OFFERING CIRCULAR

Chase Manhattan Bank USA, National Association

U.S.$5,000,000,000

Global Bank Note Program

For the Issue of Senior and Subordinated Notes

In accordance with this Global Bank Note Program (the "Program"), Chase Manhattan Bank USA, National Association (the "Bank") may from time to time issue and sell up to U.S.$5,000,000,000 aggregate principal amount (or the equivalent thereof in other currencies, calculated as described herein) at any time outstanding of its senior global bank notes with maturities ranging from 7 days to 100 years from their respective dates of issue (the "Senior Notes") and its subordinated global bank notes with maturities ranging from 5 years to 100 years from their respective dates of issue (the "Subordinated Notes" and, together with the Senior Notes, the "Notes"), subject to statutory or regulatory limitations on maturity applicable to the currency in which the Notes are denominated, provided that the aggregate principal amount of Notes with maturities greater than 270 days that may be issued hereunder cannot exceed U.S.$5,000,000,000. The Notes may be subject to redemption at the option of the Bank or repayment at the option of the holder thereof, in each case, in whole or in part, prior to maturity, as set forth herein. In addition, Notes may be redeemed, in whole but not in part, in the event of certain changes involving taxation. See "Description of Notes."

Application has been made to list certain of the Notes issued pursuant to the Program on the Luxembourg Stock Exchange. Notes may also be listed on such other or additional stock exchanges on which the Bank and the initial purchaser(s) may agree in relation to each issuance. The Bank may also issue unlisted Notes.

The Notes do not evidence deposits and are not insured by the United States Federal Deposit Insurance Corporation (the "FDIC") or any other insurer. The Notes will be offered by the Dealers in any initial offering hereunder only (i) to institutional investors that are "accredited investors" within the meaning of Rule 501 under the United States Securities Act of 1933, as amended (the "Securities Act") or (ii) outside the United States in compliance with Regulation S ("Regulation S") under the Securities Act. Each owner of a beneficial interest in a Note offered pursuant to clause (i) of the preceding sentence will be required to hold such beneficial interest in a minimum principal amount of U.S.$250,000 or the equivalent thereof in other currencies, calculated as described herein, and subject to any other statutory or regulatory minimums as described herein. Certain restrictions on transfer will apply to Notes sold pursuant to Regulation S. See "Notice to Investors," "Description of Notes — General" and "Plan of Distribution — Sales Restrictions."

The Senior Notes will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Bank, except obligations, including domestic (U.S.) deposits, that are subject to any priorities or preferences by law. In an insolvency of the Bank, the holders of Senior Notes could be treated differently from, and could receive a significantly lesser proportion of the claims evidenced by their Notes than, holders of domestic (U.S.) deposit obligations of the Bank.

The Subordinated Notes will be subordinated to the claims of depositors and general creditors of the Bank, including claims of holders of Senior Notes, to the extent described herein, will be ineligible as collateral to secure a loan from the Bank and will be unsecured. Payment of principal of the Subordinated Notes may be accelerated only in the case of certain events involving the appointment of a receiver or similar official for the Bank, and then, to the extent required under or pursuant to applicable capital regulations, only with the prior approval of the Office of the Comptroller of the Currency of the United States (the "OCC"). There is no right of acceleration in the case of a default in the payment of interest on the Subordinated Notes or in the performance of any other obligation of the Bank under the Subordinated Notes.

The Notes may be offered in the United States only, outside the United States only or in and outside the United States simultaneously as part of a global offering. The Dealers will purchase the Notes, as principal, from the Bank for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Dealer, or, if so specified in a pricing supplement hereto (each, a "Pricing Supplement"), for resale at a fixed public offering price. If agreed by the Bank and the applicable Dealer, such Dealer may utilize its reasonable efforts on an agency basis to solicit offers to purchase the Notes. See "Plan of Distribution."

THE NOTES HAVE NOT BEEN, AND ARE NOT REQUIRED TO BE, REGISTERED UNDER THE SECURITIES ACT. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "COMMISSION"), ANY STATE SECURITIES COMMISSION OR THE OCC, NOR HAS THE COMMISSION, ANY STATE SECURITIES COMMISSION OR THE OCC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Offering Circular may be used by affiliates of the Bank, including J.P. Morgan Securities Inc., in connection with offers and sales related to secondary market transactions in the Notes. Such affiliates may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

The Notes are being offered on a continuing basis for sale by the Bank through the Dealers. The Bank also has reserved the right to sell Notes directly to investors on its own behalf and to appoint other dealers and agents in addition to the Dealers. The Bank reserves the right to cancel or modify the offer made hereby without notice. The Bank or a Dealer, if it solicits the offer on an agency basis, may reject any offer to purchase Notes in whole or in part. See "Plan of Distribution."

Arranger

JPMorgan

U.S. Dealer	International Dealer
JPMorgan	**JPMorgan**

July 15, 2003

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The Bank accepts responsibility for the information contained in this Offering Circular. To the best knowledge and belief of the Bank (which has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to materially affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. See "Available Information" and "Incorporation of Certain Documents By Reference." This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form a part hereof.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Offering Circular or any supplement hereto or any other information provided by the Bank in connection with the Notes.

Neither this Offering Circular nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Bank or the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Bank and the Bank's affiliates. Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer of or an invitation by or on behalf of the Bank or any Dealer to any person to subscribe for or purchase any of the Notes.

Notes offered pursuant to Regulation S have not been and will not be registered under the regulations of the OCC relating to securities offerings by national banks. Subject to certain exceptions, such Notes may not be offered, sold or delivered within the United States or to a U.S. person.

The Bank has not authorized any offer to the public in the United Kingdom within the meaning of The Public Offers of Securities Regulations 1995 (the "Regulations") of Notes having a maturity of one year or more. Such Notes may not be offered or sold in the United Kingdom, other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses, except in circumstances that do not constitute an offer to the public within the meaning of the Regulations. All applicable provisions of the U.K. Financial Services and Markets Act 2000 with respect to anything done in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with.

No action has been taken by the Bank or any of the Dealers which would permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction, other than the United States, where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. Neither the Bank nor any of the Dealers represents that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption therefrom, or assumes any responsibility for facilitating any such distribution or offering. In particular, there are further restrictions on the distribution of this Offering Circular and the offer, stabilization or sale of the Notes in the United States, United Kingdom, Japan, Germany and Switzerland. See "Plan of Distribution — Sales Restrictions."

In this Offering Circular, references to "U.S.$" and "U.S. Dollars" are to United States dollars, references to "Euro" and "€" 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, references to “Yen” and “¥” are to Japanese yen and references to “Sterling” and “£” are to United Kingdom pounds sterling.

In connection with the issue of any Notes under the Program, the Dealer (if any) which is specified in the relevant Pricing Supplement as the Stabilizing Manager (or any agent for the Stabilizing Manager) may over-allot or effect transactions with a view to supporting the market price of the relevant Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilizing Manager (or any agent of the Stabilizing Manager) to do this. Such stabilizing, if commenced, may be discontinued at any time and must be brought to an end after a limited period. Such stabilizing shall be in compliance with all applicable laws, regulations and rules.

NOTICE TO INVESTORS

The Notes have not been, and are not required to be, registered with the Commission pursuant to the Securities Act. Qualification of an indenture under the Trust Indenture Act of 1939, as amended, is not required and no trust indenture has been entered into in connection with the Notes. The Notes are being offered and sold only (i) pursuant to the abbreviated securities registration procedure of the OCC set forth in Part 16 of the OCC's regulations or (ii) outside the United States in compliance with Regulation S under the Securities Act. To qualify for the abbreviated registration procedure of the OCC, among other things, the Notes being offered and sold pursuant to such procedure must be offered and sold only to institutions that are "accredited investors" (as defined in the Commission's Rule 501(a) under the Securities Act) and must be sold in minimum denominations of U.S.$250,000 or the equivalent thereof in other currencies (and not be exchangeable for Notes in smaller denominations). Accordingly, each purchaser of Notes offered and sold pursuant to the abbreviated registration procedures of the OCC, in making its purchase, will be deemed to have represented and agreed with the Bank that it is an institution which is an accredited investor within the meaning of the Commission's Rule 501(a) under the Securities Act, that it is purchasing such Notes for its own account or the account(s) of one or more other institutional accredited investors and that it, or each of such other institutional accredited investors, owning a beneficial interest in such Notes will hold a beneficial interest therein in a principal amount of not less than U.S.$250,000 (or the equivalent thereof in other currencies) at all times. Each purchaser of Notes being sold pursuant to Regulation S, in making its purchase, will be deemed to have represented and agreed with the Bank that it is a non-U.S. person (as defined in Regulation S) and is acting in reliance upon Regulation S under the Securities Act.

Bearer Notes with a maturity of 183 days or less must be in minimum denominations of U.S. $500,000 (or the equivalent thereof in other currencies, calculated as described herein).

In making an investment decision, investors must rely on their own examination of the Bank and the terms of the offering of Notes, including the merits and risks involved.

AVAILABLE INFORMATION

The Bank submits to the FDIC, on behalf of the OCC, quarterly reports regarding their financial condition and operations on Federal Financial Institutions Examination Council Forms 031 and 032, respectively, entitled “Consolidated Reports of Condition and Income” (each, a “Call Report” and collectively, the “Call Reports”). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules as of the end of the period to which the report relates. The Call Reports are prepared in accordance with regulatory instructions issued by the Federal Financial Institutions Examination Council (“FFIEC”). Because of the special supervisory, regulatory and economic policy needs served by the Call Reports, such regulatory instructions do not in all cases follow United States generally accepted accounting principles (“U.S. GAAP”) or the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosure about the Bank, the reports nevertheless provide important information concerning the financial condition and operating results of the Bank. The non-confidential portions of Call Reports filed by the Bank are on file with, and are publicly available upon written request to, the FDIC, 801 17th Street, N.W., Washington, D.C. 20434, Attention: Public Information Center or by calling the FDIC Public Information Center at (800) 276-6003. Copies of the publicly available portions of the Call Reports may also be obtained from the FDIC’s website at http://www/fdic.gov. Such documents may also be obtained (without charge) by request to Dexia Banque Internationale à Luxembourg (the “Listing Agent”) at 69 Route d’Esch, L-1470, Luxembourg.

The Bank is a wholly-owned indirect subsidiary of J.P. Morgan Chase & Co. (the “Corporation”). The Corporation is a bank holding company organized under the laws of the State of Delaware. The Corporation is subject to the informational requirements of the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, in accordance therewith, files reports, proxy statements and other information with the Commission. Such reports, proxy statements and other information can be inspected and copied at the Commission’s public reference room located at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the Commission at 1-800-SEC-0330 for further information on the public reference room. Copies of such materials also can be obtained at prescribed rates from the Commission’s Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. The Commission also maintains a Web site at http://www.sec.gov which contains certain reports, proxy statements and other information regarding registrants such as the Corporation that file electronically with the Commission.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The publicly available portions of the quarterly Call Reports filed by the Bank for the first quarter of 2003 and each of the quarters in the years 2002, 2001 and 2000 are hereby incorporated by reference herein. The publicly available portions of the Call Reports filed by the Bank after the date hereof and prior to the termination of the offering of Notes made hereby shall be deemed to be incorporated by reference in this Offering Circular from the date of filing of such documents.

In addition to the Call Reports referred to above, the Bank also hereby incorporates by reference into this Offering Circular the following documents filed by the Corporation with the Commission:

(a) the Corporation’s Annual Report on Form 10-K for the year ended December 31, 2002;

(b) the Corporation’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2003; and

(c) the Corporation’s Current Reports on Form 8-K filed on January 24, 2003, March 19, 2003, April 16, 2003, April 18, 2003 and July 11, 2003.

All documents filed by the Corporation with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the termination of the offering of the Notes offered hereby shall be deemed to be incorporated herein by reference and to be a part hereof from the filing date of such documents.

Any statement contained herein or in a document filed by the Corporation or the Bank and incorporated or deemed to be incorporated herein by reference shall be deemed to be modified or superseded for purposes hereof to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated herein by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed to constitute a part hereof, except as so modified or superseded.

The Bank will furnish without charge to each person, including any beneficial owner, to whom this Offering Circular is delivered, at the request of such person, a copy of any or all of the documents described above (other than exhibits to such documents, unless incorporated therein by reference). Requests should be directed to J.P. Morgan Chase & Co., 270 Park Avenue, New York, New York 10017, Attention: Office of the Secretary (telephone: 212-270-4040). Requests for such documents may also be directed (without charge) to the Listing Agent at Dexia Banque Internationale à Luxembourg at 69 Route d'Esch, L-1470, Luxembourg.

The Bank will, in connection with the listing of Notes on the Luxembourg Stock Exchange, in the event of a material adverse change in the financial condition of the Bank which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issuance of Notes to be listed on the Luxembourg Stock Exchange. If the terms of this Program are modified or amended in a manner which would make this Offering Circular, as supplemented, inaccurate or misleading, a new Offering Circular will be prepared.

SUMMARY OF TERMS AND CONDITIONS OF THE PROGRAM AND THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by reference to, the detailed information appearing elsewhere in this Offering Circular, including the documents incorporated by reference herein. Terms defined under "Description of Notes" herein shall have the same meanings in this summary. This Offering Circular sets forth the general terms of the Notes; the applicable Pricing Supplement will describe the particular terms of any issue of Notes and to the extent to which, if any, any of the general terms do not apply to particular Notes.

Issuer:	Chase Manhattan Bank USA, National Association, a wholly-owned indirect subsidiary of the Corporation headquartered in Newark, Delaware. The Bank, which is an affiliate of JPMorgan Chase Bank, New York, New York, specializes in credit card lending and other consumer finance businesses, including auto loans and home equity lines of credit on a nationwide basis.
Description:	Global Bank Note Program for the issue of Senior and Subordinated Notes due from 7 days to 100 years from the date of issue.
Arrangers:	J.P. Morgan Securities Inc. and J.P. Morgan Securities Ltd. (Global Arrangers).
Dealers:	U.S. Dealer: J.P. Morgan Securities Inc. International Dealer: J.P. Morgan Securities Ltd. The Bank may also sell Notes directly to investors on its own behalf and may appoint other dealers and agents in addition to the Dealers. Notes may be distributed on a syndicated basis, in which case the applicable Pricing Supplement will identify the dealers constituting the syndicate, or on a non-syndicated basis. See "Plan of Distribution."
Global Agent and Registrar:	JPMorgan Chase Bank.
Calculation Agent:	JPMorgan Chase Bank.
Amount:	Up to U.S.$5,000,000,000 aggregate principal amount of Notes (or the equivalent thereof in other currencies, calculated as described herein) outstanding at any one time, provided that the aggregate principal amount of Notes with maturities greater than 270 days that may be issued under the Program may not exceed U.S.$5,000,000,000 or the equivalent thereof in other currencies. The Bank may at any time increase the maximum aggregate principal amount of the Notes that may be issued or outstanding at any one time pursuant to the Program.
Currencies:	Subject to applicable laws and regulations, such currencies as may be agreed between the Bank and the initial purchaser(s), as indicated in the applicable Pricing Supplement. An investment in Notes that are denominated in, or the payment of which is related to the value of, a currency other than the currency of the country in which a purchaser is resident or the

	currency in which a purchaser conducts its business entails significant risks. See "Currency Risks." Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations restrictions or reporting requirements from time to time. See "Plan of Distribution — Sales Restrictions."
Redenomination:	The applicable Pricing Supplement may provide that Notes denominated in the currency of a country that subsequently participates in the European Economic and Monetary Union may be subject to redenomination of such Notes in Euro. In such event, the relevant provisions applicable to such redenomination will be contained in such Pricing Supplement.
Maturities:	Any maturity from 7 days to 100 years from the date of issue, as indicated in the applicable Pricing Supplement, except in the case of Subordinated Notes which will have minimum maturities of five years. Notes denominated in other currencies will have such other minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank or equivalent body (however designated) or any laws or regulations applicable to the Bank or the currency in which the relevant Notes are denominated. Any Notes in respect of which the issue proceeds are received by the Bank in the United Kingdom and which have a maturity of less than one year must (a) have a minimum redemption value of £100,000 (or its equivalent in other Specified Currencies) and be issued only to 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 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 Financial Services and Markets Act 2000 (the "FSMA") by the Bank.
Issue Price:	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is equal to or less than their principal amount.
Form of Notes and Clearance:	The Notes may be offered in the United States only, outside the United States only or in and outside the United States simultaneously as part of a global offering. Depending on where the relevant Notes are offered and whether such Notes are issued in registered or bearer form, the Notes will clear through one or more of The Depository Trust Company ("DTC"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), Clearstream Banking, société anonyme, Luxembourg ("Clearstream, Luxembourg"), and any other clearing system approved by the Bank and specified in the applicable Pricing Supplement.

Notes sold pursuant to an offering made in the United States only will be issued in global registered form and will clear through DTC. Such Notes will be represented by one or more DTC Global Notes deposited with JPMorgan Chase Bank, as custodian for, and registered in the name of a nominee of, DTC. Notes represented by DTC Global Notes will trade in DTC's Same-Day Funds Settlement System and secondary market trading activity in such Notes will therefore settle in immediately available funds.

Except as described below, Notes sold pursuant to an offering made outside the United States only will be issued in global registered form and may clear through one or more of Euroclear, Clearstream, Luxembourg and any other clearing system specified in the applicable Pricing Supplement. Such Notes will be represented by one or more Registered Global Notes deposited with a common depositary for, and registered in the name of a nominee of, Euroclear, Clearstream, Luxembourg and any such other clearing system.

Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering will be issued in global registered form and may clear through one or more of DTC, Euroclear and Clearstream, Luxembourg. Such Notes may be represented solely by one or more DTC Global Notes deposited with a custodian for, and registered in the name of a nominee of, DTC or, alternatively, by one or more DTC Global Notes so deposited and registered in respect of Notes sold in the United States, and a separate Registered Global Note deposited with a common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg in respect of Notes sold outside the United States.

In certain circumstances, the Bank may agree to issue Notes sold pursuant to an offering made outside the United States to non-U.S. persons pursuant to Regulation S in bearer form. In that event, the Notes will be represented initially by one or more Temporary Global Notes which will be deposited on the Original Issue Date thereof with JPMorgan Chase Bank, as common depositary for Euroclear, Clearstream, Luxembourg and any other approved clearing system and which will be exchangeable for one or more Permanent Global Notes or, under certain circumstances described under "Description of Notes — Form of Notes and Registration," for Definitive Bearer Notes not earlier than 40 days after the completion of the distribution upon certification of non-U.S. beneficial ownership. Upon 60 days written notice as described under "Description of Notes — Form of Notes and Registration," Definitive Bearer Notes with receipts with respect to installments of principal, if any, attached and (unless they are Zero Coupon Notes) interest coupons and talons for further coupons, if any, attached will be issued and delivered, in full exchange for a Permanent Global Note, to each clearing system through which interests in such Permanent Global Note are held for the accounts of the beneficial owners of such interests.

	Ownership of beneficial interests in Registered Global Notes will be evidenced only by, and transfers thereof will be effected only through, records maintained by the clearing system through which such interests are held and its direct and indirect participants. Except as described under "Description of Notes — Form of Notes and Registration," owners of beneficial interests in Registered Global Notes will not be entitled to receive physical delivery of Notes in definitive form. Any interest in a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg or such other clearing system through which such interest may be held. Unless otherwise specified in the applicable Pricing Supplement, Bearer Notes may not be exchanged for Registered Notes and Registered Notes may not be exchanged for Bearer Notes.
Fixed Rate Notes:	Interest on Fixed Rate Notes having maturities of greater than one year will be payable in arrears on each June 1 and December 1 (or on such other date or dates as may be otherwise specified in the applicable Pricing Supplement). Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes with maturities of one year or less will be payable only at maturity. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes with maturities of greater than one year will be computed on the basis of a 360-day year of twelve 30-day months and interest on Fixed Rate Notes with maturities of one year or less will be computed on the basis of the actual number of days elapsed divided by 360. Unless otherwise specified in the applicable Pricing Supplement, interest on all Fixed Rate Notes denominated other than in U.S. dollars will be computed using the "Actual/Actual (ISMA)" Fixed Day Count Convention.
Floating Rate Notes:	Floating Rate Notes will bear interest determined by reference to either (i) an ISDA Rate or (ii) one or more of the CMT Rate, the Commercial Paper Rate, the Eleventh District Cost of Funds Rate, the J.J. Kenny Rate, the CD Rate, the Federal Funds Rate, LIBOR, EURIBOR, the Prime Rate, the Treasury Rate, or such other interest rate basis or interest rate formula as may be set forth in the applicable Pricing Supplement. The applicable Pricing Supplement will specify the basis for determining interest on the related Floating Rate Notes and the Spread and/or Spread Multiplier, if any, applicable thereto, the Maximum Interest Rate and/or Minimum Interest Rate, if any, and certain additional terms with respect thereto, including, if interest will be determined on the basis of a reference rate, whether such Notes are "Regular Floating Rate Notes," "Floating Rate/Fixed Rate Notes" or "Inverse Floating Rate Notes."

	Interest on Floating Rate Notes will be computed in the manner and payable on the dates described under “Description of Notes — Floating Rate Notes.”
Dual Currency Notes:	Payments (whether with respect to principal, premium, if any, or interest and whether at maturity or otherwise) with respect to Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Bank and the initial purchaser(s) may agree, as indicated in the applicable Pricing Supplement.
Indexed Notes:	Payments (whether with respect to principal, premium, if any, or interest and whether at maturity or otherwise) with respect to Indexed Notes will be calculated by reference to such index and/or formula on which the Bank and the initial purchaser(s) may agree, as indicated in the applicable Pricing Supplement. An investment in Notes indexed, as to principal, premium, if any, or interest, to one or more values of currencies (including exchange rates between currencies), commodities, securities or interest rate indices entails significant risks. See “Description of Notes — Indexed Notes.”
Original Issue Discount Notes (including Zero Coupon Notes):	Original Issue Discount Notes may be offered and sold at a discount to their principal amount and may bear interest at a fixed or floating rate or may be Zero Coupon Notes, which bear no interest except in respect of overdue principal. See “Description of Notes — Original Issue Discount Notes (including Zero Coupon Notes).”
Payments:	The Bank will be obligated to make payments of principal of and premium, if any, and interest on the Notes in the currency in which such Notes are denominated. Any such amounts to be paid by the Bank in respect of DTC Global Notes denominated other than in U.S. Dollars will, unless otherwise specified in the applicable Pricing Supplement, be converted into U.S. Dollars for payment to the holders thereof as described under “Description of Notes — Payment of Principal, Premium, if any, and Interest.” Unless otherwise specified in the applicable Pricing Supplement, payments of principal of, and premium, if any, and interest on, any other Registered Global Notes, Temporary Global Notes and Bearer Notes will be made in the currency in which such Notes are denominated.
Redemption and Repayment:	The applicable Pricing Supplement will indicate whether the Notes of that Series will be subject to redemption at the option of the Bank (other than for tax reasons) or repayment at the option of the holder thereof prior to maturity. If no indication is made on the applicable Pricing Supplement, Notes of that Series will neither be subject to redemption at the option of the Bank (other than for tax reasons) nor repayment at the option of the holder thereof prior to maturity. In addition, Notes may be redeemed by the Bank, in whole but not in part, in the event of certain changes involving taxation.

	To the extent then required under or pursuant to applicable capital regulations, Subordinated Notes may not be redeemed prior to maturity unless the Bank has obtained the prior approval of the OCC. Unless otherwise indicated in the applicable Pricing Supplement, Subordinated Notes may not be repaid at the option of the holder thereof prior to maturity.
Denomination of Notes:	Unless otherwise specified in the applicable Pricing Supplement, the Notes will be issued only in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof (or equivalent denominations in other currencies). Bearer Notes will be issued only in the minimum denomination applicable to such Notes. Bearer Notes issued with a maturity of 183 days or less will have a minimum denomination of US$500,000 (or the equivalent thereof in other currencies, calculated as described herein). See "Description of Notes — General." Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are received by the Bank in the United Kingdom and which have a maturity of less than one year may be subject to restrictions on their denomination and distribution. See "Maturity" above.
Taxation:	All payments with respect to the Notes will be made without withholding or deduction at source for or on account of any taxes or other charges imposed by any governmental authority or agency in the United States, except as described under "Description of Notes — Additional Amounts." All references herein to principal, premium and interest in respect of any Note shall, unless the context otherwise requires, be deemed to mean and include all Additional Amounts, if any, payable in respect thereof as set forth in such Note or in the applicable Pricing Supplement. See "Certain United States Federal Income Tax Considerations."
Status of the Notes:	The Notes are direct, unconditional and unsecured general obligations of the Bank, do not evidence deposits and are not insured by the FDIC or any other insurer. The Notes will be obligations solely of the Bank and will not be guaranteed by the Corporation, JPMorgan Chase Bank or any other affiliate of the Bank.
Ranking of the Notes:	The obligations evidenced by the Senior Notes will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Bank, except obligations, including domestic (U.S.) deposits, that are subject to any priorities or preferences by law. In an insolvency of the Bank, the holders of Senior Notes could be treated differently from, and could receive a significantly lesser proportion of the claim evidenced by their Notes than, holders of domestic (U.S.) deposit obligations of the Bank. See "Supervision, Regulation and Other Matters" and "Description of Notes — Ranking." Each Subordinated Note will be subordinated to the claims of depositors and general creditors of the Bank, including claims of

	holders of Senior Notes, to the extent described herein, will be ineligible as collateral to secure a loan from the Bank and will be unsecured. See “Description of Notes — Ranking.”
Listing:	Application has been made to list Notes issued pursuant to the Program on the Luxembourg Stock Exchange and application will be made to list Notes on such other or additional stock exchanges, listing authorities and/or quotation systems on which the Bank and the initial purchasers may agree in relation to each issue. Unlisted Notes may also be issued. Each Pricing Supplement will indicate whether or not (and if so, on which stock exchanges, listing authorities and/or quotation systems) the Notes of that Series will be listed, quoted and/or traded.
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.
Selling Restrictions:	The Notes will be offered by the Dealers in any initial offering hereunder only (i) to institutional investors that are “accredited investors” within the meaning of Rule 501(a) under the Securities Act or (ii) outside the United States in compliance with Regulation S under the Securities Act. Each owner of a beneficial interest in a Note being offered and sold pursuant to clause (i) of the preceding sentence will be required to hold such beneficial interest in a minimum principal amount of U.S.$250,000 or the equivalent thereof in other currencies, calculated as described herein, subject to other statutory or regulatory minimums as described herein. Certain additional restrictions will apply to sales made in the United Kingdom, Japan, Germany, Switzerland and Hong Kong, and other restrictions may apply in connection with a particular issuance of Notes. See “Plan of Distribution — Sales Restrictions.” Any such other restrictions will be set forth in the applicable Pricing Supplement.

THE BANK

The Bank, a wholly-owned subsidiary of the Corporation, was formed in 1982 and is headquartered in Newark, Delaware. The Bank is currently chartered as a national bank and as such is regulated primarily by the OCC. The Bank's activities are predominantly related to credit card lending and other forms of consumer lending.

The principal executive office of the Bank is located at White Clay Center, 200 White Clay Center Drive Newark, Delaware 19711, telephone number (302) 758-2600.

CAPITALIZATION OF THE BANK

The following table sets forth the unaudited consolidated capitalization of the Bank as of December 31, 2002. There has been no material change in the capitalization of the Bank since December 31, 2002 other than as set forth in any Call Report incorporated by reference herein.

	As of December 31, 2002 (unaudited) ($ in millions)
Long-Term Debt:	
Notes Payable to Third Party	$ 39
Total Long-Term Debt	39
Stockholder's Equity:	
Common Stock: par value $100 per share, 667,000 shares authorized; 490,000 shares issued and outstanding	49
Capital Surplus	1,020
Retained Earnings	3,189
Net Unrealized Gains on Securities	5
Available-for-Sale, Net of Taxes	-
Total Stockholder's Equity	4,263
Total Long-Term Debt and Stockholder's Equity	$4,302

SELECTED CONSOLIDATED FINANCIAL DATA OF THE BANK

Historical Financial Data

Presented below are selected consolidated financial data for the Bank and its subsidiaries as of and for the periods specified, which have been derived from financial statements prepared on the basis of U.S. GAAP. The following data are qualified in their entirety by the financial statements and information of the Bank available in the Call Reports, as described above under "Incorporation of Certain Documents by Reference." The Call Reports were prepared in accordance with regulatory accounting principles prescribed by the FFIEC, which differs in certain respects from U.S. GAAP. The consolidated financial data of the Bank and its affiliates as of and for the periods specified include the acquisition of the mortgage banking business of the Advanta Corporation for approximately $1.7 billion, in the first quarter of 2001. The acquisition was accounted for under the purchase method. The financial data for 2001 has been normalized to reflect the transfer of Chase Manhattan Mortgage Company to JPMorgan Chase Bank.

Chase Manhattan Bank USA, N.A.

Consolidated Balance Sheet

	As of December 31, 2002 (unaudited)	As of December 31, 2001 (audited)
	(in millions, except data)	
Assets		
Cash and due from banks	$ 483	$ 520
Deposits with banks	23	24
Securities:		
Available-for-sale (amortized cost $118 in 2002)	161	198
Held-to-maturity	–	1
Loans (net of allowance for loan losses of $1,653 in 2002)	29,063	26,915
Accrued interest and accounts receivable	271	146
Premises and equipment	221	230
Goodwill	59	59
Other intangible assets:		
Purchased credit card relationships	1,269	535
All other intangibles	0	0
Other assets	921	855
Total assets	$ 32,471	$ 29,483
Liabilities		
Deposits:		
U.S.:		
Noninterest-bearing	184	1,035
Interest-bearing	9,608	7,835
Non-U.S.:		
Interest-bearing	4,336	11,399
Total deposits	14,128	20,269
Federal funds purchased and securities sold under repurchase agreements	8,796	644
Other borrowed funds	2,890	2,653
Accounts payable, accrued expenses and other liabilities	1,098	563
Long-term debt	1,295	1,803
Total liabilities	$ 28,209	$ 25,932
Stockholder's equity		
Common stock	49	49
(par value $100 per share, 667,000 authorized, 490,000 issued and o/s shares)		
Capital surplus	1,020	720
Retained earnings	3,189	2,782
Accumulated other comprehensive income	5	—
Total stockholders' equity	4,263	3,551
Total liabilities and stockholders' equity	$ 32,471	$ 29,483

Chase Manhattan Bank USA, N.A.

Consolidated Statement of Income

	For the Year Ended December 31,	
	2002 (unaudited)	**2001 (audited)**
	(in millions)	
Revenue		
Trading revenue	$ (13)	3
Fees and commissions	3,361	2,485
Gain (loss) on sale of loans	356	45
Securities gains	2	1
Other revenue	8	1
Total noninterest revenue	3,714	2,535
Interest income	2,471	2,572
Interest expense	711	890
Net interest income	1,760	1,682
Revenue before provision for credit losses	5,474	4,217
Provision for credit losses	1,637	1,350
Total net revenue	3,837	2,867
Expense		
Compensation expense	457	378
Occupancy expense	47	40
Technology and communications expense	31	26
Amortization of intangibles	284	101
Other expense	1,507	1,227
Merger and restructuring costs	3	14
Total noninterest expense	2,329	1,786
Income before income tax expense and effect of accounting change	1,508	1,081
Income tax expense	551	403
Income before effect of accounting change	957	678
Net effect of change in accounting principle	–	–
Net Income	$ 957	$ 678

Chase Manhattan Bank USA, N.A.

Selected Financial Ratios and Other Data

	As of or for the Year Ended December 31,	
	2002 (unaudited)	2001 (audited)
	($ in millions) (Unaudited)	
Performance Ratios		
Return on Average Assets	2.86%	2.15%
Return on Average Equity	22.60%	17.13%
Data Elements		
Average Loans	31,388	28,377
Average Earning Assets	31,628	28,594
Average Assets	32,334	31,692
Average Stockholder's Equity	4,221	3,957
Credit Card Loans	19,658	19,390
Loans Secured by Residential Real Estate	6,857	5,036
Auto Financings	2,506	1,863
Other Consumer Loans	1,695	1,811
Total Loans	30,716	28,100
Total Assets	32,471	29,483
Total Liabilities	28,209	25,932
Total Stockholder's Equity	4,263	3,551
Asset Quality Data		
Nonperforming Loans	73	102
Net Charge-offs	1,490	1,129
Nonperforming Loans to Total Loans	0.24%	0.36%
Net Charge-offs to Average Loans	4.75%	3.98%
Net Charge-offs on Managed Credit Card Receivables	2,837	2,112
Managed Credit Card Net Charge-offs to Average Managed Credit Card Receivables	5.84%	5.60%
Provision for Loan Losses to Average Loans	5.22%	4.76%
Allowance for Loan Losses to Total Loans	5.38%	4.23%

J.P. MORGAN CHASE & CO.

The Corporation is a financial holding company incorporated under Delaware law in 1968. As of December 31, 2002, the Corporation was the second largest banking institution in the United States, with approximately $759 billion in assets and approximately $42 billion in stockholders' equity.

The Corporation is a global financial services firm with operations in over 50 countries. The principal bank subsidiaries of the Corporation are JPMorgan Chase Bank, which is a New York banking corporation headquartered in New York City, and Chase Manhattan Bank USA, National Association, headquartered in Delaware. The principal non-bank subsidiary of the Corporation is its investment bank subsidiary, J.P. Morgan Securities Inc. ("J.P. Morgan Securities").

The activities of the Corporation are internally organized for management reporting purposes, into five major businesses: Investment Bank, Investment Management & Private Banking, Treasury & Securities Services, JPMorgan Partners and Chase Financial Services. A brief description of these businesses is presented below.

Investment Bank

The Investment Bank includes the Corporation's securities underwriting and financial advisory, trading, mergers and acquisitions advisory and corporate lending and syndication business.

Investment Management & Private Banking

Investment Management & Private Banking includes the Corporation's asset management businesses, including mutual funds; institutional money management and cash management business; and the private bank, which provides wealth management solutions for a global client base of high net worth individuals and families.

Treasury & Securities Services

Treasury & Securities Services is a recognized leader in information and transaction processing services, moving trillions of dollars daily in securities and cash for its wholesale clients. Treasury & Securities Services includes the Corporation's custody, cash management and trust and other fiduciary services businesses.

JPMorgan Partners

JPMorgan Partners is one of the world's largest and most diversified private equity investment firms with total funds under management of approximately $20 billion.

Chase Financial Services

Chase Financial Services serves more than 30 million consumers, small businesses and middle-market companies across the United States. Chase Financial Services offers a wide range of financial products and services, including consumer banking, credit cards, mortgage services and consumer finance services, through a diverse array of distribution channels, including the internet and branch and ATM networks.

THE NOTES ARE SOLELY OBLIGATIONS OF THE BANK AND ARE NEITHER OBLIGATIONS OF, NOR GUARANTEED BY, THE CORPORATION OR ANY OTHER AFFILIATE OF THE BANK.

SUPERVISION, REGULATION AND OTHER MATTERS

General

As a national bank, the Bank is subject to examination, regulation and supervision by the OCC and the FDIC. In addition, the Corporation, as a bank holding company, is subject to regulation and supervision by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") under the United States Bank Holding Company Act of 1956, as amended.

The Bank is also affected by various U.S. state and federal laws, including those relating to consumer protection and similar matters, as well as by the fiscal and monetary policies of the federal government and its agencies, including the Federal Reserve Board. An important purpose of these policies is to curb inflation and control recessions through control of the supply of money and credit. The Federal Reserve Board uses its powers to establish reserve requirements of insured depository institutions and to conduct open market operations in United States government securities so as to influence the supply of money and credit. These policies have a direct effect on the amount of bank loans and deposits and on interest rates charged on loans and paid on deposits, with the result that federal policies have a material effect on the earnings of the Bank. Future policies of the Federal Reserve Board and other governmental authorities and future changes in state and federal laws and regulations cannot be predicted nor can their effect on future earnings of the Bank be predicted.

The following references to certain laws and regulations are brief summaries thereof. The references are not intended to be complete, and are qualified in their entirety by reference to the statutes and regulations themselves. In addition, there are numerous other state and federal laws and regulations not summarized below that are applicable to, and govern many aspects of the operation and business of, the Bank. Accordingly, investors should understand that a change in applicable law or regulation may have a material effect on the business of the Bank. Additional information regarding supervision and regulation is included in the documents incorporated herein by reference. See "Incorporation of Certain Documents by Reference".

Powers of the FDIC in Connection with the Insolvency of an Insured Depository Institution

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") imposes liability on a depository institution insured by the FDIC for any loss incurred by, or reasonably expected to be incurred by, the FDIC in connection with (i) the default of a commonly controlled FDIC-insured depository institution or (ii) any assistance provided by the FDIC to a commonly controlled FDIC-insured depository institution in danger of default. The term "Default" is defined generally as the appointment of a conservator or receiver and "in danger of default" is defined generally as the existence of certain conditions indicating that a "default" is likely to occur in the absence of regulatory assistance. Such liability by a depository institution to the FDIC would be subordinated in right of payment to deposit liabilities, secured obligations, any other general or senior liability (such as the Senior Notes) and any obligation subordinated to obligations to depositors or other general creditors (such as the Subordinated Notes) other than in each case obligations owed to any affiliate of the depository institution (with certain exceptions) and other than any obligations to shareholders of such depository institution in their capacity as such. As of December 31, 2002, the Corporation had 3 insured depository institution subsidiaries in addition to the Bank.

If the FDIC is appointed conservator of or receiver for an insured depository institution, the FDIC may, under FIRREA, disaffirm or repudiate any contract or lease to which such institution is a party, the performance of which is determined by the FDIC to be burdensome, and the disaffirmance or repudiation of which is determined by the FDIC to promote the orderly administration of the institution's affairs. If the FDIC were to successfully repudiate any Notes, the effect of such repudiation would be to accelerate the maturity of such Notes. To the Bank's knowledge, the FDIC has not taken the position that such repudiation would impair the right of a holder of such Notes to make a claim for principal and interest accrued through the date of the appointment of a conservator or receiver. The amount paid upon this claim would depend upon, among other factors, the amount of receivership assets available for the payment of unsecured claims and the priority of this claim relative to the priority of other unsecured creditors and depositors. See "Supervision, Regulation and Other Matters — Federal Depositor Preference Legislation", below. If the maturity of any Notes was so accelerated and a claim relating to the Notes was paid by the conservatorship or receivership, depending upon economic conditions, the holders of such Notes might not be able to reinvest any amounts paid on such Notes at a comparable rate of interest. In addition, although the Notes permit the holders to accelerate the maturity of the Notes in the event of the appointment of a receiver or similar official for the Bank, the FDIC as conservator or receiver may enforce most types of contracts, including the Notes, pursuant to their terms, notwithstanding any such acceleration provision. The FDIC as conservator or receiver also may transfer to a new obligor any of the Bank's assets and liabilities, including the Notes, without approval or consent of the Bank's creditors, including holders of Notes.

Pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA"), the FDIC may not take any action that would have the effect of increasing the losses to a deposit insurance fund by protecting depositors for more than the insured portion of deposits (generally, $100,000) or creditors other than depositors (such as holders of Notes). The FDIC is also authorized by FDICIA to settle all uninsured and unsecured claims in the insolvency of an insured bank by making a final settlement payment after the declaration of insolvency. The rate of such final settlement payments is to be a percentage rate determined by the FDIC reflecting an average of the FDIC's receivership recovery experience. Such a payment would constitute full payment and disposition of the FDIC's obligations to claimants, regardless of the assets of the insolvent institution actually available for distribution to creditors.

As a result of the provisions of law described above (as well as the depositor preference legislation described below and, in the case of Subordinated Notes, the subordination provisions thereof), whether or not the FDIC seeks to repudiate the Notes in an insolvency of the Bank, the Notes would be treated differently from, and holders of Notes could receive significantly less than holders of, domestic (U.S.) deposit obligations of the Bank.

Federal Depositor Preference Legislation

Under the Federal Deposit Insurance Act, in the event of the liquidation or other resolution of an insured depository institution, administrative expenses of the receiver and the claims of domestic (U.S.) depositors of such institution (including claims by the FDIC as subrogee of insured depositors) are entitled to priority in payment over the claims of any other senior or general creditors of the institution, including holders of obligations such as the Senior Notes. As a result, claims of the FDIC as receiver for administrative expenses and claims of holders of domestic (U.S.) deposit liabilities of the Bank (including the FDIC, as the subrogee of holders of insured deposits) would receive priority over claims of the holders of the Notes.

Regulatory Capital

The U.S. federal bank regulatory authorities have adopted risk-based capital guidelines to which the Bank is subject. These risk-based capital ratios are determined by allocating assets and specified off-balance sheet financial instruments into four weighting categories, with higher levels of capital being required for the categories perceived as representing greater risk.

Under these guidelines, a bank's capital is divided into two tiers. The first tier (Tier 1) includes common equity, non-cumulative perpetual preferred stock (excluding auction rate issues) and minority interests that are held by others in a bank's consolidated subsidiaries, less goodwill and most other intangible assets. Tier 2 capital includes, among other items, cumulative and limited-life preferred stock, mandatory convertible securities, subordinated debt (including Subordinated Notes) and the allowance for loan and lease losses, subject to certain limitations and less required deductions as provided by regulation.

Banks are required to maintain a total risk-based capital ratio (Tier 1 plus Tier 2 capital divided by risk-adjusted assets) of 8% of which at least 4% must be Tier 1 capital. The federal bank regulatory authorities may, however, set higher capital requirements for individual banks when a bank's particular circumstances warrant. As a general matter, banks (including the Bank) are expected to maintain capital ratios well above the regulatory minimums. The risk-based capital ratios of the Bank as of June 30, 2002 are set forth above under "Selected Consolidated Financial Data of the Bank".

In addition, the federal bank regulatory authorities have established minimum leverage ratio (Tier 1 capital to average total assets) guidelines. These guidelines provide for a minimum leverage ratio of 3% for banks that meet certain specified criteria, including excellent asset quality, high liquidity, low interest rate exposure and the highest regulatory rating. Institutions not meeting these criteria or which are experiencing or anticipating significant growth are required to maintain a leverage ratio which exceeds the 3% minimum by at least 100 to 200 basis points. The leverage ratios of the Bank as of December 31, 2002 are set forth above under "Selected Consolidated Financial Data of the Bank".

Failure to meet applicable capital guidelines could subject a bank to a variety of enforcement remedies available to the federal regulatory authorities, including limitation on the ability to pay dividends, the issuance of a capital directive to increase capital, the termination of deposit insurance by the FDIC, and the appointment of a conservator or receiver.

FDICIA required each federal banking agency to revise its risk-based capital standards to ensure that those standards take adequate account of interest rate risk, concentration of credit risk and the risk of nontraditional activities, as well as reflect the actual performance and expected risk of loss on multifamily mortgages. The federal banking agencies have adopted amendments to their respective risk-based capital requirements that explicitly identify concentration of credit risk and certain risks arising from non-traditional activities, and the management of such risks, as important factors to consider in assessing an institution's overall capital adequacy. The amendments do not, however, mandate any specific adjustments to the risk-based capital calculations as a result of such factors.

In November 2001, the federal banking agencies published revised risk-based capital guidelines to address the treatment of recourse obligations, retained interests and direct credit substitutes that expose banks and bank holding companies to credit risk. The revised guidelines treat recourse obligations and direct credit substitutes more consistently than the agencies' current risk-based capital standards, and introduce a credit ratings-based approach to assigning risk weights within a securitization. The revised guidelines also impose a "dollar-for-dollar" capital charge on retained interests and a concentration limit on the interest-only strip receivable, a subset of retained interests. The revised guidelines are effective for all transactions settled on or after January 1, 2002. For transactions entered into before January 1, 2002, the Bank may elect early adoption for any provision of the revised guidelines that results in reduced capital requirements, and may delay adoption until December 31, 2002 for any provision that results in increased capital requirements. The revised guidelines will result in increased capital requirements for the Bank.

The risk-based capital guidelines of the OCC follow the Capital Accord of the Basel Committee on Banking Supervision. The Basel Committee, which consists of banking supervisors from the principal nations whose banking organizations are active internationally, issued its Capital Accord to achieve convergence in the capital regulations applicable to internationally active banking organizations. On January 16, 2001, the Basel Committee proposed a replacement of the Capital Accord. Under the new framework, risk weights for certain types of claims, including corporate credits, would be based on ratings assigned by rating agencies. Certain low-quality exposures would be assigned a risk rating greater than 100%. Short-term commitments to lend, which currently do not require capital, would be subject to a 20% conversion factor. In addition to this "standardized" approach, banks with advanced risk management capabilities that meet rigorous supervisory standards would be permitted to use an internal ratings-based approach. The Basel Committee also proposed capital charges for operational risk. The Basel Committee currently intends to finalize the proposed framework by the end of 2003, with implementation in 2006.

FDICIA

In general, FDICIA provides for expanded regulation of depository institutions and their affiliates and assigns to the federal banking agencies broad powers to take prompt corrective action to resolve problems of insured depository institutions. The extent of these powers depends upon whether the institutions in question are "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized" or "critically undercapitalized." Depending on the level of capital, the agencies' corrective powers can include: requiring a capital restoration plan; placing limits on asset growth and restrictions on activities; requiring the institution to issue additional stock (including voting stock) or to be acquired; placing restrictions on transactions with affiliates; restricting the interest rate the institution may pay on deposits; ordering a new election for the institution's board of directors; requiring that certain senior executive officers or directors be dismissed; prohibiting the institution from accepting deposits from correspondent banks; requiring the institution to divest certain subsidiaries; prohibiting the payment of principal or interest on subordinated debt (including obligations such as the Subordinated Notes); prohibiting the institution's parent bank holding company from making capital distributions without prior regulatory approval; and, ultimately, appointing a receiver for the institution. If the insured depository institution is undercapitalized, it will be subject, among other things, to growth limitations and required to submit a capital restoration plan. In order for the capital plan to be accepted by the federal bank regulators, the parent bank holding company is required to guarantee the institution's obligations under the plan in an amount equal to the lesser of (i) 5% of the institution's total assets at the time the institution became undercapitalized or (ii) the amount which is necessary (or would have been necessary) to bring the institution into compliance with all applicable capital standards as of the time the institution fails to comply with the capital restoration plan.

"Critically undercapitalized" insured depository institutions may not, beginning 60 days after becoming "critically undercapitalized," make any payment of principal or interest on their subordinated debt (subject to certain limited exceptions). Thus, in the event an institution became "critically undercapitalized," it would generally be prohibited from making payments on its subordinated debt securities. In addition, "critically undercapitalized" institutions are subject to appointment of a receiver or conservator.

Under FDICIA, only a "well capitalized" depository institution may accept brokered deposits without prior regulatory approval and offer interest rates on deposits higher than the prevailing rate in its market. In addition, "pass through" insurance coverage may not be available for certain employee benefit accounts for depository institutions considered less than "well-capitalized."

A depository institution is considered "well capitalized" if it has (i) a total risk-based capital ratio of 10% or greater, (ii) a Tier 1 risk-based capital ratio of 6% or greater, (iii) a leverage ratio of 5% or greater and (iv) is not subject to any order or written directive to meet and maintain a specific capital level. An "adequately capitalized" depository institution is one that has (i) a total risk-based capital ratio of 8% or greater, (ii) a Tier 1 risk-based capital ratio of 4% or greater and (iii) a leverage ratio of 4% or greater (or, in the case of a bank with the highest examination rating, 3%). A depository institution is considered (A) "undercapitalized" if it does not meet either of the above definitions; (B) "significantly undercapitalized" if it has (i) a total risk-based capital ratio of less than 6%, (ii) a Tier 1 risk-based capital ratio of less than 3% or (iii) a leverage ratio of less than 3%; and (C) "critically undercapitalized" if it has a ratio of tangible equity to total assets less than or equal to 2%. A depository institution may be deemed to be in a capitalization category that is lower than is indicated by its actual capital position if it receives an unsatisfactory examination rating. As of December 31, 2002, the Corporation believes that the Bank and each of the Corporation's other insured depository institution subsidiaries had sufficient capital to qualify as a "well capitalized" depository institution under the criteria specified above.

Under FDICIA, the FDIC is permitted to provide financial assistance to an insured bank before appointment of a conservator or receiver only if (i) such assistance would be the least costly method of meeting the FDIC's insurance obligations, (ii) grounds for appointment of a conservator or a receiver exist or are likely to exist, (iii) it is unlikely that the bank can meet all capital standards without assistance, and (iv) the bank's management has been competent, has complied with applicable laws, regulations, rules and supervisory directives and has not engaged in any insider dealing, speculative practice or other abusive activity.

On January 8, 2003, the federal bank regulatory agencies issued "Account Management and Loss Allowance Guidance" that they indicated will be generally applicable to all insured depository institutions that offer credit card programs. The guidance was effective immediately although the agencies recognized that some institutions may require time to implement the changes. Certain features of the guidance, such as the suggestion that loan loss allowances should be established for uncollectible fees and finance charges, may result in increased costs for the Bank.

Consumer Protection Laws

The relationships between cardholders and credit card issuers and lenders are extensively regulated by federal and state consumer protection laws. With respect to credit cards issued by the Bank, the most significant laws include the federal Truth-in-Lending, Equal Credit Opportunity, Fair Credit Reporting, Fair Debt Collection Practice and Electronic Funds Transfer Acts. These statutes impose disclosure requirements when a credit card account is advertised, when it is opened, at the end of monthly billing cycles, and at year end. In addition, these statutes limit customer liability for unauthorized use, prohibit certain discriminatory practices in extending credit, and impose certain limitations on the type of account-related charges that may be assessed. Cardholders are entitled under these laws to have payments and credits applied to the credit card accounts promptly, to receive prescribed notices and to require billing errors to be resolved promptly. In January 1996, the United States Supreme Court held that Federal law pre-empted state laws prohibiting a credit card issuing bank located in one state from assessing various fees and charges (such as late fees, over-the-limit fees, returned check fees and annual membership fees) on credit card holders residing in another state. The effect of this decision should be to enhance the Bank's ability to conduct its credit card lending business.

There have been numerous attempts at the federal, state and local level to further regulate the credit card industry. In particular, legislation has been introduced in Congress that would impose a ceiling on the rate at which a financial institution may assess finance charges and fees on credit card accounts. These ceilings are substantially below the rate of the finance charges and fees that is currently assessed on the Bank's accounts. The Bank cannot predict whether any such legislation will be enacted.

Future Legislation

Various legislation is from time to time introduced in the U.S. Congress. This legislation may change banking statutes and the operating environment of banks in substantial and unpredictable ways. No accurate predictions can be made regarding whether legislation will ultimately be enacted and if enacted, the ultimate effect that it, or implementing regulations would have upon the Bank's financial condition or results of operations.

Industry Litigation

On October 9, 2001, the United States District Court for the Southern District of New York issued its decision in an antitrust lawsuit brought by the federal government against VISA U.S.A., Inc., VISA International Inc. and MasterCard International Incorporated. The court ordered the repeal of rules adopted by these associations prohibiting members from offering credit cards of some competitors. The court rejected the government's challenges to the governance structure of VISA U.S.A., Inc., VISA International Inc. and MasterCard International Incorporated.

VISA U.S.A., Inc., Visa International Inc. and MasterCard International Incorporated have appealed portions of the decision. The court has stayed final judgment pending the outcome of the appeal, and oral argument took place on May 8, 2003. The Bank is not able at this time to determine what the effect, if any, of this final judgment would be on the Bank's credit card business.

In 1996, Wal-Mart Stores, Inc. and several other retailers sued MasterCard International Incorporated, VISA U.S.A., Inc. and VISA International, Inc. in the U.S. District Court for the Eastern District of New York. The suit asserts that the rules of both associations regarding the uniform acceptance of all VISA and MasterCard cards, including debit VISA and MasterCard cards, constitute an illegal tying arrangement. In April 2003, MasterCard and VISA each agreed to settle the suit before the U.S. District Court. The terms of the MasterCard settlement were disclosed by MasterCard in MasterCard's 10-Q for the period ended March 31, 2003. To date, the terms of the VISA settlement have not been publicly disclosed. Recent press reports estimate that the aggregate settlement amount of the suit is equal to approximately $3 billion. According to recent press reports, both the MasterCard settlement and the VISA settlement have been preliminarily approved by the U.S. District Court and a fairness hearing is scheduled for September 2003. The Bank cannot predict the effect of this suit or the proposed settlement on the competitive environment in the credit card industry.

USE OF PROCEEDS

The Bank intends to use the net proceeds from the sale of the Notes for general corporate purposes in the ordinary course of its business. The Subordinated Notes will qualify as Tier 2 Capital under the capital guidelines adopted by the Federal Reserve Board. See "Regulation, Supervision and Other Matters — Regulatory Capital."

DESCRIPTION OF NOTES

The following summaries of certain provisions of the Notes do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Notes, including the definitions therein of certain terms.

The Notes do not evidence deposits and are not insured by the FDIC or any other insurer.

The Notes are solely obligations of the Bank and are neither obligations of, nor guaranteed by, the Corporation or any other affiliate of the Bank.

General

The Notes will be issued pursuant to an Amended and Restated Agency Agreement, dated as of July 15, 2003 (the "Agency Agreement"), among the Bank, JPMorgan Chase Bank, as issuing and principal paying agent (in such capacity, the "Global Agent", which term includes any successor in its capacities as such) and the other paying agents named therein (together with the Global Agent, the "Paying Agents", which term includes any additional or successor paying agents appointed by the Bank). The Agency Agreement permits the appointment of other agents, including a calculation agent (the "Calculation Agent"), a currency exchange agent (the "Exchange Agent"), one or more transfer agents (together, the "Transfer Agents") and a registrar (the "Registrar"). A copy of the Agency Agreement, which includes the forms of Notes, is available for inspection at the offices of the Global Agent and Paying Agents located at the addresses listed on the inside back cover of this Offering Circular. The following summaries of certain provisions of the Agency Agreement and the Notes do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all of the provisions of the Agency Agreement and the Notes, including the definitions therein of certain terms.

Because the Notes will not be issued pursuant to an indenture, each holder will be responsible for acting independently with respect to certain matters affecting such holder's Note, including accelerating the maturity thereof upon the occurrence of an Event of Default (as defined herein), enforcing any covenants contained therein and responding to any requests for consents, waivers or amendments. See " — Events of Default."

The terms and conditions set forth below will apply to each Note unless otherwise specified herein or in any amendment or supplement hereto, or in the applicable Note. The terms of the Notes described herein, including the maturities and interest rates, may differ from one Note to another. The terms of a Tranche of Notes (as defined below) will be set forth in a Pricing Supplement, substantially in the form of Annex A hereto, relating to such Tranche.

As used herein, "Series" means all Notes which are denominated in the same currency and which have the same Stated Maturity Date (as defined herein), interest payment basis and interest payment dates, if any, and the terms of which, except for the Original Issue Date (as defined herein) and/or the issue price, are otherwise identical, including whether the Notes are listed on a particular stock exchange. As used herein, "Tranche" means all Notes of the same Series with the same Original Issue Date and issue price.

The maximum aggregate principal amount of Notes that the Bank may issue under the Program is limited to U.S.$5,000,000,000 (or the equivalent thereof in other currencies, calculated as described herein) outstanding at any one time, provided that the maximum aggregate principal amount of Notes with maturities greater than 270 days that may be issued under the Program will not exceed U.S.$5,000,000,000 (or the equivalent thereof in other currencies, calculated as described herein). For the purpose of calculating the U.S. Dollar equivalent of the aggregate principal amount of Notes issued from time to time:

(a) the U.S. Dollar equivalent of Notes denominated in a Specified Currency (as defined herein) other than U.S. Dollars shall be determined by the Global Agent as of 2:30 p.m., London time, on the Original Issue Date for such Notes by reference to the Global Agent's middle market spot rate for U.S. Dollars against the Specified Currency on the London Business Day (as defined herein) immediately preceding the date on which the Global Agent receives the Bank's instruction to issue the Notes;

(b) the U.S. Dollar equivalent of Dual Currency Notes and Indexed Notes (each as herein defined) shall be determined by the Global Agent in the manner specified in clause (a) above by reference to the original principal amount of such Notes;

(c) the principal amount of Zero Coupon Notes (as defined herein) and any other Notes issued at a discount shall be deemed to be the U.S. Dollar equivalent, determined in the manner specified in clause (a) above, of the net proceeds received by the Bank for the relevant issue; and

(d) the U.S. Dollar equivalent of Partly Paid Notes (as defined herein) shall be determined by the Global Agent in the manner specified in clause (a) above by reference to the principal amount thereof regardless of the amount of money paid up on such Notes.

"London Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

The aggregate principal amount of Notes outstanding at any time is subject to, and will be limited by, the then existing grant of authority by the Bank's Board of Directors. This Offering Circular will be amended or supplemented to indicate any increase in the grant of authority which may result in Notes outstanding or issued in an aggregate principal amount in excess of the amount set forth above. In addition to the Notes, the Bank may issue promissory notes and other obligations evidencing indebtedness or liabilities of the Bank, including deposit instruments, in an unlimited principal amount.

Each Note will be denominated in such currency (the "Specified Currency") as may be selected by the initial purchaser(s) and agreed to by the Bank, including U.S. Dollars, Euro, Sterling and Yen. The Specified Currency with respect to any Note will be specified therein and in the applicable Pricing Supplement. Purchasers of Notes are required to pay for such Notes by delivery of the requisite amount of the Specified Currency to the Global Agent, unless other arrangements have been made. The Bank will be obligated to make payments of principal of and premium, if any, and interest on the Notes in the applicable Specified Currency. Any amounts paid by the Bank in respect of DTC Global Notes denominated other than in U.S. Dollars will, unless otherwise specified in the applicable Pricing Supplement, be converted into U.S. Dollars for payment to the holders thereof as described under "Payment of Principal, Premium and Interest." Unless otherwise specified in the applicable Pricing Supplement, payments on any other Registered Global Notes (as defined herein) and on Bearer Notes (as defined herein) will be made in the applicable Specified Currency in the country issuing the Specified Currency (or in the case of Euro, in any country then participating in the European Economic and Monetary Union pursuant to the Treaty establishing the European Communities, as amended by the Treaty on European Union and the Treaty of Amsterdam (the "Treaty")). See "Payment of Principal, Premium and Interest."

In the event that any Specified Currency has been replaced by another currency (a "Replacement Currency"), any amount due pursuant to any Note denominated in the Specified Currency may be repaid, at the option of the Bank, in the Replacement Currency or in U.S. Dollars, at a rate of exchange which takes into account the conversion, at the rate prevailing on the most recent date on which official conversion rates were quoted or set by the national government or other authority responsible for issuing the Replacement Currency, from the Specified Currency to the Replacement Currency and, if necessary, the conversion of the Replacement Currency into U.S. Dollars at the rate prevailing on the date of such conversion. Notwithstanding the foregoing, if, pursuant to the Treaty, all or some of the currencies of the member countries of the European Community are replaced by the Euro, the payment of principal of, premium (if any) or interest on any Note denominated in any such currency shall be effected in Euro at such time as is required by, and otherwise in conformity with, legally applicable measures adopted with reference to the European Economic and Monetary Union.

Unless previously redeemed or repaid, each Note will mature on a date (the "Stated Maturity Date") from 7 days to 100 years from the date on which such Note was originally issued (the "Original Issue Date"), as selected by the initial purchaser(s) and agreed to by the Bank, except that Subordinated Notes will have minimum maturities of five years. Notes denominated in other currencies will have such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank or equivalent body (however designated) or any laws or regulations applicable to the Bank or the relevant currency. Floating Rate Notes will mature on an Interest Payment Date (as defined herein).

The Notes will be issued in fully registered form without receipts, interest coupons or talons ("Registered Notes") or in bearer form with or without receipts, interest coupons or talons ("Bearer Notes"), as described below under "— Form of Notes and Registration," and, unless otherwise specified in the applicable Pricing Supplement, only in minimum denominations of U.S.$250,000 and integral multiples of U.S.$1,000 in excess thereof (or equivalent denominations in other currencies). Bearer Notes will be issued only in the minimum denomination applicable to such Notes. Bearer Notes with a maturity of 183 days or less are required to be issued in minimum denominations of U.S.$500,000 (or the equivalent thereof in other currencies, calculated as described herein).

Notes (including Notes denominated in Sterling) having a maturity of less than one year may be subject to restrictions on their denomination and distribution.

Unless otherwise specified in the applicable Pricing Supplement, interest-bearing Notes will bear interest at either fixed rates ("Fixed Rate Notes") or floating rates ("Floating Rate Notes"), as specified in the applicable Pricing Supplement. Notes may be issued at discounts from their principal amount payable on the Stated Maturity Date (or on any prior date on which the principal, or an installment of principal, of a Note becomes due and payable, whether by the declaration of acceleration, call for redemption at the option of the Bank, repayment at the option of the holder or otherwise) (each such date, a "Maturity"), and some Notes may not bear interest ("Zero Coupon Notes").

No recourse shall be had for the payment of principal of, premium, if any, or interest on, any Note, for any claim based thereon, or otherwise in respect thereof, against any shareholder, employee, agent, officer or director, as such, past, present or future, of the Bank or of any successor corporation. The Notes will not contain any provision that would provide protection to the holders of the Notes against a sudden and dramatic decline in credit quality resulting from a merger, takeover, recapitalization, or similar restructuring of the Bank or of the Corporation or any other event involving the Bank or the Corporation that may adversely affect the credit quality of the Bank.

As used herein, "Business Day" means, unless otherwise specified in the applicable Pricing Supplement, any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law, regulation or executive order to close in The City of New York; *provided, however,* that, with respect to Notes issued in a Specified Currency other than U.S. Dollars, such day is also not a day on which banking institutions are authorized or required by law, regulation or executive order to close in the Principal Financial Center (as hereinafter defined) of the country issuing the Specified Currency (unless the Specified Currency is Euro, in which case such day is also not a Saturday or Sunday and is not a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System ("Target") or any successor thereto is closed; provided, further, that, with respect to Notes as to which LIBOR is an applicable Interest Rate Basis, such day is also a London Banking Day.

"London Banking Day" means any day (other than a Saturday or a Sunday) on which dealings in deposits in the Index Currency (as hereinafter defined) are transacted in the London interbank market.

"Principal Financial Center" for the purposes of the foregoing definition shall be as provided in the 2000 ISDA Definitions, as amended and updated from time to time, published by the International Swaps and Derivatives Association Inc. (the "ISDA Definitions").

Ranking

Senior Notes. The obligations evidenced by the Senior Notes will rank *pari passu* with all other unsecured and unsubordinated obligations of the Bank, except obligations, including domestic (U.S.) deposits, that are subject to any priorities or preferences by law. Under applicable U.S. law, claims of certain creditors of the Bank, including holders of domestic (U.S.) deposits, would be entitled to priority over claims of unsecured general creditors of the Bank, including holders of the Senior Notes, in the event of a liquidation or other resolution of the Bank. See "Supervision, Regulation and Other Matters — Federal Depositor Preference Legislation."

Subordinated Notes. The indebtedness of the Bank evidenced by the Subordinated Notes, including principal, premium, if any, and interest, will be unsecured and subordinate and junior in right of payment to the Bank's obligations to its depositors, its obligations under bankers' acceptances, letters of credit, and its obligations to its other creditors (including any obligations to any Federal Reserve Bank and the FDIC, any rights acquired by the FDIC as a result of loans made by the FDIC to the Bank or the purchase or guarantee of any assets by the FDIC, pursuant to 12 U.S.C. 1823(c), (d) or (e) and any obligations to holders of Senior Notes), whether now outstanding or hereafter incurred, other than any obligations which by their express terms rank on a parity with, or junior to, the Subordinated Notes. In the event of any insolvency proceeding, receivership, conservatorship, reorganization, readjustment of debt, marshalling of assets and liabilities or similar proceedings or any liquidation or winding up of the Bank, whether voluntary or involuntary, all such obligations (except obligations which rank on a parity with, or junior to, the Subordinated Notes) shall be entitled to be paid in full before any payment shall be made on account of the principal of, premium, if any, or interest on the Subordinated Notes. In the event of any such proceeding, after payment in full of all sums owing with respect to such prior obligations, the holders of the Subordinated Notes, together with the holders of any obligations of the Bank ranking on a parity with the Subordinated Notes, shall be entitled to be paid, from the remaining assets of the Bank, the unpaid principal of, and the unpaid premium, if any, and interest on, the Subordinated Notes or such other obligations before any payment or other distribution, whether in cash, property or otherwise, shall be made on account of any capital stock or any obligations of the Bank ranking junior to the Subordinated Notes. As of March 31, 2003, approximately $11.3 billion in outstanding obligations of the Bank (including approximately $10.9 billion of deposits) would have been senior to the Subordinated Notes and approximately $1.25 billion in outstanding obligations of the Bank would have ranked *pari passu* with the Subordinated Notes. The Subordinated Notes will not contain any limitation on the amount of senior debt, deposits or other obligations that rank on parity with or senior to the Subordinated Notes that may be hereinafter incurred by the Bank.

As described above under "Supervision, Regulation and Other Matters — FDICIA," from the date 60 days after an insured depository institution becomes or is deemed to become "critically undercapitalized," it may not make any payments of principal or interest on its subordinated debt, including the Subordinated Notes. Under certain circumstances, a "well capitalized," "adequately capitalized" or "undercapitalized" institution may be required to comply with restrictions applicable to the next lowest capital category.

Form of Notes and Registration

General

The Bank and the initial purchaser(s) will agree on the form of Notes to be issued in respect of any Series of Notes. The form of Notes to be issued in relation to any Series of Notes will be specified in the applicable Pricing Supplement.

Registered Notes

The Notes may be offered and sold in the United States only, outside the United States only or in and outside the United States simultaneously as part of a global offering. Notes sold pursuant to an offering made in the United States only will be represented by one or more global Notes in fully registered form without receipts, interest coupons or talons (each, a "Registered Global Note") deposited with JPMorgan Chase Bank (in such capacity, the "Custodian") as custodian for, and registered in the name of a nominee of, The Depository Trust Company in New York, New York ("DTC"), as depositary (each Registered Global Note so deposited and registered being referred to herein as a "DTC Global Note").

Notes sold outside of the U.S. in accordance with Regulation S under the Securities Act will initially be issued in the form of one or more temporary registered global notes ("Temporary Registered Global Notes"). Beneficial interests in the Temporary Registered Global Notes will be exchanged for one or more permanent Registered Global Notes upon the later of (i) the 40th day after the completion of the distribution of the Notes of such tranche (determined as set forth under "Plan of Distribution — Sales Restrictions — United States") and (ii) the first date on which the requisite certifications are provided to the Global Agent by or on behalf of the beneficial owner of an interest in such Temporary Registered Global Notes to the effect that such beneficial owner is not a U.S. person. Unless such certificate is provided, (i) payments of any redemption price and any other payments will not be made with respect to such beneficial interests in the Temporary Registered Global Note, and (ii) such beneficial interest may not be exchanged for a beneficial interest in a permanent Registered Global Note.

Except as described below under "Bearer Notes," Notes sold pursuant to an offering made outside the United States only in accordance with Regulation S under the Securities Act will be initially issued in the form of one or more Temporary Registered Global Notes, as described above, and upon exchange therefor will be represented by one or more Registered Global Notes deposited with JPMorgan Chase Bank (in such capacity, the "Depositary") as common depositary for, and registered in the name of a nominee of, Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream, Luxembourg and any other clearing system approved by the Bank and specified in the applicable Pricing Supplement.

Subject to the initial issuance of Notes sold outside of the United States in accordance with Regulation S under the Securities Act in the form of one or more Temporary Registered Global Notes and their subsequent exchange for permanent Registered Global Notes, as described above, Notes sold pursuant to an offering made in and outside the United States simultaneously as part of a global offering may be represented solely by one or more DTC Global Notes (a "Single Global Note Issue") or, alternatively, by one or more DTC Global Notes in respect of Notes sold in the United States and by a separate Registered Global Note deposited with the Depositary as common depositary for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, in respect of Notes sold outside the United States (a "Dual Global Note Issue").

Except as described below, owners of beneficial interests in a Registered Global Note (each, a "Beneficial Owner") will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form (each, a "Definitive Registered Note") and will not be considered the owners or holders thereof under the Agency Agreement. Beneficial interests in a Registered Global Note will be represented, and transfers thereof will be effected, only through book-entry accounts of financial institutions acting on behalf of the Beneficial Owners, as a direct or indirect participant in the relevant clearing system.

Investors in a global offering may elect to hold interests in a Registered Global Note through any of DTC or Euroclear or Clearstream, Luxembourg if they are participants in such systems, or indirectly through organizations that are participants in such systems. If the Notes sold pursuant to a global offering are part of a Single Global Note Issue, Clearstream, Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of the Depositary, which in turn will hold such interests in customers' securities accounts in the Depositary's name on the books of DTC.

JPMorgan Chase Bank will serve initially as Registrar for the Registered Notes. In such capacity, the Registrar will cause to be kept at its offices in New York City, a register (the "Note Register"), in which, subject to such reasonable regulations as it may prescribe, the Registrar will provide for the registration of the Registered Notes and of transfers thereof. The Bank reserves the right to transfer such function to another bank or financial institution at any time.

Subject to applicable law and the terms of the Agency Agreement and the Notes, the Bank and the Global Agent will deem and treat the registered holder or holders of the Registered Notes as the absolute owner or owners thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to or to the order of the registered holders will be valid and effectual to discharge the liability of the Bank and the Global Agent on the Notes to the extent of the sum or sums so paid. So long as DTC, its nominee, a nominee of Euroclear and Clearstream, Luxembourg or a successor of DTC or any such nominee is the registered owner of a Registered Global Note, DTC, such nominee or such successor of DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement. Accordingly, any Beneficial Owner must rely on the procedures of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, if such person is not a participant in any such clearing system, on the procedures of the participant therein through which such person owns its interest, to exercise any rights of a holder of Notes: The Bank understands that, under existing industry practices, in the event that the Bank requests any action of holders or that Beneficial Owners desire to give or take any action which a holder is entitled to give or take under the Agency Agreement, DTC, its nominee or a successor of DTC or its nominee, as the holder of the DTC Global Note, would authorize the participants through which the relevant beneficial interests are held (or persons holding beneficial interests in the Notes through participants) to give or take such action, and such participants would authorize Beneficial Owners owning through such participants (or such persons holding beneficial interests in the Notes through participants) to give or take such action and would otherwise act upon the instructions given to such participants (or such persons) by such Beneficial Owners.

DTC may grant proxies or otherwise authorize its participants (or persons holding beneficial interests in the Notes through its participants) to exercise any rights of a holder or take any other actions which a holder is entitled to take under the Agency Agreement or in respect of the Notes. Euroclear or Clearstream, Luxembourg, as the case may be, will take any action permitted to be taken by a holder under the Agency Agreement or the Notes on behalf of a Euroclear participant or a Clearstream, Luxembourg participant only in accordance with its relevant rules and procedures and, with respect to interests in a DTC Global Note, subject to the Depositary's ability to effect such actions on its behalf through DTC. Because DTC can act only on behalf of its participants, who in turn act on behalf of indirect participants, the ability of a Beneficial Owner to pledge its interest in the Notes to persons or entities that do not participate in the DTC system or otherwise take action in respect of such interest, may be limited by the lack of a definitive certificate for such interest. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a DTC Global Note.

Principal of, and premium, if any, and interest on, the Registered Notes are payable to the persons in whose names the Notes are registered on the Record Date (as defined herein) preceding any Interest Payment Date or at Maturity, as the case may be. Ownership positions within each clearing system will be determined in accordance with the normal conventions observed by such system. The Global Agent will act as the Bank's principal paying agent for the Notes pursuant to the Agency Agreement. Principal and interest payments on a Registered Global Note will be made to DTC, its nominee or a nominee of Euroclear and Clearstream, Luxembourg, as the case may be (or to any successor to DTC or any such nominee), as the registered holder of the Registered Global Note representing such Notes. Neither the Bank nor the Global Agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. See "Payment of Principal, Premium and Interest."

Upon receipt of any payment of principal of, or premium, if any, or interest on, a DTC Global Note, DTC will credit its participants' accounts with payment in amounts proportionate to their respective beneficial interests in the principal amount of such DTC Global Note as shown on the records of DTC. Payments by such participants to owners of beneficial interests in the DTC Global Note held through such participants will be the responsibility of such participants, as is now the case with securities held for the accounts of customers registered in "street name." Distributions with respect to Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures to the extent received by the Depositary.

Unless otherwise provided in the applicable Pricing Supplement, interests in a Registered Global Note will be exchangeable for Definitive Registered Notes only if such exchange is permitted by applicable law and (i) in the case of a DTC Global Note, DTC notifies the Bank that it is unwilling or unable to continue as depositary for the DTC Global Note or DTC ceases to be a clearing agency registered under the Exchange Act, if so required by applicable law or regulation, and, in either case, a successor depositary is not appointed by the Bank within 90 days after receiving such notice or becoming aware that DTC is no longer so registered, (ii) in the case of any other Registered Global Note, if the clearing system(s) through which it is cleared and settled is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to cease business permanently or does in fact do so, (iii) the Bank, upon the request of a holder, elects to issue Definitive Registered Notes or (iv) after the occurrence of an Event of Default with respect to any Registered Global Note, Beneficial Owners representing a majority in principal amount of such Registered Global Note advise the relevant clearing system through its participants to cease acting as depositary for such Registered Global Note. The Definitive Registered Notes so issued in exchange for any such Registered Global Note shall be of like tenor and of an equal aggregate principal amount, in authorized denominations. Such Definitive Registered Notes shall be registered in the name or names of such person or persons as the relevant clearing system shall instruct the Registrar. It is expected that such instructions may be based upon directions received by DTC from DTC participants with respect to ownership of beneficial interests in the DTC Global Notes. Except as provided above, owners of beneficial interests in a Registered Global Note will not be entitled to receive physical delivery of Definitive Registered Notes and will not be considered the registered holders of such Notes for any purpose.

Any Definitive Registered Note issued under the circumstances described in the preceding paragraph will be transferrable in whole or in part in an authorized denomination upon the surrender of such Note, together with the form of transfer endorsed thereon duly completed and executed, at the specified office of the Registrar or the specified office of any Transfer Agent. In the case of a transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Registered Note to be issued upon transfer will, within three Business Days of receipt of such form of transfer, be delivered to the transferee at the office of the Registrar or such Transfer Agent or mailed at the risk of the holder entitled to the Definitive Registered Note in respect of which the relevant Definitive Registered Note is issued to such address as may be specified in such form of transfer.

Bearer Notes

Bearer Notes with a maturity of more than 183 days sold in offshore transactions (as defined in Regulation S) in reliance on Regulation S will initially be represented by a single temporary global note in bearer form (a “Temporary Global Note”). Beneficial interests in a Temporary Global Note will be exchanged for beneficial interests in a single permanent global note (a “Permanent Global Note”, and together with the Temporary Global Note, the “Global Note”) only in accordance with the procedures described below.

Through and including the Exchange Date (as defined herein), beneficial interests in the Temporary Global Note may be held only through Euroclear or Clearstream, Luxembourg. Unless otherwise specified in the applicable Pricing Supplement, beneficial interests in Temporary Global Notes and Permanent Global Notes will not be exchangeable for beneficial interests in Registered Global Notes.

If an Interest Payment Date for any Global Note occurs while such Note is represented by a Temporary Global Note, the related interest payment will be made against presentation of the Temporary Global Note only to the extent that certification of non-U.S. beneficial ownership has been received by Euroclear or Clearstream, Luxembourg or such other approved clearing system. Such certification of non-U.S. beneficial ownership must be a signed certificate in writing (or an electronic certificate as described in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(3)(ii)), in the form set forth in the Temporary Global Note, stating that on the date of such certificate the beneficial interest in the Note (a) is owned by a person that is not a United States person, (b) is owned by a United States person that (1) is a foreign branch of a United States financial institution (as defined in United States Treasury Regulation Section 1.165-12(c)(1)(iv)) (a “financial institution”) purchasing for its own account or for resale, or (2) is acquiring such Note through a foreign branch of a United States financial institution and who holds the Note through such financial institution through such date (and in either case (a) or (b) above, each such United States financial institution provides a certificate to the Bank or its agent within a reasonable time stating that it agrees, on its own behalf or through its agent, to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended (the ”Code”), and the regulations thereunder), or (c) is owned by a United States or foreign financial institution for the purposes of resale during the restricted period (as defined in the United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) and, in addition, if the owner of such Note is a United States or foreign financial institution described in clause (c) above (whether or not also described in clause (a) or clause (b) above), such financial institution certifies that it has not acquired the Note for the purposes of resale directly or indirectly to a United States person or to a person who is a resident of the United States or its possessions and (ii) is not held by or on behalf of a U.S. Person (as defined in Rule 902(10) of Regulation S under the Securities Act..

On or after the date (the “Exchange Date”) which is 40 days after the completion of the distribution of the Notes, provided that certification of non-U.S. beneficial ownership has been received, beneficial interests in the Temporary Global Note will be exchangeable for beneficial interests in a Permanent Global Note. No payments will be made on a Temporary Global Note after the Exchange Date unless such exchange was improperly withheld. Payments of principal, premium, if any, or interest, if any, with respect to a Permanent Global Note will be made through Euroclear or Clearstream, Luxembourg or another approved clearing system against presentation or surrender, as the case may be, of the Permanent Global Note without any requirement for further certification. Upon 60 days written notice expiring at least 30 days after the Exchange Date from Euroclear or Clearstream, Luxembourg or another approved clearing system (as the case may be) acting on instructions from any owner of a beneficial interest in a Permanent Global Note, definitive bearer Notes (each, a “Definitive Bearer Note”) with, where applicable, receipts, interest coupons and talons attached will be issued and delivered, in full exchange for the Permanent Global Note, to Euroclear and Clearstream, Luxembourg and such other approved clearing system for the accounts of the owners of beneficial interests in the Permanent Global Note. No Definitive Bearer Note delivered in exchange for a beneficial interest in a Permanent Global Note will be mailed or otherwise delivered to any location in the United States in connection with such exchange. An exchange for a Definitive Bearer Note will be made at no charge to the holders of the beneficial interests in the Permanent Global Note being exchanged. Notwithstanding the foregoing, from and after such time as a Definitive Bearer Note is issued in exchange for a beneficial interest in a Permanent Global Note, any remaining interest in the Temporary Global Note will be exchangeable only for Definitive Bearer Notes. A beneficial interest in a Registered Global Note will not be exchangeable for Bearer Notes.

No certifications of non-U.S. beneficial ownership will be required with respect to Bearer Notes with a maturity at issuance of 183 days or less.

Until exchanged in full, the owner of an interest in any Temporary Global Note or Permanent Global Note shall in all respects be entitled to the same benefits as the holder of a Definitive Bearer Note, receipts and interest coupons, except as set forth in the Pricing Supplement applicable thereto.

Interest-bearing Definitive Bearer Notes will (unless otherwise specified in the applicable Pricing Supplement) have interest coupons ("Coupons") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("Talons") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes that are repayable in installments will have receipts ("Receipts") for the payment of the installments of principal (other than the final installment) attached on issue.

On and after the Interest Payment Date on which the final Coupon of any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Global Agent or any other Paying Agent outside the United States in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due with respect to the Bearer Note to which it appertains) a further Talon. Each Talon will be deemed to mature on the Interest Payment Date on which the final Coupon of the relative Coupon sheet matures.

The following legend will appear on all Temporary Global Notes, Permanent Global Notes, Definitive Bearer Notes, Receipts and Coupons 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."

The sections referred to provide that United States holders of Bearer Notes, Receipts or Coupons, with certain exceptions, will not be entitled to deduct any loss on such Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition or payment of principal with respect to such Notes, Receipts or Coupons.

The following legend will appear on all Temporary Global Notes, Permanent Global Notes, Definitive Bearer Notes, Receipts and Coupons with a maturity at issuance 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 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)."

Bearer Notes with a maturity of 183 days or less are required to be offered in minimum denominations of US$500,000, determined by reference to the spot rate on the date of issuance, in the case of notes denominated in a specified currency.

Except as set forth below, title to Bearer Notes, Receipts and Coupons will pass by delivery. The Bank, the Global Agent and any Paying Agent may deem and treat the bearer of any Bearer

Note, Receipt or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Temporary Global Note or Permanent Global Note, without prejudice to the provisions described in the following paragraph.

For so long as any of the Notes are represented by a Temporary Global Note or a Permanent Global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg or another approved clearing system as the owner of a particular principal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or such other clearing system as to the principal amount of such Notes standing to the account of any person shall be, except in the case of manifest error, conclusive and binding for all purposes) shall be treated by the Bank, the Global 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, premium, if any, or interest on the Notes, the right to which shall be vested, as against the Bank, the Global Agent and any other Paying Agent, solely in the bearer of the relevant Temporary Global Note or Permanent Global Note in accordance with and subject to its terms (and the expressions "Noteholder" and "holder of Notes" and similar expressions shall be construed accordingly). Notes which are represented by a Temporary Global Note or a Permanent Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg or of such other clearing system, as the case may be.

Global Clearance and Settlement

Notes issued pursuant to the Program may be held through one or more international and domestic clearing systems, principally, the book-entry systems operated by DTC in the United States, and Euroclear and Clearstream, Luxembourg in Europe. Electronic securities and payment transfer, processing, depositary and custodial links have been established among these systems and others, either directly or through custodians and depositaries, which enable Notes to be issued, held and transferred among the clearing systems through these links. The Global Agent has direct electronic links with DTC, Euroclear and Clearstream, Luxembourg. Special procedures have been established among these clearing systems and the Global Agent to facilitate clearance and settlement of certain Notes traded across borders in the secondary market. Cross-market transfers of Registered Global Notes in respect of which payments will be made in U.S. Dollars and which will be issued in global form may be cleared and settled using these procedures on a delivery against payment basis. Cross-market transfers of Notes in other than global form may be cleared and settled in accordance with other procedures established among the Global Agent and the clearing systems concerned for this purpose. Investors in Notes issued pursuant to Regulation S must initially hold their interests therein through Euroclear or Clearstream, Luxembourg.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the procedures described below in order to facilitate transfers of Notes among participants of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither the Bank nor the Global Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of the respective obligations under the rules and procedures governing their operations.

The Clearing Systems

DTC. DTC has advised the Bank that it is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that DTC participants deposit with DTC. DTC also facilitates the settlement among DTC participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in DTC participants' accounts, thereby eliminating the need for physical movement of securities certificates. DTC participants who maintain accounts directly with DTC include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include Dealers ("Direct Participants"). DTC is a wholly-owned subsidiary of The Depositary Trust and Clearing Corporation ("DTCC"), DTCC, in turn is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation (also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to DTC's system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly. The rules applicable to DTC and DTC participants are on file with the Commission. More information about DTC can be found at its Internet Website at www.dtcc.com.

Clearstream, Luxembourg. Clearstream, Luxembourg is incorporated under the laws of Luxembourg as a professional depositary. Clearstream, Luxembourg holds securities for its participants and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Clearstream, Luxembourg provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg interfaces with domestic markets in several countries. *As* a professional depositary, Clearstream, Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream, Luxembourg participants are financial institutions around the world, including securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include Dealers. Indirect access to Clearstream, Luxembourg is also available to others that clear through or maintain a custodial relationship with a Clearstream, Luxembourg participant either directly or indirectly.

Distributions with respect to Notes held beneficially through Clearstream, Luxembourg will be credited to cash accounts of Clearstream, Luxembourg participants in accordance with its rules and procedures, to the extent received by the Depositary.

Euroclear. Euroclear was created in 1968 to hold securities for its participants and to clear and settle transactions between its participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear provides various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the "Euroclear Operator"), under contract with Euroclear Clearance Systems, S.C., a Belgian cooperative corporation (the "Cooperative"). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include Dealers. Indirect access to Euroclear is also available to others that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear Operator was granted a banking license by the Belgian Banking and Finance Commission in 2000, authorizing it to carry out banking activities on a global basis. It took over operation of Euroclear from the Brussels, Belgium office of Morgan Guaranty Trust Company of New York on December 31, 2000.

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

Distributions with respect to Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the Depositary.

Other Clearing Systems. Any other clearing system which the Bank, the Global Agent and the relevant Dealer(s) agree shall be available for a particular issuance of Notes, including the clearance and settlement procedures for such clearing system, will be described in the applicable Pricing Supplement.

Primary Distribution

Distribution of the Notes will be cleared through one or more of the clearing systems described above or any other clearing system specified in the applicable Pricing Supplement. Payment for Notes will be made on a delivery versus payment or free delivery basis, as more fully described in the applicable Pricing Supplement.

Registered Notes. The Bank and the relevant Dealer(s) shall agree that either global clearance and settlement procedures or specific clearance and settlement procedures should be available for any Series of Notes, as specified in the Pricing Supplement relating thereto. Clearance and settlement procedures may vary from one Series of Notes to another according to the Specified Currency of the Notes of such Series. Customary clearance and settlement procedures are described under the specific clearance and settlement procedures below. Application will be made to the relevant clearing system(s) for the Notes of the relevant Series to be accepted for clearance and settlement and the applicable clearance numbers will be specified in the applicable Pricing Supplement.

Clearance and Settlement Procedures — DTC. DTC participants holding Registered Notes through DTC on behalf of investors will follow the settlement practices applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System. Registered Notes will be credited to the securities custody accounts of such DTC participants against payment in same-day funds on the settlement date.

Clearance and Settlement Procedures — Euroclear and Clearstream, Luxembourg. Investors electing to hold their Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear and Clearstream, Luxembourg participants on the business day following the settlement date against payment for value on the settlement date.

Bearer Notes. Customary clearance and settlement procedures for Euroclear and Clearstream, Luxembourg applicable to bearer Eurobonds in the Specified Currency will be followed, unless otherwise specified in the applicable Pricing Supplement.

Secondary Market Trading

Trading between DTC participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC's rules and will be settled using procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement System in same-day funds, if payment is made in U.S. Dollars, or free of payment if payment is made in a currency other than U.S. Dollars. In the latter case, separate payment arrangements outside of the DTC system are required to be made between DTC participants.

Trading between Euroclear and/or Clearstream, Luxembourg participants. Secondary market trading between Euroclear and/or Clearstream, Luxembourg participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using procedures applicable to conventional Eurobonds in registered form.

Trading between DTC seller and Euroclear or Clearstream, Luxembourg purchaser.

Single Global Note Issues. When Notes represented by a DTC Global Note are to be transferred from the account of a DTC participant (other than the Depositary) to the account of a Euroclear participant or Clearstream, Luxembourg participant, the purchaser must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. Euroclear or Clearstream, Luxembourg, as the case may be, will instruct the Depositary to receive the Notes against payment or free of payment, as the case may be. After settlement has been completed, the Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the account of the relevant Euroclear or Clearstream, Luxembourg participant. Credit for the Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day, when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the Euroclear or Clearstream, Luxembourg cash debit will be valued instead as of the actual settlement date.

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

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

Because the settlement will take place during New York business hours, DTC participants can employ their usual procedures for delivering Notes to the Depositary for the benefit of Euroclear participants or Clearstream, Luxembourg participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participants, a cross-market transaction will settle no differently than a trade between two DTC participants.

Dual Global Note Issues. When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg participant, the DTC participant will deliver the Notes free of payment to the appropriate account of the Custodian at DTC by 11:00 a.m. (New York time) on the settlement date together with instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg participant, as the case may be. Separate payment arrangements are required to be made between the relevant Euroclear or Clearstream, Luxembourg participant and the DTC participant. The Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee of DTC and represented by the DTC Global Note and (ii) increase the amount of Notes registered in the name of the nominee of Euroclear and Clearstream, Luxembourg and represented by the Registered Global Note. The Depositary will deliver such Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant participant in such clearing system on the business day following the settlement date.

Trading between a Euroclear or Clearstream, Luxembourg seller and a DTC purchaser.

Single Global Note Issues. Due to time zone differences in their favor, Euroclear participants or Clearstream, Luxembourg participants may employ their customary procedures for transactions in which Notes represented by a DTC Global Note are to be transferred by the respective clearing system through the Depositary to another DTC participant. The seller must send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream, Luxembourg will instruct the Depositary to credit the Notes to the DTC participant's account against payment. The payment will then be reflected in the account of the Euroclear participant or Clearstream, Luxembourg participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account will be back-valued to the value date (which would be the preceding day, when settlement occurs in New York). If the Euroclear participant or Clearstream, Luxembourg participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream, Luxembourg participant's account would instead be valued as of the actual settlement date.

As is the case with sales of Notes represented by a DTC Global Note by a DTC participant to a Euroclear or Clearstream, Luxembourg participant, participants in Euroclear and Clearstream, Luxembourg will have their accounts credited the day after their settlement date.

Dual Global Note Issues. When Notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg participant to the account of a DTC participant, the relevant Euroclear or Clearstream, Luxembourg participant must provide settlement instructions for delivery of the Notes free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, by 7:45 p.m. (Brussels or Luxembourg time, as the case may be) one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn provide appropriate settlement instructions to the Depositary for delivery to the DTC participant. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear or Clearstream, Luxembourg participant. On the settlement date, the Custodian will deliver the Notes free of payment to the appropriate DTC account of the DTC participant and will instruct the Registrar to (i) decrease the amount of Notes registered in the name of the nominee for Euroclear and Clearstream, Luxembourg and represented by the Registered Global Note and (ii) increase the amount of Notes registered in the nature of the nominee of DTC and represented by the DTC Global Note.

Record Date

Unless otherwise specified in the applicable Pricing Supplement, the "Record Date" for purposes of interest payments with respect to any Registered Note will be the fifteenth calendar day immediately preceding the related Interest Payment Date, as described below. Trading within and between all clearing systems will become "ex dividend" as of the close of business on this date. Bearer Notes will have a Record Date consistent with the practices and requirements of Euroclear and/or Clearstream, Luxembourg, as the case may be.

Interest

Unless otherwise specified in the applicable Pricing Supplement, each Note, other than a Zero Coupon Note, will bear interest from and including its Original Issue Date or from and including the most recent Interest Payment Date to which interest on such Note (or any predecessor Note) has been paid or duly provided for at the fixed interest rate per annum specified in the applicable Pricing Supplement, or at the floating interest rate per annum determined as specified in the applicable Pricing Supplement, until the principal thereof is paid or made available for payment. Interest will be payable in arrears on each Interest Payment Date and at Maturity, as specified below under "Payment of Principal, Premium and Interest." Interest payments on the Notes will equal the amount of interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid (or from and including the Original Issue Date, if no interest has been paid with respect to such Notes) to but excluding the related Interest Payment Date or Maturity, as the case may be (each such period an "Interest Period").

Fixed Rate Notes

The applicable Pricing Supplement will specify a fixed interest rate per annum payable on a Fixed Rate Note. Unless otherwise specified in the applicable Pricing Supplement, the interest payment dates (the "Interest Payment Dates") for Fixed Rate Notes (other than Zero Coupon Notes) having a maturity greater than one year will be semi-annually on June 1 and December 1 of each year commencing, unless otherwise specified in the applicable Pricing Supplement, with the first such Interest Payment Date falling at least six months after the Original Issue Date. Payments of interest on Fixed Rate Notes having maturities of greater than one year will include interest accrued to but excluding the relevant Interest Payment Date or Maturity. Unless otherwise specified in the applicable Pricing Supplement, interest on such Fixed Rate Notes with maturities of greater than one year will be computed on the basis of a 360-day year of twelve 30-day months.

Unless otherwise provided in the applicable Pricing Supplement, interest on Fixed Rate Notes with maturities of one year or less will be payable only at Maturity to the person to whom principal shall be payable. Payments of interest on Fixed Rate Notes having maturities of one year or less will include interest accrued to but excluding Maturity. Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes with maturities of one year or less will be computed on the basis of the actual number of days elapsed divided by 360.

Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes denominated other than in U.S. dollars will be computed on the basis of the "Actual/Actual (ISMA)" Fixed Day Count Convention.

"Actual/Actual (ISMA)" Fixed Day Count Convention means:

(a) in the case of Fixed Rate Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, from and including the Interest Commencement Date, which unless otherwise specified in the applicable Pricing Supplement shall be the Original Issue Date) to but excluding the relevant payment date (the "Accrual Period") is equal to or shorter than the Determination Period (as defined below) during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; or

(b) in the case of Fixed Rate Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods that would occur in one calendar year, assuming interest was to be payable in respect of the whole of that year.

"Determination Period" means the period from and including a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date).

"Determination Date" means each date specified in the applicable Pricing Supplement or, if none is specified, each Interest Payment Date.

Unless otherwise specified in the applicable Pricing Supplement, if any Interest Payment Date or Maturity of a Fixed Rate Note falls on a day which is not a Business Day, the related payment of principal, premium, if any, and interest will be made on the next succeeding Business Day with the same force and effect as if made on the date such payment were due, and no interest will accrue on the amount so payable for the period from and after such Interest Payment Date or Maturity, as the case may be.

Floating Rate Notes

The applicable Pricing Supplement will specify whether the related Floating Rate Notes will bear interest determined by reference to either (i) an ISDA Rate (as defined herein) or (ii) one or more reference rates and/or an interest rate formula. No later than the fourth London Business Day after the Interest Determination Date, the Global Agent shall provide a notice to the Luxembourg Stock Exchange stating the rate of interest, amount of interest payable for a specific denomination and the interest period, if applicable.

ISDA Rate

Where "ISDA Rate" is specified in the applicable Pricing Supplement in connection with the determination of the rate of interest on the related Floating Rate Note, the rate of interest on such Note for each Interest Period will be the relevant ISDA Rate plus or minus the Margin, if any, specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, "ISDA Rate" means, with respect to any Interest Period, the rate equal to the Floating Rate that would be determined by the Global Agent or other person specified in the applicable Pricing Supplement pursuant to an interest rate swap transaction if the Global Agent or that other person were acting as Calculation Agent for that swap transaction in accordance with the terms of an agreement in the form of the Interest Rate and Currency Exchange Agreement published by the International Swap Dealers Association, Inc. (the "ISDA Agreement") and evidenced by a Confirmation (as defined in the ISDA Agreement) incorporating the ISDA Definitions and under which:

(a) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(b) the Designated Maturity is the period specified in the applicable Pricing Supplement; and

(c) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate for a currency or on the Euro-zone interbank offered rate for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

As used in this paragraph, "Floating Rate," "Calculation Agent," "Floating Rate Option," "Designated Maturity" and "Reset Date" have the meanings ascribed to those terms in the ISDA Definitions.

Reference Rate Determination

Where "Reference Rate Determination" is specified in the applicable Pricing Supplement in connection with the determination of the rate of interest on the related Floating Rate Note, the applicable Pricing Supplement will also specify the "Interest Rate Basis" or "Interest Rate Bases" by reference to which interest on such Floating Rate Note will be determined, which may be one or more of (i) the “CMT Rate,” in which case such Note will be a “CMT Rate Note,” (ii) the “Commercial Paper Rate,” in which case such Note will be a “Commercial Paper Rate Note,” (iii) the “Eleventh District Cost of Funds Rate,” in which case such Note will be an “Eleventh District Cost of Funds Rate Note,” (iv) the “Federal Funds Rate,” in which case such Note will be a “Federal Funds Rate Note,” (v) the “J.J. Kenny Rate,” in which case such Note will be a “J.J. Kenny Rate Note,” (vi) the “CD Rate,” in which case such Note will be a “CD Rate Note,” (vii) “EURIBOR,” in which case such Note will be a “EURIBOR Note,” (viii) “LIBOR,” in which case such Note will be a “LIBOR Note,” (ix) the “Prime Rate,” in which case such Note will be a “Prime Rate Note,” (x) the “Treasury Rate,” in which case such Note will be a “Treasury Rate Note,” or (xi) such other Interest Rate Basis or interest rate formula as may be set forth in the applicable Pricing Supplement. In addition, the applicable Pricing Supplement will specify whether such Floating Rate Note is a “Regular Floating Rate Note,” a “Floating Rate/Fixed Rate Note” or an “Inverse Floating Rate Note,” the Initial Interest Rate, the Interest Reset Dates, the Index Maturity, and if one or more of the specified Interest Rate Bases is LIBOR or the CMT Rate, the applicable Note will also specify the Index Currency and Designated LIBOR Page or CMT Moneyline Telerate Page 7051 or CMT Moneyline Telerate Page 7052 respectively, as such terms are defined herein.

Where “Reference Rate Determination” is specified in the applicable Pricing Supplement, the interest rate borne by the Floating Rate Note will be determined as follows:

(i) Unless such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note” or an “Inverse Floating Rate Note,” such Floating Rate Note will be designated a “Regular Floating Rate Note” and, except as described below or in the applicable Pricing Supplement, will bear interest at the rate determined by reference to the Interest Rate Basis or Bases specified in the applicable Pricing Supplement (a) plus or minus the Spread, if any, specified in the applicable Pricing Supplement and/or (b) multiplied by the applicable Spread Multiplier, if any, specified and applied as described in the applicable Pricing Supplement. Commencing on the Initial Interest Reset Date specified in the applicable Pricing Supplement, the rate at which interest on such Regular Floating Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however,* that the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate specified in the applicable Pricing Supplement.

(ii) If such Floating Rate Note is designated as a “Floating Rate/Fixed Rate Note,” then, except as described below or in the applicable Pricing Supplement, such Floating Rate Note will bear interest at the rate determined by reference to the Interest Rate Basis or Bases specified in the applicable Pricing Supplement (a) plus or minus the Spread, if any, specified in the applicable Pricing Supplement and/or (b) multiplied by the applicable Spread Multiplier, if any, specified and applied as described in the applicable Pricing Supplement. Commencing on the Initial Interest Reset Date specified in the applicable Pricing Supplement, the rate at which interest on such Floating Rate/Fixed Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however,* that (a) the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate specified in the applicable Pricing Supplement, and (b) the interest rate in effect from, and including, the Fixed Rate Commencement Date to Maturity shall be the Fixed Interest Rate, if such rate is specified in the applicable Pricing Supplement, or if no such Fixed Interest Rate is so specified, the interest rate in effect thereon on the Business Day immediately preceding the Fixed Rate Commencement Date.

(iii) If such Floating Rate Note is designated as an “Inverse Floating Rate Note,” then, except as described below or in the applicable Pricing Supplement, such Floating Rate Note will bear interest equal to the Fixed Interest Rate specified in the applicable Pricing Supplement minus the rate determined by reference to the Interest Rate Basis or Bases specified in the applicable Pricing Supplement (a) plus or minus the applicable Spread, if any, specified in the applicable Pricing Supplement and/or (b) multiplied by the applicable Spread Multiplier, if any specified and applied as described in the applicable Pricing Supplement; *provided, however*, that, unless otherwise specified in the applicable Pricing Supplement, the interest rate thereon will not be less than zero percent. Commencing on the Initial Interest Reset Date specified in the applicable Pricing Supplement, the rate at which interest on such Inverse Floating Rate Note shall be payable shall be reset as of each Interest Reset Date; *provided, however*, that the interest rate in effect for the period from the Original Issue Date to the Initial Interest Reset Date will be the Initial Interest Rate specified in the applicable Pricing Supplement.

The "Spread" is the number of basis points (each basis point being one hundredth of one percent) to be added to or subtracted from the related Interest Rate Basis or Bases applicable to such Floating Rate Note. The "Spread Multiplier" is the percentage by which the applicable Interest Rate Basis or Bases will be multiplied to determine the applicable interest rate on such Floating Rate Note. The "Index Maturity" is the period to maturity of the instrument or obligation with respect to which the Interest Rate Basis or Bases will be calculated. The Spread, Spread Multiplier, Index Maturity and other variable terms of the Floating Rate Notes are subject to change by the Bank from time to time, but no such change will affect any Floating Rate Note previously issued or as to which an offer has been accepted by the Bank.

The applicable Pricing Supplement will specify whether the rate of interest on the related Floating Rate Note will be reset daily, weekly, monthly, quarterly, semiannually, annually or any other specified period (each, an "Interest Reset Period") and the dates on which such interest rate will be reset (each, an "Interest Reset Date"). Unless otherwise specified in the applicable Pricing Supplement, the Interest Reset Date will be, in the case of Floating Rate Notes which reset: (i) daily, each Business Day; (ii) weekly, the Wednesday of each week (with the exception of weekly reset Floating Rate Notes as to which the Treasury Rate is an applicable Interest Rate Basis, which will reset the Tuesday of each week); (iii) monthly, the third Wednesday of each month (with the exception of monthly reset Floating Rate Notes as to which the Eleventh District Cost of Funds Rate is an applicable Interest Rate Basis, which will reset on the first calendar day of the month); (iv) quarterly, the third Wednesday of March, June, September and December of each year; (v) semiannually, the third Wednesday of the two months specified in the applicable Pricing Supplement; and (vi) annually, the third Wednesday of the month specified in the applicable Pricing Supplement; *provided, however,* that, with respect to Floating Rate/Fixed Rate Notes, the fixed rate of interest in effect for the period from the Fixed Rate Commencement Date until Maturity shall be the Fixed Interest Rate or the interest rate in effect on the Business Day immediately preceding the Fixed Rate Commencement Date, as specified in the applicable Pricing Supplement and no Interest Reset Date will occur after the Fixed Rate Commencement Date. If an Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date will be subject to adjustment in accordance with the business day convention specified in the applicable Pricing Supplement, which may be either the Floating Rate Convention, the Following Business Day Convention, the Modified Following Business Day Convention or the Preceding Business Day Convention as described under "Interest Payment Dates" below.

The interest rate applicable to each day in an Interest Reset Period will be the rate determined by the Calculation Agent as of the Interest Determination Date immediately preceding the Interest Reset Date on which such Interest Reset Period commenced. Unless otherwise specified in the applicable Pricing Supplement, the Interest Determination Date with respect to the CMT Rate, the Commercial Paper Rate, the Federal Funds Rate, the J.J. Kenny Rate, the CD Rate and the Prime Rate will be the second Business Day preceding each Interest Reset Date; the Interest Determination Date with respect to the Eleventh District Cost of Funds Rate will be the last working day of the month immediately preceding each Interest Reset Date on which the Federal Home Loan Bank of San Francisco (the "FHLB of San Francisco") publishes the Index (as defined herein); the Interest Determination Date with respect to EURIBOR will be the second TARGET Settlement Day (as defined below) preceding each Interest Reset Date; and the Interest Determination Date with respect to LIBOR will be the second London Banking Day (as defined herein) immediately preceding each Interest Reset Date, unless the Designated LIBOR Currency is British pounds sterling, in which case the Interest Determination Date will be the applicable Interest Reset Date. With respect to the Treasury Rate, the Interest Determination Date will be the day in the week in which the related Interest Reset Date falls on which day Treasury Bills (as defined herein) are normally auctioned (Treasury Bills are normally sold at auction on Monday of each week, unless the day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday); *provided, however,* that if an auction is held on the Friday of the week preceding the related Interest Reset Date, the related Interest Determination Date will be such preceding Friday; and provided, further, that if the Interest Determination Date falls on any Interest Reset Date, then such Interest Reset Date will be postponed to the next succeeding Business Day. The Interest Determination Date pertaining to a Floating Rate Note the interest rate of which is determined with reference to two or more Interest Rate Bases will be the latest Business Day which is at least two Business Days prior to such Interest Reset Date for such Floating Rate Note on which each Interest Rate Basis is determinable. Each Interest Rate Basis will be determined on such date, and the applicable interest rate will take effect on the Interest Reset Date.

"TARGET Settlement Day" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open.

Interest Payment Dates

Each Floating Rate Note will bear interest on its principal amount (or, if it is a Partly Paid Note, the amount paid up) from and including its Original Issue Date at the rate determined as specified therein until the principal thereof is paid or otherwise made available for payment. Where "ISDA Rate" is specified in the applicable Pricing Supplement, interest will be payable on each Interest Payment Date specified in the applicable Pricing Supplement, or, if no express Interest Payment Dates are so specified, on each date which falls at the end of the number of months or other period specified as the Interest Payment Period in the applicable Pricing Supplement after the preceding Interest Payment Date (or after the Original Issue Date, in the case of the first such date). Except as provided below or in the applicable Pricing Supplement, where "Reference Rate Determination" is specified in the applicable Pricing Supplement, interest will be payable on, in the case of such Floating Rate Notes which reset: (i) daily, weekly or monthly, the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year, as specified in the applicable Pricing Supplement; (ii) quarterly, the third Wednesday of March, June, September and December of each year; (iii) semiannually, the third Wednesday of the two months of each year specified in the applicable Pricing Supplement; and (iv) annually, the third Wednesday of the month of each year specified in the applicable Pricing Supplement and, in each case, interest will be payable at Maturity. The dates on which interest in respect of a Floating Rate Note will be paid are referred to herein as "Interest Payment Dates".

If any Interest Payment Date (or other date which the applicable Pricing Supplement indicates is subject to adjustment in accordance with a business day convention) for any Floating Rate Note (other than an Interest Payment Date at Maturity) would otherwise fall on a day that is not a Business Day, then, if the business day convention specified in the applicable Pricing Supplement is:

(1) the "Floating Rate Convention," such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event (A) such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Payment Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) occurred; or

(2) the "Following Business Day Convention," such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day; or

(3) the "Modified Following Business Day Convention," such Interest Payment Date (or other date) shall be postponed to the next succeeding day which is a Business Day unless it would thereby fall into the next succeeding calendar month, in which event such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day, or

(4) the “Preceding Business Day Convention,” such Interest Payment Date (or other date) shall be brought forward to the next preceding Business Day.

If the Maturity of a Floating Rate Note falls on a day that is not a Business Day, the payment of principal, premium, if any, and interest will be made on the next succeeding Business Day, and no interest on such payment will accrue for the period from and after such Maturity.

Minimum and/or Maximum Interest Rate

A Floating Rate Note may also have either or both of the following: (i) a minimum numerical limitation, or floor, on the rate at which interest may accrue during any Interest Period (a “Minimum Interest Rate”); and (ii) a maximum numerical limitation, or ceiling, on the rate at which interest may accrue during any Interest Period (a “Maximum Interest Rate”). In addition to any Maximum Interest Rate that may be applicable to any Floating Rate Note pursuant to the above provisions, the interest rate on any Floating Rate Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under present New York law, the maximum rate of interest is 25% per annum on a simple interest basis. The limit does not apply to Notes in which U.S. $2,500,000 or more has been invested.

Calculation of Interest Payment

With respect to each Floating Rate Note, accrued interest is calculated by multiplying its face amount by an accrued interest factor. Such accrued interest factor is computed by adding the interest factor calculated for each day in the period for which interest is being calculated. Unless otherwise specified in the applicable Pricing Supplement, the interest factor for each such day will be computed on the basis of a 360-day year of twelve 30-day months if the day count convention specified in the applicable Pricing Supplement is “30/360” for the period specified thereunder, or by dividing the applicable per annum interest rate by 360 if the day count convention specified in the applicable Pricing Supplement is “Actual/360” for the period specified thereunder, or by dividing the applicable per annum interest rate by the actual number of days in the year if the day count convention specified in the applicable Pricing Supplement is “Actual/Actual” for the period specified thereunder. If no day count convention is specified in the applicable Pricing Supplement, the interest factor for each day in the relevant Interest Period will be computed, in the case of Notes for which an applicable Interest Rate Basis is the CMT Rate or the Treasury Rate and Notes denominated in Sterling, as if “Actual/Actual” has been specified therein and, in all other cases, as if “Actual/360” had been specified therein. Unless otherwise specified in an applicable Pricing Supplement, the interest factor for Notes for which the interest rate is calculated with reference to two or more Interest Rate Bases will be calculated in each period in the same manner as if only the applicable Interest Rate Basis specified in the applicable Pricing Supplement applied.

All percentages resulting from any calculation on Floating Rate Notes will be rounded to the nearest one hundred thousandth of a percentage point, with five one millionths of a percentage point rounded upwards (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all dollar amounts used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest cent or, in the case of a Specified Currency other than U.S. Dollars, to the nearest unit (with one-half cent or unit being rounded upwards).

Unless otherwise provided in the applicable Pricing Supplement, the Global Agent will be the “Calculation Agent.” Where “Reference Rate Determination” is specified in the applicable Pricing Supplement, the “Calculation Date,” if applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date, or, if such day is not a Business Day, the next succeeding Business Day and (ii) the Business Day immediately preceding the applicable Interest Payment Date or Maturity, as the case may be. The determination of any interest rate by the Calculation Agent will be final and binding absent manifest error.

Upon request of the holder of any Floating Rate Note, the Calculation Agent will provide the interest rate then in effect and, if determined, the interest rate that will become effective as a result of a determination made for the next Interest Period with respect to such Floating Rate Note. The Calculation Agent will notify the Bank and any stock exchange on which the relevant Floating Rate Notes are for the time being listed of the interest rate, interest amount and the relevant Interest Payment Date, and, if and so long as the rules of any such stock exchange requires, will cause the same to be published as provided herein as soon as possible after their determination but in no event later than the fourth London Business Day thereafter.

CMT Rate. CMT Rate Notes will bear interest at the rates (calculated with reference to the CMT Rate and the Spread and/or Spread Multiplier, if any) specified in such CMT Rate Notes and any applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "CMT Rate" means, with respect to any Interest Determination Date (a "CMT Rate Interest Determination Date") :

(i) if "CMT Moneyline Telerate Page 7051" is the specified CMT Moneyline Telerate Page in the applicable Pricing Supplement, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified in the applicable Note as set forth in H.15(519) (as defined below) under the caption "Treasury Constant Maturities," as such yield is displayed on Moneyline Telerate (or any successor service) on page 7051 (or any other page as may replace such page on such service) ("Moneyline Telerate Page 7051") for such CMT Rate Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 7051, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the yield for United States Treasury securities at "constant maturity" having the Index Maturity specified in the applicable Pricing Supplement and for such CMT Rate Interest Determination Date as set forth in H.15(519) under the caption "Treasury Constant Maturities." If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the rate for the period of the Index Maturity specified in the applicable Note as may then be published by either the Federal Reserve Board or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate which would otherwise have been published in H.15(519). If the Federal Reserve Board or the United States Department of the Treasury does not publish a yield on United States Treasury securities at "constant maturity" having the Index Maturity specified in the applicable Pricing Supplement for such CMT Rate Interest Determination Date, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three leading primary United States government securities dealers in The City of New York (which may include the Agents or their affiliates) (each, a "Reference Dealer") selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable Pricing Supplement, a remaining term to maturity no more than 1 year shorter than the Index Maturity specified in the applicable Pricing Supplement and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Pricing Supplement, a remaining term to maturity closest to the Index Maturity specified in the applicable Pricing Supplement and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be based on the arithmetic mean of the bid prices obtained and neither the highest nor the lowest of such quotations shall be eliminated; *provided, however*, that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two such United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Pricing Supplement have remaining terms to maturity equally close to the Index Maturity specified in the applicable Pricing Supplement, the quotes for the Treasury security with the shorter original term to maturity will be used.

(ii) If “CMT Moneyline Telerate Page 7052” is the specified CMT Moneyline Telerate Page in the applicable Pricing Supplement, the CMT Rate on the CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as specified in the applicable Pricing Supplement, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Pricing Supplement as set forth in H.15(519) opposite the caption “Treasury Constant Maturities,” as such yield is displayed on Moneyline Telerate (or any successor service) on page 7052 (or any other page as may replace such page on such service) (“Moneyline Telerate Page 7052”) for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls. If such rate does not appear on the Moneyline Telerate Page 7052, the CMT Rate on such CMT Rate Interest Determination Date shall be a percentage equal to the one-week or one-month, as applicable, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Pricing Supplement for the week or month, as applicable, preceding such CMT Rate Interest Determination Date as set forth in H.15(519) opposite the caption “Treasury Constant Maturities.” If such rate does not appear in H.15(519), the CMT Rate on such CMT Rate Interest Determination Date shall be the one-week or one-month, as applicable, average yield for United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Pricing Supplement as otherwise announced by the Federal Reserve Bank of New York for the week or month, as applicable, ended immediately preceding the week or month, as applicable, in which such CMT Rate Interest Determination Date falls. If the Federal Reserve Bank of New York does not publish a one-week or one-month, as applicable, average yield on United States Treasury securities at “constant maturity” having the Index Maturity specified in the applicable Pricing Supplement for the applicable week or month, the CMT Rate on such CMT Rate Interest Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices at approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity equal to the Index Maturity specified in the applicable Pricing Supplement, a remaining term to maturity of no more than 1 year shorter than the Index Maturity specified in the applicable Pricing Supplement and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated. If fewer than three prices are provided as requested, the CMT Rate on such CMT Rate Interest

Determination Date shall be calculated by the Calculation Agent and shall be a yield-to-maturity based on the arithmetic mean of the secondary market bid prices as of approximately 3:30 p.m., New York City time, on such CMT Rate Interest Determination Date of three Reference Dealers selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)) for United States Treasury securities with an original maturity longer than the Index Maturity specified in the applicable Pricing Supplement, a remaining term to maturity closest to the Index Maturity specified in the applicable Pricing Supplement and in a principal amount that is representative for a single transaction in such securities in such market at such time. If fewer than five but more than two such prices are provided as requested, the CMT Rate on such CMT Rate Interest Determination Date shall be the rate on the CMT Rate Interest Determination Date calculated by the Calculation Agent based on the arithmetic mean of the bid prices obtained and neither the highest nor lowest of such quotations shall be eliminated; *provided, however,* that if fewer than three such prices are provided as requested, the CMT Rate determined as of such CMT Rate Interest Determination Date shall be the CMT Rate in effect on such CMT Rate Interest Determination Date. If two United States Treasury securities with an original maturity greater than the Index Maturity specified in the applicable Pricing Supplement have remaining terms to maturity equally close to the Index Maturity specified in the applicable Pricing Supplement, the quotes for the Treasury security with the shorter original term to maturity will be used.

"H.15(519)" means the weekly statistical release designated as such, or any successor publication, published by the Federal Reserve Board.

Commercial Paper Rate*.* Commercial Paper Rate Notes will bear interest at the rates (calculated with reference to the Commercial Paper Rate and the Spread and/or Spread Multiplier, if any) specified in such Commercial Paper Rate Notes and any applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Commercial Paper Rate" means with respect to any Interest Determination Date, the Money Market Yield (as defined below) of the rate on that date for commercial paper having the Index Maturity designated in the applicable Pricing Supplement as published in H.15(519) under the heading "Commercial Paper-Nonfinancial." In the event that such rate is not published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Commercial Paper Rate shall be the Money Market Yield of the rate on that Interest Determination Date for commercial paper having the Index Maturity designated in the applicable Pricing Supplement as published by the Federal Reserve Bank of New York in its daily statistical release, "Composite 3:30 p.m. Quotations for U.S. Government Securities" ("Composite Quotations"), under the heading "Commercial Paper." If by 3:00 p.m., New York City time, on such Calculation Date such rate is not yet published in Composite Quotations, the Commercial Paper Rate for that Interest Determination Date shall be calculated by the Calculation Agent and shall be the Money Market Yield of the arithmetic mean of the offered rates of three leading dealers of commercial paper in The City of New York selected by the Calculation Agent (after consultation with the Bank) as of 11:00 a.m., New York City time, on that Interest Determination Date, for commercial paper having the Index Maturity designated in the applicable Pricing Supplement placed for an industrial issuer whose senior unsecured bond rating is "Aa", or the equivalent, from a nationally recognized rating agency; *provided, however,* that if the dealers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Commercial Paper Rate for the applicable Interest Reset Period will be the same as the Commercial Paper Rate in effect on such Interest Determination Date.

"Money Market Yield" means a yield (expressed as a percentage) calculated in accordance with the following formula:

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

where "D" refers to the applicable per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal, and "M" refers to the actual number of days in the applicable Interest Reset Period.

Eleventh District Cost of Funds Rate*.* Eleventh District Cost of Funds Rate Notes will bear interest at the rates (calculated with reference to the Eleventh District Cost of Funds Rate and the Spread and/or Spread Multiplier, if any) specified in such Eleventh District Cost of Funds Rate Notes and any applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "Eleventh District Cost of Funds Rate" means, with respect to any Interest Determination Date relating to an Eleventh District Cost of Funds Rate Note or any Floating Rate Note for which the interest rate is determined with reference to the Eleventh District Cost of Funds Rate (an "Eleventh District Cost of Funds Rate Interest Determination Date"), the rate equal to the monthly weighted average cost of funds for the calendar month immediately preceding the month in which such Eleventh District Cost of Funds Rate Interest Determination Date falls, as set forth under the caption "11th District" on Moneyline Telerate Page 7058 as of 11:00 a.m., San Francisco time, on such Eleventh District Cost of Funds Rate Interest Determination Date. If such rate does not appear on Moneyline Telerate Page 7058 on any related Eleventh District Cost of Funds Rate Interest Determination Date, the Eleventh District Cost of Funds Rate for such Eleventh District Cost of Funds Rate Interest Determination Date shall be the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District that was most recently announced (the "Index") by the FHLB of San Francisco as such cost of funds for the calendar month immediately preceding the date of such announcement. If the FHLB of San Francisco fails to announce such rate for the calendar month immediately preceding such Eleventh District Cost of Funds Rate Interest Determination Date, then the Eleventh District Cost of Funds Rate determined as of such Eleventh District Cost of Funds Rate Interest Determination Date shall be the Eleventh District Cost of Funds Rate in effect on such Eleventh District Cost of Funds Rate Interest Determination Date.

"Moneyline Telerate Page 7058" means the display designated as page "7058" on the Moneyline Telerate Inc. (or such other page as may replace the 7058 page on that service for the purpose of displaying the monthly weighted average cost of funds paid by member institutions of the Eleventh Federal Home Loan Bank District).

Federal Funds Rate*.* Federal Funds Rate Notes will bear interest at the rates (calculated with reference to the Federal Funds Rate and the Spread and/or Spread Multiplier, if any) specified in such Federal Funds Rate Notes and any applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Federal Funds Rate" means, with respect to any Interest Determination Date, the rate on that day for Federal Funds as published in H.15(519) under the heading "Federal Funds (Effective)" or, if not so published by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Federal Funds Rate will be calculated by the Calculation Agent and will be the arithmetic mean of the rates for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York selected by the Calculation Agent (after consultation with the Bank) as of 9:00 a.m., New York City time, on such Interest Determination Date; *provided, however,* that if the brokers selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the

Federal Funds Rate determined as of such Interest Determination Date shall be the Federal Funds Rate in effect on such Interest Determination Date.

J.J. Kenny Rate Notes. J.J. Kenny Rate Notes will bear interest at the rates (calculated with reference to the J.J. Kenny Rate and the Spread and/or Spread Multiplier, if any) specified in such J.J. Kenny Rate Notes and any applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, the "J.J. Kenny Rate" means, with respect to any Interest Determination Date relating to a J.J. Kenny Note or any Floating Rate Note for which the interest rate is determined with reference to the J.J. Kenny Rate (a "J.J. Kenny Rate Interest Determination Date"), the rate in the high grade weekly index (the "Weekly Index") on such date made available by Kenny Information Systems ("Kenny") to the Calculation Agent. The Weekly Index Maturity is, and shall be, based upon 30-day yield evaluations at par of bonds, the interest of which is exempt from Federal income taxation under the Internal Revenue Code of 1986, as amended, of not less than five high grade component issuers selected by Kenny which shall include, without limitation, issuers of general obligation bonds. The specific issuers included among the component issuers may be changed from time to time by Kenny in its discretion. The bonds on which the Weekly Index is based shall not include any bonds on which the interest is subject to a minimum tax or similar tax under the Internal Revenue Code of 1986, as amended, unless all tax-exempt bonds are subject to such tax. In the event Kenny ceases to make available such Weekly Index, a successor indexing agent will be selected by the Calculation Agent, such index to reflect the prevailing rate for bonds rated in the highest short-term rating category by Moody's Investors Service, Inc. and Standard & Poor's Ratings Group in respect of issuers most closely resembling the high grade component issuers selected by Kenny for its Weekly Index, the interest on which is (i) variable on a weekly basis, (ii) exempt from Federal income taxation under the Internal Revenue Code of 1986, as amended, and (iii) not subject to a minimum tax or similar tax under the Internal Revenue Code of 1986, as amended, unless all tax-exempt bonds are subject to such tax. If such successor indexing agent is not available, the rate for any J.J. Kenny Interest Determination Date shall be 67% of the rate determined if the Treasury Rate option had been originally selected. The Calculation Agent shall calculate the J.J. Kenny Rate in accordance with the foregoing.

EURIBOR. EURIBOR Notes will bear interest at the rates (calculated with reference to the European Interbank Offered Rate for deposits in Euro or "EURIBOR," and the Spread and/or Spread Multiplier, if any) specified in such EURIBOR Notes and any applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "EURIBOR" means, with respect to any Interest Determination Date relating to a Floating Rate Note for which the interest rate is determined with reference to "EURIBOR":

(i) the rate for deposits in Euro as sponsored, calculated and published jointly by the European Banking Federation and ACI — The Financial Market Association, or any company established by the joint sponsors for purposes of compiling and publishing those rates, having the Index Maturity specified in the applicable Pricing Supplement, commencing on the applicable Interest Reset Date, as that rate appears on Moneyline Telerate, Inc., or any successor service, on page 248 (or any other page as may replace such page on such service) ("Moneyline Telerate Page 248") as of 11:00 a.m., Brussels time, on the applicable Interest Determination Date.

(ii) if the rate referred to in clause (i) above does not appear on Moneyline Telerate Page 248, or is not so published by 11:00 a.m., Brussels time, on the applicable EURIBOR Interest Determination Date, EURIBOR for such Interest Determination Date will be the rate calculated by the Calculation Agent as the arithmetic mean of at least two quotations obtained by the Calculation Agent after requesting the principal Euro-zone (as defined hereinafter) offices of four major banks in the Euro-zone interbank market, in the European interbank market, to provide the Calculation Agent with its offered quotation for deposits in Euro for the period of the Index Maturity designated in the applicable Pricing Supplement, commencing on the applicable Interest Reset Date, to prime banks in the Euro-zone interbank market at approximately 11:00 a.m., Brussels time, on the applicable Interest Determination Date and in a principal amount not less than the equivalent of US$1,000,000 in Euros that is representative for a single transaction in Euro in such market at such time.

(iii) if fewer than two quotations referred to in clause (ii) above are so provided, the rate on the applicable Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., Brussels time, on such Interest Determination Date by four major banks in the Euro-zone for loans in Euro to leading European banks, having the Index Maturity designated in the applicable Pricing Supplement, commencing on the applicable Interest Reset Date and in principal amount not less than the equivalent of US$1,000,000 in Euros that is representative for a single transaction in Euro in such market at such time.

(iv) if the banks so selected by the Calculation Agent are not quoting as mentioned in clause (iii) above, EURIBOR determined as of such Interest Determination Date will be EURIBOR in effect on such Interest Determination Date.

"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 by the Treaty on European Union.

LIBOR. LIBOR Notes will bear interest at the rates (calculated with reference to LIBOR and the Spread and/or Spread Multiplier, if any) specified in such LIBOR Notes and any applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "LIBOR" will be determined by the Calculation Agent in accordance with the following provisions:

(i) With respect to a Interest Determination Date, LIBOR will be either: (a) if "LIBOR Reuters" is specified in the applicable Pricing Supplement, the arithmetic mean of the offered rates (unless the specified Designated LIBOR Page (as defined below) by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Index Currency having the Index Maturity designated in the applicable Pricing Supplement, commencing on such Interest Determination Date, that appear on the Designated LIBOR Page as of 11:00 a.m., London time, on that Interest Determination Date, if at least two such offered rates appear (unless, as aforesaid, only a single rate is required) on such Designated LIBOR Page, or (b) if "LIBOR Telerate" is specified in the applicable Pricing Supplement, or if such Pricing Supplement does not specify a source, the rate for deposits in the Index Currency having the Index Maturity designated in the applicable Pricing Supplement, commencing on such Interest Determination Date, that appears in the applicable Pricing Supplement. If fewer than two offered rates appears (if "LIBOR Reuters" is specified in the applicable Pricing Supplement) or no rate appears (if "LIBOR Telerate" is specified in the applicable Pricing Supplement), LIBOR in respect of the related Interest Determination Date will be determined as if the parties had specified the rate described in clause (ii) below.

(ii) With respect to an Interest Determination Date on which fewer than two offered rates appear (if "LIBOR Reuters" is specified in the applicable Pricing Supplement) or no rate appears (if "LIBOR Telerate" is specified in the applicable Pricing Supplement), the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity designated in the applicable Pricing Supplement, commencing on the second London Banking Day immediately following such Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such Interest Determination Date, and in a principal amount of not less than $1,000,000 (or the equivalent in the Index Currency, if the Index Currency is not the U.S. dollar) that is representative for a single transaction in such Index Currency in such market at such time. If at least two such quotations are provided, LIBOR determined on such Interest Determination Date will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR determined on such Interest Determination Date will be the arithmetic mean of the rates quoted at approximately 11:00 a.m. (or such other time specified in the applicable Pricing Supplement), in the applicable principal financial center for the country of the Index Currency on such Interest Determination Date, by three major banks in such principal financial center selected by the Calculation Agent for loans in the Index Currency to leading European banks having the Index Maturity designated in the applicable Pricing Supplement and in a principal amount of not less than $1,000,000 (or the equivalent in the Index Currency, if the Index Currency is not the U.S. dollar) commencing on the second London Banking Day immediately following such Interest Determination Date that is representative for a single transaction in such Index Currency in such market at such time; *provided, however*, that if the banks so elected by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR with respect to such Interest Determination Date will be LIBOR in effect on such Interest Determination Date.

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

"Designated LIBOR Page" means either (a) if "LIBOR Reuters" is designated in the applicable Pricing Supplement, the display on the Reuters Monitor Money Rates Service for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency, or (b) if "LIBOR Telerate" is designated in the applicable Pricing Supplement, the display on the Moneyline Telerate, Inc. for the purpose of displaying the London interbank rates of major banks for the applicable Index Currency. If neither LIBOR Reuters nor LIBOR Telerate is specified in the applicable Pricing Supplement, LIBOR for the applicable Index Currency will be determined as if LIBOR Telerate (and, if the U.S. dollar is the Index Currency, Page 3750) had been specified.

CD Rate. CD Rate Notes will bear interest at the rates (calculated with reference to the CD Rate and the Spread and/or Spread Multiplier, if any) as specified in such CD Rate Note and any applicable Pricing Supplement.

Unless otherwise specified in the applicable Pricing Supplement, "CD Rate" means, with respect to any Interest Determination Date relating to a CD Rate Note or any Floating Rate Note for which the interest rate is determined with reference to the CD Rate, the rate on such date for negotiable United States dollar certificates of deposit having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) under the heading "CDs (secondary market)" or, if not so published by 3:00 p.m., New York City time, on the related Calculation Date, the rate on such Interest Determination Date for negotiable United States dollar certificates of deposit of the Index Maturity specified in the applicable Pricing Supplement as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "CDs (secondary market)." If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the related Calculation Date, then the CD Rate on such Interest Determination Date will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary market offered rates as of 10:00 a.m., New York City time, on such Interest Determination Date, of three leading nonbank dealers in negotiable United States dollar certificates of deposit in The City of New York (which may include the Dealers or their affiliates) selected by the Calculation Agent for negotiable United States dollar certificates of deposit of major United States money market banks for negotiable certificates of deposit with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement in an amount that is representative for a single transaction in that market at that time; *provided, however,* that if the dealers so selected by the Calculation Agent are not quoting as mentioned in this sentence, the CD Rate determined as of such Interest Determination Date will be the CD Rate in effect on such Interest Determination Date.

***Prime Rate*.** Prime Rate Notes will bear interest at the rates (calculated with reference to the Prime Rate and the Spread and/or Spread Multiplier, if any) specified in such Prime Rate Notes and any applicable Pricing Supplement.

Unless otherwise indicated in the applicable Pricing Supplement, "Prime Rate" means, with respect to any Interest Determination Date, the rate published on such date in H.15(519) under the heading "Bank Prime Loan," or if not published prior to 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, as published in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, under the caption "Bank Prime Loan." If such rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the Reuters Screen USPRIME1 Page (as defined herein) as such bank's prime rate or base lending rate in effect as of 11:00 a.m., New York City time, for that Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME1 Page by 3:00 p.m., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the Prime Rate will be determined by the Calculation Agent and will be the arithmetic mean of the prime rates or base lending rates quoted on the basis of the actual number of days in the year divided by a 360-day year as of the close of business on such Interest Determination Date by three major money center banks in The City of New York selected by the Calculation Agent; *provided, however,* that if the banks or trust companies selected as aforesaid are not quoting as set forth above, the Prime Rate determined as of such Interest Determination Date will be the Prime Rate in effect on such Interest Determination Date.

"Reuters Screen USPRIME1 Page" means the display designated as page "USPRIME1" on the Reuters Monitor Money Rates Service (or such other page as may replace such display on that service for the purpose of displaying prime rates or base lending rates of major United States banks).

Treasury Rate. Treasury Rate Notes will bear interest at the rates (calculated with reference to the Treasury Rate and the Spread and/or Spread Multiplier, if any) specified in such Treasury Rate Notes and any applicable Pricing Supplement.

Unless otherwise specified in the applicable pricing supplement, the "Treasury Rate" for any Interest Determination Date is the rate set at the most recent auction of direct obligations of the United States ("Treasury bills") having the Index Maturity designated in the applicable Pricing Supplement, as it appears on Telerate Page 56 or 57 by 3:00 p.m., New York City time, on the Calculation Date pertaining to that Interest Determination Date under the heading "INVESTMENT RATE". For purposes of this offering circular, "Telerate Page 56 or 57" means the display on Moneyline Telerate Inc. (or any successor service) on page 56 or 57 or any other page that replaces the applicable page on that service for the purpose of displaying the rate for the most recent auction of Treasury bills.

The Calculation Agent will follow the procedures below if the Treasury Rate cannot be determined as described above:

(i) If the above rate does not appear on Telerate Page 56 or 57 by 3:00 p.m., New York City time, on the Calculation Date, the Treasury Rate will be the rate of those Treasury bills having the Index Maturity specified in the applicable Pricing Supplement, as published in H.15 Daily Update under the heading "U.S. Government Securities/Treasury bills/Auction high" or in another recognized electronic source used for the purpose of displaying that rate. That rate will be expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis.

(ii) If the above rate is not published in H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the Treasury Rate will be the auction rate. The auction rate will be expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis as otherwise announced by the United States Department of the Treasury.

(iii) If the results of the most recent auction of treasury bills having the Index Maturity designated in the applicable Pricing Supplement are not published or announced as described above by 3:00 p.m., New York City time, on the Calculation Date, or if no auction is held in a particular week, the Treasury Rate will be the rate expressed as a bond equivalent on the basis of a year or 365 or 366 days, as applicable, and applied on a daily basis of those Treasury bills having the Index Maturity specified in the applicable Pricing Supplement as published in H.15(519) (or if not published in H.15(519), in H.15 Daily Update) under the heading "U.S. Government Securities/Treasury bills/Secondary market" or in another recognized electronic source used for the purpose of displaying that rate.

(iv) If the above rate is not published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time on the Calculation Date, then the Calculation Agent will determine the Treasury Rate to be a yield to maturity of the average of the secondary market bid rates, as of approximately 3:30 p.m., New York City time, on the Interest Determination Date of three leading primary United States government securities dealers selected by the Calculation Agent for the issue of Treasury bills with a remaining maturity closest to the Index Maturity specified in the applicable Pricing Supplement. The yield to maturity will be expressed as a bond equivalent, on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis.

(v) If fewer than three dealers selected by the Calculation Agent are quoting as mentioned above, the Treasury Rate will be the Treasury Rate in effect on that Interest Determination Date.

Original Issue Discount Notes *(including Zero Coupon Notes)*

Notes may be issued at a price less than their principal amount payable at Maturity, resulting in such Notes being treated as if they were issued with original issue discount for United States Federal income tax purposes ("Original Issue Discount Notes"). Such Original Issue Discount Notes may currently pay no interest or interest at a rate which at the time of issuance is below market rates. See "Certain United States Federal Income Tax Considerations." In the event of redemption, repayment or acceleration of maturity, the amount payable to the holder of an Original Issue Discount Note will, unless otherwise provided in the Pricing Supplement, be equal to (i) the Amortized Face Amount thereof determined as of the date of such redemption, repayment or acceleration, plus (ii) with respect to any redemption of an Original Issue Discount Note (other than for tax reasons), the Initial Redemption Percentage specified in the applicable Pricing Supplement (as adjusted by the Annual Redemption Percentage Reduction, if applicable) minus 100% multiplied by the Issue Price of such Note specified in the applicable Pricing Supplement (the "Issue Price"), net of any portion of such Issue Price which has been paid prior to the date of redemption, or the portion of the Issue Price (or the net amount) proportionate to the portion of the unpaid principal amount to be redeemed, plus (iii) any accrued interest to the date of such event the payment of which would constitute qualified stated interest payments within the meaning of United States Treasury Regulation 1.1273-1(c). The "Amortized Face Amount" of an Original Issue Discount Note means an amount equal to the sum of (i) the Issue Price thereof plus (ii) the aggregate of the portions of the original issue discount (the excess of the amounts considered as part of the "stated redemption price at maturity" of such Note within the meaning of Section 1273(a)(2) of the Code, whether denominated as principal or interest, over the Issue Price) which shall theretofore have accrued pursuant to Section 1272 of the Code (without regard to Section 1272(a)(7) of the Code) from the Original Issue Date of such Note to the date of determination, minus (iii) any amount considered as part of the "stated redemption price at maturity" of such Note which has been paid from the Original Issue Date to the date of determination. Certain additional considerations relating to any Original Issue Discount Notes may be described in the Pricing Supplement relating thereto.

Dual Currency Notes

The Bank may from time to time offer Notes ("Dual Currency Notes") with respect to which the Bank will have the option of making each scheduled payment of principal and interest due on such Notes in either the currency (the "Face Amount Currency") in which the face amount thereof (the "Face Amount") is specified in the applicable Pricing Supplement or another currency specified therein (the "Optional Payment Currency"). If the Bank elects to make a payment in the Optional Payment Currency, the amount payable in such Optional Payment Currency shall be determined using the exchange rate specified in the Pricing Supplement (the "Designated Exchange Rate"). If the Bank chooses to make any payment in the Optional Payment Currency instead of the Face Amount Currency, payments of interest and principal may be worth less, at the then current exchange rate, than if the Bank had made such payment in the Face Amount Currency. Accordingly, a holder of Dual Currency Notes may receive a principal payment at maturity which, at the then current exchange rate, is less than such holder's investment denominated in the Face Amount Currency. See "Currency Risks." Information as to the relative historical value of the applicable Face Amount Currency against the applicable Optional Payment Currency, any exchange controls applicable to such Face Amount Currency or Optional Payment Currency, and the tax consequences to owners of Dual Currency Notes, or beneficial interests therein, will be set forth in the applicable Pricing Supplement.

Scheduled Payments of Principal and Interest. Interest on a Dual Currency Note will be payable based on the Face Amount of such Dual Currency Note at the rate stated in the applicable Pricing Supplement on each Interest Payment Date until the principal thereof is paid or made available for payment. The principal amount of each Dual Currency Note will be payable at maturity.

The Pricing Supplement for each issuance of Dual Currency Notes will specify, among other things, the Face Amount of the Dual Currency Notes of such issuance, the Face Amount Currency and Optional Payment Currency of such issuance and the Designated Exchange Rate for such issuance, which will be a fixed exchange rate used for converting amounts denominated in the Face Amount Currency into amounts denominated in the Optional Payment Currency. The Pricing Supplement will also specify the Option Election Dates (as defined herein) and Interest Payment Dates for the related issue of Dual Currency Notes. Each "Option Election Date" will be approximately 10 days before an Interest Payment Date or the Stated Maturity Date, as the case may be, and will be the date on which the Bank must elect to make payments due on the related Interest Payment Date or the Stated Maturity Date in the Face Amount Currency or the Optional Payment Currency. If such election is made, notice of such election shall be provided within four Business Days of the Option Election Date and shall state (i) the Interest Payment Date or the Stated Maturity Date and (ii) the Designated Exchange Rate. Any such notice by the Bank, once given, may not be withdrawn. If the Bank elects on any Option Election Date to pay the amounts due on the succeeding Interest Payment Date in the Option Payment Currency, then it shall pay all amounts due with respect to the affected issue of Dual Currency Notes in the Optional Payment Currency on such Interest Payment Date or Stated Maturity Date. If the Bank does not elect on an Option Election Date to pay the amount due on the related Interest Payment Date or Stated Maturity Date in the Optional Payment Currency, then such payment shall be made in the Face Amount Currency and no notice of the manner of such payment will be given.

Payment Due Upon Redemption or Acceleration. If any Dual Currency Note is redeemed prior to its Stated Maturity Date, or if the payment of principal of and interest on any Dual Currency Note is accelerated in accordance with the provisions described below under the caption "Events of Default," then the Bank shall pay to the holder of such Dual Currency Note on the redemption date or the date of acceleration an amount equal to (i) the Face Amount thereof in the Face Amount Currency plus accrued interest in such currency to but excluding the redemption date or date of acceleration, as the case may be, minus (ii) the Total Option Value (as defined herein) multiplied by a fraction, the numerator of which is the Face Amount of such Dual Currency Note and the denominator of which is the aggregate Face Amount of all Dual Currency Notes of the same Tranche as such Dual Currency Note.

The "Total Option Value" of any Dual Currency Note is an amount (calculated as of the date (the "Option Value Calculation Date") on which the Bank notifies the Global Agent that such Dual Currency Note will be redeemed, or the date of acceleration, as the case may be, by the option value calculation agent designated in the applicable Pricing Supplement (the "Option Value Calculation Agent")) equal to the sum of the Option Values (calculated as of such date by the Option Value Calculation Agent) for all Interest Payment Dates occurring after the Option Value Calculation Date up to and including the Stated Maturity Date. The "Option Value" for an Interest Payment Date is the amount calculated by the Option Value Calculation Agent to be the arithmetic mean of the prices quoted on the Option Value Calculation Date by three reference banks (which banks shall be selected by the Option Value Calculation Agent and shall be reasonably acceptable to the Bank) for the right on the Option Election Date immediately preceding such Interest Payment Date to purchase for value on such Interest Payment Date from such reference banks (A) the aggregate amount of the Face Amount Currency due on such Interest Payment Date with respect to all of the Dual Currency Notes of the same Tranche as such Dual Currency Note in exchange for (B) the amount of the Optional Payment Currency that would be received if the amount in clause (A) were converted into the Optional Payment Currency at the Designated Exchange Rate.

Prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Dual Currency Notes. Dual Currency Notes are not an appropriate investment for investors who are unsophisticated with respect to foreign currency transactions.

Indexed Notes

"Indexed Notes" are Notes pursuant to which the amount of principal, premium, if any and/or interest payable is to be determined with reference to the price or prices of specified commodities or stocks or other securities, the exchange rate of one or more specified currencies relative to an indexed currency or such other price, exchange rate or interest index, as set forth in the applicable Pricing Supplement or other supplement to the Offering Circular. In certain cases, holders of Indexed Notes may receive a principal amount at Maturity that is greater than or less than the face amount of the Notes depending upon the relative value at Maturity of the specified index or indexed item. Information as to the method for determining the amount of principal, premium, if any, or interest payable in respect of Indexed Notes, certain historical information with respect to the specified index or indexed item and tax considerations associated with investment in such Indexed Notes will be set forth in the applicable Pricing Supplement or other supplement to the Offering Circular.

Certain Risks Related to Indexed Notes

An investment in Notes indexed, as to principal, premium, if any, or interest, to one or more values of currencies (including exchange rates between currencies), commodities, securities or interest rate indices entails significant risks that are not associated with similar investments in a conventional fixed-rate debt security. If the interest rate of an Indexed Note is so indexed, it may result in an interest rate that is less than that payable on a conventional fixed-rate debt security issued at the same time, including the possibility that no interest will be paid, and, if the principal of and/or premium, if any, on an Indexed Note is so indexed, the amount of principal payable in respect thereof may be less than the original purchase price of such Indexed Note if allowed pursuant to the terms thereof, including the possibility that no such amount will be paid. There can be no assurance that there will be a secondary market for Indexed Notes or liquidity in the secondary market if one develops. The secondary market, if any, for Indexed Notes will be affected by a number of factors, independent of the creditworthiness of the Bank and the value of the applicable currency, commodity, security or interest rate index, including the volatility of the applicable currency, commodity, security or interest rate index, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, commodity or interest rate index depends on a number of interrelated factors, including economic, financial and political events, over which the Bank has no control. Additionally, if the formula used to determine the amount of principal, premium, if any, or interest payable with respect to Indexed Notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity, security or interest rate index will be increased. The historical experience of the relevant currencies, commodities, securities or interest rate indices should not be taken as an indication of future performance of such currencies, commodities, securities or interest rate indices during the term of any Indexed Note.

Any credit ratings assigned to the Bank's Global Bank Note program are a reflection of the Bank's credit status and in no way are a reflection of the potential impact of the factors discussed above, or any other factors, on the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks entailed by an investment in Indexed Notes and the suitability of Indexed Notes in light of their particular circumstances.

Partly Paid Notes

The Notes may be issued with the issue price thereof payable in two or more installments ("Partly Paid Notes"), as specified in the applicable Pricing Supplement.

Payment of Principal, Premium and Interest

The Bank is obligated to make payments of principal of and premium, if any, and interest on all Notes in the applicable Specified Currency (or, if such Specified Currency is not at the time of such payment legal tender for the payment of public and private debts, in such other coin or currency of the country which issued such Specified Currency as at the time of such payment is legal tender for the payment of debts). Any such amounts to be paid by the Bank in respect of DTC Global Notes denominated other than in U.S. Dollars will, unless otherwise specified in the applicable Pricing Supplement, be converted by the Global Agent or such other agent as may be specified in the applicable Pricing Supplement, which for these purposes shall act as Exchange Agent, into U.S. Dollars for payment to the Beneficial Owners of interests in such Notes ("DTC Beneficial Owners"). However, unless otherwise specified in the applicable Pricing Supplement, the DTC Beneficial Owner may elect to receive such payments in the applicable Specified Currency (if other than U.S. Dollars) as hereinafter described.

The U.S. Dollar amount to be received by a holder of a DTC Global Note denominated other than in U.S. Dollars will be based on the Exchange Agent's bid quotation as of 11:00 a.m., London time, on the second day on which banks are open for business in London and New York City preceding the applicable payment date, for the purchase of U.S. Dollars with the Specified Currency for settlement on such payment date of the aggregate amount of the Specified Currency payable to all holders of DTC Global Notes denominated other than in U.S. Dollars scheduled to receive U.S. Dollar payments. If such bid quotation is not available, the Exchange Agent will obtain a bid quotation from a leading foreign exchange bank in London or New York City selected by the Exchange Agent for such purchase. If no such bids are available, payment of the aggregate amount due to all holders of DTC Global Notes on the payment date will be made in the Specified Currency. All currency exchange costs will be borne by the holder of such DTC Global Note by deductions from such payments.

A DTC Beneficial Owner may elect to receive wire transfer payment of principal of, or premium, if any, or interest with respect to, the Notes in the Specified Currency by notifying DTC prior to 5:00 p.m., New York City time, on the third Business Day following the applicable Record Date in the case of interest, and the twelfth calendar day prior to the payment date for the payment of principal, of (i) such owner's election to receive all or a portion of such payment in the Specified Currency for value on the relevant Interest Payment Date or Maturity, as the case may be, and (ii) wire transfer instructions to an account denominated in the Specified Currency with respect to any payment to be made in the Specified Currency. Such election shall be made by the DTC Beneficial Owner and any such election in respect of that payment shall be irrevocable. An indirect DTC participant must notify the DTC participant through which it is holding its interest in a DTC Global Note of such election and wire transfer instructions prior to 5:00 p.m., New York City time, on the first Business Day following the applicable Record Date. DTC will notify the Global Agent of such election and wire transfer instructions prior to 5:00 p.m., New York City time, on the fifth Business Day following the applicable Record Date in the case of interest and the tenth calendar day prior to the payment date for the payment of principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC, and by DTC to the Global Agent, on or prior to such dates, the DTC Beneficial Owner will receive payment in the Specified Currency outside the DTC system. Otherwise only U.S. Dollar payments will be made by the Global Agent. Payments in the Specified Currency outside the DTC system will be made by wire transfer of same day funds in accordance with the relevant wire transfer instructions for value on the relevant payment date.

Interest on a Registered Note will be paid generally to the person in whose name such Note (or any predecessor Note) is registered (which, in the case of Registered Global Notes, will be DTC, its nominee or a nominee of Euroclear and Clearstream, Luxembourg) at the close of business on the Record Date next preceding the applicable Interest Payment Date; *provided, however,* that interest payable at Maturity will be payable to the person to whom principal shall be payable (which, in the case of Registered Global Notes, will be DTC, its nominee or a nominee of Euroclear and Clearstream, Luxembourg). The first payment of interest on any Registered Note originally issued between a Record Date and the Interest Payment Date immediately following such Record Date will be made on the second Interest Payment Date following the Original Issue Date of such Note to the registered holder on the Record Date immediately preceding such second Interest Payment Date. Unless otherwise specified in the applicable Pricing Supplement, a "Record Date" with respect to any Note shall be the fifteenth calendar day, whether or not a Business Day, immediately preceding the related Interest Payment Date. Any interest not punctually paid or duly provided for ("Defaulted Interest") shall forthwith cease to be payable to the holder thereof on the applicable Record Date, and shall instead be payable to the person in whose name such Note is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to be fixed by the Global Agent, notice whereof shall be given by the Global Agent to the holder of such Note as described herein not less than 15 days prior to such Special Record Date.

Payment of the principal of and premium, if any, and interest on any Definitive Registered Note at Maturity to be made in U.S. Dollars will be made in immediately available funds upon surrender of such Note at a specified office of a Paying Agent, provided that the Definitive Registered Note is presented to the Paying Agent in time for such Paying Agent to make such payments in immediately available funds in accordance with its normal procedures. Payments of interest on any Definitive Registered Note, other than at Maturity, will be payable by check mailed to the holder of such Note as of the Record Date with respect to such Interest Payment Date at the address shown in the Note Register; *provided, however,* that a holder of U.S.$10,000,000 or more in aggregate principal amount (or the equivalent thereof in other currencies) of Definitive Registered Notes, whether of the same or different Series, shall be entitled to receive payments of interest, other than interest due at Maturity, by wire transfer of immediately available funds if appropriate written wire transfer instructions have been received by the Global Agent not less than 16 days prior to the applicable Interest Payment Date.

The total amount of any principal, premium, if any, and interest due on any Registered Global Note on any Interest Payment Date or Maturity, as the case may be, will be made available to the Global Agent on such date. As soon as possible thereafter, the Global Agent will make such payment to the relevant clearing system.

Each such clearing system will credit its participants with payment in amounts proportionate to their respective beneficial interests in the principal amount of such Registered Global Note in accordance with its existing operating procedures. Neither the Bank nor the Global Agent shall have any responsibility or liability for such payments by the clearing system. So long as DTC, its nominee or a nominee of Euroclear and/or Clearstream, Luxembourg is the holder of any Registered Global Note, DTC, its nominee or the nominee of Euroclear and/or Clearstream, Luxembourg, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes. See "— Form of Notes and Registration."

Subject to any fiscal or other laws and regulations applicable thereto in the place of payment, payments on Registered Notes to be made in a Specified Currency other than in U.S. Dollars and payments on Bearer Notes will be made by transfer to an account in the Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or by a check in the Specified Currency drawn on, a bank (which, in the case of a payment in Yen to a non-resident of Japan, shall be an authorized foreign exchange bank) in the principal financial center of the country of the Specified Currency, provided however, a check may not be delivered to an address in, and an amount may not be transferred to an account at a bank located in, the United States of America or its possessions by any office or agency of the Bank, the Global Agent or any Paying Agent.

Payments of principal with respect to Definitive Bearer Notes will (except as provided below) be made against surrender of the relevant Definitive Bearer Notes and payments of interest with respect to Definitive Bearer Notes will (except as provided below) be made against surrender of the relevant Coupons, in each case at the specified office of any Paying Agent outside the United States and its possessions.

Payments of installments of principal with respect to Definitive Bearer Notes, other than the final installment, will (except as provided below) be made against presentation and surrender of the relevant Receipt. Each Receipt must be presented together with the Definitive Bearer Note to which it appertains for payment of the relevant installment of principal. If any Definitive Bearer Note is redeemed or becomes repayable prior to the Stated Maturity Date thereof, principal will be payable upon surrender of such Definitive Bearer Note together with all unmatured Receipts appertaining thereto. Receipts presented without the Definitive Bearer Note to which they appertain and unmatured Receipts do not constitute valid obligations of the Bank.

Definitive Bearer Notes (other than Floating Rate Notes, Dual Currency Notes or Indexed Notes) should be presented for payment of interest together with all unmatured Coupons appertaining thereto, failing which, the amount of any missing unmatured Coupon (or in the case of payment of principal not being made in full as a result of missing unmatured Coupons, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner described above against surrender of the relative missing Coupon at any time before the expiration of five years after the date on which such payment first becomes due. Upon any Definitive Bearer Note becoming due and repayable prior to its Stated Maturity Date, all unmatured Coupons and Talons, if any, appertaining thereto (whether or not attached) will become void and no payment will be made in respect thereof.

Payments of principal, premium, if any, and interest, if any, with respect to Temporary Global Notes and Permanent Global Notes will, subject as provided below, be made in the manner specified above and otherwise in the manner specified in the relevant Temporary Global Note or Permanent Global Note against presentation or surrender, as the case may be, of such Temporary Global Note or Permanent Global Note at the specified office of the Global Agent. A record of each payment made against presentation or surrender of such Temporary Global Note or Permanent Global Note, distinguishing between any payment of principal and premium, it any, and any payment of interest, will be made on such Temporary Global Note or Permanent Global Note by the Global Agent and such record shall be prima facie evidence that the payment in question has been made.

The holder of the relevant Temporary Global Note or Permanent Global Note shall be the only person entitled to receive payments with respect to Notes represented thereby and the Bank will be discharged by payment to, or to the order of, the holder of such Temporary Global Note or Permanent Global Note with respect to each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or another approved clearing system as the holder of a particular principal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg or such other clearing system, as the case may be, for his share of each payment so made by the Bank to, or to the order of, the holder of the relevant Temporary Global Note or Permanent Global Note. No person other than the holder of the relevant Temporary Global Note or Permanent Global Note shall have any claim against the Bank with respect to payments due thereon.

Notwithstanding the foregoing, payments with respect to Bearer Notes may be made at the specified office of a Paying Agent in the United States (which expression, as used herein, 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) if:

(i) the Bank has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount due with respect to the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount due with respect to the Bearer Notes at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Bank, adverse tax consequences to the Bank.

If the date for payment of any amount with respect to any Bearer Note, Receipt or Coupon is not a Payment Business Day in a place of presentation, the holder thereof shall not be entitled to payment until the next succeeding Payment Business Day in the relevant place and shall not be entitled to further interest or other payment with respect to such delay. For these purposes, unless otherwise specified in the applicable Pricing Supplement, "Payment Business Day" means any Business Day which is also a day on which commercial banks and foreign exchange markets settle payments in the relevant place of presentation.

Unavailability of Specified Currency

If the principal of, or premium, if any, or interest on any Note is payable in a Specified Currency other than U.S. Dollars which is not available due to the imposition of exchange controls or other circumstances beyond the control of the Bank, the Bank will be entitled to satisfy its obligations to holders of the Notes by making such payment in U.S. Dollars on the basis of the most recently available bid quotation from a leading foreign exchange bank in London or New York City selected by the Exchange Agent, for the purchase of U.S. Dollars with the Specified Currency for settlement on such payment date of the aggregate amount of the Specified Currency payable to all holders of Notes denominated other than in U.S. Dollars scheduled to receive U.S. Dollar payments (the "Market Exchange Rate"). Any payment made under such circumstances in U.S. Dollars where the required payment is other than in U.S. Dollars will not constitute an "Event of Default" under the Notes.

Additional Amounts

All payments of principal, premium, if any, and interest with respect to the Notes will be made without withholding or deduction at source for, or on account of, any present or future taxes, fees, duties, assessments or governmental charges of whatever nature imposed or levied by the United States or any political subdivision or taxing authority thereof or therein, unless such withholding or deduction is required by (i) the laws (or any regulations or rulings promulgated thereunder) of the United States or any political subdivision or taxing authority thereof or therein or (ii) an official position regarding the application, administration, interpretation or enforcement of any such laws, regulations or rulings (including, without limitation, a holding by a court of competent jurisdiction or by a taxing authority in the United States or any political subdivision thereof). If a withholding or deduction at source is required, the Bank will, subject to certain limitations and exceptions (set forth below), pay to a holder of Notes, Receipts or Coupons who is a United States Alien (as defined herein) such additional amounts ("Additional Amounts") as may be necessary so that every net payment of principal, premium, if any, or interest with respect to such Notes, Receipts or Coupons after such withholding or deduction, will not be less than the amount provided for in the Notes, Receipts or Coupons. However, the Bank shall not be required to make any payment of Additional Amounts for or on account of:

(a) any tax, fee, duty, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such Noteholder, Receiptholder or Couponholder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, Receiptholder or Couponholder, if such Noteholder, Receiptholder or Couponholder is an estate, trust, partnership or corporation) and the United States, including, without limitation, such Noteholder, Receiptholder or Couponholder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor) being or having been a citizen or resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein, or (ii) the presentation of a Note, Receipt or Coupon for payment on a date more than 15 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later;

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

(c) any tax, fee, duty, assessment or other governmental charge imposed by reason of such Noteholder's, Receiptholder's or Couponholder's past or present status as a personal holding company, foreign personal holding company or controlled foreign corporation with respect to the United States or as a corporation which accumulates earnings to avoid United States federal income tax;

(d) any tax, fee, duty, assessment or other governmental charge which is payable otherwise than by withholding from payments of principal or interest with respect to the Notes, Receipts or Coupons;

(e) any tax, assessment or other governmental charge imposed on interest received by anyone who (i) owns (actually or constructively) 10% or more of the total combined voting power of all classes of stock of the Bank, (ii) is a controlled foreign corporation for United States tax purposes that is related to the Bank through stock ownership or (iii) is a bank for United States tax purposes whose receipt of interest with respect to any Note, Receipt or Coupon is described in Section 881(c)(3)(A) of the Code;

(f) any tax, fee, duty, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States of the Noteholder, Receiptholder or Couponholder or of the beneficial owner of such Note, Receipt or Coupon, if such compliance is required by statute or by regulation of the United States Treasury Department as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(g) any tax, fee, duty, assessment or other governmental charge where such withholding or deduction is imposed on a payment to a holder and is required to be made pursuant to the European Union directive on the taxation of savings income (the "EU Directive") adopted by the European Council of Economic and Finance Ministers ("ECOFIN") meeting on June 3, 2003 or any law implementing or complying with, or introduced in order to conform to, the EU Directive;

(h) any Notes, Receipts or Coupons presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another paying agent in a member state of the European Union; or

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

nor shall Additional Amounts be paid to any holder of a Note, Receipt or Coupon who is a fiduciary or partnership or other than the sole beneficial owner of the Note, Receipt or Coupon to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner of the Note, Receipt or Coupon would not have been entitled to payment of the Additional Amounts had such beneficiary, settlor, member or beneficial owner been the holder of the Note, Receipt or Coupon.

The term “United States Alien” means any corporation, individual, fiduciary or partnership that for United States federal income tax purposes is a foreign corporation, nonresident alien individual, nonresident alien fiduciary of a foreign estate or trust, or foreign partnership one or more members of which is a foreign corporation, nonresident alien individual or nonresident alien fiduciary of a foreign estate or trust.

If the Bank shall determine, based upon a written opinion of independent counsel selected by the Bank, that any payment made outside the United States by the Bank or any of its Paying Agents of the full amount of the next scheduled payment of either principal, premium, if any, or interest due with respect to any 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 requirements of any kind, the effect of which requirements is the disclosure to the Bank, any of its Paying Agents or any governmental authority of the nationality, residence or identity (as distinguished from status as a United States Alien) of a beneficial owner of such Bearer Note, Receipt or Coupon who is a United States Alien (other than such requirements which (i) would not be applicable to a payment made to a custodian, nominee or other agent of the beneficial owner, or which can be satisfied by such a custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, *provided, however*, in each case that payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any requirements referred to in this sentence, (ii) are applicable only to payment by a custodian, nominee or other agent of the beneficial owner to or on behalf of such beneficial owner, or (iii) would not be applicable to a payment made by any other Paying Agent of the Bank), the Bank shall redeem such Bearer Note as a whole but not in part at a redemption price equal to the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof determined as of the date of redemption), together, if appropriate, with accrued interest to, but excluding, the date fixed for redemption, such redemption to take place on such date not later than one year after notice of such determination has been given as described herein. If the Bank becomes aware of an event that might give rise to such certification, information or other reporting requirements, the Bank shall, as soon as practicable, solicit advice of independent counsel selected by the Bank to establish whether such certification, information or other reporting requirements will apply and, if such requirements will, in the written opinion of such counsel, apply, the Bank shall give prompt notice of such determination (a “Tax Notice”) as described herein stating in such notice the effective date of such certification, information or other reporting requirements and, if applicable, the date by which the redemption shall take place. Notwithstanding the foregoing, the Bank shall not redeem such Bearer Note if the Bank, based upon the written opinion of independent counsel selected by the Bank, shall subsequently determine not less than 30 days prior to the date fixed for redemption that subsequent payments would not be subject to any such requirements, in which case the Bank shall give prompt notice of such determination as described herein and any earlier redemption notice shall thereby be revoked and of no further effect.

Notwithstanding the foregoing, if and so long as the certification, information or other reporting requirements referred to in the preceding paragraph would be fully satisfied by payment of a withholding, backup withholding tax or similar charge, the Bank may elect prior to giving the Tax Notice to have the provisions described in this paragraph apply in lieu of the provisions described in the preceding paragraph, in which case the Tax Notice shall state the effective date of such certification, information or reporting requirements and that the Bank has elected to pay Additional Amounts rather than redeem the Bearer Note. In such event, the Bank will also pay as Additional Amounts such sums 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 Bank or any of its Paying Agents of principal or interest due with respect to a Bearer Note, Receipt or Coupon to a holder who certifies to the effect that the beneficial owner of such Bearer Note, Receipt or Coupon is a United States Alien (provided that such certification shall, not have the effect of communicating to the Bank or any of its Paying Agents or any governmental authority the nationality, residence or identity of such beneficial owner) after deduction or withholding for or on account of such withholding, backup withholding tax or similar charge (other than a withholding, backup withholding tax or similar charge which (i) is imposed as a result of certification, information or other reporting requirements referred to in the second parenthetical clause of the first sentence of the preceding paragraph, or (ii) is imposed as a result of the fact that the Bank or any of its Paying Agents has actual knowledge that the holder or beneficial owner of such Bearer Note, Receipt or Coupon is not a United States Alien but is within the category of persons, corporations or other entities described in clause (a)(i) of the third preceding paragraph, or (iii) is imposed as a result of presentation of such Bearer Note, Receipt or Coupon for payment more than 15 days after the date on which such payment becomes due and payable or on which payment thereof is duly provided for, whichever occurs later), will not be less than the amount provided for in such Bearer Note, such Receipt or such Coupon to be then due and payable. In the event the Bank elects to pay such Additional Amounts, the Bank will have the right, at its sole option, at any time, to redeem such Bearer Note, as a whole but not in part, at a redemption price equal to the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof determined as of the date of redemption), together, if appropriate, with accrued interest to the date fixed for redemption including any Additional Amounts required to be paid under this paragraph. If the Bank has made the determination described in the preceding paragraph with respect to certification, information or other reporting requirements applicable to interest only and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph with respect to such requirements applicable to principal, the Bank will redeem such Bearer Note in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Bank elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Bearer Note is to be redeemed, the Bank will be obligated to pay Additional Amounts with respect to interest, if any, accrued to the date of redemption. If the Bank has made the determination described in the preceding paragraph and subsequently makes a determination in the manner and of the nature referred to in such preceding paragraph that the level of withholding applicable to principal or interest has been increased, the Bank will redeem the Bearer Note in the manner and on the terms described in the preceding paragraph (except as provided below), unless the Bank elects to have the provisions of this paragraph apply rather than the provisions of the immediately preceding paragraph. If in such circumstances the Bearer Note is to be redeemed, the Bank will be obligated to pay Additional Amounts with respect to the original level of withholding on principal and interest, if any, accrued to the date of redemption.

Whenever there is mentioned herein, in any context, the payment of principal of, or premium, if any, or interest on, or in respect of, a Note, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context Additional Amounts are, were or would be payable in respect thereof pursuant to the provisions of such Note and express mention of the payment of Additional Amounts (if applicable) in any provisions hereof shall not be construed as excluding Additional Amounts in those provisions hereof where such express mention is not made.

Redemption for Tax Reasons

The Bank may redeem any Note in whole but not in part at any time at a redemption price equal to the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof determined as of the date of redemption), together, if appropriate, with accrued interest to but excluding the date fixed for redemption, if the Bank shall determine, based upon a written opinion of independent counsel selected by the Bank, that as a result of any change in or amendment to the laws (or any regulations or rulings promulgated thereunder) of (i) the United States or of any political subdivision or taxing authority thereof or therein affecting taxation or (ii) the relevant taxing jurisdiction or any political subdivision or taxing authority thereof or therein affecting taxation, or any change in application or official interpretation of such laws, regulations or rulings, which amendment or change is effective on or after the Original Issue Date of such Note, the Bank would be required to pay Additional Amounts on the occasion of the next payment due with respect to such Note.

Bearer Notes are also subject to redemption in the other circumstances described above under “Additional Amounts.”

Notice of intention to redeem Notes will be given at least once as described herein not less than 30 days nor more than 60 days prior to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the effective date of such change or amendment and that at the time notice of such redemption is given, such obligation to pay such Additional Amounts remains in effect and cannot be avoided by the Bank's taking reasonable measures available to it. In addition, so long as, and to the extent that, the rules of the Luxembourg Stock Exchange so require, such notice will be published in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). From and after any redemption date, if monies for the redemption of Notes shall have been made available for redemption on such redemption date, such Notes shall cease to bear interest, if applicable, and the only right of the holders of such Notes and any Receipts or Coupons appertaining thereto shall be to receive payment of the principal amount thereof (or, in the case of an Original Issue Discount Note, the Amortized Face Amount thereof) and, if appropriate, all unpaid interest accrued to such redemption date. Unless otherwise specified in the applicable Pricing Supplement, the redemption date with respect to any Floating Rate Note will be an Interest Payment Date.

Redemption at the Option of the Bank

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be subject to any sinking fund. If so agreed upon by the Bank and the initial purchaser(s) thereof, a Note or Notes will be redeemable on and after a date fixed at the time of sale and specified in the applicable Pricing Supplement (the "Initial Redemption Date") either in whole or in part, at the option of the Bank, on written notice given as described herein not more than 60 nor less than 30 calendar days prior to the date of redemption by the Bank to the holder thereof (unless otherwise specified in the applicable Pricing Supplement). In addition, so long as, and to the extent that, the rules of the Luxembourg Stock Exchange so require, such notice will be published in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be the Luxemburger Wort). On and after the Initial Redemption Date, if any, such Note will be redeemable in increments of U.S.$1,000 or the equivalent thereof in other currencies (provided that any remaining principal amount of such Note shall be at least an authorized denomination) at the option of the Bank at the applicable Redemption Price, together with unpaid interest accrued thereon at the applicable rate borne by such Note to the date of redemption. The "Redemption Price" initially will be the Initial Redemption Percentage (as specified in the applicable Pricing Supplement) of the principal amount of such Note to be redeemed and will decline at each anniversary of the Initial Redemption Date by the Annual Redemption Reduction (as specified in the applicable Pricing Supplement), if any, of the principal amount to be redeemed until the Redemption Price is 100% of such principal amount. Whenever less than all the Notes at any time outstanding are to be redeemed, the Notes to be so redeemed shall be selected by the Bank. If less than all the Notes with identical terms at any time outstanding are to be redeemed, the Notes to be so redeemed shall be selected by the Global Agent by lot or in any usual manner approved by it. If no Initial Redemption Date is specified in the applicable Pricing Supplement, such Note will not be redeemable prior to its Stated Maturity Date (other than for tax reasons). The Global Agent, in its capacity as Registrar, is not required to register the transfer of any Registered Note that has been called for redemption during a period beginning at the opening of business 15 calendar days before the day of mailing of a notice of such redemption and ending at the close of business on the day of such mailing. Unless otherwise specified in the applicable Pricing Supplement, the redemption date with respect to any Floating Rate Note will be an Interest Payment Date.

Restrictions on Redemption of Subordinated Notes

To the extent then required under or pursuant to applicable capital regulations, the Bank may not redeem any Subordinated Note unless it has obtained the prior approval of the OCC. With the foregoing exception, the Subordinated Notes may be subject to redemption at the option of the Bank in the manner described directly above.

Repayment at the Option of the Holder

The Notes will be subject to repayment at the option of the holders thereof in accordance with the terms of the Notes on their respective optional repayment dates, if any, as agreed upon by the Bank and the purchasers thereof at the time of sale and specified in the applicable Pricing Supplement (each, a "Holder's Optional Repayment Date"). If no Holder's Optional Repayment Date is specified in the applicable Pricing Supplement, such Note will not be repayable at the option of the holder thereof prior to its Stated Maturity Date. On any Holder's Optional Repayment Date with respect to a Note, such Note will be repayable in whole in increments of U.S.$1,000 or the equivalent thereof in other currencies (provided that any remaining principal amount of such Note shall be at least an authorized denomination) at the option of the holder thereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest thereon payable to the date of repayment. Unless otherwise specified in the applicable Pricing Supplement, Bearer Notes will be repayable in whole but not in part. For any Note to be repaid, such Note must be received, together with the form entitled "Option to Elect Repayment" attached thereto duly completed, by the Global Agent not more than 60 nor less than 30 days prior to the Holder's Optional Repayment Date (unless otherwise specified in the applicable Pricing Supplement).

Unless otherwise specified in the applicable Pricing Supplement, the Subordinated Notes will not be repayable at the option of the holder prior to their Stated Maturity Date.

Redemption at Maturity

Unless previously redeemed or purchased and cancelled as described above, each Note will, on the Stated Maturity Date, become due and payable at the redemption price specified in such Note, and from and after such date such Note will cease to bear interest. Upon surrender of any such Note for redemption, the Global Agent or the relevant Paying Agent will pay or cause to be paid such Note at the redemption price, together with unpaid interest accrued thereon at the applicable rate borne by such Note to the redemption date.

Purchase by the Issuer

The Bank may at any time purchase Notes (together, in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons or Talons (if any) attached thereto or surrendered therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, at the option of the Bank, surrendered to the Global Agent or any Paying Agent for cancellation.

Events of Default

The following will be "Events of Default" with respect to the Senior Notes as the same are described with greater particularity in the Senior Notes: default in the payment of any interest (including any Additional Amounts) with respect to any of the Senior Notes when due, which continues for 30 days; default in the payment of any principal of, or premium, if any, on, any of the Senior Notes when due; default in the performance of any covenant or agreement of the Bank contained in the Senior Notes, which continues for 90 days after written notice as provided in the Notes; and certain events involving insolvency, reorganization or the appointment of a conservator, receiver or liquidator of the Bank or substantially all of its property.

"Events of Default" with respect to the Subordinated Notes will, as the same are described with greater particularity in the Subordinated Notes, be limited to certain events involving insolvency, reorganization or the appointment of a conservator, receiver or liquidator of the Bank or substantially all of its property. **There is no right of acceleration in the case of default in the payment of principal of, or premium or interest on, any Subordinated Note or in the performance of any other obligation of the Bank under any Subordinated Note or under any other securities issued by the Bank.**

The holder of a Note (or DTC, Euroclear or Clearstream, Luxembourg, in the case of a Registered Global Note) may declare the principal amount of and accrued interest on such Note due and payable immediately if an Event of Default with respect to such Note shall have occurred and be continuing at the time of such declaration. **In the event of an acceleration of a Subordinated Note pursuant to an Event of Default with respect thereto, to the extent then required under or pursuant to applicable capital regulations, no payment may be made by the Bank with respect to such Subordinated Note without the prior written approval of the OCC.** Any Event of Default with respect to the Notes may be waived by any holder with respect to such holder's Notes. Following an Event of Default, Beneficial Owners representing a majority in principal amount of a Registered Global Note then outstanding may act through the relevant clearing system to terminate use of the book-entry system for the Notes represented thereby. See "Form of Notes and Registration — Registered Notes."

Meetings, Modifications and Waivers

The Agency Agreement contains provisions which, unless otherwise provided in the applicable Pricing Supplement, are binding on the Bank, the Noteholders, the Receiptholders and the Couponholders, for convening meetings of holders of Notes, Receipts and Coupons to consider matters affecting their interests, including modification or waiver of any of the provisions of the Agency Agreement or the Notes.

The Notes and any Receipts and Coupons attached to Bearer Notes may be amended by the Bank, and the Agency Agreement may be amended by the Bank and the Global Agent, (i) for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained therein, (ii) to make any further modifications of the terms of the Agency Agreement necessary or desirable to allow for the issuance of any additional Notes (which modification shall not be materially adverse to the holders of outstanding Notes) or (iii) in any manner which the Bank (and, in the case of the Agency Agreement, the Global Agent) may deem necessary or desirable and which shall not materially adversely affect the interests of the holders of the Notes, Receipts and Coupons, to all of which each holder of Notes, Receipts and Coupons shall, by acceptance thereof, be deemed to have consented. In addition, with the written consent of the holders of at least 66-2/3% of the principal amount of the Notes to be affected thereby, the Bank and the Global Agent may from time to time and at any time enter into agreements modifying or amending the Agency Agreement for the purpose of adding any provisions to or changing in any manner or eliminating any provisions of the Agency Agreement; *provided, however,* that no such modification or amendment may, without the consent of the holder of each outstanding Note affected thereby (i) change the Stated Maturity Date with respect to any Note or reduce or cancel the amount payable at Maturity; (ii) reduce the amount payable or modify the payment date for any interest with respect to any Note or vary the method of calculating the rate of interest with respect to any Note; (iii) reduce any Minimum Interest Rate and/or Maximum Interest Rate with respect to any Note; (iv) modify the currency in which payments under any Note and/or any Coupons appertaining thereto are to be made; (v) change the obligation of the Bank to pay Additional Amounts with respect to Notes, Receipts and Coupons; (vi) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is necessary to modify or amend the Agency Agreement or to waive any future compliance or past default; or (vii) reduce the percentage in principal amount of outstanding Notes the consent of the holders of which is required at any meeting of holders of Notes at which a resolution is adopted. 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. Any modifications, amendments or waivers to the Agency Agreement or the provisions of the Notes, Receipts and Coupons will be conclusive and binding on all holders of Notes, Receipts and Coupons, whether or not notation of such modifications, amendments or waivers is made upon the Notes, Receipts and Coupons. It will not be necessary for the consent of the holders of Notes to approve the particular form of any proposed amendment, but it shall be sufficient if such consent shall approve the substance thereof.

Notes authenticated and delivered after the execution of any amendment to the Agency Agreement may bear a notation in form approved by the Global Agent as to any matter provided for in such amendment.

New Notes so modified as to conform, in the opinion of the Global Agent and the Bank, to any modification contained in any such amendment may be prepared by the Bank, authenticated by the Global Agent and delivered in exchange for the Notes then outstanding.

In the event that the Bank and the Global Agent shall effect any modification or amendment to the provisions of any particular Note as aforesaid, the Bank will have no obligation to effect a similar modification or amendment to any other Note, irrespective of the Series to which such other Note may belong.

Notices

All notices regarding Registered Notes will be mailed to the registered owners thereof (which, in the case of Registered Global Notes, will be DTC, Euroclear or Clearstream, Luxembourg or its nominee) as their names appear in the Note Register. In addition, so long as and to the extent that the rules of the Luxembourg Stock Exchange so require, all notices regarding Registered Notes that are listed on that exchange will be published in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

All notices regarding Bearer Notes will be published (i) in one leading English language daily newspaper with circulation in London (which is expected to be the *Financial Times* in London) and (ii) (in respect of any Notes listed on the Luxembourg Stock Exchange and the rules of that exchange so require) in a Luxembourg daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, if in any case this is not practicable, one other English language newspaper with general circulation in Europe as the Bank, in consultation with the Global Agent, shall decide. The Bank will also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of the first publication.

Until such time as any Definitive Bearer Notes are issued, there may, so long as Temporary Global Notes or Permanent Global Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or another approved clearing system, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and such other clearing system for communication by them to the beneficial owners of interests in the Temporary Global Notes and Permanent Global Notes; *provided, however,* that, so long as the rules of that exchange so require, such publication will nevertheless be made as described in the preceding paragraph in respect of Bearer Notes listed on the Luxembourg Stock Exchange. Any such notice shall be deemed to have been given to the beneficial owners of interests in the Temporary Global Notes and Permanent Global Notes on the seventh day after the day on which said notice was given to Euroclear and/or Clearstream, Luxembourg and/or such other clearing system.

Notices to be given by a holder of Bearer Notes should be in writing and delivered, together with the related Bearer Note or Notes, to the Global Agent. While Notes are represented by a Temporary Global Note or a Permanent Global Note, such notice may be given by the beneficial owner thereof to the Global Agent via Euroclear and/or Clearstream, Luxembourg and/or another approved clearing system in such manner as the Global Agent and Euroclear and/or Clearstream, Luxembourg and/or such other clearing system, as the case may be, may approve for this purpose.

Global Agent and Other Agents

The names of the initial Global Agent, Registrar, Paying Agents and Transfer Agents and their initial specified offices are set out on the inside back cover of this Offering Circular. In acting under the Agency Agreement, the Global Agent, the Registrar, the Paying Agents and the Transfer Agents will act solely as agents of the Bank and do not assume any obligations or relationships of agency or trust to or with the holders of Notes, Receipts or Coupons, except that (without affecting the obligations of the Bank to the holders of Notes, Receipts and Coupons to repay Notes and pay interests thereon) funds received by the Global Agent for the payment of the principal of, and premium, if any, or interest on, the

Notes shall be held by it in trust for the holders of Notes, Receipts and Coupons. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Bank without being liable to account to any holder of Notes, Receipts or Coupons for any resulting profit.

The Notes will not be issued pursuant to an indenture and, as such, the Global Agent will not be obligated to exercise certain responsibilities that may be exercised by an independent trustee in connection with certain other debt offerings. Among the responsibilities that may be exercised by an independent trustee in connection with certain other debt offerings that will not be exercised by the Global Agent are discretionary actions in connection with Events of Default. Each holder of a Note will therefore be responsible for acting independently with respect to certain matters affecting such holder's Note including, but not limited to, responding to requests for consents or waivers, giving written notice of default in the performance of any agreement contained in the Note and accelerating the maturity of such Note on the occurrence of an Event of Default. See "Form of Notes and Registration."

The Bank is entitled to vary or terminate the appointment of any Paying Agent or any Transfer Agent and/or appoint additional or other Paying Agents or Transfer Agents and/or approve any change in the specified office through which any Paying Agent or Transfer Agent acts, provided that:

(i) so long as any Notes are listed on any stock exchange, there will at all times be a Paying Agent and Transfer Agent with a specified office in each location required by the rules and regulations of the relevant stock exchange, including, so long as any Notes are listed on the Luxembourg Stock Exchange, a Paying Agent and Transfer Agent having a specified office in Luxembourg;

(ii) there will at all times be a Paying Agent and Transfer Agent with a specified office in a city in continental Europe;

(iii) upon the implementation of the EU Directive adopted at the ECOFIN meeting on June 3, 2003, the Bank will ensure to the extent practicable that it maintains a paying agent in a member state of the European Union that will not be obliged to withhold or deduct tax pursuant to the EU Directive; and

(iv) there will at all times be a Global Agent.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Global Agent and the holders of the Notes as described herein, provided that no such variation, termination, appointment or change shall take effect (except in the case of insolvency) within 15 days before or after any Interest Payment Date.

Repayment of Monies

Any monies paid by the Bank to the Global Agent for the payment of principal, premium, if any, or interest with respect to any Registered Notes and remaining unclaimed at the end of five years after the principal of such Registered Notes shall have become due and payable (whether at the Stated Maturity Date or otherwise) and monies sufficient therefor shall have been duly made available for payment shall be repaid, together with any premium or interest made available for payment thereon, to the Bank, and upon such repayment all liability of the Global Agent with respect to such funds shall thereupon cease.

Bearer Notes, Receipts and Coupons will become void unless presented for payment within a period of five years from the date on which the related payment of principal or interest shall have become due and payable and monies sufficient therefor shall have been duly made available for payment. Any monies paid by the Bank to the Global Agent for the payment of principal, premium, if any, or interest with respect to any such Bearer Note, Receipt or Coupon and remaining unclaimed when such Bearer Note, Receipt or Coupon becomes void shall be repaid to the Bank and all liability with respect thereto shall thereupon cease.

Further Issues

The Bank may from time to time without the consent of any holder of Notes issue further Notes having the same terms and conditions as a previously issued and outstanding Series of Notes (except for the issue price and issue date) so as to form a single Series with such previously issued and outstanding Series of Notes.

Governing Law

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

CURRENCY RISKS

Exchange Rates and Exchange Controls

An investment in Notes that are denominated in, or the payment of which is related to the value of, a Specified Currency other than the currency of the country in which a purchaser is resident or the currency (including any composite currency) in which a purchaser conducts its business (the "home currency") entails significant risks that are not associated with a similar investment in a security denominated in the home currency. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the home currency and the Specified Currency and the possibility of the imposition or modification of foreign exchange controls with respect to the Specified Currency. Such risks generally depend on factors over which the Bank has no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange for certain currencies 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 in the rate that may occur during the term of any Note. Depreciation of the Specified Currency in which a Note is payable against the relevant home currency would result in a decrease in the effective yield of such Note below its stated rate of interest, and in certain circumstances, could result in a loss to an investor on a home currency basis. In addition, depending on the specific terms of a Note, changes in exchange rates relating to any of the currencies involved may result in a decrease in its effective yield and, in certain circumstances, could result in a loss to the investor of all or a substantial portion of the principal of a Note.

Governments have from time to time imposed, and may in the future impose, exchange controls that could affect exchange rates as well as the availability of a Specified Currency on an Interest Payment Date or Maturity with respect to a Note. There can be no assurances that exchange controls will not restrict or prohibit payments of principal or interest in any such currency or composite currency. Even if there are not actual exchange controls, it is possible that on an Interest Payment Date or Maturity with respect to any particular Note, a Specified Currency for such Note would not be available to the Bank to make payments of interest and principal then due. In that event, the Bank will make required payments in U.S. Dollars on the basis of the Market Exchange Rate on the date of such payment, or if such rate of exchange is not then available, on the basis of the Market Exchange Rate as of the most recent date for which the Market Exchange Rate is available.

This Offering Circular does not describe all the risks of an investment in Notes denominated in, or the payment of which is related to the value of, a currency (including any composite currency) other than a prospective purchaser's home currency, and the Bank disclaims any responsibility to advise prospective purchasers of such risks as they exist at the date of this Offering Circular or as such risks may change from time to time. Prospective purchasers should

consult their own financial, legal and tax advisors as to the risks entailed by an investment in Notes denominated in, or the payment of which is related to the value of, currencies (including composite currencies) other than the particular home currency. Such Notes are not an appropriate investment for persons who are unsophisticated with respect to foreign currency transactions.

Pricing Supplements relating to Notes denominated other than in U.S. Dollars may contain information concerning historical exchange rates for the applicable Specified Currency against the U.S. Dollar, a description of the Specified Currency and any exchange controls affecting such Specified Currency. The information contained therein will constitute a part of this Offering Circular, will be furnished as a matter of information only and should not be regarded as indicative of the range of or trends in fluctuations in currency exchange rates that may occur in the future.

Non-U.S. Dollar Judgments

The Notes will be governed by and construed in accordance with the laws of the State of New York. Courts in the United States customarily have not rendered judgments for money damages denominated in an currency other than U.S. Dollars. A 1987 amendment to the Judiciary Law of the State of New York provides, however, that an action based upon an obligation denominated in any currency other than U.S. Dollars will be rendered in the foreign currency of the underlying obligation and converted into U.S. Dollars at the rate of exchange prevailing on the date of the entry of the judgment or decree.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the material United States federal income tax considerations of the ownership of Notes as of the date hereof by U.S. Holders (as defined below) and Non-U.S. Holders (as defined below). Except where noted, it deals only with Notes held as capital assets and does not deal with special situations, such as those of dealers in securities or currencies, financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies, persons holding Notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, persons liable for alternative minimum tax, controlled foreign corporations, passive foreign investment companies, foreign personal holding companies, certain United States expatriates or U. S. Holders of the Notes whose "functional currency" is not the United States dollar. Furthermore, 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 thereunder as of the date hereof, and such authorities may be repealed, revoked or modified 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 our indebtedness, and purchasers should note that in the event of an alternative characterization, the tax consequences would differ from those discussed below. Any special United States federal income tax considerations relevant to a particular issue of the Notes will be provided in the applicable Pricing Supplement. **Persons considering the purchase, ownership or disposition of Notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.**

As used herein, a "U.S. Holder" of a Note means a holder that is for federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust if it (X) 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 (Y) has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person. A "Non-U.S. Holder" is a holder that is not a U.S. Holder.

If a partnership holds our Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A partner of a partnership holding our Notes is urged to consult their tax advisors.

Consequences to U.S. Holders

Payments of Interest

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

Original Issue Discount

U.S. Holders of Notes issued with original issue discount ("OID") will be subject to special tax accounting rules, as described in greater detail below. U.S. Holders of such Notes should be aware that they generally must include OID in gross income in advance of the receipt of cash attributable to that income. However, U.S. Holders of such Notes generally will not be required to include separately in income cash payments received on the Notes, even if denominated as interest, to the extent such payments do not constitute qualified stated interest (as defined below). Notes issued with OID will be referred to as "Original Issue Discount Notes." Notice will be given in the applicable Pricing Supplement when the Bank determines that a particular Note will be an Original Issue Discount Note.

Additional rules applicable to Original Issue Discount Notes that are denominated in or determined by reference to a Specified Currency other than the United States dollar are described under "Foreign Currency Notes" below.

This summary does not discuss the tax treatment of Notes providing for contingent payments that do not constitute qualified stated interest. Persons considering the purchase of such Notes should carefully examine the applicable Pricing Supplement and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

A Note with an "issue price" that is less than its stated redemption price at maturity (the sum of all payments to be made on the Note other than "qualified stated interest") will be issued with OID unless such difference is de minimis (i.e., less than 0.25 percent of the stated redemption price at maturity multiplied by the number of complete years to 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 (other than to an underwriter, broker, placement agent or wholesaler). The term "qualified stated interest" means stated interest that is unconditionally payable in cash or in property (other than debt instruments of the issuer) at least annually at a single fixed rate or, subject to certain conditions, based on one or more interest indices. Interest is payable at a single fixed rate only if the rate appropriately takes into account the length of the interval between payments. Notice will be given in the applicable Pricing Supplement when the Bank determines that a particular Note will bear interest that is not qualified stated interest.

In the case of a Note issued with de minimis OID, the U.S. Holder generally must include such de minimis OID in income as stated principal payments on the Notes are made in proportion to the stated principal amount of the Note. Any amount of de minimis OID that has been included in income shall be treated as capital gain.

Certain of the Notes may be redeemed prior to their Stated Maturity Date at the option of the Bank and/or at the option of the holder. Original Issue Discount Notes containing such features may be subject to rules that differ from the general rules discussed herein. Persons considering the purchase of Original Issue Discount Notes with such features should carefully examine the applicable Pricing

Supplement and should consult their own tax advisors with respect to such features since the tax consequences with respect to OID will depend, in part, on the particular terms and features of the Notes.

U.S. Holders of Original Issue Discount Notes with a maturity upon issuance of more than one year must, in general, include OID in income in advance of the receipt of some or all of the related cash payments. The amount of OID includible in income by the initial U.S. 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 such U.S. Holder held such 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 (a) the product of the Note's adjusted issue price at the beginning of such accrual period and 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 (b) the sum of any 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 such Note (other than qualified stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will have to include in income increasingly greater amounts of OID in successive accrual periods. The Bank 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.

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 interest on a Floating Rate Note is based on more than one interest index. Persons considering the purchase of Floating Rate Notes should carefully examine the applicable Pricing Supplement and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

U.S. Holders 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 the 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. U.S. Holders should consult with their own tax advisors about this election.

Short-Term Notes

In the case of Original Issue Discount Notes having a term of one year or less ("Short-Term Notes"), all payments (including all stated interest) will be included in the stated redemption price at maturity and, thus, U.S. Holders will generally be taxable on the discount in lieu 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 U.S. Holder elects to compute this discount using tax basis instead of issue price. In general, individuals and certain other cash method U.S. Holders of a Short-Term Note are not required to include accrued discount in their income currently unless they elect to do so (but may be required to include any stated interest in income as it is received). U.S. Holders that report income for United States federal income tax purposes on the accrual method and certain other U.S. Holders are required to accrue discount on such 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. In the case of a U.S. Holder that is not required, and does not elect, to include discount in income currently, any gain realized on the sale, exchange or retirement of the Short-Term Note will generally be ordinary income to the extent of the discount accrued through the date of sale, exchange or retirement. In addition, a U.S. Holder that does not elect to include currently accrued discount in income may be required to defer deductions for a portion of the U.S. Holder's interest expense with respect to any indebtedness incurred or continued to purchase or carry such Notes.

Market Discount

If a U.S. Holder purchases a Note (other than an Original Issue Discount 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 such difference is less than a specified de minimis amount. Under the market discount rules, a U.S. Holder will be required to treat any principal payment 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 which has not previously been included in income and is treated as having accrued on such Note at the time of such payment or disposition. In addition, the U.S. 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 incurred or continued to purchase or carry such 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 the U.S. Holder elects to accrue on a constant interest method. A U.S. Holder of a Note 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

A U.S. Holder that 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 will be considered to have purchased such Note at an "acquisition premium." Under the acquisition premium rules, the amount of OID which such U.S. Holder must include in its gross income with respect to such Note for any taxable year will be reduced by the portion of such acquisition premium properly allocable to such year.

A U.S. Holder that purchases a 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 will be considered to have purchased the Note at a "premium" and will not be required to include OID, if any, in income. A U.S. 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 the U.S. Holder's regular accounting method. Special rules limit the amortization of premium in the case of convertible debt instruments. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognized on disposition of the Note.

Sale, Exchange and Retirement of Notes

A U.S. Holder's tax basis in a Note will, in general, be the U.S. Holder's cost therefor, increased by OID, market discount or any discount with respect to a Short-Term Note previously included in income by the U.S. Holder 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 U.S. 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 interest 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 with respect to certain Short-Term Notes and to market discount, as described above, with respect to gain or loss attributable to changes in exchange rates, as described below, with respect to certain Foreign Currency Notes, as described below, and with respect to contingent payment debt instruments which this summary generally does not discuss, such 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

The following is a summary of the principal United States federal income tax consequences to a U.S. Holder of the ownership of a Note denominated in a Specified Currency other than the United States dollar (a "Foreign Currency Note").

Interest Payments

Cash basis U.S. Holders are required to include in income the United States dollar value of the amount of interest received, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into United States dollars. No exchange gain or loss (as discussed below) is recognized with respect to the receipt of such payment.

Accrual basis U.S. Holders may determine the amount of income recognized with respect to such interest payment in accordance with either of two methods. Under the first method, the U.S. Holder will be required to include in income for each taxable year the United States 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, an accrual basis holder may elect to translate interest income at the spot rate on the last day of the accrual period (or last day of the taxable year in the case of an accrual period that straddles the holder's 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 such Note, the receipt of proceeds attributable to accrued interest previously included in income), such U.S. Holder will recognize ordinary income or loss in an amount equal to the difference between the United States dollar value of such payment (determined by translating any foreign currency received at the "spot rate" for such foreign currency on the date received) and the United States dollar value of the interest income that such U.S. Holder has previously included in income with respect to such payment.

Original Issue Discount Notes

OID on an Original Issue Discount Note that is also a Foreign Currency Note will be determined for any accrual period in the applicable foreign currency and then translated into United States dollars in the same manner as interest income accrued by a holder on the accrual basis, as described above. Upon receipt of OID on such Note (including, upon the sale of such Note, the receipt of proceeds attributable to OID previously included in income), such U.S. Holder will recognize ordinary income or loss in an amount determined in the same manner as interest income received by a holder on the accrual basis, as described above.

Market Discount

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 United States dollars at the spot rate on the date the Foreign Currency Note is retired or otherwise disposed of. If the U.S. Holder has elected to accrue market discount currently, then the amount which accrues is determined in the foreign currency and then translated into United States dollars on the basis of the average exchange rate in effect during such accrual period. A U.S. Holder will recognize exchange gain or loss with respect to market discount which is accrued currently using the approach applicable to the accrual of interest income as described above.

Amortizable Bond Premium

Bond premium on a Foreign Currency Note will be computed in the applicable foreign currency. With respect to a U.S. Holder that elects 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 income or loss) will be realized based on the difference between spot rates at such time and at the time of acquisition of the Foreign Currency Note. A U.S. Holder that does not elect to amortize bond premium will translate the bond premium, computed in the applicable foreign currency, into United States 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 U.S. 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 interest, which will be treated as a payment of interest for United States federal income tax purposes) and the U.S. Holder's 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. 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 U.S. Holder's Foreign Currency Note is sold, exchanged or retired for an amount denominated in foreign currency, then the U.S. Holder's amount realized generally will be based on the spot rate of the foreign currency on the date of sale, exchange or retirement. If the Foreign Currency Notes are traded on an established securities market by a cash method taxpayer, foreign currency paid or received is translated into United States 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 U.S. Holder's tax basis in a Foreign Currency Note generally will be the U.S. Holder's cost therefor. If a U.S. Holder purchased a Foreign Currency Note with foreign currency, the U.S. Holder's cost will be the United States dollar value of the foreign currency amount paid for such Foreign Currency Note determined at the time of such purchase. If a U.S. Holder purchased a Foreign Currency Note with previously owned foreign currency, the U.S. Holder will recognize ordinary exchange gain or loss at the time of purchase attributable to the difference at the time of purchase, if any, between the U.S. Holder's tax basis in such foreign currency and the fair market value of the Foreign Currency Note in United States dollars at the spot rate on the date of purchase. However, if the Foreign Currency Notes are traded on an established securities market by a cash method taxpayer, foreign currency paid or received is translated into United States 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, otherwise the value of the foreign currency is determined at the spot rate on the date of sale.

Upon the sale, exchange or retirement of a Foreign Currency Note, a U.S. 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 U.S. 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 United States 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 United States dollar value of the principal amount determined on the date such U.S. Holder purchased the 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 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 U.S. Holder's tax basis in the foreign currency received as interest on a Foreign Currency Note will be the United States dollar value thereof at the spot rate in effect on the date the foreign currency is includible in income. A U.S. Holder's tax basis in Foreign Currency received on the sale, exchange or retirement of a Foreign Currency Note will be equal to the United States dollar value of the foreign currency, determined at the time of the sale, exchange or retirement, or, if the Foreign Currency Notes are traded on an established securities market, the spot rate of exchange on the settlement date, in the case of a cash basis U.S. Holder or an electing accrual basis U.S. Holder as described above.

Any gain or loss recognized by a U.S. 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 an applicable Pricing Supplement relating to a Foreign Currency Note, the Bank may have the option to make all payments of principal and interest scheduled after the exercise of such option in a currency (the "Optional Payment Currency") other than the Specified Currency. The United States federal income tax treatment of Dual Currency Notes is uncertain. Treasury Regulations currently in effect do not address the tax treatment of Dual Currency Notes. An Internal Revenue Service ("IRS") announcement states that the IRS is considering issuing proposed regulations that would (i) apply the principles contained in regulations governing contingent debt instruments to Dual Currency Notes in the "predominant currency" of the Dual Currency Notes and (ii) apply the rules discussed above with respect to Foreign Currency Notes with OID for the translation of interest and principal into United States dollars. The IRS states that these concepts are still under consideration. Persons considering the purchase of Dual Currency Notes should carefully examine the applicable Pricing Supplement and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

A U.S. Holder of a Dual Currency Note with respect to which the Bank's option has been exercised may be considered to have exchanged a Note denominated in the Specified Currency for a Note denominated in the Optional Payment Currency. If the exercise of the option by the Bank is not treated as a deemed exchange, a U.S. Holder of a Dual Currency Note will not recognize gain or loss and the U.S. Holder's basis in the Note will be unchanged. If the exercise of the option is treated as a taxable exchange, a U.S. Holder will recognize gain or loss, if any, equal to the difference between the holder's basis in the Note denominated in the Specified Currency and the value of the Note denominated in the Optional Payment Currency.

Indexed Notes and Other Contingent Notes

The tax treatment of a U.S. Holder of an Indexed Note or any other Note providing for contingent payments will depend on factors including the specific index or indices used to determine indexed payments on the Note and the amount and timing of any contingent payments of principal and interest. This summary does not discuss the tax treatment of contingent payment debt instruments. Persons considering the purchase of Indexed Notes, or any Notes providing for contingent payments that do not constitute qualified stated interest, should carefully examine the applicable Pricing Supplement and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

Partly Paid Notes

The tax treatment of a U.S. Holder of a Partly Paid Note will depend on the specific terms and conditions of such a Note. Persons considering the purchase of Partly Paid Notes should carefully examine the applicable Pricing Supplement and should consult their own tax advisors regarding the United States federal income tax consequences of the holding and disposition of such Notes.

Disclosure Requirements

Recently-promulgated Treasury Regulations meant to require the 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 the 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. Persons considering the purchase of Foreign Currency Notes should consult with their own tax advisers 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 Statement).

Consequences to Non-U.S. Holders

Under present United States federal income and estate tax law, and subject to the discussion below concerning backup withholding:

(a) no withholding of United States federal income tax will be required with respect to the payment by the Bank or any paying agent of principal or interest (which for purposes of this discussion includes OID) on a Note owned by a Non-U.S. Holder, provided that (i) interest paid on a Note is not effectively connected with the beneficial owner's conduct of a trade or business in the United States, (ii) the beneficial owner does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of the Bank entitled to vote within the meaning of section 871(h)(3) of the Code and the regulations thereunder, (iii) the beneficial owner is not a controlled foreign corporation that is related to the Bank through stock ownership, (iv) the beneficial owner is not a bank whose receipt of interest on a Note is described in section 881(c)(3)(A) of the Code, (v) with respect to Notes in registered form, the beneficial owner satisfies the statement requirement (described generally below) set forth in section 871(h) and section 881(c) of the Code and the regulations thereunder and (vi) generally such interest is not considered contingent interest under Section 871(h)(4)(A) of the Code and the regulations thereunder;

(b) no withholding of United States federal income tax generally will be required with respect to any gain realized by a Non-U.S. Holder upon the sale, exchange, retirement or other disposition of a Note; and

(c) a Note beneficially owned by an individual who at the time of death is a Non-U.S. Holder will not be subject to United States federal estate tax as a result of such individual's death, provided that (1) any payment to such Non-U.S. Holder on the Note, including original issue discount, would be eligible for exemption from the 30% federal withholding tax under the rules described in paragraph (a) above without regard to the statement requirement described in (a)(iv) above, (2) the Note does not provide for any contingent payments and (3) interest payments, including OID, if any, accrued on such Note would not have been, if received at the time of such individual's death, effectively connected with the conduct of a United States trade or business by such individual.

To satisfy the requirement referred to in (a)(iv) above, the beneficial owner of such Note, or a financial institution holding the Note on behalf of such owner, must provide, in accordance with specified procedures, a paying agent of the Bank with a statement to the effect that the beneficial owner is not a United States person. Currently, these requirements will be met if (1) the beneficial owner provides his name and address, and certifies, under penalties of perjury, that he is not a United States person (which certification may be made on an IRS Form W-8BEN) or (2) a financial institution holding the Note on behalf of the beneficial owner certifies, under penalties of perjury, that such statement has been received by it and furnishes a paying agent with a copy thereof. The statement requirement referred to in (a)(iv) above may also be satisfied with other documentary evidence with respect to an offshore account or through certain foreign intermediaries. Special certification and other rules apply to beneficial owners that are pass-through entities for United States federal income tax purposes.

If a Non-U.S. Holder cannot satisfy the requirements of the "portfolio interest" exception described in (a) above, payments of premium, if any, and interest (including OID) made to such Non-U.S. Holder will be subject to a 30% withholding tax unless the beneficial owner of the Note provides the Bank or its paying agent, as the case may be, with a properly executed (1) IRS Form W-8BEN claiming an exemption from or reduction in withholding under the benefit of an applicable income tax treaty or (2) IRS Form W-8ECI stating that interest paid on the Note is not subject to withholding tax because it is effectively connected with the beneficial owner's conduct of a trade or business in the United States. Alternative documentation may be applicable in certain situations.

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

Any gain realized upon the sale, exchange, retirement or other disposition of a Note generally will not be subject to United States federal income tax unless (i) such gain is effectively connected with a trade or business in the United States of the Non-U.S. Holder, or (ii) in the case of a Non-U.S. Holder who is an individual, such individual is present in the United States for 183 days or more in the taxable year of such sale, exchange, retirement or other disposition, and certain other conditions are met.

Information Reporting and Backup Withholding

U.S. Holders

In general, information reporting requirements will apply to payments of principal, interest, OID and premium paid on Notes and to the proceeds of sale of a Note paid to U.S. Holders other than certain exempt recipients (such as corporations). A backup withholding tax will apply to such payments if the U.S. Holder fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income.

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

Non-U.S. Holders

Information reporting will generally apply to payments of interest and the amount of tax, if any, withheld with respect to such payments to Non-U.S. Holders of Notes in registered form. 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-U.S. Holder resides under the provisions of an applicable income tax treaty.

Backup withholding will not be required with respect to payments made by the Bank or any paying agent outside of the United States to Non-U.S. Holders if the Bank does not have actual knowledge or reason to know that the payee is a United States person, and, in the case of Notes in registered form, if a statement described in (a)(iv) under "Consequences to Non-U.S. Holders" has been received.

In addition, except as otherwise set forth in this discussion, backup withholding and information reporting will not apply to the amount payable (whether in respect of principal, interest, OID, premium or otherwise) in respect of a Note paid or collected by a foreign office of a foreign custodian, foreign nominee or other foreign agent on behalf of the beneficial owner of such Note, or to the payment outside the United States of the proceeds of a sale (including a redemption) of a Note or Coupon through a foreign office of a foreign "broker" (as defined in applicable United States Treasury Regulations). If however such nominee, custodian, agent or broker is, for United States federal income tax purposes, a United States person, a controlled foreign corporation, a foreign person that derives 50% or more of its gross income for certain periods from the conduct of a United States trade or business or, a foreign partnership, in which one or more United States persons, in the aggregate, own more than 50% of the income or capital interests in the partnership or which is engaged in a trade or business in the United States, such payments will not be subject to backup withholding, but will be subject to information reporting unless such custodian, nominee, agent or broker has documentary evidence in its records that the beneficial owner is not a United States person and certain other conditions are met, or the beneficial owner otherwise establishes an exemption.

Payments on a Note to the beneficial owner thereof by a United States office of a custodian, nominee or agent, or the payment by the United States office of a broker of the proceeds of sale (including a redemption) of a Note or Coupon, will be subject to both backup withholding and information reporting unless the beneficial owner certifies as to its non-U.S. status under penalties of perjury, and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person, or otherwise establishes an exemption.

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

PLAN OF DISTRIBUTION

The Notes are being offered on a continuing basis for sale by the Bank through J.P. Morgan Securities Inc. (the "U.S. Dealer") and J.P. Morgan Securities Ltd. (the "International Dealer") (the U.S. Dealer and the International Dealer are collectively referred to as the "Dealers") who will purchase the Notes, as principal, from the Bank, for resale to investors and other purchasers at varying prices relating to prevailing market prices at the time of resale as determined by the applicable Dealer, or, if so specified in the applicable Pricing Supplement, for resale at a fixed public offering price. Unless otherwise specified in the applicable Pricing Supplement, any Note sold to a Dealer as principal will be purchased by such Dealer at a price equal to 100% of the principal amount thereof less a percentage of the principal amount equal to the commission applicable to an agency sale (as described below) of a Note of identical maturity. If agreed to by the Bank and the applicable Dealer, such Dealer may utilize its reasonable efforts on an agency basis to solicit offers to purchase the Notes at 100% of the principal amount thereof, unless otherwise specified in the applicable Pricing Supplement. Unless otherwise agreed by the Bank and the applicable Dealer, the Bank will pay a commission to each such Dealer, ranging from .050% to .750% of the principal amount of a Note, depending upon its stated maturity, sold through such Dealer. The Dealers have entered into a Distribution Agreement with the Bank dated July 18, 1997, as amended.

A Dealer may sell Notes it has purchased from the Bank as principal to other dealers for resale to investors, and may allow any portion of the discount received in connection with such purchases from the Bank to such dealers. After the initial public offering of Notes, the public offering price (in the case of Notes to be resold on a fixed public offering price basis), the concession and the discount may be changed.

The Bank has reserved the right to sell Notes directly to investors on its own behalf in those jurisdictions where it is authorized to do so. The Bank will have the sole right to accept offers to purchase Notes and may reject any such offer in whole or in part.

The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject orders in whole or in part whether placed directly with the Bank or through one of the Dealers. The Dealers will have the right, in their discretion, to reject in whole or in part any offer to purchase Notes received by them on an agency basis.

Application has been made to list the Notes issued under the Program on the Luxembourg Stock Exchange and application will be made to list Notes on such other or additional stock exchanges on which the Bank and the initial purchasers) may agree in relation to each issue. Each of the Dealers may from time to time purchase and sell Notes in the secondary market, but no Dealer is obligated to do so, and there can be no assurance that there will be a secondary market for the Notes or liquidity in the secondary market if one develops. From time to time, each of the Dealers may make a market in the Notes, but no Dealer is obligated to do so and may discontinue any market-making activity at any time.

The Bank has agreed to indemnify the Dealers against, and to provide contribution with respect to certain liabilities, including liabilities under the U.S. federal securities laws. The Bank has agreed to reimburse the Dealers for certain other reasonable expenses.

J.P. Morgan Securities Inc., an affiliate of the Bank, is acting as an arranger and a Dealer with respect to the Program. Each offering of the Notes will be conducted in compliance with any applicable requirements of Rule 2720 of the Conduct Rules of NASD Regulation, Inc.

In connection with the offer and sale of the Notes, the Dealers may engage in overallotment, stabilizing transactions and syndicate covering transactions in accordance with Regulation M under the Exchange Act. Overallotment involves sales in excess of the offering size, which creates a short position for the Dealers. Stabilizing transactions involve bids to purchase the Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Notes. Syndicate covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions. Such stabilizing transactions and syndicate covering transactions may cause the price of the Notes to be higher than it would otherwise be in the absence of such transactions. Such activities, if commenced, may be discontinued at any time.

This Offering Circular may be used by affiliates of the Bank, including J.P. Morgan Securities Inc., in connection with offers and sales related to secondary market transactions in the Notes. Such affiliates may act as principal or agent in such transactions. Such sales will be made at prices related to prevailing market prices at the time of sale.

Certain of the Dealers and their affiliates may be customers of, including borrowers from, engage in transactions with, and perform services for, the Bank, the Corporation and their affiliates in the ordinary course of business.

Sales Restrictions

General

No action has been taken by the Bank that would permit a public offering of the Notes or possession or distribution of the Offering Circular or any other offering material in any jurisdiction where action for that purpose is required. Accordingly, each Dealer has agreed, and each other dealer will be required to agree, that it will comply, to the best of its knowledge in good faith and on reasonable grounds after making all reasonable investigations, with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes the Offering Circular or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Bank nor any other Dealer shall have any responsibility therefor.

With regard to each Note, the relevant purchaser will be required to comply with such restrictions as the Bank and the relevant purchaser shall agree and as shall be set out in the applicable Pricing Supplement. The following selling restrictions may be modified by the Bank and the relevant Dealers following a change in the relevant law, regulation or directive. Any such modification will be set out in the applicable Pricing Supplement.

United States

The Notes have not been, and are not required to be, registered with the Commission under the Securities Act. The Notes are being offered and sold in reliance upon an exemption provided in Section 3(a)(2) of the Securities Act only (i) pursuant to the terms of the abbreviated securities registration procedures set forth in regulations issued by the Comptroller or (ii) outside the United States in compliance with Regulation S promulgated under the Securities Act (as such Regulation is incorporated into the Comptroller's regulations by 12 C.F.R. Section 16.5(g)). With respect to Notes being sold pursuant to Clause (i) of the preceding sentence, The Comptroller's regulations (12 C.F.R. Section 16.6) provide that a national bank meeting certain requirements that issues nonconvertible debt securities such as the Notes may offer and sell such securities pursuant to an abbreviated registration system provided for in the regulations if, among other things, such securities are offered and sold only to accredited investors in minimum denominations of U.S.$250,000. With respect to Notes being offered and sold pursuant to such abbreviated registration system, or, in the case of Notes with maturities of 270 days or less, pursuant to an exemption from the Comptroller's registration requirements, each Dealer has agreed, and each other dealer will be required to agree, with the Bank that such Notes will be offered and sold by the Dealers in any initial offering hereunder only to institutional investors that are "accredited investors" within the meaning of Rule 501 under the Securities Act and that each owner of a beneficial interest in a Note will be required to hold such beneficial interest in U.S.$250,000 principal amount, or the equivalent thereof in other currencies, calculated as described herein.

Each Dealer has agreed, and each other dealer will be required to agree with the Bank, that, except as permitted by the Distribution Agreement, it will offer or sell Notes of any Series issued in reliance on Regulation S (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes of such Series, as determined and certified to the Global Agent or the Bank by each Dealer as to Notes purchased by or through it, in which case the Global Agent or the Bank shall notify such Dealer when all Dealers have so certified, only in accordance with Rule 903 of Regulation S under the Securities Act (as such rule is incorporated into the Comptroller's regulations by 12 C.F.R. Section 16.5(g)). Accordingly, neither the Dealers, their affiliates (if any) nor any person acting on their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and the Dealers, their affiliates (if any) and any person acting on their behalf have complied and will comply with the offering restrictions requirements of Regulation S (as they are incorporated into the Comptroller's regulations by 12 C.F.R. Section 16.5(g)). Each Dealer agrees that, at or prior to confirmation of sale of Notes of any such Series, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes of such Series from it or through it during the restricted period a confirmation or notice substantially to the following effect:

"The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "Securities Act"). In addition, the Notes covered hereby have not been registered under the regulations of the U.S. Comptroller of the Currency ("Comptroller's Regulations") relating to securities offering by national banks (12 C.F.R. Part 16) and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (i) as part of their distribution at any time or (ii) otherwise until forty days after the completion of the distribution of the Tranche represented by the Notes as determined and certified by the Dealers, except in either case in accordance with Regulation

S under the Securities Act, as such Regulation is incorporated into the Comptroller's Regulations by 12 C.F.R. Section 16.5(g). Terms used above have the meanings given to them by Regulation S."

Terms used in the above paragraphs have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of any Series of such Notes, an offer or sale of such Series within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Bearer Notes are subject to United States tax law requirements and may not be offered, sold, resold or delivered, directly or indirectly, within the United States or its possessions or to a U.S. person, except in certain transactions permitted by United States tax regulations. Any underwriters, agents and dealers participating in the offering of Bearer Notes, directly or indirectly, will be required to agree that they will not, in connection with the original issuance of any Bearer Notes or during the restricted period, offer, sell, resell or deliver, directly or indirectly, any Bearer Notes in the United States or its possessions or to United States persons (other than as permitted by the applicable United States tax regulations). In addition, any such underwriters, agents and dealers will be required to have procedures reasonably designed to ensure that their employees or agents who are directly engaged in selling Bearer Notes are aware of the above restrictions on the offering, sale, resale or delivery of the Bearer Notes. Terms used in this paragraph have the meaning given to them by the Code.

United Kingdom

Each Dealer has represented and agreed and each other dealer appointed will be required to represent and agree that:

i. in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the issue date of such Notes, will not offer or sell any such Notes to persons in the United Kingdom except to 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 otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995;

ii. 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 Financial Services and Markets Act 2000 ("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 Bank;

iii. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom; and

iv. in relation to any Notes which have a maturity of less than one year, 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 it has not offered or sold and will not offer or sell any Notes other than to 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 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 Bank.

In connection with an offering of the Notes, FSMA permits the stabilising agent or any person acting for him to over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilising agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, unless otherwise permitted by then current laws and regulations. Notes (including Notes denominated in Sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by a bank in the United Kingdom or whose issue otherwise constitutes a contravention of such section will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Hong Kong

Each Dealer represents and agrees, and each other dealer will be required to represent and agree, that:

(1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and

(2) it has not issued and will not issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made thereunder.

Japan

The Notes have not been, and will not be, registered under the Securities and Exchange Law of Japan. Accordingly, each Dealer has represented and agreed, and each other dealer will be required to represent and agree, that it will not offer or sell any Notes which are denominated in Yen directly or indirectly in Japan or to residents of Japan or for the benefit of any Japanese person (which term as used herein means any person resident in Japan including any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale directly or indirectly in Japan or to any resident of Japan or to any Japanese person except in compliance with any applicable laws, regulations and ministerial guidelines of Japan taken as a whole.

The types of Yen denominated Notes to be issued under the Program are limited to those which have been approved by the Japanese authorities. In connection with an issuance of Yen denominated Notes, the Bank will be required to comply with all applicable laws, regulations and guidelines, as amended from time to time, of the Japanese governmental and regulatory authorities.

Germany

In connection with the initial placement of any Notes in Germany, each Dealer has agreed, and each further dealer will be required to agree, that any necessary application for admission under the German Banking Act or any other applicable law will be filed and/or any registration and/or notification obligation under the German Banking Act or any other applicable law will be complied with and that it will offer and sell Notes only in accordance with the provisions of the German Securities Selling Prospectus Act and the German Securities Exchange Act (i) unless otherwise provided in the relevant international terms agreement or the applicable Pricing Supplement in the case of an issue made on a syndicated basis, only for an aggregate purchase price per purchaser of at least €40,000 (or the foreign currency equivalent) or such other amount as may be stipulated from time to time by applicable German law or (ii) as may otherwise be permitted in accordance with applicable German law.

Switzerland

Each Dealer has represented and agreed, and each other dealer will be required to represent and agree, that issues of Notes denominated in Swiss francs or carrying a Swiss franc related element with a maturity of more than one year (other than certain issues of Notes privately placed with a single investor with no publicity) will be effected in compliance with the relevant regulations of the Swiss National Bank based on article 7 of the Federal Law on Banks and Savings Banks of 8th November, 1934 (as amended) and article 15 of the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995 in connection with article 2, paragraph 2 of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of 2nd December, 1996. Under the said regulations, the relevant Dealer or, in the case of a syndicated issue, the lead manager (the "Swiss Dealer"), must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission pursuant to the Federal Law on Stock Exchanges and Securities Trading of 24th March, 1995. The Swiss Dealer must report certain details of the relevant transaction to the Swiss National Bank no later than the Issue Date of the relevant Notes.

GENERAL INFORMATION

Authorization

The Program has been established and Notes will be issued thereunder pursuant to authority granted by the Board of Directors of the Bank on November 20, 1996, as such authority has been and may be supplemented from time to time.

Listing on the Luxembourg Stock Exchange

Application has been made to list certain of the Notes issued under the Program on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has allocated to the Program the number 11974 for listing purposes. A legal notice relating to the Program and copies of the Bank's Articles of Association and By-laws are being lodged with the Régistre de Commerce et des Sociétés à Luxembourg (the Luxembourg Trade and Companies' Register), where such documents may be examined and copies obtained.

Material Change

There has been no adverse change in the financial position of the Bank and its consolidated subsidiaries which is material in the context of the Program or the issue and offering of Notes thereunder since December 31, 2002, except as disclosed herein.

Litigation

There are no litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the program or the issue of Notes thereunder to which the Bank or any of its subsidiaries is a party nor, to the best knowledge and belief of the Bank, are there any threatened litigation, arbitration or administrative proceedings relating to claims or amounts which are material in the context of the Program or the issue of Notes thereunder which would jeopardize its ability to discharge its obligations in respect of the Program or of Notes issued thereunder.

Clearance Systems

The Notes have been accepted for clearance through the DTC, Euroclear and Clearstream, Luxembourg systems. The appropriate CUSIP, Common Code and ISIN for each Tranche of Notes to be held through DTC and/or Euroclear and/or Clearstream, Luxembourg will be contained in the applicable Pricing Supplement. Notes may be held through additional or alternative clearing systems or by custodians approved by the Bank, in which case the relevant codes, if any, will be contained in the applicable Pricing Supplement.

Documents Available

Copies of the Articles of Association and By-laws of the Bank, the Distribution Agreement and the Agency Agreement, which includes the forms of the Notes, will be available for inspection during normal business hours on any day (except Saturdays, Sundays and public holidays) at the offices of Dexia Banque Internationale à Luxembourg at 69 Route d'Esch, L-1470, Luxembourg. The Offering Circular, any supplement or amendment to the Offering Circular or any applicable Pricing Supplement will be made available free of charge at the offices of Dexia Banque Internationale à Luxembourg at 69 Route d'Esch, L-1470, Luxembourg. As long as any Notes remain outstanding, copies of the latest Call Report of the Bank, including any non-consolidated financial statements, as at December 31 in each year and the quarterly Call Reports as at March 31, June 30 and September 30 in each year may be obtained (free of charge) at the offices of Dexia Banque Internationale à Luxembourg specified above and at the specified offices of the Paying Agents. Other than Call Reports, the Bank does not publish interim financial statements.

European Union ("EU") Savings Tax Directive

ECOFIN has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, with effect from January, 2005, states that are member states of the European Union ("Member States") will be required to provide to the tax or other relevant authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Luxembourg, Belgium and Austria can opt for a transitional period for a withholding tax system as an alternative to entering into these information exchange arrangements. Any withholding tax levied pursuant to the EU Directive may be in addition to any domestic withholding tax levied by those Member States.

LEGAL MATTERS

The validity of the Notes offered hereby and certain other legal matters will be passed upon for the Bank by Simpson Thacher & Bartlett LLP, New York, New York. Certain legal matters will be passed upon for the Dealers by Sidley Austin Brown & Wood LLP, New York, New York.

ANNEX A

FORM OF PRICING SUPPLEMENT

PRICING SUPPLEMENT DATED , 200

(To Offering Circular dated July 15, 2003)

CHASE MANHATTAN BANK USA, NATIONAL ASSOCIATION

(a National Banking Association Organized Pursuant to the Laws of the United States)

Global Bank Notes

This Pricing Supplement should be read in conjunction with the accompanying Offering Circular, dated July 15, 2003 (the "Offering Circular"), relating to the U.S.$5,000,000,000 Global Bank Note Program of Chase Manhattan Bank USA, National Association. Unless otherwise defined herein, terms used herein shall have the meanings ascribed to them in the Offering Circular.

[Include whichever of the following apply]

The Notes offered under this pricing supplement have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or Part 16 of the Regulations of the Office of the Comptroller of Currency. Accordingly, the Notes [are being offered outside the United States in compliance with Regulation S under the Securities Act] [are being offered only to institutional investors that are "accredited investors" within the meaning of Rule 501 under the Securities Act, and each owner of a beneficial interest in a Note will be required to hold such beneficial interest in a minimum principal amount of US$250,000 (or its equivalent in other currencies calculated as described in the Offering Circular)].

DESCRIPTION OF THE NOTES

1. Specified Currency and Principal Amount:

2. Senior or Subordinated:

3. Original Issue Date:

4. Stated Maturity Date:

5. Issue Price; Dealer's Discount or Commission:

6. Authorized Denomination(s):

7. Form of Note (Registered or Bearer):

8. (a) Series Number:

   (b) If forming part of an existing Series (Yes/No): [If yes, give details]\

9. Interest Payment Period:

   [ ] One Month

[ ] Three Months

[ ] Six Months

[ ] Twelve Months

[ ] Other (Specify Number of Months):

10. Interest Payment Date(s):

11. Regular Record Dates (for Registered Notes with Maturities Greater than One Year):

12. Exchange Agent (DTC Registered Notes and Dual Currency Notes):

13. Default Rate (if other than Interest Rate): % per annum

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

FIXED RATE NOTES

14. Interest Rate: % per annum

15. Day Count Convention:

[ ] 30/360 for the period from _________ to _________

[ ] Actual/360 for the period from _________ to _________

[ ] Actual/Actual for the period from _________ to _________

[ ] Other (specify convention and applicable period):

FLOATING RATE NOTES

16. Interest Rate Determination:

[ ] ISDA Rate

[ ] Reference Rate Determination

17. Calculation Agent:

18. Maximum Interest Rate: % per annum

19. Minimum Interest Rate: % per annum

20. Day Count Convention:

[ ] 30/360 for the period from _________ to _________

[ ] Actual/360 for the period from _________ to _________

[ ] Actual/Actual for the period from _________ to _________

[ ] Other (specify convention and applicable period):

21. Business Day Convention:

[ ] Floating Rate Convention

[ ] Following Business Day Convention

[ ] Modified Following Business Day Convention

[ ] Preceding Business Day Convention

[ ] Other (specify):

ISDA RATE

22. Margin: [+/-]% per annum

23. Floating Rate Option:

24. Designated Maturity:

25. Reset Date:

REFERENCE RATE DETERMINATION

26. Initial Interest Rate:

27. Index Maturity:

28. Interest Rate Basis or Bases:

If CMT Rate: Designated CMT Telerate Page:

Designated CMT Maturity Index:

If LIBOR: [ ] LIBOR Reuters

[ ] LIBOR Telerate

29. Index Currency:

30. Spread: [+/-] % per annum

31. Spread Multiplier:

32. Initial Interest Reset Date:

33. Interest Reset Period:

34. Interest Reset Dates:

35. Interest Calculation:

[ ] Regular Floating Rate Note

[ ] Floating Rate/Fixed Rate Note

Fixed Rate Commencement Date:

Fixed Interest Rate: % per annum

[ ] Inverse Floating Rate Note

Fixed Interest Rate: % per annum

PROVISIONS REGARDING REDEMPTION/REPAYMENT

36. Initial Redemption Date:

37. Initial Redemption Percentage:

38. Annual Redemption Percentage Reduction:

39. Holder's Optional Repayment Date(s):

ORIGINAL ISSUE DISCOUNT NOTES (INCLUDING ZERO COUPON NOTES)

40. Original Issue Discount Note (Yes/No):

If Yes: Total Amount of OID:

Yield to Maturity:

Initial Accrual Period:

Issue Price: %

INDEXED NOTES

41. Index: [give details]

42. Formula:

43. Agent responsible for calculating the principal interest due:

44. Provisions where calculation by reference to Index and/or Formula is impossible or impracticable:

DUAL CURRENCY NOTES

45. Dual Currency Notes (Yes/No):

If Yes: Face Amount:

Face Amount Currency:

Optional Payment Currency:

Option Election Dates: [give details]

46. Designated Exchange Rate:

47. Option Value Calculation Agent:

48. Agent, if any, responsible for calculating the principal and/or interest payable:

INSTALLMENT NOTES

49. Additional provisions relating to Installment Notes:

PARTLY PAID NOTES

50. Additional provisions relating to Partly Paid Notes:

GENERAL PROVISIONS

51. Additional or different Paying Agents:

52. "Business Day" definition (if other than as defined in the Offering Circular):

53. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (Yes/No) and dates on which such Talons mature:

[If yes, give details]

54. Additional selling restrictions: [give details]

55. CUSIP:

ISIN:

Common Code:

CINS:

Other (specify):

56. Details of additional/alternative clearance system approved by the Bank:

57. Notes to be listed (Yes/No):

If Yes, stock exchange(s):

58. Syndicated Issue (Yes/No):

If Yes, names of managers and details of relevant stabilizing manager, if any:

59. Clearance System(s):

[ ] DTC only

[ ] Euroclear and Clearstream, Luxembourg only

[ ] DTC; and Euroclear and Clearstream, Luxembourg through DTC

[ ] DTC, Euroclear and Clearstream, Luxembourg

[ ] Other:

60. Name(s) of relevant Dealer(s):

61. Other terms or special conditions:

62. Redenomination:

63. Tax considerations:

ISSUER

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Newark, Delaware 19711

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New York, New York 10004

LONDON PAYING AND TRANSFER AGENT

JPMorgan Chase Bank
Trinity Towers
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TABLE OF CONTENTS

Page

Table of Contents

Chase Manhattan Bank USA, National Association

U.S.$5,000,000,000

Global Bank Note Program For Issue of Senior and Subordinated Notes

Offering Circular

U.S. Dealer

JPMorgan

International Dealer

JPMorgan

Dated July 15, 2003

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