 and the Company's quarterly report on Form 10-Q for the quarter ended March 31, 1993 filed by the Company with the Commission are incorporated by reference in this Prospectus.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Prospectus and prior to the termination of the offering of the Debt Securities and the Warrants offered hereby shall be deemed to be incorporated by reference in this Prospectus.

The Company will furnish without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, on the written or oral request of such person, a copy of any or all of the documents incorporated by reference, other than exhibits to such documents. Requests should be directed to Edwin C. Summers, Senior Vice President, Secretary and General Counsel, Transamerica Finance Corporation, 1150 South Olive Street, Los Angeles, California 90015 (telephone: 213-742-4757).

Unless otherwise indicated, currency amounts in this Prospectus and any Prospectus Supplement are stated in United States dollars ("\$", "dollars", "U.S. dollars" or "U.S. \$").

This Prospectus may not be used to consummate sales of Debt Securities or Warrants unless accompanied by a Prospectus Supplement.

TRANSAMERICA FINANCE CORPORATION

Transamerica Finance Corporation (formerly Transamerica Finance Group, Inc.)

is principally engaged in consumer lending, commercial lending and leasing operations. Unless the context indicates otherwise, the term "Company" as used herein refers to Transamerica Finance Corporation and its subsidiaries.

The Company was incorporated in Delaware in 1931 under the name Pacific Finance Corporation, as successor to a California corporation of the same name organized in 1920. In 1961, the Company became a wholly owned subsidiary of Transamerica Corporation ("Transamerica"). On June 20, 1990, Transamerica formed a new subsidiary and contributed to it all of the outstanding capital stock of the Company. On February 19, 1991, the Company's name was changed to Transamerica Finance Corporation, and Transamerica's new subsidiary's name was changed to Transamerica Finance Group, Inc. In addition to activities conducted through the Company, Transamerica Finance Group, Inc. conducts, through other subsidiaries, certain of Transamerica's commercial lending (insurance premium finance) and consumer lending operations. The executive offices of the Company are located at Transamerica Center, 1150 South Olive Street, Los Angeles, California 90015 (telephone: 213-742-4321).

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Transamerica is a financial services organization which engages through its subsidiaries in two primary businesses: finance and insurance. Finance consists of consumer lending, commercial lending, leasing and real estate services. Insurance comprises life insurance, asset management and insurance brokerage. On July 20, 1992, Transamerica announced its intention to divest its property and casualty insurance business as part of Transamerica's strategy to focus on its finance and life insurance businesses. On April 27, 1993, Transamerica completed the initial public offering of a majority interest in its former property and casualty insurance subsidiary which reduced its equity ownership to 27%.

Because Transamerica Finance Corporation is a holding company, the rights of its creditors, including the holders of the Debt Securities, to participate in the assets of any subsidiary upon the latter's liquidation or reorganization will be subject to the claims of the subsidiary's creditors, which will take priority except to the extent that the Company may itself be a creditor with recognized claims against the subsidiary.

APPLICATION OF PROCEEDS

Except as otherwise described in the Prospectus Supplement, the net proceeds from the sale of the Debt Securities and Warrants offered hereby and the exercise of Warrants will be applied to the reduction of short-term debt incurred to provide funds for use in the ordinary course of the Company's financing business. The Company anticipates that such proceeds will also be used from time to time (1) to provide funds needed in the ordinary course of its financing business, the amount and nature of which are dependent on several factors, including the volume of the Company's business, and (2) to pay maturing long-term debt.

RATIO OF EARNINGS TO FIXED CHARGES

The ratios of earnings to fixed charges are computed by dividing earnings from continuing operations before fixed charges and income taxes by the fixed charges. For purposes of computation of the ratios, earnings and fixed charges include those of the Company and all subsidiaries, and fixed charges consist of interest and debt expense, and one-third of rent expense (which approximates the interest factor) of such companies.

<TABLE>
<CAPTION>

	YEAR ENDED DECEMBER 31,					THREE MONTHS
	-----					ENDED MARCH 1,
	1988	1989	1990	1991	1992	1993
	-----	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Ratio of earnings to fixed charges.....	1.53	1.42	1.28	0.77	1.59	1.61

</TABLE>

DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the Debt Securities sets forth certain general terms and provisions of the Debt Securities to which any Prospectus Supplement may relate. The particular terms of the Debt Securities offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Debt Securities so offered will be described in the Prospectus Supplement relating to such Debt Securities.

The Senior Securities are to be issued under an Indenture dated as of April 1, 1991 (the "Senior Indenture") between the Company and Harris Trust and Savings Bank, as Trustee (the "Senior Trustee"). The Subordinated Securities are to be issued under an Indenture dated as of April 1, 1991 (the "Subordinated Indenture") between the Company and First Interstate Bank of California, formerly First Interstate Bank, Ltd., as Trustee (the "Subordinated Trustee"; together with the Senior Trustee, the "Trustees"). The Senior Indenture and the Subordinated Indenture (collectively, the "Indentures") are exhibits to the Registration Statement. The following summaries of certain provisions of the Indentures do not purport to be complete and are qualified in their entirety by reference to the provisions of the Indentures. Numerical references in

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parentheses below are to sections of the Indentures and, unless otherwise indicated, capitalized terms shall have the meanings ascribed to them in the Indentures.

GENERAL

Debt Securities and Warrants offered by this Prospectus will be limited to an aggregate initial public offering price of \$2,000,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies (including ECU). The Indentures provide that Debt Securities in an unlimited amount may be issued thereunder from time to time in one or more series. The Senior Securities will rank pari passu with other Senior Indebtedness of the Company. The Subordinated Securities will rank pari passu with other Subordinated Indebtedness of the Company and, together with such Subordinated Indebtedness, will be subordinated in right of payment to the prior payment in full of the Senior Indebtedness of the Company as described under "Subordination--Subordinated Securities."

The applicable Prospectus Supplement or Prospectus Supplements will describe the following terms of the series of Debt Securities offered thereby: (1) the title of the Debt Securities; (2) any limit on the aggregate principal amount of the Debt Securities; (3) whether the Debt Securities are to be issuable as Registered Securities or Bearer Securities or both, whether any Bearer

Securities will be subject to any limitations on offering, sale and distribution, whether any of the Debt Securities are to be issuable initially in temporary global form and whether any of the Debt Securities are to be issuable in permanent global form; (4) the price or prices (expressed as a percentage of the aggregate principal amount thereof) at which the Debt Securities will be issued; (5) the date or dates on which the Debt Securities will mature; (6) the rate or rates at which the Debt Securities will bear interest, if any, or the formula pursuant to which such rate or rates shall be determined, and the date or dates from which any such interest will accrue; (7) the Interest Payment Dates on which any such interest on the Debt Securities will be payable, the Regular Record Date for any interest payable on any Debt Securities which are Registered Securities on any Interest Payment Date, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner described under "Temporary Global Securities" below; (8) the person to whom any interest on any Registered Security will be payable if other than the person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest as described under "Payment and Paying Agents" below, and the manner in which any interest on any Bearer Security will be paid if other than in the manner described under "Payment and Paying Agents" below; (9) any mandatory or optional sinking fund or analogous provisions; (10) each office or agency where, subject to the terms of the Indenture as described below under "Payment and Paying Agents," the principal of and any premium and interest on the Debt Securities will be payable and each office or agency where, subject to the terms of the Indenture as described under "Form, Exchange, Registration and Transfer" below, the Debt Securities may be presented for registration of transfer or exchange; (11) the date, if any, after which and the price or prices at which the Debt Securities may be redeemed, in whole or in part at the option of the Company or the Holder, or pursuant to mandatory redemption provisions, and the other detailed terms and provisions of any such optional or mandatory redemption provisions; (12) the denominations in which any Debt Securities which are Registered Securities will be issuable, if other than denominations of \$1,000 and any integral multiple thereof, and the denomination or denominations in which any Debt Securities which are Bearer Securities will be issuable, if other than the denomination of \$5,000; (13) the currency or currencies of payment of principal of and any premium and interest on the Debt Securities; (14) any index used to determine the amount of payments of principal of and any premium and interest on the Debt Securities; (15) the portion of the principal amount of the Debt Securities, if other than the principal amount thereof, payable upon acceleration of maturity thereof; (16) the application, if any, of either or both of the defeasance or covenant defeasance sections of the Indenture as described below under "Defeasance and Covenant Defeasance" to the Debt Securities; (17) the Person who shall be the Security Registrar for Debt Securities issuable as Registered Securities, if other than the Trustee, the Person who shall be the initial Paying Agent and the Person who shall be the initial Common Depositary or the depositary, as the case may be; (18) any other terms of the Debt Securities not inconsistent with the provisions of the Indenture; and (19) the terms of

any Warrants offered together with such Debt Securities. Any such Prospectus Supplement will also describe any special provisions for the payment of additional amounts with respect to the Debt Securities of such series.

Debt Securities may be issued as Original Issue Discount Securities to be sold at a substantial discount below their stated principal amounts. Special

United States federal income tax considerations applicable to Debt Securities issued at an original issue discount will be set forth in a Prospectus Supplement relating thereto. Special United States tax considerations applicable to any Debt Securities that are denominated in a currency other than United States dollars or that use an index to determine the amount of payments of principal of and any premium and interest on the Debt Securities will be set forth in a Prospectus Supplement relating thereto.

FORM, EXCHANGE, REGISTRATION AND TRANSFER

Debt Securities of a series may be issuable in definitive form solely as Registered Securities, solely as Bearer Securities or as both Registered Securities and Bearer Securities. Unless otherwise indicated in an applicable Prospectus Supplement, definitive Bearer Securities (other than Bearer Securities in global form) will have interest coupons attached. (Section 201) The Indenture also will provide that Bearer Securities of a series may be issuable in permanent global form. (Section 201) See "Permanent Global Securities." If Bearer Securities are being offered, the applicable Prospectus Supplement will set forth various limitations on their offering, sale and distribution.

Registered Securities of any series will be exchangeable for other Registered Securities of the same series of authorized denominations and of a like aggregate principal amount and tenor. In addition, if Debt Securities of any series are issuable as both Registered Securities and Bearer Securities, at the option of the Holder upon request confirmed in writing, and subject to the terms of the Indenture, Bearer Securities (with all unmatured coupons, except as provided below, and all matured coupons in default) of such series will be exchangeable into Registered Securities of the same series of any authorized denominations and of a like aggregate principal amount and tenor. Bearer Securities surrendered in exchange for Registered Securities between the close of business on a Regular Record Date or a Special Record Date and the relevant date for payment of interest shall be surrendered without the coupon relating to such date for payment of interest and interest will not be payable in respect of the Registered Security issued in exchange for such Bearer Security, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Indenture. Bearer Securities will not be issued in exchange for Registered Securities. (Section 305) Each Bearer Security other than a temporary global Bearer Security will bear a legend substantially to the following effect: "Any United States Person who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

Debt Securities may be presented for exchange as provided above, and Registered Securities (other than a Debt Security issued in global form) may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed), at the office of the Security Registrar or at the office of any transfer agent designated by the Company for such purpose with respect to any series of Debt Securities and referred to in an applicable Prospectus Supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Indenture. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. Unless the Prospectus Supplement provides otherwise, the applicable Trustee will be the initial Security Registrar for the Debt Securities. (Sections 101 and 305) If a Prospectus Supplement refers to any transfer agents (in addition to the Security Registrar) initially designated by the Company with respect to any series of Debt Securities, the

Company may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent (or Security Registrar) acts, except that, if Debt Securities of a series are issuable solely as Registered

Securities, the Company will be required to maintain a transfer agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (in addition to the Security Registrar) a transfer agent in a Place of Payment for such series located in Europe. The Company may at any time designate additional transfer agents with respect to any series of Debt Securities. (Section 1002)

The Company shall not be required to (i) issue, register the transfer of or exchange Debt Securities of any series during a period beginning at the opening of business 15 days before (A) if Debt Securities of the series are issuable only as Registered Securities, the day of mailing of the relevant notice of redemption and ending at the close of business on the day for such mailing and (B) if Debt Securities of the series are issuable as either Bearer Securities or Registered Securities, the earlier of the day of the first publication of the relevant notice of redemption or the mailing of the relevant notice of redemption and ending on the close of business on such earlier day; (ii) register the transfer of or exchange any Registered Security, or portion thereof, called for redemption, except the unredeemed portion of any Registered Security being redeemed in part; or (iii) exchange any Bearer Security called for redemption, except to exchange such Bearer Security for a Registered Security of that series and like tenor which is immediately surrendered for redemption. (Section 305)

PAYMENT AND PAYING AGENTS

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of and any premium and interest on Bearer Securities will be payable, subject to any applicable laws and regulations, at the offices of such Paying Agents outside the United States as the Company may designate from time to time or, at the option of the Holder, by a check or by transfer to an account maintained by the payee with a bank located outside the United States. (Section 1002) Unless otherwise indicated in an applicable Prospectus Supplement, payment of interest on Bearer Securities on any Interest Payment Date will be made only against surrender outside the United States, to a Paying Agent, of the coupon relating to such Interest Payment Date. (Section 1001) No payment with respect to any Bearer Security will be made at any office or agency of the Company in the United States or by check mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States. Notwithstanding the foregoing, payments of principal of and any premium and interest on Bearer Securities denominated and payable in U.S. dollars will be made at the office of the Company's Paying Agent in the Borough of Manhattan, The City of New York, if (but only if) payment of the full amount thereof in U.S. dollars at all offices or agencies outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions. (Section 1002)

Unless otherwise indicated in an applicable Prospectus Supplement, payment of principal of and any premium and interest on Registered Securities will be made at the office of such Paying Agent or Paying Agents as the Company may designate from time to time, except that at the option of the Company payment of any interest may be made by check mailed to the address of the Person

entitled thereto as such address shall appear in the Security Register. Unless otherwise indicated in an applicable Prospectus Supplement, payment of any installment of interest on Registered Securities will be made to the Person in whose name such Registered Security is registered at the close of business on the Regular Record Date for such interest. (Sections 307 and 1002)

Any Paying Agents outside the United States and any other Paying Agents in the United States initially designated by the Company for the Debt Securities will be named in an applicable Prospectus Supplement. The Company may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that, if Debt Securities of a series are issuable solely as Registered Securities, the Company will be required to maintain a Paying Agent in each Place of Payment for such series and, if Debt Securities of a series are issuable as Bearer Securities, the Company will be required to maintain (i) a Paying Agent in the Borough of Manhattan, The City of New York for payments with respect to any Registered Securities of the series (and for payments with respect to Bearer Securities of the series in the limited circumstances described above, but not otherwise),

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and (ii) a Paying Agent in a Place of Payment located outside the United States where Debt Securities of such series and any coupons appertaining thereto may be presented and surrendered for payment; provided that if the Debt Securities of such series are listed on The International Stock Exchange of the United Kingdom and the Republic of Ireland or the Luxembourg Stock Exchange or any other stock exchange located outside the United States and such stock exchange shall so require, the Company will maintain a Paying Agent in London or Luxembourg or any other required city located outside the United States, as the case may be, for the Debt Securities of such series. (Section 1002)

All moneys paid by the Company to a Paying Agent or held by the Company in trust for the payment of principal of and any premium or interest on any Debt Security, which remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable, will be discharged from trust and repaid to the Company and the Holder of such Debt Security or any coupon will thereafter, as an unsecured general creditor, look only to the Company for payment thereof. (Section 1003)

TEMPORARY GLOBAL SECURITIES

If so specified in an applicable Prospectus Supplement, all or any portion of the Debt Securities of a series which are issuable as Bearer Securities will initially be represented by one or more temporary global Securities, without interest coupons, to be deposited with a common depositary for Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System ("Euroclear") and CEDEL S.A. ("CEDEL") for credit to the designated accounts. On and after the date determined as provided in any such temporary global Security and described in an applicable Prospectus Supplement, but within a reasonable period of time, each such temporary global Security will be exchangeable for definitive Bearer Securities, definitive Registered Securities or all or a portion of a permanent global Bearer Security, or any combination thereof, as specified in an applicable Prospectus Supplement, only under the circumstances set forth in the accompanying pricing supplement to such Prospectus Supplement. No definitive Bearer Security delivered in exchange for a portion of a temporary global Security shall be mailed or otherwise delivered to any location in the United States or its possessions in connection with such

exchange. (Section 304) Any special restrictions on delivery of a Debt Security issued in permanent global form will be set forth in a Prospectus Supplement relating thereto.

PERMANENT GLOBAL SECURITIES

If any Debt Securities of a series are issuable in permanent global form, the applicable Prospectus Supplement will describe the distribution procedures applicable to such securities in permanent global form (including any applicable certification requirements) and the circumstances, if any, under which beneficial owners of interests in any such permanent global Security may exchange such interests for Debt Securities of such series and of like tenor and principal amount of any authorized form and denomination. (Section 305) A Person will, except with respect to payment of principal of and any premium and interest on such permanent global Security, be treated as a Holder of such principal amount of Outstanding Securities represented by such permanent global Security as shall be specified in a written statement of the Holder of such permanent global Security. (Section 203) Principal of and any premium and interest on a permanent global Security will be payable in the manner described in the applicable Prospectus Supplement.

SUBORDINATION

General

As used herein "Senior Indebtedness" means all Debt of the Company, except Subordinated Indebtedness and Junior Subordinated Indebtedness; "Debt" of the Company means all indebtedness representing money borrowed, which indebtedness is incurred or guaranteed by the Company; "Subordinated Indebtedness" means all Debt of the Company, other than Junior Subordinated Indebtedness, which is subordinate and junior in right with respect to the general assets of the Company to Senior Indebtedness;

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"Junior Subordinated Indebtedness" means all Debt of the Company which is subordinate and junior in right with respect to the general assets of the Company to all other Debt of the Company (including without limitation Senior Indebtedness and Subordinated Indebtedness).

Subordinated Securities

The payment of principal, premium, if any, and interest in respect of the Subordinated Securities is expressly subordinated in right of payment, to the extent set forth in the Subordinated Indenture, to all Senior Indebtedness which may at any time and from time to time be outstanding. In the event of any receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, whether or not pursuant to bankruptcy laws, sale of all or substantially all of the assets, dissolution, liquidation or any other marshaling of the assets and liabilities of the Company, no amount shall be paid by the Company in respect of the principal, premium, if any, or interest on the Subordinated Securities or any related coupon unless and until all Senior Indebtedness shall have been paid in full together with all interest thereon and all other amounts payable in respect thereof. (Subordinated Indenture Section 1501)

The Subordinated Indenture also states that if an Event of Default with respect to the Subordinated Securities, other than those specified in the

preceding paragraph, shall happen and be continuing, no amount shall be paid by the Company in respect of the principal, premium, if any, or interest on the Subordinated Securities or any related coupon, except at Stated Maturity (subject to the preceding paragraph) and except for current interest payments as provided in the Subordinated Securities or any related coupon, unless and until all Senior Indebtedness shall have been paid in full together with all interest thereon and all other amounts payable in respect thereof. Further, in the event of any default in the payment of any Senior Indebtedness and during the continuance of any such default, the Subordinated Indenture states that no amount shall be paid by the Company in respect of the principal, premium, if any, or interest on the Subordinated Securities or any related coupon, except at Stated Maturity (subject to the preceding paragraph), and except for current interest payments as provided in the Subordinated Securities or any related coupon. (Subordinated Indenture Section 1501)

There are no restrictions in the Subordinated Indenture with respect to the creation of Senior Indebtedness. At March 31, 1993, Senior Indebtedness aggregated approximately \$6.20 billion. The Company expects to make additional borrowings constituting Senior Indebtedness from time to time.

CERTAIN COVENANTS OF THE COMPANY WITH RESPECT TO SENIOR SECURITIES

Limitations on Liens

The Senior Indenture provides that neither the Company nor any Subsidiary will create, incur or assume any mortgage, pledge, lien, charge or other security interest on any of the assets of the Company or of any Subsidiary (except to secure Debt to the Company or a Subsidiary) without making effective provision whereby the Senior Securities shall be equally and ratably secured except: (i) such security interests on assets of the Company or any Subsidiary existing at the date of the Senior Indenture and renewals thereof; (ii) certain purchase money liens, liens on real property and any improvements thereon constructed in whole or in part by or for the Company or any Subsidiary to secure the cost of such construction improvements made after the date of the Senior Indenture, existing security interests on after-acquired assets, and renewals thereof; (iii) certain security interests affecting property of a corporation existing at the time it first becomes a Subsidiary, and renewals thereof; (iv) certain security interests in connection with taxes or legal proceedings or created in the ordinary course of business and not in connection with the borrowing of money; (v) certain security interests in connection with government and certain other contracts; and (vi) certain security interests on property and assets in connection with any arrangement involving the transfer of such property or assets where the transfer is accounted for as a sale under generally accepted accounting principals. In the case of clause (ii) above, the principal amount secured by any of such security interests may not exceed the lesser of the cost or fair value (as determined by the Board of Directors) of the property subject to such

security interests and, in the case of clause (iii) above, the principal amount secured by any of such security interests may not exceed the lesser of the book value or fair value (as determined by the Board of Directors) of the property subject to such security interest. (Senior Indenture Section 1007)

Limitations on Mergers

The Senior Indenture provides that if any merger or consolidation of the

Company with or into any other corporation or any conveyance or transfer to any person of all or substantially all of the property or assets of the Company would subject any of the property or assets of the Company owned immediately prior to such consolidation, merger, conveyance or transfer to any mortgage, pledge, lien, charge or other security interest, the Company will, prior to such consolidation, merger, conveyance or transfer, secure the Senior Securities, equally and ratably with any other Debt of the Company then entitled to be so secured, by a direct lien on all such property or assets equal to and ratable with all liens other than any theretofore existing thereon. (Senior Indenture Section 803)

ABSENCE OF OTHER RESTRICTIVE COVENANTS AND EVENT RISK PROVISIONS

The Indentures do not contain any provision which will restrict the Company in any way from paying dividends or making other distribution on its capital stock or purchasing or redeeming any of its capital stock, or from incurring, assuming or becoming liable upon Senior Indebtedness or Subordinated Indebtedness or any other type of debt or other obligations. The Indentures do not contain any financial ratios or specified levels of net worth or liquidity to which the Company must adhere. In addition, the Subordinated Indenture does not restrict the Company from creating liens on its property for any purpose. In addition, the Indentures do not contain any provisions which would require the Company to repurchase or redeem or otherwise modify the terms of any of its Debt Securities upon a change in control or other events involving the Company which may adversely affect the creditworthiness of the Debt Securities.

CONSOLIDATION, MERGER AND SALE OF ASSETS

The Company, without the consent of the Holders of any of the Outstanding Securities under the Indentures, may consolidate with or merge into, or convey or transfer its assets substantially as an entirety to, any Person that is a corporation, partnership or trust organized and existing under the laws of any domestic jurisdiction, provided that any successor Person assumes the Company's obligations on the Debt Securities and under the Indentures, that after giving effect to the transaction no Event of Default and no event which, after notice or lapse of time, would become an Event of Default shall have occurred and be continuing, and that certain other conditions are met. (Section 801)

DEFAULTS AND CERTAIN RIGHTS ON DEFAULT

Each Indenture defines an Event of Default with respect to any series of Debt Securities thereunder as being any of the following events and such other events as may be established for the Debt Securities of such series: (i) default for 30 days in any payment of interest on the Debt Securities of such series; (ii) default with respect to Debt Securities of such series in any payment of principal or premium, if any, when due; (iii) default in the payment of any sinking fund installment with respect to the Debt Securities of such series when due; (iv) default in performance of any other covenant in the Indenture for 60 days after written notice to the Company by the Trustee or the Holders of at least 15% in principal amount of the Debt Securities of such series then Outstanding; (v) failure by the Company or any Subsidiary to pay any Debt in an amount exceeding \$10,000,000 at maturity; (vi) acceleration of any Debt of the Company or any Subsidiary in an amount exceeding \$10,000,000 under the terms of the instrument under which such Debt is or may be outstanding, if such acceleration is not annulled within 30 days after notice to the Company by the Trustee or the Holders of at least 15% in principal amount of the Debt Securities of such series then Outstanding; or (vii) certain events of bankruptcy, insolvency, receivership or reorganization. (Section 501)

The Company

will be required to file with the Trustee annually a written statement as to the fulfillment of its obligations under the Indenture. (Section 704)

If an Event of Default with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series by notice as provided in the Indenture may declare the principal amount (or, if the Outstanding 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 the Outstanding Securities of that series to be due and payable immediately. At any time after a declaration of acceleration with respect to Debt Securities of any series has been made, but before a judgment or decree for payment of money has been obtained by the Trustee, and subject to applicable law and certain other provisions of the applicable Indenture, the Holders of a majority in aggregate principal amount of the Outstanding Securities of that series may, under certain circumstances, rescind and annul such acceleration. (Section 502)

Each Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holder shall have offered to the Trustee reasonable indemnity. (Sections 601 and 603) Subject to such provisions for the indemnification of the Trustee, and subject to applicable law and certain other provisions of the Indenture, the Holders of a majority in aggregate principal amount of the Outstanding Securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Debt Securities of that series. (Section 512)

MEETINGS, MODIFICATION AND WAIVER

Modifications and amendments of each Indenture may be made by the Company and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Security affected thereby, (a) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Debt Security or related coupon, (b) reduce the principal amount of, or premium or interest on, any Debt Security or related coupon or any premium payable upon the redemption thereof, (c) change any obligation of the Company to pay additional amounts, (d) reduce the amount of principal of an Original Issue Discount Security payable upon acceleration of the Maturity thereof, (e) change the coin or currency in which any Debt Security or any premium or interest thereon is payable, (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Debt Security, (g) reduce the percentage in principal amount of Outstanding Securities of any series, the consent of whose Holders is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (h) reduce the requirements contained in the Indenture for quorum or voting, (i) change any obligation of the Company to maintain an office or agency in the places and for the purposes required by the Indenture, (j) with respect to each of the Subordinated and Junior Subordinated

Indentures, modify the terms relating to subordination in a manner adverse to the Holders of Debt Securities issued under that Indenture, (k) adversely affect the right of repayment, if any, of the Debt Securities at the option of the Holders thereof, or (l) modify any of the above provisions. (Section 902)

The Holders of at least a majority in aggregate principal amount of the Outstanding Securities of each series may, on behalf of all Holders of Debt Securities of that series, waive, insofar as that series is concerned, compliance by the Company with certain restrictive provisions of the Indenture. (Senior Indenture Section 1009 and Subordinated Indenture Section 1008) The Holders of not less than a majority in aggregate principal amount of the Outstanding Securities of each series may, on behalf of all Holders of Debt Securities of that series and any coupons appertaining thereto, waive any past default and its consequences under the Indenture

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with respect to Debt Securities of that series, except a default (a) in the payment of principal of (or premium, if any) or any interest on any Debt Security or coupon of such series, and (b) in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series or coupon affected. (Section 513)

Each Indenture provides that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver thereunder or whether a quorum is present at a meeting of Holders of Debt Securities or the number of votes entitled to be cast by the Holder of any Debt Security (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Maturity thereof, and (ii) the principal amount of a Debt Security denominated in a foreign currency or a composite currency shall be the U.S. dollar equivalent, determined as of the date of original issuance of such Debt Security by the Company in good faith, of the principal amount of such Debt Security (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent, determined as of the date of original issuance of such Debt Security, of the amount determined as provided in (i) above). (Section 101)

Each Indenture contains provisions for convening meetings of the Holders of Debt Securities of a series. (Section 1301) A meeting may be called at any time by the Trustee, and also, upon request, by the Company or the Holders of at least 10% in principal amount of the Outstanding Securities of such series, in any such case upon notice given in accordance with "Notices" below. (Section 1302) Except for any consent which must be given by the Holder of each Outstanding Security affected thereby, as described above, any resolution presented at a meeting or adjourned meeting at which a quorum (as described below) is present may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Securities of that series; provided, however, that, any resolution with respect to any consent or waiver which must be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Securities of a series may be adopted at a meeting or an adjourned meeting duly convened at which a quorum is present only by the affirmative vote of the Holders of 66 2/3% in principal amount of the Outstanding Securities of that series; and provided, further, that, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action which may be made, given or taken by

the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of that series. Any resolution passed or decision taken at any meeting of Holders of Securities of any series duly held in accordance with the Indenture will be binding on all Holders of Securities of that series and the related coupons. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be persons holding or representing a majority in principal amount of the Outstanding Securities of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which must be given by the Holders of not less than 66 2/3% in principal amount of the Outstanding Securities of a series, the persons holding or representing 66 2/3% in principal amount of the Outstanding Securities of such series will constitute a quorum. (Section 1304)

DEFEASANCE AND COVENANT DEFEASANCE

Each Indenture provides, unless the Company elects otherwise pursuant to Section 301 of the Indenture with respect to the Debt Securities of any series, that the Company may elect either (A) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of the Debt Securities and to hold moneys for payment in trust) ("defeasance") or (B) to be released from its obligations with respect to such Debt Securities under Sections 1006, 1007 and 1008 of the Senior Indenture and Sections 1006 and 1007 of the Subordinated Indenture ("covenant defeasance"), upon the deposit with the Trustee (or other qualifying

trustee), in trust for such purpose, of money, and/or U.S. Government Obligations which through the payment of principal and interest in accordance with their terms will provide money, in an amount sufficient to pay the principal of and any premium and interest on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor. Such a trust may only be established if, among other things, the Company has delivered to the trustee an opinion of counsel (as specified in the Indenture) to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred and, in the case of Bearer Securities, there will be no adverse federal tax consequences to the Holders of such Bearer Securities as a result of such defeasance or covenant defeasance. Such opinion, in the case of defeasance under clause (A) above, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable federal income tax law occurring after the date of the Indenture. In the case of covenant defeasance, such termination will not relieve the Company of its obligation to pay when due the principal of or interest on the Debt Securities of such series if the Debt Securities of such series are not paid from the money or Government Obligations held by the Trustee for the payment thereof. The Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance with respect to the Debt Securities of a particular series. (Article Fourteen)

NOTICES

Except as otherwise provided in the applicable Indenture, notices to Holders of Bearer Securities will be given by publication at least twice in a daily newspaper in The City of New York and in such other city or cities as may be specified in such Securities. Notices to Holders of Registered Securities will be given by mail to the addresses of such Holders as they appear in the Security Register. (Sections 101 and 106)

TITLE

Title to any Bearer Securities and any coupons appertaining thereto will pass by delivery. The Company, the Trustee and any agent of the Company or the Trustee may treat the bearer of any Bearer Security and the bearer of any coupon and the registered owner of any Registered Security as the absolute owner thereof (whether or not such Debt Security or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes. (Section 308)

REPLACEMENT OF DEBT SECURITIES AND COUPONS

Any mutilated Debt Security or a Debt Security with a mutilated coupon appertaining thereto will be replaced by the Company at the expense of the Holder upon surrender of such Debt Security to the Trustee. Debt Securities or coupons that become destroyed, stolen or lost will be replaced by the Company at the expense of the Holder upon delivery to the Trustee of the Debt Security, coupon or coupons or evidence of the destruction, loss or theft thereof satisfactory to the Company and the Trustee; in the case of any coupon which becomes destroyed, stolen or lost, such coupon will be replaced by issuance of a new Debt Security in exchange for the Debt Security to which such coupon appertains. In the case of a destroyed, lost or stolen Debt Security or coupon an indemnity satisfactory to the Trustee and the Company may be required at the expense of the Holder of such Debt Security or coupon before a replacement Debt Security will be issued. (Section 306)

CONCERNING THE TRUSTEES

Harris Trust and Savings Bank, the Senior Trustee under the Senior Indenture, has stand-by credit facilities with the Company in the amount of \$80,000,000, the borrowings under which would rank on a parity with the Senior Securities. The Company also maintains a deposit account and conducts other transactions

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with the Senior Trustee. The Senior Trustee is also the trustee under the Company's Indenture dated as of July 1, 1982 and the Company's Indenture dated as of November 1, 1987 pursuant to each of which the Company has outstanding Senior Indebtedness.

First Interstate Bank of California, formerly First Interstate Bank, Ltd., the Subordinated Trustee under the Subordinated Indenture, has stand-by credit facilities with the Company in the amount of \$50,000,000, the borrowings under which would be senior to the Subordinated Securities. The Company also maintains a deposit account and conducts other transactions with the Subordinated Trustee. The Subordinated Trustee is also the successor trustee under the Company's Indenture dated as of September 1, 1984 and the Company's Indenture dated as of November 1, 1987 pursuant to each of which the Company

has outstanding Subordinated Indebtedness.

The Senior Trustee or the Subordinated Trustee may from time to time make loans to the Company and perform other services for the Company in the normal course of business. Under the provisions of the Trust Indenture Act of 1939, as recently amended (the "Trust Indenture Act"), upon the occurrence of a default under an indenture, if a trustee has a conflicting interest (as defined in the Trust Indenture Act) the trustee must, within 90 days, either eliminate such conflicting interest or resign. Under the provisions of the Trust Indenture Act, an indenture trustee shall be deemed to have a conflicting interest if the trustee is a creditor of the obligor. If the trustee fails either to eliminate the conflicting interest or to resign within 10 days after the expiration of such 90-day period, the trustee is required to notify security holders to this effect and any security holder who has been a bona fide holder for at least six months may petition a court to remove the trustee and to appoint a successor trustee.

DESCRIPTION OF WARRANTS

The following description of the terms of the Warrants sets forth certain general terms and provisions of the Warrants to which any Prospectus Supplement may relate. The particular terms of the Warrants offered by any Prospectus Supplement and the extent, if any, to which such general provisions may apply to the Warrants so offered will be described in the Prospectus Supplement relating to such Warrants.

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

GENERAL

Reference is hereby made to the Prospectus Supplement relating to the particular series of Warrants, if any, offered thereby for the terms of such Warrants including, where applicable: (i) the offering price; (ii) the currencies in which such Warrants are being offered; (iii) the designation, aggregate principal amount, currencies, denominations and terms of the series of Debt Securities purchasable upon exercise of such Warrants; (iv) the designation and terms of the series of Debt Securities with which such Warrants are being offered and the number of such Warrants being offered with each such Debt Security; (v) the date on and after which such Warrants and the related series of Debt Securities will be transferable separately; (vi) the

principal amount of the series of Debt Securities purchasable upon exercise of each such Warrant and the price at which and currencies in which such principal amount of Debt Securities of such series may be purchased upon such exercise; (vii) the date on which the right to exercise such Warrants shall commence and the date (the "Expiration Date") on which such right shall expire; (viii) federal income tax consequences; and (ix) any other terms of such Warrants.

Warrant Certificates of each series will be in registered form and will be exchangeable at the option of the holder thereof for Warrant Certificates of such series of like tenor representing in the aggregate the number of Warrants surrendered for exchange. Warrant Certificates of each series will be transferable upon surrender without service charge, subject to the payment of any taxes or other governmental charges due in respect of a transfer, and will be exchangeable and transferable at the corporate trust office of the Warrant Agent or any other office indicated in the Prospectus Supplement relating to such series of Warrants. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the series of Debt Securities purchasable upon such exercise, including the right to receive payments of principal of, premium, if any, or interest on the series of Debt Securities purchasable upon such exercise, or to enforce any of the covenants in the applicable Indenture.

EXERCISE OF WARRANTS

Each Warrant will entitle the holder thereof to purchase such principal amount of the related series of Debt Securities at such exercise price as shall in each case be set forth in, or calculable as set forth in, the Prospectus Supplement relating to such Warrant. Warrants of a series may be exercised at the corporate trust office of the Warrant Agent for such series of Warrants (or any other office indicated in the Prospectus Supplement relating to such series of Warrants) at any time prior to 5:00 P.M., New York City time, on the Expiration Date set forth in the Prospectus Supplement relating to such series of Warrants. After the close of business on the Expiration Date relating to such series of Warrants (or such later date to which such Expiration Date may be extended by the Company), unexercised Warrants of such series will become void.

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

PLAN OF DISTRIBUTION

The Company may sell the Debt Securities and the Warrants separately or together, (i) to one or more underwriters or dealers for public offering and sale by them and (ii) to investors directly or through agents. The distribution

of the Debt Securities and the Warrants may be effected from time to time in one or more transactions at a fixed price or prices (which may be changed from time to time), at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. Each Prospectus Supplement will describe the method of distribution of the Debt Securities and the Warrants offered thereby.

In connection with the sale of the Debt Securities and the Warrants, underwriters, dealers or agents may receive compensation from the Company or from purchasers of the Debt Securities and the Warrants for whom they may act as agents, in the form of discounts, concessions or commissions. The underwriters,

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dealers or agents which participate in the distribution of the Debt Securities and the Warrants may be deemed to be underwriters under the Securities Act of 1933 and any discounts or commissions received by them and any profit on the resale of the Debt Securities and the Warrants received by them may be deemed to be underwriting discounts and commissions thereunder. Any such underwriter, dealer or agent will be identified and any such compensation received from the Company will be described in the Prospectus Supplement. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

Under agreements that may be entered into with the Company, underwriters, dealers and agents may be entitled to indemnification by the Company against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribution with respect to payments which the underwriters, dealers or agents may be required to make in respect thereof.

Each underwriter, dealer and agent participating in the distribution of any Debt Securities that are issuable in bearer form will agree that it will not offer, sell, resell or deliver, directly or indirectly, Debt Securities in bearer form to persons located in the United States or to United States persons (other than qualifying financial institutions), in connection with the original issuance of the Debt Securities.

All Debt Securities and Warrants will be new issues of securities with no established trading market. Any underwriters to whom Debt Securities or Warrants are sold by the Company for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any such securities.

Certain of the underwriters or agents and their associates may be customers of, engage in transactions with and perform services for the Company in the ordinary course of business.

LEGAL OPINIONS

The validity of the Debt Securities and Warrants is being passed upon for the Company by Orrick, Herrington & Sutcliffe, San Francisco.

EXPERTS

The consolidated financial statements of Transamerica Finance Corporation and subsidiaries appearing in the Company's Annual Report on Form 10-K for the year

ended December 31, 1992, incorporated by reference in this Prospectus, have been audited by Ernst & Young, independent auditors, as set forth in their report thereon included therein and incorporated herein by reference. Such consolidated financial statements have been incorporated herein by reference in reliance upon the report of Ernst & Young given upon their authority as experts in accounting and auditing.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

<TABLE>

<S>	<C>
Registration fee.....	\$ 625,000
Trustee's fees and expenses.....	70,000*
Accountants' fees and expenses.....	55,000*
Printing and engraving.....	110,000*
Blue sky and legal investment fees and expenses.....	22,000*
Rating agencies' fees.....	525,000*
Legal fees and expenses.....	275,000*
Miscellaneous.....	3,000*

Total.....	\$1,700,000
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</TABLE>

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*Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

As authorized by Section 145 of the Delaware Corporation Law, the Company's By-Laws provide for indemnification of directors, officers, employees and agents in certain cases. Indemnification is available when a person is made a party to any proceeding by reason of the fact that he is or was a director, officer, employee or agent of the Company or a director, officer, employee or agent of another enterprise, serving as such at the request of the Company, and if he acted in good faith and in a manner reasonably believed by him to be in, or not opposed to, the best interest of the Company. With respect to any criminal proceeding, such person must have had no reasonable cause to believe that his conduct was unlawful. If it is determined that the conduct of such person meets these standards, he shall be indemnified for expenses incurred and amounts paid in such proceeding if actually and reasonably incurred by him in connection therewith.

If such proceeding is brought by or on behalf of the Company, such person shall be indemnified against expenses actually and reasonably incurred if he acted in good faith and in a manner reasonably believed by him to be in, or not opposed to, the best interest of the Company. There can be no indemnification with respect to any matter as to which such person is adjudged to be liable to the Company for negligence or misconduct in the performance of his duty; however, a court may, even in such case, allow indemnification to such person for such expenses as the court deems proper. Where such person is successful in any such proceeding, he is entitled to be indemnified against expenses actually and reasonably incurred by him. In all other cases, indemnification is made by

the Company upon determination by it that indemnification of such person is proper because he has met the applicable standard of conduct.

In furtherance of such indemnity obligations, the Company has entered into individual indemnity agreements with each of its directors and executive officers. Also, there is directors' and officers' liability insurance presently outstanding which insures directors and officers of the Company. One such policy, to a relatively limited extent, covers losses for which the Company shall be required or permitted by law to indemnify directors and officers and which result from claims made against such directors or officers based upon the commission of wrongful acts in the performance of their duties. Such policy also, to a relatively limited extent, and another policy, to a more substantial extent, cover losses which the directors or officers must pay as the result of claims brought against them based upon the commission of wrongful acts in the performance of their duties and for which they are not indemnified by the Company. The losses covered by these policies are subject to certain exclusions and do not include fines or penalties imposed by law or other matters deemed uninsurable under the law. The policies contain certain co-insurance requirements and deductible provisions.

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Reference is made to Section 7 of the Underwriting Agreement Standard Provisions for Debt Securities and Warrants and Section 5 of the Distribution Agreement each included herein as exhibits to the Registration Statement for provisions regarding indemnification of the Company, officers, directors and controlling persons against certain liabilities.

ITEM 16. EXHIBITS.

<TABLE>

<CAPTION>

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
<C>	<S>
1.1	Form of Underwriting Agreement (incorporated by reference to Exhibit 1.1 to Registration Statement on Form S-3 File No. 33-40236)
1.2	Form of Underwriting Agreement Standard Provisions for Debt Securities and Warrants (incorporated by reference to Exhibit 1.2 to Registration Statement on Form S-3 File No. 33-40236)
1.3	Form of Distribution Agreement (incorporated by reference to Exhibit 1.3 to Registration Statement on Form S-3 File No. 33-40236)
4.1	Form of Indenture dated as of April 1, 1991 between the Registrant and Harris Trust and Savings Bank, as Trustee (incorporated by reference to Exhibit 4.1 to Registration Statement on Form S-3 File No. 33-40236)
4.2	Form of Indenture dated as of April 1, 1991 between the Registrant and First Interstate Bank, Ltd., as Trustee (incorporated by reference to Exhibit 4.2 to Registration Statement on Form S-3 File No. 33-40236)

4.3	Form of Debt Security
4.4	Form of Senior Medium-Term Note, Series
4.5	Form of Subordinated Medium-Term Note, Series
4.6	Form of Warrant Agreements (including forms of Warrant Certificates) (incorporated by reference to Exhibit 4.7 to Registrant's Registration Statement on Form S-3 File No. 33-4799)
5	Opinion of Orrick, Herrington & Sutcliffe as to the validity of the Debt Securities and Warrants
12	Computation of Ratio of Earnings to Fixed Charges
23.1	Consent of Ernst & Young
23.2	The consent of Orrick, Herrington & Sutcliffe is contained in its opinion filed as Exhibit 5 to this Registration Statement
24	Powers of Attorney
25.1	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of Harris Trust and Savings Bank
25.2	Form T-1 Statement of Eligibility and Qualification under the Trust Indenture Act of 1939 of First Interstate Bank, Ltd.

</TABLE>

ITEM 17. UNDERTAKINGS.

The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement: (i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933; (ii) to reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in

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the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and (iii) to include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement; provided, however, that the undertakings set forth in clauses (i) and (ii) above shall not apply if the information required to be included in a post-effective amendment by those clauses is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed

to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Act") may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions referred to in Item 15 above, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted against the Registrant by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT, TRANSAMERICA FINANCE CORPORATION, A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF DELAWARE, CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS ALL OF THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY AND COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, ON THE 12TH DAY OF JULY, 1993.

Transamerica Finance Corporation

David H. Hawkins

By _____
(David H. Hawkins,
Senior Vice President and
Treasurer)

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS IN THE CAPACITIES AND ON THE DATES INDICATED.

<TABLE>

<CAPTION>

SIGNATURE

CAPACITY

DATE

(1) PRINCIPAL EXECUTIVE OFFICER AND DIRECTOR:

<S>

<C>

<C>

Richard H. Finn

(Richard H. Finn)

President, Chief Executive
Officer and Director

July 12, 1993

(2) PRINCIPAL FINANCIAL OFFICER:

David H. Hawkins

(David H. Hawkins)

Senior Vice President,
Treasurer and Director

July 12, 1993

(3) PRINCIPAL ACCOUNTING OFFICER:

Raymond A. Golan

(Raymond A. Golan)

Vice President and
Controller

July 12, 1993

(4) DIRECTORS:

David R. Carpenter*

(David R. Carpenter)

Director

July 12, 1993

(Kent L. Colwell)

Director

July , 1993

Edgar H. Grubb*

(Edgar H. Grubb)

Director

July 12, 1993

Frank C. Herringer*

(Frank C. Herringer)

Director

July 12, 1993

Allen C. Miech*

(Allen C. Miech)

Director

July 12, 1993

Charles E. Tingley*

(Charles E. Tingley)

Director

July 12, 1993

</TABLE>

Edwin C. Summers

*By: _____

(Edwin C. Summers)
Attorney-in-Fact

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

EXHIBITS

TO

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

TRANSAMERICA FINANCE CORPORATION

INDEX TO EXHIBITS

<TABLE>
<CAPTION>

EXHIBIT NUMBER -----	EXHIBIT -----	SEQUENTIALLY NUMBERED PAGE -----
<C>	<S>	<C>
1.1	Form of Underwriting Agreement (incorporated by refer- ence to Exhibit 1.1 to Registration Statement on Form S-3 File No. 33-40236)	
1.2	Form of Underwriting Agreement Standard Provisions for Debt Securities and Warrants (incorporated by refer- ence to Exhibit 1.2 to Registration Statement on Form S-3 File No. 33-40236)	
1.3	Form of Distribution Agreement (incorporated by refer- ence to Exhibit 1.3 to Registration Statement on Form S-3 File No. 33-40236)	
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</TABLE>

FORM OF DEBT SECURITY

[FACE OF SECURITY]

TRANSAMERICA FINANCE CORPORATION

[If applicable, insert--FOR PURPOSES OF THE ORIGINAL ISSUE DISCOUNT PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986, THE ISSUE PRICE OF THIS SECURITY IS % OF ITS PRINCIPAL AMOUNT AT STATED MATURITY SET FORTH BELOW (ITS "PRINCIPAL AMOUNT"), THE AMOUNT OF ORIGINAL ISSUE DISCOUNT IS % OF ITS PRINCIPAL AMOUNT, THE YIELD TO MATURITY IS . % AND THE ISSUE DATE IS ,]

[IF THE SECURITY IS A GLOBAL SECURITY, INSERT--THIS NOTE IS A GLOBAL SECURITY. IT IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY (AS HEREINAFTER DEFINED) OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES HEREINAFTER DESCRIBED AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY TO A SUCCESSOR OF THE DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.]

[Unless this Note is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

§

Transamerica Finance Corporation, a Delaware Corporation (herein called the "Company", which term includes any successor corporation under the Indenture referred to on the reverse hereof), for value received, hereby promises to pay to [If the Security is to be in registered form, insert-- , or registered assigns] [If the Security is to be in bearer form, insert--the bearer hereof upon surrender], the principal sum of Dollars on

[If the Security is to bear interest at a fixed rate prior to maturity, insert--, and to pay interest thereon from or from the most recent Interest Payment Date to which interest has been paid or duly provided for

semi-annually on _____ and _____ in each year commencing _____, at the rate of _____ % per annum until the principal hereof is paid or made available for payment.]

[If the Security is to bear interest at an adjustable rate prior to Maturity, insert--, and to pay interest thereon from _____ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at a rate per annum determined as provided below, semi-annually on _____ and _____ in each year, commencing _____, _____, until the principal hereof is paid or made available for payment.]

[Interest on the Securities is payable at the rate of _____ % per annum from _____, _____ through _____, _____ and for each _____-month period from _____, _____ through _____, _____ at a rate per annum (rounded to the nearest five hundredths of a percentage point) equal to _____ % of the _____ Year Treasury Rate (as defined below) or the Alternate Treasury Rate (as defined on the reverse side hereof), as the case may be, or such higher rate as may be established by the Company as set forth below.]

[The " _____ Year Treasury Rate" applicable to any _____-month period commencing _____, _____, . . . or _____ shall be the most recent Weekly Treasury Rates for constant maturities of _____ years published during the period of the ten calendar days ending on the _____ (or, if such _____ is not a Business Day, the next preceding Business Day) next preceding such _____. "Weekly Treasury Rates" means the weekly average yield to maturity values adjusted to a constant maturity of a fixed number of years as read from the yield curves of the most actively traded marketable U.S. Treasury fixed interest rate securities constructed daily by the U.S. Treasury Department as published by the Federal Reserve Board or any Federal Reserve Bank or by any United States Department or agency. In _____, _____, Weekly Treasury Rates were published by the Federal Reserve Board weekly in "Statistical Release H.15 (519), Selected Interest Rates" as "U.S. Government securities--Treasury constant maturities."]

[If the Trustee determines in good faith that for any reason the Weekly Treasury Rates for constant maturities of _____ years are not published as provided above during the ten calendar day period specified above preceding the _____ preceding the _____ on which any such _____-month period commences, interest on the Securities for such _____-month period will be based on the Alternate Treasury Rate determined as of such _____ (or, if such _____ is not a Business Day, the next preceding Business Day) in the manner set forth on the reverse hereof. As promptly as practicable, the Trustee shall calculate or cause to be calculated the _____ year Treasury Rate or the Alternate Treasury Rate applicable to each _____-month period. The determination of such Rate shall be confirmed in writing by independent accountants of recognized standing selected by the Trustee and such Rate as so confirmed shall be binding upon the Company and the Holders.]

[If the Trustee determines in good faith that for any reason neither the Year Treasury Rate nor the Alternate Treasury Rate can be determined for any _____-month period, then the rate of interest shall be determined by the Company.]

In addition, the Company may elect a higher rate of interest for the Securities than that calculated on the basis of the _____ Year Treasury Rate or the Alternate Treasury Rate. The Company shall make such interest rate determinations or elections by delivery to the Trustee of an Officers' Certificate on or before the _____ preceding commencement of the _____-month period in which such interest rate will apply.]

[After the interest rate for any _____-month period has been determined, the Trustee will cause such rate to be published in an Authorized Newspaper in _____ on or about each _____ prior to the commencement of the _____-month period to which it applies. The Company will cause notice of such rate of interest to be enclosed with the interest payment checks next mailed to the Registered Holders of the Securities after such rate has been determined.]

[If the Security is to bear interest at a floating rate above the secondary market rate for T-Bills or the auction rate for such Bills, insert--, and to pay interest thereon, to the extent permitted by law, at the rate of [_____ basis points above] [(_____)% of] the weighted average per annum [discount Rate] [bond yield equivalent rate] for direct obligations of the United States with a maturity of _____ computed on the basis of a [365 or 366-day year, as the case may be,] [360-day year] [and applied on a daily basis] (the " _____ Treasury Bill Rate") [based on results of the most recent auction of] [set in the secondary market for] _____ [month] [day] U.S. Treasury Bills as published by the Board of Governors of the Federal Reserve System or (if not so published) as reported by the Department of the Treasury or any Federal Reserve Bank or the United States Government department or agency. [The interest rate will be adjusted on the calendar day following each auction of _____ [month] [day] U.S. Treasury Bills.] [The interest rate will be adjusted on the calendar day following each auction of _____ [month] [day] U.S. Treasury Bills.] [The interest rate in effect for the period from _____ through the date of the first _____ auction after such date shall be based upon the results of

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the most recent _____ auction prior to such date; and the interest rate in effect for the _____ days immediately prior to Maturity shall be based upon the results of the most recent _____ auction held prior to the _____ days preceding Maturity.]

[If the Security is to bear interest at a floating rate, insert--In the event that the [_____-day [_____] Treasury Bill Rate ceases to be published or reported as provided above, then the rate of interest in effect at the time of the last such publication or report will remain in effect until such time, if any, as such Treasury Bill Rate shall again be so published or reported.]

[The interest rate applicable to each _____ will be determined as promptly as practicable by the Company as described herein and the Company will furnish the Trustee with an Officers' Certificate setting forth the interest rate applicable to each _____ promptly after such rate has been determined.]

[If the Security is to bear interest prior to Maturity, insert--The interest so payable, and punctually paid or duly provided for, on any Interest Payment

Date will, as provided in such Indenture, be paid to the Person in whose name this Security is registered at the close of business on the _____ or (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date.]

[If the Security is not to bear interest prior to Maturity, insert--The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Security shall bear interest at the rate of _____ % per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for.]

Payment of the principal of (and premium, if any, on) and [any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in _____, in such coin or currency of [the United States of America] as at the time of payment is legal tender for payment of public and private debts [; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture referred to on the reverse hereof, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: _____ Transamerica Finance Corporation

By _____
[Title]

Attest and Countersign:

Secretary

[Form of Reverse of Security.]

TRANSAMERICA FINANCE CORPORATION

[In determining that any Weekly Treasury Rates are not published, the Trustee may rely conclusively on any written advice from the United States Treasury to such effect.]

[If the Security is to be subject to redemption only at the option of the Company or any sinking fund redemption will be at the same prices, insert--The Securities of this series are subject to redemption upon not less than 30 days' notice provided in the manner set forth in the Indenture, [(1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this

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series at the Redemption Price equal to 100% of the principal amount, and (2)] at any time [on or after ,], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount): If redeemed [on or before , %], and if redeemed] during the 12-month period beginning of the years indicated,

<TABLE>

<CAPTION>

YEAR	REDEMPTION PRICE	YEAR	REDEMPTION PRICE
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<S>	<C>	<C>	<C>

</TABLE>

and thereafter at a Redemption Price equal to % of the principal amount together in the case of any such redemption [(whether through operation of the sinking fund or otherwise)] with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities of record at the close of business on the relevant record dates referred to on the face hereof, all as provided in the Indenture.]

[If the Security is to be subject to redemption at the option of the Company and pursuant to a sinking fund at different prices, insert--The Securities of this series are subject to redemption upon not less than 30 days' notice by mail, (1) on in any year commencing with the year and ending with the year through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below: If redeemed during the 12-month period beginning of the years indicated,

<TABLE>
<CAPTION>

YEAR	REDEMPTION PRICE FOR REDEMPTION THROUGH OPERATION OF THE SINKING FUND	REDEMPTION PRICE FOR REDEMPTION OTHERWISE THAN THROUGH OPERATION OF THE SINKING FUND
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<S>	<C>	<C>

</TABLE>

and thereafter at a Redemption Price equal to % of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities of record at the close of business on the relevant record dates referred to on the face hereof, all as provided in the Indenture.]

[If there is to be a sinking fund, insert--The sinking fund for this series provides for the redemption on each year beginning with the year and ending with the year of [not less than] \$ ("mandatory sinking fund") and not more than \$] aggregate principal amount of Securities of this series. Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made.]

[If the Security is to be redeemable in part, insert--In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

[If the Security is to bear interest at a floating rate, insert--If on any date on which a [-day] [] Treasury Bill Rate is to be determined, such rate is for any reason not determinable as provided on the face hereof, (a) the Company, at its option, may redeem the Security upon not less than nor more than days' prior notice, as a whole [or from time to time in part in increments of \$,] at a redemption price equal to [insert appropriate prices and table, if any], together in the case of any such redemption with accrued interest to the Redemption Date (but interest installments whose Stated Maturity is on the Redemption Date will be payable to the Holder of such Security of record at the close of business on the relevant record date referred to on the face hereof), all as provided in the Indenture, such right of redemption to be exercisable until ; (b) the Security shall be subject to repayment in whole [or in parts in increments of \$] on any or , at the option of the Holder thereof, at a price equal to [insert appropriate repayment prices and table, if any] (the "Repayment

Price"), together with interest payable to the Repayment Date (but interest installments whose Stated Maturity is on the Repayment Date will be payable to the Holder of such Security of record at the close of business on the relevant record date referred to on the face hereof), all as provided in the Indenture, such option to be exercisable until [] ; (c) the rate of interest in effect at the time a [-day] [] Treasury Bill Rate becomes indeterminable shall remain in effect until a new [-day] [] Treasury Bill Rate may be determined as provided on the face hereof, and (d) the Company will promptly deliver an Officers' Certificate to the Trustee certifying its inability to determine the [-day] [] Treasury Bill Rate and notify the Holders of such inability and of the redemption, repayment and interest rate provisions set forth in (a), (b), and (c) above.]

[If the Security is to be subject to repayment at the option of the Holder other than when a floating rate is not determinable, insert--This Security is also subject to repayment in whole [or in part in increments of \$] on [, , . . . or ,] [any , or , commencing on ,] at the option of the Holder hereof at a price equal to [insert appropriate repayment prices and table, if any] (the "Repayment Price"), together with interest payable to the Repayment Date (but interest installments whose Stated Maturity is on the Repayment Date will be payable to the Holder of such Security of record at the close of business on the relevant record date referred to on the face hereof), all as provided in the Indenture.]

[If the Security is to be subject to repayment at the option of the Holder, insert--To be repaid at the option of the Holder, the Company must receive this Security, with the form of "Option to Elect Repayment" hereon duly completed, at an office or agency of the Company maintained for that purpose in (or at such other place of which the Company shall from time to time notify the Holder of this Security) not less than nor more than days prior to the Repayment Date. The exercise of the repayment option by the Holder shall be irrevocable.]

[If the Security is not to be subject to redemption at the option of the Company, insert--The Securities are not redeemable at the option of the Company prior to Maturity.]

[If the Security is not to be an Original Issue Discount Security, insert--If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.]

[If the Security is to be an Original Issue Discount Security, insert--If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to [insert formula for determining the amount]. Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate.]

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series under the Indenture to be affected at any time by the Company with the consent of the Holders of

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not less than a majority in aggregate principal amount at maturity of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount at maturity of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of (and premium, if any, on) and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

[If the Security is to be in registered form, insert--As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any, on) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or his attorney duly authorized in writing, and, thereupon one or more new Securities of this series, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.]

[The Securities of this series are issuable only in registered form [without coupons] in denominations of \$ [and any integral multiple] [or increments of \$ in excess] thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same.]

[No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.]

[Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.]

[If the Security is a Global Security, insert--"Global Security" and "Global Securities" means a Security or Securities evidencing all or a part of a series of Securities, issued to the Depository (as hereinafter defined) for such Series or its nominee, and registered in the name of such Depository or its nominee. "Depository" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the person designated as the Depository by the Company.]

No holder of any beneficial interest in this Note held on its behalf by a Depository or a nominee of such Depository shall have any rights under the Indenture with respect to such Global Security, and such Depository or nominee may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall impair, as between a Depository and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depository as Holder of any Security.

This Note is exchangeable, in whole but not in part, for Notes registered in the names of Persons other than the Depository or its nominee or in the name of a successor to the Depository or a nominee of such successor depository only if (i) the Depository notifies the Company that it is unwilling or unable to continue as Depository for this Note or if at any time such Depository ceases to be a clearing agency registered under

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the Securities Exchange Act of 1934, as amended, and, in either case, a successor depository is not appointed by the Company within 90 days, (ii) the Company in its discretion at any time determines not to have all of the Notes of this series represented by one or more Global Security or Securities and notifies the Trustee thereof, or (iii) an Event of Default has occurred and is continuing with respect to the Notes of this series. If this Note is exchangeable pursuant to the preceding sentence, it shall be exchangeable for Notes issuable in authorized denominations and registered in such names as the Depository holding this Note shall direct. Subject to the foregoing, this Note is not exchangeable, except for a Note or Notes of the same aggregate denominations to be registered in the name of such Depository or its nominee or in the name of a successor to the Depository or a nominee of such successor depository.]

[If the Security is to be in bearer form, insert--The Securities are issuable only as unregistered Securities payable to the bearer thereof [without coupons] in denominations of \$ [and any integral multiple] [or increments of \$ in excess] thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Securities are exchangeable for a like

aggregate principal amount of new Securities of authorized denominations, as requested by the Holder surrendering the same.

[No service charge will be made for any such exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.]

[This Security is transferable by delivery. The Company, the Trustee and any agent of the Company or the Trustee may treat and consider the bearer hereof as the absolute owner of this Security for the purpose of receiving payment of the principal hereof and interest, if any, hereon and for all other purposes, whether or not this Security be overdue, and neither the Company nor the Trustee, nor any such agent shall be affected by notice to the contrary.]

[The Indenture entitles Holders to receive annual reports with respect to the Trustee's eligibility and qualifications to serve as Trustee by filing their names and addresses with the Trustee for that purpose within two years preceding the mailing of any such annual report.]

No recourse shall be had for the payment of the principal of (and premium, if any, on) or interest on this Security, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

This Security, including without limitation the obligation of the Company contained herein to pay the principal of (and premium, if any, on) and interest on this Security in accordance with the terms hereof and of the Indenture, shall be construed in accordance with and governed by the laws of the State of California.

[Form of Trustee's Certificate of Authentication.]

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

As [Authenticating Agent for] the
Trustee

By _____
Authorized Officer

8

[Form of Option to Elect Repayment.]

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay the within Security (or portion thereof specified below) pursuant to its terms at a price equal to the principal amount thereof, together with interest to the Repayment Date, to the undersigned, at

(Please Print or Typewrite Name and Address of the Undersigned)

For this Security to be repaid, the Company must receive this Security, with this "Option to Elect Repayment" form duly completed, at an office or agency of the Company maintained for that purpose in _____, or at such other place of which the Company shall from time to time notify the Holder, no less than _____ days nor more than _____ days prior to [_____, _____, . . . or _____] [the _____ or _____ (commencing on _____)].

If less than the entire principal amount of the within Security is to be repaid, specify the portion thereof (which shall be \$ _____, or an integral multiple of \$ _____) which the Holder elects to have repaid: \$ _____.

Dated:

Note: The signature must correspond with the name as written upon the face of the Security in every particular without alteration or enlargement.

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[Face of Senior Medium-Term Note]

IF INDICATED ON THE FACE HEREOF THAT THIS NOTE IS A GLOBAL SECURITY, IT IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES HEREINAFTER DESCRIBED AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY TO A SUCCESSOR OF THE DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

IN ADDITION, IF INDICATED ON THE FACE HEREOF THAT THIS NOTE IS A GLOBAL SECURITY, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

IF APPLICABLE, THE "TOTAL AMOUNT OF OID," "YIELD TO MATURITY" AND "ISSUE PRICE" BELOW WILL BE COMPLETED SOLELY FOR THE PURPOSES OF APPLYING THE FEDERAL INCOME TAX ORIGINAL ISSUE DISCOUNT ("OID") RULES.

REGISTERED

REGISTERED

NUMBER:

PRINCIPAL AMOUNT: \$

CUSIP #:

SPECIFIED CURRENCY:

TRANSAMERICA FINANCE CORPORATION
SENIOR MEDIUM-TERM NOTE, SERIES

Floating Rate Note //

% Fixed Rate Note //

Original Issue Date:

Interest Accrual Date:

Maturity Date:

Issue Price:

Redemption Date(s): Redemption Price(s):

<TABLE>
<CAPTION>

NEW
MATURITY
DATE(S) :

<S>

NOTICE OF
RENEWAL
DATE(S) :

<C>

</TABLE>

Authorized Denominations (Only
applicable if Specified Currency is
other than U.S. Dollars):

Repayment Date(s) : Repayment Price(s) :

Interest Payment Period:

Interest Payment Dates:

Original Issue Discount Note:
// Yes // No

Global Security:
// Yes // No

Total Amount of OID:
Yield to Maturity:

Exchange Rate Agent:

(Only applicable if this is a Floating Rate Note):

Initial Interest Rate:

Spread (plus or minus):

Spread Multiplier:

Index Maturity:

Maximum Interest Rate:

Minimum Interest Rate:

Calculation Rate Agent:

Base Rate(s) :

If LIBOR:

Designated LIBOR Page:
// LIBOR Reuters
// LIBOR Telerate

Index Currency:

Interest Reset Period:

Interest Reset Dates:

Additional Terms:

REGISTERED OWNER:

Transamerica Finance Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the "Principal Amount," as set forth above, on the Maturity Date (as defined on the reverse hereof), and to pay interest thereon as described herein.

The principal of (and premium, if any) and interest on this Note are payable by the Company in such coin or currency specified above as at the time of payment shall be legal tender for the payment of public and private debts (the "Specified Currency"). If the Specified Currency is other than U.S. Dollars, the Company will arrange to have all such payments converted into U.S. Dollars in the manner and subject to the limitations described below. Notwithstanding the foregoing, the Holder hereof may elect to receive all payments in respect hereof in the Specified Currency by delivery of a written request to the Trustee not later than fifteen calendar days prior to the applicable payment date. Such election will remain in effect until revoked by written notice to the Trustee received not later than fifteen calendar days prior to the applicable payment date.

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REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH IN FULL BELOW, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

Transamerica Finance Corporation

By _____
Senior Vice President and
Treasurer

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Attest and Countersign:

By _____

Authorized Signatory

[Corporate Seal]

[Reverse of Senior Medium-Term Note]

1. This Note is one of a duly authorized issue of debt securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, 199 (the "Indenture"), between the Company and _____, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all Indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Note is one of a series designated as Medium-Term Notes, Series _____ of the Company (herein called the "Notes"). The Notes are limited (except as otherwise provided in the Indenture) to the aggregate principal amount established from time to time by the Board of Directors of the Company. The Notes may be issued at various times with different maturity dates and different principal repayment provisions, may bear interest at different rates, may be payable in different currencies and may otherwise vary, all as provided in the Indenture.

The Maturity Date of this Note is as shown on the face hereof; provided, that the Maturity Date may be renewed, at the option of the Holder, to the New Maturity Date or Dates, if any, shown on the face hereof if the Holder so elects, in the manner specified herein, prior to the applicable Notice of Renewal Date shown on the face hereof. Such election will be irrevocable and will be binding upon each subsequent Holder of this Note. Notwithstanding the foregoing, the New Maturity Dates shall not be any date that is more than fifteen years from the Original Issue Date set forth on the face hereof. If no New Maturity Date or Dates are shown on the face hereof, the Maturity Date of this Note is not subject to renewal. As used in this Note, the term "Maturity Date" means the Maturity Date shown on the face hereof until such time, if any, as the Holder hereof has duly renewed the maturity of this Note, and thereafter shall mean such New Maturity Date.

Any such election to renew the Maturity Date of this Note will be effective only if notice thereof is provided to the Company in the manner described below. The Maturity Date of this Note may be renewed, in whole or in part, at the option of the Holder hereof, to each successive New Maturity Date shown on the face hereof if the Holder presents a duly completed and executed notice, in the form below entitled "Form of Option to Renew Maturity", together with this Note, to the Corporate Trust Office of the Trustee in the City of _____, or such other address as the Company shall from time to time notify the Holders of Notes, not less than ten nor more than 30 days prior to the applicable Notice

of Renewal Date shown on the face hereof, provided, however, that if a Holder of this Note does not make an election with respect to all or a portion of the Note with respect to a specified New Maturity Date, this Note or such portion may not be renewed with respect to a subsequent New Maturity Date. The Trustee will provide the Holder with a new Note with respect to that portion which is being renewed indicating the New Maturity Date, and a new Note with respect to that portion, if any, which is not being renewed indicating the original Maturity Date. All questions as to the validity, eligibility (including time of receipt) and acceptance of any option to renew the Maturity Date of this Note will be determined by the Company, whose determination will, to the extent permitted by law, be final and binding.

2. A. Unless otherwise specified on the face hereof, the Regular Record Date with respect to any Interest Payment Date (as defined below) shall be the date 15 calendar days immediately preceding such Interest Payment Date, whether or not such date shall be a Business Day (as defined below). Interest which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name this Note is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date; provided, however, that interest payable on the Interest Payment Date occurring on the Maturity Date or earlier Redemption Date or Repayment Date will be to the Person to whom principal shall be payable; provided, further, that the first payment of interest on any Note originally issued between a Regular Record Date and an Interest Payment Date or on an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such next succeeding Regular Record Date. Notwithstanding the foregoing, any interest which is payable but not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to

be payable to the registered holder thereof on such Regular Record Date, and may be paid to the Person in whose name such Note is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof having been given to the Holder of such Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture. Unless otherwise specified on the face hereof, "Business Day" means any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is (a) not a day on which banking institutions are authorized or required by law or regulation to be closed in The City of New York, (b) if this Note is denominated in a Specified Currency other than U.S. Dollars, (i) not a day on which banking institutions are authorized or required by law or regulation to close in the financial center of the country issuing the Specified Currency (which in the case of ECU shall be London and Luxembourg) and (ii) a day on which banking institutions in such financial center are carrying out transactions in such Specified Currency, and (c) with respect to LIBOR Notes, a London Banking Day. Unless otherwise specified on the face hereof, "London Banking Day" means any day (a) if the Index Currency (as defined below) is other than the European Currency Unit ("ECU"), on which dealings in deposits in such Index Currency are

transacted in the London interbank market or (b) if the Index Currency is the ECU, that is not designated as an ECU Non-Settlement Day by the ECU Banking Association in Paris or otherwise generally regarded in the ECU interbank market as a day on which payments on ECUs shall not be made. All percentages resulting from calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards, and all currency or currency unit amounts used and resulting from such calculations on this Note will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upwards).

B. If this is a Fixed Rate Note, the Company promises to pay interest on the Principal Amount stated on the face hereof at the rate per annum shown on the face hereof until such Principal Amount is paid or made available for payment. The Company will pay interest semi-annually each March 1 and September 1 or, if otherwise specified on the face hereof, such other dates (each an "Interest Payment Date"), commencing with the Interest Payment Date immediately following the Original Issue Date shown on the face hereof (subject to the last proviso in Section 2.A hereof) and on the Maturity Date or earlier Redemption Date or Repayment Date. Interest will accrue from and including the most recent Interest Payment Date or, if no interest has been paid or duly provided for, from and including the Original Issue Date, in each case, to but excluding the Interest Payment Date. Unless otherwise specified on the face hereof, the amount of such interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

C. If this is a Floating Rate Note, the Company promises to pay interest on the Principal Amount stated on the face hereof at the rate per annum equal to the Initial Interest Rate shown on the face hereof until the first Interest Reset Date shown on the face hereof following the Original Issue Date specified on the face hereof and thereafter at a rate applicable for the specified Interest Reset Period determined in accordance with the Base Rate or Rates specified on the face hereof and as applicable under the provisions below under the heading "Determination of CD Rate," "Determination of Commercial Paper Rate," "Determination of Federal Funds Rate," "Determination of LIBOR," "Determination of Prime Rate," "Determination of Treasury Rate," "Determination of Kenny Rate," or as otherwise specified on the face hereof depending upon whether the Base Rate specified on the face hereof is CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR, Prime Rate, Treasury Rate, Kenny Rate, or as otherwise so specified, respectively, or at a rate determined by adding or subtracting two or more Base Rates as adjusted, until the principal hereof is paid or duly made available for payment. The Company will pay interest monthly, quarterly, semi-annually or annually as specified on the face hereof under "Interest Payment Period", commencing with the first Interest Payment Date specified on the face hereof next succeeding the Original Issue Date (subject to the last proviso in Section 2.A hereof), and on the Maturity Date or earlier Redemption Date or Repayment Date. Unless otherwise provided on the face hereof, the dates on which interest will be payable (each an "Interest Payment Date") will be, in the case of Notes with a monthly Interest Payment Period, the third Wednesday of each month; in the case of Notes with a quarterly Interest Payment Period, the third Wednesday of March, June, September and December; in the case of Notes with a semi-annual Interest Payment Period, the third

Wednesday of the two months specified on the face hereof; and in the case of Notes with an annual Interest Payment Period, the third Wednesday of the month specified on the face hereof; provided, however, that if an Interest Payment Date would fall on a day that is not a Business Day, such Interest Payment Date shall be the following day that is a Business Day, except that in case the Base Rate is LIBOR, as specified on the face hereof, if such date falls in the next calendar month, such Interest Payment Date shall be the immediately preceding Business Day.

Unless otherwise specified on the face hereof, the interest payable on a Floating Rate Note on each Interest Payment Date will include accrued interest from and including the Original Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding such Interest Payment Date; provided, however, that if the Interest Reset Period is daily or weekly, the interest payable on each Interest Payment Date will include accrued interest from and including the Original Issue Date or from but excluding the last date in respect of which interest has been paid, as the case may be, to, and including the Regular Record Date immediately preceding such Interest Payment Date. Interest payable on the Maturity Date or earlier Redemption Date or Repayment Date will include accrued interest to, but excluding, the Maturity Date or earlier Redemption Date or Repayment Date. Such accrued interest will be calculated by multiplying the principal amount hereof by an accrued interest factor. This accrued interest factor shall be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. Unless otherwise specified on the face hereof, the interest factor (expressed as a decimal) for each such day shall be computed by dividing the interest rate applicable to such day by 360 if the Base Rate is CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, as indicated on the face hereof, by the actual number of days in the year if the Base Rate is Treasury Rate, as indicated on the face hereof, or by 365 if the Base Rate is Kenny Rate, as indicated on the face hereof. Unless otherwise specified on the face hereof, if the Base Rate is a fixed rate, interest hereon shall be computed on the basis of a 360-day year of twelve 30-day months. The interest factor for Notes for which the interest rate is calculated with reference to two or more Base Rates will be calculated in each period in the manner specified on the face hereof. The interest rate in effect on each day will be (a) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to such Interest Reset Date or (b) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to the next preceding Interest Reset Date, provided, however, that (i) the interest rate in effect from the Original Issue Date to the first Interest Reset Date will be the Initial Interest Rate and (ii) unless otherwise specified on the face hereof, the interest rate in effect for the ten calendar days immediately prior to the Maturity Date or earlier Redemption Date or Repayment Date will be the rate in effect on the tenth calendar day preceding the Maturity Date or earlier Redemption Date or Repayment Date. Notwithstanding the foregoing, the interest rate shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown on the face

hereof. In addition, the interest rate shall in no event be higher than the maximum rate, if any, permitted by California law. Commencing with the first Interest Reset Date specified on the face hereof following the Original Issue Date and thereafter upon each succeeding Interest Reset Date specified on the face hereof, the rate at which interest on a Floating Rate Note is payable shall be adjusted as provided herein; provided, however, that if any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except that (i) if the Base Rate is LIBOR and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day or (ii) if the Base Rate is Kenny Rate, such Interest Reset Date shall not be postponed but shall remain the date specified on the face hereof; and provided further, that if the Base Rate is Treasury Rate and the Interest Reset Date falls on a date which is an auction date, the Interest Reset Date shall be the following day that is a Business Day.

Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is other than LIBOR, Treasury Rate or Kenny Rate, the second Business Day next preceding such Interest Reset Date. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is LIBOR, the second

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London Banking Day next preceding such Interest Reset Date. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is Treasury Rate, the day of the week in which such Interest Reset Date falls on which Treasury bills (as defined below) of the Index Maturity specified on the face hereof are auctioned. Treasury bills are normally auctioned on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as a result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is Kenny Rate, the day of the calendar week in which such Interest Reset Date falls on which Kenny Information Systems or Lehman Brothers Special Financing Inc., announces the applicable index or rate, as the case may be. Kenny Information Systems normally publishes its index on Tuesday of each week, unless that day is a legal holiday, in which case, it is published on Wednesday.

Except as otherwise specified on the face hereof, on each Interest Reset Date the rate of interest shall be the rate determined in accordance with the provisions of the applicable heading below.

Determination of CD Rate. If the Base Rate is CD Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the applicable Interest Determination Date for negotiable certificates of deposit having the Index Maturity specified on the face hereof (1) as published by the Board of

Governors of the Federal Reserve System in "Statistical Release H.15(519) Selected Interest Rates" or any successor publication of the Board of Governors of the Federal Reserve System ("H.15(519)"), under the heading "CDs (Secondary Market)" or (2) if such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, then as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" (the "Composite Quotations") under the heading "Certificates of Deposit" or (b) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean (as calculated by the Calculation Agent) of the secondary market offered rates as of 10:00 A.M., New York City time, on such Interest Determination Date of three leading nonbank dealers in negotiable U.S. Dollar certificates of deposit in The City of New York, selected by the Calculation Agent (after consultation with the Company), for negotiable certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity (as specified on the face hereof) in a denomination of \$5,000,000, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

Determination of Commercial Paper Rate. If the Base Rate is Commercial Paper Rate, as indicated on the face hereof, the interest rate shall equal (a) the Money Market Yield (as defined herein) on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified on the face hereof (1) as published in H.15(519), under the heading "Commercial Paper", or (2) if such yield is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then as published in the Composite Quotations under the heading "Commercial Paper" or (b) if neither of such yields is published by 3:00 P.M., New York City time, on such Calculation Date, the Money Market Yield of the arithmetic mean (as calculated by the Calculation Agent) of the offered rates, as of 11:00 A.M., New York City time on such Interest Determination Date, of three leading dealers of commercial paper in The City of New York, selected by the Calculation Agent (after consultation with the Company), for commercial paper of the Index Maturity specified on the face hereof placed for an industrial

issuer whose bond rating is "AA", or the equivalent, from a nationally recognized rating agency, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof,

which is applicable to the Interest Reset Period; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

"Money Market Yield" shall be the yield calculated in accordance with the following formula:

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

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Determination of Federal Funds Rate. If the Base Rate is Federal Funds Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the applicable Interest Determination Date for Federal Funds (1) as published in H.15(519), under the heading "Federal Funds (Effective)" or (2) if such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then as published in the Composite Quotations under the heading "Federal Funds/Effective Rate" or (b) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean (as calculated by the Calculation Agent) of the rates for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in New York City, selected by the Calculation Agent (after consultation with the Company), as of 9:00 A.M., New York City time on such Interest Determination Date, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period; provided, however, that if such brokers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

Determination of LIBOR. If the Base Rate is LIBOR, as indicated on the face hereof, the interest rate shall be determined by the Calculation Agent as follows:

(i) with respect to an Interest Determination Date, either (a) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered rates, if there are at least two such offered rates (unless the specified Designated LIBOR Page (as defined below) by its terms provides only for a single rate, in which case such single rate shall be used), for

deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, commencing on the second London Banking Day immediately following the applicable Interest Determination Date, which appear on the Designated LIBOR Page specified on the face hereof as of 11:00 A.M., London time, on such Interest Determination Date, on such Designated LIBOR Page, or (b) if "LIBOR Telerate" is specified on the face hereof, the rate for deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, commencing on the second London Banking Day immediately following that Interest Determination Date, that appears on the Designated LIBOR Page specified on the face hereof as of 11:00 A.M., London time, on that Interest Determination Date; in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable

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to the Interest Reset Period. In the case where (a) above applies, if fewer than two offered rates appear on the Designated LIBOR Page specified on the face hereof (unless, as aforesaid, only a single rate is required), or, in the case where (b) above applies if no rate appears on the Designated LIBOR Page specified on the face hereof, as applicable, the interest rate in respect of that Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) With respect to an Interest Determination Date on which this provision applies, the interest rate will be determined on the basis of the rates at which deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, are offered at approximately 11:00 A.M., London time, on such Interest Determination Date by four major banks ("Reference Banks") in the London interbank market selected by the Calculation Agent (after consultation with the Company) to prime banks in the London interbank market commencing on the second London Banking Day immediately following such Interest Determination Date and in a principal amount of not less than the equivalent of U.S. \$1,000,000 that is representative for a single transaction in such market and the Index Currency at such time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the interest rate for such Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the interest rate for such Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the Principal Financial Center (as defined below) on such Interest Determination Date by three major money center banks in such Principal Financial Center selected by the Calculation Agent (after consultation with the Company) for loans in the specified Index Currency to leading European banks having the Index Maturity specified on the face hereof commencing on the second London Banking Day immediately following such Interest Determination Date and in a principal amount equal to an amount of not less than the equivalent of U.S. \$1,000,000 that is representative for a single transaction in such market

and the specified Index Currency at such time; provided, however, that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period.

"Index Currency" means the currency (including composite currencies) specified on the face hereof as the currency for which LIBOR shall be calculated. If no such currency is specified on the face hereof, the Index Currency shall be U.S. dollars.

"Designated LIBOR Page" means either (a) if "LIBOR Reuters" is designated on the face hereof, the display on the Reuters Monitor Money Rates Service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is designated on the face hereof, the display on the Dow Jones Telerate Service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency. If neither LIBOR Reuters nor LIBOR Telerate is specified on the face hereof, LIBOR for the applicable Index Currency will be determined as if LIBOR Telerate (and, if the U.S. dollar is the Index Currency, LIBO Page) had been specified.

"Principal Financial Center" shall be the capital city of the country of the specified Index Currency, except that with respect to U.S. dollars, Deutsche marks, and ECUs, the Principal Financial Center shall be The City of New York, Frankfurt, and Luxembourg, respectively.

Determination of Prime Rate. If the Base Rate is Prime Rate, as indicated on the face hereof, the interest rate shall equal the rate set forth on such date in H.15(519) under the heading "Bank Prime Loan." In the event that such rate is not published prior to 9:00 A.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the interest rate will be determined by the Calculation

Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen NYMF Page (as defined herein) as such bank's prime rate or base lending rate as in effect for that Interest Determination Date. If fewer than four such rates appear on the Reuters Screen NYMF Page for such Interest Determination Date, the interest rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Interest Determination Date by at least two major money center banks in The City of New

York selected by the Calculation Agent (after consultation with the Company). If fewer than two such rates are quoted as aforesaid, the interest rate will be determined by the Calculation Agent on the basis of the rates furnished in The City of New York by one or two, as the case may be, substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by federal or state authority, selected by the Calculation Agent (after consultation with the Company) to provide such rate or rates; provided, however, that if the banks selected as aforesaid are not quoting as set forth above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period. "Reuters Screen NYMF Page" means the display designated as page "NYMF" on the Reuters Monitor Money Rates Service (or such other page as may replace the NYMF page on that service for the purpose of displaying the prime rate or base lending rate of major United States banks.

Determination of Treasury Rate. If the Base Rate is Treasury Rate, as indicated on the face hereof, the interest rate shall equal the rate for the auction held on the applicable Interest Determination Date of direct obligations of the United States ("Treasury bills") having the Index Maturity shown on the face hereof as published in H.15(519) under the heading "U.S. Government Securities--Treasury bills--auction average (investment)" or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury, in either case, adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period. In the event that the results of the auction of Treasury bills having the Index Maturity shown on the face hereof are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no such auction is held in a particular week, then the rate of interest hereon shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time on such Interest Determination Date, of three leading primary United States government securities dealers, selected by the Calculation Agent (after consultation with the Company), for the issue of Treasury bills with a remaining maturity closest to the Index Maturity shown on the face hereof, adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof,

which is applicable to the Interest Reset Period; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

Determination of Kenny Rate. If the Base Rate is Kenny Rate, as indicated on the face hereof, the interest rate shall equal (a) the per annum rate on the applicable Interest Determination Date equal to the index published by the Kenny Information Systems or its successor, based upon 30-day yield evaluations at par of

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bonds, the interest on which is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), of not less than five "high grade" component issuers selected from time to time by the Kenny Information Systems, including without limitation, issuers of general obligation bonds, provided however that the bonds on which the index is based shall not include any bonds the interest on which is subject to an "alternate minimum tax" or similar tax under the Code, unless all tax-exempt bonds are subject to such tax or (b) if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the rate quoted by Lehman Brothers Special Financing Inc. or its successor equalling the prevailing rate for bonds rated in the highest short-term rating category by Moody's Investors Service and Standard & Poor's Corporation in respect of issuers selected by Lehman Brothers Special Financing Inc. most closely resembling the "high grade" component issuers selected by Kenny Information Systems that are subject to tender by the holders thereof for purchase on not more than seven (7) days notice and the interest on which is (i) variable on a weekly basis, (ii) excludable from gross income for Federal income tax purposes under the Code, and (iii) not subject to an "alternate minimum tax" or similar tax under the Code, unless all tax-exempt bonds are subject to such tax; provided, however, that if Lehman Brothers Special Financing Inc. is not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period.

Unless otherwise specified on the face hereof, the Calculation Date pertaining to an Interest Determination Date shall be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date or earlier

Redemption Date or Repayment Date. The Calculation Agent shall calculate the interest rate hereon in accordance with the foregoing and will confirm in writing such calculation to the Trustee and any Paying Agent immediately after each determination. Neither the Trustee nor any Paying Agent shall be responsible for any such calculation. At the request of the Holder hereof, the Calculation Agent will provide the interest rate hereon then in effect and, if determined, the interest rate which will become effective as of the next Interest Reset Date.

3. Payments in U.S. Dollars of interest (other than interest payable on the Maturity Date or earlier Redemption Date or Repayment Date), unless this Note is a Global Security, will be made by check mailed to the Holder at the address appearing on the Register on the applicable Record Date. Notwithstanding the foregoing, the Company may at its option elect to make payments in U.S. Dollars by wire transfer of immediately available funds but only if appropriate payment instructions have been received in writing by the Trustee not less than fifteen calendar days prior to the applicable Interest Payment Date. Simultaneously with any election by the Holder hereof to receive payments of principal and any premium and interest in a Specified Currency other than U.S. Dollars, such Holder shall provide appropriate payment instructions to the Trustee, and all such payments will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Unless indicated on the face hereof that this Note is a Global Security, the principal hereof and any premium and interest hereon payable on the Maturity Date or earlier Redemption Date or Repayment Date will be paid in immediately available funds upon surrender of this Note at the office or agency of the Company in The City of New York. If indicated on the face hereof that this Note is a Global Security, the principal hereof and any premium and interest due on any Interest Payment Date or on the Maturity Date or earlier Redemption Date or Repayment Date will be made available to the Trustee on such date. As soon as possible thereafter, the Trustee will make such payments to the Depository in accordance with existing arrangements between the Trustee and the Depository.

4. If specified on the face hereof, this Note may be redeemed, as a whole or from time to time in part, at the option of the Company, unless otherwise specified on the face hereof, on not less than 30 nor more than

60 days' prior notice given as provided in the Indenture, on any Redemption Date(s) and at the related Redemption Price(s) set forth on the face hereof. If less than all the Outstanding Notes of like tenor and terms are to be redeemed, the particular Notes to be redeemed shall be selected by the Trustee not more than 60 days prior to the Redemption Date from the Outstanding Notes of like tenor and terms not previously called for redemption. Such selection shall be of principal amounts equal to the minimum authorized denomination for such Notes or any integral multiple thereof. Subject to the immediately preceding sentence, such selection shall be made by any method as the Trustee deems fair and appropriate. The notice of such redemption shall specify which Notes are to be redeemed. In the event of redemption of this Note in part only, a new Note or Notes of this series of like tenor and terms for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation

hereof. The Notes of this series are not subject to any sinking fund.

5. If specified on the face hereof, this Note will be subject to repayment at the option of the Holder hereof on the Repayment Date(s) and at the Repayment Price(s) indicated on the face hereof. If no such Repayment Date is set forth on the face hereof, this Note may not be so repaid at the option of the Holder hereof prior to the Maturity Date. On each Repayment Date, if any, this Note shall be repayable in whole or in part at the option of the Holder hereof at the applicable Repayment Price set forth on the face hereof, together with interest thereon to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, the Company must receive at the Corporate Trust Office of the Trustee in the City of _____, or at the office or agency of the Company maintained for such purposes in the Borough of Manhattan, The City of New York, unless otherwise specified on the face hereof, at least 15 days, but not more than 30 days, prior to the specified Repayment Date (i) this Note with the form entitled "Option to Elect Repayment" below duly completed or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or a trust company in the United States of America setting forth the name of the Holder of this Note, the principal amount of this Note, the certificate number of this Note or a description of this Note's tenor and terms, the principal amount of this Note to be repaid (which shall not be less than the minimum authorized denomination of this Note), a statement that the option to elect repayment is being exercised thereby and a guarantee that this Note to be repaid with the form entitled "Option to Elect Repayment" on this Note duly completed will be received by the Company not later than five Business Days after the date of such telegram, telex, facsimile transmission or letter and such Note and form duly completed are received by the Company by such fifth Business Day. Exercise of such repayment option shall be irrevocable. Such option may be exercised by the Holder for less than the entire principal amount provided that the principal amount remaining outstanding after repayment, if any, is an authorized denomination. All questions as to the validity, eligibility (including time of receipt) and acceptance of any Note for repayment will be determined by the Company whose determination will be final and binding.

6. If the Specified Currency is other than U.S. Dollars, unless the Holder has elected otherwise, payment in respect of this Note shall be made in U.S. Dollars based upon the Exchange Rate, as determined by the exchange rate agent appointed by the Company for such purpose as identified on the face hereof (the "Exchange Rate Agent") based on the highest firm bid quotation for U.S. Dollars received by such Exchange Rate Agent at approximately 11:00 A.M. New York City time on the second Business Day preceding the applicable payment date (or, if no such rate is quoted on such date, the last date on which such rate was quoted) from three recognized foreign exchange dealers in The City of New York selected by the Exchange Rate Agent and approved by the Company (one of which may be the Exchange Rate Agent) for the payment by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Specified Currency payable on such payment date in respect of all Notes denominated in such Specified Currency. All currency exchange costs will be borne by the Holders of such Notes by deductions from such payments. If no such bid quotations are available, payments will be made in the Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange

controls or to other circumstances beyond the Company's control, in which case, the Company will be entitled to make payments in respect hereof in U.S. Dollars as provided below.

If payment on this Note is required to be made in a Specified Currency other than U.S. Dollars and such currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments with respect to such Note shall be made in U.S. Dollars until such currency is again available or so used. The amount so payable on any date in such Specified Currency shall be converted into U.S. Dollars by the Exchange Rate Agent on the basis of the most recently available noon buying rate in The City of New York for cable transfers in such Specified Currency as certified for customs purposes by the Federal Reserve Bank of New York (the "Market Exchange Rate") on the most recent practicable date.

All determinations referred to above of the Exchange Rate Agent shall be at its sole discretion (except to the extent expressly provided herein that any determination is subject to approval of the Company). In the absence of manifest error, such determinations shall be conclusive for all purposes and binding upon all Holders of this Note.

7. If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture. If this Note is an Original Issue Discount Note (as specified on the face hereof) and the principal hereof is declared to be due and payable immediately pursuant to this Section, the amount of principal due and payable with respect to this Note shall be limited to the sum of the principal amount of this Note multiplied by the Issue Price (expressed as a percentage of the aggregate principal amount), plus the original issue discount accrued from the date of issue to the date of declaration, which accrual shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles in effect on the date of declaration).

8. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series under the Indenture to be effected at any time by the Company with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding upon such Holder and upon all future Holders of this Note issued upon the

registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

9. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

10. The Notes are issuable only in registered form without coupons. The authorized denominations of Notes denominated in U.S. Dollars will be U.S. \$1,000 and/or any amount in excess thereof which is an integral multiple of U.S. \$1,000. The authorized denominations of Notes denominated in currency other than U.S. Dollars will be as set forth on the face hereof.

11. As provided in the Indenture and subject to certain limitations set forth therein and herein, the transfer of this Note is registerable in the Security Register, upon surrender of this Note for registration of transfer at the office of the Security Registrar for this series (initially, _____). Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee or any transfer agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee, the Security Registrar or any transfer agent,

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duly executed by the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Notes of like tenor and terms of authorized denominations and for the same aggregate principal amount, will be issued in the name or names of the designated transferee or transferees and delivered at the office of the Security Registrar in _____, _____, or mailed, at the request, risk and expense of the transferee or transferees, to the addressee or addressees shown in the Security Register for such transferee or transferees. The Company shall not be required (i) to issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 days before the day of the mailing of the relevant notice of redemption and ending at the close of business on the day for such mailing or (ii) to register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any such Note being redeemed in part. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

12. No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or

based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or any successor company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

13. Unless otherwise defined herein, all terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

14. This Note, including without limitation the obligation of the Company contained herein to pay the principal of and interest on this Note in accordance with the terms hereof and of the Indenture, shall be construed in accordance with and governed by the laws of the State of California.

15. "Global Security" and "Global Securities" means a Security or Securities evidencing all or a part of a series of Securities, issued to the Depositary (as hereinafter defined) for such Series or its nominee, and registered in the name of such Depositary or its nominee. "Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the person designated as the Depositary by the Company.

16. If indicated on the face hereof that this Note is a Global Security, no holder of any beneficial interest in this Note held on its behalf by a Depositary or a nominee of such Depositary shall have any rights under the Indenture with respect to such Global Security, and such Depositary or nominee may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall impair, as between a Depositary and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depositary as Holder of any Security.

17. If not indicated on the face hereof that this Note is a Global Security, this Note is exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as requested by the Holder surrendering the same, as provided in the Indenture and subject to certain limitations therein set forth. If indicated on the face hereof that this Note is a Global Security, it is exchangeable, in whole but not in part, for Notes registered in the names of Persons other than the Depositary or its nominee or in the name of a successor to the Depositary or a nominee of such successor depositary only if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for this Note or if at any time such Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended,

and, in either case, a successor depositary is not appointed by the Company

within 90 days, (ii) the Company in its discretion at any time determines not to have all of the Notes of this series represented by one or more Global Security or Securities and notifies the Trustee thereof, or (iii) an Event of Default has occurred and is continuing with respect to the Notes of this series. If this Note is exchangeable pursuant to the preceding sentence, it shall be exchangeable for Notes issuable in authorized denominations and registered in such names as the Depositary holding this Note shall direct. Subject to the foregoing, if this Note is a Global Security it is not exchangeable, except for a Note or Notes of the same aggregate denominations to be registered in the name of such Depositary or its nominee or in the name of a successor to the Depositary or a nominee of such successor depositary.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to the applicable Repayment Price thereof together with accrued and unpaid interest to the Repayment Date, to the undersigned at

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF THE UNDERSIGNED)

For this Note to be repaid, the Company must receive this Note, with this "Option to Elect Repayment" form duly completed, at the office or agency of the Company set forth in this Note, at least 15 days but not more than 30 days, prior to the Repayment Date(s) (as set forth on the face hereof).

If less than the entire principal amount of this Note is to be repaid, specify the portion thereof which the Holder elects to have repaid ; and specify the denomination or denominations (which shall be in authorized denominations) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid): _____.

Date: _____

NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this Note in every particular without alteration or enlargement.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM--as tenants in common
- TEN ENT--as tenants by the entireties

JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT--Custodian under Uniform Gifts

(Cust)

(Minor)

to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

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FORM OF
OPTION TO RENEW MATURITY

The undersigned hereby irrevocably requests and instructs the Company to renew the Maturity Date to of Transamerica Finance Corporation's Senior Medium-Term Note represented by certificate number with respect to \$ aggregate principal amount of such Note and registered in the name of the undersigned.

For the Maturity Date of the Note to be renewed, the Trustee must receive a notice in this form duly completed, together with the Note, at the office or agency of the Trustee set forth in the Note, not less than ten nor more than 30 Business Days prior to the applicable Notice of Renewal Date shown on the face thereof.

Date: _____

NOTICE: The signature on this Form must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement.

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ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto [PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE] (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE) the within Note, and all rights thereunder, hereby irrevocably constituting and appointing Attorney to transfer said Note on the books of the Company, with full power of substitution in the premises.

Date _____

NOTICE: The signature to this assignment must be guaranteed by a commercial bank or trust company in the continental United States or by a firm or corporation having membership on any national

securities exchange or in the National Association of Securities Dealers, Inc., and must correspond with the name as written upon the face of the within instrument in every particular without alteration or enlargement or any change whatever.

[Face of Subordinated Medium-Term Note]

IF INDICATED ON THE FACE HEREOF THAT THIS NOTE IS A GLOBAL SECURITY, IT IS EXCHANGEABLE FOR NOTES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES HEREINAFTER DESCRIBED AND MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR A NOMINEE OF THE DEPOSITARY TO A SUCCESSOR OF THE DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY.

IN ADDITION, IF INDICATED ON THE FACE HEREOF THAT THIS NOTE IS A GLOBAL SECURITY, UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY AND ANY PAYMENT HEREON IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

IF APPLICABLE, THE "TOTAL AMOUNT OF OID," "YIELD TO MATURITY" AND "ISSUE PRICE" BELOW WILL BE COMPLETED SOLELY FOR THE PURPOSES OF APPLYING THE FEDERAL INCOME TAX ORIGINAL ISSUE DISCOUNT ("OID") RULES.

REGISTERED

REGISTERED

NUMBER: PRINCIPAL AMOUNT: \$
 CUSIP #: SPECIFIED CURRENCY:

TRANSAMERICA FINANCE CORPORATION
 SUBORDINATED MEDIUM-TERM NOTE, SERIES

Floating Rate Note //

% Fixed Rate Note //

Original Issue Date:

Interest Accrual Date:

Maturity Date:

Issue Price:

NEW
 MATURITY
 DATE(S) :

NOTICE OF RENEWAL DATE(S) :

Redemption Date(s): Authorized Denominations (Only
Redemption Price(s): applicable if Specified Currency is
other than U.S. Dollars):

Repayment Date(s):
Repayment Price(s): Interest Payment Period:

Interest Payment Dates:

Original Issue
Discount Note: Global Security:

// Yes // No // Yes // No

Total Amount of OID:
Yield to Maturity:

Exchange Rate Agent:

(Only applicable if this is a Floating Rate Note):

Initial Interest Rate: Spread (plus or minus):

Spread Multiplier:

Index Maturity: Maximum Interest Rate:

Minimum Interest Rate:

Calculation Rate Agent:

Base Rate(s):

If LIBOR:

Designated LIBOR Page:

// LIBOR Reuters

// LIBOR Telerate

Index Currency:

Interest Reset Period:

Interest Reset Dates:

Additional Terms:

REGISTERED OWNER:

Transamerica Finance Corporation, a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, the "Principal Amount," as set forth above, on the Maturity Date (as

defined on the reverse hereof), and to pay interest thereon as described herein.

The principal of (and premium, if any) and interest on this Note are payable by the Company in such coin or currency specified above as at the time of payment shall be legal tender for the payment of public and private debts (the "Specified Currency"). If the Specified Currency is other than U.S. Dollars, the Company will arrange to have all such payments converted into U.S. Dollars in the manner and subject to the limitations described below. Notwithstanding the foregoing, the Holder hereof may elect to receive all payments in respect hereof in the Specified Currency by delivery of a written request to the Trustee not later than fifteen calendar days prior to the applicable payment date. Such election will remain in effect until revoked by written notice to the Trustee received not later than fifteen calendar days prior to the applicable payment date.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH IN FULL BELOW, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication hereon has been manually executed by or on behalf of the Trustee under the Indenture, this Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

Transamerica Finance Corporation

By _____
Senior Vice President and Treasurer

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Attest and Countersign:

as Trustee

Assistant Secretary

By _____
Authorized Signatory

[Corporate Seal]

[Reverse of Subordinated Medium-Term Note]

1. This Note is one of a duly authorized issue of debt securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of _____, 199____ (the "Indenture"), between the Company and _____, as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and all Indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Note is one of a series designated as Medium-Term Notes, Series _____ of the Company (herein called the "Notes"). The Notes are limited (except as otherwise provided in the Indenture) to the aggregate principal amount established from time to time by the Board of Directors of the Company. The Notes may be issued at various times with different maturity dates and different principal repayment provisions, may bear interest at different rates, may be payable in different currencies and may otherwise vary, all as provided in the Indenture.

2. The indebtedness evidenced by this Note is to the extent and in the manner set forth in the Indenture, expressly subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness (as defined in the Indenture of the Company). This Note is issued subject to such provisions of the Indenture, and each Holder of this Note, by accepting the same, agrees to and shall be bound by such provisions and authorizes and directs the Trustee on the Holder's behalf to take such action as may be necessary or appropriate to acknowledge or effectuate such subordination as provided in the Indenture and appoints the Trustee such Holder's attorney-in-fact for any and all such purposes.

The Maturity Date of this Note is as shown on the face hereof; provided, that the Maturity Date may be renewed, at the option of the Holder, to the New Maturity Date or Dates, if any, shown on the face hereof if the Holder so elects, in the manner specified herein, prior to the applicable Notice of Renewal Date shown on the face hereof. Such election will be irrevocable and will be binding upon each subsequent Holder of this Note. Notwithstanding the foregoing, the New Maturity Dates shall not be any date that is more than fifteen years from the Original Issue Date set forth on the face hereof. If no New Maturity Date or Dates are shown on the face hereof, the Maturity Date of this Note is not subject to renewal. As used in this Note, the term "Maturity Date" means the Maturity Date shown on the face hereof until such time, if any, as the Holder hereof has duly renewed the maturity of this Note, and thereafter shall mean such New Maturity Date.

Any such election to renew the Maturity Date of this Note will be effective only if notice thereof is provided to the Company in the manner described below. The Maturity Date of this Note may be renewed, in whole or in part, at the option of the Holder hereof, to each successive New Maturity Date shown on

the face hereof if the Holder presents a duly completed and executed notice, in the form below entitled "Form of Option to Renew Maturity", together with this Note, to the Corporate Trust Office of the Trustee in the City of _____, or such other address as the Company shall from time to time notify the Holders of Notes, not less than ten nor more than 30 days prior to the applicable Notice of Renewal Date shown on the face hereof, provided, however, that if a Holder of this Note does not make an election with respect to all or a portion of the Note with respect to a specified New Maturity Date, this Note or such portion may not be renewed with respect to a subsequent New Maturity Date. The Trustee will provide the Holder with a new Note with respect to that portion which is being renewed indicating the New Maturity Date, and a new Note with respect to that portion, if any, which is not being renewed indicating the original Maturity Date. All questions as to the validity, eligibility (including time of receipt) and acceptance of any option to renew the Maturity Date of this Note will be determined by the Company, whose determination will, to the extent permitted by law, be final and binding.

3. A. Unless otherwise specified on the face hereof, the Regular Record Date with respect to any Interest Payment Date (as defined below) shall be the date 15 calendar days immediately preceding such Interest Payment Date, whether or not such date shall be a Business Day (as defined below). Interest which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the

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Person in whose name this Note is registered at the close of business on the Regular Record Date next preceding such Interest Payment Date; provided, however, that interest payable on the Interest Payment Date occurring on the Maturity Date or earlier Redemption Date or Repayment Date will be to the Person to whom principal shall be payable; provided, further, that the first payment of interest on any Note originally issued between a Regular Record Date and an Interest Payment Date or on an Interest Payment Date will be made on the Interest Payment Date following the next succeeding Regular Record Date to the registered owner on such next succeeding Regular Record Date. Notwithstanding the foregoing, any interest which is payable but not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the registered holder thereof on such Regular Record Date, and may be paid to the Person in whose name such Note is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof having been given to the Holder of such Note not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more fully provided in the Indenture. Unless otherwise specified on the face hereof, "Business Day" means any day, other than a Saturday or Sunday, that meets each of the following applicable requirements: the day is (a) not a day on which banking institutions are authorized or required by law or regulation to be closed in The City of New York, (b) if this Note is denominated in a Specified Currency other than U.S. Dollars, (i) not a day on which banking institutions are authorized or required by law or regulation to close in the financial center of the country issuing the Specified Currency (which in the case of ECU shall be London and Luxembourg) and (ii) a day on which banking institutions in such financial

center are carrying out transactions in such Specified Currency, and (c) with respect to LIBOR Notes, a London Banking Day. Unless otherwise specified on the face hereof, "London Banking Day" means any day (a) if the Index Currency (as defined below) is other than the European Currency Unit ("ECU"), on which dealings in deposits in such Index Currency are transacted in the London interbank market or (b) if the Index Currency is the ECU, that is not designated as an ECU Non-Settlement Day by the ECU Banking Association in Paris or otherwise generally regarded in the ECU interbank market as a day on which payments on ECUs shall not be made. All percentages resulting from calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards, and all currency or currency unit amounts used and resulting from such calculations on this Note will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upwards).

B. If this is a Fixed Rate Note, the Company promises to pay interest on the Principal Amount stated on the face hereof at the rate per annum shown on the face hereof until such Principal Amount is paid or made available for payment. The Company will pay interest semi-annually each March 1 and September 1 or, if otherwise specified on the face hereof, such other dates (each an "Interest Payment Date"), commencing with the Interest Payment Date immediately following the Original Issue Date shown on the face hereof (subject to the last proviso in Section 2.A hereof) and on the Maturity Date or earlier Redemption Date or Repayment Date. Interest will accrue from and including the most recent Interest Payment Date or, if no interest has been paid or duly provided for, from and including the Original Issue Date, in each case, to but excluding the Interest Payment Date. Unless otherwise specified on the face hereof, the amount of such interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

C. If this is a Floating Rate Note, the Company promises to pay interest on the Principal Amount stated on the face hereof at the rate per annum equal to the Initial Interest Rate shown on the face hereof until the first Interest Reset Date shown on the face hereof following the Original Issue Date specified on the face hereof and thereafter at a rate applicable for the specified Interest Reset Period determined in accordance with the Base Rate or Rates specified on the face hereof and as applicable under the provisions below under the heading "Determination of CD Rate," "Determination of Commercial Paper Rate," "Determination of Federal Funds Rate," "Determination of LIBOR," "Determination of Prime Rate," "Determination of Treasury Rate," "Determination of Kenny Rate," or as otherwise specified on the face hereof depending upon whether the Base Rate specified on the face hereof is CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR, Prime Rate, Treasury Rate, Kenny Rate, or as otherwise so specified, respectively, or at a rate

determined by adding or subtracting two or more Base Rates as adjusted, until the principal hereof is paid or duly made available for payment. The Company will pay interest monthly, quarterly, semi-annually or annually as specified on the face hereof under "Interest Payment Period", commencing with the first Interest Payment Date specified on the face hereof next succeeding the Original

Issue Date (subject to the last proviso in Section 2.A hereof), and on the Maturity Date or earlier Redemption Date or Repayment Date. Unless otherwise provided on the face hereof, the dates on which interest will be payable (each an "Interest Payment Date") will be, in the case of Notes with a monthly Interest Payment Period, the third Wednesday of each month; in the case of Notes with a quarterly Interest Payment Period, the third Wednesday of March, June, September and December; in the case of Notes with a semi-annual Interest Payment Period, the third Wednesday of the two months specified on the face hereof; and in the case of Notes with an annual Interest Payment Period, the third Wednesday of the month specified on the face hereof; provided, however, that if an Interest Payment Date would fall on a day that is not a Business Day, such Interest Payment Date shall be the following day that is a Business Day, except that in case the Base Rate is LIBOR, as specified on the face hereof, if such date falls in the next calendar month, such Interest Payment Date shall be the immediately preceding Business Day.

Unless otherwise specified on the face hereof, the interest payable on a Floating Rate Note on each Interest Payment Date will include accrued interest from and including the Original Issue Date or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding such Interest Payment Date; provided, however, that if the Interest Reset Period is daily or weekly, the interest payable on each Interest Payment Date will include accrued interest from and including the Original Issue Date or from but excluding the last date in respect of which interest has been paid, as the case may be, to, and including the Regular Record Date immediately preceding such Interest Payment Date. Interest payable on the Maturity Date or earlier Redemption Date or Repayment Date will include accrued interest to, but excluding, the Maturity Date or earlier Redemption Date or Repayment Date. Such accrued interest will be calculated by multiplying the principal amount hereof by an accrued interest factor. This accrued interest factor shall be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. Unless otherwise specified on the face hereof, the interest factor (expressed as a decimal) for each such day shall be computed by dividing the interest rate applicable to such day by 360 if the Base Rate is CD Rate, Commercial Paper Rate, Federal Funds Rate, LIBOR or Prime Rate, as indicated on the face hereof, by the actual number of days in the year if the Base Rate is Treasury Rate, as indicated on the face hereof, or by 365 if the Base Rate is Kenny Rate, as indicated on the face hereof. Unless otherwise specified on the face hereof, if the Base Rate is a fixed rate, interest hereon shall be computed on the basis of a 360-day year of twelve 30-day months. The interest factor for Notes for which the interest rate is calculated with reference to two or more Base Rates will be calculated in each period in the manner specified on the face hereof. The interest rate in effect on each day will be (a) if such day is an Interest Reset Date, the interest rate with respect to the Interest Determination Date pertaining to such Interest Reset Date or (b) if such day is not an Interest Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to the next preceding Interest Reset Date, provided, however, that (i) the interest rate in effect from the Original Issue Date to the first Interest Reset Date will be the Initial Interest Rate and (ii) unless otherwise specified on the face hereof, the interest rate in effect for the ten calendar days immediately prior to the Maturity Date or earlier Redemption Date or Repayment Date will be the rate in effect on the tenth calendar day preceding

the Maturity Date or earlier Redemption Date or Repayment Date. Notwithstanding the foregoing, the interest rate shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, shown on the face hereof. In addition, the interest rate shall in no event be higher than the maximum rate, if any, permitted by California law. Commencing with the first Interest Reset Date specified on the face hereof following the Original Issue Date and thereafter upon each succeeding Interest Reset Date specified on the face hereof, the rate at which interest on a Floating Rate Note is payable shall be adjusted as provided herein; provided, however, that if any Interest Reset Date would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except that (i) if the Base Rate is LIBOR and such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day or (ii)

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if the Base Rate is Kenny Rate, such Interest Reset Date shall not be postponed but shall remain the date specified on the face hereof; and provided further, that if the Base Rate is Treasury Rate and the Interest Reset Date falls on a date which is an auction date, the Interest Reset Date shall be the following day that is a Business Day.

Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is other than LIBOR, Treasury Rate or Kenny Rate, the second Business Day next preceding such Interest Reset Date. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is LIBOR, the second London Banking Day next preceding such Interest Reset Date. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is Treasury Rate, the day of the week in which such Interest Reset Date falls on which Treasury bills (as defined below) of the Index Maturity specified on the face hereof are auctioned. Treasury bills are normally auctioned on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as a result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. Unless otherwise indicated on the face hereof, the Interest Determination Date pertaining to an Interest Reset Date will be, if the Base Rate is Kenny Rate, the day of the calendar week in which such Interest Reset Date falls on which Kenny Information Systems or Lehman Brothers Special Financing Inc., announces the applicable index or rate, as the case may be. Kenny Information Systems normally publishes its index on Tuesday of each week, unless that day is a legal holiday, in which case, it is published on Wednesday.

Except as otherwise specified on the face hereof, on each Interest Reset Date the rate of interest shall be the rate determined in accordance with the provisions of the applicable heading below.

Determination of CD Rate. If the Base Rate is CD Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the applicable Interest Determination Date for negotiable certificates of deposit having the Index Maturity specified on the face hereof (1) as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519) Selected Interest Rates" or any successor publication of the Board of Governors of the Federal Reserve System ("H.15(519)"), under the heading "CDs (Secondary Market)" or (2) if such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date (as defined below) pertaining to such Interest Determination Date, then as published by the Federal Reserve Bank of New York in its daily statistical release "Composite 3:30 P.M. Quotations for U.S. Government Securities" (the "Composite Quotations") under the heading "Certificates of Deposit" or (b) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean (as calculated by the Calculation Agent) of the secondary market offered rates as of 10:00 A.M., New York City time, on such Interest Determination Date of three leading nonbank dealers in negotiable U.S. Dollar certificates of deposit in The City of New York, selected by the Calculation Agent (after consultation with the Company), for negotiable certificates of deposit of major United States money center banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity (as specified on the face hereof) in a denomination of \$5,000,000, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

Determination of Commercial Paper Rate. If the Base Rate is Commercial Paper Rate, as indicated on the face hereof, the interest rate shall equal (a) the Money Market Yield (as defined herein) on the applicable Interest Determination Date of the rate for commercial paper having the Index Maturity specified on the

face hereof (1) as published in H.15(519), under the heading "Commercial Paper", or (2) if such yield is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then as published in the Composite Quotations under the heading "Commercial Paper" or (b) if neither of such yields is published by 3:00 P.M., New York City time, on such Calculation Date, the Money Market Yield of the arithmetic mean (as calculated by the Calculation Agent) of the offered rates, as of 11:00 A.M., New York City time on such Interest Determination Date, of three leading dealers of commercial paper in The City of New York, selected by the Calculation Agent (after consultation with the Company), for commercial paper of the Index Maturity specified on the face hereof placed for an industrial

issuer whose bond rating is "AA", or the equivalent, from a nationally recognized rating agency, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period; provided, however, that if such dealers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

"Money Market Yield" shall be the yield calculated in accordance with the following formula:

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

where "D" refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and "M" refers to the actual number of days in the interest period for which interest is being calculated.

Determination of Federal Funds Rate. If the Base Rate is Federal Funds Rate, as indicated on the face hereof, the interest rate shall equal (a) the rate on the applicable Interest Determination Date for Federal Funds (1) as published in H.15(519), under the heading "Federal Funds (Effective)" or (2) if such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then as published in the Composite Quotations under the heading "Federal Funds/Effective Rate" or (b) if neither of such rates is published by 3:00 P.M., New York City time, on such Calculation Date, the arithmetic mean (as calculated by the Calculation Agent) of the rates for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in New York City, selected by the Calculation Agent (after consultation with the Company), as of 9:00 A.M., New York City time on such Interest Determination Date, in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period; provided, however, that if such brokers are not quoting as mentioned above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

DETERMINATION OF LIBOR. If the Base Rate is LIBOR, as indicated on the face hereof, the interest rate shall be determined by the Calculation Agent as follows:

(i) with respect to an Interest Determination Date, either (a) if "LIBOR Reuters" is specified on the face hereof, the arithmetic mean of the offered

rates, if there are at least two such offered rates (unless the specified Designated LIBOR Page (as defined below) by its terms provides only for a single rate, in which case such single rate shall be used), for deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, commencing on the second London Banking Day immediately following the applicable Interest Determination Date, which appear on the Designated LIBOR Page specified on the face

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hereof as of 11:00 A.M., London time, on such Interest Determination Date, on such Designated LIBOR Page, or (b) if "LIBOR Telerate" is specified on the face hereof, the rate for deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, commencing on the second London Banking Day immediately following that Interest Determination Date, that appears on the Designated LIBOR Page specified on the face hereof as of 11:00 A.M., London time, on that Interest Determination Date; in each of the above cases adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period. In the case where (a) above applies, if fewer than two offered rates appear on the Designated LIBOR Page specified on the face hereof (unless, as aforesaid, only a single rate is required), or, in the case where (b) above applies if no rate appears on the Designated LIBOR Page specified on the face hereof, as applicable, the interest rate in respect of that Interest Determination Date will be determined as if the parties had specified the rate described in (ii) below.

(ii) With respect to an Interest Determination Date on which this provision applies, the interest rate will be determined on the basis of the rates at which deposits in the Index Currency having the Index Maturity, each as specified on the face hereof, are offered at approximately 11:00 A.M., London time, on such Interest Determination Date by four major banks ("Reference Banks") in the London interbank market selected by the Calculation Agent (after consultation with the Company) to prime banks in the London interbank market commencing on the second London Banking Day immediately following such Interest Determination Date and in a principal amount of not less than the equivalent of U.S. \$1,000,000 that is representative for a single transaction in such market and the Index Currency at such time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the interest rate for such Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, the interest rate for such Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 A.M., in the Principal Financial Center (as defined below) on such Interest Determination Date by three major money center banks in such Principal Financial Center selected by the Calculation Agent (after consultation with the Company) for loans in the specified Index Currency to leading European banks having the Index Maturity specified on the face hereof commencing on the second London Banking Day immediately following such Interest Determination Date and in a principal amount equal to an amount of not

less than the equivalent of U.S. \$1,000,000 that is representative for a single transaction in such market and the specified Index Currency at such time; provided, however, that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period.

"Index Currency" means the currency (including composite currencies) specified on the face hereof as the currency for which LIBOR shall be calculated. If no such currency is specified on the face hereof, the Index Currency shall be U.S. dollars.

"Designated LIBOR Page" means either (a) if "LIBOR Reuters" is designated on the face hereof, the display on the Reuters Monitor Money Rates Service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is designated on the face hereof, the display on the Dow Jones Telerate Service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency. If neither LIBOR Reuters nor LIBOR Telerate is specified on the face hereof, LIBOR for the applicable Index Currency will be determined as if LIBOR Telerate (and, if the U.S. dollar is the Index Currency, LIBO Page) had been specified.

"Principal Financial Center" shall be the capital city of the country of the specified Index Currency, except that with respect to U.S. dollars, Deutsche marks, and ECUs, the Principal Financial Center shall be The City of New York, Frankfurt, and Luxembourg, respectively.

Determination of Prime Rate. If the Base Rate is Prime Rate, as indicated on the face hereof, the interest rate shall equal the rate set forth on such date in H.15(519) under the heading "Bank Prime Loan." In the event that such rate is not published prior to 9:00 A.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the interest rate will be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen NYMF Page (as defined herein) as such bank's prime rate or base lending rate as in effect for that Interest Determination Date. If fewer than four such rates appear on the Reuters Screen NYMF Page for such Interest Determination Date, the interest rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Interest Determination Date by at least two major money center banks in The City of New York selected by the Calculation Agent (after

consultation with the Company). If fewer than two such rates are quoted as aforesaid, the interest rate will be determined by the Calculation Agent on the basis of the rates furnished in The City of New York by one or two, as the case may be, substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least U.S. \$500,000,000 and being subject to supervision or examination by federal or state authority, selected by the Calculation Agent (after consultation with the Company) to provide such rate or rates; provided, however, that if the banks selected as aforesaid are not quoting as set forth above, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period. "Reuters Screen NYMF Page" means the display designated as page "NYMF" on the Reuters Monitor Money Rates Service (or such other page as may replace the NYMF page on that service for the purpose of displaying the prime rate or base lending rate of major United States banks.

Determination of Treasury Rate. If the Base Rate is Treasury Rate, as indicated on the face hereof, the interest rate shall equal the rate for the auction held on the applicable Interest Determination Date of direct obligations of the United States ("Treasury bills") having the Index Maturity shown on the face hereof as published in H.15(519) under the heading "U.S. Government Securities--Treasury bills--auction average (investment)" or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) as otherwise announced by the United States Department of the Treasury, in either case, adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period. In the event that the results of the auction of Treasury bills having the Index Maturity shown on the face hereof are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no such auction is held in a particular week, then the rate of interest hereon shall be calculated by the Calculation Agent and shall be a yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time on such Interest Determination Date, of three leading primary United States government securities dealers, selected by the Calculation Agent (after consultation with the Company), for the issue of Treasury bills with a remaining maturity closest to the Index Maturity shown on the face hereof, adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof,

which is applicable to the Interest Reset Period; provided, however, that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate).

Determination of Kenny Rate. If the Base Rate is Kenny Rate, as indicated on the face hereof, the interest rate shall equal (a) the per annum rate on the applicable Interest Determination Date equal to the index published by the Kenny Information Systems or its successor, based upon 30-day yield evaluations at par of bonds, the interest on which is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), of not less than five "high grade" component issuers selected from time to time by the Kenny Information Systems, including without limitation, issuers of general obligation bonds, provided however that the bonds on which the index is based shall not include any bonds the interest on which is subject to an "alternate minimum tax" or similar tax under the Code, unless all tax-exempt bonds are subject to such tax or (b) if such rate is not published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the rate quoted by Lehman Brothers Special Financing Inc. or its successor equalling the prevailing rate for bonds rated in the highest short-term rating category by Moody's Investors Service and Standard & Poor's Corporation in respect of issuers selected by Lehman Brothers Special Financing Inc. most closely resembling the "high grade" component issuers selected by Kenny Information Systems that are subject to tender by the holders thereof for purchase on not more than seven (7) days notice and the interest on which is (i) variable on a weekly basis, (ii) excludable from gross income for Federal income tax purposes under the Code, and (iii) not subject to an "alternate minimum tax" or similar tax under the Code, unless all tax-exempt bonds are subject to such tax; provided, however, that if Lehman Brothers Special Financing Inc. is not quoting as mentioned in this sentence, the interest rate in effect hereon until the Interest Reset Date next succeeding the Interest Reset Date to which such Interest Determination Date relates shall be the same as the rate for the immediately preceding Interest Reset Period (or, if there was no such Interest Reset Period, the Initial Interest Rate). In each of the above cases, the interest rate shall be adjusted by the addition or subtraction (as the case may be) of the Spread, if any, specified on the face hereof, which is applicable to the Interest Reset Period, and/or by multiplication by the Spread Multiplier, if any, specified on the face hereof, which is applicable to the Interest Reset Period.

Unless otherwise specified on the face hereof, the Calculation Date pertaining to an Interest Determination Date shall be the earlier of (i) the tenth calendar day after such Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date or earlier Redemption Date or Repayment Date. The Calculation Agent shall calculate the

interest rate hereon in accordance with the foregoing and will confirm in writing such calculation to the Trustee and any Paying Agent immediately after each determination. Neither the Trustee nor any Paying Agent shall be responsible for any such calculation. At the request of the Holder hereof, the Calculation Agent will provide the interest rate hereon then in effect and, if determined, the interest rate which will become effective as of the next Interest Reset Date.

4. Payments in U.S. Dollars of interest (other than interest payable on the Maturity Date or earlier Redemption Date or Repayment Date), unless this Note is a Global Security, will be made by check mailed to the Holder at the address appearing on the Register on the applicable Record Date. Notwithstanding the foregoing, the Company may at its option elect to make payments in U.S. Dollars by wire transfer of immediately available funds but only if appropriate payment instructions have been received in writing by the Trustee not less than fifteen calendar days prior to the applicable Interest Payment Date. Simultaneously with any election by the Holder hereof to receive payments of principal and any premium and interest in a Specified Currency other than U.S. Dollars, such Holder shall provide appropriate payment instructions to the Trustee, and all such payments will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. Unless indicated on the face hereof that this Note is

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a Global Security, the principal hereof and any premium and interest hereon payable on the Maturity Date or earlier Redemption Date or Repayment Date will be paid in immediately available funds upon surrender of this Note at the office or agency of the Company in The City of New York. If indicated on the face hereof that this Note is a Global Security, the principal hereof and any premium and interest due on any Interest Payment Date or on the Maturity Date or earlier Redemption Date or Repayment Date will be made available to the Trustee on such date. As soon as possible thereafter, the Trustee will make such payments to the Depositary in accordance with existing arrangements between the Trustee and the Depositary.

5. If specified on the face hereof, this Note may be redeemed, as a whole or from time to time in part, at the option of the Company, unless otherwise specified on the face hereof, on not less than 30 nor more than 60 days' prior notice given as provided in the Indenture, on any Redemption Date(s) and at the related Redemption Price(s) set forth on the face hereof. If less than all the Outstanding Notes of like tenor and terms are to be redeemed, the particular Notes to be redeemed shall be selected by the Trustee not more than 60 days prior to the Redemption Date from the Outstanding Notes of like tenor and terms not previously called for redemption. Such selection shall be of principal amounts equal to the minimum authorized denomination for such Notes or any integral multiple thereof. Subject to the immediately preceding sentence, such selection shall be made by any method as the Trustee deems fair and appropriate. The notice of such redemption shall specify which Notes are to be redeemed. In the event of redemption of this Note in part only, a new Note or Notes of this series of like tenor and terms for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

The Notes of this series are not subject to any sinking fund.

6. If specified on the face hereof, this Note will be subject to repayment at the option of the Holder hereof on the Repayment Date(s) and at the Repayment Price(s) indicated on the face hereof. If no such Repayment Date is set forth on the face hereof, this Note may not be so repaid at the option of the Holder hereof prior to the Maturity Date. On each Repayment Date, if any, this Note shall be repayable in whole or in part at the option of the Holder hereof at the applicable Repayment Price set forth on the face hereof, together with interest thereon to the date of repayment. For this Note to be repaid in whole or in part at the option of the Holder hereof, the Company must receive at the Corporate Trust Office of the Trustee in the City of _____, or at the office or agency of the Company maintained for such purposes in the Borough of Manhattan, The City of New York, unless otherwise specified on the face hereof, at least 15 days, but not more than 30 days, prior to the specified Repayment Date (i) this Note with the form entitled "Option to Elect Repayment" below duly completed or (ii) a telegram, telex, facsimile transmission or letter from a member of a national securities exchange or the National Association of Securities Dealers, Inc. or a commercial bank or a trust company in the United States of America setting forth the name of the Holder of this Note, the principal amount of this Note, the certificate number of this Note or a description of this Note's tenor and terms, the principal amount of this Note to be repaid (which shall not be less than the minimum authorized denomination of this Note), a statement that the option to elect repayment is being exercised thereby and a guarantee that this Note to be repaid with the form entitled "Option to Elect Repayment" on this Note duly completed will be received by the Company not later than five Business Days after the date of such telegram, telex, facsimile transmission or letter and such Note and form duly completed are received by the Company by such fifth Business Day. Exercise of such repayment option shall be irrevocable. Such option may be exercised by the Holder for less than the entire principal amount provided that the principal amount remaining outstanding after repayment, if any, is an authorized denomination. All questions as to the validity, eligibility (including time of receipt) and acceptance of any Note for repayment will be determined by the Company whose determination will be final and binding.

7. If the Specified Currency is other than U.S. Dollars, unless the Holder has elected otherwise, payment in respect of this Note shall be made in U.S. Dollars based upon the Exchange Rate, as determined by the exchange rate agent appointed by the Company for such purpose as identified on the face hereof (the "Exchange Rate Agent") based on the highest firm bid quotation for U.S. Dollars received by such Exchange Rate Agent at approximately 11:00 A.M. New York City time on the second Business Day preceding the

applicable payment date (or, if no such rate is quoted on such date, the last date on which such rate was quoted) from three recognized foreign exchange dealers in The City of New York selected by the Exchange Rate Agent and approved by the Company (one of which may be the Exchange Rate Agent) for the payment by the quoting dealer, for settlement on such payment date, of the aggregate amount of the Specified Currency payable on such payment date in

respect of all Notes denominated in such Specified Currency. All currency exchange costs will be borne by the Holders of such Notes by deductions from such payments. If no such bid quotations are available, payments will be made in the Specified Currency, unless such Specified Currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, in which case, the Company will be entitled to make payments in respect hereof in U.S. Dollars as provided below.

If payment on this Note is required to be made in a Specified Currency other than U.S. Dollars and such currency is unavailable due to the imposition of exchange controls or to other circumstances beyond the Company's control, or is no longer used by the government of the country issuing such currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments with respect to such Note shall be made in U.S. Dollars until such currency is again available or so used. The amount so payable on any date in such Specified Currency shall be converted into U.S. Dollars by the Exchange Rate Agent on the basis of the most recently available noon buying rate in The City of New York for cable transfers in such Specified Currency as certified for customs purposes by the Federal Reserve Bank of New York (the "Market Exchange Rate") on the most recent practicable date.

All determinations referred to above of the Exchange Rate Agent shall be at its sole discretion (except to the extent expressly provided herein that any determination is subject to approval of the Company). In the absence of manifest error, such determinations shall be conclusive for all purposes and binding upon all Holders of this Note.

8. If an Event of Default with respect to the Notes shall occur and be continuing, the principal of all of the Notes may be declared due and payable in the manner and with the effect provided in the Indenture. If this Note is an Original Issue Discount Note (as specified on the face hereof) and the principal hereof is declared to be due and payable immediately pursuant to this Section, the amount of principal due and payable with respect to this Note shall be limited to the sum of the principal amount of this Note multiplied by the Issue Price (expressed as a percentage of the aggregate principal amount), plus the original issue discount accrued from the date of issue to the date of declaration, which accrual shall be calculated using the "interest method" (computed in accordance with generally accepted accounting principles in effect on the date of declaration).

9. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series under the Indenture to be effected at any time by the Company with the consent of the Holders of not less than a majority in aggregate principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Note shall be conclusive and binding

upon such Holder and upon all future Holders of this Note issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Note.

10. No reference herein to the Indenture and no provision of this Note or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the times, place and rate, and in the coin or currency, herein and in the Indenture prescribed.

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11. The Notes are issuable only in registered form without coupons. The authorized denominations of Notes denominated in U.S. Dollars will be U.S. \$1,000 and/or any amount in excess thereof which is an integral multiple of U.S. \$1,000. The authorized denominations of Notes denominated in currency other than U.S. Dollars will be as set forth on the face hereof.

12. As provided in the Indenture and subject to certain limitations set forth therein and herein, the transfer of this Note is registerable in the Security Register, upon surrender of this Note for registration of transfer at the office of the Security Registrar for this series (initially, _____). Every Note presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee or any transfer agent) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee, the Security Registrar or any transfer agent, duly executed by the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Notes of like tenor and terms of authorized denominations and for the same aggregate principal amount, will be issued in the name or names of the designated transferee or transferees and delivered at the office of the Security Registrar in _____, _____, or mailed, at the request, risk and expense of the transferee or transferees, to the addressee or addressees shown in the Security Register for such transferee or transferees. The Company shall not be required (i) to issue, register the transfer of or exchange any Note during a period beginning at the opening of business 15 days before the day of the mailing of the relevant notice of redemption and ending at the close of business on the day for such mailing or (ii) to register the transfer of or exchange any Note so selected for redemption, in whole or in part, except the unredeemed portion of any such Note being redeemed in part. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

13. No recourse shall be had for the payment of the principal of or interest on this Note, or for any claim based hereon, or otherwise in respect hereof, or

based on or in respect of the Indenture or any indenture supplemental thereto, against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or any successor company, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

14. Unless otherwise defined herein, all terms used in this Note which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

15. This Note, including without limitation the obligation of the Company contained herein to pay the principal of and interest on this Note in accordance with the terms hereof and of the Indenture, shall be construed in accordance with and governed by the laws of the State of California.

16. "Global Security" and "Global Securities" means a Security or Securities evidencing all or a part of a series of Securities, issued to the Depositary (as hereinafter defined) for such Series or its nominee, and registered in the name of such Depositary or its nominee. "Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the person designated as the Depositary by the Company.

17. If indicated on the face hereof that this Note is a Global Security, no holder of any beneficial interest in this Note held on its behalf by a Depositary or a nominee of such Depositary shall have any rights under the Indenture with respect to such Global Security, and such Depositary or nominee may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the owner of such Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall impair, as between a

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Depositary and such holders of beneficial interests, the operation of customary practices governing the exercise of the rights of the Depositary as Holder of any Security.

18. If not indicated on the face hereof that this Note is a Global Security, this Note is exchangeable for a like aggregate principal amount of Notes of a different authorized denomination, as requested by the Holder surrendering the same, as provided in the Indenture and subject to certain limitations therein set forth. If indicated on the face hereof that this Note is a Global Security, it is exchangeable, in whole but not in part, for Notes registered in the names of Persons other than the Depositary or its nominee or in the name of a successor to the Depositary or a nominee of such successor depositary only if (i) the Depositary notifies the Company that it is unwilling or unable to continue as Depositary for this Note or if at any time such Depositary ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and, in either case, a successor depositary is not appointed by the Company within 90 days, (ii) the Company in its discretion at any time

determines not to have all of the Notes of this series represented by one or more Global Security or Securities and notifies the Trustee thereof, or (iii) an Event of Default has occurred and is continuing with respect to the Notes of this series. If this Note is exchangeable pursuant to the preceding sentence, it shall be exchangeable for Notes issuable in authorized denominations and registered in such names as the Depositary holding this Note shall direct. Subject to the foregoing, if this Note is a Global Security it is not exchangeable, except for a Note or Notes of the same aggregate denominations to be registered in the name of such Depositary or its nominee or in the name of a successor to the Depositary or a nominee of such successor depositary.

OPTION TO ELECT REPAYMENT

The undersigned hereby irrevocably requests and instructs the Company to repay this Note (or portion hereof specified below) pursuant to its terms at a price equal to the applicable Repayment Price thereof together with accrued and unpaid interest to the Repayment Date, to the undersigned at

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF THE UNDERSIGNED)

For this Note to be repaid, the Company must receive this Note, with this "Option to Elect Repayment" form duly completed, at the office or agency of the Company set forth in this Note, at least 15 days but not more than 30 days, prior to the Repayment Date(s) (as set forth on the face hereof).

If less than the entire principal amount of this Note is to be repaid, specify the portion thereof which the Holder elects to have repaid ; and specify the denomination or denominations (which shall be in authorized denominations) of the Notes to be issued to the Holder for the portion of this Note not being repaid (in the absence of any such specification, one such Note will be issued for the portion not being repaid): _____ .

Date: _____

NOTICE: The signature on this Option to Elect Repayment must correspond with the name as written upon the face of this Note in every particular without alteration or enlargement.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM--as tenants in common
- TEN ENT--as tenants by the entireties
- JT TEN--as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT-- _____ Custodian _____ under Uniform Gifts
(Cust) (Minor)

to Minors Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FORM OF
OPTION TO RENEW MATURITY

The undersigned hereby irrevocably requests and instructs the Company to renew the Maturity Date to _____ of Transamerica Finance Corporation's Subordinated Medium-Term Note represented by certificate number _____ with respect to \$ _____ aggregate principal amount of such Note and registered in the name of the undersigned.

For the Maturity Date of the Note to be renewed, the Trustee must receive a notice in this form duly completed, together with the Note, at the office or agency of the Trustee set forth in the Note, not less than ten nor more than 30 Business Days prior to the applicable Notice of Renewal Date shown on the face thereof.

Date: _____

NOTICE: The signature on this Form must correspond with the name as written upon the face of the Note in every particular without alteration or enlargement.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto [PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE] (PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF TRANSFEREE) the _____ within Note, and all rights thereunder, hereby irrevocably constituting and appointing Attorney to transfer said Note on the books of the Company, with full power of substitution in the premises.

Date: _____

NOTICE: The signature to this assignment must be guaranteed by a commercial bank or trust company in the continental United States or by a firm or corporation having membership on any national securities exchange or in the National Associa-

tion of Securities Dealers, Inc.,
and must correspond with the name as
written upon the face of the within
instrument in every particular with-
out alteration or enlargement or any
change whatever.

July 13, 1993

Transamerica Finance Corporation
1150 South Olive Street
Los Angeles, California 90015

Re: Transamerica Finance Corporation
Registration Statement on Form S-3

Ladies and Gentlemen:

At your request, we have examined the Registration Statement on Form S-3 (the "Registration Statement") in the form to be filed by Transamerica Finance Corporation (the "Company") with the Securities and Exchange Commission in connection with the registration under the Securities Act of 1933, as amended (the "Act"), of the Company's debt securities (the "Debt Securities") consisting of Senior Debt Securities (the "Senior Securities") and/or Subordinated Debt Securities (the "Subordinated Securities") and warrants to purchase Debt Securities (the "Warrants") in an aggregate amount of up to approximately \$2,000,000,000 or the equivalent thereof in one or more foreign currencies or composite currencies. The Senior Securities are to be issued under an Indenture dated as of April 1, 1991 (the "Senior Indenture") between the Company and Harris Trust and Savings Bank, as Trustee. The Subordinated Securities are to be issued under an Indenture dated as of April 1, 1991 (the "Subordinated Indenture"; together with the Senior Indenture, the "Indentures") between the Company and First Interstate Bank of California, formerly First Interstate Bank, Ltd., as Trustee. Harris Trust and Savings Bank and First Interstate Bank of California are collectively referred to herein as the Trustees. The Warrants are to be issued pursuant to a Warrant Agreement (the "Warrant Agreement") in the form filed as an exhibit to the Registration Statement. The Debt Securities and the Warrants are to be issued in the forms filed as exhibits to the Registration Statement. The Debt Securities and the Warrants are to be sold from time to time as set forth in the Registration Statement, the Prospectus contained therein (the "Prospectus") and the supplements to the Prospectus (the "Prospectus Supplements").

We have examined instruments, documents and records which we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the following: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; and (c) the truth, accuracy, and completeness of the information, representations and warranties contained in the records, documents and certificates we have reviewed.

Based on such examination, we are of the opinion that:

1. When the issuance of Debt Securities has been duly authorized by appropriate corporate action and the Debt Securities have been duly executed, authenticated and delivered in accordance with the related Indenture and sold as described in the Registration and Statement, any amendment thereto, the Prospectus and any Prospectus Supplement relating thereto and, in the case of Debt Securities issuable upon exercise of the Warrants, the Warrant Agreement, the Debt Securities will be legal, valid and binding obligations of the Company, entitled to the benefits of such Indenture.

2. When the issuance of the Warrants has been duly authorized by appropriate corporate action and the Warrants have been duly executed, authenticated and delivered in accordance with the Warrant Agreement and sold as described in the Registration Statement, any amendment thereto, the Prospectus and the Prospectus Supplement relating thereto, the Warrants will be legal, valid and binding obligations of the Company entitled to the benefits of the Warrant Agreement.

Our opinion that any document is legal, valid and binding is qualified as to:

(a) limitations imposed by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium or other laws relating to or affecting the rights of creditors generally;

(b) general principles of equity, including without limitation concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether such enforceability is considered in a proceeding in equity or at law.

We hereby consent to the filing of this opinion as an exhibit to the above-referenced Registration Statement and to the use of our name wherever it appears in the Registration Statement, the Prospectus, the Prospectus Supplement, and in any amendment or supplement thereto. In giving such consent, we do not believe that we are "experts" within the meaning of such term as used in the Act or the rules and regulations of the Securities and Exchange Commission issued thereunder with respect to any part of the Registration Statement, including this opinion as an exhibit or otherwise.

Very truly yours,

Orrick, Herrington & Sutcliffe

TRANSAMERICA FINANCE CORPORATION AND SUBSIDIARIES

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

<TABLE>

<CAPTION>

	THREE MONTHS ENDED MARCH 31, 1993	YEARS ENDED DECEMBER 31,				
		1992	1991	1990	1989	1988
		(DOLLAR AMOUNTS IN THOUSANDS)				
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Fixed charges						
Interest and debt expense.....	\$106,760	\$459,518	\$ 514,230	\$620,626	\$659,114	\$518,037
One-third of rent expense.....	4,820	20,095	20,966	22,460	19,670	19,050
	-----	-----	-----	-----	-----	-----
Total.....	\$111,580	\$479,613	\$ 535,196	\$643,086	\$678,784	\$537,087
	=====	=====	=====	=====	=====	=====
Earnings:						
Income (loss) from continuing operations before income taxes and cumulative effect of change in accounting for income taxes in 1988 and post employment benefits other than pensions in 1991.....	\$ 68,108	\$283,724	\$ (123,599)	\$181,104	\$285,002	\$282,606
Fixed charges.....	111,580	479,613	535,196	643,086	678,784	537,087
	-----	-----	-----	-----	-----	-----
Total.....	\$179,688	\$763,337	\$ 411,597	\$824,190	\$963,786	\$819,693
	=====	=====	=====	=====	=====	=====
Ratio of earnings to fixed charges.....	1.61	1.59	0.77	1.28	1.42	1.53
	=====	=====	=====	=====	=====	=====

</TABLE>

CONSENT OF ERNST & YOUNG,
INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts'" in the Registration Statement (Form S-3) and related Prospectus of Transamerica Finance Corporation for the registration of \$2,000,000,000 of its Senior and Subordinated Debt Securities and Warrants to Purchase Debt Securities and to the incorporation by reference therein of our report dated February 17, 1993, with respect to the consolidated financial statements and schedules of Transamerica Finance Corporation included in its Annual Report (Form 10-K) for the year ended December 31, 1992, filed with the Securities and Exchange Commission.

Los Angeles, California
July 8, 1993

POWER OF ATTORNEY

KNOW ALL PERSON BY THESE PRESENTS:

Each of the undersigned hereby constitutes and appoints DAVID H. HAWKINS, EDWIN C. SUMMERS AND RAYMOND A. GOLAN and each of them with power to act alone, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign the Registration Statement on Form S-3 for Transamerica Finance Corporation and any and all amendments thereto, and to file the same, together with exhibits (including post-effective amendments) thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises hereof, as fully to all intents and purposes as he or she might do or could do in person, hereby ratifying and confirming all that said attorney-in-fact or his or her substitution may lawfully do or cause to be done by virtue hereof.

Executed on the 12th day of July, 1993.

David R. Carpenter

Frank C. Herringer

David R. Carpenter

Frank C. Herringer

Kent L. Colwell

Allen C. Miech

Allen C. Miech

Richard H. Finn

Charles E. Tingley

Richard H. Finn

Charles E. Tingley

Edgar H. Grubb

Edgar H. Grubb

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

Statement of Eligibility
Under the Trust Indenture Act of 1939
of a Corporation Designated to Act as
Trustee

Check if an Application to Determine
Eligibility of a Trustee Pursuant to Section
305 (b) (2) _____

HARRIS TRUST AND SAVINGS BANK
(Name of Trustee)

Illinois
(State of Incorporation)

36-1194448
(I.R.S employer
identification No.)

111 West Monroe Street, Chicago, Illinois 60603
(Address of principal executive offices)

Carolyn C. Potter, Harris Trust and Savings Bank,
111 West Monroe Street, Chicago, Illinois 60603
312-461-2531
(Name, address and telephone number for agent for service)

TRANSAMERICA FINANCE CORPORATION
(Name of obligor)

Delaware
(State of Incorporation)

95-1077235
(I.R.S employer
identification No.)

1150 South Olive Street,
Los Angeles, California 90015
(Address of principal executive offices)

Debt Securities (Title of indenture securities)

1. GENERAL INFORMATION. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Commissioner of Banks and Trust Companies, State of Illinois, Springfield, Illinois; Chicago Clearing House Association, 164 West Jackson Boulevard, Chicago, Illinois; Federal Deposit Insurance Corporation, Washington, D.C.; The Board of Governors of the Federal Reserve System, Washington, D.C.

(b) Whether it is authorized to exercise corporate trust powers.

Harris Trust and Savings Bank is authorized to exercise corporate trust powers.

2. AFFILIATIONS WITH OBLIGOR. If the Obligor is an affiliate of the trustee, describe each such affiliation.

The Obligor is not an affiliate of the Trustee.

3. thru 15.

NO RESPONSE NECESSARY

16. LIST OF EXHIBITS.

1. A copy of the articles of association of the trustee is now in effect which includes the authority of the trustee to commence business and to exercise corporate trust powers.

A copy of the Certificate of Merger dated April 1, 1972 between Harris Trust and Savings Bank, HTS Bank and Harris Bankcorp, Inc. which constitutes the articles of association of the trustee as now in effect and includes the authority of the trustee to commence business and to exercise corporate trust powers was filed in connection with the Registration Statement of Louisville Gas and Electric Company, File No.2-44295, and is incorporated herein by reference.

2. A copy of the existing by-laws of the trustee.

A copy of the existing by-laws of the trustee was filed in connection with the Registration Statement of Hillenbrand Industries, Inc., File No. 33-44086, and is incorporated herein by reference.

3. The consents of the trustee required by Section 321(b) of the Act.

(included as Exhibit A on page 2 of this statement)

4. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.

(included as Exhibit B on page 3 of this statement)

1

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, HARRIS TRUST AND SAVINGS BANK, a corporation organized and existing under the laws of the State of Illinois, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Chicago, and State of Illinois, on the 8th day of July, 1993.

HARRIS TRUST AND SAVINGS BANK

J. Bartolini

By: _____

J. Bartolini
Vice President

EXHIBIT A

The consents of the trustee required by Section 321(b) of the Act.

Harris Trust and Savings Bank, as the Trustee herein named, hereby consents that reports of examinations of said trustee by Federal and State authorities may be furnished by such authorities to the Securities and Exchange Commission upon request therefor.

HARRIS TRUST AND SAVINGS BANK

J. Bartolini

By: _____

J. Bartolini

EXHIBIT B

Attached is a true and correct copy of the statement of condition of Harris Trust and Savings Bank as of March 31, 1993, as published in accordance with a call made by the State Banking Authority and by the Federal Reserve Bank of the Seventh Reserve District.

(LOGO) HARRIS BANK

Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603

of Chicago, Illinois, and Foreign and Domestic Subsidiaries, at the close of business on March 31, 1993, a state banking institution organized and operating under the banking laws of this State and a member of the Federal Reserve System. Published in accordance with a call made by the Commissioner of Banks and Trust Companies, the State of Illinois and by the Federal Reserve Bank of this District.

Bank's Transit Number 71000288

<TABLE>
<CAPTION>

	<C>	Thousands of Dollars -----
<S>		<C>
ASSETS		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin.....		758,018
Interest bearing balances.....		545,566

Securities.....		1,842,334
Federal funds sold and securities purchased under agreements to resell in domestic offices of the bank and of its Edge and Agreement subsidiaries, and in IBFs:		
Federal funds sold.....		256,693
Securities purchased under agreements to resell.....		76,782
Loans and lease financing receivables:		
Loans and leases, net of unearned income.....	5,579,259	
LESS: Allowance for loan and lease losses.....	94,783	

Loans and leases, net of unearned income, allowance, and reserve (item 4.a minus 4.b).....		5,484,476
Assets held in trading accounts.....		182,996
Premises and fixed assets (including capitalized leases)....		142,676
Other real estate owned.....		2,510
Investments in unconsolidated subsidiaries and associated companies.....		592
Customer's liability to this bank on acceptances outstanding.....		74,499
Intangible assets.....		37,361
Other assets.....		247,210

TOTAL ASSETS.....		9,651,712
		=====

</TABLE>

<TABLE>

<S>	LIABILITIES	<C>	<C>
Deposits:			
In domestic offices.....			4,047,667
Noninterest-bearing.....		2,151,999	
Interest-bearing.....		1,895,668	
In foreign offices, Edge and Agreement subsidiaries, and IBFs.....			1,948,618
Noninterest-bearing.....		58,461	
Interest-bearing.....		1,890,157	
Federal funds purchased and securities sold under agreements to repurchase in domestic offices of the bank and of its Edge and			

Agreement subsidiaries, and in IBFs:	
Federal funds purchased.....	1,454,254
Securities sold under agreements to repurchase.....	523,542
Other borrowed money.....	525,160
Bank's liability on acceptances executed and outstanding.....	74,499
Subordinated notes and debentures.....	235,000
Other liabilities.....	139,734

TOTAL LIABILITIES.....	8,948,474

EQUITY CAPITAL	
Common stock.....	100,000
Surplus.....	275,000
Undivided profits and capital reserves.....	328,238

Total equity capital.....	703,238

Total liabilities, limited life preferred stock, and equity capital.	9,651,712
	=====

</TABLE>

I, David H. Charney, Vice President, of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and is true to the best of my knowledge and belief.

DAVID H. CHARNEY
4/30/93

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the Board of Governors of the Federal Reserve System and the Commissioner of Banks and Trust Companies of the State of Illinois and is true and correct.

B. KENNETH WEST,
DONALD S. HUNT,
DARYL F. GRISHAM, Directors

STATE OF ILLINOIS, COUNTY OF Cook, ss:

Sworn to and subscribed before me this 30th day of April, 1993.

My commission expires 9/24/93.

RHONDA CHANGIZI

CCPTONEBFGP43/47

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE
PURSUANT TO SECTION 305 (b) (2) _____

FIRST INTERSTATE BANK OF CALIFORNIA
(Exact name of trustee as specified in its charter)

California
(Jurisdiction of Incorporation
or organization
if not a U.S. national bank)

95-0593085
(I.R.S. Employer
Identification No.)

707 WILSHIRE BOULEVARD, LOS ANGELES, CALIFORNIA 90017
(Address of principal executive offices) (Zip Code)

William Souza, First Interstate Bancorp General Counsel
633 West Fifth Street, Los Angeles, California 90071 (213) 614-3337
(Name address and telephone number of agent for service)

TRANSAMERICA FINANCE CORPORATION
(Exact name of obligor as specified in its charter)

DELAWARE
(State or other jurisdiction of
incorporation or organization)

95-1077235
(I.R.S. Employer
Identification No.)

1150 South Olive Street, Los Angeles, CA 90015
(Address of principal executive offices) (Zip Code)

SUBORDINATED DEBT SECURITIES

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

STATE BANKING DEPARTMENT
235 Montgomery Street, San Francisco, California 94104

FEDERAL RESERVE BANK OF SAN FRANCISCO
101 Market Street, San Francisco, California 94105

FEDERAL DEPOSIT INSURANCE CORPORATION
Washington, D.C. 20429

- (b) Whether it is authorized to exercise corporate trust powers.

Trustee is authorized to exercise corporate trust powers.

Item 2. AFFILIATIONS WITH THE OBLIGOR. If the obligor is an affiliate of the Trustee, describe each such affiliation.

No such affiliation.

Item 3 through Item 15. Not applicable.

Item 16. LIST OF EXHIBITS.

*EXHIBIT 1. A copy of the Restated Articles of Incorporation of the Trustee as presently in effect (incorporated by reference to Exhibit T-1A on Form T-1, Securities and Exchange Commission File No. 2-91947).

*EXHIBIT 2. A copy of the certificate of the Superintendent of Banks, State of California, authorizing First Interstate bank of California to commence business of banking (incorporated by

reference to Exhibit T-1a(b) on Form T-1, Securities and Exchange Commission File No. 2-41187).

- *EXHIBIT 3. A copy of the certificate of the Superintendent of Banks, State of California, authorizing First Interstate Bank of California to transact trust banking business (incorporated by reference to Exhibit T-1A(b) on Form T-1, Securities and Exchange Commission File No. 2-41187).

-1-

A copy of the Certificate as to Merger of First Western Bank and Trust Company, San Francisco, California, into California Bank, Los Angeles, California (United California Bank after said Merger), and as to Purchase by First Western Bank and Trust Company, Los Angeles, California (New Bank) from said United California Bank of the Business of Certain Branches of the Former First Western Bank and Trust Company, San Francisco, California (incorporated by reference to Exhibit T-1A(c) on Form T-1, Securities and Exchange Commission File No. 2-41187).

- *EXHIBIT 4. The By-Laws of the Trustee as presently in effect (incorporated by reference to Exhibit 4 to the Form T-1, Securities and Exchange Commission File No. 22-24652).
- *EXHIBIT 6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939 (incorporated by reference to Exhibit 6 on Form T-1, Securities and Exchange Commission File No. 2-41187).
- *EXHIBIT 7. A copy of the latest report of condition of the Trustee published pursuant to law or the requirements of its supervising or examining authority (incorporated by reference to Exhibit 7 to the Form T-1, Securities and Exchange Commission File No.

* Exhibits thus designated are incorporated herein by reference. These exhibits were previously filed by the Trustee with the Securities and Exchange Commission and are incorporated with the same respective designations in this statement by specific reference thereto.

-2-

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939 the Trustee, First Interstate Bank of California, a corporation organized and existing under the laws of California, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Los Angeles, State of California, on July 9, 1993.

FIRST INTERSTATE BANK OF CALIFORNIA

Lisa Mason

By: _____
Lisa Mason
Assistant Vice President

