

GENERAL ELECTRIC CAPITAL CORP  
Form 424B2  
March 30, 2006

Filed Pursuant  
to Rule 424B2  
Registration No.  
333-132807

**PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MARCH 29, 2006**  
**General Electric Capital Corporation**  
**Global Medium-Term Notes**  
**Due From 9 Months to 60 Years From Date of Issue**

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General Electric Capital Corporation may offer at various times its global medium-term notes denominated in U.S., foreign and composite currencies.

The following terms may apply to the notes. We will provide the final terms for each note in a pricing supplement.

- The notes will mature in 9 months to 60 years.
- The notes may be subject to redemption at our option or repayment at the option of the holder.
- The notes will be either senior or subordinated debt obligations.
- The notes will bear interest at either a fixed or floating rate. The floating interest rate formula may be based on:
  - CD Rate
  - Commercial Paper Rate
  - Federal Funds Rate
  - LIBOR
  - Treasury Rate
  - Prime Rate
  - CMT Rate
  - Eleventh District Cost of Funds Rate
- The notes may be issued as indexed notes, dual currency notes, renewable notes, extendible notes or amortizing notes.
- The notes will be in certificated or book-entry form.
- Interest will be paid on fixed rate notes on March 15 and September 15 of each year or as otherwise specified in the applicable pricing supplement. Interest will be paid on floating rate notes on dates specified in the applicable pricing supplement.
- The notes will have minimum denominations of \$1,000 for book-entry notes and \$100,000 for certificated notes, in each case increased in multiples of \$1,000, unless otherwise specified in the applicable pricing supplement. We will specify the minimum denominations for notes denominated in a foreign or composite currency in the applicable pricing supplement.
- The final terms for our notes may also be contained in a written communication from us or our agents.

Notes issued hereunder may be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s), in each case as specified in the applicable pricing supplement, including on the official list maintained by the United Kingdom's Listing Authority and on the London Stock Exchange's Gilt Edged and Fixed Interest Market. Any such listing and/or admission to trading, or any offer of notes to the public, in the European Economic Area will be

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made in compliance with the provisions of the European Union's Directive 2003/71/EC and all applicable rules and regulations promulgated thereunder. We may also issue notes which are listed, quoted and/or traded on or by such other or further stock exchanges, competent listing authorities and/or quotation systems as we may decide. We may also issue unlisted notes. A market for any particular tranche of notes may not develop.

The exact proceeds from each sale of notes will be determined at the time of issuance.

**Investing in the notes involves risks. See "Risks of Foreign Currency Notes and Indexed Notes" on page 2 of this prospectus supplement and "Risk Factors" on page 2 of the accompanying prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement. Any representation to the contrary is a criminal offense.**

**Citigroup**

**Deutsche Bank Securities**

**GE Capital Markets, Inc.**

**Goldman, Sachs & Co.**

**JPMorgan**

**Lehman Brothers**

**Merrill Lynch & Co.**

**UBS Investment Bank**

The date of this prospectus supplement is March 29, 2006.

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## ABOUT THIS PROSPECTUS SUPPLEMENT

You should rely on the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any applicable pricing supplement, all of which should be read together. We have not authorized anyone to provide you with information different from that contained in this prospectus supplement, the accompanying prospectus and any applicable pricing supplement. If anyone provides you with different or inconsistent information, you should not rely on it. We will only offer to sell notes and seek offers to buy such notes in jurisdictions where offers and sales are permitted.

Having made all reasonable enquiries, we confirm that this prospectus supplement and the accompanying prospectus contain all information with respect to us which is material in the context of the notes to be issued by us, that the information contained in this prospectus supplement and the accompanying prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions (if any) expressed in this prospectus supplement and the accompanying prospectus are honestly held and that there are no other facts the omission of which would make any such information or the expression of such opinions or intentions misleading.

The delivery of this prospectus supplement does not at any time imply that the information contained in this prospectus supplement about us is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of any notes is correct at any time subsequent to the date of the document containing such information.

**In connection with the issue and distribution of any notes, the person (if any) disclosed as the stabilizing manager in the applicable pricing supplement (or any person acting on behalf of such person) may over-allot or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on such person to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.**

## RISKS OF FOREIGN CURRENCY NOTES AND INDEXED NOTES

This prospectus supplement does not describe all of the risks of an investment in the notes. You should consult your own financial and legal advisors about the risks entailed by an investment in the notes and the suitability of your investment in the notes in light of your particular circumstances. Notes denominated in a foreign currency are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions. Indexed notes are not an appropriate investment for investors who are unsophisticated with respect to the type of index or formula used to determine the amount payable. You should also consider carefully, among other factors, the matters described below.

### Exchange Rates and Exchange Controls

An investment in a note denominated in a currency other than U.S. dollars entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and such currency and the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange between the U.S.

dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any note. Depreciation of the specified currency for a note against the U.S. dollar would result in a decrease in the effective yield of such note (on a U.S. dollar basis) below its coupon rate and, in certain circumstances, could result in a loss to you on a U.S. dollar basis.

Except as set forth below, if payment in respect of a note is required to be made in a currency other than U.S. dollars and such currency is unavailable to us due to the imposition of exchange controls or other circumstances beyond our control or is no longer used by the relevant government or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of such note will be made in U.S. dollars until such currency is again available to us or so used. The amounts payable on any date in such currency will be converted into U.S. dollars on the basis of the most recently available market exchange rate for such currency or as otherwise indicated in the applicable pricing supplement. Any payment in respect of such note so made in U.S. dollars will not constitute an event of default under the applicable Indenture. However, if we cannot make payment in a specified currency solely because that currency has been replaced by the euro, then, beginning with the date the replacement becomes effective, we will be able to satisfy our obligations under those notes by making payment in euro.

The paying agent will make all determinations referred to above at its sole discretion. All determinations will, in the absence of clear error, be binding on holders of the notes.

The information set forth in this prospectus supplement with respect to foreign currency risks is general in nature. We disclaim any responsibility to advise prospective purchasers of foreign currency notes with respect to any matters that may affect the purchase, holding or receipt of payments of principal of, premium, if any, and interest on such notes. Such persons should consult their own counsel with regard to such matters.

### **Foreign Currency Judgments**

The notes will be governed by and construed in accordance with the internal laws of the State of New York. New York courts will normally enter judgments or decrees for money damages in the foreign currency in which notes are denominated. These amounts are then converted into U.S. dollars at the rate of exchange in effect on the date the judgment or decree is entered. Courts in the United States outside New York customarily have not rendered judgments for money damages denominated in any currency other than the U.S. dollar.

### **Risks Associated with Indexed Notes**

An investment in indexed notes entails significant risks that are not associated with an investment in a conventional fixed rate debt security. Indexation of the interest rate of a note may result in an interest rate that is less than that payable on a conventional fixed rate debt security issued at the same time, including the possibility that no interest will be paid. Indexation of the principal of and/or premium on a note may result in an amount of principal and/or premium payable that is less than the original purchase price of the note, including the possibility that no amount will be paid. The secondary market for indexed notes will be affected by a number of factors, independent of our creditworthiness. Such factors include the volatility of the index selected, the time remaining to the maturity of the notes, the amount outstanding of the notes and market interest rates. The value of an index can depend on a number of interrelated factors, including economic, financial and political events, over which we have no control. In addition, if the formula used to determine the amount of principal, premium and/or interest payable with respect to indexed notes contains a multiple or leverage factor, the effect of any change in the index will be increased. The his-

torical experience of an index should not be taken as an indication of its future performance. Accordingly, you should consult your own financial and legal advisors as to the risks entailed by an investment in indexed notes.

## Credit Ratings

The credit ratings assigned to our medium-term note program reflect the rating agencies' opinion of our ability to make payments on the notes when due. The ratings do not take into account fluctuations in the market value of the notes or the possibility that payments on indexed notes may be less than anticipated because of changes in the specified index.

## DESCRIPTION OF NOTES

### General

The following description of terms of the notes supplements and, where noted, supercedes the general description of the debt securities provided in the accompanying prospectus. However, the pricing supplement for each offering of notes will contain the specific information and terms for that offering. The pricing supplement may also add, update or change information contained in this prospectus supplement. Such information may also be contained in a written communication from us or the agents. It is important for you to consider the information contained in the accompanying prospectus, the prospectus supplement and the pricing supplement in making your investment decision.

This section describes some technical concepts, and thus we occasionally use defined terms. You will find an alphabetized glossary at the end of this prospectus supplement that defines all of the capitalized terms used in this section that are not defined in this section.

**The Indentures.** We will issue the notes under one of two indentures between us and JPMorgan Chase Bank, N.A. (["JPMorgan Chase"]). The Senior Notes (as defined below) will be issued pursuant to an Amended and Restated Indenture dated as of February 27, 1997, as supplemented by a Supplemental Indenture dated as of May 3, 1999, a Second Supplemental Indenture dated as of July 2, 2001 and a Third Supplemental Indenture dated as of November 22, 2002 (the ["Senior Indenture"]). The Subordinated Notes (as defined below) will be issued pursuant to a Subordinated Debt Indenture dated as of July 1, 2005, as amended and restated by an Amended and Restated Subordinated Debt Indenture, dated as of July 15, 2005 (the ["Subordinated Indenture"] and, together with Senior Indenture, the ["Indentures"]). Since we have only summarized the most significant portions of the Indentures below, you may want to refer to the Indentures for more detailed information.

**Ranking.** We will issue notes which will be unsecured and will rank equally with all our other unsecured and unsubordinated debt obligations (the ["Senior Notes"]). We may also issue notes which will be unsecured and rank junior to senior indebtedness (as defined in the Glossary) (the ["Subordinated Notes"]). The description of the terms of subordination and of the events of default applicable to a series of Subordinated Notes are described in ["Description of Debt Securities - Subordinated Debt Securities"] and ["Subordinated Debt Securities Events of Default"] in the accompanying prospectus, and such terms and events of default may be further changed for a particular series or tranche of Subordinated Notes as described in a pricing supplement. The Senior Notes and the Subordinated Notes are collectively referred to herein as the ["notes."] The notes and the Indentures will not limit us from incurring additional debt and will not place any other financial restrictions on us.

**Amount.** As of December 31, 2005, we have issued and have outstanding approximately \$133 billion of our global medium-term notes, Series A. The Series A Notes are Senior Notes. The Indentures do not limit the amount of notes that we may offer. Our practice has been to issue the notes in tranches of a single series, but we are not required to do so, and may issue differing series.

**Reopening of Issue.** We may, from time to time, without the consent of the holders of any notes, reopen an issue of notes and issue additional notes with the same terms (including Maturity and interest payment terms) as notes issued on an earlier date. After such additional notes are issued they will be fungible with the previously issued notes to the extent specified in the applicable pricing supplement.

**Maturity.** Each note will mature on any day from 9 months to 60 years from its date of issue. However, each note may also be subject to redemption at our option and repayment at your option (see [Optional Redemption] below).

**Pricing Supplement.** The pricing supplement relating to a note will describe the following terms:

- the specified currency;
- the nominal amount of the note;
- whether the note is a fixed rate note, a floating rate note, an indexed note, a dual currency note, a renewable note, an extendable note or an amortizing note;
- the issue price;
- the expected net proceeds from the issue of the note;
- the original issue date;
- the stated maturity date;
- whether the note will be a Senior Note or a Subordinated Note;
- if the note will be a Subordinated Note, whether the subordination provisions summarized herein or different subordination provisions will apply;
- any deletions or modifications of or additions to the Events of Default and related remedies, or the covenants set forth in the applicable Indenture;
- for a fixed rate note, the rate per annum at which it will bear interest, if any, and the date or dates on which interest will be payable if other than March 15 and September 15;
- for a floating rate note, the base rate, the initial interest rate, the interest reset period, the interest payment dates, the Index Maturity, the Designated LIBOR Currency, if any, the maximum interest rate, if any, the minimum interest rate, if any, the Spread and/or Spread Multiplier, if any, and any other terms relating to the particular method of calculating the interest rate for the note;
- whether the note is an Original Issue Discount Note;
- for an indexed note, the manner in which interest payments and the principal amount payable at Maturity will be determined;
- if such note is an amortizing note, an amortization schedule;

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- whether the note may be redeemed at our option, or repaid at the holder's option prior to the stated maturity date as described further under "Optional Redemption or Repayment" below, and if so, the terms of the redemption or repayment;
- for notes issued in currencies that may be replaced by the euro, redenomination provisions, if any (see "EurRedenomination" below);
- whether the notes will be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) or whether the notes will be unlisted;
- in the case of foreign currency notes, whether the notes will be issued in the form of both a DTC Global Note and an International Global Note as described below;
- whether the notes are a reopening of notes previously issued; and
- any other terms that do not conflict with the provisions of the Indentures.

Forms of pricing supplements relating to fixed rate and floating rate notes are attached to this prospectus supplement as Annex A and Annex B, respectively. However, the pricing supplement for any offering of notes may vary from these forms. Such information may also be contained in a writing from us or the agents.

**Form of the Notes.** We will issue the notes in registered form either pursuant to a book-entry system or by issuing multiple certificates which are registered in the names of the investors.

**Book-entry notes.** We generally issue our notes under a book-entry system where one or more global certificates are issued to a depository or its nominee and ownership interests in the notes on deposit are credited to investors accounts through participants in the depository's system. Unless we otherwise specify in the applicable pricing supplement, global certificates denominated in U.S. currency will name a nominee of The Depository Trust Company, New York, New York ("DTC") as the registered holder (each certificate so registered to DTC's nominee is referred to herein as a "DTC Global Note"). DTC maintains a computerized system that will reflect the ownership interests in the registered notes of its Direct Participants (as hereinafter defined). Purchases of securities under the DTC system are made through DTC Direct Participants or through a broker/dealer, bank, trust company or other indirect participant that maintains a relationship with DTC's Direct Participants. Investors' ownership of the notes is recorded by the participant in the DTC system through which investors hold beneficial interests in the notes. If specified in the applicable pricing supplements, notes denominated in currencies other than U.S. dollars may also be issued in book-entry form and registered in the name of a nominee for Euroclear and Clearstream, Luxembourg. For additional information regarding such notes, you should review "Special Provisions Relating to Certain Foreign Currency Notes" below.

When a book-entry system is used, the depository or its nominee will be the owner of the note in our records and will be the entity entitled to all rights as a holder, including the right to all payments and the right to cast a vote, as further described under "DTC, Euroclear, and Clearstream, Luxembourg Arrangements" below.

**Certificated notes.** If a book-entry system is not utilized, investors will each receive a certificate evidencing their notes. The certificate will name the owner, unless such owner chooses to have a broker/dealer, bank, trust company or other representative hold these certificates on their behalf. If your name properly appears on the certificate and in our register, then you will be considered the owner of your note for all purposes under the applicable Indenture. For example, if we need to ask the holders of the notes to vote on a proposed amendment to the notes, you will be asked directly by us to cast the vote regarding your note. If some other entity holds the certificates for you

and is named as owner in our register, that entity will be considered the owner of your note in our register and will be entitled to cast the vote regarding your note. However, depending on your arrangements, this entity may be required to contact you for voting instructions.

**Exchanges.** Certificated notes cannot be exchanged for book-entry notes. Book-entry notes can be exchanged for certificated notes only if (i) DTC notifies us that it is unwilling or unable to hold DTC Global Notes and another depositary is not appointed or (ii) we determine at any time that the notes shall no longer be represented by global notes, in which case we will inform DTC of such determination, who will, in turn, notify Direct Participants of their right to withdraw their notes from DTC. In these limited circumstances, we will issue to you certificated notes in exchange for the book-entry notes. There will be no service charge for this exchange, but if a tax or other governmental charge is imposed, we may require you to pay it.

**Denominations.** Notes initially issued in book-entry form will have minimum denominations of \$1,000 and notes issued in certificated form will have minimum denominations of \$100,000, in each case increased in multiples of \$1,000, unless otherwise specified in the applicable pricing supplement. In the limited circumstances that certificated notes are issued in replacement for book-entry notes, such certificated notes will also have denominations of \$1,000. Notes that are to be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC will be issued in minimum denominations of 1,000 or its equivalent in other currencies. The authorized denominations of notes denominated in a foreign or composite currency will be described in the pricing supplement. DTC currently limits the maximum size of any single global note to \$500,000,000. Any notes (including notes denominated in Sterling) issued having a maturity of less than one year will, if the proceeds of issue of such notes are to be accepted by us in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the United Kingdom's Financial Services and Markets Act 2000 (the "FSMA") unless they are issued (a) to a limited class of professional investors and have a minimum denomination of £100,000 (or its equivalent in another currency) or (b) are issued in other circumstances which do not constitute a contravention of Section 19 of the FSMA by us.

#### **Special Provisions Relating to Certain Foreign Currency Notes.**

If specified in the applicable pricing supplement, book-entry notes denominated in currencies other than U.S. dollars may be issued through participants in the systems of Clearstream, Luxembourg, or the Euroclear Operator of the Euroclear System, or indirectly through organizations that are participants in such systems.

**Form of Notes.** Unless otherwise indicated in the applicable pricing supplement, notes initially offered and sold outside the United States using a book-entry system will be issued as one or more global certificates (each, an "International Global Note") which will be registered in the name of a nominee for, and shall be deposited with, a common depositary for Euroclear and/or Clearstream, Luxembourg. If a particular tranche or series is issued utilizing both a DTC Global Note and an International Global Note in order to allow transfers between account holders utilizing the different book-entry systems, the registrar will adjust the amounts of the global notes on the register for the accounts of the nominees for the respective systems.

In certain circumstances, participants in Euroclear and Clearstream, Luxembourg may also be beneficial owners of DTC Global Notes. In this case, Clearstream, Luxembourg and the Euroclear Operator will hold beneficial interests in a DTC Global Note on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and the Euroclear Operator's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the DTC. Citibank,



N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase will act as depositary for the Euroclear Operator (in such capacities, the "U.S. Depositaries").

**Payments.** Distributions of principal and interest with respect to an International Global Note will be credited, in the specified currency, to the extent received by Euroclear or Clearstream, Luxembourg, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures. If the pricing supplement provides for both a DTC Global Note and an International Global Note for a particular tranche or series or if a beneficial interest in a DTC Global Note is held by a participant in Euroclear or Clearstream, Luxembourg, then a holder of a beneficial interest in a DTC Global Note will receive all payments in United States dollars in accordance with DTC's rules and procedures, unless it has, or participants through which it holds its beneficial interest have, made other arrangements.

**Secondary Market Trading.** The following provisions will apply to trading in the secondary market:

- **Trading between Euroclear and/or Clearstream, Luxembourg Participants.** Secondary market sales of book-entry interests in an International Global Note to purchasers of book-entry interests in an International Global Note will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the conventional procedures applicable to Eurobonds.
- **Trading between DTC participants.** Secondary market sales of book-entry interests in the DTC Global Notes between DTC participants will occur in the ordinary way in accordance with rules of DTC and its participants and will be settled using the procedures applicable to United States corporate debt obligations if payment is effected in United States dollars, or free of payment if payment is not effected in United States dollars. Where payment is not effected in United States dollars, separate payment arrangements outside DTC are required to be made between DTC participants.

The following provisions will apply to trading of notes in the secondary market where the applicable pricing supplement indicates that a particular tranche or series of book-entry notes is issued utilizing a both DTC Global Note and an International Global Note.

- **Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser.** When book-entry interests in notes are to be transferred from the account of a DTC participant holding a beneficial interest in a DTC Global Note to the account of a Euroclear or Clearstream, Luxembourg account holder wishing to purchase a beneficial interest in an International Global Note, the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12:00 noon, New York City time, on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg accountholder. On the settlement date, the custodian will instruct the registrar to (1) decrease the amount of notes registered in the name of Cede & Co. as evidenced by the DTC Global Note and (2) increase the amount of notes registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg as evidenced by the International Global Note. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg for credit to the relevant accountholder on the first Business Day following the settlement date.
- **Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser.** When book-entry interest in the notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the DTC Global Note,

the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg, delivery free of payment instructions within its established deadline one Business Day prior to the settlement date. Euroclear or Clearstream, Luxembourg will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear and Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (1) transmit appropriate instructions to the custodian who will in turn deliver such book-entry interests in the notes free of payment to the relevant account of the DTC participant and (2) instruct the registrar to decrease the amount of notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg as evidenced by the International Global Note, and to increase the amount of Notes registered in the name of Cede & Co evidenced by the DTC Global Note.

All transfers, notices, payments and other procedures, and the timing and sufficiency thereof, relating to DTC, Euroclear and Clearstream, Luxembourg or any other such depository or nominee, are subject to the rules and procedures applicable to the relevant book-entry system.

### **DTC, Euroclear and Clearstream, Luxembourg Arrangements.**

So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg, or their nominee or their common depository is the registered holder of the global certificates, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner of notes represented by such global certificates for all purposes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the registered holder thereof, and any vote or other action to be taken by the holder shall be made or taken by such registered owner. Beneficial interests in the global certificates will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream Luxembourg and their participants. Generally, these depositories and the broker/dealers, banks, trust companies and other representatives that are part of their respective systems are required to provide for payment to investors in the notes, contact investors for voting instructions, and otherwise provide investors with the rights of a holder in accordance with the applicable procedures and rules of the depository and its participants.

Neither we, the indenture trustee, nor any agent or any paying agent, any underwriter or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the United States Securities Act of 1933, as amended, will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

DTC is a limited purpose trust company organized under the New York banking Law, a [banking organization] within the meaning of the New York Uniform Commercial Code and a [clearing agency] registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities deposited with it by participating institutions ([Direct Participants]) and facilitates post trade settlement among Direct Participants transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participant's Accounts. This eliminates the need for physical movement of securities. Access to the DTC system is also available to indirect participants such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear or maintain a custodial relationship with a Direct Participant. The

DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Clearstream, Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream, Luxembourg holds securities for its participating organizations (["Clearstream Participants"]) and facilitates the clearance and settlement of securities transactions between Clearstream Participants through electronic book-entry changes in accounts of Clearstream Participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to Clearstream Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters named in this prospectus supplement. Indirect access to Clearstream, Luxembourg is also available to others. Such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Participant either directly or indirectly. Distributions with respect to the notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream, Luxembourg.

The Euroclear Operator advises that Euroclear was created in 1968 to hold securities for participants of Euroclear (["Euroclear Participants"]) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by the Euroclear Operator under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the ["Cooperative"]). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the underwriters named in this prospectus supplement. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly. The Euroclear Operator was granted a banking license by the Belgian Banking and Finance Commission in 2000, authorizing it to carry out banking activities on a global basis. It took over operation of Euroclear from the Brussels, Belgium office of Morgan Guaranty Trust Company of New York on December 31, 2000.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the ["Terms and Conditions"]). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants. Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Information concerning DTC, Clearstream, Luxembourg, and Euroclear in this prospectus supplement has been obtained from sources we believe to be reliable, but we take no responsibility for the accuracy thereof.

### Registration and Transfer of Notes

**Book-entry notes.** If you transfer your note while it is in book-entry form, the transfer will be reflected on the records of participants in DTC through which your beneficial interest in the note is held, or, in the case of non-U.S. dollar denominated notes, the records of participants in Euroclear and Clearstream, Luxembourg through which your note is held. Your broker/dealer, bank, trust company or other representative will arrange for the transfer to be reflected on the applicable clearing system's records. As long as a depository or its nominee remains the registered holder of the note, no transfer is reflected in our register.

**Certificated notes.** In addition to acting as trustee under the Indenture, JPMorgan Chase also acts as our registrar for notes. If a book-entry system were not in effect, the holders of registered notes would go to JPMorgan Chase's office at 4 New York Plaza, 1st Floor, GIS Unit Trust Window-ITS Operations, New York, New York 10004 or, in the case of notes to be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, to such other place as we may from time to time specify for such purposes in relation to any notes in order to:

- register the transfer of any certificated note;
- exchange certificated notes for notes of different denominations;
- deliver payment instructions;
- obtain a new note to replace a note that has been lost or destroyed (you may be required to provide a document to JPMorgan Chase and us agreeing to return the new certificate if the missing one is found);  
or
- present notes that have matured or been redeemed in exchange for payment.

### Methods of Payment

**Paying Agents.** JPMorgan Chase, acts as our paying agent and will make all payments on the notes on our behalf.

For so long as the notes of any tranche are listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, we will at all times maintain a paying agent and a transfer agent in Luxembourg and if European Council Directive 2003/48/EC or any Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought in force, we will ensure that we maintain a paying agent in a Member State of the European Union that will not be obliged to withhold or deduct tax from payment in respect of the notes pursuant to any such Directive or law.

**Book-entry notes.** JPMorgan Chase will make payments of principal and interest on book-entry notes to the account of DTC's nominee, or other depository, as applicable, as registered holder, by wire transfer of immediately available funds. Neither we nor JPMorgan Chase can make any payments to owners of beneficial interests in book-entry notes. Instead, DTC, Euroclear or Clearstream, Luxembourg, as applicable, will credit the funds to which an investor is entitled to the account of the participant through which the investor holds its note. That participant, in turn, will credit these funds to your account (or the account of any other intermediary through which you hold your note).

We understand that DTC's current practice is to credit interest payments (including interest payable at Maturity) and principal payments in immediately available funds. These payments and credits will be made pursuant to the rules of DTC, in accordance with any standing instructions you have with your broker/ dealer, bank, trust company or other participant in DTC through which you hold your notes and with customary practice in the broker/dealer industry. Neither we nor JPMorgan Chase will be involved with, or responsible for, the movement of funds once JPMorgan Chase has paid the nominee or depository that appears its register.

**Certificated notes.** Each registered holder of certificated notes will receive payments of principal and interest due at Maturity or earlier redemption by wire transfer of immediately available funds after presenting the matured or redeemed note at JPMorgan Chase's office (the address is given above) or in the case of notes to be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, at such other place as we may from time to time specify for such purposes in relation to any notes. Interest payable at any other time will be paid by check mailed to your address as it appears in JPMorgan Chase's records. If you own \$5,000,000 or more of notes having the same terms and conditions, we will pay you interest prior to Maturity by wire transfer of immediately available funds if you give the appropriate instructions to JPMorgan Chase at least 10 calendar days before the applicable interest payment date.

**DTC notes denominated in a foreign currency.** Purchasers of book-entry notes representing beneficial interests in a DTC Global Note denominated in a foreign currency must pay for their notes in that currency. If you prefer to pay in U.S. dollars, the agents will convert U.S. dollars into the foreign currency on your behalf to enable you to make payment in that currency. You must notify the agents that you would like them to provide this service for you at least three Business Days before the date of delivery of the note. These services are available only in connection with the initial distribution of notes denominated in a foreign currency.

Except as described below, regardless of whether the notes are in book-entry or certificated form, all payments of principal and interest on foreign currency notes (other than dual currency notes, as described under "Interest and Interest Rates" below) will be made in U.S. dollars based on the Noon Buying Rate. JPMorgan Chase will convert these U.S. dollar payments into the currency of the notes on your behalf if you request the conversion at least ten calendar days before the applicable payment date. Any currency conversion will be based upon a firm bid quotation in New York City received by JPMorgan Chase at approximately 11:00 a.m., Eastern Time, on the second Business Day preceding the applicable payment date from a recognized foreign exchange dealer (which may be JPMorgan Chase). If JPMorgan Chase cannot obtain a bid quotation for the conversion of U.S. dollars into the relevant foreign currency, then payments on the note will be made in U.S. dollars.

If you request an interest payment in a foreign currency, or, in the case of a dual currency note, interest payments are to be made in a foreign currency the payment will be paid by check mailed to your address as it appears in JPMorgan Chase's records. If you request that the principal payment on your note, including any interest payable at Maturity, be in a foreign currency, or, in the case of a dual currency note, the principal payment, including any interest payable at Maturity, is to be made in a foreign currency, such payment will be paid by check after you present the matured or redeemed note at JPMorgan Chase's office (the address is given above) or in the case of notes to be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, at such other place as we may from time to time specify for such purposes in relation to any notes. Checks in foreign currencies will be drawn from banks located outside the U.S. If you hold \$1,000,000 or more of notes denominated in a foreign currency having the same terms and conditions, you can request that JPMorgan Chase make payments in the foreign currency by wire transfer. You must request wire transfers no later than the record date for interest payments and, in the case of payments of principal, no

later than fifteen calendar days prior to Maturity. Foreign currency wire transfers must be made to banks located outside the U.S.

DTC will not accept foreign currency payments. You may elect to receive foreign currency payments in respect of book-entry notes by notifying your broker/dealer, bank, trust company or other participant in DTC through which you hold notes at least 15 calendar days prior to the payment date that you have elected to receive all or a portion of the foreign currency payment in that foreign currency and by providing your broker/ dealer, bank, trust company or other participant in DTC with wire transfer instructions to an account maintained in that foreign currency. Such DTC participant in turn will notify DTC of your election and wire transfer instructions and DTC will pass those on to JPMorgan Chase. If JPMorgan Chase receives those instructions from DTC in time, you will receive payment in the foreign currency, after deduction of JPMorgan Chase's currency conversion and other costs. Otherwise, you will receive payment in U.S. dollars through DTC.

You will be responsible for the costs of any currency conversion effected by JPMorgan Chase on your behalf.

In certain circumstances we may offer notes denominated in a foreign currency that are registered in the name of a nominee for, and deposited with, a common depository for Euroclear and Clearstream, Luxembourg. In these circumstances and without having to make a request therefor, you will be entitled to receive payments of interest or principal in the relevant foreign currency. Payments of principal and interest will be made to the common depository or its nominee for credit to the accounts of participants in Euroclear and Clearstream, Luxembourg in accordance with the normal procedures applicable to Euroclear and Clearstream, Luxembourg, as described above.

**Payments to Registered Holders.** Payments of interest on notes are payable to the entity or person in whose name the note is registered at the close of business on the record date before each interest payment date. However, interest payable at Maturity, redemption or repayment will be payable to the person to whom principal is payable. The first interest payment on any note originally issued between a record date and an interest payment date or on an interest payment date will be made on the interest payment date after the next record date. The record date for any interest payment date for a floating rate note will be the date (whether or not a Business Day) 15 calendar days immediately before the interest payment date, and for a fixed rate note will be the last day of February or August (whether or not a Business Day) immediately before the interest payment date or Maturity, unless otherwise specified in the applicable pricing supplement.

**Optional Redemption or Repayment.** We may issue notes that permit us to redeem them prior to their Maturity (calls) or that permit you to require us to repay them prior to their Maturity (puts). Any such redemption or repayment provisions, including the date(s) on which the call or put may occur and whether redemptions or repayments may be made in whole or in part, will be described in the pricing supplement relating to the specific notes.

If we are permitted to call any notes, we will give notice of redemption to you (or the depository or other entity that is the registered holder of your notes) by mail at least 30 calendar days and not more than 60 calendar days prior to the date set for redemption. In the case of notes listed on the Luxembourg Stock Exchange, we will also notify you and the Luxembourg Stock Exchange in the manner specified under Notices herein.

If you are permitted to put any notes, the registered holder must notify JPMorgan Chase at least 30 calendar days and not more than 60 calendar days prior to the date set for repayment. For any note to be repaid, JPMorgan Chase must receive (i) in the case of a certificated note, the note with the attached Option to Elect Repayment form completed, or a letter from a broker/dealer, bank or trust company notifying JPMorgan Chase of your intent to elect repayment of your notes and guaranteeing that you will deliver the note and the attached Option to Elect Repayment form not later than five Business Days after the date set for repayment or (ii) in the case of a book-entry

note, instructions to such effect from the beneficial owner of the note to JPMorgan Chase through DTC or the common depository, as the case may be.

Any notice of redemption delivered by you or by us will be irrevocable.

**Open-market Purchases.** We may, at any time, purchase notes at any price from holders of notes or in the open market. If we purchase any of our notes, we may hold them, resell them, subject to applicable law, or surrender them to JPMorgan Chase for cancellation.

### **Interest and Interest Rates**

The interest rates we will offer with respect to the notes may differ depending on, among other things, the aggregate principal amount of notes purchased in a single transaction.

#### **Fixed Rate Notes**

Each fixed rate note will bear interest at the annual rate specified in the note and in the applicable pricing supplement. Interest on the fixed rate notes will be paid on March 15 and September 15 of each year or as specified in the applicable pricing supplement. Interest on fixed rate notes will be computed and paid on the basis of a 360-day year of twelve 30-day months or as specified in the applicable pricing supplement. In the event that any Interest Payment Date (as defined below) or Maturity for any fixed rate note is not a Business Day, principal and/or interest on such fixed rate note will be paid on the next succeeding Business Day; however, we will not pay any additional interest due to the delay in payment.

#### **Floating Rate Notes**

##### *General*

Each floating rate note will have an interest rate formula. The formula may be based on:

- the CD Rate;
- CMT Rate;
- the Commercial Paper Rate;
- the Eleventh District Cost of Funds Rate;
- the Federal Funds Rate;
- LIBOR;
- the Prime Rate;
- the Treasury Rate; or
- another rate specified in the applicable pricing supplement.

The applicable pricing supplement will also indicate the Spread and/or Spread Multiplier, if any. In addition, any floating rate note may have a maximum or minimum interest rate limitation.

*Date of Interest Rate Change*

The interest rate on each floating rate note may be reset daily, weekly, monthly, quarterly, semiannually or annually (the day on which such interest rate is reset is the "Interest Reset Date" and the period from one Interest Reset Date to the next Interest Reset Date is an "Interest Reset Period"). Unless we state otherwise in the applicable pricing supplement, the Interest Reset Dates will be:

- for floating rate notes that reset daily, each Business Day;
- for floating rate notes (other than Treasury Rate notes) that reset weekly, Wednesday of each week;
- for Treasury Rate notes that reset weekly, Tuesday of each week;
- for floating rate notes (other than Eleventh District Cost of Funds Rate Notes) that reset monthly, the third Wednesday of each month;
- for Eleventh District Cost of Funds Rate Notes, all of which reset monthly, the first calendar day of each month;
- for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;
- for floating rate notes that reset semiannually, the third Wednesday of each of the two months specified in the pricing supplement; and
- for floating rate notes that reset annually, the third Wednesday of the month specified in the pricing supplement.

If an Interest Reset Date for any floating rate note falls on a day that is not a Business Day, it will be postponed to the following Business Day, except that, in the case of a LIBOR note, if that Business Day is in the next calendar month, the Interest Reset Date will be the immediately preceding Business Day.

*How Interest Is Calculated*

We will appoint a calculation agent to calculate interest rates on the floating rate notes. Unless we choose a different party in the pricing supplement, the lead agent for an issue of notes will be the calculation agent for those notes. Floating rate notes will accrue interest from and including the original issue date or the last date to which interest has been paid or provided for, as the case may be, to but excluding the applicable Interest Payment Date, as described below, or Maturity, as the case may be.

Accrued interest on floating rate notes will be calculated by multiplying the principal amount of such note (or, in the case of an indexed note, unless otherwise specified in the pricing supplement, the face amount of such indexed note) by an accrued interest factor. The accrued interest factor will be computed by adding the interest factors calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal calculated to seven decimal places without rounding) for each day will be computed by dividing the interest rate in effect on that day by 360, in the case of CD Rate notes, Commercial Paper Rate notes, the Eleventh District Cost of Funds Rate notes, Federal Funds rate notes, LIBOR notes and Prime Rate notes, or by the actual number of days in the year, in the case of Treasury Rate notes or CMT Rate notes. For these calculations, the interest rate in effect on any Interest Reset Date will be the new reset rate.



The calculation agent will round all percentages resulting from any calculation of the rate of interest on a floating rate note, if necessary, to the nearest 1/100,000 of 1% (.0000001), with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)) and all currency amounts used in or resulting from any calculation on floating rate notes will be rounded to the nearest one-hundredth of a unit (with .005 of a unit being rounded upward).

The calculation agent will promptly notify JPMorgan Chase (and, in the case of floating rate notes listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, such other persons as we may from time to time specify for such purposes in relation to any notes) of each determination of the interest rate. The calculation agent will also notify such persons of the interest rate, the interest amount, the interest period and the interest payment date related to each Interest Reset Date as soon as such information is available. The paying agents will make such information available to the holders of such notes and, in the case of notes listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, such stock exchange(s), competent authority(ies) and/or market(s). JPMorgan Chase will, upon the request of the holder of any floating rate note, provide the interest rate then in effect and, if determined, the interest rate which will become effective as a result of a determination made with respect to the most recent Interest Determination Date relating to such floating rate note.

So long as any floating rate notes are listed on an exchange and the rules of such exchange so require, we will maintain a calculation agent for such floating rate notes, and we will notify the holders of such floating rate notes in the manner specified under "Notices" herein in the event that we appoint a calculation agent with respect to such floating rate notes other than the calculation agent designated as such in the applicable Pricing Supplement.

#### *When Interest Is Paid*

Unless we state otherwise in the applicable pricing supplement, we will pay interest on floating rate notes as follows:

(a) for notes that reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year specified in the pricing supplement;

(b) for notes that reset quarterly, on the third Wednesday of March, June, September, and December of each year specified in the pricing supplement;

(c) for notes that reset semiannually, on the third Wednesday of each of two months of each year specified in the pricing supplement; and

(d) for notes that reset annually, on the third Wednesday of one month of each year specified in the pricing supplement.

Each of the above dates is an "Interest Payment Date". We will also pay interest on all notes at Maturity.

If an Interest Payment Date (other than at Maturity) for any floating rate note falls on a day that is not a Business Day, it will be postponed to the following Business Day and interest thereon will continue to accrue, except that, in the case of a LIBOR note, if that Business Day would fall in the next calendar month, the Interest Payment Date will be the immediately preceding Business Day.

If the Maturity for a floating rate note falls on a day that is not a Business Day, we will make the payment of principal and interest on the next Business Day, without additional interest.

References below to information services include any successor information services.

*CMT Rate Notes*

Each CMT Rate note will bear interest at a specified rate that will be reset periodically based on the CMT Rate and any Spread or Spread Multiplier.

□CMT Rate□ means, with respect to any Interest Determination Date, the rate displayed on the Designated CMT Telerate Page under the caption □□Treasury Constant Maturities□Federal Reserve Board Release H.15□Mondays Approximately 3:45 p.m.□, under the column for the specified Index Maturity for:

- (1) if the Designated CMT Telerate Page is 7051, the rate for the Interest Determination Date; or
- (2) if the Designated CMT Telerate Page is 7052, the weekly or monthly average, as applicable, ended immediately preceding the week or month, as applicable, in which the Interest Determination Date occurs.

The following procedures will apply if the rate cannot be set as described above:

(a) if we do not specify any page, the Designated CMT Telerate Page will be 7052 for the most recent week. If that rate is no longer displayed on the relevant page, or if it is not displayed by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate will be the Treasury constant maturity rate for the specified Index Maturity as published in the relevant H.15(519).

(b) If the rate is no longer published in H.15(519), or is not published by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate for that determination date will be the Treasury constant maturity rate for the specified Index Maturity (or other U.S. Treasury rate for such Index Maturity for that Interest Determination Date) as may then be published by either the Federal Reserve Board or the U.S. Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519).

(c) If that information is not provided by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate will be calculated as a yield to maturity, based on the average of the secondary market closing bid side prices as of approximately 3:30 p.m., New York City time, on that Interest Determination Date reported, according to their written records, by three leading primary U.S. government securities dealers (each, a □Reference Dealer□) in The City of New York selected by the calculation agent. These dealers will be selected from five Reference Dealers using the following procedures:

- The calculation agent will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for the most recently issued direct noncallable fixed rate obligations of the United States (□Treasury Notes□) with an original maturity of approximately the specified Index Maturity and a remaining term to maturity of not less than the specified Index Maturity minus one year.
- If two Treasury notes with an original maturity as described in the preceding sentence have remaining terms to maturity equally close to the specified Index Maturity, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

(d) If the calculation agent cannot obtain three Treasury note quotations, the CMT Rate will be calculated as a yield to maturity based on the average of the secondary market bid side prices as of approximately 3:30 p.m., New York City time, on that Interest Determination Date of three Reference Dealers in The City of New

York selected by the calculation agent using the same method described above, for Treasury notes with an original maturity of the number of years that is the next highest to the specified Index Maturity with a remaining term to maturity closest to such Index Maturity and in an amount of at least \$100,000,000. If three or four (and not five) of the Reference Dealers are providing quotes, then the CMT Rate will be based on the average of the offer prices obtained, and neither the highest nor the lowest of such quotes will be eliminated.

(e) If fewer than three Reference Dealers are providing quotes, the rate of interest on CMT Rate notes will be the same as the rate of interest thereon in the prior interest period.

#### *CD Rate Notes*

Each CD Rate note will bear interest at a specified rate that will be reset periodically based on the CD Rate and any Spread and/or Spread Multiplier.

□CD Rate□ means, with respect to any Interest Determination Date, the rate on that Interest Determination Date for negotiable certificates of deposit having the specified Index Maturity as published in H.15(519) under the heading □CDs (secondary market)□.

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Calculation Date, then the CD Rate will be the rate for negotiable certificates of deposit having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption □CDs (secondary market)□.

(b) If the rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the CD Rate will be the average of the secondary market offered rates, as of 10:00 a.m., New York City time, of three leading nonbank dealers of negotiable U.S. dollar certificates of deposit in The City of New York selected by the calculation agent for negotiable certificates of deposit of major money market banks with a remaining maturity closest to the specified Index Maturity in a denomination of \$5,000,000.

(c) If fewer than three dealers are providing quotes, the rate of interest on the CD Rate note will be the same as the rate of interest thereon in the prior interest period.

#### *Commercial Paper Rate Notes*

Each Commercial Paper Rate note will bear interest at a specified rate that will be reset periodically based on the Commercial Paper Rate and any Spread and/or Spread Multiplier.

□Commercial Paper Rate□ means, with respect to any Interest Determination Date, the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the specified Index Maturity as published in H.15(519) under the heading □Commercial Paper□Nonfinancial□.

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) prior to 3:00 p.m., New York City time, on the Calculation Date, then the Commercial Paper Rate will be the Money Market Yield of the rate for commercial paper having the specified Index Maturity as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption □Commercial Paper□Nonfinancial□.

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the Commercial Paper Rate will be the Money Market Yield of the average for the offered rates, as of 11:00 a.m., New York City time, on that Interest Determination Date, of three leading dealers of commercial paper in The City of New York selected by the calculation agent for commercial paper having the specified Index Maturity placed for an industrial issuer whose bond rating is AA, or the equivalent, by a nationally recognized rating agency.

(c) If fewer than three dealers are providing quotes, the rate of interest on the Commercial Paper Rate note will be the same as the rate of interest thereon in the prior interest period.

*Eleventh District Cost of Funds Rate Notes*

Each Eleventh District Cost of Funds Rate note will bear interest at a specified rate that will be reset periodically based on the Eleventh District Cost of Funds Rate and any Spread and/or Spread Multiplier.

Eleventh District Cost of Funds Rate means, with respect to any Interest Determination Date, the rate equal to the monthly weighted average cost of funds for the calendar month preceding such Interest Determination Date as set forth under the caption 11th District on Telerate on page 7058 (or such other page as is specified in the applicable pricing supplement) as of 11:00 a.m., San Francisco time, on such Interest Determination Date. If such rate does not so appear, the Eleventh District Cost of Funds Rate shall be the FHLB Index for the calendar month preceding the date of such announcement. If the Federal Home Loan Bank of San Francisco fails to announce such rate for the calendar month next preceding such Interest Determination Date, then the rate of interest on the Eleventh District Cost of Funds Rate notes will be the same as the rate of interest thereon in the prior interest period.

*Federal Funds Rate Notes*

Each Federal Funds Rate note will bear interest at a specified rate that will be reset periodically based on the Federal Funds Rate and any Spread and/or Spread Multiplier.

Federal Funds Rate means, with respect to any Interest Determination Date, the rate with respect to specified dates for Federal Funds published in H.15(519) prior to 11:00 a.m., New York City time, under the heading Federal Funds Effective, as such rate is displayed on Telerate Page 120.

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate does not appear on Telerate Page 120 or is not published in H.15(519) prior to 11:00 a.m., New York City time, on the Calculation Date, then the Federal Funds Rate will be the rate with respect to such Interest Determination Date as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption Federal Funds (Effective).

(b) If the rate does not appear on Telerate Page 120 or is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the Federal Funds Rate will be the average of the rates, as of 11:00 a.m., New York City time, on the Business Day following such Interest Determination Date, for the last transaction in overnight federal funds arranged by three leading brokers of federal funds transactions in The City of New York selected by the calculation agent.

(c) If fewer than three brokers are providing quotes, the rate of interest on the Federal Funds Rate notes will be the same as the rate of interest thereon in the prior interest period.

*LIBOR Notes*

Each LIBOR note will bear interest at a specified rate that will be reset periodically based on LIBOR and any Spread and/or Spread Multiplier.

The calculation agent will determine LIBOR on each Interest Determination Date as follows:

(a) With respect to any Interest Determination Date, LIBOR will be generally determined as either:

(1) If  LIBOR Reuters is specified in the pricing supplement, the average of the offered rates for deposits in the Designated LIBOR Currency having the specified Index Maturity beginning on the second London Business Day immediately after the Interest Determination Date, that appear on the Designated LIBOR page as of 11:00 a.m., London time, on that Interest Determination Date, if at least two offered rates appear on the Designated LIBOR Page; or

(2) If  LIBOR Telerate is specified in the pricing supplement, or if neither  LIBOR Reuters nor  LIBOR Telerate is specified in the applicable pricing supplement, the rate for deposits in the Designated LIBOR Currency having the specified Index Maturity beginning on the second London Business Day immediately after such date (or, if pounds sterling is the Designated LIBOR Currency, beginning on such date or, if euro is the Designated LIBOR Currency, beginning on the second TARGET Settlement Day immediately after such date), that appears on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date.

Where (1) above applies, if fewer than two offered rates appear on the Designated LIBOR Page, or, where (2) above applies, if no rate appears on the Designated LIBOR Page, LIBOR for that Interest Determination Date will be determined based on the rates on that Interest Determination Date at approximately 11:00 a.m., London time, at which deposits on that date in the Designated LIBOR Currency for the period of the specified Index Maturity are offered to prime banks in the London interbank market by four major banks in that market selected by the calculation agent and in a principal amount of not less than \$1,000,000 (or its foreign currency equivalent) that in the calculation agent's judgment is representative for a single transaction in the Designated LIBOR Currency in such market at such time (a  Representative Amount). The offered rates must begin on the second London Business Day immediately after the Interest Determination Date (or if pounds sterling is the Designated LIBOR Currency, commencing on such Interest Determination Date or, if euro is the Designated LIBOR Currency, beginning on the second TARGET Settlement Day immediately after such date).

The calculation agent will request the principal London office of each of these banks to quote its rate. If the calculation agent receives at least two quotations, LIBOR will be the average of those quotations.

(b) If the calculation agent receives fewer than two quotations, LIBOR will be the average of the rates quoted at approximately 11:00 a.m., New York City time, on the Interest Determination Date by three major banks in the Principal Financial Center selected by the calculation agent. The rates will be for loans in the Designated LIBOR Currency to leading European banks having the specified Index Maturity beginning on the second London Business Day after that date (or, if pounds sterling is the Designated LIBOR Currency, commencing on such date or, if euro is the Designated LIBOR Currency, beginning on the second TARGET Settlement Day immediately after such date) and in a Representative Amount.

(c) If fewer than three banks provide quotes, the rate of interest on the LIBOR notes will be the same as the rate of interest thereon in the prior interest period.

*Prime Rate Notes*

Each Prime Rate note will bear interest at a specified rate that will be reset periodically based on the Prime Rate and any Spread and/or Spread Multiplier.

□Prime Rate□ means, with respect to any Interest Determination Date, the rate set forth on that Interest Determination Date in H.15(519) under the heading □Bank Prime Loan□.

The following procedures will apply if the rate cannot be set as described above:

(a) If the rate is not published in H.15(519) by 3:00 p.m., New York City time, on the Calculation Date, then the Prime Rate will be the rate as published on such Interest Determination Date in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate under the caption □Bank Prime Loan□.

(b) If the rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, then the Prime Rate will be the average (rounded upwards, if necessary, to the next higher one-hundred thousandth of a percentage point) of the rates publicly announced by each bank on the Reuters Screen USPRIME1 Page as its prime rate or base lending rate for that Interest Determination Date.

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average 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 the Interest Determination Date by four major money center banks in The City of New York selected by the calculation agent.

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of 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 \$500 million and being subject to supervision or examination by a Federal or State authority, as selected by the calculation agent.

(e) If no banks are providing quotes, the rate of interest on the Prime Rate notes will be the same as the rate of interest thereon for the prior interest period.

*Treasury Rate Notes*

Each Treasury Rate note will bear interest at a specified rate that will be reset periodically based on the Treasury Rate and any Spread and/or Spread Multiplier.

□Treasury Rate□ means, with respect to any Interest Determination Date, the rate from the most recent auction of direct obligations of the United States (□Treasury bills□) having the specified Index Maturity as it appears under the caption □Investment Rate□ on Telerate Page 56 or Telerate Page 57 (or any other pages as may replace such pages on such service).

The following procedures will apply if the rate cannot be set as described above:

(a) If, by 3:00 p.m., New York City time, on the Calculation Date for an Interest Reset Period, Treasury bills of the specified Index Maturity have been auctioned on an Interest Determination Date during that Interest Reset Period, but the rate for such Interest Determination Date does not appear on either Telerate Page 56 or Telerate Page 57, the rate will be the Bond Equivalent Yield on such Interest Determination Date of the rate for



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Treasury bills of the specified Index Maturity as set forth in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, for that day under the caption "U.S. Government securities/Treasury bills/Auction high."

(b) If the rate cannot be set as described in (a) above by 3:00 p.m., New York City time, on the Calculation Date, then the rate will be the Bond Equivalent Yield on such Interest Determination Date of the auction rate for Treasury bills of the specified Index Maturity as announced by the U.S. Department of the Treasury.

(c) If the rate cannot be set as described in (b) above by 3:00 p.m., New York City time, on the Calculation Date, then the rate will be the Bond Equivalent Yield, on such Interest Determination Date, of the rate for Treasury bills of the specified Index Maturity as set forth in H.15(519), under the caption "U.S. Government securities/Treasury bills/Secondary Market."

(d) If the rate cannot be set as described in (c) above by 3 p.m., New York City time, on the Calculation Date, then the rate will be the Bond Equivalent Yield, on such Interest Determination Date, of the rate for Treasury bills of the specified Index Maturity as set forth in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "U.S. Government securities/Treasury bills/Secondary Market."

(e) If the rate cannot be set as described in (d) above by 3 p.m., New York City time, on the Calculation Date, then the rate will be the average of the secondary market bid rates as of approximately 3:30 p.m., New York City time, on the Interest Determination Date, of three leading primary U.S. government securities dealers in The City of New York selected by the calculation agent for the issue of Treasury bills with the remaining maturity closest to the specified Index Maturity.

(f) If the rate cannot be set as described in (e) above, then the rate of interest on the Treasury Rate notes will be the same as the rate of interest thereon in the prior interest period.

### *Indexed Notes*

We may offer indexed notes under which principal or interest is determined by reference to an index related to:

- (a) the rate of exchange between the specified currency for such note and the Designated LIBOR Currency;
- (b) the difference in the price of a specified commodity on specified dates;
- (c) the difference in the level of a specified stock index, which may be based on U.S. or foreign stocks, on specified dates; or
- (d) any other objective price or economic measures described in the pricing supplement.

We will describe the manner of determining principal and interest amounts in the pricing supplement. We will also include historical and other information regarding the index or indexes and information concerning tax consequences to holders of indexed notes.

Interest payable on an indexed note will be based on the face amount of the note. The pricing supplement will describe whether the principal payable upon redemption or repayment prior to Maturity will be the face amount, the index principal amount at the time of redemption or repayment or some other amount.



## Dual Currency Notes

We may offer dual currency notes under which we have the option to make all payments in a currency that is different than the currency in which the notes were issued. We can only exercise this option with respect to all dual currency notes issued on the same day with the same terms.

The pricing supplement will include related tax information and will specify the date on which we may exercise our option.

If we elect to exercise our option to make scheduled payments in the alternate currency, we will notify you by mail within two Business Days. We will not be able to withdraw such notice once it has been mailed to you.

Because of fluctuating exchange rates, you may receive less in interest and/or principal in the alternate currency than you would if we made payments in the notes' original currency. For further information regarding certain risks inherent in notes denominated in currencies other than U.S. dollars, see "Risks of Foreign Currency Notes and Indexed Notes" above.

## Renewable Notes

We may issue renewable notes which will bear interest at a specified rate that will be reset based on a base rate and any Spread and/or Spread Multiplier.

The Maturity of a renewable note will be automatically extended for a twelve month period on each maturity date unless you elect to terminate the automatic extension. To terminate the automatic extension of your renewable note, you must notify JPMorgan Chase within the time frame specified in the pricing supplement. You may choose to maintain the automatic extension provision for a portion of your note so long as that portion equals at least \$100,000 (or its foreign currency equivalent). The Maturity of the renewable notes cannot be extended beyond the final maturity date specified in the pricing supplement. If you elect to terminate the automatic extension of any portion of your renewable note, you will receive payment of principal on that portion on an interest payment date falling approximately six months after the date on which the note was scheduled to be extended.

You may revoke your election to terminate the automatic extension of any portion of your renewable note if such portion equals at least \$100,000 (or its foreign currency equivalent). To revoke your election you must notify JPMorgan Chase prior to the fifteenth calendar day before the portion is scheduled to mature. An election to terminate the automatic extension of a renewable note will be binding on any subsequent holder of the note unless it is properly revoked.

We may elect to redeem the total amount or a portion of a renewable note at a redemption price of 100% of its principal amount plus accrued interest. If we decide to redeem a renewable note we will notify you by first class mail at least 30 calendar days but, not more than 60 calendar days prior to the redemption date. In the case of notes listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, we will also notify you in the manner specified under "Notices" herein.

We may also issue renewable notes under which the Spread and/or Spread Multiplier is reset by a remarketing agent using remarketing procedures included in the pricing supplement.

### **Extendible Notes**

We may issue extendible fixed rate notes under which we have the option to extend the notes' stated maturity date for one or more whole years up to a date specified in the pricing supplement. If we elect to extend the notes, we must notify JPMorgan Chase at least 45 calendar days and not more than 60 calendar days prior to the notes' original stated maturity date. JPMorgan Chase will notify you of our decision to extend the Maturity of the notes by first class mail. In the case of notes listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, we will also notify you in the manner specified under "Notices" herein. The notice will specify the notes' new Maturity date, the interest rate applicable to the extension period and any applicable redemption provisions.

We can increase the interest rate for the extension period by notifying JPMorgan Chase at any time prior to 10:00 a.m., New York City time, on the twentieth calendar day before the extended notes are scheduled to mature. JPMorgan Chase will send you notice of the increase in interest rate in a manner agreed upon by us and JPMorgan Chase. We cannot revoke our election to increase the interest rate.

If we elect to extend the Maturity of an extendible note, you have the option to require us to repay such note on the Maturity date then in effect at a price equal to the principal amount of the note plus any accrued interest to such date. To exercise this option you must notify JPMorgan Chase at least 25 calendar days but not more than 60 calendar days prior to the date the notes are scheduled to mature. You may notify JPMorgan Chase either by delivering to JPMorgan Chase the note with the attached "Option to Elect Repayment" form completed, or by delivering to JPMorgan Chase a letter from a broker/dealer, bank or trust company notifying JPMorgan Chase of your intent to redeem your notes and guaranteeing that you will deliver the note and the attached "Option to Elect Repayment" form not later than five Business Days after the date set for redemption. You may revoke your election to be repaid at any time before 3:00 p.m., New York City time, on the twentieth calendar day prior to the date the notes are scheduled to mature.

### **Amortizing Notes**

We may offer amortizing notes. Unless otherwise specified in the applicable Pricing Supplement, interest on an amortizing note will be computed on the basis of a 360-day year of twelve 30-day months. Payments on amortizing notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount. Further information about amortizing notes including an amortization schedule will be included in the pricing supplement.

### **Original Issue Discount Notes**

We may issue Original Issue Discount Notes. Original Issue Discount Notes are notes issued at a discount from the principal amount payable at Maturity. Certain additional considerations relating to Original Issue Discount Notes may be described in the pricing supplement.

### **Other Provisions, Addenda**

We may modify any provision of a note by using the section marked "Other Provisions" or by providing an addendum to the note.

## **Euro Redenomination**

If notes are denominated in a foreign currency which may be replaced by euro, we may include provisions in the pricing supplement allowing for the redenomination of the notes from the original currency to euro.

## **Notices**

For so long as any tranche of notes is listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, all notices regarding such notes shall be published in accordance with the rules and regulations of any such stock exchange(s), competent authority(ies) and/or market(s).

Until such time as any certificated notes are issued in relation to a tranche of notes that is represented by global registered notes deposited with, or on behalf of, DTC, as depositary, and registered in the name of Cede & Co. or registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg, (and provided that, if such notes are also listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, the rules of any such stock exchange(s), competent authority(ies) and/or market(s) so permit) we may instead deliver the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to investors. Any such notice shall be deemed to have been given to the relevant investors on the seventh day after the day on which such notice was given to Euroclear and Clearstream, Luxembourg.

So long as any tranche of notes that is deposited with, or on behalf of, DTC, as depositary, and registered in the name of Cede & Co. or represented by global registered notes registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg, notices to be given by investors to us (for example, in relation to the exercise of any option to put notes back to us) may be given by the relevant investor to JPMorgan Chase via DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as JPMorgan Chase and DTC, Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **UNITED STATES TAX CONSIDERATIONS**

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you invest in notes. Except as discussed under "Non-U.S. Holders" and "Information Reporting and Backup Withholding", the discussion generally applies only to holders of notes that are U.S. holders. You are a U.S. holder if you are an individual who is a citizen or resident of the United States, a U.S. domestic corporation, or any other person that is subject to U.S. federal income tax on a net income basis in respect of an investment in the notes. This summary deals only with U.S. holders that hold notes as capital assets. It does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules, such as a bank, thrift, real estate investment trust, regulated investment company, insurance company, dealer in securities or currencies, trader in securities or commodities that elects mark-to-market treatment, person that will hold notes as a hedge against currency risk or as a position in a "straddle," conversion or other integrated transaction, tax-exempt organization, certain former citizens and residents or a U.S. person whose "functional currency" is not the U.S. dollar. Any special U.S. federal income tax considerations relevant to a particular issue of notes will be discussed in the applicable pricing supplement.

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary.

You should consult your tax adviser about the tax consequences of purchasing, holding or disposing of notes, including the relevance to your particular situation of the considerations discussed below, as well as the tax consequences to you under state, local or other tax laws.

### **Payments or Accruals of Interest**

Payments or accruals of "qualified stated interest" (as defined below) on a note will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting). If you use the cash method of tax accounting and you receive payments of interest in a currency other than U.S. dollars (a "foreign currency") pursuant to the terms of the note, the amount of interest income you will realize will be the U.S. dollar value of the foreign currency payment based on the exchange rate in effect on the date you receive the payment, regardless of whether you convert the payment into U.S. dollars. If you are an accrual-basis U.S. holder, the amount of interest income you will realize will be based on the average exchange rate in effect during the interest accrual period (or with respect to an interest accrual period that spans two taxable years, at the average exchange rate for the partial period within the taxable year). Alternatively, as an accrual-basis U.S. holder, you may elect to translate all interest income on foreign currency-denominated notes at the spot rate on the last day of the accrual period (or the last day of the taxable year, in the case of an accrual period that spans more than one taxable year) or on the date that you receive the interest payment if that date is within five business days of the end of the accrual period. If you make this election, you must apply it consistently to all debt instruments from year to year and you cannot change the election without the consent of the Internal Revenue Service. If you use the accrual method of accounting for tax purposes, you will recognize foreign currency gain or loss on the receipt of a foreign currency interest payment if the exchange rate in effect on the date the payment is received differs from the rate applicable to the previous accrual of that interest income. This foreign currency gain or loss will be treated as ordinary income or loss, but generally will not be treated as an adjustment to interest income received on the note.

### **Purchase, Sale and Retirement of Notes**

Initially, your tax basis in a note generally will equal the cost of the note to you. Your basis will increase by any amounts that you are required to include in income under the rules governing original issue discount and market discount, and will decrease by the amount of any amortized premium and any payments other than "qualified stated interest" (as defined below) made on the note. The rules for determining these amounts are discussed below. If you purchase a foreign currency-denominated note, the cost to you (and therefore generally your initial tax basis) will be the U.S. dollar value of the foreign currency amount paid on the date of purchase calculated at the exchange rate in effect on that date. If the foreign currency note is traded on