

Prospectus



JPMORGAN CHASE & CO.

(incorporated in the State of Delaware, United States of America)

U.S. \$15,000,000,000

Euro Medium Term Note Program

Under the Euro Medium Term Note Program described in this Prospectus (the "Program"), JPMorgan Chase & Co. ("JPMorgan Chase" or the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities (the "Notes"). The aggregate principal amount of Notes issued under the Program may be up to U.S.\$15,000,000,000 (or the equivalent in other currencies) outstanding at any one time. This Prospectus replaces the Offering Circular dated May 10, 2005 which increased the aggregate principal amount of Notes that may be issued under the Program to U.S.\$15,000,000,000 from U.S.\$5,000,000,000.

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for Notes issued under the Program for the period of 12 months from the date of this Prospectus to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market (the "Market"). References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Investment Services Directive 93/22/EC. The Program provides that Notes may be listed by such further listing authorities or listed or admitted to trading and/or quotation on such other or further stock exchanges as may be agreed between the Issuer and the relevant Dealer (as defined on page 6) in relation to each issue. The Issuer may also issue unlisted Notes pursuant to the Program. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be admitted to the Official List and admitted to trading on the Market (or any other stock exchange).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and may include Notes in bearer form that are subject to U.S. tax law requirements. Notes may not be offered, sold or delivered within the United States or to or for the account of U.S. persons unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. tax law requirements are satisfied. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

See "Risk Factors" on page 10 for a discussion of certain risks that should be considered in connection with any investment in the Notes.

Each Series (as defined on page 7) of Notes in bearer form will initially be represented on issue by a temporary global Note in bearer form (each, a "temporary Global Note"). The temporary Global Notes may be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), as further described herein. Beneficial interests in a temporary Global Note will be exchangeable for either (i) a permanent global Note in bearer form (a "Permanent Global Note") or (ii) definitive Notes in bearer form ("Bearer Notes"), in each case not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership. Notes in registered form will be represented by registered certificates (each a "Certificate"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Notes in registered form that are registered in the name of a nominee or common depositary for one or more clearing systems will be represented by a Global Certificate, as further described herein. The provisions governing the exchange of interests in Global Notes or Global Certificates for other Global Notes or Global Certificates and definitive Notes are described in "Summary of Provisions Relating to the Notes While in Global Form".

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive (2003/71/EC), the minimum denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the Notes).

Tranches (as defined on page 7) of Notes issued under the Program may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Notes are not savings accounts, deposits or other obligations of any bank or non-bank subsidiary of JPMorgan Chase and are not insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency or instrumentality.

Arranger
JPMorgan

Dealer
JPMorgan

September 8, 2005

This Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and for the purpose of giving information with regard to the Issuer and the Issuer and its subsidiaries taken as a whole (together, the “JPMorgan Chase Group”) which, according to the particular nature of JPMorgan Chase Group and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents incorporated by reference herein (see “Documents Incorporated by Reference”) including any amendment or supplements hereto and, in relation to the final terms of any particular Tranche of Notes, the applicable Final Terms. References to the “Prospectus” shall mean this Prospectus and all documents incorporated by reference herein.

No person is or has been authorized to give any information or to make any representation other than those contained in this Prospectus or incorporated by reference herein in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Dealers or the Arranger (as defined in “Overview of the Program”). Neither the delivery of this Prospectus nor any offer or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the JPMorgan Chase Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the JPMorgan Chase Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Program is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restrictions.

This Prospectus does not constitute an offer of, or an invitation or recommendation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes. Each recipient of this Prospectus shall be assumed to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The Arranger and the Dealers have not independently verified the information contained in this Prospectus. Neither any of the Dealers nor the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus or any other information provided by the Issuer in connection with the Program. Neither this Prospectus nor any document incorporated by reference is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Prospectus or any document incorporated by reference should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. Neither any of the Dealers nor the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

This Prospectus does not describe all of the risk factors (including those relating to each investor’s particular circumstances) of an investment in Notes of a particular structure, including the interest rate, exchange rate or other indices, relevant specified currencies, calculation formulae, and redemption, option and other rights associated with such Notes or where the investor’s currency is other than the Specified Currency (as specified in the relevant Final Terms) of issue or in which payment of such Notes will be made. The risk factors identified in this Prospectus are provided as general information only. Investors should consult their own financial, legal, tax, and other professional advisors as to the risk factors arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in such investor’s particular circumstances. See “Risk Factors” for a discussion of certain risks that should be considered in connection with any investment in the Notes.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “\$”, “U.S.\$” and “U.S. dollars” are to United States dollars, references to “euro” or “€” are to the currency introduced at the

start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended and references to “sterling” and “£” are to pounds sterling.

In connection with the issue of any Tranche (as defined on page 7), the Dealer or Dealers (if any) named as the stabilizing manager(s) (the “Stabilizing Manager(s)”) (or persons acting on behalf of a Stabilizing Manager) in the applicable Final Terms may over-allot Notes (provided that, in the case of any Tranche to be listed on the Market, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilizing Manager(s) (or persons acting on behalf of a Stabilizing Manager) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche.

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DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with JPMorgan Chase's (i) Annual Report on Form 10-K for the year ended December 31, 2004 (as amended on June 28, 2005 on Form 10K/A) filed by the Issuer with the U.S. Securities and Exchange Commission ("SEC") (the "2004 Annual Report"), which contains the audited consolidated financial statements of the Issuer as at December 31, 2004 and 2003 (together with the audit report thereon dated February 22, 2005, covering the balance sheet for each of the two years presented), and for each of the three years in the period ended December 31, 2004 (together with the audit report thereon dated February 22, 2005, covering the other financial statements for each of the three years presented), (ii) the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005 and June 30, 2005, filed by the Issuer with the SEC, which contains the unaudited consolidated financial statements of the Issuer as of and for the quarters ended March 31, 2005 and June 30, 2005, (iii) the Current Reports on Form 8-K filed by the Issuer with the SEC on March 1, 2004 and May 14, 2004, respectively, and (iv) the Current Reports on Form 8-K/A filed by the Issuer with the SEC on July 30, 2004 (with respect to Exhibit 99.3 only) and August 13, 2004 (with respect to Exhibit 99.4 only), respectively, and which have been previously published or are published simultaneously with this Prospectus and which have been filed with the Financial Services Authority. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained herein or in a document incorporated by reference herein shall be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. Any such statement modified or superseded shall not, except as so modified or superseded, constitute a part of the Prospectus. **Any documents which are incorporated by reference into the documents listed in items (i) through to (iv) above shall not constitute a part of this Prospectus.**

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Notes. Copies of the documents incorporated by reference in this Prospectus (i) can be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/> and (ii) will be available free of charge at the offices of JPMorgan Chase Bank, National Association, Institutional Trust Services at Trinity Tower, 9 Thomas More Street, London E1W 1YT and of J.P. Morgan Bank Luxembourg S.A., at 6, route de Trèves, L-2633 Senningberg (Municipality of Niederanven) Luxembourg. Any person receiving a copy of this Prospectus may obtain, without charge, upon written or oral request, a copy of any document incorporated by reference herein, except for the exhibits to such documents (unless such exhibits are specifically incorporated by reference). The Issuer's SEC filings are available to the public on the website maintained by the SEC at <http://www.sec.gov/edgar/searchedgar/webusers.htm>. The Issuer's filings can also be inspected and printed or copied, for a fee, at the SEC's Office of Public Reference, 100 F Street N.E., Washington, D.C. 20549, U.S.A., or by contacting that office by phone: +001 202 942 8090, fax: +001 202 628 9001 or e-mail: publicinfo@sec.gov. Please call the SEC at +001 800 732 0330 for further information on the public reference rooms. Copies of these documents (other than exhibits to such documents) may also be requested by writing or contacting JPMorgan Chase at: Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017-2070, U.S.A. (Telephone: +001 212 270 4040).

If at any time the Issuer shall be required to prepare a supplemental prospectus pursuant to section 87(G) of the Financial Services and Markets Act 2000 (the "FSMA"), the Issuer will prepare and make available an appropriate amendment or supplement to this Prospectus or a further prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplemental prospectus as required by the UK Listing Authority and section 87 of the FSMA. The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Program there is a significant new factor, mistake or material inaccuracy relating to the information contained in this Prospectus which is capable of affecting the assessment of any Notes whose inclusion in this Prospectus or removal is necessary for the purpose of allowing investors of the Notes to make an informed assessment of the assets and liabilities, financial position, profits and losses, and prospects of the Issuer and/or of the rights attaching to the Notes or there shall occur any material adverse change in the business or financial condition of, or other material adverse change affecting, JPMorgan Chase or the JPMorgan Chase Group which is not reflected in this Prospectus, or the terms of the Program are modified or amended in a manner which would make the Prospectus, as supplemented, inaccurate or misleading, the Issuer will prepare and deliver an amendment or supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent offering by the Issuer of Notes.

OVERVIEW OF THE PROGRAM

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Terms and Conditions of the Notes” below shall have the same meanings in this overview. The Issuer may agree with any Dealer that Notes may be issued in a form other than that contemplated in “Terms and Conditions of the Notes” herein, in which event a supplement to this Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Issuer:	JPMorgan Chase & Co.
Description:	Euro Medium Term Note Program. Up to U.S.\$15,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time may be issued as of the date hereof under the Program. The Issuer will have the option at any time to increase the aggregate principal amount of the Program, subject to the satisfaction of certain conditions, in accordance with the Program Agreement.
Arranger:	J.P. Morgan Securities Ltd.
Dealer:	J.P. Morgan Securities Ltd. The Issuer may from time to time terminate the appointment of any dealer under the Program or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Program. References in this Prospectus to the “Permanent Dealers” are to the person listed above as a Dealer and to such additional persons that are appointed as dealers in respect of the whole Program (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Issuing and Paying Agent:	JPMorgan Chase Bank, National Association.
Paying Agents:	JPMorgan Chase Bank, National Association, and J.P. Morgan Bank Luxembourg S.A.
Registrar:	J.P. Morgan Bank Luxembourg S.A.
Transfer Agents:	JPMorgan Chase Bank, National Association, and J.P. Morgan Bank Luxembourg S.A.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Australian dollars, Canadian dollars, Danish kroner, euro, Japanese yen, United Kingdom sterling, New Zealand dollars, Norwegian kroner, Swedish kronor or Swiss francs or in other currencies if the Issuer and the relevant Dealers so agree.
Redenomination, Renominalisation Reconventioning and/or Consolidation:	If so specified in the relevant Final Terms, Notes denominated in the national currency of a Member State that subsequently participates in the third stage of the European Economic and Monetary Union may, following the giving of notice by the Issuer to the Noteholders, the Issuing and Paying Agent, Euroclear and Clearstream, Luxembourg, be subject to redenomination (if so specified in the relevant Final Terms, in accordance with Condition 6(d)), renominalization, reconventioning and/or consolidation with other Notes then denominated in euro.
Denomination:	Other than as may be specified in the relevant Final Terms, Notes will have a denomination of at least €1,000 (or its equivalent in other currencies), provided that (i) in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area (“EEA”) or offered to the public in a Member State of the EEA in circumstances which require the publication of a Prospectus under the

Prospectus Directive (2003/71/EC), the minimum denomination shall be €50,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the time of issue); (ii) the minimum denomination of Bearer Notes and Exchangeable Bearer Notes with maturities of 183 days or less will be not less than U.S.\$500,000 (or its equivalent in other currencies) and such Bearer Notes will contain special certification by the holders of their connection with the United States; and (iii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) in respect of which the issue proceeds are received by the Issuer in the United Kingdom and which have a maturity of less than one year will (A) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to (1) persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (2) persons who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or (B) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.

Form of Notes:

The Notes may be issued in bearer form only (“Bearer Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”), or in registered form only (“Registered Notes”). Each Tranche of Bearer Notes or Exchangeable Bearer Notes will initially be represented by one or more temporary Global Notes. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee or common depositary for one or more clearing systems are referred to as “Global Certificates”. Global Notes and Global Certificates may be deposited on the relevant issue date with a common depositary for Euroclear and Clearstream and/or any other agreed clearance system. Temporary Global Notes will be exchangeable, only in the manner and upon compliance with the procedures described herein, (i) for permanent Global Notes or (ii) for definitive Notes, in each case not earlier than 40 days after the Issue Date, upon certification of non-U.S. beneficial ownership. In the case of Bearer Notes and Exchangeable Bearer Notes that have not been exchanged with an original maturity of more than 183 days, the applicable Permanent Global Note may be exchanged, in whole but not in part, for definitive Bearer Notes with coupons attached. No interest will be payable in respect of a temporary Global Note except as described under “Summary of Provisions Relating to the Notes While in Global Form”. “Definitive Notes” means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon).

Method of Issue:

The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”), having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”), on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Final Terms.

Clearing Systems:	Euroclear and Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Agent, and the relevant Dealer.
Initial Delivery of Notes:	On or before the issue date for each Tranche, the temporary Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest set separately for each Series by reference to EURIBOR, EURO-LIBOR, LIBOR, LIBID or LIMEAN (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest except in the case of late payment as described in “Terms and Conditions of the Notes — Interest”.
Index Linked Notes:	The Final Terms issued in respect of each issue of Index Linked Redemption Notes or Index Linked Interest Notes will specify the basis for calculating the amounts of principal or interest payable, respectively, which may be by reference to a stock index or formula or as otherwise provided in the relevant Final Terms.
Interest Periods and Rates of Interest:	The length of the interest periods for the Notes and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum rate of interest, a minimum rate of interest, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, Dual Currency Notes, reverse Dual Currency Notes, optional Dual Currency Notes, Partly-paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Program will be set out in the relevant Final Terms.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders and, if so, the terms applicable to such redemption.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes — Redemption, Purchase and Options”.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Withholding Tax:	All payments with respect to the Notes will be made free and clear of withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in the United States,

except as required by law. In the event that any such withholding or deduction is required, the Issuer will pay additional amounts as provided in “Terms and Conditions of the Notes — Taxation”, subject to the exceptions as are set out therein. The relevant Final Terms will state if any payments made with respect to Dual Currency Notes or Index Linked Notes are subject to any such deduction or withholding. See “Taxation of the Notes — United States Taxation”.

Status of Notes:

The Senior Notes will constitute unsubordinated and unsecured obligations of the Issuer, and the Subordinated Notes will constitute subordinated and unsecured obligations of the Issuer, all as described in “Terms and Conditions of the Notes — Status of the Notes” and “Terms and Conditions of the Notes — Subordination”. No series of the Issuer’s subordinated debt securities (except for any junior subordinated indebtedness issued in connection with the issuance of securities by the Issuer’s capital trust subsidiaries) is subordinated to any other series of subordinated debt securities or to any other subordinated indebtedness of JPMorgan Chase referred to herein. However, due to the subordination provisions of the various series of subordinated indebtedness issued by the Issuer and its predecessor institutions, and, in particular the fact that some, but not all, of the Issuer’s outstanding subordinated indebtedness is subordinated in some circumstances to Derivative Obligations (or to the Issuer’s additional senior obligations or general obligations, as defined in the relevant indentures), in the event of a dissolution, winding-up, liquidation or reorganization of the Issuer, holders of certain of the Issuer’s subordinated debt securities referred to herein may recover less, ratably, than holders of some of the Issuer’s other series of outstanding subordinated indebtedness and more ratably than holders of other series of the Issuer’s outstanding subordinated indebtedness. See “Terms and Conditions of the Notes — Subordination”.

The Notes are not savings accounts, deposits or other obligations of any bank or non-bank subsidiary of JPMorgan Chase and are not insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency or instrumentality.

Negative Pledge:

None.

Cross Default:

None.

Listing:

Application has been made to admit Notes issued under the Program to the Official List and to admit them to trading on the London Stock Exchange or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may also be unlisted.

Governing Law:

The Notes will be governed by and construed in accordance with the laws of the State of New York, United States of America.

Ratings:

Tranches of Notes issued under the Program may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Selling Restrictions:

United States, EEA, United Kingdom, Japan and such other restrictions as may be required in connection with a particular issue of Notes. See “Subscription and Sale”.

JPMorgan Chase is a Category 2 issuer for the purposes of Regulation S under the Securities Act.

All Bearer and Exchangeable Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”).

RISK FACTORS

The risk factors described below as well as the other information included or incorporated by reference in this Prospectus and in any amendment or supplement to this Prospectus may be material for the purpose of assessing (i) the business risks that may affect the Issuer's business and profitability and (ii) the market risks associated with the Notes issued under the Program. The business, financial condition or results of operations of the Issuer could be materially adversely affected by any of these risks. In addition, please read "Important factors that may affect future results" in the 2004 Annual Report, which is incorporated by reference in this Prospectus and where additional uncertainties associated with the Issuer's business that may affect the Issuer's ability to achieve the results described in its forward-looking statements are discussed. The following risk factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Business Risks Applicable to the Issuer's Business

Risks Relating to the Merger of JPMorgan Chase and Bank One

There are significant risks and uncertainties associated with the Issuer's merger with Bank One Corporation. For example, JPMorgan Chase may fail to realize the growth opportunities and cost savings anticipated to be derived from the merger. In addition, it is possible that the integration process could result in the loss of key employees, or that the disruption of ongoing business from the merger could adversely affect JPMorgan Chase's ability to maintain relationships with clients or suppliers.

Business Conditions and General Economy Risks

The profitability of JPMorgan Chase's businesses could be affected by general economic conditions in the United States or abroad. In the event of a market downturn, JPMorgan Chase's businesses may be adversely affected in several ways as further described below. Even in the absence of a market downturn, JPMorgan Chase may be exposed to substantial risk of loss due to market fluctuations and volatility.

Factors such as the liquidity of the global financial markets, the level and volatility of equity prices and interest rates, investor sentiment, inflation, and the availability and cost of credit could significantly affect the size, number and timing of transactions involving the Issuer's investment banking business. These factors also may affect the realization of cash returns from the Issuer's private equity business. A recurrence of a market downturn would likely lead to a decline in trading revenues and spreads. Higher interest rates or continued weakness in the market also could affect the willingness of financial investors to participate in loan syndications or underwritings managed by JPMorgan Chase. The Issuer generally maintains large trading portfolios in the fixed income, currency, commodity and equity markets and has significant investment positions, including merchant banking investments held by its private equity business. The revenues derived from mark-to-market values of the Issuer's business are affected by many factors, including its credit standing; its success in proprietary positioning; volatility in interest rates and in equity and debt markets; and the economic, political and business factors described below. JPMorgan Chase anticipates that these revenues will fluctuate over time.

The fees JPMorgan Chase earns for asset and wealth management and treasury and securities services are also dependent upon general economic conditions. For example, a higher level of U.S. or non-U.S. interest rates or a downturn in trading markets could affect the valuations of the mutual funds managed by the Issuer, which, in turn, could affect the Issuer's revenues. Moreover, even in the absence of a market downturn, below-market performance by JPMorgan Chase's mutual funds could result in outflows of assets under management and, therefore, reduce the fees the Issuer receives.

The credit quality of JPMorgan Chase's on — balance sheet and off — balance sheet assets may be affected by business conditions. In a poor economic environment there is a greater likelihood that more of the Issuer's customers or counterparties could become delinquent on their loans or other obligations to JPMorgan Chase, which, in turn, could result in a higher levels of charge-offs and provision for credit losses, all of which would adversely affect the Issuer's earnings.

The Issuer's consumer businesses are particularly affected by domestic economic conditions, including U.S. interest rates, the rate of unemployment, the level of consumer confidence, changes in consumer spending and the number of personal bankruptcies, as these factors will affect the level of consumer loans and credit quality.

Competition Risks

JPMorgan Chase operates in a highly competitive environment and expects various factors to cause competitive conditions to continue to intensify. The Issuer expects competition to intensify as continued merger activity in the financial services industry produces larger, better-capitalized companies that are capable of offering a wider array of financial products and services, and at more competitive prices. In addition, technological advances and the growth of e-commerce have made it possible for non-depository institutions to offer products and services that traditionally were banking products, and for financial institutions to compete with technology companies in providing electronic and Internet-based financial solutions.

Non-U.S. operations and Trading in Non-U.S. Securities Risks

The Issuer does business throughout the world, including in developing regions of the world commonly known as emerging markets. JPMorgan Chase's businesses and revenues derived from non-U.S. operations are subject to risk of loss from unfavorable political and diplomatic developments, currency fluctuations, social instability, changes in governmental policies or policies of central banks, expropriation, nationalization, confiscation of assets, price controls, changes in legislation relating to non-U.S. ownership and other restrictive governmental action. Revenues from the trading of non-U.S. securities also may be subject to negative fluctuations as a result of the above factors. The impact of these fluctuations could be accentuated, because generally, non-U.S. trading markets, particularly in emerging market countries, are smaller, less liquid and more volatile than U.S. trading markets.

Operational Risks

JPMorgan Chase, like all large corporations, is exposed to many types of operational risk, including the risk of fraud by employees or outsiders, unauthorized transactions by employees or operational errors, including clerical or record-keeping errors or those resulting from faulty or disabled computer or telecommunications systems. Given the high volume of transactions at JPMorgan Chase, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, the Issuer's necessary dependence upon its vendors or automated systems to record and process its transaction volume may further increase the risk that technical system flaws or employee tampering or manipulation of those systems will result in losses that are difficult to detect. The Issuer may also be subject to disruptions of its operating systems arising from events that are wholly or partially beyond its control (including, for example, computer viruses or electrical or telecommunications outages), which may give rise to losses in service to customers and to loss or liability to the Issuer. The Issuer also faces the risk that the Issuer's (or its vendors') business continuity and data security systems or controls and procedures prove inadequate or are circumvented, thereby causing delays in detection or errors in information. Although the Issuer maintains a system of controls designed to keep operational risk at appropriate levels, there can be no assurance that JPMorgan Chase will not suffer losses from operational risks in the future that may be material in amount.

Government Monetary Policies and Economic Controls Risks

The Issuer's businesses and earnings are affected by the fiscal or other policies that are adopted by various regulatory authorities of the United States, non-U.S. governments and international agencies. For example, policies and regulations of the Federal Reserve Board influence, directly and indirectly, the rate of interest paid by commercial banks on their interest-bearing deposits and also may affect the value of financial instruments held by the Issuer. The actions of the Federal Reserve Board also determine to a significant degree the Issuer's cost of funds for lending and investing. The nature and impact of future changes in economic and market conditions and fiscal policies are uncertain and are beyond the Issuer's control. In addition, these policies and conditions can affect the Issuer's customers and counterparties, both in the United States and abroad, which may increase the risk that such customers or counterparties default on their obligations to JPMorgan Chase.

Regulatory and Legal Risks

JPMorgan Chase is subject to extensive regulation. Significant regulatory action or legal liability against the Issuer may have a material adverse effect on its businesses or results of operation or cause significant reputational harm that may adversely affect its future business prospects. These risks of potential liability include, but are not limited to, appropriately dealing with potential conflicts of interest; legal and regulatory requirements; ethical issues; money-laundering; privacy; record-keeping; sales and trading practices; and the proper identification of the legal, reputational, credit, liquidity and market risks inherent in its products. Failure to address appropriately these issues could also give rise to additional legal risk to the Issuer, which, in turn, could increase the size and

number of litigation claims and damages asserted against the Issuer or subject the Issuer to enforcement actions, fines and penalties.

In addition, the regulatory restrictions to which JPMorgan Chase is subject may have the effect of limiting certain of its business activities, making it more difficult for the Issuer to compete with other non-regulated entities, or potentially subjecting it to significant penalties or fines.

Credit, Market, Liquidity and Private Equity Risks

JPMorgan Chase's revenues also are dependent upon the extent to which management can successfully achieve its business strategies within a disciplined risk environment. To the extent any of the instruments and strategies the Issuer uses to hedge or otherwise manage its exposure to market, credit and private equity risk are not effective, the Issuer may not be able to mitigate effectively its risk exposures in particular market environments or against particular types of risk. The Issuer's earnings will also be dependent upon how effectively its critical accounting estimates, including those used in its private equity valuations, prove accurate and upon how effectively it determines and assesses the cost of credit and manages its risk concentrations. To the extent its assessments of migrations in credit quality and of risk concentrations, or its assumptions or estimates used in establishing valuation models for the fair value of assets and liabilities or for loan loss reserves, prove inaccurate or not predictive of actual results, the Issuer could suffer higher than anticipated losses. The successful management of credit, market, operational and private equity risk is an important consideration in managing the Issuer's liquidity risk, as evaluation by rating agencies of the management of these risks affects their determinations as to the Issuer's credit ratings and, therefore, its cost of funds.

Risks of holders of securities in a financial holding company

JPMorgan Chase is a financial holding company which depends on the dividends, distributions and other payments from its subsidiaries to fund its debt obligations, including its obligations to make payments on the Notes. The Issuer's right to participate as a shareholder in any distribution of assets of any subsidiary upon liquidation or reorganization or otherwise (and thus the ability of holders of Notes to benefit as creditors of the Issuer from such distribution) is subject to the prior claims of creditors of any such subsidiary. Consequently, the Issuer's debt securities, including the Notes issued under the Program, will be effectively subordinated to all existing and future liabilities and obligations of any such subsidiary. Many of the Issuer's subsidiaries, particularly its depository institutions, JPMorgan Chase Bank, National Association and Chase Bank USA, National Association, are also subject to laws that authorize regulatory bodies, such as the U.S. Federal Deposit Insurance Corporation, to limit or reduce the flow of funds to the parent company.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Program

Notes May Not Be a Suitable Investment for All Investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way for potential investors to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their

overall portfolios. A potential investor should not invest in Notes that are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks Related to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Program. Some of these Notes may have features that contain particular risks for potential investors. Set out below is a description of certain such features:

Notes Subject to Optional Redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Dual Currency Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected or may be subject to withholding or deduction for or on account of any taxes or other charges imposed by any governmental authority or agency in the United States;
- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. If any Noteholder fails to pay any instalment due on the Partly-paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to such holder in respect of them.

Variable Rate Notes with a Multiplier or Other Leverage Factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favorable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes Issued at a Substantial Discount or Premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks Related to Notes Generally

Set out below is a brief description of certain risks relating to the Notes generally:

Integral multiples of less than €50,000

Although Notes which are admitted to trading on a regulated market in the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive are required to have a minimum denomination of €50,000 (or, where the Specified Currency is not euro, its equivalent in the Specified Currency), it is possible that the Notes may be traded in the clearing systems in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case, should Definitive Notes (as defined on page 7) or Certificates (as defined on page 17) be required to be issued, a holder who does not have an integral multiple of €50,000 (or its equivalent) in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of Definitive Notes or Certificates, as the case may be, unless and until such time as his holding becomes an integral multiple of €50,000 (or its equivalent).

Subordinated Notes have Limited Right of Acceleration

Upon an Event of Default (as defined on page 32) or any event which, with notice or lapse of time or both, would become an Event of Default, holders of Senior Notes may declare those notes in default and accelerate the maturity of those notes. Holders of Subordinated Notes do not generally have that right and may accelerate payment of principal only upon the bankruptcy or reorganization of the Issuer.

Market Making and Resale of the Notes

Affiliates of the Issuer, including the Arranger, currently intend to make a market in the Notes. However, they are not obligated to make a market in the Notes and any market making may be discontinued at any time at the sole discretion of such affiliates without notice. Under interpretations by the SEC staff, any resale within the United States by any such affiliate of the Issuer of any Notes so acquired must be made pursuant to an effective registration statement filed with the SEC or pursuant to exemptions from, or in transactions not subject to, the registration requirements of the Securities Act. Specifically, any Notes issued under the Program may not, for the life of such Notes, be offered or sold at any time within the United States except pursuant to Rule 144A under the Securities Act. Notes may not be sold to U.S. investors pursuant to Rule 144 under the Securities Act.

Modification and Waivers

The Agency Agreement (as defined on page 17) contains provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Certain modifications and amendments to the Agency Agreement and to the Terms and Conditions to the Notes may be made without the consent of Noteholders in accordance with Section 29 of the Agency Agreement, including those which the Issuer and the Agent may deem necessary or desirable and which will not materially adversely affect the interest of the Noteholders.

Change of law

The Terms and Conditions of the Notes are based on laws of the State of New York, United States of America (“New York law”) in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to New York law or administrative practice after the date of issue of the relevant Notes.

Risks Related to the Market Generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk and interest rate risk:

The Secondary Market Generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange Rate Risks and Exchange Controls

As described in this Prospectus, Notes may be denominated or payable in one of a number of currencies. For investors whose financial activities are denominated principally in a currency (the “Investor’s Currency”) other than the Specified Currency or where principal or interest on Notes is payable by reference to a Specified Currency index other than an index relating to the Investor’s Currency, an investment in the Notes entails significant risks that are not associated with a similar investment in a security denominated in that Investor’s Currency. Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Specified Currency and the Investor’s Currency and the possibility of the imposition or modification of exchange controls by the country of the Specified Currency or the Investor’s Currency. Such risks generally depend on economic and political events over which the Issuer has no control. In recent years, rates of exchange have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the Specified Currency against the Investor’s Currency would result in a decrease in the Investor’s Currency equivalent yield on a Note denominated in that Specified Currency, in the Investor’s Currency equivalent value of the principal payable at maturity of such Note and generally in the Investor’s Currency equivalent market value of such Note. An appreciation of the Specified Currency against the Investor’s Currency would have the opposite effect. In addition, depending on the specific terms of a Note denominated in, or the payment of which is related to the value of, one or more foreign currencies, changes in exchange rates relating to any of the currencies involved may result in a decrease of such Note’s effective yield and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of a Note to the investor.

Governments have imposed from time to time, and may in the future impose or modify, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, premium, if any, or interest on a Note. Even if there are no actual exchange controls, it is possible that the Specified Currency for any particular Note may not be available when payments on such Note are due.

Interest Rate Risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Legal Investment Considerations May Restrict Certain Investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be attached to each Global Note in temporary or permanent form or endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalized terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be attached to or endorsed on each Global Note, definitive Note or Certificate, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Program.

The Notes are issued by JPMorgan Chase pursuant to an Amended and Restated Agency Agreement dated September 8, 2005 (as amended or supplemented as at the Issue Date, the “Agency Agreement”) between the Issuer, JPMorgan Chase Bank, National Association, as agent, paying agent, transfer agent and calculation agent and the registrar and other agents named therein. The agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “Agent”, the “Paying Agents” (which expression shall include the Agent), the “Registrar”, the “Transfer Agents” (which expression shall include the Registrar) and the “Calculation Agent(s)”. Copies of the Agency Agreement are available for inspection during usual business hours at the principal office of the Agent (currently at Trinity Tower, 9 Thomas More Street, London E1W 1YT) and at the specified offices of the Paying Agents and the Transfer Agents.

The Noteholders, the holders (the “Couponholders”) of the interest coupons (the “Coupons”) appertaining to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”), and the holders of the receipts for the payment of instalments of principal (the “Receipts”) relating to Notes in bearer form of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement.

1. Form, Denomination and Title

The Notes are issued in bearer form (“Bearer Notes”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”), or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”), in each case in the Specified Currencies and Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under Directive 2003/71/EC, the minimum Specified Denomination shall be €50,000 (or its equivalent in any other currency).

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

So long as the Notes are represented by a temporary Global Note, permanent Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) shown hereon and integral multiples of the Tradable Amount in excess thereof provided in the relevant Final Terms.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note or a Partly-paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes that do not bear interest, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note the principal amount of which is redeemable in instalments is issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”), and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in

accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalized terms have the meanings given to them in the Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes:

Except as otherwise provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes:

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of only part of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes:

In the case of an exercise of the Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates:

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar.

(e) *Exchange Free of Charge:*

Exchange and transfer of Notes and Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without a charge imposed by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the transferee of any tax or other governmental charges that may be imposed in relation to it (or the giving by the transferee of such indemnity as the Registrar or the relevant Transfer Agent may require).

(f) *Closed Periods:*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on (and including) the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of 7 days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. Status

(a) *General:*

The Notes are not savings accounts, deposits or other obligations of any bank or non-bank subsidiary of JPMorgan Chase and are not insured by the United States Federal Deposit Insurance Corporation, the Bank Insurance Fund or any other governmental agency or instrumentality.

(b) *Status of the Senior Notes:*

If the Notes are specified to be Senior Notes, the obligations of the Issuer under the Notes, Receipts and Coupons will constitute unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu*, and without any preference, with all other senior unsecured and unsubordinated obligations of the Issuer. The payment obligations of the Issuer under such Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

(c) *Status of Subordinated Notes:*

(i) If the Notes are specified to be Subordinated Notes, the obligations of the Issuer under the Notes, Receipts and Coupons will be unsecured and will be subordinated in right of payment to all Senior Indebtedness (as defined in Condition 10(k)) of the Issuer and, in certain circumstances relating to the dissolution, winding-up, liquidation or reorganization of the Issuer, the Derivative Obligations (as defined in Condition 10(k)), whether outstanding as of the relevant Issue Date or incurred thereafter. In addition, since the Issuer is a holding company, the right of the Issuer to participate as a shareholder in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise (and thus the ability of holders of the Subordinated Notes to benefit as creditors of the Issuer from such distribution) is subject to the prior claims of creditors of any such subsidiary. The Issuer and its subsidiaries are subject to claims by creditors for long-term and short-term debt obligations, including substantial obligations for federal funds purchased and securities sold under repurchase agreements, as well as deposit liabilities. There are also various legal limitations on the extent to which subsidiaries of the Issuer may pay dividends or otherwise supply funds to the Issuer.

(ii) No payment pursuant to the Subordinated Notes may be made and no holder of the Subordinated Notes or any Receipt or Coupon appertaining thereto shall be entitled to demand or receive any such payment (A) unless all amounts of principal, premium, if any, and interest then due on all Senior Indebtedness of the Issuer shall have been paid in full or duly provided for or (B) if, at the time of such payment or immediately after giving effect thereto, there shall exist with respect to any given Senior Indebtedness of the Issuer any event of default permitting the holders thereof to accelerate the maturity thereof or any event which, with notice or lapse of time or both, will become such an event of default.

(iii) *Limited Right of Acceleration:*

Payment of principal of the Subordinated Notes may be accelerated only in the case of the bankruptcy or reorganization of the Issuer. There is no right of acceleration in the case of a default in the payment of principal

of, premium, if any, or interest on the Subordinated Notes or the performance of any other covenant of the Issuer contained in these Conditions. In the event of a default in the payment of principal of, premium, if any, or interest, or the performance of any other covenant in these Conditions, Noteholders may, subject to certain limitations and conditions, seek to enforce payment of such principal, premium, or interest or the performance of such covenant.

See “**Terms and Conditions of the Notes — Subordination**” for additional terms of Subordinated Notes.

4. Interest and Other Calculations

(a) Rate of Interest and Accrual:

Each Note bears interest on its outstanding principal amount from the Interest Commencement Date at the interest rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

(b) Business Day Convention:

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest on Floating Rate Notes:

Screen Rate Determination

(i) If the Rate of Interest is specified as being Floating Rate, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (x) the offered quotation; or
- (y) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(ii) if the Relevant Screen Page is not available or if, sub-paragraph (i)(x) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(y) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if

the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(iii) if paragraph (ii) above applies, and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Rate Multiplier or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Rate Multiplier or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin, Rate Multiplier or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period.

(d) Rate of Interest on Zero Coupon Notes:

Where a Note the Rate of Interest of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note as determined in accordance with Condition 5(b). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortization Yield (as defined in Condition 5(b)).

(e) Margins and Rate Multipliers, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:

(i) If any Margin or Rate Multiplier is specified in the Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions, (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

(f) Calculations:

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(g) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:

The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quote or make any determination or calculation, determine such rate and calculate the Interest Amounts”, in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quote or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Issuer, the Agent, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination, but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and an Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition, but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) Calculation Agent:

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such, or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or the Optional Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(i) Definitions:

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means (i) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial center for that currency; and/or

(ii) in the case of euro, a day (other than a Saturday or Sunday) on which the TARGET System (as defined below) is operating (a “TARGET Business Day”); and/or

(iii) in the case of a specified currency and/or one or more Business Centers, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the Business Center(s) or, if none is specified, generally in each of the Business Centers so specified.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (whether or not constituting an Interest Period, the “Calculation Period”):

(i) if “Actual/365” or “Actual/Actual — ISDA” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if “Actual/365 (Fixed)” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if “Actual/360” is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;

(iv) if “30/360”, “360/360” or “Bond Basis” is specified in the Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(v) if “30E/360” or “Eurobond Basis” is specified in the Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

(vi) if “Actual/Actual — ICMA” is specified in the Final Terms:

(a) if the Calculation Period is the same as or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by (x) the number of days in such Determination Period times (y) the number of Determination Periods normally ending in any year; or

(b) if the Calculation Period starts in one Determination Period and ends in another, the sum of (A) the number of days in such Calculation Period falling within the first Determination Period divided by (x) the number of days in such first Determination Period times (y) the number of Determination Periods normally ending in any year and (B) the calculation in (A), but substituting “second Determination Period” for “first Determination Period”,

where:

“Determination Date” means the date specified as such hereon or, if none is so specified, the Interest Payment Date and

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the Final Terms or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the Final Terms.

“Interest Determination Date” means, with respect to an Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither sterling nor euro or, (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the Final Terms.

“Rate of Interest” means the rate of interest payable from time to time in respect of a Note and that is either specified or calculated in accordance with the provisions in the Final Terms.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means the rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Specified Currency” means the currency specified in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer System.

5. Redemption, Purchase and Options

(a) Redemption by Instalments and Final Redemption:

(i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or unless the relevant Instalment Date (being one of the dates so specified in the Final Terms) is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 5(d) or (e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Final Terms. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(ii) Unless previously redeemed, purchased and cancelled as provided below or unless its maturity is extended pursuant to any Issuer’s or Noteholder’s option in accordance with Condition 5(d) or (e), each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount (which, unless otherwise provided in the Final Terms, shall be equal to 100% of its principal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption of Zero Coupon Notes:

(i) The Early Redemption Amount payable in respect of any Note that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in Condition 9 shall be the Amortized Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortized Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortization Yield (which, if none is shown in the Final Terms, shall be such rate as would produce an Amortized Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date), compounded annually. Where such calculation is to be

made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the Final Terms.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c), (d) or (e) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortized Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortized Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

(c) Redemption for Taxation Reasons:

(i) The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this is either a Floating Rate Note or an Index Linked Note) or at any time (if this Note is neither a Floating Rate Note nor an Index Linked Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders at their Early Redemption Amount, which, unless otherwise provided in the Final Terms, shall be equal to 100% of the outstanding principal amount of the Notes, together with interest accrued to the date fixed for redemption and Additional Amounts, if any, if the Issuer determines that (A) as a result of any change in, or amendment to, the laws affecting taxation (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or any change in the official application or interpretation of such laws, regulations or rulings, it has or will become obliged to pay Additional Amounts on the Notes as described under Condition 7 or (B) any action (including any of those specified in (A) above) has been taken by any taxing authority of, or any action has been brought in a court of competent jurisdiction in, the United States, whether or not such action was taken or brought with respect to the Issuer, or any change, amendment, application or interpretation shall be officially proposed on or after the date on which agreement is reached to issue the first Tranche of the relevant Series, which, in any such case, in the written opinion of independent legal counsel of recognized standing results in a substantial probability that the Issuer will be required to pay Additional Amounts on the Notes as described under Condition 7, and in the case of (A) or (B) above, such obligation cannot be avoided by the Issuer taking reasonable measures available to it which do not require undue effort or expense. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent (1) a certificate of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (2) if applicable, the written opinion of independent legal counsel referred to above.

(ii) If the Issuer shall determine, based upon a written opinion of independent legal counsel of recognized standing, that any payment made outside the United States by the Issuer or any of its Paying Agents of principal or interest due in respect of any Bearer or Exchangeable Bearer Note, Receipt or Coupon would, under any present or future laws or regulations of the United States affecting taxation or otherwise, be subject to any certification, information or other reporting requirement of United States law or regulation with regard to the nationality, residence or identity of a beneficial owner of such Bearer or Exchangeable Bearer Note, Receipt or Coupon who is a United States Alien (other than such a requirement (A) which would not be applicable to a payment made by the Issuer or any one of its Paying Agents (1) directly to the beneficial owner or (2) to any custodian, nominee or other agent of the beneficial owner, or (B) that can be satisfied by such custodian, nominee or other agent or the holder of such Bearer or Exchangeable Bearer Note, Receipt or Coupon certifying that the beneficial owner is not a United States person, provided that, in any case referred to in clause (A)(2) or (B), payment by the custodian, nominee or agent to the beneficial owner is not otherwise subject to any such requirement referred to in this sentence, or (C) would not be applicable to a payment made by at least one other Paying Agent), the Issuer shall redeem the Notes, in whole but not in part, at a redemption price equal to the Early Redemption Amount together, if appropriate, with accrued interest to, but excluding, the date fixed for redemption. The Issuer shall make such determination as soon as practicable after it becomes aware of an event that would give rise to such determination, and publish prompt notice (the "Tax Notice") in accordance with Condition 15 stating in the notice the effective date of such requirement and (if applicable) the date on which the redemption of the Notes shall, subject to the last sentence of this paragraph, take place, which date shall not be later than one year after the publication of the Tax Notice. Prior to the publication of any notice of redemption of the Notes pursuant to the foregoing, the Issuer shall deliver to the Agent the opinion of independent legal counsel

referred to above, together with a certificate of the Issuer setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred. Notwithstanding the foregoing, the Issuer shall not so redeem the Notes if the Issuer shall subsequently determine, based upon the written opinion of independent legal counsel of recognized standing, not less than 30 days prior to the date fixed for redemption, that subsequent payments on the Notes, Receipts or Coupons would not be subject to any such requirement, in which case the Issuer shall give prompt notice of such subsequent determination in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption and any earlier redemption notice shall be revoked and of no further effect. The term "United States person" means a beneficial owner of a Note that for United States federal income tax purposes is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof or therein, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or it has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

(iii) Notwithstanding Condition 5(c)(ii), if and so long as all certification, information or other reporting requirements referred to in Condition 5(c)(ii) would be fully satisfied by payment of a United States backup withholding tax or similar charge, the Issuer may elect, in the Tax Notice, to pay as Additional Amounts (regardless of Condition 7(a)(ii)) such amounts as may be necessary so that every net payment made following the effective date of such certification, information or reporting requirements outside the United States by the Issuer or any of its Paying Agents of principal or interest on any Bearer or Exchangeable Bearer Note, Receipt or Coupon of which the beneficial owner is a United States Alien (but without the necessity of satisfying such certification, information or other reporting requirement), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a tax which (A) would not be applicable in the circumstances referred to in the parenthetical phrase of the first sentence of Condition 5(c)(ii), (B) is imposed as a result of presentation of such Bearer or Exchangeable Bearer Note, Receipt or Coupon for payment more than 10 days after the date on which such payment becomes due and payable or on which payment thereof was duly provided for, whichever occurs later, or (C) is imposed as a result of the fact that the Issuer or any of its Paying Agents has actual knowledge that the beneficial owner of such Bearer or Exchangeable Bearer Note, Receipt or Coupon is within the category of persons described in clause (a)(i) or (b) of Condition 7), will not be less than the amount provided for in such Bearer or Exchangeable Bearer Note, such Receipt or such Coupon to be then due and payable. If the Issuer elects to pay such Additional Amounts and as long as it is obligated to pay such Additional Amounts, the Issuer will have the right, subject to the provisions of the fourth sentence of Condition 5(c)(ii), at its sole option to redeem the Notes, as a whole, but not in part, at a redemption price equal to their Early Redemption Amount, together, if appropriate, with accrued interest to the date fixed for redemption including any Additional Amounts required to be paid under this paragraph.

(iv) In the case of a redemption under the circumstances as described in Condition 5(c)(ii) and 5(c)(iii), notice of redemption of the Notes shall be given in accordance with Condition 15, not less than 30 nor more than 60 days prior to the date fixed for redemption, all as provided in the Agency Agreement. Notice having been given, the Notes shall (except as otherwise provided in the fourth sentence of Condition 5(c)(ii)) become due and payable on the date fixed for redemption and (upon presentation and surrender thereof, together with all Receipts and Coupons, if any, maturing subsequent to the Redemption Date) will be redeemed at a redemption price equal to their Early Redemption Amount, together with Additional Amounts, if any, and accrued interest to the date fixed for redemption at the place or places of payment and in the manner specified herein.

(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options:

If so provided in the Final Terms, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period, redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount (if any) to be redeemed specified in the Final Terms and no greater than the Maximum Redemption Amount (if any) to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of Subordinated Notes, no repayment of principal hereof, including but not limited to, a payment pursuant to the acceleration of maturity, may be made without the prior written approval of the United States

Federal Reserve, if so then required under applicable capital guidelines or policies of the United States Federal Reserve.

In the case of a partial redemption or a partial exercise of the Issuer's option, the notice to Noteholders shall also contain the serial or certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn by lot in such place as the Agent may determine and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on a stock exchange and the relevant stock exchange and/or other relevant authority so requires, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation as specified by such stock exchange and/or other relevant authority, a notice specifying the aggregate principal amount of the Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options:

If so provided in the Final Terms, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Optional Redemption Date at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("Exercise Notice"), in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the Noteholders' Option Period. No Note or Certificate so deposited and option exercised may be withdrawn without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(f) Purchases:

The Issuer and any of its subsidiaries will have the right at any time and from time to time, to purchase Notes in any manner, on the open market or otherwise, at any price.

(g) Cancellation:

All Notes redeemed by the Issuer shall be, and all Notes purchased by or on behalf of the Issuer or any of its subsidiaries may, at the Issuer's discretion, be surrendered for cancellation (in the case of Bearer or Exchangeable Bearer Notes, by surrendering to the Agent each such Note together with all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto, or, in the case of Registered Notes, by surrendering to the Registrar the Certificate representing such Notes). Any Notes (together with all unmatured Receipts, Coupons and unexchanged Talons) so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes, Receipts, Coupons and Talons shall be discharged.

6. Payments and Talons

(a) Bearer Notes:

Payments of principal and interest in respect of Bearer Notes and Exchangeable Bearer Notes that have not been exchanged shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(h)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(h)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a check payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the Principal Financial Center for that currency; provided, however, that (i) in the case of euro, the transfer may be to, or the check drawn on, a euro account (or any other account to which euro may be credited or transferred), specified by the payee, (ii) in the case of Japanese yen, the transfer may be to a non-resident Japanese yen account with a foreign exchange bank, and (iii) payment will not be made either by mail to an address in the United States (as defined in Condition 7) or by transfer to an account maintained in the United States.

(b) Registered Notes:

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "Record Date"). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by check drawn on a bank in the Principal Financial Center and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial center of the country or countries of that currency.

(c) Payments in the United States:

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law.

(d) Conversion, Substitution or Redenomination of Currency:

Unless otherwise specified in the applicable Final Terms, in the event that the relevant currency (the "national currency unit") for payment of the Notes and/or any Receipts or Coupons is converted into, or there is substituted for the national currency unit, another currency (the "new currency") pursuant to law having general and direct applicability in the country of the national currency unit (including, for the avoidance of doubt, European Community laws) ("Relevant Law"), any amount payable in respect of the Notes and/or any Receipts or Coupons shall, subject to the following sentence, be made in the new currency at the conversion rate prescribed by Relevant Law at the time of such payment. If any such substitution or conversion occurs and, pursuant to Relevant Law, payments to be made under legal instruments stipulating the use of or denomination in a national currency unit may be performed in such country in either the national currency unit or in the new currency, the Issuer shall be entitled, at its option, to pay any amount payable in respect of the Notes and/or any Receipts or Coupons either in the national currency unit or in the new currency at the conversion rate prescribed by Relevant Law at the time of such payment. The occurrence or non-occurrence of a currency conversion, replacement or introduction of a type described in this paragraph or any payment in a new currency in accordance with the terms of this provision shall not (i) constitute a default of the Issuer's obligations under the Notes and/or any Receipts or Coupons, (ii) require any consent of any party or be deemed to be a modification or amendment of the terms or provisions of the Notes and/or any Receipts or Coupons by the Issuer requiring any such consent, (iii) entitle the Issuer to avoid its obligations under the Notes and/or any receipts or Coupons or (iv) entitle the Issuer or any holder of a Note and/or any Receipt or Coupon to rescission of the purchase and sale thereof or to reformation of any of the terms or provisions thereof on the grounds of impossibility or impracticability of performance, frustration of purpose or otherwise. Further, in the event of an official redenomination with respect to the national currency unit for payment of the relevant Notes and/or any Receipts or Coupons by the government of the country of the national currency unit, the obligations of the Issuer with respect to payment on the Notes and/or any Receipts or Coupons in such redenominated currency shall, in all cases, be adjusted to equal an amount of redenominated currency thereafter representing the amount of such obligations in the national currency unit immediately before such redenomination. Any payment made in accordance with the foregoing shall be a complete discharge of the Issuer's payment obligations in respect of the amount of the national currency unit which has been paid in the new currency or in the new denomination. The Agent will give prompt notice to the holders of the Notes of any such redenomination, conversion or replacement in accordance with Condition 15.

(e) Impositions of Exchange Controls:

If the Issuer, after consultation with the Agent, reasonably determines that a payment on the Notes, Receipts or Coupons cannot be made in the Specified Currency due to restrictions imposed by the government of such currency or any agency or instrumentality thereof or any monetary authority in such country (other than as contemplated in the preceding paragraph (d)), such payment will be made outside the United States in U.S. dollars by a check drawn on, or by credit or transfer to an account maintained by the holder with a bank located outside the United States. The Agent shall give prompt notice to the holders of the Notes if such a determination is made. The amount of U.S. dollars to be paid with respect to any such payment shall be the amount of U.S. dollars that could be purchased by the Agent with the amount of the Specified Currency payable on the date the payment is due, at the rate for sale in financial transactions of U.S. dollars (for delivery in the Principal Financial Center of the Specified Currency two Business Days later) quoted by such bank at 10:00 a.m. local time in the principal financial center of the Specified Currency, on the second Business Day prior to the date the payment is due.

(f) Payments Subject to Fiscal Laws:

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(g) Appointment of Agents:

The Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent currently appointed under the Program and their respective specified offices are listed below. The Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with the holder of any Note, Coupon or Receipt. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Agent, (ii) a Registrar (so long as there are Registered Notes outstanding), (iii) a Transfer Agent (so long as there are Registered Notes outstanding), (iv) Paying Agents having specified offices in at least two major European cities, including London, so long as the Notes are admitted to the Official List of the Financial Services Authority in its capacity as competent authority under the FSMA and admitted to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market, (v) such other agents in such city as may be required by the rules of any other Stock Exchange on which the Notes may be listed and (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 15.

(h) Unmatured Coupons and Receipts and Unexchanged Talons:

(i) Upon the due date for redemption of any Bearer Note which comprises a Fixed Rate Note (other than a Dual Currency Note or an Index Linked Note) such Note should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, a Dual Currency Note or an Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Zero Coupon Note in accordance with Condition 4(d) shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(i) Talons:

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).

(j) Non-Business Days:

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "business day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centers" in the Final Terms and:

(i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial center of the country of such currency; or

(ii) (in the case of a payment in euro) which is a TARGET Business Day.

7. Taxation

All payments of principal and interest on the Notes, Receipts or Coupons will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied by or within the United States or by or within any political subdivision or taxing authority thereof or therein, except as required by law. The Issuer will, subject to certain limitations and exceptions set forth below, pay to a Noteholder, Receiptholder or Couponholder who is a United States Alien (as defined below) such additional amounts ("Additional Amounts") as may be necessary so that every net payment by the Issuer or any of its Paying Agents of principal or interest with respect to the Notes, Receipts or Coupons after deduction or withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon such Noteholder, Receiptholder or Couponholder, or as a result of such payment by or within the United States (as defined below) (or any political subdivision or taxing authority thereof or therein), will not be less than the amount provided for in such Notes, Receipts or Coupons to be then due and payable. However, the Issuer will not be required to make any payment of Additional Amounts for or on account of:

(a) any tax, assessment or other governmental charge which would not have been so imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership or a corporation) and the United States, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having or having had a permanent establishment therein, (ii) the failure of such holder to comply with any certification, identification or

information reporting requirements under the income tax laws and regulations of the United States, without regard to any tax treaty, or any political subdivision or taxing authority thereof or therein to establish entitlement to an exemption from withholding as a United States Alien or (iii) the presentation of a Note (or relative Certificate), Receipt or Coupon for payment on a date more than 10 days after the Relevant Date or the date on which such payment is duly provided for, whichever occurs later;

(b) any withholding or deduction imposed on a payment to an individual and required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(c) a holder who would have been able to avoid such withholding or deduction:

(i) by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union; or

(ii) by satisfying any statutory or procedural requirements including, without limitation, the provision of information;

(d) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;

(e) any tax, assessment or other governmental charge which is payable other than by withholding from payments of principal of or interest on such Note, Receipt or Coupon;

(f) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as a personal holding company, private foundation or other tax exempt organization, passive foreign investment company, foreign personal holding company or controlled foreign corporation with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;

(g) any tax, assessment or other governmental charge which is required to be withheld by any Paying Agent from payments of principal of or interest on any Note, if such payment can be made without such withholding by at least one other Paying Agent;

(h) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as the actual or constructive owner of 10% or more of the total combined voting power of all classes of stock of the Issuer entitled to vote; or

(i) any combination of items (a), (b), (c), (d), (e), (f), (g) or (h),

nor shall Additional Amounts be paid with respect to a payment of principal of or interest on any Note, Receipt or Coupon to a holder that is not the beneficial owner of such Note, Receipt or Coupon to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such Note, Receipt or Coupon.

As used in these Conditions, the term "United States" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; the term "United States Alien" means any person who is, for United States federal income tax purposes, as to the United States: (i) a foreign corporation; (ii) a foreign partnership any member of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; (iii) a non-resident alien individual; or (iv) a non-resident alien fiduciary of a foreign estate or trust.

As used in these Conditions, the term "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "principal" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortized Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "principal" and/or "interest" shall be deemed to include any Additional Amounts that may be payable under this Condition.

8. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9. Events of Default

If one or more of the following events (herein referred to as “Events of Default”) shall have occurred and be continuing:

(a) failure on the part of the Issuer to pay when due the principal of any of the Notes as and when the same shall become due and payable, whether at maturity, upon redemption or otherwise;

(b) failure on the part of the Issuer to pay when due any instalment of interest or any Additional Amounts upon any Notes as and when the same shall become due and payable, and such failure shall have continued for a period of 30 days;

(c) failure on the part of the Issuer duly to observe or perform in any material respect any other term, covenant or agreement on its part contained in the Notes or the Agency Agreement for a period of 90 days after the date on which written notice of such failure requiring the Issuer to remedy the same shall have been given to the Issuer and the Agent by the holders of not less than 10% in aggregate principal amount of the Notes then outstanding;

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Issuer in an involuntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days; or

(e) the Issuer shall commence a voluntary case under any applicable United States federal or state bankruptcy, insolvency or other similar law now or hereafter in effect or consent to the entry of an order for relief in an involuntary case under any such law,

then each Noteholder, at its option, may give written notice to the Issuer and the Agent declaring that any Notes held by such Noteholder are due and payable immediately upon the date written notice thereof is received by the Issuer, and unless all such defaults shall have been cured by the Issuer or waived prior to receipt of such written notice, such Notes shall become and be immediately due and payable. Notwithstanding the foregoing, Subordinated Notes may only be accelerated in the events specified in subclauses (d) or (e) above. The amount payable in respect of the Notes upon an Event of Default shall be an amount equal to their Early Redemption Amount, any Additional Amounts and all unpaid interest accrued to such date.

10. Subordination

(a) The Issuer, for itself, its successors and assigns, covenants and agrees, and each holder of Subordinated Notes likewise covenants and agrees, that any payment of principal of and interest (including Additional Amounts) on each and all of the Subordinated Notes is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, to the prior payment in full of Senior Indebtedness of the Issuer and, under the circumstances described in Condition 10(c), all rights of creditors in respect of Derivative Obligations.

References to Subordinated Notes in this Condition 10 shall also be references to any Coupons or Receipts which attach, appertain or otherwise correspond to such Subordinated Notes.

(b) No payment of principal of or interest (including Additional Amounts) on the Subordinated Notes shall be made and no holders of the Subordinated Notes shall be entitled to demand or receive any such payment (i) unless all amounts then due for principal of, premium, if any, and interest (including interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Issuer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect) on all Senior Indebtedness of the Issuer have been paid in full or duly provided for, or (ii) if, at the time of such payment or immediately after giving effect thereto, there shall exist with respect to any such Senior Indebtedness any event of default permitting the holders thereof to accelerate the maturity thereof or any event which, with notice or lapse of time or both, would become such an event of default.

(c) (i) Upon any distribution of the assets of the Issuer in connection with dissolution, winding up, liquidation or reorganization of the Issuer (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of the Issuer or otherwise), the holders of Senior Indebtedness of the Issuer shall first be entitled to receive payment in full in

accordance with the terms of such Senior Indebtedness of the principal thereof, premium, if any, and the interest due thereon (including interest accruing subsequent to the commencement of any proceedings for the bankruptcy or reorganization of the Issuer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect) before the holders of the Subordinated Notes are entitled to receive any payment of the principal thereof or interest (including Additional Amounts) thereon; and, upon any such dissolution, winding up, liquidation or reorganization, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities to which the holders of the Subordinated Notes would be entitled except for the provisions of this Condition 10, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Issuer being subordinated to the payment of the Subordinated Notes, shall be made by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of Senior Indebtedness of the Issuer or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of the principal of and premium, if any, and interest (including interest accrued subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Issuer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect) on the Senior Indebtedness of the Issuer held or represented by each, to the extent necessary to pay in full all such Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness.

(ii) In the event that, notwithstanding the foregoing, upon any such dissolution, winding up, liquidation or reorganization, any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Issuer being subordinated to the payment of the Subordinated Notes and interest coupons, shall be received by the holders of the Subordinated Notes before all Senior Indebtedness of the Issuer is paid in full, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably as aforesaid for application to the payment of all Senior Indebtedness of the Issuer remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holder of such Senior Indebtedness.

(iii) Subject to the payment in full of all Senior Indebtedness of the Issuer, the holders of the Subordinated Notes shall be subrogated (equally and ratably with the holders of all indebtedness of the Issuer which by its express terms is subordinated to indebtedness of the Issuer to substantially the same extent as the Subordinated Notes are subordinated and which is entitled to like rights of subrogation) to the rights of the holders of such Senior Indebtedness to receive payments of distributions of assets of the Issuer applicable to such Senior Indebtedness until the Subordinated Notes and interest coupons shall be paid in full and none of the payments or distributions to the holders of such Senior Indebtedness to which the holders of the Subordinated Notes would be entitled except for the provisions of this Condition 10 or of payments over, pursuant to the provisions of this Condition 10, to the holders of such Senior Indebtedness by the holders of the Subordinated Notes shall, as between the Issuer and its creditors other than the holders of such Senior Indebtedness and the holders of the Subordinated Notes, be deemed to be a payment by the Issuer to or on account of such Senior Indebtedness; it being understood that the provisions of this Condition 10 are and are intended solely for the purpose of defining the relative rights of the holders of the Subordinated Notes, on the one hand, and the holders of the Senior Indebtedness of the Issuer (and, in the case of Condition 10(j) below, creditors in respect of Derivative Obligations), on the other hand.

(iv) The Issuer shall give prompt written notice by publication pursuant to Condition 15 hereof of any dissolution, winding up, liquidation or reorganization of the Issuer within the meaning of this Condition 10. The Agent shall be entitled to assume that no such event has occurred unless the Issuer or any one or more holders of the Senior Indebtedness of the Issuer or any trustee therefor or any creditors in respect of Derivative Obligations has given written notice thereof to the Agent at its Global Trust and Agency Services office. Upon any distribution of assets of the Issuer referred to in this Condition 10, the holders of the Subordinated Notes shall be entitled to rely upon any order or decree of a court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness of the Issuer, the creditors in respect of Derivative Obligations, the amounts thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Condition 10, and the holders of the Subordinated Notes shall be entitled to rely upon a certificate of the liquidating trustee or agent or other person making any

distribution to the holders of the Subordinated Notes for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the Senior Indebtedness of the Issuer, the creditors in respect of Derivative Obligations, the amounts thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Condition 10.

(d) Nothing contained in this Condition 10 or elsewhere in the Subordinated Notes is intended to or shall impair as between the Issuer and the holders of the Subordinated Notes, the obligation of the Issuer, which is absolute and unconditional (and which, subject to the rights under this paragraph of the holders of the Senior Indebtedness and the rights under Condition 10(j) below of creditors in respect of Derivative Obligations, is intended to rank *pari passu* with all other general obligations of the Issuer) to pay to the holders of the Subordinated Notes the principal of and interest (including Additional Amounts and interest accruing subsequent to the commencement of any proceeding for the bankruptcy or reorganization of the Issuer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect) on the Subordinated Notes as and when the same shall become due and payable in accordance with the terms thereof, or is intended to or shall affect the relative rights of the holders of the Subordinated Notes and creditors of the Issuer other than the holders of the Senior Indebtedness of the Issuer and creditors in respect of Derivative Obligations of the Issuer, nor shall anything herein or therein prevent any holder of Subordinated Notes from exercising all remedies otherwise permitted by applicable law upon default under these Conditions of the Subordinated Notes, subject to the rights, if any, under this Condition 10 of the holders of the Senior Indebtedness of the Issuer, and under Condition 10(j) below of creditors in respect of Derivative Obligations of the Issuer, in respect of cash, property or securities of the Issuer received upon the exercise of any such remedy.

(e) Notwithstanding any of the provisions of this Condition 10, the Agent shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Agent, unless and until the Agent shall have received at its Global Trust and Agency Services office written notice thereof from the Issuer or from one or more holders of the Senior Indebtedness of the Issuer or from any trustee therefor or from any creditor in respect of Derivative Obligations who shall have been certified by the Issuer or otherwise established to the reasonable satisfaction of the Agent to be such a holder, trustee or creditor, and, prior to the receipt of any such written notice, the Agent shall be entitled in all respects to assume that no such facts exist; provided that, if prior to the fifth Business Day preceding the date upon which by the terms hereof any such moneys may become payable for any purpose, the Agent shall not have received with respect to such moneys the notice provided for in this paragraph, then, anything herein contained to the contrary notwithstanding, the Agent may receive such moneys and apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it on or after such date; *provided, however*, that no such application shall affect the obligations under this paragraph of the persons receiving such moneys from the Agent. In any case, the Agent shall have no responsibility to holders of the Senior Indebtedness or creditors in respect of Derivative Obligations for payments made to holders of the Subordinated Notes by the Issuer or any Paying Agent.

(f) Any deposit of moneys by the Issuer with the Agent or any other Paying Agent for the payment of the principal except as provided in Condition 10(e), shall be subject to the provisions of Condition 10(a), (b), (c), (d) and (j).

(g) No right of any present or future holders of any Senior Indebtedness of the Issuer or creditors in respect of Derivative Obligations to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act, in good faith, by any such holder or creditor, or by any non-compliance by the Issuer with the provisions hereof, regardless of any knowledge thereof which any such holder or creditor may have or be otherwise charged with. The holders of the Senior Indebtedness of the Issuer and the creditors in respect of Derivative Obligations may at any time or from time to time and in their absolute discretion, change the manner, place or terms of payment, change or extend the time of payment of, or renew or alter, any such Senior Indebtedness or Derivative Obligations, or amend or supplement any instrument pursuant to which any such Senior Indebtedness or Derivative Obligation is issued or by which it may be secured, or release any security therefor, or exercise or refrain from exercising any other of their rights under the Senior Indebtedness or Derivative Obligations including, without limitation, the waiver of default thereunder, all without notice to or assent from the holders of the Subordinated Notes and without affecting the obligations of the Issuer to the holders of the Subordinated Notes under this Condition 10.

(h) If, in the event of any dissolution, winding up, liquidation or reorganization of the Issuer (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise) tending toward liquidation of the business and assets of the Issuer, a proper claim or proof of debt in the form required in such proceeding is not filed by all of the holders of the Subordinated Notes prior to 30 days

before the expiration of the time to file such claim or claims, and is not filed by the Agent pursuant to the authority granted pursuant to the provisions contained herein prior to 15 days before such expiration, then the holder or holders of the Senior Indebtedness and creditors in respect of Derivative Obligations are thereby authorised to, and have the right to, file an appropriate claim for and on behalf of the holders of the Subordinated Notes in the form required in any such proceeding.

(i) The failure to make a payment pursuant to the Subordinated Notes by reason of any provision in this Condition 10 shall not be construed as preventing the occurrence of any Event of Default under subclauses (d) or (e) of Condition 9.

(j) (i) Subject to the provisions of this paragraph, the Subordinated Notes shall rank *pari passu* in right of payment with the Issuer Subordinated Indebtedness.

(ii) Upon the occurrence of any of the events specified in Condition 10(c) herein, the provisions of that Condition 10(c) and the corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any indebtedness of the Issuer which by its terms is subordinated to indebtedness of the Issuer substantially to the same extent as the Subordinated Notes, shall be given effect to determine the amount of cash, property or securities which may be payable or deliverable as between the holders of the Senior Indebtedness, on the one hand, and the holders of such other subordinated indebtedness on the other hand.

(iii) If, after giving such effect to the provisions of Condition 10(c) herein, and the respective corresponding provisions of each indenture or other instrument or document establishing or governing the terms of any indebtedness of the Issuer which by its terms is subordinated to indebtedness of the Issuer substantially to the same extent as the Subordinated Notes, any amount of cash, property or securities shall be available for payment or distribution in respect of the Subordinated Notes (“Excess Proceeds”), and any creditors in respect of Derivative Obligations shall not have received payment in full of all amounts due or to become due on or in respect of such Derivative Obligations (and provision shall not have been made for such payment in money or money’s worth), then such Excess Proceeds shall first be applied (ratably with any amount of cash, property or securities available for payment or distribution in respect of any other indebtedness of the Issuer that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in respect of Derivative Obligations) to pay or provide for the payment of the Derivative Obligations remaining unpaid, to the extent necessary to pay all Derivative Obligations in full, after giving effect to any concurrent payment or distribution to or for creditors in respect of Derivative Obligations. Any Excess Proceeds remaining after the payment (or provision for payment) in full of all Derivative Obligations shall be available for payment or distribution in respect of the Subordinated Notes.

(iv) In the event that, notwithstanding the foregoing provisions of Condition 10(j)(iii) herein, the Agent or holder of any Note shall, in the circumstances contemplated by such Condition 10(j)(iii), have received any payment or distribution of assets of the Issuer of any kind or character, whether in cash, property or securities, before all Derivative Obligations are paid in full or payment thereof duly provided for, and if such fact shall, at or prior to the time of such payment or distribution, have been made known to the Agent or, as the case may be, such holder, then and in such event, subject to any obligation that the Agent or such holder may have pursuant to Condition 10(c) herein, such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of assets of the Issuer for payment in accordance with Condition 10(j)(iii) herein.

(v) Subject to the payment in full of all Derivative Obligations, the holders of the Subordinated Notes shall be subrogated (equally and ratably with the holders of all indebtedness of the Issuer that by its express terms provides for the payment over of amounts corresponding to Excess Proceeds to creditors in respect of Derivative Obligations and is entitled to like rights of subrogation) to the rights of the creditors in respect of Derivative Obligations to receive payments and distributions of cash, property and securities applicable to the Derivative Obligations until the principal of and interest on the Subordinated Notes shall be paid in full. For purposes of such subrogation, no payments or distributions to creditors in respect of Derivative Obligations of any cash, property or securities to which holders of the Subordinated Notes or the Agent would be entitled except for the provisions of this Condition 10(j) to the creditors in respect of Derivative Obligations by holders of the Subordinated Notes or the Agent, shall, as among the Issuer, its creditors other than creditors in respect of Derivative Obligations and the holders of the Subordinated Notes be deemed to be a payment or distribution by the Issuer to or on account of the Derivative Obligations.

(vi) The provisions of sections (iii), (iv), and (v) of this Condition 10(j) are and are intended solely for the purpose of defining the relative rights of the holders of the Subordinated Notes, on the one hand, and the creditors in respect of Derivative Obligations, on the other hand, after giving effect to the rights of the holders of the Senior

Indebtedness, as provided in this Condition 10. Nothing contained in sections (iii), (iv), (v) and (vi) of this Condition 10(j) is intended to or shall affect the relative rights against the Issuer of the holders of the Subordinated Notes and (1) the holders of the Senior Indebtedness or (2) other creditors of the Issuer other than creditors in respect of Derivative Obligations.

(k) Definitions:

“Senior Indebtedness” of the Issuer is defined as the principal of, premium, if any, and interest on (a) all indebtedness of JPMorgan Chase for money borrowed, whether outstanding on the date hereof or thereafter created, assumed or incurred, except for (A) Issuer Subordinated Indebtedness, (B) Assumed Chase Subordinated Indebtedness, (C) Assumed JPM Subordinated Indebtedness, (D) Assumed Bank One Subordinated Indebtedness, and (E) such other indebtedness as is by its terms expressly stated to be junior in right of payment to, or to rank *pari passu* with, any of the foregoing referred to in (A) through (D) or any other indebtedness ranking junior to, or *pari passu* with, such foregoing indebtedness (including, without limitation, the junior subordinated obligations of the Issuer in respect of capital securities) and (b) any deferrals, renewals or extensions of any such Senior Indebtedness.

The term “Indebtedness of JPMorgan Chase for money borrowed” as used in the foregoing paragraph shall mean any obligation of, or any obligation guaranteed by, the Issuer for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes or other written instruments, and any deferred obligation for the payment of the purchase price of property or assets.

“Derivative Obligations” of the Issuer means obligations of JPMorgan Chase whether outstanding on the date hereof or thereafter created, assumed or incurred to make payments on claims in respect of derivative products such as interest and foreign exchange rate contracts, commodity contracts and similar arrangements; provided, however, that Derivative Obligations do not include claims in respect of Senior Indebtedness or obligations which, by their terms, are expressly stated not to be superior in right of payment to the Subordinated Notes or to rank *pari passu* with the Subordinated Notes. For purposes of this definition, “claim” has the meaning assigned thereto in Section 101(4) of the United States Bankruptcy Code of 1978, as amended and in effect on the date of the Subordinated Indenture.

“Issuer Subordinated Indebtedness” means debt securities (i) issued under an Indenture, as amended and restated as of December 15, 1992 between the Issuer and U.S. Bank Trust National Association, as trustee and (ii) issued by the Issuer on or after December 15, 1992.

“Assumed Chase Subordinated Indebtedness” means all outstanding subordinated indebtedness assumed by the Issuer as a result of its merger with The Chase Manhattan Corporation on March 31, 1996.

“Assumed JPM Subordinated Indebtedness” means all outstanding subordinated indebtedness assumed by the Issuer as a result of its merger with J.P. Morgan & Co. Incorporated (“J.P. Morgan”), on December 31, 2000 which were issued by J.P. Morgan on or after March 31, 1993.

“Assumed Bank One Subordinated Indebtedness” means all outstanding subordinated indebtedness assumed by the Issuer as a result of its merger with Bank One Corporation, on July 1, 2004.

11. Consolidation or Merger

(a) The Issuer will not merge or consolidate with, or sell or convey all or substantially all of its assets to any other corporation, unless (i) either (A) the Issuer shall be the surviving corporation in the case of a merger or (B) the surviving, resulting or transferee corporation (the “successor corporation”) (I) shall be a United States corporation or, if not a United States corporation, shall agree to indemnify the holders of Notes, Receipts or Coupons against any tax, assessment or governmental charge thereafter imposed on or as a result of payments to each holder as a consequence of such consolidation, merger, sale or conveyance and (II) shall expressly assume the due and punctual payment of the principal of and interest (including Additional Amounts, if any, that may result due to withholding by any authority having the power to tax to which the Issuer’s successor corporation is or may be subject) on all the Notes, according to their tenor, and the due and punctual performance of all of the covenants and obligations of the Issuer under the Notes, Receipts and Coupons and Agency Agreement, by such successor corporation becoming a party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it and (ii) the Issuer or such successor corporation, as the case may be, shall not, immediately after such merger, consolidation, sale or conveyance, be in default in the performance of any covenants or obligations, of the Issuer under the Notes, Receipts, Coupons or Agency Agreement.

(b) Upon any merger, consolidation, sale or conveyance as provided in paragraph (a) above, the successor corporation shall succeed to and be substituted for, and may exercise every right and power of and be subject to all the obligations of, the Issuer under the Notes, Receipts, Coupons, and Agency Agreement, with the same effect as if the successor corporation had been named as the Issuer therein and herein and the Issuer shall be released from its liability as obligor under the Notes, Receipts, Coupons, and Agency Agreement; provided that any successor corporation shall have the right to redeem the Notes pursuant to Condition 5(c) only as a result of circumstances which occur subsequent to such merger, consolidation, sale or conveyance and as a result of which the Issuer would have had such right if the Issuer had remained the obligor on the Notes, Receipts and Coupons.

12. Modifications and Waivers; Noteholders' Meetings.

(a) Modifications:

Certain modifications and amendments to the Agency Agreement and to these Conditions may be made without the consent of the holder of any Note or Coupon in accordance with Section 29 of the Agency Agreement, including for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained therein, adding covenants for the benefit of holders of the Notes, Receipts and Coupons, surrendering rights or powers conferred on the Issuer, effecting succession or assumption as a result of a merger or similar transaction, or in any other manner which the Issuer and the Agent may deem necessary or desirable and which will not materially adversely affect the interest of the holders of the Notes, Receipts or Coupons.

In addition, modifications and amendments to the Agency Agreement and to these Conditions may be made, and past defaults by the Issuer may be waived (in each case, by Extraordinary Resolutions (as defined in the Agency Agreement)), with the written consent of the holders of at least a majority in aggregate principal amount of the Notes at the time outstanding, or of such lesser percentage as may act at a meeting of holders of the Notes held in accordance with the Agency Agreement; provided that, in no event may the Issuer, without the written consent or the affirmative vote of the holder of each outstanding Note affected thereby,

- (i) extend the stated maturity of the principal of or any instalment of interest on any such Note,
- (ii) reduce the principal amount or redemption price of, or interest on, any such Note;
- (iii) change the obligation of the Issuer to pay Additional Amounts;
- (iv) change the currency of payment of such Note or interest thereon;
- (v) impair the right to institute suit for the enforcement of any such payment on or with respect to any such Note;
- (vi) reduce the percentage in aggregate principal amount of Notes outstanding necessary to modify or amend the Agency Agreement or to waive any past default; or
- (vii) reduce the voting or quorum requirements or the percentage of aggregate principal amount of Notes outstanding required to take any other action authorized to be taken by the holders of a specified principal amount of Notes.

Any modifications, amendments or waivers to the Agency Agreement or to these Conditions will be conclusive and binding on all holders of the Notes, Receipts and Coupons, whether or not they have given such consent or were present at such meeting, and on all future holders of Notes, Receipts and Coupons, whether or not notation of such modifications, amendments or waivers is made upon the Notes, Receipts or Coupons. Any instrument given by or on behalf of any holder of a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent holders of such Note and any Receipts or Coupons appertaining thereto.

(b) Meetings:

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of any of these Conditions or any provisions of the Agency Agreement. Such a meeting may be convened by the Issuer. At a meeting of the holders of the Notes for the purpose of, amongst others, approving a modification or amendment to, or obtaining a waiver of, any covenant or condition set forth in the Notes or the Agency Agreement, persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, within 30 minutes of the time appointed for such meeting, the meeting may be adjourned for a period of not less than 14 days; the persons entitled to vote a majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting.

At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any Extraordinary Resolution to, amongst others, modify or amend any of these Conditions or any provisions of the Agency Agreement (other than those items specified in Condition 12(a)(i) through (vii)), or to waive compliance with, any of these Conditions shall be effectively passed if passed by a majority consisting of at least 75% of the votes cast.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

13. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Upon the issuance of any substitute Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental or insurance charge that may be imposed in relation thereto and any other expense (including the fees and expenses of the Agent) connected therewith.

14. Further Issues

The Issuer may from time to time without the consent of the Noteholders, Receiptholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them and/or the Issue Price) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

15. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

16. The Agent

In acting under the Agency Agreement and in connection with the Notes, Receipts and Coupons, the Agent is acting solely as agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with the owner or holder of any Note or Receipt or Coupon appertaining thereto, except that any funds held by the Agent for payment of principal of or interest on, or Additional Amounts with respect to, any Note shall be held in trust by it and applied as set forth herein, but need not be segregated from other funds held by it, except as required by law. For a description of the duties and the immunities and rights of the Agent under the Agency Agreement, reference is made to the Agency Agreement, and the obligations of the Agent to the holders of the Notes, Receipts and Coupons are subject to such immunities and rights.

17. Governing Law

The Notes, the Certificates, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, the laws of the State of New York, United States of America.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “Common Depository”), or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may (if indicated in the relevant Final Terms) also be credited to the accounts of other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

For so long as any of the Notes are represented by a Global Note, each person who is shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular principal amount of Notes shall be treated by the Issuer, the Agent and any other Paying Agent as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, the right to which shall be vested, as against the Issuer, the Agent and any other Paying Agent, solely in the bearer of the relevant Global Note in accordance with and subject to its terms (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly). Any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1. Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for which it may be exchangeable.

2. Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holders of beneficial interests in such Permanent Global Note, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes or, in the case of (iii) below, Registered Notes,

(i) upon written notice by a holder of a beneficial interest in such Permanent Global Note to the Agent of its election for such exchange;

(ii) upon notice by the Issuer to the Noteholders and the Agent of its intention to effect such exchange;

(iii) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Agent of its election to exchange the whole or a part of such Global Note for Registered Notes;

(iv) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an “Alternative Clearing System”), and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(v) if an Event of Default occurs in relation to the Notes represented by such Permanent Global Note, by any holder giving notice to the Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

3. Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a Permanent Global Certificate on issue, transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

(i) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(ii) if principal in respect of any Notes is not paid when due; or

(iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

4. Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and that clearing system so permits, such Permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (ii) for Definitive Notes (a) if an Event of Default has occurred in relation to such Notes represented by the Permanent Global Note or (b) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly-paid Notes.

5. Delivery of Notes

On or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. Definitive Notes will be security-printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes. No Permanent Global Note or Definitive Note will be delivered to any address within the United States or its possessions.

6. Exchange Date

“Exchange Date” means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its Issue Date and, in relation to a Permanent Global Note, in the case of an exchange for Registered Notes, five

days, or in the case of an exchange for Definitive Notes 40 days, after that date on which the notice requiring exchange, if any, is given and on which banks are open for business in London.

Amendment to Conditions

The Temporary Global Notes, Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Prospectus. The following is a summary of certain of those provisions:

1. Payments

No payment falling due after the Exchange Date will be made on any Temporary Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) before the Exchange Date will be made only against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, for surrender of that Global Note to or to the order of the Agent or such other Paying Agent which has been appointed for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. No payment with respect to the Temporary Global Notes, Permanent Global Notes, or Definitive Notes, as applicable, will be made by mail to the United States or its possessions or by transfer to an account maintained therein.

2. Prescription

Claims against the Issuer in respect of Notes that are represented by a Global Note will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 7).

3. Meetings

The holder of a Global Note or of the Notes represented by a Global Certificate shall (unless such Global Note or Global Certificate represents only one Note) be treated as holding the aggregate principal amount represented by such Global Note or Certificate for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the specified currency of the Notes for which it may be exchanged. (All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4. Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note.

5. Purchase

Notes represented by a Permanent Global Note may be purchased only by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

6. Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

7. Noteholders' Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Agent

within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Agent, or to a Paying Agent acting on behalf of the Agent, for notation.

8. Agent's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are registered in the name of any nominee for, a clearing system, the Agent may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

9. Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions.

Partly-paid Notes

The provisions relating to Partly-paid Notes are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly-paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly-paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

Tradable Amounts

So long as the Notes are represented by a Global Note or Global Certificate and the relevant clearing system(s) so permit, the Notes shall be tradable only in principal amounts of at least the Specified Denomination (or if more than one Specified Denomination, the lowest Specified Denomination) and integral multiples of the Tradable Amount in excess thereof specified in the relevant Final Terms.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used by the Issuer for its general corporate purposes. Pending such use, the Issuer may temporarily invest the net proceeds or may use them to reduce short-term indebtedness.

JPMORGAN CHASE & CO.

Effective July 1, 2004, Bank One Corporation (“Bank One”) merged with and into JPMorgan Chase (the “Merger”), pursuant to an Agreement and Plan of Merger dated January 14, 2004. As a result of the Merger, each outstanding share of common stock of Bank One was converted in a stock-for-stock exchange into 1.32 shares of common stock of JPMorgan Chase. The Merger was accounted for using the purchase method of accounting. The purchase price to complete the Merger was \$58.5 billion.

JPMorgan Chase, a financial holding company incorporated under the laws of the State of Delaware on October 28, 1968 with file number 0691011, is a leading global financial services firm and one of the largest banking institutions in the United States, with approximately \$1.2 trillion in assets, approximately \$105 billion in stockholders’ equity and operations in more than 50 countries as of June 30, 2005.

JPMorgan Chase’s principal bank subsidiaries are JPMorgan Chase Bank, National Association (the “Bank”) and Chase Bank USA, National Association. The Bank (formerly known as JPMorgan Chase Bank, a New York banking corporation) became a national banking association on November 13, 2004. Immediately following its conversion, two of JPMorgan Chase’s principal bank subsidiaries, Bank One, National Association (Ohio) and Bank One, National Association (Illinois) merged with and into the Bank. JPMorgan Chase’s principal nonbank subsidiary is J.P. Morgan Securities Inc. (“JPMSI”). The bank and nonbank subsidiaries of JPMorgan Chase operate nationally as well as through overseas branches and subsidiaries, representative offices and affiliated banks. JPMorgan Chase depends on the dividends, distributions and other payments from its subsidiaries to fund its operations.

JPMorgan Chase’s activities are organized, for management reporting purposes, into six major business segments (Investment Bank, Retail Financial Services, Card Services, Commercial Banking, Treasury & Securities Services and Asset & Wealth Management) and Corporate. A description of the Issuer’s business segments, and the products and services they provide to their respective client bases, follows:

Investment Bank

JPMorgan Chase is one of the world’s leading investment banks, as evidenced by the breadth of its client relationships and product capabilities. The Investment Bank has extensive relationships with corporations, financial institutions, governments and institutional investors worldwide. JPMorgan Chase provides a full range of investment banking products and services in all major capital markets, including advising on corporate strategy and structure, capital raising in equity and debt markets, sophisticated risk management, and market-making in cash securities and derivative instruments. The Investment Bank also commits JPMorgan Chase’s own capital to proprietary investing and trading activities.

Retail Financial Services

Retail Financial Services includes Home Finance, Consumer & Small Business Banking, Auto & Education Finance and Insurance. Through this group of businesses, JPMorgan Chase provides consumers and small businesses with a broad range of financial products and services including deposits, investments, loans and insurance. Home Finance is a leading provider of consumer real estate loan products and is one of the largest originators and servicers of home mortgages. Consumer & Small Business Banking offers one of the largest branch networks in the United States. Auto & Education Finance is one of the largest bank originators of automobile loans as well as a top provider of loans for college students. Through its Insurance operations, JPMorgan Chase sells and underwrites an extensive range of financial protection products and investment alternatives, including life insurance, annuities and debt protection products.

Card Services

Card Services is the largest issuer of general purpose credit cards in the United States, with over 95 million cards in circulation, and is the largest merchant acquirer. Card Services offers a wide variety of products to satisfy the needs of its cardmembers, including cards issued on behalf of many well-known partners, such as major airlines, hotels, universities, retailers and other financial institutions.

Commercial Banking

Commercial Banking serves more than 25,000 corporations, municipalities, financial institutions and not-for-profit entities, with annual revenues generally ranging from \$10 million to \$2 billion. A local market presence and a strong customer service model, coupled with a focus on risk management, provide a solid infrastructure for Commercial Banking to provide JPMorgan Chase’s complete product set — lending, treasury services, invest-

ment banking and investment management. Clients of Commercial Banking benefit from JPMorgan Chase's retail branch network and commercial banking offices, including locations in 10 out of the top 15 major metropolitan areas in the United States.

Treasury & Securities Services

Treasury & Securities Services is a global leader in providing transaction, investment and information services to support the needs of corporations, issuers and institutional investors worldwide. Treasury & Securities Services is the largest cash management provider in the world and a leading global custodian. The Treasury Services business provides clients with a broad range of capabilities, including U.S. dollar and multi-currency clearing, ACH, trade, and short-term liquidity and working capital tools. The Investor Services business provides a wide range of capabilities, including custody, funds services, securities lending, and performance measurement and execution products. The Institutional Trust Services business provides trustee, depository and administrative services for debt and equity issuers. Treasury Services partners with the Commercial Banking, Consumer & Small Business Banking and Asset & Wealth Management segments to serve clients firmwide. As a result, certain Treasury Services revenues are included in other segments' results. Treasury & Securities Services has combined the management of the Investor Services and Institutional Trust Services businesses under the name Worldwide Securities Services to create an integrated franchise which will provide custody and investor services as well as securities clearance and trust services to clients globally.

Asset & Wealth Management

Asset & Wealth Management provides investment management to retail and institutional investors, financial intermediaries and high-net-worth families and individuals globally. For retail investors, Asset & Wealth Management provides investment management products and services, including a global mutual fund franchise, retirement plan administration and brokerage services. Asset & Wealth Management delivers investment management to institutional investors across all asset classes. The Private Bank and Private Client Services businesses provide integrated wealth management services to ultra-high-net-worth and high-net-worth clients, respectively.

Corporate

The Corporate Sector is comprised of Private Equity, Treasury and corporate staff and other centrally managed expenses. Private Equity currently includes JPMorgan Partners and ONE Equity Partners businesses. On March 1, 2005, the Issuer announced that the management team of JPMorgan Partners, LLC, a private equity unit of JPMorgan, will become independent when it completes the investment of the current \$6.5 billion Global Fund, which it advises. The independent management team intends to raise a new fund as a successor to the Global Fund. JPMorgan Chase has committed to invest 24.9% of the limited partnership interests, up to \$1 billion, in the new fund. Treasury manages the structural interest rate risk and investment portfolio for JPMorgan Chase. The corporate staff areas include Central Technology and Operations, Internal Audit, Executive Office, Finance, General Services, Human Resources, Marketing & Communications, Office of the General Counsel, Real Estate and Business Services, Risk Management, and Strategy and Development. JPMorgan Chase centrally managed expenses include items such as the Issuer's occupancy and pension expense, net of allocations to the business.

Recent Developments

On August 16, 2005, JPMorgan Chase announced it had reached an agreement in principle to settle the adversary proceedings brought by Enron Corp. and its subsidiaries ("Enron") in the U.S. Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). Under the terms of the settlement, JPMorgan Chase will pay \$350 million to the bankrupt estate and will give up certain contested claims it has filed in the bankruptcy. Enron will allow JPMorgan Chase's other claims in the bankruptcy and will dismiss or release all claims it has against JPMorgan Chase. JPMorgan Chase will have the option of increasing its cash payment in exchange for retaining more of its claim and having them allowed in the bankruptcy. The settlement is subject to the approval of the Bankruptcy Court. JPMorgan Chase does not expect the settlement to have a material adverse impact on earnings.

The principal executive office of JPMorgan Chase is located at 270 Park Avenue, Eighth Floor, New York, New York 10017-2070, U.S.A. and its telephone number is +001 212 270-6000.

EXECUTIVE OFFICERS AND DIRECTORS OF JPMORGAN CHASE

The following persons are the Executive Officers of JPMorgan Chase as at the date of the document:

William B. Harrison, Jr.	Chairman and Chief Executive Officer
James Dimon	President and Chief Operating Officer
Austin A. Adams	Chief Information Officer
Steven D. Black	Co-Chief Executive Officer, Investment Bank
William I. Campbell	Chairman, Card Services
Michael J. Cavanagh	Chief Financial Officer
John J. Farrell	Director Human Resources, Head of Security
Joan Guggenheimer	Co-General Counsel
Frederick W. Hill	Director of Corporate Marketing and Communications
Samuel Todd Maclin	Head, Commercial Banking
Jay Mandelbaum	Head, Strategy and Business Development
William H. McDavid	Co-General Counsel
Heidi Miller	Chief Executive Officer, Treasury & Securities Services
Charles W. Scharf	Head, Retail Financial Services
Richard J. Srednicki	Chief Executive Officer, Card Services
James E. Staley	Global Head, Asset & Wealth Management
Don M. Wilson III	Chief Risk Officer
William T. Winters	Co-Chief Executive Officer, Investment Bank

The following persons are the members of the Board of Directors of JPMorgan Chase. References to Bank One Corporation, J.P. Morgan & Co. Incorporated, The Chase Manhattan Corporation, Manufacturers Hanover Corporation, and/or Chemical Banking Corporation are references to a predecessor institution of JPMorgan Chase.

Hans W. Becherer

Mr. Becherer has been Retired Chairman and Chief Executive Officer of Deere & Company (equipment manufacturer) since August 2000, having served as Chairman from 1990 and as Chief Executive Officer from 1989. Mr. Becherer is also a director of Honeywell International Inc. and Schering-Plough Corporation. He has been a director of JPMorgan Chase or a predecessor institution since 1998.

The business address of Mr. Becherer is at Deere & Company, One John Deere Place, Moline, IL 61265-8098, U.S.A.

John H. Biggs

Mr. Biggs has been Former Chairman and Chief Executive Officer of Teachers Insurance and Annuity Association — College Retirement Equities Fund (TIAA-CREF) (national teachers' pension fund) since November 2002, having served as Chairman and Chief Executive Officer from 1993. Mr. Biggs is also a director of The Boeing Company and a Trustee of the International Accounting Standards Foundation. He has been a director of JPMorgan Chase or a predecessor institution since 2003.

The business address of Mr. Biggs is at 780 Third Avenue, New York, NY 10017, U.S.A.

Lawrence A. Bossidy

Mr. Bossidy has been Retired Chairman of Honeywell International Inc. (technology and manufacturing) since June 2002, having served as Chairman from July 2001 and from December 1999 to April 2000. He was Chief Executive Officer from July 2001 to February 2002. He was Chairman of AlliedSignal Inc. from 1992 to 1999 and Chief Executive Officer from 1991 to 1999 when he was named Chairman of Honeywell following the merger of the two companies. Mr. Bossidy is also a director of Berkshire Hills Bancorp, Inc. and Merck & Co., Inc. He has been a director of JPMorgan Chase or a predecessor institution since 1998.

The business address of Mr. Bossidy is at JPMorgan Chase & Co., 270 Park Avenue, New York, NY 10017-2070, U.S.A.

Stephen B. Burke

Mr. Burke has been President of Comcast Cable Communications, Inc. (cable television) since 1998. He has been a director of JPMorgan Chase or a predecessor institution since 2003.

The business address of Mr. Burke is at Comcast Cable Communications, Inc., 1500 Market St., Philadelphia, PA 19102-2148, U.S.A.

James S. Crown

Mr. Crown has been President of Henry Crown and Company (diversified investments) since 2003 having served as Vice President from 1985. Mr. Crown is also a director of General Dynamics Corporation and Sara Lee Corporation. He has been a director of JPMorgan Chase or a predecessor institution since 1991.

The business address of Mr. Crown is at Henry Crown and Company, 222 N. LaSalle St., Chicago, IL 60601, U.S.A.

James Dimon

Mr. Dimon has been President and Chief Operating Officer of JPMorgan Chase since July 2004. Prior to its merger with JPMorgan Chase, he had been Chairman and Chief Executive Officer of Bank One Corporation from March 2000 until July 2004. Mr. Dimon was a private investor from November 1998 until March 2000; President of Citigroup Inc. and Chairman and Co-Chief Executive Officer of Salomon Smith Barney Holdings, Inc. from October 1998 until November 1998; President and Chief Operating Officer of Travelers Group, as well as in executive positions with Travelers' subsidiaries Smith Barney, Inc. and Salomon Smith Barney Holdings, Inc., from November 1993 until October 1998. He has been a director of JPMorgan Chase or a predecessor institution since 2000.

The business address of Mr. Dimon is at JPMorgan Chase & Co., 270 Park Avenue, New York, NY 10017-2070, U.S.A.

Ellen V. Futter

Ms. Futter has been President and Trustee of the American Museum of Natural History since 1993. She previously served as President of Barnard College from 1980 to 1993. Ms. Futter is also a director of American International Group, Inc., Bristol-Myers Squibb Company and Consolidated Edison, Inc. She has been a director of JPMorgan Chase or a predecessor institution since 1997.

The business address of Ms. Futter is at American Museum of Natural History, Central Park West at 79th Street, New York, NY 10024, U.S.A.

William H. Gray, III

Mr. Gray was President and Chief Executive Officer of The College Fund/UNCF (educational assistance) from 1991 until he retired from those positions in March 2004. He was a member of the United States House of Representatives from 1979 to 1991. Mr. Gray is also a director of Dell Computer Corporation, Pfizer Inc., Prudential Financial, Inc. and Visteon Corporation. He has been a director of JPMorgan Chase or a predecessor institution since 1992.

The business address of Mr. Gray is at JPMorgan Chase & Co., 270 Park Avenue, New York, NY 10017-2070, U.S.A.

William B. Harrison, Jr.

Mr. Harrison has been Chairman and Chief Executive Officer since November 2001, prior to which he was President and Chief Executive Officer from December 2000. He was Chairman and Chief Executive Officer of The Chase Manhattan Corporation from January 2000 through its merger with J.P. Morgan & Co. Incorporated in December 2000 and President and Chief Executive Officer from June through December 1999, prior to which he had been Vice Chairman of the Board. He has been a director of JPMorgan Chase or a predecessor institution since 1991. Mr. Harrison is also a director of Merck & Co., Inc.

The business address of Mr. Harrison is at JPMorgan Chase & Co., 270 Park Avenue, New York, NY 10017-2070, U.S.A.

Laban P. Jackson, Jr.

Mr. Jackson has been Chairman and Chief Executive Officer of Clear Creek Properties, Inc. (real estate development) since 1989. Mr. Jackson is also a director of The Home Depot, Inc. and IPIX Corporation. He has been a director of JPMorgan Chase or a predecessor institution since 1993.

The business address of Mr. Jackson is at Clear Creek Properties, Inc., 2365 Harrodsburg Road, Lexington, KY 40504-3300, U.S.A.

John W. Kessler

Mr. Kessler has been the owner of John W. Kessler Company (real estate development) since 1972 and has been Chairman of The New Albany Company (real estate development) since 1988. Mr. Kessler is also a director of Abercrombie & Fitch Co. He has been a director of JPMorgan Chase or a predecessor institution since 1995.

The business address of Mr. Kessler is at John W. Kessler Company, P.O. Box 772, New Albany, OH 43054, U.S.A.

Robert I. Lipp

Mr. Lipp has been Executive Chairman of the Board of The St. Paul Travelers Companies, Inc. (insurance) since April 2004, prior to which he was Chairman and Chief Executive Officer of its predecessor company, Travelers Property Casualty Corp. from December 2001. Mr. Lipp held various senior executive positions at Citigroup Inc. and its predecessor company, Travelers Group, Inc. from 1991, retiring in 2001 as Vice Chairman of Citigroup Inc. and Chairman and Chief Executive Office of its Global Consumer Business. He is also a director of Accenture Ltd. He has been a director of JPMorgan Chase or a predecessor institution since 2003.

The business address of Mr. Lipp is at The St. Paul Travelers Companies, Inc., One Tower Square Hartford, Ct. 06183, U.S.A.

Richard A. Manoogian

Mr. Manoogian has been Chairman and Chief Executive Officer of Masco Corporation (diversified manufacturer) since 1985. Mr. Manoogian is also a director of Ford Motor Company and Metaldyne Corporation. He has been a director of JPMorgan Chase or a predecessor institution since 1978.

The business address of Mr. Manoogian is at Masco Corporation, 21001 Van Born Rd., Taylor, MI 48180, U.S.A.

David C. Novak

Mr. Novak has been Chairman of Yum! Brands, Inc. (franchised restaurants) since January 2001 and Chief Executive Officer since January 2000. He was Vice Chairman and President of Tricon Global Restaurants, Inc. (now known as Yum! Brands, Inc.) from June 1997 until January 2000; Group President and Chief Executive Officer, KFC and Pizza Hut, North America (subsidiaries of PepsiCo) from August 1996 until June 1997; and President, KFC North America (subsidiary of PepsiCo) from 1994 until 1996. He has been a director of JPMorgan Chase or a predecessor institution since 2001.

The business address of Mr. Novak is at Yum! Brands, Inc., P.O. Box 32220, Louisville, KY 40232, U.S.A.

Lee R. Raymond

Mr. Raymond has been Chairman of the Board and Chief Executive Officer of Exxon Mobil Corporation (oil and gas) since December 1999. He was Chairman of the Board and Chief Executive Officer of Exxon Corporation from 1993 until its merger with Mobil Oil Corporation in 1999. He has been a director of JPMorgan Chase or a predecessor institution since 1987.

The business address of Mr. Raymond is at Exxon Mobil Corporation, 5959 Las Colinas Blvd., Irving, TX 75039-2298, U.S.A.

William C. Weldon

Mr. Weldon has been Chairman and Chief Executive Officer of Johnson & Johnson (health care products) since 2002, having served as Vice Chairman from 2001 and Worldwide Chairman, Pharmaceuticals Group from 1998 until 2001. Mr. Weldon served in a number of other positions since joining Johnson & Johnson in 1971. He has been a director of JPMorgan Chase since March 2005.

The business address of Mr. Weldon is at 1 Johnson and Johnson Plaza, New Brunswick, NJ 08933, U.S.A.

Conflicts of Interest

JPMorgan Chase is not aware of any potential conflicts of interests between the duties to JPMorgan Chase of each of the persons described above and his/her private interests and/or other duties.

Transactions with directors and executive officers

The Issuer's directors and executive officers and their respective associates, were customers of, or had transactions with, JPMorgan Chase or its banking or other subsidiaries in the ordinary course of business during 2004. Additional transactions may be expected to take place in the future. All outstanding loans to directors and executive officers and their associates, commitments and sales, purchases and placements of investment securities and other financial instruments included in such transactions, were made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with other persons, and did not involve more than normal risk of collectability or present other unfavorable features.

Some of JPMorgan Chase's employees (approximately 2,600 in 2004), including William B. Harrison, Jr., who is Chief Executive Officer and Chairman of the Board of Directors of JPMorgan Chase, were given annually an opportunity to invest (through the purchase of common equity interests) on an after-tax basis in annually-formed limited partnerships each of which invests in the general pool of private equity investments made by JPMorgan Partners during the year the limited partnership is formed. This program has been discontinued and will not be offered in future years.

SELECTED CONSOLIDATED FINANCIAL DATA OF JPMORGAN CHASE

The following tables set forth certain condensed financial data with respect to JPMorgan Chase selected from the audited consolidated financial statements appearing in the 2004 Annual Report and the unaudited consolidated financial statements appearing in JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, which are incorporated herein by reference. This information should be read in conjunction with the other details of financial information concerning JPMorgan Chase appearing in the aforementioned documents. The results for the six months ended June 30, 2005 and June 30, 2004 are unaudited and do not necessarily indicate the results that may be expected for the entire year.

JPMORGAN CHASE & CO. CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)	Six Months Ended June 30,(a)		Year Ended December 31,(b)		
	2005	2004	2004	2003	2002
	(unaudited)				
Revenue					
Investment Banking Fees	\$ 1,954	\$ 1,585	\$ 3,537	\$ 2,890	\$ 2,763
Trading Revenue	2,246	2,593	3,612	4,427	2,675
Lending & Deposit Related Fees	1,671	826	2,672	1,727	1,674
Asset Management, Administration and Commissions	5,039	3,650	7,967	5,906	5,754
Securities/Private Equity Gains (Losses)	362	892	1,874	1,479	817
Mortgage Fees and Related Income	698	488	1,004	923	988
Credit Card Income	3,497	1,236	4,840	2,466	2,307
Other Income	697	392	830	601	458
Noninterest Revenue	16,164	11,662	26,336	20,419	17,436
Interest Income	21,581	11,240	30,595	24,044	25,936
Interest Expense	11,355	5,260	13,834	11,079	13,758
Net Interest Income	10,226	5,980	16,761	12,965	12,178
Total Net Revenue	26,390	17,642	43,097	33,384	29,614
Provision for Credit Losses	1,014	218	2,544	1,540	4,331
Noninterest Expense					
Compensation Expense	8,968	6,245	14,506	11,387	10,693
Occupancy Expense	1,105	871	2,084	1,912	1,606
Technology and Communications Expense	1,816	1,605	3,702	2,844	2,554
Professional & Outside Services	2,204	1,568	3,862	2,875	2,587
Marketing	1,020	401	1,335	710	689
Other Expense	1,759	958	2,859	1,694	1,802
Amortization of Intangibles	768	158	946	294	323
Total Noninterest Expense Before Merger Costs and Litigation Reserve Charge	17,640	11,806	29,294	21,716	20,254
Merger Costs	424	90	1,365	—	1,210
Litigation Reserve Charge	2,772	3,700	3,700	100	1,300
Total Noninterest Expense	20,836	15,596	34,359	21,816	22,764
Income Before Income Tax Expense	4,540	1,828	6,194	10,028	2,519
Income Tax Expense	1,282	446	1,728	3,309	856
Net Income	\$ 3,258	\$ 1,382	\$ 4,466	\$ 6,719	\$ 1,663
Net Income Applicable to Common Stock	\$ 3,250	\$ 1,356	\$ 4,414	\$ 6,668	\$ 1,612
Net Income Per Common Share					
Basic Earnings Per Share	\$ 0.93	\$ 0.67	\$ 1.59	\$ 3.32	\$ 0.81
Diluted Earnings Per Share	0.91	0.65	1.55	3.24	0.80
Average Basic Shares	3,505	2,038	2,780	2,009	1,984
Average Diluted Shares	3,559	2,096	2,851	2,055	2,009
Cash Dividends Per Common Share	\$ 0.68	\$ 0.68	\$ 1.36	\$ 1.36	\$ 1.36

(a) 2005 reflects the combined Firm's results, while 2004 reflects the results of heritage JPMorgan Chase only.

(b) 2004 results include six months of the combined JPMorgan Chase results and six months of heritage JPMorgan Chase results. All other periods reflect the results of heritage JPMorgan Chase only.

JPMORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEETS

<u>(in millions, except share data)</u>	<u>June 30,</u>	<u>December 31,</u>	
	<u>2005</u>	<u>2004</u>	<u>2003(a)</u>
	<u>(unaudited)</u>		
Assets			
Cash and Due from Banks	\$ 35,092	\$ 35,168	\$ 20,268
Deposits with Banks	9,080	21,680	10,175
Federal Funds Sold and Securities Purchased under Resale Agreements	130,785	101,354	76,868
Securities Borrowed	58,457	47,428	41,834
Trading Assets (including assets pledged of \$88,453 at June 30, 2005, \$77,266 at December 31, 2004 and \$81,312 at December 31, 2003)	290,818	288,814	252,871
Securities:			
Available-for-Sale (including assets pledged of \$19,952 at June 30, 2005, \$26,881 at December 31, 2004 and \$31,639 at December 31, 2003)	58,481	94,402	60,068
Held-to-Maturity (fair value: \$96 at June 30, 2005, \$117 at December 31, 2004 and \$186 at December 31, 2003)	92	110	176
Interests in Purchased Receivables	27,887	31,722	4,752
Loans	416,025	402,114	214,766
Allowance for Loan Losses	(6,794)	(7,320)	(4,523)
Loans, Net of Allowance for Loan Losses	409,231	394,794	210,243
Private Equity Investments	6,488	7,735	7,250
Accrued Interest and Accounts Receivable	24,245	21,409	12,356
Premises and Equipment	9,354	9,145	6,487
Goodwill	43,537	43,203	8,511
Other Intangible Assets:			
Mortgage Servicing Rights	5,026	5,080	4,781
Purchased Credit Card Relationships	3,528	3,878	1,014
All Other Intangibles	5,319	5,726	685
Other Assets	53,863	45,600	52,573
Total Assets	\$1,171,283	\$1,157,248	\$770,912
Liabilities			
Deposits:			
U.S. Offices:			
Noninterest-Bearing	\$ 138,025	\$ 129,257	\$ 73,154
Interest-Bearing	263,952	261,673	125,855
Non-U.S. Offices:			
Noninterest-Bearing	7,289	6,931	6,311
Interest-Bearing	125,374	123,595	121,172
Total Deposits	534,640	521,456	326,492
Federal Funds Purchased and Securities Sold under Repurchase Agreements	137,350	127,787	113,466
Commercial Paper	12,842	12,605	14,284
Other Borrowed Funds	12,716	9,039	8,925
Trading Liabilities	134,280	151,207	149,448
Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for lending-related commitments of \$439 at June 30, 2005, \$492 at December 31, 2004 and \$324 at December 31, 2003)	77,064	75,722	45,066
Beneficial Interests Issued by Consolidated VIEs	43,826	48,061	12,295
Long-Term Debt	101,182	95,422	48,014
Junior Subordinated Deferrable Interest Debentures Held by Trusts that issued Guaranteed Capital Debt Securities	11,998	10,296	6,768
Total Liabilities	1,065,898	1,051,595	724,758
Commitments and Contingencies (See Note 17 of the Quarterly Report on 10-Q for the Six-Months Ended June 30, 2005, and Note 25 of the Annual Report on Form 10-K for the Period Ended December 31, 2004)			
Stockholders' Equity			
Preferred Stock	139	339	1,009
Common Stock (Authorized 9,000,000,000 Shares at June 30, 2005 and December 31, 2004 and 4,500,000,000 Shares at December 31, 2003; Issued 3,604,060,651 Shares at June 30, 2005 and 3,584,747,502 Shares and 2,044,436,509 Shares at December 31, 2004 and 2003, respectively)	3,604	3,585	2,044
Capital Surplus	73,911	72,801	13,512
Retained Earnings	31,032	30,209	29,681
Accumulated Other Comprehensive Income (Loss)	(61)	(208)	(30)
Treasury Stock, at Cost (90,117,056 Shares at June 30, 2005 and 28,556,534 Shares and 1,816,495 Shares at December 31, 2004 and 2003, respectively)	(3,240)	(1,073)	(62)
Total Stockholders' Equity	105,385	105,653	46,154
Total Liabilities and Stockholders' Equity	\$1,171,283	\$1,157,248	\$770,912

(a) Heritage JPMorgan Chase only.

TAXATION OF THE NOTES

United States Taxation

To ensure compliance with Internal Revenue Service Circular 230, investors are hereby notified that the discussion of tax matters set forth in this Prospectus was written in connection with the promotion or marketing of this offering by the Issuer and was not intended or written to be used, and cannot be used by any prospective investor, for the purpose of avoiding tax-related penalties under federal, state or local tax law. Each prospective investor should seek advice based on its particular circumstances from an independent tax advisor.

The following is a summary of certain United States federal income tax consequences of the purchase, ownership and disposition of Notes as of the date hereof. Except where noted, this summary deals only with Notes that are held as capital assets, and does not represent a detailed description of the United States federal income tax consequences applicable to a Noteholder if it is subject to special treatment under the United States federal income tax laws, including if the Noteholder is:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- a tax exempt organization;
- an insurance company;
- a person holding the Notes as part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for its securities;
- a person liable for alternative minimum tax;
- a person who is an investor in a pass-through entity; or
- a person whose “functional currency” is not the U.S. dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in United States federal income tax consequences different from those discussed below. The discussion below assumes that all Notes issued under the program will be classified for United States federal income tax purposes as the Issuer’s indebtedness and Noteholders should note that in the event of an alternative characterization, the tax consequences would differ from those discussed below. A summary of any special United States federal tax considerations relevant to a particular issue of the Notes will be specified in the applicable Final Terms.

Investors considering the purchase of Notes should consult their own tax advisors concerning the United States federal income tax consequences to them and any consequences arising under the laws of any other taxing jurisdiction.

Consequences to United States Holders

The following is a summary of certain United States federal income tax consequences that will apply to a Noteholder that is a United States Holder of Notes.

Certain consequences to “Non-United States Holders” of Notes, which are beneficial owners of Notes who are not United States Holders or partnerships for United States federal income tax purposes, are described under “— Consequences to Non-United States Holders”. This summary does not apply to the purchase, ownership or disposition of Bearer Notes by United States Holders. Ownership of Bearer Notes by a United States Holder will have different and potentially adverse tax consequences from those described below.

“United States Holder” means a beneficial owner of a Note that is:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source;
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

If a partnership holds the Issuer’s Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Any person that is a partner of a partnership holding the Issuer’s Notes should consult its own tax advisors.

Payments of Interest

Except as set forth below, interest on a Note will generally be taxable to a United States Holder as ordinary income at the time it is paid or accrued in accordance with its method of accounting for tax purposes.

Original Issue Discount

If a United States Holder owns Notes issued with original issue discount (“OID”), such United States Holder will be subject to special tax accounting rules, as described in greater detail below. In that case, the United States Holder should be aware that it generally must include OID in gross income in advance of the receipt of cash attributable to that income. However, the United States Holder generally will not be required to include separately in income cash payments received on the Notes, even if denominated as interest, to the extent those payments do not constitute “qualified stated interest”, as defined below. Notice will be given in the applicable Final Terms when the Issuer determines that a particular Note will be an original issue discount note.

Additional rules applicable to Notes with OID that are denominated in or determined by reference to a currency other than the U.S. dollar are described under “Foreign Currency Notes” below.

A Note with an “issue price” that is less than the stated redemption price at maturity (the sum of all payments to be made on the Note other than “qualified stated interest”) generally will be issued with OID if that difference is at least 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, or, in the case of an amortizing note, the weighted average maturity. The “issue price” of each Note in a particular offering will be the first price at which a substantial amount of that particular offering is sold to the public. The term “qualified stated interest” means stated interest that is unconditionally payable in cash or in property, other than debt instruments of the Issuer, and meets all of the following conditions:

- it is payable at least once per year;
- it is payable over the entire term of the Note; and
- it is payable at a single fixed rate or, subject to certain conditions, based on one or more interest indices.

A notice will be given in the applicable Final Terms when it is determined that a particular Note will bear interest that is not qualified stated interest.

If a United States Holder owns a Note issued with *de minimis* OID, which is discount that is not OID because it is less than 0.25% of the stated redemption price at maturity multiplied by the number of complete years to maturity, such United States Holder generally must include the *de minimis* OID in income at the time principal payments on the Notes are made in proportion to the amount paid. Any amount of *de minimis* OID that a United States Holder has included in income will be treated as capital gain.

Certain of the Notes may contain provisions permitting them to be redeemed prior to their stated maturity at the Issuer’s option and/or at the Noteholder’s option. Original issue discount notes containing those features may be subject to rules that differ from the general rules discussed herein. Investors that are considering the purchase of original issue discount notes with those features should carefully examine the applicable Final Terms and consult their own tax advisors with respect to those features since the tax consequences to them with respect to OID will depend, in part, on the particular terms and features of the Notes.

If a United States Holder owns original issue discount notes with a maturity upon issuance of more than one year, such United States Holder generally must include OID in income in advance of the receipt of some or all of the related cash payments using the “constant yield method” described in the following paragraphs.

The amount of OID that the United States Holder must include in income if it is the initial holder of an original issue discount note is the sum of the “daily portions” of OID with respect to the Note for each day during the taxable year or portion of the taxable year in which the United States Holder held that Note (“accrued OID”). The daily portion is determined by allocating to each day in any “accrual period” a pro rata portion of the OID allocable to that accrual period. The “accrual period” for an original issue discount note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of:

- the Note’s “adjusted issue price” at the beginning of the accrual period multiplied by its yield to maturity, determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period, over
- the aggregate of all qualified stated interest allocable to the accrual period.

OID allocable to a final accrual period is the difference between the amount payable at maturity, other than a payment of qualified stated interest, and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The “adjusted issue price” of a Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period, determined without regard to the amortization of any acquisition or bond premium, as described below, and reduced by any payments made on the Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a United States Holder will have to include in income increasingly greater amounts of OID in successive accrual periods. The Issuer is required to provide information returns stating the amount of OID accrued on Notes held of record by persons other than certain exempt holders such as corporations.

Floating Rate Notes are subject to special OID rules. In the case of an original issue discount note that is a Floating Rate Note, both the “yield to maturity” and “qualified stated interest” will be determined solely for purposes of calculating the accrual of OID as though the Note will bear interest in all periods at a fixed rate generally equal to the rate that would be applicable to interest payments on the Note on its date of issue or, in the case of certain Floating Rate Notes, the rate that reflects the yield to maturity that is reasonably expected for the Note. Additional rules may apply if either:

- the interest on a Floating Rate Note is based on more than one interest index; or
- the principal amount of the Note is indexed in any manner.

The discussion above generally does not address Notes providing for contingent payments. Investors should carefully examine the applicable Final Terms regarding the United States federal income tax consequences of the holding and disposition of any Notes providing for contingent payments.

A United States Holder may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method described above. For purposes of this election, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. United States Holders should consult with their own tax advisors about this election.

Short-Term Notes

In the case of Notes having a term of one year or less, all payments, including all stated interest, will be included in the stated redemption price at maturity and will not be qualified stated interest. As a result, a United States Holder will generally be taxed on the discount instead of stated interest. The discount will be equal to the excess of the stated redemption price at maturity over the issue price of a short-term note, unless the United States Holder elects to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method United States Holders of short-term Notes are not required to include accrued discount in their income currently unless they elect to do so, but may be required to include stated interest in income as the income is received. United States Holders that report income for United States federal income tax purposes on the accrual method and certain other United States Holders are required to accrue discount on short-term Notes (as ordinary income) on a straight-line basis, unless an election is made to accrue the discount according to a constant yield method based on daily compounding. If a United States Holder is not required, and does not elect, to include

discount in income currently, any gain realized on the sale, exchange or retirement of a short-term Note will generally be ordinary income to the United States Holder to the extent of the discount accrued by such United States Holder through the date of sale, exchange or retirement. In addition, if a United States Holder does not elect to currently include accrued discount in income, such United States Holder may be required to defer deductions for a portion of its interest expense with respect to any indebtedness attributable to the short-term Notes.

Market Discount

If a United States Holder purchases a Note for an amount that is less than its stated redemption price at maturity, or, in the case of an original issue discount note, its adjusted issue price, the amount of the difference will be treated as “market discount” for United States federal income tax purposes, unless that difference is less than a specified de minimis amount. Under the market discount rules, a United States Holder will be required to treat any payment, other than qualified stated interest, on, or any gain on the sale, exchange, retirement or other disposition of, a Note as ordinary income to the extent of the market discount that the United States Holder has not previously included in income and is treated as having accrued on the Note at the time of its payment or disposition. In addition, the United States Holder may be required to defer, until the maturity of the Note or its earlier disposition in a taxable transaction, the deduction of all or a portion of the interest expense on any indebtedness attributable to the Note.

Any market discount will be considered to accrue ratably during the period from the date of acquisition to the maturity date of the Note, unless a United States Holder elects to accrue on a constant interest method. A United States Holder may elect to include market discount in income currently as it accrues, on either a ratable or constant interest method, in which case the rule described above regarding deferral of interest deductions will not apply.

Acquisition Premium, Amortizable Bond Premium

If a United States Holder purchases an original issue discount note for an amount that is greater than its adjusted issue price but equal to or less than the sum of all amounts payable on the Note after the purchase date other than payments of qualified stated interest, the United States Holder will be considered to have purchased that Note at an “acquisition premium.” Under the acquisition premium rules, the amount of OID that the United States Holder must include in gross income with respect to the Note for any taxable year will be reduced by the portion of the acquisition premium properly allocable to that year.

If a United States Holder purchases a Note (including an original issue discount note) for an amount in excess of the sum of all amounts payable on the Note after the purchase date other than qualified stated interest, the United States Holder will be considered to have purchased the Note at a “premium” and, if it is an original issue discount note, such United States Holder will not be required to include any OID in income. A United States Holder generally may elect to amortize the premium over the remaining term of the Note on a constant yield method as an offset to interest when includible in income under its regular accounting method. Special rules limit the amortization of premium in the case of convertible debt instruments. If a United States Holder does not elect to amortize bond premium, that premium will decrease the gain or increase the loss it would otherwise recognize on disposition of the Note.

Sale, Exchange and Retirement of Notes

A United States Holder’s tax basis in a Note will, in general, be its cost for that Note, increased by OID, market discount or any discount with respect to a short-term Note that it previously included in income, and reduced by any amortized premium and any cash payments on the Note other than qualified stated interest. Upon the sale, exchange, retirement or other disposition of a Note, a United States Holder will recognize gain or loss equal to the difference between the amount it realizes upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued and unpaid qualified stated interest that it did not previously include in income, which will be treated as a payment of interest for United States federal income tax purposes) and the adjusted tax basis of the Note. Except as described above with respect to certain short-term Notes or with respect to market discount with respect to gain or loss attributable to changes in exchange rates as discussed below with respect to foreign currency notes, and with respect to contingent payment debt instruments which this summary generally does not discuss, that gain or loss will be capital gain or loss. Capital gains of individuals derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Foreign Currency Notes

Payments of Interest. If a United States Holder receives interest payments made in a foreign currency and it uses the cash basis method of accounting, such United States Holder will be required to include in income the U.S. dollar value of the amount received, determined by translating the foreign currency received at the “spot rate” for such foreign currency on the date such payment is received regardless of whether the payment is in fact converted into U.S. dollars. A United States Holder will not recognize exchange gain or loss with respect to the receipt of such payment.

If a United States Holder uses the accrual method of accounting, it may determine the amount of income recognized with respect to such interest in accordance with either of two methods. Under the first method, it will be required to include in income for each taxable year the U.S. dollar value of the interest that has accrued during such year, determined by translating such interest at the average rate of exchange for the period or periods during which such interest accrued. Under the second method, it may elect to translate interest income at the “spot rate” on:

- the last day of the accrual period,
- the last day of the taxable year if the accrual period straddles its taxable year, or
- on the date the interest payment is received if such date is within five days of the end of the accrual period.

Upon receipt of an interest payment on such Note (including, upon the sale of a Note, the receipt of proceeds which include amounts attributable to accrued interest previously included in income), a United States Holder will recognize ordinary gain or loss in an amount equal to the difference between the U.S. dollar value of such payment (determined by translating the foreign currency received at the “spot rate” for such foreign currency on the date such payment is received) and the U.S. dollar value of the interest income it previously included in income with respect to such payment.

Original Issue Discount. OID on a Note that is also a foreign currency note will be determined for any accrual period in the applicable foreign currency and then translated into U.S. dollars, in the same manner as interest income accrued by a holder on the accrual basis, as described above. A United States Holder will recognize exchange gain or loss when OID is paid (including, upon the sale of a Note, the receipt of proceeds that include amounts attributable to OID previously included in income) to the extent of the difference between the U.S. dollar value of the accrued OID (determined in the same manner as for accrued interest) and the U.S. dollar value of such payment (determined by translating the foreign currency received at the “spot rate” for such foreign currency on the date such payment is received). For these purposes, all receipts on a Note will be viewed:

- first, as the receipt of any stated interest payments called for under the terms of the Note,
- second, as the receipt of previously accrued OID (to the extent thereof), with payments considered made for the earliest accrual periods first, and
- third, as the receipt of principal.

Market Discount and Bond Premium. The amount of market discount on foreign currency notes includible in income will generally be determined by translating the market discount determined in the foreign currency into U.S. dollars at the “spot rate” on the date the foreign currency note is retired or otherwise disposed of. If a United States Holder has elected to accrue market discount currently, then the amount that accrues is determined in the foreign currency and then translated into U.S. dollars on the basis of the average exchange rate in effect during such accrual period. A United States Holder will recognize exchange gain or loss with respect to market discount that is accrued currently using the approach applicable to the accrual of interest income as described above.

Bond premium on a foreign currency note will be computed in the applicable foreign currency. If a United States Holder has elected to amortize the premium, the amortizable bond premium will reduce interest income in the applicable foreign currency. At the time bond premium is amortized, exchange gain or loss, which is generally ordinary gain or loss, will be realized based on the difference between “spot rates” at such time and the time of acquisition of the foreign currency note.

If a United States Holder elects not to amortize bond premium, it must translate the bond premium computed in the foreign currency into U.S. dollars at the “spot rate” on the maturity date and such bond premium will constitute a capital loss, which may be offset or eliminated by exchange gain.

Sale, Exchange and Retirement of Foreign Currency Notes. Upon the sale, exchange, retirement or other taxable disposition of a foreign currency note, a United States Holder will recognize gain or loss equal to the difference

between the amount realized upon the sale, exchange, retirement or other disposition (less an amount equal to any accrued and unpaid qualified stated interest that it did not previously include in income, which will be treated as a payment of interest for United States federal income tax purposes) and its adjusted tax basis in the foreign currency note. Subject to the foreign currency rules discussed below, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange, retirement or other disposition, the foreign currency note has been held for more than one year. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

If a United States Holder's foreign currency note is sold, exchanged or retired for an amount denominated in foreign currency, then its amount realized generally will be based on the "spot rate" of the foreign currency on the date of sale, exchange or retirement. If a United States Holder is a cash method taxpayer and the foreign currency notes are traded on an established securities market, foreign currency paid or received is translated into U.S. dollars at the "spot rate" on the settlement date of the purchase or sale. An accrual method taxpayer may elect the same treatment with respect to the purchase and sale of foreign currency notes traded on an established securities market, provided that the election is applied consistently.

A United States Holder's tax basis in a foreign currency note generally will be its U.S. dollar cost. If a United States Holder purchased a foreign currency note with foreign currency, its cost will be the U.S. dollar value of the foreign currency amount paid for such foreign currency note determined at the time of such purchase. If a United States Holder purchased a foreign currency note with previously owned foreign currency, it will recognize ordinary exchange gain or loss at the time of purchase attributable to the difference at the time of purchase, if any, between its tax basis in such foreign currency and the fair market value of the foreign currency note in U.S. dollars on the date of purchase.

Upon the sale, exchange or retirement of a foreign currency note, a United States Holder will recognize exchange gain or loss with respect to the principal amount of such foreign currency note. For these purposes, the principal amount of the foreign currency note is the United States Holder's purchase price for the foreign currency note calculated in the foreign currency on the date of purchase, and the amount of exchange gain or loss recognized is equal to the difference between (i) the U.S. dollar value of the principal amount determined on the date of the sale, exchange, retirement or other disposition of the foreign currency note and (ii) the U.S. dollar value of the principal amount determined on the date the United States Holder purchased the foreign currency note. Such gain or loss will be treated as ordinary income or loss and generally will be United States source gain or loss. The realization of such exchange gain or loss will be limited to the amount of overall gain or loss realized on the disposition of a foreign currency note.

Exchange Gain or Loss with Respect to Foreign Currency. A United States Holder's tax basis in the foreign currency received as interest on a foreign currency note will be the U.S. dollar value thereof at the "spot rate" in effect on the date the foreign currency is received. A United States Holder's tax basis in foreign currency received on the sale, exchange or retirement of a foreign currency note will be equal to the U.S. dollar value of the foreign currency, determined at the time of the sale, exchange or retirement. As discussed above, if the foreign currency notes are traded on an established securities market, a cash basis United States Holder (or, upon election, an accrual basis United States Holder) will determine the U.S. dollar value of the foreign currency by translating the foreign currency received at the "spot rate" of exchange on the settlement date of the sale, exchange or retirement. Accordingly, a United States Holder's basis in the foreign currency received would be equal to the "spot rate" of exchange on the settlement date.

Any gain or loss recognized by a United States Holder on a sale, exchange or other disposition of the foreign currency will be ordinary income or loss and generally will be United States source gain or loss.

Dual Currency Notes. If so specified in the applicable Final Terms relating to a foreign currency note, the Issuer may have the option to make all payments of principal and interest scheduled after the exercise of such option in a currency other than the specified currency.

As would be discussed more fully in the applicable Final Terms, United States Treasury regulations generally:

- apply the principles contained in regulations governing contingent debt instruments to Dual Currency Notes in the "predominant currency" of the Dual Currency Notes, and
- apply the rules discussed above with respect to foreign currency notes with OID for the translation of interest and principal into U.S. dollars.

Investors that are considering the purchase of Dual Currency Notes should carefully examine the applicable Final Terms and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

If the Issuer exercises the option described above, a United States Holder may be considered to have exchanged its Note denominated in the specified currency for a Note denominated in the optional payment currency. If the exercise is treated as a taxable exchange, a United States Holder will recognize gain or loss, if any, equal to the difference between its basis in the Note denominated in the specified currency and the value of the Note denominated in the optional payment currency. If the exercise of the option is not treated as an exchange, a United States Holder will not recognize gain or loss and its basis in the Note will be unchanged.

Information Reporting and Backup Withholding

In general, information reporting requirements will apply to certain payments of principal, interest, OID and premium paid on Notes and to the proceeds of sale of a Note made to a United States Holder (unless the United States Holder is an exempt recipient such as a corporation). A backup withholding tax may apply to such payments if a United States Holder fails to provide a taxpayer identification number or a certification of exempt status, or if a United States Holder fails to report in full dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a United States Holder's United States federal income tax liability provided the required information is furnished to the Internal Revenue Services ("IRS").

Disclosure Requirements

Treasury regulations meant to require reporting of certain tax shelter transactions ("Reportable Transactions") could be interpreted to cover transactions generally not regarded as tax shelters, including certain foreign currency transactions. Under Treasury regulations, certain transactions may be characterized as Reportable Transactions including, in certain circumstances, a sale, exchange, retirement or other taxable disposition of a Foreign Currency Note, which results in a foreign currency loss exceeding certain thresholds. Persons considering the purchase of Foreign Currency Notes should consult with their own tax advisors to determine the tax return disclosure obligations, if any, with respect to an investment in a Foreign Currency Note, including any requirement to file IRS Form 8886 (Reportable Transaction Disclosure Statement).

Consequences to Non-United States Holders

The following is a summary of certain United States federal income tax consequences that will apply to a Noteholder that is a Non-United States Holder of Notes.

United States Federal Withholding Tax

The 30% United States federal withholding tax will not apply to any payment of principal or, under the "portfolio interest" exemption, interest, including OID, on Notes to a Non-United States Holder, provided that:

- interest paid on the Notes is not effectively connected with the Non-United States Holder's conduct of a trade or business in the United States;
- the Non-United States Holder does not actually or constructively own 10% or more of the total combined voting power of all classes of the Issuer's voting stock within the meaning of the Code and United States Treasury regulations;
- the Non-United States Holder is not a controlled foreign corporation that is related to the Issuer through stock ownership;
- the Non-United States Holder is not a bank whose receipt of interest on the Notes is described in section 881(c)(3)(A) of the Code;
- the interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the United States Treasury regulations thereunder; and
- with respect to Registered Notes or Exchangeable Bearer Notes that have been exchanged either (a) the Non-United States Holder provides its name and address on an IRS Form W-8BEN (or successor form), and certifies, under penalties of perjury, that it is not a United States person or (b) if the Non-United States Holder holds its Notes through certain foreign intermediaries, it satisfies the certification requirements of applicable

United States Treasury regulations. Special certification rules apply to Non-United States Holders that are pass-through entities rather than corporations or individuals.

If a Non-United States Holder cannot satisfy the requirements described above, payments of interest, including OID, made to such Non-United States Holder will be subject to the 30% United States federal withholding tax, unless the Non-United States Holder provides the Issuer with a properly executed:

- IRS Form W-8BEN (or successor form) claiming an exemption from, or reduction in, withholding under the benefit of an applicable tax treaty; or
- IRS Form W-8ECI (or successor form) stating that interest paid on the Notes is not subject to withholding tax because it is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States.

The 30% United States federal withholding tax generally will not apply to any gain that a Non-United States Holder realizes on the sale, exchange, retirement or other disposition of Notes.

United States Federal Income Tax

If a Non-United States Holder is engaged in a trade or business in the United States and premium, if any, or interest, including OID, on the Notes is effectively connected with the conduct of that trade or business and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment, such Non-United States Holder will be subject to United States federal income tax on that premium or interest on a net income basis (although exempt from the 30% withholding tax, provided the certification requirements described above are satisfied) in the same manner as if it was a United States Holder. In addition, if a Non-United States Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lower applicable treaty rate) of such premium or interest, subject to adjustments.

A Non-United States Holder will generally not be subject to United States federal income tax on the disposition of a Note unless:

- the gain is effectively connected with its conduct of a trade or business in the United States and, if required by an applicable income tax treaty, is attributable to a United States permanent establishment; or
- the Non-United States Holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met.

Special rules may apply to a Non-United States Holder that is subject to special treatment under the Code. Persons and entities subject to special treatment include "controlled foreign corporations," "passive foreign investment companies," certain expatriates, or corporations that accumulate earnings to avoid paying United States federal income tax, among others. Any such person or entity should consult its own tax advisor to determine the United States federal, state, local and other tax consequences that may be relevant to it.

United States Federal Estate Tax

A Non-United States Holder's estate will not be subject to United States federal estate tax on Notes beneficially owned by it at the time of death, provided that any payment made to the Non-United States Holder on the Notes, including OID, would be eligible for the "portfolio interest" exemption from the 30% United States federal withholding tax under the rules described under "United States Federal Withholding Tax," without regard to the statement requirement described in the sixth bullet point of that section.

Information Reporting and Backup Withholding

In the case of Registered Notes or Exchangeable Bearer Notes that have been exchanged, information reporting will generally apply to payments of interest, including OID, made to a Non-United States Holder and the amount of tax, if any, withheld with respect to such payments. Copies of the information returns reporting such interest payments and any withholding may also be made available to the tax authorities in the country in which the Non-United States Holder resides under the provisions of an applicable income tax treaty.

In the case of Bearer Notes or Exchangeable Bearer Notes that have not been exchanged, in general, no information reporting or backup withholding will be required with respect to payments the Issuer makes outside of the United States.

In the case of Registered Notes or Exchangeable Bearer Notes that have been exchanged, in general, backup withholding will not apply to payments that the Issuer makes to a Non-United States Holder provided that the

Issuer does not have actual knowledge or reason to know that the Non-United States Holder is a United States person and the Issuer has received from it the statement described above in the sixth bullet point under “United States Federal Withholding Tax.”

In addition, information reporting and backup withholding will generally not apply to the proceeds of the sale of a Note made within the United States or conducted through certain United States-related financial intermediaries, if the payor receives the statement described above in the sixth bullet point under “United States Federal Withholding Tax” and does not have actual knowledge or reason to know that the Non-United States Holder is a United States person, or the Non-United States Holder otherwise establishes an exemption.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a Non-United States Holder’s United States federal income tax liability provided the required information is furnished to the IRS.

United Kingdom Taxation

The following is a summary of certain United Kingdom taxation issues at the date hereof in relation to payments of principal and interest in respect of the Notes.

The comments set out below do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments are based on the assumption that (a) interest payable in respect of the Notes does not have a United Kingdom source, and (b) that the Issuer will not merge or consolidate with, or sell or convey substantially all of its assets to any other corporation whether pursuant to Condition 11 of the Notes or otherwise.

The comments relate only to the position of persons who are absolute beneficial owners of the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes.

The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Provision of Information

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuer (a “paying agent”), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a check) (a “collecting agent”), then the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to the United Kingdom Inland Revenue details of the payment and certain details relating to the Noteholder (including the Noteholder’s name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to the United Kingdom Inland Revenue may, in certain cases, be passed by the United Kingdom Inland Revenue to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

For the above purposes, “interest” should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes where the amount payable on redemption is greater than the issue price of the Notes.

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes may be subject to reporting requirements as outlined above.

The references to “interest” above mean “interest” as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.

EU Directive on the Taxation of Savings Income

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria, Belgium and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in the Amended and Restated Program Agreement dated September 8, 2005 (the “Program Agreement”), between the Issuer and the Permanent Dealers, the Notes will be offered from time to time by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to issue Notes directly on its own behalf to Dealers that are not Permanent Dealers and who agree to be bound by the restrictions below. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Program Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between the Issuer and the Dealer in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Program and the Dealers for certain of their activities in connection with the Program. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Program Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has agreed that, except as permitted by the Program Agreement, it will not offer, sell or deliver Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Dealer, by the Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of any offer or sale of Notes of an identifiable Tranche within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code.

All Bearer and Exchangeable Bearer Notes will be issued in compliance with the D Rules.

Each issuance of Index Linked Notes and Dual Currency Notes will be subject to such additional United States selling restrictions as indicated in the applicable Final Terms. Each Dealer has agreed that it will offer, sell or deliver such Notes only in compliance with such additional selling restrictions.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the

competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;

- (b) at any time to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of the foregoing, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Program will be required to represent, warrant and agree that:

- (1) in relation to any Notes which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons (i) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or (ii) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (2) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “Securities and Exchange Law”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, “resident of Japan” means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge and belief, comply with all relevant laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefor.

FORM OF FINAL TERMS

Final Terms

JPMorganChase 

JPMORGAN CHASE & CO.

**[Title of Relevant Series (specifying type of Notes)]
issued pursuant to**

**U.S.\$15,000,000,000
Euro Medium Term Note Program**

SERIES NO: []
TRANCHE NO: []
[Brief Description and Amount of Notes]

Issue Price: [] per cent.

[Publicity Name(s) of Dealer(s)]

The date of this Final Terms is [].

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated [] [and the supplemental Prospectus dated []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. [The Prospectus [and the supplemental Prospectus] [is]/[are] available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Prospectus dated [original date] [and the supplemental Prospectus dated []]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the Prospectus Directive) and must be read in conjunction with the Prospectus dated [current date] [and the supplemental Prospectus dated []], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplemental Prospectus dated []] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectuses dated [original date] and [current date] [and the supplemental Prospectuses dated [] and []]. [The Prospectuses [and the supplemental Prospectuses] are available for viewing at [address] [and] [website] and copies may be obtained from [address].]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.]

1. Issuer: []
2. [(i)] Series Number: []
[(ii)] Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)
3. Specified Currency or Currencies: Aggregate Nominal Amount of Notes []
4. admitted to trading:
[(i)] Series: []
[(ii)] Tranche: []
5. [(i)] Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. Specified Denominations: [] [to be in minimum denominations of U.S.\$500,000 if Bearer Notes with a maturity of 183 days or less]
7. [(i)] Issue Date: []
[(ii)] Interest Commencement Date: []
8. Maturity Date: [specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]

9. Interest Basis: [[] per cent. Fixed Rate]
[[specify reference rate] +/- [] per cent.
Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
(N.B. If the Final Redemption Amount is less than 100% of the nominal value, the Notes will constitute derivative securities for the purposes of the Prospectus Directive and the requirement of Annex XII to the Prospectus Directive Regulation No.809/2004 will apply and the Issuer will prepare and, once it has been approved by the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000, publish a supplement to the Prospectus.)
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]/Subordinated]
 [(ii)] Date Board approval for issuance of Notes obtained: []
(N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes)
14. Method of distribution: [Syndicated/Non-syndicated]
- Provisions Relating to Interest (if any) Payable**
15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly/monthly] in
arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance
with [specify Business Day Convention and any
applicable Business Center(s) for the definition of
“Business Day”]/not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [] per [] in Nominal Amount
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken
interest amounts which do not correspond with
the Fixed Coupon Amount [(s)]]*
- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA /ISDA)/other]

- (vi) Determination Dates: [] in each year. *(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Business Center(s): []
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ other (give details)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): []
- (vii) Screen Rate Determination:
— Reference Rate: []
— Interest Determination Date(s): []
— Relevant Screen Page: []
- (viii) Margin(s): [+/-][] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: []
- (xii) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Amortization/Accrual] Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
18. **Index Linked Interest Note/Other variable-linked interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [Give or annex details]
- (ii) Calculation Agent responsible for calculating the interest due: []

- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable []
- (iv) Determination Date(s):
- (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Interest Period(s): []
- (vii) Specified Interest Payment Dates: []
- (viii) Business Day Convention: [[FRN/Floating Rate/Euroclear] Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (ix) Business Center(s): []
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: []
- (xiii) Withholding Tax: [Not Applicable/*give details*]
- 19. Dual Currency Note Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [*Give details*]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []
- (v) Withholding Tax: [Not Applicable/*give details*]
- Provisions Relating to Redemption**
- 20. Call Option** [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: []
- (v) Issuer's Option Period (if applicable): []

21. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] specified denomination
 - (iii) Notice period: []
 - (iv) Noteholders' Option Period (if applicable): []
22. **Final Redemption Amount of each Note** [[] per Note of [] specified denomination/Other/See Appendix]
- In cases where the Final Redemption Amount is Index Linked or other variable-linked:
- (i) Index/Formula/variable: [*give or annex details*]
 - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable []
 - (iv) Determination Date(s): []
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
 - (vi) Payment Date: []
 - (vii) Minimum Final Redemption Amount: []
 - (viii) Maximum Final Redemption Amount: []
23. **Early Redemption Amount**
- (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): []
 - (ii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6(h)): []

General Provisions Applicable to the Notes

24. Form of Notes: Bearer Notes:
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
[Temporary Global Note exchangeable for Definitive Notes on [] days' notice]
[Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
[Registered Notes]
25. Financial Center(s) or other special provisions relating to Payment Dates: [Not Applicable/Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which item 15(ii), 16(iv) and 18(ix) relate]]
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
28. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/give details]
29. Redenomination, renominialization and reconventioning provisions: [Not Applicable/The provisions in Condition 6(d) apply (in relation to redenomination only)/give details]
30. Consolidation provisions: [Not Applicable/give details]
31. Other final terms or special conditions: [Not Applicable/give details]
- Distribution**
32. (i) If syndicated, names of Managers: [Not Applicable/give names]
(ii) Stabilizing Manager(s) (if any): [Not Applicable/give name]
33. If non-syndicated, name of Dealer: [Not Applicable/give name and address]
34. Additional selling restrictions: [Not Applicable/give details]
- General**
35. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 12(b): [Not Applicable/give details]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the U.S.\$15,000,000,000 Euro Medium Term Note Program of JPMorgan Chase & Co.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Signed on behalf of the Issuer:

By: _____
Duly authorized

PART B — OTHER INFORMATION

1. Listing

- (i) Listing: [London/other (specify)/None]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [] with effect from []. [Not Applicable.]
- (iii) Estimate of total expenses relating to admission to trading: []

2. Ratings

- Ratings: The Notes to be issued have been rated:
- [S & P: []]
[Moody's: []]
[Fitch: []]
(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Program generally or, where the issue has been specifically rated, that rating.)

3. [Notification]

The Financial Services Authority in the United Kingdom [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Program and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. [Interests of Natural and Legal Persons involved in the Issue/Offer]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

So far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

5. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- [(i) Reasons for the offer []
(See “Use of Proceeds” wording in Prospectus — if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
- [(ii)] Estimated net proceeds: []
(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses: []
[Include breakdown of expenses.]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. [Fixed Rate Notes only — Yield

Indication of yield: []
Calculated as [include details of method of calculation in summary form] on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. [Index Linked or other variable-linked Notes only — Performance of Index/Formula/Other Variable and Other Information Concerning the Underlying

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

8. [Dual Currency Notes only — Performance of Rate[s] of Exchange

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

9. Operational Information

ISIN Code: []
Common Code: []
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
Delivery: Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any): []

10. General

[Not Applicable/U.S.\$[]]
The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [], producing a sum of (for Notes not denominated in U.S. dollars):
Tradable amount: []
Applicable TEFRA exemption: [D Rules/Not Applicable]

[For Bearer Notes and Exchangeable Bearer Notes with a maturity of more than 183 days: Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of the United States.]

OR

[For Bearer Notes and Exchangeable Bearer Notes with a maturity of 183 days or less: By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient

described in Section 6049(b)(4) of the Internal Revenue Code of the United States and the Regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the Regulations thereunder).]

[Delete as appropriate]

GENERAL INFORMATION

1. The admission of the Notes to the Official List will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that admission of the Notes to the Official List and admission of the Notes to trading on the Market will be granted on or before September 8, 2005, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Program.

2. For so long as Notes may be issued pursuant to this Prospectus, copies of the Restated Certificate of Incorporation, as amended; By-Laws of JPMorgan Chase; the 2004 Annual Report filed by the Issuer with the SEC, which contains the audited consolidated financial statements of the Issuer as at December 31, 2004 and 2003 (together with the audit report thereon dated February 22, 2005, covering the balance sheet for each of the two years presented), and for each of the three years in the period ended December 31, 2004 (together with the audit report thereon dated February 22, 2005, covering the other financial statements for each of the three years presented); JPMorgan Chase's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005 and June 30, 2005 filed by the Issuer with the SEC, which contains the unaudited consolidated financial statements of the Issuer as of and for the quarters ended March 31, 2005 and June 30, 2005, respectively; JPMorgan Chase's Current Reports on Form 8-K filed by the Issuer with the SEC on March 1, 2004 and May 14, 2004, respectively; JPMorgan Chase's Current Reports on Form 8-K/A filed by the Issuer with the SEC on July 30, 2004 (with respect to Exhibit 99.3 only) and August 13, 2004 (with respect to Exhibit 99.4 only), respectively; the Agency Agreement (incorporating the forms of the temporary global, permanent global and definitive Notes); the Program Agreement; and this Prospectus and all Final Terms and other supplements to this Prospectus may be obtained, at the offices of the Paying Agent in London, England and the Paying Agent in Luxembourg. This Prospectus can also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews/>.

3. The financial statements as of December 31, 2004 and 2003 and for each of the three years in the period ended December 31, 2004 and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) as of December 31, 2004, incorporated in this Prospectus by reference to the 2004 Annual Report, have been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report appearing therein.

4. The Program has been established, the aggregate principal amount of Notes that may be issued under the Program may be up to U.S.\$15,000,000,000 (or the equivalent in other currencies) outstanding at any one time as of the date hereof, and Notes will be issued thereunder pursuant to authority granted by resolutions of the Board of Directors of JPMorgan Chase on January 18, 2005, and resolutions of the Borrowings Committee of JPMorgan Chase on September 7, 2005.

5. Except as disclosed in JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 under Part I, Item 1 "Notes to consolidated financial statements (unaudited) (Note 17 — Commitments and Contingencies)" (page 84), Part I, Item 2 "Consolidated Results of Operations" (pages 8-10), Part I, Item 2 "Business Segment Results" (pages 14-40) and Part II, Item 1 "Legal Proceedings" (pages 95-96), and in JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 under Part I, Item 1 "Notes to consolidated financial statements (unaudited) (Note 17 — Commitments and Contingencies)" (page 72), Part I, Item 2 "Consolidated Results of Operations" (pages 8-10), Part I, Item 2 "Business Segment Results" (pages 13-34), and Part II, Item 1 "Legal Proceedings" (pages 81-82), there has been no material adverse change in the prospects of JPMorgan Chase since December 31, 2004.

6. Except as disclosed in JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended June 30, 2005 under Part I, Item 1 "Notes to consolidated financial statements (unaudited) (Note 17 — Commitments and Contingencies)" (page 84), Part I, Item 2 "Consolidated Results of Operations" (pages 8-10), Part I, Item 2 "Business Segment Results" (pages 14-40) and Part II, Item 1 "Legal Proceedings" (pages 95-96), and in JPMorgan Chase's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 under Part I, Item 1 "Notes to consolidated financial statements (unaudited) (Note 17 — Commitments and Contingencies)" (page 72), Part I, Item 2 "Consolidated Results of Operations" (pages 8-10), Part I, Item 2 "Business Segment Results" (pages 13-34), and Part II, Item 1 "Legal Proceedings" (pages 81-82), there has been no significant change in the financial or trading position of JPMorgan Chase and its subsidiaries taken as a whole since December 31, 2004.

7. Except for the legal proceedings referred to under Part I, Item 3 “Legal proceedings” (pages 6-9) in the 2004 Annual Report, under Part II, Item 1 “Legal Proceedings” (pages 95-96) in JPMorgan Chase’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2005, under Part II, Item 1 “Legal Proceedings” (pages 81-82) in JPMorgan Chase’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2005 and under the section headed “Recent Developments” (page 46) in this Prospectus, neither JPMorgan Chase nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the issue of the Notes, on the financial position or profitability of JPMorgan Chase and/or its subsidiaries.

8. The issue price and the amount of the relevant Notes will be determined at the time of the offering of each Tranche based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

9. Each Bearer Note with a maturity of more than 183 days and any Receipt, Coupon or Talon appertaining thereto shall bear the following legend: “Any United States person (as defined in the Internal Revenue Code of the United States) who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code of the United States”.

Each Bearer Note with a maturity of 183 days or less and any Receipt, Coupon or Talon appertaining thereto shall bear the following legend: “By accepting this obligation, the holder represents and warrants that it is not a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code of the United States and the Regulations thereunder) and that it is not acting for or on behalf of a United States person (other than an exempt recipient described in Section 6049(b)(4) of the Internal Revenue Code and the Regulations thereunder)”.

10. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The appropriate Common Code and ISIN for each Tranche allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system will be contained in the relevant Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction.

11. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

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