

SUPPLEMENTAL OFFERING CIRCULAR



J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.

(incorporated with limited liability in Jersey)

as an Issuer

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

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

as an Issuer and as Guarantor in respect of Securities issued by J.P. Morgan International Derivatives Ltd.

U.S.\$9,000,000,000

Euro Medium Term Note Programme

This Supplemental Offering Circular is supplemental to, and should be read in conjunction with, the Offering Circular dated 11 November 2004 (the “**Offering Circular**”) prepared in relation to the Euro Medium Term Note Programme (the “**Programme**”) of J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank (“**JPMCB**”).

Arranger and Dealer for the Programme

JPMorgan

30 November 2004

Subject as set out below and in the Offering Circular, each Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of each Issuer (which has taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Recent Developments

On 13 November 2004:

- JPMCB converted from a banking corporation organised under the laws of the State of New York into a national banking association organised under the laws of the United States of America;
- JPMCB's name was changed to JPMorgan Chase Bank, National Association;
- Bank One, National Association (Chicago, Illinois) and Bank One, National Association (Columbus, Ohio) merged into JPMCB, with JPMCB being the surviving legal entity; and
- the registered office of JPMCB was changed to 1111 Polaris Parkway, Columbus, Ohio 43271, U.S.A.

In connection with becoming a national banking association, JPMCB will be regulated and examined primarily by its chartering authority, the U.S. Office of the Comptroller of the Currency (the "**OCC**").

Documents Incorporated by Reference

In addition to those documents already described in the Offering Circular as being incorporated by reference therein, from the date of this Supplemental Offering Circular the following documents shall be deemed to be incorporated in, and to form part of, the Offering Circular:

- the non-confidential portions of the most recently published quarterly Consolidated Reports of Condition and Income (the "**Call Reports**") filed by JPMCB with the OCC and compiled in accordance with regulatory accounting principles. A copy of the Call Report at the close of business on 30 September 2004 is attached in "Annex 1 – Call Report".

General Information

1. In connection with the filing of this Offering Circular Supplement with the Luxembourg Stock Exchange, the Articles of Association and By-Laws of each Issuer have been deposited with the Trade and Commerce Register of Luxembourg (*Registre de Commerce et des Sociétés à Luxembourg*), where copies thereof may be obtained on request.
2. Save as disclosed herein or in the Offering Circular (including any document incorporated by reference in the Offering Circular), there has been no material adverse change in the financial position of either Issuer since the date of its most recently published annual Consolidated Financial Statements incorporated herein by reference.

Annex 1 – Call Report

Federal Financial Institutions Examination Council

Please refer to page i,
Table of Contents, for
the required disclosure
of estimated burden.

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Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices—FFIEC 031

Report at the close of Business September 30, 2004

(20040930)
(RCRI 9999)

This report is required by law: 12 U.S.C. §324 (State member banks); 12 U.S.C. §1817 (State nonmember banks); and 12 U.S.C. §161 (National banks).

This report form is to be filed by banks with branches and consolidated subsidiaries in U.S. territories and possessions, Edge or Agreement subsidiaries, foreign branches, consolidated foreign subsidiaries, or International Banking Facilities.

NOTE: The Reports of Condition and Income must be signed by an authorized officer and the Report of Condition must be attested to by not less than two directors (trustees) for State nonmember banks and three directors for State member and National banks.

The Reports of Condition and Income are to be prepared in accordance with Federal regulatory authority instructions.

I, Joseph L. Sclafani, Executive Vice President & Controller

Name and Title of Officer Authorized to Sign Report

of the named bank do hereby declare that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

We, the undersigned directors (trustees), attest to the correctness of the Report of Condition (including the supporting schedules) for this report date and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Signature of Officer Authorized to Sign Report

Director (Trustee)

Director (Trustee)

Date of Signature

Director (Trustee)

Submission of Reports

Each bank must prepare its Reports of Condition and Income either:

For electronic filing assistance, contact EDS Call Report Services, 13890 Bishops Drive, Suite 110, WI 53005, telephone (800) 255-1571.

- (a) in electronic form and then file the computer data file directly with the banking agencies' collection agent, Electronic Data Systems Corporation (EDS), by modem or on computer diskette; or
- (b) in hard-copy (paper) form and arrange for another party to convert the paper report to electronic form. That party (if other than EDS) must transmit the bank's computer data file to EDS.

To fulfill the signature and attestation requirement for the Reports of Condition and Income for this report date, attach this signature page (or a photocopy or a computer-generated version of this page) to the hard-copy record of the completed report that the bank places in its files.

FDIC Certificate Number: 00628
(RCRI 9050)

JPMorgan Chase Bank

Legal Title of Bank (TEXT 9010)

New York

City (TEXT 9130)

NY

State Abbrev. (TEXT 9200)

10017

Zip Code (TEXT 9220)

Consolidated Reports of Condition and Income for A Bank With Domestic and Foreign Offices

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Disclosure of Estimated Burden

The estimated average burden associated with this information collection is 37.1 hours per respondent and is estimated to vary from 15 to 600 hours per response, depending on individual circumstances. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503, and to one of the following:

Secretary
Board of Governors of the Federal Reserve System
Washington, D.C. 20551

Legislative and Regulatory Analysis Division
Office of the Comptroller of the Currency
Washington, D.C. 20219

Assistant Executive Secretary
Federal Deposit Insurance Corporation
Washington, D.C. 20429

Report of Condition

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For information or assistance, National and State nonmember banks should contact the FDIC's Reports Analysis and Quality Control Section, 550 17th Street, NW, Washington, D.C. 20429, toll free on (800) 688-FDIC(3342), Monday through Friday between 8:00 a.m. and 5:00 p.m., Eastern time. State member banks should contact their Federal Reserve District Bank.

Contact Information for the Reports of Condition and Income

To facilitate communication between the Agencies and the bank concerning the Reports of Condition and Income, please provide contact information for (1) the authorized officer of the bank signing the reports for this quarter and (2) the person at the bank - other than the authorized officer -- to whom questions about the reports should be directed. If the authorized officer is the primary contact for questions about the reports, please provide contact information for another person at the bank who will serve as a secondary contact for communications between the Agencies and the bank concerning the Reports of Condition and Income. Enter "none" for the contact's e-mail address or fax number if not available. Contact information for the Reports of Condition and Income is for the confidential use of the Agencies and will not be released to the public.

Authorized Officer Signing the Reports

Joseph L. Sclafani
Name (TEXT C490)
Executive Vice President & Controller
Title (TEXT C491)
Joseph.Sclafani@chase.com
E-Mail Address (TEXT C492)
(212) 270-7559
Telephone: Area code/phone number/extension (TEXT C493)
(201) 270-9589
Fax: Area code/phone number (TEXT C494)

Other Person to Whom Questions about the Reports Should be Directed

Dennis Mikolay
Name (TEXT C495)
Vice President
Title (TEXT C496)
Dennis.Mikolay@chase.com
E-Mail Address (TEXT 4086)
(201) 595-5584
Telephone: Area code/phone number/extension (TEXT 8902)
(201) 595-6771
Fax: Area code/phone number (TEXT 9116)

Emergency Contact Information

This information is being requested so the Agencies can distribute critical, time sensitive information to emergency contacts at banks. Please provide primary contact information for a senior official of the bank who has decision-making authority. Also provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. Emergency contact information is for the confidential use of the Agencies and will not be released to the public.

Primary Contact

Joseph L. Sclafani
Name (TEXT C366)
Executive Vice President & Controller
Title (TEXT C367)
Joseph.Sclafani@Chase.com
E-Mail Address (TEXT C368)
(212) 270-7559
Telephone: Area code/phone number/extension (TEXT C369)
(212) 270-9589
Fax: Area code/phone number (TEXT C370)

Secondary Contact

Ronald C. Mayer
Name (TEXT C371)
Senior Vice President
Title (TEXT C372)
Ronald.C.Mayer@Chase.com
E-Mail Address (TEXT C373)
(212) 270-2438
Telephone: Area code/phone number/extension (TEXT C374)
(212) 270-2876
Fax: Area code/phone number (TEXT C375)

USA PATRIOT Act Section 314(a) Anti-Money Laundering Contact Information

This information is being requested to identify points-of-contact who are in charge of your depository institution's Section 314(a) searches and who could be contacted by federal law enforcement officers for additional information related to anti-terrorist financing and anti-money laundering. Please provide information for a secondary contact if available. Enter "none" for the contact's e-mail address or fax number if not available. USA PATRIOT Act contact information is for the confidential use of the Agencies and the Financial Crimes Enforcement Network (FinCEN) and will not be released to the public.

Primary Contact

Betty A. Conkling
Name (TEXT C437)
Vice President
Title (TEXT C438)
Betty.Conkling@JPMChase.com
E-Mail Address (TEXT C439)
(212) 552-9132
Telephone: Area code/phone number/extension (TEXT C440)
(212) 552-9269
Fax: Area code/phone number (TEXT C441)

Secondary Contact

Phillip DeLuca
Name (TEXT C442)
First Vice President
Title (TEXT C443)
Phillip_A_Deluca@Bankone.com
E-Mail Address (TEXT C444)
(614) 213-3196
Telephone: Area code/phone number/extension (TEXT C445)
(614) 213-4548
Fax: Area code/phone number (TEXT C446)

JPMorgan Chase Bank

Legal Title of Bank

New York

City

NY**10017**

State

Zip Code

FDIC Certificate Number: 00628

FFIEC 031

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Consolidated Report of Income

for the period January 1, 2004 – September 30, 2004

All Report of Income schedules are to be reported on a calendar year-to-date basis in thousands of dollars.

Schedule RI—Income Statement

Dollar Amounts in Thousands		RIAD	Bil Mil Thou	
1. Interest Income:				
a. Interest and fee income on loans:				
(1) In domestic offices:				
(a) Loans secured by real estate	4011		2,396,000	1.a.1.a
(b) Loans to finance agricultural production and other loans to farmers	4024		0	1.a.1.b
(c) Commercial and industrial loans	4012		1,064,000	1.a.1.c
(d) Loans to individuals for household, family, and other personal expenditures:				
(1) Credit cards	B485		0	1.a.1.d.1
(2) Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	B486		1,175,000	1.a.1.d.2
(e) Loans to foreign governments and official institutions	4056		0	1.a.1.e
(f) All other loans in domestic offices	B487		71,000	1.a.1.f
(2) In foreign offices, Edge and Agreement subsidiaries, and IBFs	4059		833,000	1.a.2
(3) Total interest and fee income on loans (sum of items 1.a.(1)(a) through 1.a.(2))	4010		5,539,000	1.a.3
b. Income from lease financing receivables	4065		325,000	1.b
c. Interest income on balances due from depository institutions: (1)	4115		326,000	1.c
d. Interest and dividend income on securities:				
(1) U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities)	B488		292,000	1.d.1
(2) Mortgage-backed securities	B489		1,261,000	1.d.2
(3) All other securities (includes securities issued by states and political subdivisions in the U.S.)	4060		330,000	1.d.3
e. Interest income from trading assets	4069		3,232,000	1.e
f. Interest income on federal funds sold and securities purchased under agreements to resell	4020		1,140,000	1.f
g. Other interest income	4518		0	1.g
h. Total interest income (sum of items 1.a.(3) through 1.g)	4107		12,445,000	1.h
2. Interest expense:				
a. Interest on deposits:				
(1) Interest on deposits in domestic offices:				
(a) Transaction accounts (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts)	4508		55,000	2.a.1.a
(b) Nontransaction accounts:				
(1) Savings deposits (includes MMDAs)	0093		582,000	2.a.1.b.1
(2) Time deposits of \$100,000 or more	A517		442,000	2.a.1.b.2
(3) Time deposits of less than \$100,000	A518		107,000	2.a.1.b.3
(2) Interest on deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs	4172		1,245,000	2.a.2
b. Expense of federal funds purchased and securities sold under agreements to repurchase	4180		1,029,000	2.b
c. Interest on trading liabilities and other borrowed money	4185		2,190,000	2.c

(1) Includes interest income on time certificates of deposits not held for trading.

Schedule RI—Continued

		Year-to-date					
Dollar Amounts in Thousands		RIAD	Bil	Mil	Thou		
2. Interest expense (continued):							
d. Interest on subordinated notes and debentures		4200	511,000			2.d	
e. Total interest expense (sum of items 2.a through 2.d)		4073	6,161,000			2.e	
3. Net interest income (item 1.h minus 2.e)					4074	6,284,000	3
4. Provision for loan and lease losses					4230	(406,000)	4
5. Noninterest income:							
a. Income from fiduciary activities (1)		4070	1,833,000			5.a	
b. Service charges on deposit accounts in domestic offices		4080	776,000			5.b	
c. Trading revenue (2)		A220	2,797,000			5.c	
d. Investment banking, advisory, brokerage, and underwriting fees and							
and		B490	1,830,000			5.d	
e. Venture capital		B491	67,000			5.e	
f. Net servicing		B492	46,000			5.f	
g. Net securitization income		B493	98,000			5.g	
h. (1) Underwriting income from insurance and reinsurance		C386	0			5.h.(1)	
(2) Income from other insurance		C387	3,000			5.h.(2)	
i. Net gains (losses) on sales of loans and leases		5416	173,000			5.i	
j. Net gains (losses) on sales of other real estate owned		5415	0			5.j	
k. Net gains (losses) on sales of other assets (excluding securities)		B496	0			5.k	
l. Other noninterest		B497	2,812,000			5.l	
m. Total noninterest income (sum of items 5.a through 5.l)					4079	10,435,000	5.m
6. a. Realized gains (losses) on held-to-maturity securities					3521	0	6.a
b. Realized gains (losses) on available-for-sale securities					3196	188,000	6.b
7. Noninterest expense:							
a. Salaries and employee benefits		4135	6,656,000			7.a	
b. Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest)		4217	2,610,000			7.b	
c. (1) Goodwill impairment losses		C216	0			7.c.1	
(2) Amortization expense and impairment losses for other intangible assets		C232	25,000			7.c.2	
d. Other noninterest expense *		4092	6,248,000			7.d	
e. Total noninterest expense (sum of items 7.a through 7.d)					4093	15,539,000	7.e
8. Income (loss) before income taxes and extraordinary items, and other adjustments (item 3 plus or minus items 4, 5.m, 6.a, 6.b, and 7.e)					4301	1,774,000	8
9. Applicable income taxes (on item 8)					4302	514,000	9
10. Income (loss) before extraordinary items and other adjustments (item 8 minus item 9)					4300	1,260,000	10
11. Extraordinary items and other adjustments, net of income taxes *					4320	0	11
12. Net income (loss) (sum of items 10 and 11)					4340	1,260,000	12

* Describe on Schedule RI-E - Explanations.

- (1) For banks required to complete Schedule RC-T, items 12 through 19, income from fiduciary activities reported in Schedule RI, item 5.a, must equal the amount reported in Schedule RC-T, item 19.
- (2) For banks required to complete Schedule RI, Memorandum item 8, trading revenue reported in Schedule RI, item 5.c must equal the sum of Memorandum items 8.a through 8.d.

Schedule RI—Continued

Memoranda

Dollar Amounts in Thousands

	RIAD	Year-to-Date			
		Bil	Mil	Thou	
1. Interest expense incurred to carry tax-exempt securities, loans, and leases acquired after August 7, 1986, that is not deductible for federal income tax purposes	4513	3,000			M.1
2. Income from the sale and servicing of mutual funds and annuities in domestic offices (included in Schedule RI, item 8)	8431	173,000			M.2
3. Income on tax-exempt loans and leases to states and political subdivisions in the U.S. (included in Schedule RI, items 1.a and 1.b)	4313	12,000			M.3
4. Income on tax-exempt securities issued by states and political subdivisions in the U.S. (included in Schedule RI, item 1.d.(3))	4507	36,000			M.4
5. Number of full-time equivalent employees at end of current period (round to nearest whole number)	4150	71,630			M.5
6. Not applicable		Number			
7. If the reporting bank has restated its balance sheet as a result of applying push down accounting this calendar year, report the date of the bank's acquisition (1)	9106	0			M.7
8. Trading revenue (from cash instruments and derivative instruments) (sum of Memorandum items 8.a through 8.d must equal Schedule RI, item 5.c) (To be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding calendar year.):					
a. Interest rate exposures	8757	1,258,000			M.8.a
b. Foreign exchange exposures	8758	717,000			M.8.b
c. Equity security and index exposures	8759	736,000			M.8.c
d. Commodity and other exposures	8760	86,000			M.8.d
9. Impact on income of derivatives held for purposes other than trading:					
a. Net increase (decrease) to interest income	8761	230,000			M.9.a
b. Net (increase) decrease to interest expense	8762	(131,000)			M.9.b
c. Other (noninterest) allocations	8763	231,000			M.9.c
10. Credit losses on derivatives (see instructions)	A251	14,000			M.10
11. Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year ?	A530	NO			M.11

(1) For example, a bank acquired on June 1, 2001, would report 20010601

Schedule RI-A—Changes in Equity Capital

Indicate decreases and losses in parentheses.

	Dollar Amounts in Thousands				
	RIAD	Bil	Mil	Thou	
1. Total equity capital most recently reported for the December 31, 2003, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	3217		37,491,000		1
2. Restatements due to corrections of material accounting errors and changes in accounting	B507		0		2
3. Balance end of previous calendar year as restated (sum of items 1 and 2)	B508		37,491,000		3
4. Net income (loss) (must equal Schedule RI, item 12)	4340		1,260,000		4
5. Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions)	B509		0		5
6. Treasury stock transactions, net	B510		0		6
7. Changes incident to business combinations, net	4356		0		7
8. LESS: Cash dividends declared on preferred stock	4470		0		8
9. LESS: Cash dividends declared on common stock	4460		800,000		9
10. Other comprehensive income (1)	B511		(380,000)		10
11. Other transactions with parent holding company * (not included in items 5, 6, 8, or 9 above)	4415		636,000		11
12. Total equity capital end of current period (sum of items 3 through 11) (must equal Schedule RC, item 28)	3210		38,207,000		12

* Describe on Schedule RI-E - Explanations.

(1) Includes changes in net unrealized holding gains (losses) on available-for-sale securities, changes in accumulated net gains (losses) on cash flow hedges, foreign currency translation adjustments, and changes in minimum pension liability adjustments.

Schedule RI-B—Charge-offs and Recoveries on Loans and Leases and Changes in Allowance for Loan and Lease Losses

Part I. Charge-offs and Recoveries on Loans and Leases

Part I excludes charge-offs and recoveries through the allocated transfer risk reserve.

Dollar Amounts in Thousands					RIAD	Bil	Mil	Thou	RIAD	Bil	Mil	Thou	
1. Loans secured by real estate:													
a. Construction, land development, and other land loans in domestic offices					3582	0			3583	0			1.a
b. Secured by farmland in domestic offices					3584	0			3585	0			1.b
c. Secured by 1-4 family residential properties in domestic offices:													
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit					5411	2,000			5412	0			1.c.1
(2) Closed-end loans secured by 1-4 family residential properties:													
(a) Secured by first liens					C234	15,000			C217	6,000			1.c.2.a
(b) Secured by junior liens					C235	2,000			C218	1,000			1.c.2.b
d. Secured by multifamily (5 or more) residential properties in domestic offices					3588	4,000			3589	0			1.d
e. Secured by nonfarm nonresidential properties in domestic offices					3590	1,000			3591	13,000			1.e
f. In foreign offices					B512	0			B513	0			1.f
2. Loans to depository institutions and acceptances of other banks:													
a. To U.S. banks and other U.S. depository institutions					4653	0			4663	0			2.a
b. To foreign banks					4654	2,000			4664	2,000			2.b
3. Loans to finance agricultural production and other loans to farmers					4655	0			4665	0			3
4. Commercial and industrial loans:													
a. To U.S. addressees (domicile)					4645	234,000			4617	110,000			4.a
b. To non-U.S. addressees (domicile)					4646	200,000			4618	103,000			4.b

(1) Include write-downs arising from transfers of loans to a held-for-sale account.

Schedule RI-B—Continued**Part I. Continued**

Dollar Amounts in Thousands

5. Loans to individuals for household, family, and other personal expenditures:
- a. Credit cards
- b. Other (includes single payment, installment, all student loans and revolving credit plans other than credit cards)
6. Loans to foreign governments and official institutions
7. All other loans
8. Lease financing receivables:
- a. To U.S. addressees (domicile)
- b. To non-U.S. addressees (domicile)
9. Total (sum of items 1 through 8)

(Column A) Charge-offs (1)				(Column B) Recoveries			
Calendar year-to-date							
RIAD	Bil	Mil	Thou	RIAD	Bil	Mil	Thou
B514	0			B515	0		
B516	200,000			B517	42,000		
4643	0			4627	0		
4644	13,000			4628	37,000		
4658	43,000			4668	11,000		
4659	0			4669	0		
4635	716,000			4605	325,000		

5.a

5.b

6

7

8.a

8.b

9

Memoranda

Dollar Amounts in Thousands

1. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RI-B, part I, items 4 and 7, above
2. Loans secured by real estate to non-U.S. addresses (domicile) (included in Schedule RI-B, part I, item 1, above):
3. Not Applicable

Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

4. Uncollectible retail credit card fees and finance charges reversed against income (i.e., not in charge-offs against the allowance for loan and lease losses)

(Column A) Charge-offs (1)				(Column B) Recoveries			
Calendar year-to-date							
RIAD	Bil	Mil	Thou	RIAD	Bil	Mil	Thou
5409	2,000			5410	0		
4652	0			4662	0		

M.1

M.2

Calendar year-to-date			
RIAD	Bil	Mil	Thou
C388	0		

M.4

(1) Include write-downs arising from transfers of loans to a held-for-sale account.

Part II. Changes in Allowance for Loan and Lease Losses

Dollar Amounts in Thousands

	RIAD	Bil Mil Thou	
1. Balance most recently reported for the December 31, 2003, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income)	B522	3,151,000	1
2. Recoveries (must equal part I, item 9, column B above)	4605	325,000	2
3. LESS: Charge-offs (must equal part I, item 9, column A above less Schedule RI-B, part II, item 4)	C079	685,000	3
4. LESS: Write-downs arising from transfers of loans to a held-for-sale account	5523	31,000	4
5. Provision for loan and lease losses (must equal Schedule RI, item 4)	4230	(406,000)	5
6. Adjustments * (see instructions for this schedule)	C233	28,000	6
7. Balance end of current period (sum of items 1, 2, 5, and 6, less items 3 and 4) (must equal Schedule RC, item 4.c)	3123	2,382,000	7

* Describe on Schedule RI-E—Explanations.

Memoranda

Dollar Amounts in Thousands

	RIAD	Bil Mil Thou	
1. Allocated transfer risk reserve included in Schedule RI-B, part II, item 7, above Memorandum items 2 and 3 are to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes	C435	34,000	M.1
2. Separate valuation allowance for uncollectible retail credit card fees and finance charges _____	C389	0	M.2
3. Amount of allowance for loan and leases losses attributable to retail credit card fees and finance charges _____	C390	0	M.3

Schedule RI-D—Income from International Operations

For all banks with foreign offices, Edge or Agreement subsidiaries, or IBFs where international operations account for more than 10 percent of total revenues, total assets, or net income.

Dollar Amounts in Thousands

	RIAD	Year-to-Date Bil Mil Thou	
1. Interest income and expense attributable to international operations:			
a. Gross interest income	B523	5,664,000	1.a
b. Gross interest expense	B524	3,780,000	1.b
2. Net interest income attributable to international operations (item 1.a minus 1.b)	B525	1,884,000	2
3. Noninterest income and expense attributable to international operations:			
a. Noninterest income attributable to international operations	4097	5,456,000	3.a
b. Provision for loan and lease losses attributable to international operations	4235	263,000	3.b
c. Other noninterest expense attributable to international operations	4239	4,059,000	3.c
d. Net noninterest income (expense) attributable to international operations (item 3.a minus 3.b and 3.c)	4843	1,134,000	3.d
4. Estimated pretax income attributable to international operations before capital allocation adjustment (sum of items 2 and 3.d)	4844	3,018,000	4
5. Adjustment to pretax income for internal allocations to international operations to reflect the effects of equity capital on overall bank funding costs	4845	167,000	5
6. Estimated pretax income attributable to international operations after capital allocation adjustment (sum of items 4 and 5)	4846	3,185,000	6
7. Income taxes attributable to income from international operations as estimated in item 6	4797	831,000	7
8. Estimated net income attributable to international operations (item 6 minus 7)	4341	2,354,000	8

Schedule RI-E—Explanations

Schedule RI-E is to be completed each quarter on a calendar year-to-date basis.

Detail all adjustments in Schedules RI-A and RI-B, all extraordinary items and other adjustments in Schedule RI, and all significant items of other noninterest income and other noninterest expense in Schedule RI. (See instructions for details.)

				Year-to-Date	
Dollar Amounts in Thousands				RIAD	Bil Mil Thou
1. Other noninterest income (from Schedule RI, item 5.l) Itemize and describe amounts that exceed 1% of the sum of Schedule RI, items 1.h and 5.m:					
TEXT					
a.	Income and fees from the printing and sale of checks			C013	0
b.	Earnings on/increase in value of cash surrender value of life insurance			C014	0
c.	Income and fees from automated teller machines (ATMs)			C016	0
d.	Rent and other income from other real estate owned			4042	0
e.	Safe deposit box rent			C015	0
f.	4461			4461	N/A
g.	4462			4462	N/A
h.	4463			4463	N/A
2. Other noninterest expense (from Schedule RI, item 7.d): Itemize and describe amounts that exceed 1% of the sum of of Schedule RI, items 1.h and 5.m:					
TEXT					
a.	Data processing expenses			C017	0
b.	Advertising and marketing expenses			497	0
c.	Directors' fees			4136	0
d.	Printing, stationery, and supplies			C018	0
e.	Postage			8403	0
f.	Legal fees and expenses			4141	0
g.	FDIC deposit insurance assessments			4146	0
h.	4464	Professional & Outside Services		4464	1,535,000
i.	4467	Merger Costs		4467	616,000
j.	4468	Travel & Entertainment		4468	253,000
3. Extraordinary items and other adjustments and applicable income tax effect (from Schedule RI, item 11) (itemize and describe all extraordinary items and other adjustments):					
TEXT					
a.(1)	4469			4469	N/A
	(2)	Applicable income tax effect	4486	0	
b.(1)	4487			4487	N/A
	(2)	Applicable income tax effect	4488	0	
c.(1)	4489			4489	N/A
	(2)	Applicable income tax effect	4491	0	

[illegible]

JPMorgan Chase Bank

Legal Title of Bank

New York

City

NY **10017**

State

Zip Code

FDIC Certificate Number: 00628

FFIEC 031

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Consolidated Report of Condition for Insured Commercial and State-Chartered Savings Banks for September 30, 2004

All schedules are to be reported in thousands of dollars. Unless otherwise indicated, report the amount outstanding as of the last business day of the quarter.

Schedule RC—Balance Sheet

Dollar Amounts in Thousands		RCFD	Bil	Mil	Thou	
ASSETS						
1. Cash and balances due from depository institutions (from Schedule RC-A):						
a. Noninterest-bearing balances and currency and coin (1)		0081		19,187,000		1.a
b. Interest-bearing balances (2)		0071		33,195,000		1.b
2. Securities:						
a. Held-to-maturity securities (from Schedule RC-B, column A)		1754		121,000		2.a
b. Available-for-sale securities (from Schedule RC-B, column D)		1773		53,698,000		2.b
3. Federal funds sold and securities purchased under agreements to resell:		RCON				
a. Federal funds sold in domestic offices		B987		33,011,000		3.a
		RCFD				
b. Securities purchased under agreements to resell (3)		B989		82,951,000		3.b
4. Loans and lease financing receivables (from Schedule RC-C):						
a. Loans and leases held for sale		5369		17,558,000		4.a
b. Loans and leases, net of unearned income	B528	171,323,000				4.b
c. LESS: Allowance for loan and lease losses	3123	2,382,000				4.c
d. Loans and leases, net of unearned income and allowance (item 4.b minus 4.c)		B529		168,941,000		4.d
5. Trading assets (from Schedule RC-D)		3545		196,355,000		5
6. Premises and fixed assets (including capitalized leases)		2145		5,578,000		6
7. Other real estate owned (from Schedule RC-M)		2150		101,000		7
8. Investments in unconsolidated subsidiaries and associated companies (from Schedule RC-M)		2130		94,000		8
9. Customers' liability to this bank on acceptances outstanding		2155		391,000		9
10. Intangible assets:						
a. Goodwill		3163		2,554,000		10.a
b. Other intangible assets (from Schedule RC-		426		5,411,000		10.b
11. Other assets (from Schedule RC-F)		2160		42,626,000		11
12. Total assets (sum of items 1 through 11)		2170		661,772,000		12

(1) Includes cash items in process of collection and unposted debits.

(2) Includes time certificates of deposit not held for trading.

(3) Includes all securities resale agreements in domestic and foreign offices, regardless of maturity.

Schedule RC—Continued

Dollar Amounts in Thousands				Bil Mil Thou	
LIABILITIES					
13. Deposits:					
a. In domestic offices (sum of totals of columns A and C from Schedule RC-E, part I)				RCON	
				2200	209,624,000
(1) Noninterest-bearing (1)				6631	82,597,000
(2) Interest-bearing				6636	127,027,000
b. In foreign offices, Edge and Agreement subsidiaries, and IBFs (from Schedule RC-E, part II)				RCFN	
				2200	120,503,000
(1) Noninterest-bearing				6631	7,003,000
(2) Interest-bearing				6636	113,500,000
14. Federal funds purchased and securities sold under agreements to repurchase:				RCON	
a. Federal funds purchased in domestic offices (2)				B993	22,032,000
				RCFD	
b. Securities sold under agreements to repurchase (3)				B995	96,912,000
15. Trading liabilities (from Schedule RC-D)				3548	107,450,000
16. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases) (from Schedule RC-M)					
				3190	21,794,000
17. Not applicable					
18. Bank's liability on acceptances executed and outstanding				2920	391,000
19. Subordinated notes and debentures(4)				3200	12,821,000
20. Other liabilities (from Schedule RC-G)				2930	31,690,000
21. Total liabilities (sum of items 13 through 20)				2948	623,217,000
22. Minority interest in consolidated subsidiaries				3000	348,000
EQUITY CAPITAL					
23. Perpetual preferred stock and related surplus				3838	0
24. Common stock				3230	1,785,000
25. Surplus (exclude all surplus related to preferred stock)				3839	16,954,000
26. a. Retained earnings				3632	20,050,000
b. Accumulated other comprehensive income (5)				B530	(582,000)
27. Other equity capital components (6)				A130	0
28. Total equity capital (sum of items 23 through 27)				3210	38,207,000
29. Total liabilities, minority interest, and equity capital (sum of items 21, 22, and 28)				3300	661,772,000
Memorandum					

Memorandum

To be reported only with the March Report of Condition.

1. Indicate in the box at the right the number of the statement below that best describes the most comprehensive level of auditing work performed for the bank by independent external auditors as of any date during 2003

RCFD	Number
6724	N/A

M. 1

- 1 = Independent audit of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the bank
- 2 = Independent audit of the bank's parent holding company conducted in accordance with generally accepted auditing standards by a certified public accounting firm which submits a report on the consolidated holding company (but not on the bank separately)
- 3 = Attestation on bank management's assertion on the effectiveness of the bank's internal control over financial reporting by a certified public accounting firm

- 4 = Directors' examination of the bank conducted in accordance with generally accepted auditing standards by a certified public accounting firm (may be required by state chartering authority)
- 5 = Directors' examination of the bank performed by other external auditors (may be required by state chartering authority)
- 6 = Review of the bank's financial statements by external auditors
- 7 = Compilation of the bank's financial statements by external auditors
- 8 = Other audit procedures (excluding tax preparation work)
- 9 = No external audit work

(1) Includes total demand deposits and noninterest-bearing time and savings deposits.

(2) Report overnight Federal Home Loan Bank advances in Schedule RC, item 16, "other borrowed money."

(3) Includes all securities repurchase agreements in domestic and foreign offices, regardless of maturity.

(4) Includes limited-life preferred stock and related surplus.

(5) Includes net unrealized holding gains (losses) on available-for-sale securities, accumulated net gains (losses)

on cash flow hedges, cumulative foreign currency translation adjustments, and minimum pension liability adjustments

Schedule RC-A—Cash and Balances Due From Depository Institutions

Exclude assets held for trading.

Dollar Amounts in Thousands	(Column A) Consolidated Bank				(Column B) Domestic Offices							
	RCFD	Bil	Mil	Thou	RCON	Bil	Mil	Thou				
1. Cash items in process of collection, unposted debits, and currency and coin	0022	12,973,000							1			
a. Cash items in process of collection and unposted debits					0020	11,661,000			1.a			
b. Currency and coin					0080	1,136,000			1.b			
					0082	1,440,000			2			
2. Balance due from depository institutions in the U.S.	0083	1,825,000							2.a			
a. U.S. branches and agencies of foreign banks (including their IBFs)				0085					2,494,000			2.b
b. Other commercial banks in the U.S. and other depository institutions in the U.S. (including their IBFs)												
3. Balances due from banks in foreign countries and foreign central banks					0070	202,000			3			
a. Foreign branches of other U.S. banks	0073	275,000							3.a			
b. Other banks in foreign countries and foreign central banks	0074	33,488,000							3.b			
4. Balances due from Federal Reserve Banks	0090	1,327,000			0090	1,327,000			4			
5. Total (sum of items 1 through 4) (total of column A must equal Schedule RC, sum of items 1.a and 1.b)	0010	52,382,000			0010	15,766,000			5			

Schedule RC-B—Securities

Exclude assets held for trading.

Dollar Amounts in Thousands	Held-to-maturity				Available-for-sale				
	(Column A) Amortized Cost		(Column B) Fair Value		(Column C) Amortized Cost		(Column D) Fair Value		
	RCFD	Bil Mil Thou	RCFD	Bil Mil Thou	RCFD	Bil Mil Thou	RCFD	Bil Mil Thou	
1. U.S. Treasury securities	0211	0	0213	0	1286	9,036,000	1287	8,858,000	1
2. U.S. Government agency obligations (exclude mortgage-backed securities):									
a. Issued by U.S. Government agencies (1)	1289	0	1290	0	1291	0	1293	0	2.a
b. Issued by U.S. Government sponsored agencies (2)	1294	0	1295	0	1297	692,000	1298	694,000	2.b
3. Securities issued by states and political subdivisions in the U.S.	8496	0	8497	0	8498	700,000	8499	731,000	3

(1) Includes Small Business Administration 'Guaranteed Loan Pool Certificates,' U.S. Maritime Administration obligations, and Export - Import Bank participation certificates.

(2) Includes obligations (other than mortgage-backed securities) issued by the Farm Credit System, the Federal Home Loan Bank System, The Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Financing Corporation, Resolution Funding Corporation, the Student Loan Marketing Association, and the Tennessee Valley Authority.

Schedule RC-B—Continued

Dollar Amounts in Thousands	Held-to-maturity								Available-for-sale								
	(Column A) Amortized Cost				(Column B) Fair Value				(Column C) Amortized Cost				(Column D) Fair Value				
	RCFD	Bil	Mil	Thou	RCFD	Bil	Mil	Thou	RCFD	Bil	Mil	Thou	RCFD	Bil	Mil	Thou	
4. Mortgage-backed securities (MBS):																	
a. Pass-through securities:																	
(1) Guaranteed by GNMA	1698	0			1699	0			1701	1,286,000			1702	1,265,000			4.a.1
(2) Issued by FNMA and FHLMC	1703	121,000			1705	129,000			1706	31,848,000			1707	31,083,000			4.a.2
(3) Other pass-through securities	1709	0			1710	0			1711	0			1713	0			4.a.3
b. Other mortgage-backed securities (include CMOs, REMICs and stripped MBS):																	
(1) Issued or guaranteed by FNMA, FHLMC, or GNMA	1714	0			1715	0			1716	0			1717	0			4.b.1
(2) Collateralized by MBS issued or guaranteed by FNMA, FHLMC, or	1718	0			1719	0			1731	1,000			1732	1,000			4.b.2
(3) All other mortgage-backed securities	1733	0			1734	0			1735	165,000			1736	160,000			4.b.3
5. Asset-backed securities (ABS):																	
a. Credit card receivables	B838	0			B839	0			B840	0			B841	0			5.a
b. Home equity lines	B842	0			B843	0			B844	0			B845	0			5.b
c. Automobile loans	B846	0			B847	0			B848	0			B849	0			5.c
d. Other consumer loans	B850	0			B851	0			B852	0			B853	0			5.d
e. Commercial and industrial loans	B854	0			B855	0			B856	0			B857	0			5.e
f. Other	B858	0			B859	0			B860	569,000			B861	568,000			5.f
6. Other debt securities:																	
a. Other domestic debt securities	1737	0			1738	0			1739	0			1741	0			6.a
b. Foreign debt securities	1742	0			1743	0			1744	9,617,000			1746	9,643,000			6.b
7. Investments in mutual funds and other equity securities with readily determinable fair values (1)																	
									A510	663,000			A511	695,000			7
8. Total (sum of items 1 through 7) (total of Column A must equal Schedule RC item 2.a) (total of column D must equal Schedule RC, item 2.b)																	
	1754	121,000			1771	129,000			1772	54,577,000			1773	53,698,000			8

(1) Report Federal Reserve stock, Federal Home Loan Bank stock, and banker's bank stock in Schedule RC-F, item 4.

Schedule RC-B—Continued

Memoranda

Dollar Amounts in Thousands

	RCFD	Bil Mil Thou	
1. Pledged securities (1)	0416	42,542,000	M.1
2. Maturity and repricing data for debt securities (1, 2) (excluding those in nonaccrual status):			
a. Securities issued by the U.S. Treasury, U.S. Government agencies, and states and political subdivisions in the U.S.; other non-mortgage debt securities; and mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: (3,4)			
(1) Three months or less	A549	3,474,000	M.2.a.1
(2) Over three months through 12 months	A550	2,752,000	M.2.a.2
(3) Over one year through three years	A551	1,918,000	M.2.a.3
(4) Over three years through five years	A552	6,888,000	M.2.a.4
(5) Over five years through 15 years	A553	5,425,000	M.2.a.5
(6) Over 15 years	A554	37,000	M.2.a.6
b. Mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages with a remaining maturity or next repricing date of: (3,5)			
(1) Three months or less	A555	0	M.2.b.1
(2) Over three months through 12 months	A556	0	M.2.b.2
(3) Over one year through three years	A557	0	M.2.b.3
(4) Over three years through five years	A558	0	M.2.b.4
(5) Over five years through 15 years	A559	4,547,000	M.2.b.5
(6) Over 15 years	A560	27,922,000	M.2.b.6
c. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS; exclude mortgage pass-through securities) with an expected average life of: (6)			
(1) Three years or less	A561	161,000	M.2.c.1
(2) Over three years	A562	0	M.2.c.2
d. Debt securities with a REMAINING MATURITY of one year or less (included in Memorandum items 2.a through 2.c above)	A248	6,185,000	M.2.d
3. Amortized cost of held-to-maturity securities sold or transferred to available-for-sale or trading securities during the calendar year-to-date (report the amortized cost at date of sale or transfer)	1778	0	M.3
4. Structured notes (included in the held-to-maturity and available-for-sale accounts in Schedule RC-B, items 2, 3, 5, and 6):			
a. Amortized cost	8782	0	M.4.a
b. Fair value	8783	0	M.4.b

(1) Includes held-to-maturity securities at amortized cost and available-for-sale securities at fair value.

(2) Exclude investments in mutual funds and other equity securities with readily determinable fair values.

(3) Report fixed rate debt securities by remaining maturity and floating rate debt securities by next repricing date.

(4) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus any nonaccrual debt securities in the categories of debt securities reported in Memorandum item 2.a that are included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, sum of items 1, 2, 3, 5, and 6, columns A and D, plus mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

(5) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus any nonaccrual mortgage pass-through securities backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, item 4.a, sum of columns A and D, less the amount of mortgage pass-through securities other than those backed by closed-end first lien 1-4 family residential mortgages included in Schedule RC-B, item 4.a, columns A and D.

(6) Sum of Memorandum items 2.c.(1) and 2.c.(2) plus any nonaccrual "Other mortgage-backed securities" included in Schedule RC-N, item 9, column C, must equal Schedule RC-B, item 4.b, sum of columns A and D.

Schedule RC-C—Loans and Lease Financing Receivables

Part I. Loans and Leases

Do not deduct the allowance for loan and lease losses or the allocated transfer risk reserve from amounts reported in this schedule. Report (1) loans and leases held for sale at the lower of cost or market value and (2) loans and leases held for investment, net of unearned income. Exclude assets held for trading and commercial paper.

Dollar Amounts in Thousands

1. Loans secured by real estate	1410	74,681,000					1
a. Construction, land development, and other land loans			1415	922,000			1.a
b. Secured by farmland (including farm residential and other improvements)			1420	3,000			1.b
c. Secured by 1-4 family residential properties:							
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit			1797	9,702,000			1.c.1
(2) Closed-end loans secured by 1-4 family residential properties:							
(a) Secured by first liens			5367	58,860,000			1.c.2.a
(b) Secured by junior liens			5368	1,984,000			1.c.2.b
d. Secured by multifamily (5 or more) residential properties			1460	117,000			1.d
e. Secured by nonfarm nonresidential properties			1480	1,983,000			1.e
2. Loans to depository institutions and acceptances of other banks:							
a. To commercial banks in the U.S.			B531	6,744,000			2.a
(1) To U.S. branches and agencies of foreign banks	B532	0					2.a.1
(2) To other commercial banks in the U.S.	B533	6,768,000					2.a.2
b. To other depository institutions in the U.S.	B534	24,000	B534	24,000			2.b
c. To banks in foreign countries			B535	227,000			2.c
(1) To foreign branches of other U.S. banks	B536	0					2.c.1
(2) To other banks in foreign countries	B537	2,308,000					2.c.2
3. Loans to finance agricultural production and other loans to farmers	1590	37,000	1590	14,000			3
4. Commercial and industrial loans:							
a. To U.S. addressees (domicile)	1763	23,503,000	1763	22,287,000			4.a
b. To non-U.S. addressees (domicile)	1764	13,401,000	1764	190,000			4.b
5. Not applicable.							
6. Loans to individuals for household, family, and other personal expenditures (i.e., consumer loans) (includes purchased paper):							
a. Credit cards	B538	0	B538	0			6.a
b. Other revolving credit plans	B539	365,000	B539	365,000			6.b
c. Other consumer loans (includes single payment, installment, and all student loans	2011	31,130,000	2011	31,117,000			6.c
7. Loans to foreign government and official institutions (including foreign central banks)	2081	908,000	2081	0			7
8. Obligations (other than securities and leases) of states and political subdivisions in the U.S.	2107	14,000	2107	14,000			8
9. Other loans	1563	25,417,000					9
a. Loans for purchasing or carrying securities (secured and unsecured)			1545	2,828,000			9.a
b. All other loans (exclude consumer loans)			1564	10,787,000			9.b
10. Lease financing receivables (net of unearned income)			2165	10,237,000			10
a. Of U.S. addressees (domicile)	2182	10,237,000					10.a
b. Of non-U.S. addressees (domicile)	2183	88,000					10.b
11. LESS: Any unearned income on loans reflected in items 1-9 above	2123	0	2123	0			11
12. Total loans and leases, net of unearned income (sum of items 1 through 10 minus item 11) (total of column A must equal Schedule RC, item 4.a and 4.b)	2122	188,881,000	2122	158,405,000			12

Schedule RC-C—Continued**Part I. Continued****Memoranda**

Dollar Amounts in Thousands

	RCFD	Bil Mil Thou	
1. Loans and Leases restructured and in compliance with modified terms (included in Schedule RC-C, part I, and not reported as past due or nonaccrual in Schedule RC-N, Memorandum item 1) (exclude loans secured by 1-4 family residential properties and loans to individuals for household, family, and other personal expenditures)	1616	0	M.1
2. Maturity and repricing data for loans and leases (excluding those in nonaccrual status):			
a. Closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I, item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of: (1, 2)	RCON		
(1) Three months or less	A564	4,657,000	M.2.a.1
(2) Over three months through 12 months	A565	1,708,000	M.2.a.2
(3) Over one year through three years	A566	7,414,000	M.2.a.3
(4) Over three years through five years	A567	16,073,000	M.2.a.4
(5) Over five years through 15 years	A568	16,395,000	M.2.a.5
(6) Over 15 years	A569	12,341,000	M.2.a.6
b. All loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) EXCLUDING closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (reported in Schedule RC-C, part I item 1.c.(2)(a), column B) with a remaining maturity or next repricing date of: (1,3)	RCFD		
(1) Three months or less	A570	55,258,000	M.2.b.1
(2) Over three months through 12 months	A571	16,812,000	M.2.b.2
(3) Over one year through three years	A572	20,189,000	M.2.b.3
(4) Over three years through five years	A573	23,635,000	M.2.b.4
(5) Over five years through 15 years	A574	8,479,000	M.2.b.5
(6) Over 15 years	A575	3,859,000	M.2.b.6
c. Loans and leases (reported in Schedule RC-C, part I, items 1 through 10, column A) with a REMAINING MATURITY of one year or less (excluding those in nonaccrual status)	A247	54,322,000	M.2.c
3. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-C, part I, items 4 and 9, column A (4)	2746	1,490,000	M.3
4. Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties in domestic offices (included in Schedule RC-C, part I, item 1.c.(2)(a), column B)	RCON		
	5370	40,088,000	M.4
5. Loans secured by real estate to non-U.S. addresses (domicile) (included in Schedule RC-C, part I, item 1, column A)	RCFD		
	B837	1,118,000	M.5
Memorandum item 6 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.			
6) Outstanding credit card fees and finance charges included in Schedule RC-C, part I, item 6.a., column A	C391	0	M.6

(1) Report fixed rate loans and leases by remaining maturity and floating rate loans by next repricing date.

(2) Sum of Memorandum items 2.a.(1) through 2.a.(6) plus total nonaccrual closed-end loans secured by first liens on 1-4 family residential properties in domestic offices included in Schedule RC-N, item 1.c.(2)(a), column C must equal total closed-end loans secured by first liens on 1-4 family residential properties from . Schedule RC-C, part I, item 1.c.(2)(a), column B

(3) Sum of Memorandum items 2.b.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C, minus nonaccrual closed-end loans secured by first liens on 1-4 family residential properties in domestic offices included in Schedule RC-N, item 1.c.(2)(a), column C, must equal total loans and leases from Schedule RC-C, Part I, sum of items 1 through 10, column A, minus total closed-end loans secured by first liens on 1-4 family residential properties in domestic offices from Schedule RC-C, part I, item 1.c.(2)(a), column B.

(4) Exclude loans secured by real estate that are included in Schedule RC-C, part I, item 1, column A.

Schedule RC-D—Trading Assets and Liabilities

Schedule RC-D is to be completed by banks that reported average trading assets (Schedule RC-K, item 7) of \$2 million or more for any quarter of the preceding year.

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
ASSETS				
1. U.S. Treasury securities in domestic offices	3531	10,717,000		1
2. U.S. Government agency obligations in domestic offices (exclude mortgage-backed securities)	3532	4,086,000		2
3. Securities issued by states and political subdivisions in the U.S. in domestic offices	3533	162,000		3
4. Mortgage-backed securities (MBS) in domestic offices:				
a. Pass-through securities issued or guaranteed by FNMA, FHLMC, or GNMA	3534	0		4.a
b. Other mortgage-backed securities issued or guaranteed by FNMA, FHLMC, or GNMA (include CMOs, REMICs, and stripped MBS)	3535	31,000		4.b
c. All other mortgage-backed securities	3536	0		4.c
5. Other debt securities in domestic offices	3537	15,837,000		5
6. - 8. Not applicable				
9. Other trading assets in domestic offices	3541	3,272,000		9
	RCFN			
10. Trading assets in foreign offices	3542	110,058,000		10
11. Revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts:	RCON			
a. In domestic offices	3543	12,085,000		11.a
	RCFN			
b. In foreign offices	3543	40,107,000		11.b
	RCFD			
12. Total trading assets (sum of items 1 through 11) (must equal Schedule RC, item 5)	3545	196,355,000		12
LIABILITIES				
13. Liability for short positions	3546	59,785,000		13
14. Revaluation losses on interest rate, foreign exchange rate, and other commodity and equity contracts	3547	47,665,000		14
15. Total trading liabilities (sum of items 13 and 14) (must equal Schedule RC, item 15)	3548	107,450,000		15

1. Selected components of total deposits (i.e., sum of item 7, columns A and C):			
a. Total Individual Retirement Accounts (IRAs) and Keogh Plan accounts	6835	2,689,000	M.1.a
b. Total brokered deposits	2365	0	M.1.b
c. Fully insured brokered deposits (included in Memorandum item 1.b above):			
(1) Issued in denominations of less than \$100,000	2343	0	M.1.c.1
(2) Issued either in denominations of \$100,000 or in denominations greater than \$100,000 and participated out by the broker in shares of \$100,000 or less	2344	0	M.1.c.2
d. Maturity data for brokered deposits:			
(1) Brokered deposits issued in denominations of less than \$100,000 with a remaining maturity of one year or less (included in Memorandum item 1.c.(1) above)	A243	0	M.1.d.1
(2) Brokered deposits issued in denominations of \$100,000 or more with a remaining maturity of one year or less (included in Memorandum item 1.b above)	A244	0	M.1.d.2
e. Preferred deposits (uninsured deposits of states and political subdivisions in the U.S. reported in item 3 above which are secured or collateralized as required under state law)			
(to be completed for the December report only)	5590	N/A	M.1.e
2. Components of total nontransaction accounts (sum of Memorandum items 2.a through 2.c must equal item 7, column C, above):			
a. Savings deposits:			
(1) Money market deposit accounts (MMDAs)	6810	93,881,000	M.2.a.1
(2) Other savings deposits (excludes MMDAs)	0352	37,165,000	M.2.a.2
b. Total time deposits of less than \$100,000	6648	5,172,000	M.2.b
c. Total time deposits of \$100,000 or more	2604	38,028,000	M.2.c

Schedule RC-E—Continued

Part I. Continued

Memoranda (continued)	Dollar Amounts in Thousands	RCON	Bil Mil Thou	
3. Maturity and repricing data for time deposits of less than \$100,000 :				
a. Time deposits of less than \$100,000 with a remaining maturity or next repricing date of (1,2)				
(1) Three months or less		A579	1,587,000	M.3.a.1
(2) Over three months through 12 months		A580	2,378,000	M.3.a.2
(3) Over one year through three years		A581	951,000	M.3.a.3
(4) Over three years		A582	256,000	M.3.a.4
b. Time deposits of less than \$100,000 with a REMAINING MATURITY of one year or less (included in Memorandum items 3.a.(1) through 3.a.(4) above)(3)		A241	3,965,000	M.3.b
4. Maturity and repricing data for time deposits of \$100,000 or more:				
a. Time deposits of \$100,000 or more with a remaining maturity or next repricing date of (1,4)				
(1) Three months or less		A584	36,369,000	M.4.a.1
(2) Over three months through 12 months		A585	1,140,000	M.4.a.2
(3) Over one year through three years		A586	406,000	M.4.a.3
(4) Over three years		A587	113,000	M.4.a.4
b. Time deposits of \$100,000 or more with a REMAINING MATURITY of one year or less (included in Memorandum items 4.a.(1) through 4.a.(4) above)(3)		A242	37,509,000	M.4.b

(1) Report fixed rate time deposits by remaining maturity and floating rate time deposits by next repricing date.

(2) Sum of Memorandum items 3.a.(1) through 3.a.(4) must equal Schedule RC-E Memorandum item 2.b.

(3) Report both fixed and floating rate time deposits by remaining maturity. Exclude floating rate time deposits with a next repricing date of one year or less that have a remaining maturity of over one year.

(4) Sum of Memorandum items 4.a.(1) through 4.a.(4) must equal Schedule RC-E, Memorandum item 2.c.

Part II. Deposits in Foreign Offices (including Edge and Agreement subsidiaries and IBFs)

Deposits of:	Dollar Amounts in Thousands	RCFN	Bil Mil Thou	
1. Individuals, partnerships, and corporations (include all certified and official checks)		B553	69,843,000	1
2. U.S. banks (including IBFs and foreign branches of U.S. banks) and other U.S. depository institutions		B554	3,542,000	2
3. Foreign banks (including U.S. branches and agencies of foreign banks, including their IBFs)		2625	26,364,000	3
4. Foreign governments and official institutions (including foreign central banks)		2650	20,742,000	4
5. U.S. Government and states and political subdivisions in the U.S.		B555	12,000	5
6. Total (sum of items 1 through 5) (must equal Schedule RC, item 13.b)		2200	120,503,000	6

Memorandum	Dollar Amounts in Thousands	RCFN	Bil Mil Thou	
1. Time deposits with a remaining maturity of one year or less (included in Part II, item 6 above)		A245	43,722,000	M.1

Schedule RC-F—Other Assets

Dollar Amounts in Thousands				RCFD	Bil Mil Thou	
1. Accrued interest receivable (1)				B556	2,647,000	1
2. Net deferred tax assets (2)				2148	0	2
3. Interest-only strips receivable (not in the form of a security) (3) on:						
a. Mortgage loans				A519	5,000	3.a
b. Other financial assets				A520	178,000	3.b
4. Equity securities that DO NOT have readily determinable fair values (4)				1752	563,000	4
5. Other (itemize and describe amounts greater than \$25,000 that exceed 25% of this item)				2168	39,233,000	5
TEXT						
a. Prepaid Expenses	2166		0			5.a
b. Cash surrender value of life insurance	C009		0			5.b
c. Repossessed personal property (including vehicles)	1578		0			5.c
d. Derivatives with a positive fair value held for purposes other than trading	C010		0			5.d
e. Retained interests in accrued interest receivable related to securitized credit cards	C436		0			5.e
f. 3549	3549		N/A			5.f
g. 3550	3550		N/A			5.g
h. 3551	3551		N/A			5.h
6. Total (sum of items 1 through 5) (must equal Schedule RC, item 11)				2160	42,626,000	6

Schedule RC-G—Other Liabilities

Dollar Amounts in Thousands				RCFD	Bil Mil Thou	
1. a. Interest accrued and unpaid on deposits in domestic offices(5)				3645	106,000	1.a
b. Other expenses accrued and unpaid (includes accrued income taxes payable)				RCFD		
2. Net deferred tax liabilities (2)				3646	10,465,000	1.b
3. Allowance for credit losses on off-balance sheet credit exposures				3049	2,443,000	2
4. Other (itemize and describe amounts greater than \$25,000 that exceed 25% of this item)				B557	256,000	3
TEXT				2938	18,420,000	4
a. Accounts Payable	3066		0			4.a
b. Deferred compensation liabilities	C011		0			4.b
c. Dividends declared but not yet payable	2932		0			4.c
d. Derivatives with a negative fair value held for purposes other than trading	C012		0			4.d
e. 3552	3552		N/A			4.e
f. 3553	3553		N/A			4.f
g. 3554	3554		N/A			4.g
5. Total (sum of items 1 through 4) (must equal Schedule RC, item 20)				2930	31,690,000	5

(1) Include accrued interest receivable on loans, leases, debt securities, and other interest-bearing assets.

(2) See discussion of deferred income taxes in Glossary entry on "income taxes."

(3) Report interest-only strips receivable in the form of a security as available-for sale securities in Schedule RC, item 2.b, or as trading assets in Schedule RC, item 5, as appropriate.

(4) Include Federal Reserve stock, Federal Home Loan Bank stock, and bankers' bank stock

(5) For savings banks, includes "dividends" accrued and unpaid on deposits.

Schedule RC-H—Selected Balance Sheet Items for Domestic Offices

	Domestic Offices				
	RCN	Bil	Mil	Thou	
1. Customers' liability to this bank on acceptances outstanding	2155		227,000		1
2. Bank's liability on acceptances executed and outstanding	2920		231,000		2
3. Securities purchased under agreements to resell	B989		36,434,000		3
4. Securities sold under agreements to repurchase	B995		63,648,000		4
5. Other borrowed money	3190		4,281,000		5
EITHER					
6. Net due from own foreign offices, Edge and Agreement subsidiaries, and IBFs	2163		31,275,000		6
OR					
7. Net due to own foreign offices, Edge and Agreement subsidiaries, and IBFs	2941		N/A		7
8. Total assets (excludes net due from foreign offices, Edge and Agreement subsidiaries, and IBFs)	2192		353,168,000		8
9. Total liabilities (excludes net due to foreign offices, Edge and Agreement subsidiaries, and IBFs)	3129		345,888,000		9

In items 10-17 report the amortized (historical) cost of both held-to-maturity and available-for-sale securities in domestic offices.

	RCN	Bil	Mil	Thou	
10. U.S. Treasury securities	1039		8,091,000		10
11. U.S. Government agency obligations (exclude mortgage-backed securities)	1041		692,000		11
12. Securities issued by states and political subdivisions in the U.S.	1042		700,000		12
13. Mortgage-backed securities (MBS):					
a. Pass-through securities:					
(1) Issued or guaranteed by FNMA, FHLMC, or GNMA	1043		33,255,000		13.a.1
(2) Other pass-through securities	1044		0		13.a.2
b. Other mortgage-backed securities (include CMOs, REMICs, and stripped MBS):					
(1) Issued or guaranteed by FNMA, FHLMC, or GNMA	1209		0		13.b.1
(2) All other mortgage-backed securities	1280		53,000		13.b.2
14. Other domestic debt securities (include domestic asset-backed securities)	1281		569,000		14
15. Foreign debt securities (include foreign asset-backed securities)	1282		0		15
16. Investments in mutual funds and other equity securities with readily determinable fair values	A510		427,000		16
17. Total amortized (historical) cost of both held-to-maturity and available-for-sale securities (sum of items 10 through 16)	1374		43,787,000		17
18. Equity securities that do not have readily determinable fair values	1752		558,000		18

Schedule RC-I—Selected Assets and Liabilities of IBFs

To be completed only by banks with IBFs and other "foreign" offices.

	Dollar Amounts in Thousands				
	RCFN	Bil	Mil	Thou	
1. Total IBF assets of the consolidated bank (component of Schedule RC, item 12)	2133		29,008,000		1
2. Total IBF liabilities (component of Schedule RC, item 21)	2898		6,499,000		2

Schedule RC-K—Quarterly Averages (1)

Dollar Amounts in Thousands		RCFD	Bil	Mil	Thou	
ASSETS						
1. Interest-bearing balances due from depository institutions		3381		34,319,000		1
2. U.S. Treasury securities and U.S. Government agency obligations (2) (excluding mortgage-backed securities)		B558		10,789,000		2
3. Mortgage-backed securities (2)		B559		34,270,000		3
4. All other securities (2, 3)(includes securities issued by states and political subdivisions in the U.S.)		B560		10,085,000		4
5. Federal funds sold and securities purchased under agreements to resell		3365		121,477,000		5
6. Loans:						
a. Loans in domestic offices:		RCON				
(1) Total loans		3360		146,842,000		6.a.1
(2) Loans secured by real estate		3385		71,856,000		6.a.2
(3) Loans to finance agricultural production and other loans to farmers		3386		15,000		6.a.3
(4) Commercial and industrial loans		3387		21,724,000		6.a.4
(5) Loans to individuals for household, family, and other personal expenditures:						
(a) Credit cards		B561		0		6.a.5.a
(b) Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)		B562		31,167,000		6.a.5.b
b. Total loans in foreign offices, Edge and Agreement subsidiaries, and IBFs		RCFN				
		3360		30,292,000		6.b
7. Trading assets		RCFD				
		3401		164,544,000		7
8. Lease financing receivables (net of unearned income)		3484		10,649,000		8
9. Total assets(4)		3368		652,321,000		9
LIABILITIES						
10. Interest-bearing transaction accounts in domestic offices (NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts) (exclude demand deposits)		RCON				
		3485		1,829,000		10
11. Nontransaction accounts in domestic offices:						
a. Savings deposits (includes MMDAs)		B563		128,709,000		11.a
b. Time deposits of \$100,000 or more		A514		42,634,000		11.b
c. Time deposits of less than \$100,000		A529		4,698,000		11.c
		RCFN				
12. Interest-bearing deposits in foreign offices, Edge and Agreement subsidiaries, and IBFs		3404		110,847,000		12
		RCFD				
13. Federal funds purchased and securities sold under agreements to repurchase		3353		122,206,000		13
14. Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)						
		3355		20,999,000		14

(1) For all items, banks have the option of reporting either (1) an average of DAILY figures for the quarter, or (2) an average of WEEKLY figures (i.e., the Wednesday of each week of the quarter).

(2) Quarterly averages for all debt securities should be based on amortized cost.

(3) Quarterly averages for all equity securities should be based on historical cost.

(4) The quarterly averages for total assets should reflect all debt securities (not held for trading) at amortized cost, equity securities with readily determinable fair values at the lower of cost or fair value, and equity securities without readily determinable fair values at historical cost.

Schedule RC-L—Derivatives and Off-Balance Sheet Items

Please read carefully the instructions for the preparation of Schedule RC-L. Some of the amounts reported in Schedule RC-L are regarded as volume indicators and not necessarily as measures of risk.

Dollar Amounts in Thousands				RCFD	Bil	Mil	Thou	
1. Unused commitments:								
a. Revolving, open-end lines secured by 1-4 family residential properties, e.g., home equity lines								
				3814		13,847,000		1.a
b. Credit card lines								
				3815		0		1.b
c. (1) Commitments to fund commercial real estate, construction, and land development loans secured by real estate								
				3816		1,265,000		1.c.1
(2) Commitments to fund commercial real estate, construction, and land development loans NOT secured by real								
				6550		736,000		1.c.2
d. Securities underwriting								
				3817		0		1.d
e. Other unused commitments								
				3818		154,079,000		1.e
				3819		53,616,000		2
2. Financial standby letters of credit and foreign office guarantees								
a. Amount of financial standby letters of credit conveyed to others								
	3820	13,352,000						2.a
3. Performance standby letters of credit and foreign office guarantees								
a. Amount of performance standby letters of credit conveyed to others								
	3822	2,291,000		3821		5,699,000		3.
4. Commercial and similar letters of credit								
				3411		6,488,000		4
5. Participations in acceptances (as described in the instructions) conveyed to others by the reporting bank								
				3428		18,000		5
6. Securities lent (including customers' securities lent where the customer is indemnified against loss by the reporting bank)								
				3433		197,333,000		6
7. Credit derivatives :								
a. Notional amount of credit derivatives on which the reporting bank is the guarantor								
(1) Gross positive fair value								
				A534		446,304,000		7.a
(2) Gross negative fair value								
				C219		8,159,000		7.a.1
				C220		1,380,000		7.a.2
b. Notional amount of credit derivatives on which the reporting bank is the beneficiary								
(1) Gross positive fair value								
				A535		452,005,000		7.b
(2) Gross negative fair value								
				C221		2,495,000		7.b.1
				C222		8,759,000		7.b.2
8. Spot foreign exchange contracts								
				8765		183,129,000		8
9. All other off-balance sheet liabilities (exclude derivatives) (itemize and describe each component of this item over 25% of Schedule RC, item 28, "Total equity capital")								
TEXT								
a.	Securities borrowed	3432	7,242,000					9.a
b.	Commitments to purchase when-issued securities	3434	0					9.b
c.	3555	3555	N/A					9.c
d.	3556	3556	N/A					9.d
e.	3557	3557	N/A					9.e
10. All other off-balance sheet assets (exclude derivatives)(itemize and describe each component of this item over 25% Schedule RC item 28., "Total equity capital")								
TEXT								
a.	Commitments to sell when-issued securities	3435	0					10.a
b.	5592	5592	N/A					10.b
c.	5593	5593	N/A					10.c
d.	5594	5594	N/A					10.d
e.	5595	5595	N/A					10.e
11. Year-to-date merchant credit card sales volume:								
a. Sales for which the reporting bank is the acquiring bank								
				RCFD	Tril	Bil	Mil	Thou
				C223		87,774,000		11.a
b. Sales for which the reporting bank is the agent bank with risk								
				C224		0		11.b

	(Column A) Interest Rate Contracts		(Column B) Foreign Exchange Contracts		(Column C) Equity Derivative Contracts		(Column D) Commodity and Other Contracts	
Dollar Amounts in Thousands								
Derivatives Position Indicators								
12. Gross amounts (e.g., notional amounts) (for each column, sum of items 12.a through 12.e must equal sum of items 13 and 14):	Tril Bil Mil Thou		Tril Bil Mil Thou		Tril Bil Mil Thou		Tril Bil Mil Thou	
	RCFD 8693		RCFD 8694		RCFD 8695		RCFD 8696	
a. Futures contracts	1,422,368,000		1,903,000		33,775,000		7,100,000	12.a
	RCFD 8697		RCFD 8698		RCFD 8699		RCFD 8700	
b. Forward contracts	1,997,803,000		1,218,349,000		6,305,000		19,236,000	12.b
c. Exchange-traded option contracts:	RCFD 8701		RCFD 8702		RCFD 8703		RCFD 8704	
(1) Written options	588,515,000		18,807,000		146,903,000		4,034,000	12.c.1
	RCFD 8705		RCFD 8706		RCFD 8707		RCFD 8708	
(2) Purchased options	844,385,000		21,700,000		134,347,000		3,868,000	12.c.2
d. Over-the-counter option contracts:	RCFD 8709		RCFD 8710		RCFD 8711		RCFD 8712	
(1) Written options	3,239,289,000		323,220,000		217,280,000		38,555,000	12.d.1
	RCFD 8713		RCFD 8714		RCFD 8715		RCFD 8716	
(2) Purchased options	3,149,127,000		318,951,000		208,653,000		38,963,000	12.d.2
	RCFD 3450		RCFD 3826		RCFD 8719		RCFD 8720	
e. Swaps	27,028,176,000		1,041,111,000		28,929,000		26,750,000	12.e
	RCFD A126		RCFD A127		RCFD 8723		RCFD 8724	
13. Total gross notional amount of derivative contracts held for trading	38,182,796,000		2,931,368,000		776,192,000		138,506,000	13
14. Total gross notional amount of derivative contracts held for purposes other than trading								
	RCFD 8725		RCFD 8726		RCFD 8727		RCFD 8728	
	86,867,000		12,673,000		0		0	14
a. Interest rate swaps where the bank has agreed to pay a fixed rate	RCFD A589							
	20,910,000							14.a
15. Gross fair values of derivative contracts:								
a. Contracts held for trading:	RCFD 8733		RCFD 8734		RCFD 8735		RCFD 8736	
(1) Gross positive fair value	539,176,000		58,983,000		18,937,000		7,677,000	15.a.1
	RCFD 8737		RCFD 8738		RCFD 8739		RCFD 8740	
(2) Gross negative fair value	525,379,000		60,628,000		20,868,000		6,766,000	15.a.2
b. Contracts held for purposes other than trading:								
	RCFD 8741		RCFD 8742		RCFD 8743		RCFD 8744	
(1) Gross positive fair value	841,000		67,000		0		0	15.b.1
	RCFD 8745		RCFD 8746		RCFD 8747		RCFD 8748	
(2) Gross negative fair value	305,000		118,000		0		0	15.b.2

Schedule RC-M—Memoranda

Dollar Amounts in Thousands				RCFD	Bil	Mil	Thou	
1. Extensions of credit by the reporting bank to its executive officers, directors, principal shareholders, and their related interests as of the report date:								
a. Aggregate amount of all extensions of credit to all executive officers, directors, principal shareholders, and their related interests				6164		156,000		1.a
b. Number of executive officers, directors, and principal shareholders to whom the amount of all extensions of credit by the reporting bank (including extensions of credit to related interests) equals or exceeds the lesser of \$500,000 or 5 percent of total capital as defined for this purpose in agency regulations								
	Number							
	6165		12					1.b
2. Intangible assets other than goodwill:								
a. Mortgage servicing Assets				3164		5,085,000		2.a
(1) Estimated fair value of mortgage servicing assets				A590		5,175,000		2.a.1
b. Purchased credit card relationships and nonmortgage servicing assets				B026		16,000		2.b
c. All other identifiable intangible assets				5507		310,000		2.c
d. Total (sum of items 2.a, 2.b, and 2.c) (must equal Schedule RC, item 10.b)				0426		5,411,000		2.d
3. Other real estate owned:								
a. Direct and indirect investments in real estate ventures				5372		0		3.a
b. All other real estate owned:				RCON				
(1) Construction, land development, and other land in domestic offices				5508		0		3.b.1
(2) Farmland in domestic offices				5509		0		3.b.2
(3) 1-4 family residential properties in domestic offices				5510		93,000		3.b.3
(4) Multifamily (5 or more) residential properties in domestic offices				5511		0		3.b.4
(5) Nonfarm nonresidential properties in domestic offices				5512		8,000		3.b.5
				RCFN				
(6) In foreign offices				5513		0		3.b.6
				RCFD				
c. Total (sum of items 3.a and 3.b) (must equal Schedule RC, item 7)				2150		101,000		3.c
4. Investments in unconsolidated subsidiaries and associated companies:								
a. Direct and indirect investments in real estate ventures				5374		0		4.a
b. All other investments in unconsolidated subsidiaries and associated companies				5375		94,000		4.b
c. Total (sum of items 4.a and 4.b) (must equal Schedule RC, item 8)				2130		94,000		4.c
5. Other borrowed money:								
a. Federal Home Loan Bank advances:								
(1) With a remaining maturity of one year or less (1)				2651		0		5.a.1
(2) With a remaining maturity of more than one year through three years				B565		0		5.a.2
(3) With a remaining maturity of more than three years				B566		0		5.a.3
b. Other borrowings:								
(1) With a remaining maturity of one year or less				B571		7,214,000		5.b.1
(2) With a remaining maturity of more than one year through three years				B567		4,630,000		5.b.2
(3) With a remaining maturity of more than three years				B568		9,950,000		5.b.3
c. Total (sum of items 5.a.(1) through 5.b.(3)) (must equal Schedule RC, item 16)				3190		21,794,000		5.c
6. Does the reporting bank sell private label or third party mutual funds and annuities?								
					YES / NO			
				B569		YES		6
7. Assets under the reporting bank's management in proprietary mutual funds and annuities								
				RCFD	Bil	Mil	Thou	
				B570		109,966,000		7
8. Primary Internet Web site address of the bank (home page), if any (example: www.examplebank.com) (TEXT 4087) http://www.jpmorganchase.com								8
9. Do any of the bank's Internet Web sites have transactional capability, i.e., allow the bank's customers to execute transactions on their accounts through the Web site?								
					YES / NO			
				4088		YES		9

(1) Includes overnight Federal Home Loan Bank advances.

Schedule RC-N—Past Due and Nonaccrual Loans, Leases, and Other Assets

Dollar Amounts in Thousands

	(Column A) Past due 30 through 89 days and still accruing			(Column B) Past due 90 days or more and still accruing			(Column C) Nonaccrual		
	RCN	Bil Mil Thou		RCN	Bil Mil Thou		RCN	Bil Mil Thou	
1. Loans secured by real estate:									
a. Construction, land development, and other land loans in domestic offices	2759	13,000		2769	0		3492	9,000	1.a
b. Secured by farmland in domestic offices	3493	0		3494	0		3495	0	1.b
c. Secured by 1-4 family residential properties in domestic offices:									
(1) Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit	5398	43,000		5399	0		5400	33,000	1.c.1
(2) Closed-end loans secured by 1-4 family residential properties:									
(a) Secured by first liens	C236	320,000		C237	0		C229	272,000	1.c.2.a
(b) Secured by junior liens	C238	33,000		C239	0		C230	27,000	1.c.2.b
d. Secured by multifamily (5 or more) residential properties in domestic offices	3499	6,000		3500	0		3501	2,000	1.d
e. Secured by nonfarm nonresidential properties properties in domestic offices	3502	6,000		3503	0		3504	39,000	1.e
	RCFN			RCFN			RCFN		
f. In foreign offices	B572	0		B573	0		B574	13,000	1.f
2. Loans to depository institutions and acceptances of other banks:									
a. To U.S. banks and other U.S. depository institutions	RCFD			RCFD			RCFD		
	5377	0		5378	0		5379	0	2.a
b. To foreign banks	5380	0		5381	0		5382	33,000	2.b
3. Loans to finance agricultural production and other loans to farmers	1594	0		1597	0		1583	0	3
4. Commercial and industrial loans:									
a. To U.S. addressees (domicile)	1251	210,000		1252	11,000		1253	736,000	4.a
b. To non-U.S. addressees (domicile)	1254	37,000		1255	0		1256	659,000	4.b
5. Loans to individuals for household, family, and other personal expenditures:									
a. Credit cards	B575	0		B576	0		B577	0	5.a
b. Other (includes single payment, installment, all student loans, and revolving credit plans other than credit cards)	B578	476,000		B579	5,000		B580	156,000	5.b
6. Loans to foreign governments and official institutions	5389	0		5390	0		5391	0	6
7. All other loans	5459	185,000		5460	1,000		5461	60,000	7
8. Lease financing receivables:									
a. Of U.S. addressees (domicile)	1257	75,000		1258	0		1259	22,000	8.a
b. Of non-U.S. addressees (domicile)	1271	0		1272	0		1791	0	8.b
9. Debt securities and other assets (exclude other real estate owned and other repossessed assets)	3505	0		3506	0		3507	238,000	9

Schedule RC-N—Continued

Amounts reported in Schedule RC-N, items 1 through 8, above include guaranteed and unguaranteed portions of past due and nonaccrual loans and leases. Report in item 10 below certain guaranteed loans and leases that have already been included in the amounts reported in items 1 through 8.

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing			(Column B) Past due 90 days or more and still accruing			(Column C) Nonaccrual		
	RCFD	Bil	Mil Thou	RCFD	Bil	Mil Thou	RCFD	Bil	Mil Thou
10. Loans and leases reported in items 1 through 8 above which are wholly or partially guaranteed by the U.S. Government									
a. Guaranteed portion of loans and leases included in item 10 above	5612		178,000	5613		0	5614		12,000
	5615		178,000	5616		0	5617		10,000

10

10.a

Memoranda

Dollar Amounts in Thousands	(Column A) Past due 30 through 89 days and still accruing			(Column B) Past due 90 days or more and still accruing			(Column C) Nonaccrual		
	RCFD	Bil	Mil Thou	RCFD	Bil	Mil Thou	RCFD	Bil	Mil Thou
1. Restructured loans and leases included in Schedule RC-N, items 1 through 8, above (and not reported in Schedule RC-C, Part I, Memorandum item 1)									
	1658		0	1659		0	1661		67,000
2. Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in Schedule RC-N, items 4 and 7, above									
	6558		23,000	6559		0	6560		5,000
3. Loans secured by real estate to non-U.S. addresses (domicile) (included in Schedule RC-N, item 1, above)									
	1248		0	1249		0	1250		13,000
4. Not applicable									
5. Loans and leases held for sale (included in Schedule RC-N, items 1 through 8, above)									
	C240		84,000	C241		0	C226		430,000

M.1

M.2

M.3

M.5

6. Interest rate, foreign exchange rate, and other commodity and equity contracts:
Fair value of amounts carried as assets

(Column A) Past due 30 through 89 days			(Column B) Past due 90 days or more		
RCFD	Bil	Mil Thou	RCFD	Bil	Mil Thou
3529		0	3530		0

M.6

Schedule RC-O—Other Data for Deposit Insurance and FICO Assessments

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Unposted debits (see instructions):				
a. Actual amount of all unposted debits		0030	0	1.a
OR				
b. Separate amount of unposted debits:				
(1) Actual amount of unposted debits to demand deposits		0031	N/A	1.b.1
(2) Actual amount of unposted debits to time and savings deposits (1)		0032	N/A	1.b.2
2. Unposted credits (see instructions):				
a. Actual amount of all unposted credits		3510	N/A	2.a
OR				
b. Separate amount of unposted credits:				
(1) Actual amount of unposted credits to demand deposits		3512	1,755,000	2.b.1
(2) Actual amount of unposted credits to time and savings deposits (1)		3514	0	2.b.2
3. Uninvested trust funds (cash) held in bank's own trust department (not included in total deposits in domestic offices)				
		3520	1,000	3
4. Deposits of consolidated subsidiaries in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions (not included in total deposits) :				
a. Demand deposits of consolidated subsidiaries		2211	1,364,000	4.a
b. Time and savings deposits (1) of consolidated subsidiaries		2351	44,000	4.b
c. Interest accrued and unpaid on deposits of consolidated subsidiaries		5514	0	4.c
5. Deposits in insured branches in Puerto Rico and U.S. territories and possessions:				
a. Demand deposits in insured branches (included in Schedule RC-E, Part II)		2229	0	5.a
b. Time and saving deposits (1) in insured branches (included in Schedule RC-E, Part II)		2383	0	5.b
c. Interest accrued and unpaid on deposits in insured branches (included in Schedule RC-G, item 1.b)		5515	0	5.c
6. Reserve balances actually passed through to the Federal Reserve by the reporting bank on behalf of its respondent depository institutions that are also reflected as deposit liabilities of the reporting bank:				
a. Amount reflected in demand deposits (included in Schedule RC-E, Part I, Item 7 column B)		2314	8,000	6.a
b. Amount reflected in time and savings deposits (1) (included in Schedule RC-E, Part I, Item 7, column A or C, but not column B)		2315	0	6.b
7. Unamortized premiums and discounts on time and savings deposits: (1,2)				
a. Unamortized premiums		5516	0	7.a
b. Unamortized discounts		5517	0	7.b
8. To be completed by banks with " Oakar deposits ".				
a. Deposits purchased or acquired from other FDIC-insured institutions during the quarter (exclude deposits purchased or acquired from foreign offices other than insured branches in Puerto Rico and U.S. territories and possessions):				
(1) Total deposits purchased or acquired from other FDIC-insured institutions during the quarter		A531	0	8.a.1
(2) Amount of purchased or acquired deposits reported in item 8.a.(1) above attributable to a secondary fund (i.e., BIF members report deposits attributable to SAIF; SAIF members report deposits attributable to BIF)		A532	0	8.a.2
b. Total deposits sold or transferred to other FDIC-insured institutions during the quarter (exclude sales or transfers by the reporting bank of deposits in foreign offices other than insured branches in Puerto Rico and U.S. territories and possessions)		A533	9,818,000	8.b

(1) For FDIC and FICO insurance assessment purposes, "time and savings deposits" consists of nontransaction accounts and all transaction accounts other than demand deposits.

(2) Exclude core deposit intangibles.

Schedule RC-O—Continued

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
9. Deposits in lifeline		5596		9
10. Benefit-responsive "Depository Institution Investment Contracts" (included in total deposits in domestic offices)		8432	0	10
11. Adjustments to demand deposits in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions reported in Schedule RC-E for certain reciprocal demand balances :				
a. Amount by which demand deposits would be reduced if the reporting bank's reciprocal demand balances with the domestic offices of U.S. banks and savings associations and insured branches in Puerto Rico and U.S. territories and possessions that were reported on a gross basis in Schedule RC-E had been reported on a net basis		8785	0	11.a
b. Amount by which demand deposits would be increased if the reporting bank's reciprocal demand balances with foreign banks and foreign offices of other U.S. banks (other than insured branches in Puerto Rico and U.S. territories and possessions) that were reported on a net basis in Schedule RC-E had been reported on a gross basis		A181	0	11.b
c. Amount by which demand deposits would be reduced if cash items in process of collection were included in the calculation of the reporting bank's net reciprocal demand balances with the domestic offices of U.S. banks and savings associations and insured branches in Puerto Rico and U.S. territories and possessions in Schedule RC-E		A182	0	11.c
12. Amount of assets netted against deposit liabilities in domestic offices and in insured branches in Puerto Rico and U.S. territories and possessions on the balance sheet (Schedule RC) in accordance with generally accepted accounting principles (exclude amounts related to reciprocal demand balances):				
a. Amount of assets netted against demand deposits		A527	0	12.a
b. Amount of assets netted against time and savings deposits		A528	0	12.b

Memoranda (to be completed each quarter except as noted)

Dollar Amounts in Thousands		RCON	Bil Mil Thou	
1. Total deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions (sum of Memorandum items 1.a.(1) and 1.b.(1) must equal the sum of Schedule RC, item 13.a, and Schedule RC-O, items 5.a and 5.b):				
a. Deposit accounts of \$100,000 or less:				
(1) Amount of deposit accounts of \$100,000 or less		2702	42,467,000	M.1.a 1
(2) Number of deposit accounts of \$100,000 or less	3779	N/A		M.1.a 2
(to be completed for the June report only)				
b. Deposit accounts of more than \$100,000:				
(1) Amount of deposit accounts of more than \$100,000		2710	167,157,000	M.1.b 1
(2) Number of deposit accounts of more than \$100,000	2722	191,400		M.1.b 2
2. Memorandum item 2 is to be completed by all banks.				
Estimated amount of uninsured deposits in domestic offices of the bank and in insured branches in Puerto Rico and U.S. territories and possessions (see instructions)		5597	149,449,000	M.2
3. Has the reporting institution been consolidated with a parent bank or savings association in that parent bank's or parent savings association's Call Report or Thrift Financial Report ?				
If so, report the legal title and FDIC Certificate Number of the parent bank or parent savings association:				
Text		RCON	FDIC Cert No.	
A545 N/A		A545	N/A	M.3

(1) The dollar amounts used as the basis for reporting in Memoranda items 1.a and 1.b reflect the deposit insurance limits in effect on the report date.

Schedule RC-R—Regulatory Capital

Dollar Amounts in Thousands		RCFD	Bil Mil Thou	
Tier 1 capital				
1. Total equity capital (from Schedule RC, item 28)	3210	38,207,000		1
2. LESS: Net unrealized gains (losses) on available-for-sale securities (1) (if a gain, report as a positive value; if a loss, report as a negative value)	8434	(436,000)		2
3. LESS: Net unrealized loss on available-for-sale EQUITY securities (1) (report loss as a positive value)	A221	0		3
4. LESS: Accumulated net gains (losses) on cash flow hedges (1) (if a gain, report as a positive value; if a loss, report as a negative value)	4336	(147,000)		4
5. LESS: Nonqualifying perpetual preferred stock	B588	0		5
6. Qualifying minority interests in consolidated subsidiaries	B589	348,000		6
7. LESS: Disallowed goodwill and other disallowed intangible assets	B590	2,862,000		7
8. Subtotal (sum of items 1 and 6, less items 2, 3, 4, 5, and 7)	C227	36,276,000		8
9.a. LESS: Disallowed servicing assets and purchased credit card relationships	B591	428,000		9.a
b. LESS: Disallowed deferred tax assets	5610	0		9.b
10. Other additions to (deductions from) Tier 1 capital	B592	(5,000)		10
11. Tier 1 capital (sum of items 8 and 10, less items 9.a and 9.b)	8274	35,843,000		11
Tier 2 Capital				
12. Qualifying subordinated debt and redeemable preferred stock	5306	12,201,000		12
13. Cumulative perpetual preferred stock includible in Tier 2 capital	B593	0		13
14. Allowance for loan and lease losses includible in Tier 2 capital	5310	2,604,000		14
15. Unrealized gains on available-for-sale equity securities includible in Tier 2 capital	2221	14,000		15
16. Other Tier 2 capital components	B594	0		16
17. Tier 2 capital (sum of items 12 through 16)	5311	14,819,000		17
18. Allowable Tier 2 capital (lesser of item 11 or 17)	8275	14,819,000		18
19. Tier 3 capital allocated for market risk	1395	0		19
20. LESS: Deductions for total risk-based capital	B595	0		20
21. Total risk-based capital (sum of items 11, 18, and 19, less item 20)	3792	50,662,000		21
Total assets for leverage ratio				
22. Average total assets (from Schedule RC-K, item 9)	3368	652,321,000		22
23. LESS: Disallowed goodwill and other disallowed intangible assets (from item 7 above)	B590	2,862,000		23
24. LESS: Disallowed servicing assets and purchased credit card relationships (from item 9.a above)	B591	428,000		24
25. LESS: Disallowed deferred tax assets (from item 9.b above)	5610	0		25
26. LESS: Other deductions from assets for leverage capital purposes	B596	59,000		26
27. Average total assets for leverage capital purposes (item 22 less items 23 through 26)	A224	648,972,000		27
Adjustments for financial subsidiaries				
28.a Adjustment to Tier 1 capital reported in item 11	C228	0		28.a
b. Adjustment to total risk-based capital reported in item 21	B503	0		28.b
29. Adjustment to risk-weighted assets reported in item 62	B504	0		29
30. Adjustment to average total assets reported in item 27	B505	0		30
Capital Ratios				
(Column B is to be completed by all banks. Column A is to be completed by banks with financial subsidiaries)				
	RCFD	(Column A) Percentage	RCFD	(Column B) Percentage
31. Tier 1 leverage ratio (2)	7273	N/A	7204	5.52%
32. Tier 1 risk-based capital ratio (3)	7274	N/A	7206	7.79%
33. Total risk-based capital ratio (4)	7275	N/A	7205	11.01%

(1) Report amount included in Schedule RC, item 26.b, "Accumulated other comprehensive income."

(2) The ratio for column B is item 11 divided by item 27. The ratio for column A is item 11 minus item 28.a divided by (item 27 minus item 30).

(3) The ratio for column B is item 11 divided by item 62. The ratio for column A is item 11 minus item 28.a divided by (item 62 minus item 29).

(4) The ratio for column B is item 21 divided by item 62. The ratio for column A is item 21 minus item 28.b divided by (item 62 minus item 29).

JPMorgan Chase Bank

Legal Title of Bank

FDIC Certificate Number: 00628

Schedule RC-R—Continued

Banks are not required to risk-weight each on-balance sheet asset and the credit equivalent amount of each off-balance sheet item that qualifies for a risk weight of less than 100 percent (50 percent for derivatives) at its lower risk rate. When completing items 34 through 54 of Schedule RC-R, each bank should decide for itself how detailed a risk-weight analysis it wishes to perform. In other words, a bank can choose from among its assets and off-balance sheet items that have a risk weight of less than 100 percent which ones to risk-weight at an appropriate lower risk, or it can simply risk-weight some or all of these items at a 100 percent risk weight (50 percent for derivatives).

at a 100 percent risk weight (50 percent for derivatives).													

(1) Includes premises and fixed assets, other real estate owned, investments in unconsolidated subsidiaries and associated companies, customers' liability on acceptances outstanding, intangible assets, and other assets.

JPMorgan Chase Bank

Legal Title of Bank

FDIC Certificate Number: 00628

Schedule RC-R—Continued

	(Column A) Face Value or Notional Amount	Credit Conversion Factor		(Column B) Credit Equivalent Amount (1)		(Column C)	(Column D)
	Allocation by Risk Weight						
	0%			20%			
Dollar Amounts in Thousands	Bil Mil Thou			Bil Mil Thou		Bil Mil Thou	Bil Mil Thou
Derivatives and Off-Balance Sheet Items	RCFD B546		See footnote 2	RCFD B547		RCFD B548	RCFD B581
44. Financial standby letters of credit	54,761,000		1.000	54,761,000		415,000	16,700,000
45. Performance standby letters of of credit	RCFD 3821			RCFD B650		RCFD B651	RCFD B652
	5,699,000		.50	2,849,500		261,000	1,641,000
46. Commercial and similar letters of credit	RCFD 3411			RCFD B655		RCFD B656	RCFD B657
	6,488,000		.20	1,297,600		117,000	482,000
47. Risk participations in bankers acceptances acquired by the reporting institution							
	RCFD 3429			RCFD B660		RCFD B661	RCFD B662
	0		1.00	0		0	
	RCFD 3433			RCFD B664		RCFD B665	RCFD B666
48. Securities lent	197,333,000		1.00	197,333,000		141,708,000	53,925,000
49. Retained recourse on small business obligations sold with recourse	RCFD A250			RCFD B669		RCFD B670	RCFD B671
	0		1.00	0		0	
50. Recourse and direct credit substitutes (other than financial standby letters of credit) subject to the low-level exposure rule and residual interests subject to a dollar-for-dollar capital requirement							
	RCFD B541		* Below	RCFD B542			
	94,857		12.500	1,185,713			
51. All other financial assets sold with recourse	RCFD B675			RCFD B676		RCFD B677	RCFD B678
	406,000		1.00	406,000		0	
52. All other off-balance sheet liabilities	RCFD B681			RCFD B682		RCFD B683	RCFD B684
	302,000		1.00	302,000		0	18,000
53. Unused commitments with an original maturity exceeding one year	RCFD 3833			RCFD B687		RCFD B688	RCFD B689
	95,396,000		.50	47,698,000		7,012,000	9,223,000
				RCFD A167		RCFD B693	RCFD B694
54. Derivative contracts				241,961,000		19,265,000	152,408,000

(1) Column A multiplied by credit conversion factor.

(2) For financial standby letters of credit to which the low-level exposure rule applies, use a credit conversion factor of 12.5 or an institution-specific factor. For other financial standby letters of credit, use a credit conversion factor of 1.00. See instructions for further information.

(3) Or institution specific factor. (Entering an 'M' allows for data entry in Column B.)

JPMorgan Chase Bank

Legal Title of Bank

FDIC Certificate Number: 00628

Schedule RC-R—Continued

		(Column C)	(Column D)
		Allocation by Risk Weight Category	
		0%	20%
		Bil Mil Thou	Bil Mil Thou
Dollar Amounts in Thousands			
Totals			
55. Total assets, derivatives, and off-balance sheet items by risk weight category (for each column, sum of items 43 through 54)		RCFD B696	RCFD B697
		263,091,000	387,964,000
56. Risk weight factor		* 0%	* 20%
57. Risk-weighted assets by risk weight category (for each column, item 55 multiplied by item 56)		RCFD B700	RCFD B701
		0	77,592,800
58. Market risk equivalent assets			
59. Risk-weighted assets before deductions for excess allowance for loan and lease losses and allocated transfer risk reserve (sum of item 57, columns C through F, and item 58)			
60. LESS: Excess allowance for loan and lease losses			
61. LESS: Allocated transfer risk reserve			
62. Total risk-weighted assets (item 59 minus items 60 and 61)			

Memoranda

	Dollar Amounts in Thousands	RCFD
1. Current credit exposure across all derivative contracts covered by the risk-based capital standards		8764

		With a remaining maturity of						
		(Column A) One year or less		(Column B) Over one year through five years		(Column C) Over five years		
		RCFD	Tril Bil Mil Thou	RCFD	Tril Bil Mil Thou	RCFD	Tril Bil Mil Thou	
2. Notional principal amounts of derivative contracts: (1)								
a. Interest rate contracts		3809	8,706,142,000	8766	14,020,975,000	8767	8,828,573,000	M.2.a
b. Foreign exchange contracts		3812	1,511,215,000	8769	638,514,000	8770	348,808,000	M.2.b
c. Gold contracts		8771	21,968,000	8772	16,834,000	8773	2,659,000	M.2.c
d. Other precious metals contracts		8774	1,522,000	8775	146,000	8776	0	M.2.d
e. Other commodity		8777	24,911,000	8778	135,934,000	8779	26,686,000	M.2.e
f. Equity derivative contracts		A000	141,753,000	A001	367,779,000	A002	44,814,000	M.2.f

(1) Exclude foreign exchange contracts with an original maturity of 14 days or less and all futures contracts.

JPMorgan Chase Bank

Legal Title of Bank

FDIC Certificate Number: 00628

Schedule RC-S—Servicing, Securitization and Asset Sale Activities

	(Column A) 1-4 Family Residential Loans				(Column B) Home Equity Lines				(Column C) Credit Card Receivables				(Column D) Auto Loans				(Column E) Other Consumer Loans		
Dollar Amounts in Thousands	Bil	Mil	Thou		Bil	Mil	Thou		Bil	Mil	Thou		Bil	Mil	Thou		Bil	Mil	Thou
Bank Securitization Activities																			
1. Outstanding principal balance of assets sold and securitized by the reporting bank with servicing retained or with recourse or other seller-provided credit enhancements																			
	RCFD B705				RCFD B706				RCFD B707				RCFD B708				RCFD B709		
	17,951,000				197,000				0				4,459,000				65,000		
2. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to structurs reported in item 1 in the form of:																			
a. Retained interest-only strips (included in Schedules RC-B or RC-F or in Schedule RC, item	RCFD B712				RCFD B713				RCFD B714				RCFD B715				RCFD B716		
	0				0				0				87,000				1,000		
b. Subordinated securities and other residual	RCFD C393				RCFD C394				RCFD C395				RCFD C396				RCFD C397		
	0				0				0				117,000				10,000		
c. Standby letters of credit and other	RCFD C400				RCFD C401				RCFD C402				RCFD C403				RCFD C404		
	0				0				0				0						
3. Reporting bank's unused commitments to provide liquidity to structures reported in item 1	RCFD B726				RCFD B727				RCFD B728				RCFD B729				RCFD B730		
	0				0				0				0						
4. Past due loan amounts included in item 1:	RCFD B733				RCFD B734				RCFD B735				RCFD B736				RCFD B737		
a. 30-89 days past due	384,000				19,000				0				48,000				2,000		
	RCFD B740				RCFD B741				RCFD B742				RCFD B743				RCFD B744		
b. 90 days or more past due	473,000				8,000				0				10,000				1,000		
5. Charge-offs and recoveries on assets sold and securitized with servicing retained or with recourse or other seller-provided credit enhancements (calendar year-to-date):	RIAD B747				RIAD B748				RIAD B749				RIAD B750				RIAD B751		
a. Charge-offs	107,000				10,000				0				21,000				1,000		
	RIAD B754				RIAD B755				RIAD B756				RIAD B757				RIAD B758		
b. Recoveries	0				0				0				5,000						

JPMorgan Chase Bank

Legal Title of Bank
FDIC Certificate Number: 00628

Schedule RC-S—Continued

	(Column A) 1-4 Family Residential Loans		(Column B) Home Equity Lines		(Column C) Credit Card Receivables		(Column D) Auto Loans	(Column E) Other Consumer Loans
Dollar Amounts in Thousands	Bil Mil Thou		Bil Mil Thou		Bil Mil Thou		Bil Mil Thou	Bil Mil Thou
6. Amount of ownership (or seller's) interest carried as:								
a. Securities (included in RC-B or RC, item 5)			RCFD B761		RCFD B762			
			0		0			
b. Loans (included in Schedule RC-C)			RCFD B500		RCFD B501			
			0		0			
7. Past due loan amounts included in interests reported in item 6.a:								
a. 30-89 days past due			RCFD B764		RCFD B765			
			0		0			
			RCFD B767		RCFD B768			
			0		0			
b. 90 days or more past due								
8. Charge-offs and recoveries on loan amounts included in interests reported in item 6.a (calendar year-to-date):								
a. Charge-offs			RIAD B770		RIAD B771			
			0		0			
			RIAD B773		RIAD B774			
			0		0			
b. Recoveries								
For Securitization Facilities Sponsored By or Otherwise Established By Other Institutions								
9. Maximum amount of credit exposure arising from credit enhancements provided by the reporting bank to other institutions' securitization structures in the form of standby letters of credit, purchased subordinated securities, and other enhancements								
	RCFD B776		RCFD B777		RCFD B778		RCFD B779	RCFD B780
	0		0		0		0	
10. Reporting bank's unused commitments to provide liquidity to other institutions' securitization structures								
	RCFD B783		RCFD B784		RCFD B785		RCFD B786	RCFD B787
	0		0		0		0	

JPMorgan Chase Bank

Legal Title of Bank

FDIC Certificate Number: 00628

Schedule RC-S—Continued

	(Column A) 1-4 Family Residential Loans		(Column B) Home Equity Lines		(Column C) Credit Card Receivables		(Column D) Auto Loans	(Column E) Other Consumer Loans
Dollar Amounts in Thousands	Bil Mil Thou		Bil Mil Thou		Bil Mil Thou		Bil Mil Thou	Bil Mil Thou
Bank Asset Sales								
11. Assets sold with recourse or other seller-provided credit enhancements and not securitized by the reporting bank	RCFD B790 298,000		RCFD B791 0		RCFD B792 0		RCFD B793 0	RCFD B794
12. Maximum amount of credit exposure arising from recourse or other seller-provided credit enhancements provided to assets reported in item 11	RCFD B797 298,000		RCFD B798 0		RCFD B799 0		RCFD B800 0	RCFD B801

Memoranda

Dollar Amounts in Thousands

- Small Business obligations transferred with recourse under Section 208 of the Riegle Community Development and Regulatory Improvement Act of 1994:
 - Outstanding principal balance _____
 - Amount of retained recourse on these obligations as of the report date _____
- Outstanding principal balance of assets serviced for others:
 - 1-4 family residential mortgages serviced with recourse or other servicer-provided credit enhancements _____
 - 1-4 family residential mortgages serviced with no recourse or other servicer-provided credit enhancements _____
 - Other financial assets (1) _____
- Asset-backed commercial paper conduits:
 - Maximum amount of credit exposure arising from credit enhancements provided to conduit structures in the form of standby letters of credit, subordinated securities, and other enhancements:
 - Conduits sponsored by the bank, a bank affiliate, or the bank's holding company
 - Conduits sponsored by other unrelated institutions
 - Unused commitments to provide liquidity to conduit structures:
 - Conduits sponsored by the bank, a bank affiliate, or the bank's holding company
 - Conduits sponsored by other unrelated institutions
- Outstanding credit card fees and finance charges included in Schedule RC-S, item 1, column C (2) _____

(1) Memorandum item 2.c is to be completed if the principal balance of other financial assets serviced for others is more than \$10 million.

(2) Memorandum item 4 is to be completed by banks that (1) together with affiliated institutions, have outstanding credit card receivables (as defined in the instructions) that exceed \$500 million as of the report date or (2) are credit card specialty banks as defined for Uniform Bank Performance Report purposes.

Schedule RC-T—Fiduciary and Related Services

Items 12 through 23 and Memorandum item 4 will not be made available to the public on an individual institution basis.

1. Does the institution have fiduciary powers? (If "NO", do not complete Schedule RC-T.)

RCFD	YES / NO
A345	YES

1

2. Does the institution exercise the fiduciary powers it has been granted?

RCFD	YES / NO
A346	YES

2

3. Does the institution have any fiduciary or related activity (in the form of assets or accounts)?
(If "NO," do not complete the rest of Schedule RC-T.)

RCFD	YES / NO
B867	YES

3

If the answer to item 3 is "YES", complete the applicable items of Schedule RC-T, as follows:

Institutions with total fiduciary assets (item 9, sum of columns A and B) greater than \$250 million (as of the preceding December 31) or with gross fiduciary and related services income greater than 10% of revenue (net interest income plus noninterest income) for the preceeding calendar year must complete:

- Items 4 through 19.a quarterly,
- Items 20 through 23 annually with the December report, and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 9, sum of columns A and B) greater than \$100 million but less than or equal to \$250 million (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 23 annually with the December report, and
- Memorandum items 1 through 4 annually with the December report.

Institutions with total fiduciary assets (item 9, sum of columns A and B) of \$100 million or less (as of the preceding December 31) that do not meet the fiduciary income test for quarterly reporting must complete:

- Items 4 through 11 annually with the December report, and
- Memorandum items 1 through 3 annually with the December report.

	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts	
Dollar Amounts in Thousands	Tril Bil Mil Thou		Tril Bil Mil Thou					
FIDUCIARY AND RELATED ASSETS	RCFD B868		RCFD B869		RCFD B870		RCFD B871	
4. Personal trust and agency accounts	41,419,000		10,178,000		20,497		2,059	4
5. Retirement related trust and agency accounts:	RCFD B872		RCFD B873		RCFD B874		RCFD B875	
a. Employee benefit-defined contribution	2,427,000		40,461,000		32		986	5.a
	RCFD B876		RCFD B877		RCFD B878		RCFD B879	
b. Employee benefit-defined benefit	13,088,000		265,437,000		92		2,116	5.b
	RCFD B880		RCFD B881		RCFD B882		RCFD B883	
c. Other retirement accounts	400,000		1,992,000		183		346,166	5.c
	RCFD B884		RCFD B885		RCFD C001		RCFD C002	
6. Corporate trust and agency accounts	8,404,000		411,114,000		100		12,378	6
	RCFD B886				RCFD B888			
7. Investment management agency accounts	40,984,000				8,797			7
	RCFD B890		RCFD B891		RCFD B892		RCFD B893	
8. Other fiduciary accounts	3,000		249,000		5		96	8

Schedule RC-T—Continued

	(Column A) Managed Assets		(Column B) Non-Managed Assets		(Column C) Number of Managed Accounts		(Column D) Number of Non-Managed Accounts	
Dollar Amounts in Thousands	Tril Bil Mil Thou		Tril Bil Mil Thou					
FIDUCIARY AND RELATED ASSETS—Continued								
9. Total fiduciary accounts (sum of items 4 through 8)	RCFD B894 106,725,000		RCFD B895 729,431,000		RCFD B896 29,706		RCFD B897 363,801	9
10. Custody and safekeeping accounts			RCFD B898 7,671,282,000				RCFD B899 67,486	10
11. Fiduciary accounts held in foreign offices (included in items 9 and	RCFN B900 14,354,000		RCFN B901 2,167,442,000		RCFN B902 2,457		RCFN B903 18,325	11

	Dollar Amounts in Thousands	RIAD	Bil Mil Thou	
FIDUCIARY AND RELATED SERVICES INCOME				
13. Retirement related trust and agency accounts:				
a. Employee benefit—defined contribution		B905		13.a
b. Employee benefit—defined benefit		B906		13.b
c. Other retirement accounts		B907		13.c
14. Corporate trust and agency accounts		A479		14
15. Investment management agency accounts		B908		15
16. Other fiduciary accounts		A480	0	16
17. Custody and safekeeping accounts		B909		17
18. Other fiduciary and related services income		B910		18
19. Total gross fiduciary and related services income (sum of items 12 through 18) (must equal Schedule RI, item 5.a)		4070	1,833,000	19
a. Fiduciary and related services income-foreign offices (included in item	B912			19.a
20. Less: Expenses		C058	N/A	20
21. Less: Net losses from fiduciary and related services		A488	N/A	21
22. Plus: Intracompany income credits for fiduciary and related services		B911	N/A	22
23. Net fiduciary and related services income		A491	N/A	23

Memoranda

	Dollar Amounts in Thousands	Managed Assets	
	RCFD	Bil Mil Thou	
1. Managed assets held in personal trust and agency accounts:			
a. Non interest-bearing deposits	B913	N/A	M.1.a
b. Interest-bearing deposits	B914	N/A	M.1.b
c. U.S. Treasury and U.S. Government agency obligations	B915	N/A	M.1.c
d. State, county and municipal obligations	B916	N/A	M.1.d
e. Money market mutual funds	B917	N/A	M.1.e
f. Other short-term obligations	B918	N/A	M.1.f
g. Other notes and bonds	B919	N/A	M.1.g
h. Common and preferred stocks	B920	N/A	M.1.h
i. Real estate mortgages	B921	N/A	M.1.i
j. Real estate	B922	N/A	M.1.j
k. Miscellaneous assets	B923	N/A	M.1.k
l. Total managed assets held in personal trust and agency accounts (sum of Memorandum items 1.a through 1.k) (must equal Schedule RC-T, item 4, column A)	B868	N/A	M.1.l

Schedule RC-T—Continued

Memoranda—Continued

Memoranda—Continued		(Column A) Number of Issues		(Column B) Principal Amt Outstanding	
Dollar Amounts in Thousands				Tril Bil Mil Thou	
				RCFD B928	
2. Corporate trust and agency accounts:	RCFD				
a. Corporate and municipal trusteeships	B927	N/A		N/A	M.2.a
b. Transfer agent, registrar, paying agent, and other corporate agency	B929	N/A			M.2.b

		(Column A) Number of Funds	(Column B) Market Value of Fund Assets		
Dollar Amounts in Thousands		RCFD	RCFD	Bil Mil Thou	
3. Collective investment funds and common trust funds:					
a. Domestic equity	B931	N/A	B932	N/A	M.3.a
b. International/Global equity	B933	N/A	B934	N/A	M.3.b
c. Stock/Bond blend	B935	N/A	B936	N/A	M.3.c
d. Taxable bond	B937	N/A	B938	N/A	M.3.d
e. Municipal bond	B939	N/A	B940	N/A	M.3.e
f. Short term investments/Money market	B941	N/A	B942	N/A	M.3.f
g. Specialty/Other	B943	N/A	B944	N/A	M.3.g
h. Total collective investment funds (sum of Memorandum items 3.a through 3.g)	B945	N/A	B946	N/A	M.3.h

		(Column A) Gross Losses Managed Accounts		(Column B) Gross Losses Non-Managed Accounts		(Column C) Recoveries	
Dollar Amounts in Thousands	RIAD	Mil Thou	RIAD	Mil Thou	RIAD	Mil Thou	
4. Fiduciary settlements, surcharges and other losses:							
a. Personal trust and agency accounts	B947	N/A	B948	N/A	B949	N/A	M.4.a
b. Retirement related trust and agency accounts	B950	N/A	B951	N/A	B952	N/A	M.4.b
c. Investment management agency accounts	B953	N/A	B954	N/A	B955	N/A	M.4.c
d. Other fiduciary accounts and related services	B956	N/A	B957	N/A	B958	N/A	M.4.d
e. Total fiduciary settlements, surcharges, and other losses (sum of Memorandum items 4.a through 4.d) (sum of columns A and B minus column C must equal Schedule RC-T, item 21)							
	B959	N/A	B960	N/A	B961	N/A	M.4.e

Person to whom questions about Schedule RC-T—Fiduciary and Related Services should be directed:

Name and Title (TEXT B962)

E-mail Address (TEXT B926)

Telephone: Area code/phone number/extension (TEXT B963)

FAX: Area code/phone number (TEXT B964)

NAME AND ADDRESS OF BANK JPMorgan Chase Bank 270 Park Avenue New York, NY 10017	OMB No. For OCC: 1557-0081 OMB No. For FDIC: 3064-0052 OMB No. For Federal Reserve: 7100-0036 Expiration Date: 3/31/2007 SPECIAL REPORT (Dollar Amounts in Thousands)	
	CLOSE OF BUSINESS DATE	
	FDIC Certificate Number	
	09/30/2004	00628

LOANS TO EXECUTIVE OFFICERS (Complete as of each Call Report Date)

The following information is required by Public Laws 90-44 and 102-242, but does not constitute a part of the Report of Condition. With each Report of Condition, these Laws require all banks to furnish a report of all loans or other extensions of credit to their executive officers made since the date of the previous Report of Condition. Data regarding individual loans or other extensions of credit are not required. If no such loans or other extensions of credit were made during the period, insert "none" against subitem (a). (Excluded the first \$15,000 of indebtedness of each executive officer under bank credit card plan.)

See Sections 215.2 and 215.3 of Title 12 of the Code of Federal Regulations (Federal Reserve Board Regulation O) for the definitions of "executive officer" and "extension of credit," respectively. Exclude loans and other extensions of credit to directors and principal shareholders who are not executive officers.

a. Number of loans made to executive officers since the previous Call Report	RCFD			a
b. Total dollar amount of above loans (in thousands of	3561		1	
c. Range of interest charged on above loans	3562		1,000	b
(example: 9-3/4% = 9.75)	RCFD	From	RCFD	To
	7701	4.88%	7702	4.88%

SIGNATURE AND TITLE OF OFFICER AUTHORIZED TO SIGN REPORT	DATE (Month, Day, Year)
--	-------------------------

REPORT OF CONDITION

Consolidating domestic and foreign subsidiaries of the
JPMorgan Chase Bank
in the state of NY at close of business on September 30, 2004
published in response to call made by (Enter additional information below)

Statement of Resources and Liabilities

Dollar Amounts in Thousands

ASSETS

Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin		19,187,000
Interest-bearing balances		33,195,000
Securities:		
Held-to-maturity securities		121,000
Available-for-sale securities		53,698,000
Federal funds sold in domestic offices		33,011,000
Securities purchased under agreements to resell		82,951,000
Loans and lease financing receivables:		17,558,000
Loans and leases held for sale		
Loans and leases, net of unearned income	171,323,000	
LESS: Allowance for loan and lease losses	2,382,000	
Loans and leases, net of unearned income and allowance		168,941,000
Trading Assets		196,355,000
Premises and fixed assets (including capitalized leases)		5,578,000
Other real estate owned		101,000
Investments in unconsolidated subsidiaries and associated companies		94,000
Customers' liability to this bank on acceptances outstanding		391,000
Intangible assets:		
Goodwill		2,554,000
Other intangible assets		5,411,000
Other assets		42,626,000
Total assets		661,772,000

REPORT OF CONDITION (Continued)

LIABILITIES

Dollar Amounts in Thousands

Deposits:

In domestic offices		209,624,000
Noninterest-bearing	82,597,000	
Interest-bearing	127,027,000	
In foreign offices, Edge and Agreement subsidiaries, and IBFs		120,503,000
Noninterest-bearing	7,003,000	
Interest-bearing	113,500,000	
Federal funds purchased in domestic offices		22,032,000
Securities sold under agreements to repurchase		96,912,000
Trading liabilities		107,450,000
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)		21,794,000
Bank's liability on acceptances executed and outstanding		391,000
Subordinated notes and debentures		12,821,000
Other liabilities		31,690,000
Total liabilities		623,217,000
Minority interest in consolidated subsidiaries		348,000

EQUITY CAPITAL

Perpetual preferred stock and related surplus	0
Common stock	1,785,000
Surplus	16,954,000
Retained earnings	20,050,000
Accumulated other comprehensive income	(582,000)
Other equity capital components	0
Total equity capital	38,207,000
Total liabilities, minority interest, and equity capital	661,772,000

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that is has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

Director #1

Director #2

Director #3

I, Joseph L. Sclafani, Executive Vice President & Controller
(Name, Title)

of the above named bank do hereby declare that this Report of Condition is true and correct to the best of my knowledge and belief.

11 NOVEMBER 2004

OFFERING CIRCULAR

J.P. Morgan International Derivatives Ltd.

(incorporated with limited liability in Jersey)

as Issuer

JPMorgan Chase Bank

(incorporated in the State of New York, United States of America)

as Issuer and as Guarantor

in respect of Notes issued by J.P. Morgan International Derivatives Ltd.

U.S.\$9,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**" or the "**Listing Document**"), J.P. Morgan International Derivatives Ltd. ("**JPMIDL**") and JPMorgan Chase Bank, including through one or more of its non-U.S. branches ("**JPMCB**") (each, in its capacity as an issuer, an "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities, including Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Equity Linked Interest Notes, Equity Linked Redemption Notes, Credit Linked Notes, Instalment Notes, Dual Currency Notes, Partly Paid Notes, Participation Notes, a combination of any of the foregoing or any other kind of Note (as specified in the relevant Pricing Supplement) (each as defined herein) (the "**Notes**"). Notes issued by JPMIDL shall be guaranteed by JPMCB (the "**Guarantee**"), acting in its capacity as guarantor (the "**Guarantor**"). Notes issued by JPMCB are not the subject of a guarantee. The aggregate nominal amount of Notes outstanding (whether issued by JPMIDL or JPMCB) will not at any time exceed U.S.\$9,000,000,000 (or the equivalent in other currencies).

Application has been made to list the Notes on the Luxembourg Stock Exchange and/or Channel Island Stock Exchange, LBG. In relation to Notes listed on the Luxembourg Stock Exchange and/or Channel Island Stock Exchange, LBG, this Offering Circular is valid for a period of twelve months from the date hereof. However, unlisted Notes may be issued pursuant to the Programme. The relevant Pricing Supplement (as such term is defined in "Method of Issue - Summary of the Programme") in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Luxembourg Stock Exchange (or any other stock exchange). This Offering Circular supersedes and replaces the Offering Circular dated 1 October 2003.

Neither the admission of the Notes to the Official List of the Channel Islands Stock Exchange nor the approval of the Listing Document pursuant to the listing requirements of the Channel Islands Stock Exchange shall constitute a warranty or representation by the Channel Islands Stock Exchange as to the competence of the service providers to or any other party connected with the issuer, the adequacy and accuracy of information contained in the Listing Document or the suitability of the Issuer for investment or for any other purpose.

The Notes and, in relation to Notes issued by JPMIDL, the Guarantee have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws, and trading in the Notes has not been approved by the U.S. Commodity Futures Trading Commission (the "**CFTC**") under the U.S. Commodity Exchange Act, as amended (the "**CEA**"). The Notes include Notes in bearer form that are subject to certain U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold, pledged, assigned, delivered, transferred or redeemed at any time within the United States or to or for the account or benefit of any U.S. Person. The term "**U.S. Person**" has the meaning ascribed to it in either Regulation S under the Securities Act ("**Regulation S**") or the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). The Notes are being offered and sold outside the United States to non-U.S. Persons pursuant to the registration exemptions contained in Section 3(a)(2) of the Securities Act and Regulation S and may not be legally or beneficially owned at any time by any U.S. Person.

Each Series (as such term is defined in "Method of Issue - Summary of the Programme") of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**") and together with each temporary Global Note, a "**Global Note**"). Notes in registered form will be represented by registered certificates (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of registered Notes of one Series. Global Notes and Certificates representing Notes may (or in the case of Notes listed on the Luxembourg Stock Exchange will) be deposited on the issue date with a common depositary on behalf of Euroclear Bank S.A./N.V. as operator of Euroclear ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected through, records maintained by Euroclear or Clearstream, Luxembourg, and their respective participants. The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the Notes While in Global Form".

Arranger and Dealer for the Programme
JPMorgan

11 November 2004



The Guarantee irrevocably and unconditionally guarantees the due and punctual settlement of all obligations of JPMIDL under Notes issued by JPMIDL under the Agency Agreement (as defined in the Conditions). The Guarantee and Notes issued by JPMCB are each not a deposit insured or guaranteed by the United States Federal Deposit Insurance Corporation ("FDIC") or any other government authority. The Guarantee and Notes issued by JPMCB are each an unsecured and unsubordinated debt obligation of the Guarantor and not of its parent, JPMorgan Chase & Co. ("JPMorgan Chase"), or any of its affiliates, and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Guarantor, subject to a preference in favor of certain deposit liabilities of the Guarantor or JPMCB, as the case may be, or other obligations that are subject to any priorities or preferences.

Unless otherwise stated in this Offering Circular, JPMIDL and JPMCB (in respect of information relating to JPMIDL, JPMCB and JPMCB's consolidated subsidiaries taken as a whole (the "Group")) accept responsibility for the information contained in the Offering Circular and, having made all reasonable enquiries, each of them confirms that this document contains all information with respect to JPMIDL, JPMCB and the Group that is material in the context of the issue and offering of the Notes, the statements contained in it relating to JPMIDL, JPMCB and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to JPMIDL, JPMCB and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to JPMIDL, JPMCB or the Group the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by JPMIDL and JPMCB to ascertain such facts and to verify the accuracy of all such information and statements.

An investment in Notes is subject to a very high degree of complex risks which may arise without warning, may at times be volatile and losses may occur quickly and in unanticipated magnitude. Notes are extremely speculative and investors bear the risk that they could lose all of their investment. No person should acquire any Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss, it has a valid business purpose for acquiring such Notes and its investment in such Notes is consistent with its overall investment strategy. Each prospective purchaser of the Notes should consider carefully whether the Notes it considers acquiring are suitable for it in the light of its investment objectives, financial capabilities and expertise. Prospective purchasers of the Notes should consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. See "Certain Investment Considerations".

The amount of payment, if any, that investors in Notes will receive on the relevant Interest Payment Date or Redemption Date with respect to the Interest Amount, Final Redemption Amount or any other amount, as the case may be, of such Notes may be entirely dependent on the performance of the Reference Entity and/or Reference Assets to which such Notes are linked between the relevant Closing Date and the relevant Interest Payment Date or the relevant Redemption Date, as the case may be, as well as on exchange rate fluctuations between the currency of the Reference Assets and

the currency of the relevant Notes and the ability of the Hedging Entity to realize on its investment in such Reference Assets at the relevant Interest Payment Date or the relevant Redemption Date, as the case may be. See the specific terms of each Tranche set out in the relevant Pricing Supplement.

Unless otherwise expressly stated in the applicable Pricing Supplement, any information contained therein relating to the Reference Assets and/or Reference Entities and their obligations will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, owner, guarantor or sponsor, as the case may be, of the Reference Assets and/or Reference Entities. Unless otherwise expressly stated in the applicable Pricing Supplement, the relevant Issuer and, in relation to Notes issued by JPMIDL, the Guarantor accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but do not accept any further or other responsibility in respect of such information.

None of the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or any of their affiliates has participated in the preparation of such information or made any due diligence inquiry with respect to the Reference Assets and/or Reference Entities and their obligations or any issuer, owner, guarantor or sponsor thereof in connection with the offering of the relevant Notes. None of the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or any of their affiliates has made or is making any representation that such information is accurate, complete or timely. None of the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or any of their affiliates has made or is making any representation with respect to the past or future performance of the Reference Assets and/or Reference Entities and their obligations or any issuer, owner, guarantor or sponsor thereof.

Although the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or their affiliates may from time to time have an investment in, or a banking or other commercial relationship with, one or more issuers, owners, guarantors or sponsors of the Reference Assets and, in the course of such relationships, the Issuers, the Guarantor, the Arranger, the Dealer or any of their affiliates may come into possession of material, non-public information regarding such entity, none of the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or their affiliates has been acting at any time during an offering of any Notes as an underwriter, distributor or other similar agent for any issuer, owner, guarantor or sponsor of the Reference Assets for such Notes or is under any obligation to inform prospective purchasers or legal or beneficial owners either of the nature of or the fact that they were in possession of such information.

The relevant Issuer, the Guarantor in respect of Notes issued by JPMIDL and their affiliates may, for their own account and for the account of investors, engage in any kind of transactions and other business directly or indirectly involving a Reference Entity and may act with respect to such business in the same manner as it would if the Notes had not been issued, regardless of whether any such action might have an adverse effect directly or indirectly on a Reference Entity. The Issuers and their affiliates may on the issue date of the Notes or at any time thereafter be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of Notes and that may not be publicly available or known to the purchasers. There is no obligation on the part of the Issuers, the Guarantor in respect of the Notes issued by JPMIDL or their affiliates to disclose to the Noteholders any such relationship or information.

In making an investment decision with respect to Notes, an investor should make an investment decision with respect to the Reference Assets and/or Reference Entities and their obligations underlying such Notes, and, accordingly, an investor should conduct an independent investigation of the relevant Reference Assets and/or Reference Entities and their obligations and the risks related to an investment in such Notes; in such investigation, it should (i) obtain copies of all the documents that are publicly available to the potential and actual investors in such Reference Assets

and/or Reference Entities and their obligations and review all such documents carefully, (ii) ask questions of the respective managements of the issuers, owners, guarantors or sponsors of such Reference Assets and/or Reference Entities in respect of such documentation and in respect of such other matters as such an investor deems necessary or appropriate to making an informed investment decision with respect to such Reference Assets and/or Reference Entities and their obligations, (iii) request from the issuers, owners, guarantors or sponsors of the Reference Assets and/or Reference Entities all additional information considered by such an investor necessary or appropriate to verify the accuracy of, or to supplement the information contained in, the relevant Pricing Supplement or in the documents otherwise obtained by such an investor, (iv) consult its own legal counsel and business, investment, financial, accounting, regulatory and tax advisors to determine the consequences of the investment in such Notes and (v) not rely on the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or any of their affiliates in connection with its investigation of the accuracy of such information or its investment decision.

None of the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer or any of their respective affiliates, representatives or agents is acting as a fiduciary for or an advisor to any prospective purchaser of the Notes with respect to the acquisition of such Notes. The relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger, the Dealer and their affiliates are not responsible for determining the legality or suitability of an investment by any prospective purchaser in Notes.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) or any of the Dealers or the Arranger (as defined in "Summary of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the relevant Issuer or the Guarantor (in relation to Notes issued by JPMIDL) since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the relevant Issuer or the Guarantor (in relation to Notes issued by JPMIDL), since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Dealers and the Arranger to inform themselves about and to observe any such restriction. The publication of this Offering Circular is not intended as an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction. The Notes and, in relation to Notes issued by JPMIDL, the Guarantee have not been and will not be registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Notes may not be offered, sold, transferred, pledged, assigned, delivered or redeemed within the United States or to or for the account or benefit of any U.S. Person. The Notes are being offered and sold outside the United States to non-U.S. Persons in reliance on the registration exemptions contained in Regulation S and Section 3(a)(2) under the Securities Act. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "Subscription and Sale".

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC"), any state securities commission in the United States, the CFTC, any U.S. federal or state banking authority or any other U.S. regulatory authority nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor (in relation to Notes issued by JPMIDL) or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers have not separately verified the information contained in this Offering Circular. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. This Offering Circular is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arranger or the Dealers that any recipient of this Offering Circular should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of either of the Issuers or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with any Tranche (as defined in "Summary of the Programme"), one of the Dealers may act as a stabilising agent (the "Stabilising Agent"). The identity of the Stabilising Agent will be disclosed in the relevant Pricing Supplement. References in the next paragraph to "this issue" are to each Tranche in relation to which a Stabilisation Agent is appointed.

Each prospective purchaser of Notes and its employees, representatives, or other agents may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and tax structure of the offering of Notes pursuant to this Offering Circular and all materials of any kind (including any opinions or other tax analyses provided) relating to such U.S. federal income tax treatment and tax structure.

In connection with the issue of any Tranche, the Stabilising Agent or any person acting for the Stabilising Agent may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period 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. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

Each prospective purchaser of Notes must ensure that the complexity and risks inherent in the Notes are suitable for its objectives and the size, nature and condition of its business.

The Jersey Financial Services Commission (the "Commission") has given, and has not withdrawn, its consent under Article 4B of the Control of Borrowing (Jersey) Order 1958, as amended (the "Control of Borrowing Order") to the issue of Notes by JPMIDL and has given, and has not withdrawn, its consent under Article 6 of the Control of Borrowing Order to the circulation in Jersey of an offer for subscription, sale or exchange of Notes by JPMCB. The Commission is protected by the Borrowing (Control) (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

A copy of this document has been delivered to the Jersey Registrar of Companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002. The Registrar has given, and has not withdrawn, his consent to its circulation.

It must be distinctly understood that, in giving these consents, neither the Jersey Registrar of Companies nor the Jersey Financial Services Commission takes any responsibility for the financial soundness of the Issuers or for the correctness of any statements made, or opinions expressed, with regard to them.

The publication of this Offering Circular does not affect any Notes issued prior to the date hereof. In relation to Notes listed on the Luxembourg Stock Exchange, this Offering Circular is valid for a period of one year from the date hereof.

Capitalised terms used herein shall be as defined in "Terms and Conditions of the Notes" unless otherwise specified.

In this Offering Circular, unless otherwise specified or the context otherwise requires, references to "U.S.\$", "USD", "\$" and "U.S. Dollars" are to United States dollars, to "euro" and "€" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and to "Sterling" and "£" are to the currency of the United Kingdom.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and the documents incorporated by reference in this Offering Circular and in each relevant Pricing Supplement. The following documents are hereby incorporated by reference and deemed to be a part hereof:

- (a) the 2002 audited annual accounts of JPMIDL and any audited annual accounts, subsequent to the 2003 audited annual accounts of JPMIDL which are reproduced in the Offering Circular. JPMIDL does not publish interim financial statements;
- (b) JPMCB's audited consolidated financial statements for the years ended 31 December 2003 and 2002 and any subsequent audited financial statements of JPMCB;
- (c) the non-confidential portions of the relevant Consolidated Reports of Condition and Income (the "**Call Reports**") filed by JPMCB with the Board of Governors of the U.S. Federal Reserve System (the "**Federal Reserve Board**") and compiled in accordance with regulatory accounting principles for each of the four quarters of 2003 and the non-confidential portions of the most recently published quarterly Call Reports;
- (d) all supplements or amendments to this Offering Circular circulated by the Issuer(s) and, where applicable, the Guarantor from time to time; and
- (e) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2003 and all documents subsequently filed with the U.S. Securities and Exchange Commission by JPMorgan Chase & Co. pursuant to Sections 13(a), 13 (c), 14 or 15 (d) of the U.S. Securities Exchange Act of 1934.

Call Reports are prepared in accordance with regulatory instructions issued by the U.S. Federal Financial Institutions Examinations Council. Because of the special supervisory, regulatory and economic policy needs served by Call Reports, such regulatory instructions do not in all cases follow generally accepted accounting principles or the opinions and statements of the Accounting Principles Board or the Financial Accounting Standards Board. Nevertheless, Call Reports do provide important information concerning the financial condition of JPMCB.

Call Reports are available to the public over the Internet at the FDIC's internet site at <http://www.fdic.gov/>. You may also read and copy Call Reports at the FDIC's Public Information Center in Washington, D.C. Please call the FDIC at 1-800-276-6003 for further information on its Public Information Center.

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

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Notes. Copies of the documents incorporated by reference in this Offering Circular will be available free of charge at the office of the Paying Agent in Luxembourg and the Fiscal Agent. Any person receiving a copy of this Offering Circular may obtain, without charge, upon written or oral request, a copy of any document incorporated by reference herein, except for the exhibits to such documents (unless such exhibits are specifically incorporated by reference). Written requests to the Fiscal Agent should be addressed to JPMorgan Chase Bank, Agency and Trust Services,

Trinity Tower, 9 Thomas More Street, London E1W 1YT. Written requests to the Paying Agent in Luxembourg should be addressed to J.P. Morgan Bank Luxembourg S.A., 5 Rue Plaetis, L-2338 Luxembourg.

Each of the Issuers and the Guarantor (in relation to Notes issued by JPMIDL) has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant change affecting any matter contained in this Offering Circular whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and, in relation to Notes issued by JPMIDL, the Guarantor, and the rights attaching to the Notes, the Issuers and the Guarantor shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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CERTAIN INVESTMENT CONSIDERATIONS

The purchase of certain Notes may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prior to making an investment decision, prospective investors should consider carefully, in light of their own financial circumstances and investment objectives, (i) all the information set forth in this Offering Circular and, in particular, the considerations set forth below and (ii) all the information set forth in the applicable Pricing Supplement. Prospective purchasers should make such inquiries as they deem necessary without relying on the Issuers, the Guarantor (in relation to Notes issued by JPMIDL), the Arranger or any Dealer.

An investment in Notes linked to one or more Share or Index or any other type of instrument or asset (together, "**Reference Assets**") and/or entity (a "**Reference Entity**") (any such Notes, the "**Relevant Notes**") may entail significant risks not associated with investments in a conventional debt security, including the risks set out below. The amount paid by the relevant Issuer on redemption of the Relevant Notes may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be zero. Where the Relevant Notes are redeemed by the relevant Issuer by delivery of Reference Asset(s) and/or obligations of a Reference Entity the value of the Reference Asset(s) and/or such obligations may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be valueless.

No Security

The obligations of the relevant Issuer in respect of Relevant Notes are not secured. Investors in the Notes do not have or receive any rights in respect of any underlying shares or indices and may have no right to call for underlying shares to be delivered to them. The relevant Issuer is not obliged by the terms of any Relevant Notes to hold any underlying shares.

Equity Linked Notes

Equity Linked Redemption Notes may be redeemable by the relevant Issuer by payment of the par value amount and/or by the physical delivery of a given number of the Reference Asset(s) and/or by payment of an amount determined by reference to the value of the Reference Asset(s), as provided in the relevant Pricing Supplement. Accordingly, an investment in Equity Linked Redemption Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly. Interest payable on Equity Linked Interest Notes may be calculated by reference to the value of one or more Reference Asset(s).

Index Linked Notes

Index Linked Redemption Notes may be redeemable by the relevant Issuer by payment of either the par value amount or an amount determined by reference to the value of the Reference Asset(s), as provided in the relevant Pricing Supplement. Interest payable on Index Linked Interest Notes may be calculated by reference to the value of one or more Reference Asset(s).

Credit Linked Notes

In the event of the occurrence of certain circumstances specified in the applicable Pricing Supplement the relevant Issuer's obligation to pay principal may be replaced by an obligation to pay other amounts calculated by reference to the value of certain obligations of a Reference Entity and/or to deliver certain obligations of a Reference Entity, as provided in the relevant Pricing Supplement. In addition interest bearing Credit Linked Notes may cease to bear interest on or prior to the date of occurrence of such circumstances.

The relevant Issuer, the Guarantor in respect of Notes issued by JPMIDL and their affiliates may, for their own account and for the account of customers, engage in any kind of transactions and other business directly or indirectly involving a Reference Entity and may act with respect to such business in the same manner as it would if the Notes had not been issued, regardless of whether any such action might have an adverse effect directly or indirectly on a Reference Entity. The Issuers, the Guarantor (in relation to Notes issued by JPMIDL) and their affiliates may on the issue date of the Notes or at any time thereafter be in possession of information in relation to a Reference Entity that is or may be material in the context of the issue of Notes and that may not be publicly available or known to the purchasers. There is no obligation on the part of the Issuer, the Guarantor (in relation to Notes issued by JPMIDL) or their affiliates to disclose to the Noteholders any such relationship or information.

Participation Notes

Participation Notes are issued at a price linked to the value of the underlying shares on particular trading days during a fixing period. At maturity (or early redemption) a Noteholder will not receive the principal amount of its investment but instead will receive an amount calculated as a percentage of the weighted average sale price of the underlying shares over a valuation period less deductions for local taxes (if any) and other costs which would have been incurred had the underlying shares been held by such Noteholder (qualifying as a foreign or non resident institutional investor) directly. The valuation period will be the number of business days following the redemption date that would have been required for a holder of the underlying shares to complete the sale of the equivalent position on the stock exchange on which such shares are primarily traded.

Generally, returns to investors in Participation Notes will be payable in US dollars or another currency other than the currency in which the shares are denominated. Changes in the rate of exchange between the currency in which the underlying shares are denominated and that in which returns are payable to Noteholders will affect the return to investors.

Hedging

In the ordinary course of their business, whether or not there will be any secondary market making activities, the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) and/or the Group may effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Asset(s) or related derivatives. In addition, in connection with the offering of the Relevant Notes, the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) and/or the Group may enter into one or more hedging transactions with respect to the Reference Asset(s) or related derivatives. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) and/or the Group, the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) and/or the Group may enter into transactions in the Reference Asset(s) or related derivatives which may affect the market price, liquidity or value of the Relevant Notes and which could be deemed to be adverse to the interests of the relevant Noteholders.

Secondary Market

There can be no assurance as to how any Relevant Notes will trade in the secondary market, whether there will be a secondary market or whether such market will be liquid or illiquid. Application may be made to list the Relevant Notes on a stock exchange, as indicated in the applicable Pricing Supplement. No assurance can be given that there will be a market for any Relevant Notes. If any Relevant Notes are not traded on any stock exchange, pricing information for such Relevant Notes may be more difficult to obtain, and the liquidity and market prices of such Relevant Notes may be adversely affected.

Market Value of Notes

The market value of Notes will be affected by a number of factors independent of the creditworthiness of the relevant Issuer and, in relation to Notes issued by JPMIDL, the Guarantor, including, but not limited to:

- (i) the value and volatility of the Reference Asset(s);
- (ii) in the case of Credit Linked Notes, the creditworthiness of the Reference Entities and the value and volatility of their obligations;
- (iii) where the Reference Asset(s) is/are equity securities, the dividend rate on the Reference Asset(s) and the financial results and prospects of the issuer of each Reference Asset;
- (iv) market interest and yield rates; and
- (v) the time remaining to any redemption date or the maturity date.

In addition, the value of any Reference Asset and/or obligation of a Reference Entity may depend on a number of interrelated factors, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Asset and/or obligation of a Reference Entity may be traded. The price at which a Noteholder will be able to sell Notes prior to maturity may be at a discount, which could be substantial, to the market value of such Notes on the issue date, if, at such time, the market price of the Reference Asset(s) and/or obligation(s) of a Reference Entity is below, equal to or not sufficiently above the market price of the Reference Asset(s) and/or obligation(s) of a Reference Entity on the issue date. The historical market prices of any Reference Asset and/or obligation of a Reference Entity should not be taken as an indication of such Reference Asset's and/or obligation's future performance during the term of any Note.

Furthermore, the Issue Price specified in the applicable Pricing Supplement may be more than the market value of the Notes as at the date of such Pricing Supplement, and the price, if any, at which J.P. Morgan Securities Ltd. or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price takes into account amounts with respect to commissions relating to the issue and sale of the Notes and secondary market prices are likely to exclude such amounts. In addition whilst the proprietary pricing models of J.P. Morgan Securities Ltd. are based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

Issue Price

The Issue Price in respect of any Class of Notes specified in the relevant Pricing Supplement may be more than the market value of such Notes as at the date of the relevant Pricing Supplement, and the price, if any, at which the Dealer or any other person willing to purchase such Class of Notes in secondary market transactions may be lower than the Issue Price in respect of such Class of Notes. In particular, the Issue Price in respect of each Class of Notes takes into account amounts with respect to commissions relating to the issue and sale of such Class of Notes as well as amounts relating to the hedging of the Issuer's obligations under such Class of Notes, and secondary market prices are likely to exclude such

amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

Illegality

If the relevant Issuer determines, by giving notice to the Noteholders, the Fiscal Agent and the Registrar, that its performance under any Note has become unlawful or impractical in whole or in part for any reason, such Issuer may redeem such Note and, if permitted by applicable law, pay the holder of each such Note an amount determined by such Issuer in its sole and absolute discretion as representing the fair market value of such Note notwithstanding such illegality or impracticality less the cost to such Issuer of unwinding any underlying related hedging arrangements plus all other expenses related thereto as determined by such Issuer in its sole and absolute discretion or an amount otherwise determined by such Issuer in its sole and absolute discretion as specified in the relevant Conditions.

Disruption Event

If the Calculation Agent determines that a Payment Disruption Event, Settlement Disruption Event or Market Disruption Event has occurred, any consequential postponement of or any alternative provisions for valuation provided in any Note may have an adverse effect on the value of such Note.

Settlement Disruption Event

In the case of Equity Linked Notes or Index Linked Notes which are physically settled, if a Settlement Disruption Event occurs or exists on the Settlement Date, settlement may be postponed until the next day on which Settlement may occur and on which no Settlement Disruption Event occurs. The relevant Issuer in these circumstances may also have the right to pay the Disruption Cash Settlement Price (as defined in the Conditions) *in lieu* of delivering the Reference Asset. Such a determination may have an adverse effect on the value of the relevant Note.

Share Basket or Index Basket Related Notes

The value of a Share Basket or Index Basket may be affected by the number of Reference Assets included in such Share Basket or Index Basket. Generally, the value of a Share Basket or Index Basket that includes Reference Assets from a number of Reference Asset issuers or Indexes will be less affected by changes in the value of any particular Reference Asset included therein than a Basket that includes fewer Reference Assets or that gives greater weight to some Reference Assets included therein. In addition, if the Reference Assets included in a Share Basket or Index Basket is concentrated in a particular industry, the value of such a Basket will be more affected by the economic, financial and other factors affecting that industry than if the Reference Assets included in the Basket are in various industries that are affected by different economic, financial or other factors or are affected by such factors in different ways.

1. *The volatility of the Reference Assets.* If the volatility of the Reference Assets increases, the trading value of a Note is expected to increase; if the volatility decreases, the trading value of a Note is expected to decrease.
2. *The time remaining to the expiration of the Note.* As the time remaining to the expiration of the Note decreases, the trading value of a Note is expected to decrease.
3. *Dividend rates.* If the dividend rates on the Reference Assets increase, the trading value of a put Note is expected to increase and the trading value of call Note is expected to decrease. Increased dividend rates may, however, positively affect the value of Reference Assets and the trading value of a put Note could then be expected to decrease and the trading value of a call Note could then be expected to increase. If such dividend rates decrease, the trading value of a put Note is expected to decrease and the trading value of a call Note is expected to increase. Decreased dividend rates

may, however, adversely affect the value of the Reference Assets and the trading value of a put Note could then be expected to increase and the trading value of a call Note could then be expected to decrease. Spread Notes are also affected by the relative movements of the Reference Assets on which they are based.

Status of the Guarantee and Notes issued by JPMCB

Neither the Guarantee, nor any Notes issued by JPMCB are a deposit insured or guaranteed by the FDIC or any other government authority. The Guarantee and Notes issued by JPMCB are each an unsecured and unsubordinated debt obligation of JPMCB and not of its parent, JPMorgan Chase & Co., or any of its affiliates, and will rank pari passu with all other unsecured and unsubordinated indebtedness of JPMCB, subject to a preference in favor of certain deposit liabilities of JPMCB or other obligations that are subject to any priorities or preferences.

In particular, U.S. Federal legislation adopted in 1993 provides for a preference in right of payment of certain claims made in the liquidation or other resolution of any FDIC-insured depository institution. The statute requires claims to be paid in the following order:

- first, administrative expenses of the receiver;
- second, any deposit liability of the institution;
- third, any other general or senior liability of the institution not described below;
- fourth, any obligation subordinated to depositors or general creditors not described below;
- fifth, any obligation to shareholders or members (including any depository institution holding company or any shareholder or creditor of such company).

For purposes of the statute, deposit liabilities include any deposit payable at an office of the insured depository institution in the United States. They do not include international banking facility deposits or deposits payable at an office of the insured depository institution outside the United States.

Prospective investors who consider purchasing any Notes should reach an investment decision only after carefully considering the suitability of such Notes in light of their particular circumstances.

Additional risks specific to a particular Series of Notes may be detailed in the relevant Pricing Supplement.

SUMMARY OF THE PROGRAMME

The following summary is qualified in its entirety by the remainder of this Offering Circular.

Issuers	J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank, including through one or more of its non-U.S. branches
Guarantor (in relation to Notes issued by JPMIDL only)	JPMorgan Chase Bank
Description	Guaranteed Euro Medium Term Note Programme
Size	Up to U.S.\$9,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger	J.P. Morgan Securities Ltd.
Dealer	J.P. Morgan Securities Ltd. The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Offering Circular to " Permanent Dealers " are to the person listed above as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to " Dealers " are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent	JPMorgan Chase Bank, London branch
Paying Agents	JPMorgan Chase Bank, London branch, and J.P. Morgan Bank Luxembourg S.A.
Registrar	J.P. Morgan Bank Luxembourg S.A.
Transfer Agent	J.P. Morgan Bank Luxembourg S.A. and JPMorgan Chase Bank, London Branch
Calculation Agent and Delivery Agent	J.P. Morgan Securities Ltd., unless otherwise specified in the applicable Pricing Supplement
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a " Series ") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a " Tranche ") on the same or different issue dates (each a " Closing Date "). The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in

respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a pricing supplement to this Offering Circular (a "**Pricing Supplement**").

Issue Price

Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes

The Notes may be issued in bearer form only ("**Bearer Notes**"), in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") or in registered form only ("**Registered Notes**"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes are being issued in compliance with the D Rules (as defined in "Summary of the Programme – Selling Restrictions"). Otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".

Clearing Systems

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Fiscal Agent and the relevant Dealer.

Initial Delivery of Notes

On or before the issue date for each Tranche, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates relating to Notes that are not listed on the Luxembourg Stock Exchange may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) and the relevant Dealers.

No Ownership by U.S. Persons

The Notes may not be legally or beneficially owned by U.S. Persons at any time. Each holder and each beneficial owner of a Note, as a condition to purchasing such Note or any beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit the Notes are being purchased is (i) located in the United States of America, (ii) is a U.S. Person or (iii) was solicited to purchase the Notes while present in the United States of America. Each holder and each beneficial owner of a Note will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any of the Notes at any time, directly or indirectly in the United States of America or to any U.S. Person.

No Ownership of Indian Participation Notes by Indian Residents

Notes that are Participation Notes for which a Reference Asset is an equity security listed on an Indian stock exchange (an "**Indian Participation Note**") may not be legally or beneficially owned by a person that is a resident of the Republic of India within the meaning of Indian Exchange Control Laws (an "**Indian Resident**") at any time. Any pledge, sale or other transfer of Indian Participation Notes to an Indian Resident within the meaning of Indian Exchange Control Laws shall, at the option of the relevant Issuer, (x) be voidable or (y) give the relevant Issuer the right to compel the transferee to redeem any notes held by such transferee.

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years.

Denomination

Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement, save that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.

Floating Rate Notes

Floating Rate Notes will bear interest determined separately for each Series as follows:

on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or

by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant

Pricing Supplement) as adjusted for any applicable margin. Interest periods will be specified in the relevant Pricing Supplement.

Zero Coupon Notes

Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Notes

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Pricing Supplement.

Index Linked Interest Notes

Payments of interest in respect of Index Linked Interest Notes will be calculated by reference to a single index or basket of indices or formula based on such index or indices on such terms as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement).

Equity Linked Interest Notes

Payments of interest in respect of Equity Linked Interest Notes will be calculated by reference to a single share or basket of shares or formula based on such share or shares on such terms as the relevant Issuer and the relevant Dealer may agree (as indicated in the applicable Pricing Supplement).

Index Linked Redemption Notes

Payments of principal in respect of Index Linked Redemption Notes will be calculated by reference to a single index or a basket of indices or formula based on such index or indices (as indicated in the applicable Pricing Supplement). Each nominal amount of Notes equal to the lowest Specified Denomination specified in the applicable Pricing Supplement will be redeemed by payment of the Redemption Amount specified in the applicable Pricing Supplement or, if not so specified, as defined in the Conditions of the Notes.

Equity Linked Redemption Notes

Payments of principal in respect of Equity Linked Redemption Notes will be calculated by reference to a single share or a basket of shares or formula based on such share or shares (as indicated in the applicable Pricing Supplement). Each nominal amount of Notes equal to the lowest Specified Denomination specified in the applicable Pricing Supplement will be redeemed by payment of the Redemption Amount specified in the applicable Pricing Supplement or, if not so specified, as defined in the Conditions of the Notes. Equity Linked Redemption Notes or such other form of Notes may also provide that redemption will be by physical delivery of a given number of Reference Asset(s) (as indicated in the applicable Pricing Supplement). If Potential Adjustment Events and/or De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Change of Exchange are specified as applying in the applicable Pricing Supplement, the Notes will be subject to adjustment in the event of certain corporate events occurring in respect of the Share Issuer(s) specified in the

applicable Pricing Supplement, as more fully set out under "Terms and Conditions of the Notes".

Credit Linked Notes

Notes with respect to which payment of principal and interest is linked to the credit of a specified entity or entities will be issued on such terms as may be agreed between the relevant Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement). Such Notes may, as regards the exposure to the Reference Entities, be cash or physically settled.

Interest Periods and Interest Rates

The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.

Redemption

The relevant Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, for taxation reasons, following an Event of Default or, in the case of Equity Linked Notes, following certain corporate events as described herein) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices on such other terms as may be agreed between the relevant Issuer and the relevant Dealer. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).

Early Redemption following certain Extraordinary Events and Termination Events

If the Calculation Agent determines, following a Merger Event or Tender Offer (each as defined in the Terms and Conditions of the Notes) in respect of an Equity Linked Note or Index Linked Note, that no adjustment that it could make to account for the economic effect on the Note of this Merger Event or Tender Offer, would produce a commercially reasonable result, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem the Notes.

If "Cancellation and Payment" or "Partial Cancellation and Payment" is specified in the applicable Pricing Supplement as applicable following certain Extraordinary Events in respect of Equity Linked Notes and Index Linked Notes, then the Issuer may redeem the Notes in accordance with Condition 5(d)

("Redemption at the Option of the Issuer and Exercise of Issuer's Options").

The Notes may be redeemed early in accordance with the Conditions, upon certain Termination Events as set out in Condition 5(n).

Redemption by Instalments

The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.

Participation Notes

The return to holders of participation notes ("**Participation Notes**"), one type of Equity Linked Note, will be linked to the performance of shares in specified underlying companies listed on a local stock exchange and investment in which may somehow be restricted, all as more specifically set out in the Pricing Supplement relating to the relevant Series of Participation Notes.

Other Notes

Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the relevant Issuer, and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Pricing Supplement.

Optional Redemption

The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders, and if so the terms applicable to such redemption.

Status of Notes

The Notes will constitute unsubordinated and unsecured obligations of the relevant Issuer, as described in "Terms and Conditions of the Notes – Guarantee, Status of the Notes and Void Transfers – Status of Notes".

Guarantee

Notes issued by JPMIDL will be irrevocably and unconditionally guaranteed by the Guarantor, as primary obligor and not merely as surety, as described in "Terms and Conditions of the Notes – Guarantee, Status of the Notes and Void Transfers Guarantee".

Notes issued by JPMCB will not be the subject of a Guarantee.

Negative Pledge

The terms of the Notes will not contain a negative pledge provision.

Cross Default

The terms of the Notes will not contain a cross default provision.

Rating

Notes to be issued under the Programme may be rated or unrated. A security rating is not a recommendation to buy, sell

or hold the Notes and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Early Redemption

Except as provided in "Optional Redemption" , "Redemption by Instalments", "Redemption" and "Equity Linked Redemption Notes" above, pursuant to the Credit Linkage Provisions, and "Selling Restrictions" below, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".

Withholding Tax

All payments of principal and interest in respect of Notes issued to a United States Alien (as defined in "Terms and Conditions of the Notes — Taxation" below) will be made free and clear of withholding taxes of Jersey or the United States, as the case may be, subject to customary exceptions, all as described in "Terms and Conditions of the Notes – Taxation". For tax treatment of United States Aliens, see "Taxation – United States Taxation" below)

Governing Law

The Notes are governed by English law. The Guarantee is governed by New York law.

Listing

Luxembourg Stock Exchange or as otherwise specified in the relevant Pricing Supplement. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.

Selling Restrictions

Argentina, Austria, Bahamas, Belgium, Bermuda, Brazil, British Virgin Islands ("BVI"), Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, El Salvador, France, Germany, Hong Kong, Ireland, Italy, Japan, Jersey, Kingdom of Saudi Arabia, Korea (Republic of Korea), Kuwait, Lebanon, Luxembourg, Malaysia, Mexico, Nicaragua, Peru, Poland, Republic of Panama, Singapore, Spain, Switzerland, Taiwan, Thailand, The Netherlands, The Peoples Republic of China, The Philippines, United Arab Emirates, United Kingdom, United States, Uruguay and Venezuela (The Bolivarian Republic of Venezuela). See "Subscription and Sale".

The Notes may only be offered or sold outside the United States to non-U.S. Persons. The Notes may not be legally or beneficially owned by any U.S. Person at any time. Each holder and each beneficial owner of a Note will be deemed on purchase to agree not to offer, sell or deliver any of the Notes at any time, directly or indirectly in the United States of America or to any U.S. Person. See "Subscription and Sale". The relevant Issuer has the right, at its option, under the Agency Agreement and the Conditions to void any transaction transferring Notes to, or redeem any Notes beneficially owned by, a U.S. Person. See Condition 3(c) under "Terms and Conditions of the Notes".

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless the Notes are issued in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

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

The Notes are issued pursuant to an Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated as at the Issue Date, the "**Agency Agreement**") dated 11 November 2004, between the Issuers, the Guarantor, JPMorgan Chase Bank, London branch as fiscal agent and the other agents named in it and with the benefit of (i) a Deed of Covenant (as amended and/or supplemented and/or restated as at the Issue Date, the "**Deed of Covenant**") dated 11 November 2004 executed by the Issuers and the Guarantor in relation to the Notes and (ii) a Guarantee (as amended and/or supplemented and/or restated as at the Issue Date, the "**Guarantee**") dated 8 September 2003 executed by the Guarantor irrevocably and unconditionally guaranteeing the due and punctual settlement of all obligations of J.P. Morgan International Derivatives Ltd. ("**JPMIDL**") under the Notes issued by JPMIDL. The fiscal agent, the paying agents, the registrars, the transfer agent, the exchange agent, the calculation agent(s) and the delivery agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agent**", the "**Exchange Agent**", the "**Calculation Agent(s)**" and the "**Delivery Agent(s)**". The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement, the Deed of Covenant and the Guarantee are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agent.

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**", which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form ("**Registered Notes**") or in bearer form exchangeable for Registered Notes ("**Exchangeable Bearer Notes**") in each case in the Specified Denomination(s) shown hereon.

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

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

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

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

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery; provided that if a minimum trading size is specified hereon then Bearer Notes may only be traded in such multiples as are specified hereon.

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

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

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

(a) ***Exchange of Exchangeable Bearer Notes***

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

(b) ***Transfer of Registered Notes***

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer (which shall be available at the specified office of the Transfer Agent) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may

reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. Notwithstanding the other provisions of this Condition 2(b), if a minimum trading size is specified hereon then Registered Notes may only be traded in such multiples as are specified hereon.

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

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

(d) ***Delivery of New Certificates***

Each new Certificate to be issued pursuant to Conditions 2(a), (b) or (c) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 5(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) ***Exchange Free of Charge***

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

(f) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option

pursuant to Condition 5(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

3. **Guarantee, Status of the Notes and Void Transfers**

(a) ***Guarantee***

The Guarantor has irrevocably and unconditionally guaranteed, as primary obligor and not merely as surety, the due and punctual settlement in full of all obligations due and owing by JPMIDL under the Notes, Receipts and Coupons issued from time to time by JPMIDL, after taking account of any set-off, combination of accounts, netting or similar arrangement from time to time exercisable by JPMIDL against any person to whom obligations are from time to time being owed, when and as due (whether at maturity, by acceleration or otherwise) (the "**Guarantee**").

(b) ***Status of Notes***

The Notes and the Receipts and Coupons relating to them constitute general contractual obligations of the Issuer and are not secured by any property of the Issuer. The Notes and the Receipts and the Coupons shall rank equally among themselves and, save for such exceptions as may be provided by applicable legislation, *pari passu* with all other unsecured and unsubordinated obligations of the Issuer, but excluding any debts for the time being preferred by applicable legislation and any subordinated obligations.

(c) ***Void Transfers***

The Notes may not be legally or beneficially owned by any U.S. Person at any time nor offered, sold, pledged, assigned, delivered or otherwise transferred at any time, directly or indirectly, in the United States of America or to any U.S. Person. In addition, Indian Participation Notes may not be legally or beneficially owned by an Indian Resident at any time. The Issuer has the right, at its option, under the Agency Agreement and these Conditions, to compel any beneficial owner of the Notes that (i) is a U.S. Person to void the transfer of the Notes to such beneficial owner or to redeem any Notes held by such beneficial owner or (ii) is an Indian Resident, if the Notes are Indian Participation Notes, to void the transfer of such Indian Participation Notes to such beneficial owner or to redeem any Indian Participation Notes held by such beneficial owner.

The Issuer may void the transfer of the Notes in the case of clause (i) above, or the Indian Participation Notes in the case of clause (ii) above, to such beneficial owner by compelling a sale by such beneficial owner or by the Issuer selling such Notes on behalf of such beneficial owner to another purchaser acceptable to the Issuer.

4. **Interest and other Calculations**

The applicable Interest Basis for Participation Notes will be set out in the Pricing Supplement relating to the relevant Series of Participation Notes. See "Form of Participation Note Pricing Supplement".

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the

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

(b) ***Interest on Floating Rate Notes, Index Linked Interest Notes and Equity Linked Interest Notes***

(i) Interest Payment Dates

Each Floating Rate Note, Index Linked Interest Note and Equity Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

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

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(a) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (a), "**ISDA Rate**"

for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions 2000, and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (a), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(b) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity) or
 - (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date

- (y) if the Primary Source for the Floating Rate is Reference Banks or if sub-paragraph (x)(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a

Representative Amount of the Specified Currency that at least two out of the five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "**Principal Financial Centre**") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (i) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (ii) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) **Rate of Interest for Index Linked Interest Notes**

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index and/or Index Basket and/or Formula as specified hereon.

(v) **Rate of Interest for Equity Linked Interest Notes**

The Rate of Interest in respect of Equity Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to a Share and/or Share Basket and/or Formula as specified hereon.

(c) ***Zero Coupon Notes***

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

(d) ***Dual Currency Notes***

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) ***Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) ***Accrual of Interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgement) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).

(g) ***Margin, Maximum/Minimum Rates of Interest, Instalment Amounts, Redemption Amounts and Rounding***

- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph;
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount, Redemption Amount or Reference Asset Amount is specified hereon, then any Rate of Interest, Instalment Amount, Redemption Amount or Reference Asset Amount shall be subject to such maximum or minimum, as the case may be;
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of euro means euro 0.01.

(h) ***Calculations***

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

(i) ***Determination and Publication of Rates of Interest or any amount or adjustment by the Calculation Agent***

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any

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

(j) ***Definitions***

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

"Business Day" means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a **"TARGET Business Day"**) and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the **"Calculation Period"**):

- (i) if **"Actual/365"** or **"Actual/Actual - ISDA"** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if **"Actual/365 (Fixed)"** is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if **"Actual/360"** is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if **"30/360"**, **"360/360"** or **"Bond Basis"** is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))
- (v) if **"30E/360"** or **"Eurobond Basis"** is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and
- (vi) if **"Actual/Actual-ISMA"** is specified hereon,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

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

"Determination Date" means the date specified as such hereon, or if none is specified, the Interest Determination Date

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

"Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

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

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

"Interest Commencement Date" means the Issue Date or such other date as may be specified hereon

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

"Interest Valuation Date" means, with respect to an Index Linked Interest Note or an Equity Linked Interest Note, the date specified hereon in accordance with Condition 5(h)

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

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon

"ISDA Definitions" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("**Reuters**") and Moneyline Telerate ("**Telerate**") as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

"Reference Banks" means the institutions specified as such hereon or, if none, five major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone)

"Relevant Exchange Rate" means the reference exchange rate for the conversion of the Specified Currency into the Settlement Currency (or if no such direct exchange rates are published the effective rate resulting from the application of rates into and out of one or more intermediate currencies) as the Calculation Agent may determine to be the prevailing spot rate for such exchange

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "**local time**" means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time

"Settlement Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

"Specified Duration" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 4(b)(ii)

"TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto.

(k) ***Calculation Agent and Reference Banks***

- (i) The Issuer shall procure that there shall at all times be five Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Reference Asset Amount, Final Redemption Amount, Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any other amount specified hereon, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.
- (ii) Any calculation, determination or adjustment by the Calculation Agent in relation to the Notes will be made in good faith and in a commercially reasonable manner having taken into account relevant market factors including, without limitation, the cost of unwinding any hedge or related underlying trading position, interest rates, the term structure of interest rates, spot foreign exchange rates and any other factors which the Calculation Agent may deem relevant. All calculations, determinations or adjustments made by the Calculation Agent will be binding on the Issuer and the Noteholders in the absence of manifest error.

5. **Redemption, Purchase and Options**

The redemption provisions hereunder are in addition to those contained in Condition 2(c). The applicable Redemption/Payment Basis for Participation Notes will be set out in the Pricing

Supplement relating to the relevant Series of Participation Notes. See "Form of Participation Note Pricing Supplement".

(a) ***Redemption by Instalments and Final Redemption***

(i) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

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

(ii) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), each Note (unless it is an Index Linked Redemption Note or an Equity Linked Redemption Note) shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(i) For the purposes of this Condition 5(a):

"Additional Termination Event" has the meaning given to such term in Condition 5(n);

"Credit Linkage Provisions" means the provisions of Condition 5(k);

"Knock-in Event" means that event or occurrence specified hereon; and

"Knock-out Event" means that event or occurrence specified hereon.

(b) **Early Redemption**

(i) Zero Coupon Notes:

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to (i) an Index and/or an Index Basket and/or a Formula or (ii) a Share and/or a Share Basket and/or a Formula, upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes:

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 5(c) or upon it becoming due and payable as provided in Condition 9 or, in the case of Equity Linked Redemption Notes and Equity Linked Interest Notes (together the "**Equity Linked Notes**") or Index Linked Redemption Notes and Index Linked Interest Notes (together the "**Index Linked Notes**"), following certain Extraordinary Events as specified hereon, shall be the amount determined in good faith and in a commercially reasonable manner by the Calculation Agent to be the fair market value of the Notes immediately prior (and ignoring the circumstances leading) to such early redemption, adjusted to account fully for any reasonable expenses and costs of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation any equity options, equity swaps or other instruments of any

type whatsoever hedging the Issuer's obligations under the Notes), unless otherwise specified hereon.

(c) ***Redemption for Taxation Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 5(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay Additional Amounts as provided or referred to in Condition 7 as a result of any action taken by Jersey or the United States or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date or any change in, or amendment to, the laws or regulations of Jersey or the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and (ii) such obligation cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

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

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some, of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

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

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes

are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

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

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (the "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(f) ***Redemption following certain Extraordinary Events and Termination Events***

If the Calculation Agent determines, following a Merger Event or Tender Offer in respect of an Equity Linked Note or Index Linked Note, that no adjustment that it could make to account for the economic effect on the Note of this Merger Event or Tender Offer, would produce a commercially reasonable result, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem the Notes.

If "Cancellation and Payment" or "Partial Cancellation and Payment" is specified as applicable following certain Extraordinary Events in respect of Equity Linked Notes and Index Linked Notes, then the Issuer may redeem the Notes in accordance with Condition 5(d) ("Redemption at the Option of the Issuer and Exercise of Issuer's Options")

The Notes may be redeemed early in accordance with the Conditions, upon certain Termination Events as set out in Condition 5(n)

(g) ***Partly Paid Notes***

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(h) ***General Provisions applicable to Index Linked Redemption Notes and Equity Linked Redemption Notes***

For the purposes of this Condition 5(h) the following provisions shall apply in relation to the calculation of the Redemption Amount (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest or the Interest Amount(s) under Condition 4(b)(iv) for Index Linked Interest Notes and Condition 4(b)(v) for Equity Linked Interest Notes):

"Additional Termination Event" has the meaning given to such term in Condition 5(n)

"Announcement Date" means, in respect of an Extraordinary Event, (i) in the case of a Merger Event, the date of the first public announcement of a firm intention to engage in a transaction (whether or not subsequently amended) that leads to the Merger Event, (ii) in the case of a Tender Offer, the date of the first public announcement of a firm intention to purchase or otherwise obtain the requisite number of voting shares (whether or not subsequently amended) that leads to the Tender Offer, (iii) in the case of an Index Disruption or Index Cancellation, the date of the first public announcement by the Index Sponsor of any adjustment or cancellation that leads to the Index Disruption or Index Cancellation and in the case of an Index Modification, the Exchange Business Day immediately prior to the effective date of the Index Modification, (iv) in the case of a Nationalisation, the date of the first public announcement to nationalize (whether or not subsequently amended) that leads to the Nationalisation, (v) in the case of an Insolvency, the date of the first public announcement of the institution of a proceeding or presentation of a petition or passing of a resolution (or other analogous procedure in any jurisdiction) that leads to the Insolvency and (vi) in the case of a Delisting, the date of the first public announcement by the Exchange that the relevant Share will cease to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the relevant Exchange (or, where the relevant Exchange is within the European Union, in any member state of the European Union. In respect of any Extraordinary Event other than an Index Disruption, if the announcement of such Extraordinary Event is made after the actual closing time for the regular trading session on the relevant Exchange, without regard to any after hours or any other trading outside of such regular trading session hours, the Announcement Date shall be deemed to be the next following Scheduled Trading Day.

"Averaging Date" means, subject as provided in Conditions 5(i)(iv) and 5(j)(iii), in respect of each relevant Valuation Date for an Index or a Share, each date specified, or otherwise determined in respect of that Index or Share as specified hereon (or, if any such date is not a Scheduled Trading Day in respect of the relevant Index, the next following Scheduled Trading Day)

"Clearing System Business Day" means, in respect of a Clearing System, any day on which such Clearing System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Correction Cut-off Date" means, in respect of an Index or a Share, the date after which all corrections of the Index Level or Share Price originally calculated and published by the Index Sponsor or the Exchange shall be disregarded for the purposes of any calculations to be made using such Index Level or Share Price

"Credit Linkage Provisions" means the provisions of Condition 5(k)

"Disrupted Day" means in respect of an Index or a Share any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred

"Early Closure" means in respect of an Index or a Share the closure on any Exchange Business Day of any relevant Exchange(s) relating to the Share or to securities that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day

"Exchange" means in respect of an Index or a Share, each exchange or quotation system specified as such hereon for such Index or such Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in such Share or in the shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share or to the shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange.

"Exchange Business Day" means, any Scheduled Trading Day on which each Exchange and Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time

"Exchange Disruption" means in respect of an Index or a Share any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for the Shares on the Exchange or, in the case of an Index, any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of that Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to that Index on any relevant Related Exchange

"Extraordinary Event" means a Merger Event, Tender Offer, Index Adjustment Event, Nationalisation, Insolvency, Delisting or any applicable Additional Termination Event, as the case may be.

"Initial Averaging Date" means in respect of an Index or a Share, subject as provided in Condition 5(i)(iv) and Condition 5(j)(iii), each Averaging Date specified or otherwise determined in respect of that Index or that Share as specified hereon (or, if any such date is not a Scheduled Trading Day in respect of that Index or that Share, the next following Scheduled Trading Day)

"Initial Valuation Date" means in respect of an Index or a Share, subject as provided in Condition 5(i)(iv) and Condition 5(j)(iii), the Valuation Date so specified or otherwise determined as specified hereon (or, if that day is not a Scheduled Trading Day in respect of that Index or that Share the next following Scheduled Trading Day)

"Interest Valuation Date" means in respect of an Index or a Share, subject as provided in Condition 5(i)(iv) and Condition 5(j)(iii), each Valuation Date specified or otherwise

determined as specified hereon (or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day)

"Knock-in Event" means that event or occurrence specified hereon

"Knock-out Event" means that event or occurrence specified hereon

"Market Disruption Event" means, in respect of an Index or a Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event

"Maturity Date" means the date specified hereon

"Redemption Amount" means the amount specified hereon

"Redemption Date" means the date specified hereon

"Reference Asset(s)" means the asset(s) or instrument(s) specified hereon

"Related Exchange(s)" means subject to the proviso below, in respect of an Index or a Share, each exchange or quotation system if any, specified as such hereon, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index or such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index or such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided however that where **"All Exchanges"** is specified as the Related Exchange, **"Related Exchange"** shall mean each exchange or quotation system (as the Calculation Agent may select) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Index or Share or, in any such case, any transferee or successor exchange of such exchange or quotation system.

"Scheduled Closing Time" means, in respect of an Index or a Share and in respect of an Exchange or Related Exchange specified hereon and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours

"Scheduled Trading Day" means in respect of an Index or a Share, any day on which each Exchange and each Related Exchange specified hereon are scheduled to be open for trading for their respective regular trading sessions

"Scheduled Initial Valuation Date" means in respect of an Index or a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date

"Scheduled Interest Valuation Date" means in respect of an Index or a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Interest Valuation Date

"Scheduled Valuation Date" means in respect of an Index or a Share, any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date

"Settlement Cycle" means, in respect of an Index or Share, the period of Clearing System Business Days following a trade in the shares underlying such Index or such Share, as the case may be, on the Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges in respect of an Index, the longest such period)

"Trading Disruption" means in relation to a Share or an Index, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange or, in the case of an Index, relating to securities that comprise 20 per cent. or more of the level of that Index on any relevant Exchange or (ii) in futures or options contracts relating to the Share or the relevant Index on any relevant Related Exchange

"Valid Date" is as defined in Condition 5(i)(iv)(B) and Condition 5(j)(iii)(B)

"Valuation Date" means in respect of an Index or a Share, subject as provided in Condition 5(i)(iv) and Condition 5(j)(iii), each date specified hereon or, if any such day is not a Scheduled Trading Day, the next following Scheduled Trading Day

"Valuation Time" means in respect of an Index or a Share, the time specified hereon or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date or Averaging Date, as the case may be in relation to each Index or Share to be valued the time with reference to which the Index Sponsor calculates the closing level of such Index or in either such case, such other time as the Calculation Agent may determine and notify to Noteholders in accordance with Condition 13.

(i) ***Provisions applicable to Index Linked Redemption Notes***

(i) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the **"Specified Amount"**) of the Index Linked Redemption Notes equal to the lowest Specified Denomination set out hereon will be redeemed by the Issuer by payment of the Redemption Amount specified hereon on the Redemption Date.

- (ii) For the purposes of this Condition 5(i) the following provisions shall apply in relation to the calculation of the Redemption Amount (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest or the Interest Amount(s) under Condition 4(b)(iv) for Index Linked Interest Notes).

"Currency Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Settlement Currency, and if the Settlement Currency is euro, which is a TARGET Settlement Day.

"Index" means each index specified as such hereon.

"Index Adjustment Event" means an Index Disruption, Index Modification or Index Cancellation, as defined under (iii) below (*"Adjustments to an Index"*).

"Index Basket" means a basket composed of each Index specified hereon in the relative proportions specified hereon.

"Index Level" means, in respect of an Index, the level of such Index as determined by the Calculation Agent as at the relevant Valuation Time on the relevant date, as calculated and published by the relevant Index Sponsor or determined as otherwise specified hereon.

"Index Sponsor" means, in respect of an Index, the corporation or other entity that, in the determination of the Calculation Agent, (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to that Index and (b) announces (directly or through an agent) the level of that Index on a regular basis during each Scheduled Trading Day.

- (iii) Adjustments to an Index:

(A) Successor Index Sponsor calculates and announces an Index

If any Index is (i) not calculated and announced by the Index Sponsor specified hereon but is calculated and announced by a successor Index Sponsor (the **"Successor Index Sponsor"**) acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation, of that Index, then in each case that index (the **"Successor Index"**) will be deemed to be the Index.

(B) Index Modification, Index Cancellation and Index Disruption

if, in the determination of the Calculation Agent, in respect of an Index (1) on or before any Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging Date or other relevant date specified hereon, as the case may be, the Index Sponsor or (if applicable) Successor Index Sponsor announces that it will make a material change in the formula for, or the method of calculating, that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an **"Index Modification"**) or permanently cancels the Index and no Successor Index exists (an **"Index Cancellation"**); or (2) on any Valuation Date, Initial Valuation Date, Interest Valuation Date, Initial Averaging Date, Averaging

Date or other relevant date specified hereon, as the case may be, the Index Sponsor or (if applicable) Successor Index Sponsor fails to calculate and announce the level of the Index (an "**Index Disruption**"), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the relevant amount using, in lieu of a published level for such Index, the level for such Index as at the relevant date as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to that change, failure or cancellation, but using only those securities that comprised such Index immediately prior to that Index Adjustment Event and shall notify the Fiscal Agent and the Noteholders thereof (in accordance with Condition 13) and, so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a copy of such notice shall be given to such listing authority, stock exchange and/or quotation system (including, so long as the Notes are listed thereon, the Luxembourg Stock Exchange). None of the Calculation Agent or the Paying Agents shall have any responsibility in respect of any error or omission or subsequent correcting made in the calculation or publication of an Index, whether caused by negligence or otherwise.

(C) Correction of Index Levels

In the event that any price or level published by the Index Sponsor and which is utilized for any calculation or determination is subsequently corrected and the correction is published by the Index Sponsor on or before the Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Notes to account for such correction and will notify the Fiscal Agent and the Noteholders thereof (in accordance with Condition 13) and, so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, a copy of such notice shall be given to such listing authority, stock exchange and/or quotation system (including, so long as the Notes are listed thereon, the Luxembourg Stock Exchange).

(iv) Market Disruption Event and Consequences of Disrupted Days:

(A) If "**Initial Averaging Dates**" and/or "**Averaging Dates**" are not specified hereon as applicable to the Initial Valuation Date(s) or the Valuation Date(s) (as the case may be) the following provisions will apply to the Initial Valuation Date(s) or the Valuation Date(s) (as the case may be) and these provisions shall in any case apply to Interest Valuation Date(s):

(i) Where the Notes are specified hereon to relate to a single Index and the Calculation Agent determines that any Initial Valuation Date, Interest Valuation Date, or Valuation Date, as the case may be, is a Disrupted Day, then the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for such Index shall be the first succeeding Scheduled Trading Day that the Calculation Agent determines is not a Disrupted Day in respect of such Index, unless the Calculation Agent determines that each of the eight Scheduled Trading Days in respect of such Index immediately following the Scheduled Initial Valuation Date, Scheduled Interest Valuation Date or Scheduled Valuation Date, as the case may be is a Disrupted Day. In that case:

- (x) that eighth Scheduled Trading Day shall be deemed to be the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for such Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine the level of such Index as of the relevant Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of, calculating such Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the relevant Valuation Time on that eighth Scheduled Trading Day).
- (ii) Where the Notes are specified hereon to relate to an Index Basket, subject to Condition 5(i)(iv)(D), the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Initial Valuation Date, the Scheduled Interest Valuation Date or the Scheduled Valuation Date respectively, as the case may be, and the Initial Valuation Date, Interest Valuation Date, or Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day which the Calculation Agent determines is not a Disrupted Day relating to that Index, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the Scheduled Initial Valuation Date, Scheduled Interest Valuation Date or Scheduled Valuation Date, as the case may be, is a Disrupted Day relating to that Index. In that case:
- (x) that eighth Scheduled Trading Day shall be deemed to be the Initial Valuation Date, the Interest Valuation Date, or the Valuation Date, as the case may be, for the relevant Index, notwithstanding the fact that such day is a Disrupted Day; and
 - (y) the Calculation Agent shall determine the level of that Index as of the relevant Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of, calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the relevant Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the relevant Valuation Time on that eighth Scheduled Trading Day).
- (B) If "**Initial Averaging Date(s)**" and/or "**Averaging Date(s)**" are specified hereon as applicable, the following provisions will apply in relation thereto:

If the Calculation Agent determines that an Initial Averaging Date or Averaging Date, as the case may be, is a Disrupted Day in respect of an Index and, if under "**Initial Averaging Date Disruption**" and/or "**Averaging Date Disruption**" the consequence specified hereon is:

- (i) "**Omission**", then such Initial Averaging Date or Averaging Date, as the case may be, will be deemed not to be a relevant Initial Averaging Date or Averaging Date, as the case may be, for the purposes of determining the relevant amount or Index Level, as the case may be, provided that, if through the operation of this provision there would not be an Initial Averaging Date or Averaging Date, as the case may be, then Condition 5(i)(iv)(A) will apply *mutatis mutandis* for the purposes of determining the relevant Index Level or amount on the final Initial Averaging Date or final Averaging Date, as if such Averaging Date were a Valuation Date that was a Disrupted Day;
- (ii) "**Postponement**", then Condition 5(i)(iv)(A) will apply *mutatis mutandis* for the purposes of determining the Index Level on that Initial Averaging Date or Averaging Date, as the case may be, as if such Initial Averaging Date or Averaging Date were a Valuation Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Initial Averaging Date or Averaging Date, as the case may be; or
- (iii) "**Modified Postponement**", then (a) where the Notes are specified hereon to relate to a single Index, the Initial Averaging Date or Averaging Date, as the case may be, shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Averaging Date or Disrupted Day, as the case may be, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, in respect of the relevant Scheduled Valuation Date or Scheduled Initial Valuation Date, then (A) that eighth Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that eighth Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) and (B) the Calculation Agent shall determine the Index Level or relevant amount for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with Condition 5(i)(iv)(A)(i)(y)); and (b) where the Notes are specified hereon to relate to an Index Basket, subject to Condition 5(i)(iv)(D), the Initial Averaging Date or Averaging Date, as the case may be, for each Index not affected by the occurrence of a Disrupted Day shall be the original Initial Averaging Date or Averaging Date, as the case may be, specified as such in respect of the relevant Valuation Date (the "**Scheduled Initial Averaging Date**" and "**Scheduled Averaging Date**", respectively) and the Initial Averaging Date or Averaging Date, as the case may be, for an Index affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date in relation to such Index has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial

Averaging Date or Averaging Date or Disrupted Day, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, in relation to the relevant Scheduled Valuation Date or Scheduled Initial Valuation Date, then (A) that eighth Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that eighth Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) in respect of such Index, and (B) the Calculation Agent shall determine the Index Level or relevant amount for that Initial Averaging Date or Averaging Date, as the case may be, in accordance with Condition 5(i)(iv)(A)(ii)(y).

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Initial Averaging Date or Averaging Date, as the case may be, in respect of the relevant Valuation Date does not or is not deemed to occur.

- (iv) If **"Index Disclaimer"** is specified hereon then each of the Issuer and the Noteholders agrees and acknowledges, in respect of each Index, that the Notes are not sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability or purchasing or assuming any risk in connection with the Notes. The Issuer (or, if applicable, the Guarantor) shall have no liability to the Noteholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the Issue Date specified hereon, neither the Issuer (or, if applicable, the Guarantor) nor its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the computation, composition or dissemination of the Indices. Although the Calculation Agent will obtain information concerning the Indices from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer (or, if applicable, the Guarantor), its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information concerning the Indices.
- (C) If any Averaging Date(s) in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Redemption Date, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.
- (D) Notwithstanding Condition 5(i)(iv)(A)(ii) and Condition 5(i)(iv)(B)(iii) above, where the Notes are specified hereon to relate to an Index Basket the Calculation Agent may determine that in relation to an Index comprised in the Index Basket not affected by the occurrence of a Disrupted Day that, where **"Initial Averaging**

Date" and/or **"Averaging Dates"** is not specified hereon, the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, and, where **"Initial Averaging Date"** and/or **"Averaging Date"** is specified hereon, the Initial Averaging Date or Averaging Date, as the case may be, will not be the specified Initial Valuation Date, the specified Interest Valuation Date, the specified Valuation Date, the specified Initial Averaging Date or the specified Averaging Date, respectively, as the case may be, but will be subject to such adjustment as the Calculation Agent may determine.

(j) ***Provisions applicable to Equity Linked Redemption Notes***

(i) Subject to:

- (A) the Knock-in Event (if any) having occurred;
- (B) there not having occurred a Knock-out Event (if any);
- (C) there not having occurred an Additional Termination Event; and
- (D) the application of the Credit Linkage Provisions (if relevant),

and unless previously redeemed or purchased and cancelled as specified below, each nominal amount (the **"Specified Amount"**) of Equity Linked Redemption Notes equal to the lowest Specified Denomination set out hereon will be redeemed by the Issuer (A) if Cash Settlement is specified hereon, by payment of the Redemption Amount on the Redemption Date or (B) if Physical Delivery is specified hereon, by delivery of the Reference Asset Amount on the Redemption Date or (C) if Cash Settlement and/or Physical Delivery is specified hereon, by payment of the Redemption Amount and/or by delivery of the Reference Asset Amount on the terms specified hereon, in each case on the Redemption Date.

- (ii) For the purposes of this Condition 5(j) the following provisions shall apply in relation to the calculation of the Redemption Amount and/or Reference Asset Amount (and, for the avoidance of doubt, shall also apply where relevant for the purposes of calculating the Rate of Interest and Interest Amount(s) under Condition 4(b)(v) for Equity Linked Interest Notes):

"Currency Business Day" means a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre for the Settlement Currency, and if the Settlement Currency is euro, which is a TARGET Settlement Day

"Merger Date" means the closing date of a Merger Event (as determined by the Calculation Agent) or, where a closing date cannot be determined under the local law applicable to such Merger Event, such other date as determined by the Calculation Agent

"Merger Event" means, in respect of a Share, any (i) reclassification or change of such Share that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person, (ii) consolidation, amalgamation, merger or binding share exchange of the Share Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding), (iii) takeover offer, tender offer, exchange

offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the Share Issuer that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person), or (iv) consolidation, amalgamation, merger or binding share exchange of the Share Issuer or its subsidiaries with or into another entity in which the Share Issuer is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "**Reverse Merger**") in each case if the Merger Date is on or before the Redemption Date if Physical Delivery is specified hereon or the final Valuation Date in all other cases

"Options Exchange" means, in respect of a Share, the exchange or quotation system so specified hereon, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in options contracts relating to the relevant Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such options contracts on such temporary substitute exchange or quotation system as on the original Options Exchange) or, if no such exchange or quotation system is specified hereon, the Related Exchange (if such Related Exchange trades options contracts relating to the relevant Share) or, if more than one such Related Exchange is specified hereon, the Related Exchange selected by the Calculation Agent as the primary market for listed options contracts relating to the relevant Share.

"Potential Adjustment Event" is as defined in Condition 5(j)(iv)(A)

"Reference Asset" means the Share, Index or other type of instrument, asset or entity, as specified hereon

"Reference Asset Amount" means the amount of Reference Assets, as specified hereon, which may be delivered by the Delivery Agent on behalf of the Issuer on the date specified hereon

"Share" means each share or other financial instrument specified hereon

"Share Basket" means a basket composed of Shares of each Share Issuer as specified hereon in the relative proportions or numbers of Shares of each Share Issuer indicated hereon

"Share Issuer" means, in respect of a Share, the issuer of the relevant Share

"Share Price" on any day means in respect of a Share, the price per Share determined by the Calculation Agent as of the Valuation Time on the relevant day, or, if no means for determining the Share Price are so provided: (i) in respect of any Share for which the Exchange is an auction or "open outcry" exchange that has a price as of the Valuation Time at which any trade can be submitted for execution, the Share Price shall be the price per Share as of the Valuation Time on the relevant day as reported in the official real-time price dissemination mechanism for such Exchange; and (ii) in respect of any Share for which the Exchange is a dealer exchange or dealer quotation system, the Share Price shall be the mid-point of the highest bid and lowest ask prices quoted as of the Valuation Time on the relevant day, (or the last such prices quoted immediately before the Valuation Time) without regard to quotations that "lock" or "cross" the dealer exchange or dealer quotation system; provided that in the event that any price published

on the Exchange and which is utilized for any calculation or determination in respect of the Notes is subsequently corrected and the correction is published by the Exchange on or before the Correction Cut-off Date, the Calculation Agent will determine the amount that is payable or deliverable as a result of that correction, and, to the extent necessary, will adjust any relevant terms of the Notes to account for such correction.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the Share Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant

"Tender Offer Date" means, in respect of a Tender Offer, the date on which voting shares in the amount of the applicable percentage threshold are actually purchased or otherwise obtained (as determined by the Calculation Agent)

(iii) **Market Disruption Events and Consequences of Disrupted Days:**

(A) If **"Initial Averaging Dates"** and/or **"Averaging Dates"** are not specified hereon as applicable to the Initial Valuation Date(s) or the Valuation Date(s), the following provisions will apply to the Initial Valuation Date(s) or the Valuation Date(s) (as the case may be) and these provisions shall in any case apply to Interest Valuation Date(s):

(i) Where the Notes are specified hereon to relate to a single Share and the Calculation Agent determines that any Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of such Share, then the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for such Share shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days, in respect of such Share, immediately following the Scheduled Initial Valuation Date, Scheduled Interest Valuation Date or Scheduled Valuation Date, as the case may be, is a Disrupted Day. In that case:

(x) that eighth Scheduled Trading Day shall be deemed to be the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, in respect of that Share, notwithstanding the fact that such day is a Disrupted Day, and

(y) the Calculation Agent shall determine its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day.

(ii) Where the Notes are specified hereon to relate to a Share Basket, subject to Condition 5(j)(iii)(D), the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, for each Share in the Share Basket not affected by the occurrence of a Disrupted Day shall be the Scheduled Initial Valuation Date, the Scheduled Interest Valuation Date or the Scheduled Valuation Date, as the case may be, and the Initial Valuation Date, the Interest Valuation Date or Valuation Date, as the case

may be, for each Share in the Share Basket, if not a Scheduled Trading Day or affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the Scheduled Initial Valuation Date, the Scheduled Interest Valuation Date or the Scheduled Valuation Date, as the case may be, is a Disrupted Day relating to that Share. In that case:

- (x) that eighth Scheduled Trading Day shall be deemed to be the Initial Valuation Date, the Interest Valuation Date or the Valuation Date, as the case may be, for the relevant Share notwithstanding the fact that such day is a Disrupted Day; and
- (y) the Calculation Agent shall determine its good faith estimate of the value for that Share as of the Valuation Time on that eighth Scheduled Trading Day.

- (B) If "**Initial Averaging Dates and/or Averaging Dates**" are specified hereon as applicable, then the following provisions will apply in relation thereto:

If the Calculation Agent determines that an Initial Averaging Date or Averaging Date, as the case may be, is not a Scheduled Trading Day or is a Disrupted Day in respect of a Share and if, under "**Initial Averaging Date Disruption**" and/or "**Averaging Date Disruption**" the consequence specified is:

- (i) "**Omission**", then such Initial Averaging Date or Averaging Date will be deemed not to be a relevant Initial Averaging Date or Averaging Date, as the case may be, for the purposes of determining the relevant amount or price, as the case may be, provided that, if through the operation of this provision there would not be an Initial Averaging Date or Averaging Date, as the case may be, then Condition 5(j)(iii)(A) will apply *mutatis mutandis* for the purposes of determining the relevant price or amount on the final Initial Averaging Date or final Averaging Date, as the case may be, as if such Averaging Date or Initial Averaging Date were a Valuation Date that was a Disrupted Day;
- (ii) "**Postponement**", then Condition 5(j)(iii)(A) will apply *mutatis mutandis* for purposes of determining the relevant price or amount on that Initial Averaging Date or Averaging Date, as the case may be, as if such Averaging Date or Initial Averaging Date were a Valuation Date that was a Disrupted Day, irrespective of whether, pursuant to such determination, that deferred Initial Averaging Date or Averaging Date would fall on a day that already is or is deemed to be an Initial Averaging Date or Averaging Date; or
- (iii) "**Modified Postponement**", then (a) where the Notes are specified hereon to relate to a single Share, the Initial Averaging Date or Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Averaging Date or Disrupted Day as the case may be, would have been the final Initial

Averaging Date or final Averaging Date, as the case may be, in respect of the relevant Scheduled Valuation Date or Scheduled Initial Valuation Date, then (x) that eighth Scheduled Trading Day shall be deemed the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that eighth Scheduled Trading Day is already an Initial Averaging Date or Averaging Date in respect of such Share), and (y) the Calculation Agent shall determine the relevant amount or price for that Initial Averaging Date or Averaging Date, as the case may be, based on its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day; and (b) where the Notes are specified hereon to relate to a Share Basket, subject to Condition 5(j)(iii)(C), the Initial Averaging Date or Averaging Date, as the case may be, for each Share comprised in the Share Basket not affected by the occurrence of a Disrupted Day shall be the Initial Averaging Date or Averaging Date specified as such in respect of the relevant Valuation Date (the "**Scheduled Initial Averaging Date**" and "**Scheduled Averaging Date**", respectively), as the case may be, and the Initial Averaging Date or Averaging Date for a Share comprised in the Share Basket affected by the occurrence of a Disrupted Day shall be the first succeeding Valid Date in relation to such Share. If the first succeeding Valid Date in relation to such Share has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Averaging Date or Disrupted Day, would have been the final Initial Averaging Date or final Averaging Date, as the case may be, in relation to the relevant Scheduled Valuation Date or Scheduled Initial Valuation Date, then (x) that eighth Scheduled Trading Day shall be deemed to be the Initial Averaging Date or Averaging Date, as the case may be (irrespective of whether that eighth Scheduled Trading Day is already an Initial Averaging Date or Averaging Date, as the case may be) in respect of such share and (y) the Calculation Agent shall determine the relevant amount or price for that Initial Averaging Date or Averaging Date, as the case may be, based on its good faith estimate of the value for the Share as of the Valuation Time on that eighth Scheduled Trading Day.

For the purpose of this Condition 5(j)(iii)(B), "**Valid Date**" shall have the same meaning as given to it in Condition 5(i)(iv)(B).

- (C) If any Averaging Date(s) in relation to a Valuation Date occur after that Valuation Date as a result of the occurrence of a Disrupted Day, then (i) the relevant Redemption Date, or (ii) the occurrence of an Extraordinary Event or a Potential Adjustment Event shall be determined by reference to the last such Averaging Date as though it were that Valuation Date.
- (D) Notwithstanding Condition 5(j)(iii)(A)(ii) and Condition 5(j)(iii)(B)(iii) above, in relation to Notes which are specified hereon to relate to a Share Basket, the Calculation Agent may determine that in relation to a Share comprised in the Share Basket not affected by the occurrence of a Disrupted Day that, where 'Initial Averaging Date or Averaging Dates' is not specified hereon, the Initial Valuation Date, Interest Valuation Date or Valuation Date, as the case may be, and, where 'Initial Averaging Date or Averaging Date' is specified hereon, the Initial Averaging Date or Averaging Date will not be the specified Initial

Valuation Date, the specified Interest Valuation Date, the specified Valuation Date, the specified Initial Averaging Date or the specified Averaging Date, respectively, as the case may be, but will be subject to such adjustment as the Calculation Agent may determine.

(iv) Potential Adjustment Events

Following the declaration by any Share Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and, if so, will:

- (i) make the corresponding adjustment(s), if any, to any one or more of the Redemption Amount and/or the Reference Asset Amount and/or the Interest Amount(s) and/or any of the other relevant terms as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share); and
- (ii) determine the effective date(s) of the adjustment(s). In such case, such adjustments shall be deemed to be so made from such date(s). The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by any Options Exchange.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Condition 13, stating the adjustment to the Redemption Amount and/or the Reference Asset Amount and/or the Interest Amount(s) and/or any of the other relevant terms and giving brief details of the Potential Adjustment Event.

For the avoidance of doubt, in addition to or instead of varying any terms in accordance with the above provisions, the Calculation Agent may distribute to the holders of the outstanding relevant Notes additional Notes and/or a cash amount. Such distribution of additional Notes may be made on a "free" or "delivery versus payment" basis.

For the purposes of this Condition 5(j):

"Potential Adjustment Event" means with respect to any Share Issuer and/or Share, any of the following as determined by the Calculation Agent:

- (i) a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event) or a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of relevant Shares of (1) such Shares or (2) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Share Issuer equally or proportionately with such payments to holders of such Shares or (3) share capital or other securities of another share issuer acquired or owned (directly or indirectly) by the Share Issuer as a result of a spin-off or other similar transaction, or (4) any other type of securities,

rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- (iii) an amount per Share which the Calculation Agent determines should be characterised as an extraordinary dividend;
- (iv) a call by the Share Issuer in respect of relevant Shares that are not fully paid;
- (v) a repurchase by the Share Issuer or any of its subsidiaries of relevant Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise;
- (vi) in respect of the Share Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the Share Issuer pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that may have, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the relevant Shares.

(v) Merger Event, Tender Offer, Delisting, Nationalisation and Insolvency

(A) Merger Events and Tender Offers

- (i) In this Condition 5(j)(v)(A), "Affected Shares" means Shares affected by a Merger Event or a Tender Offer, as the case may be.
- (ii) Consequences of Merger Events

In respect of a Merger Event or Tender Offer, if the consequence specified hereon is:

- (a) "**Calculation Agent Adjustment**", then, on or after the relevant Merger Date or Tender Offer Date (or such other date as the Calculation Agent deems relevant), the Calculation Agent shall either (i)(A) make such adjustment to the redemption, settlement, payment or any other terms of the Notes as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such Merger Event or Tender Offer, or other event, (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Shares or to the Notes), which may, but need not, be determined by reference to the adjustment(s) made in respect of such Merger Event or Tender Offer by an Options Exchange to options on the relevant Shares traded on such Options Exchange and (B) determine the effective date of that adjustment, or (ii) if the

Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Notes will be redeemed upon prior notice made to the Noteholders in accordance with the Conditions.

- (b) **"Cancellation and Payment"**, then, the Issuer may, in its sole and absolute discretion, redeem the Notes and pay to the relevant Clearing System for credit to the relevant Noteholders account, in respect of each Note, the Early Redemption Amount and will determine the effective date of such amendments
- (c) **"Partial Cancellation and Payment"**, then, in respect of a Share Basket, that portion of the Share Basket represented by Affected Shares will be cancelled as of the Merger Date or Tender Offer Date, the amount calculated by the Calculation Agent in accordance with the Conditions in respect of such Affected Shares will be paid by the Issuer to the Noteholders, the remainder of the Share Basket will continue with the Basket comprising Shares that are not Affected Shares, and the Calculation Agent will adjust any relevant terms of the Notes if necessary to preserve as nearly as practicable the economic terms of the Notes for the remaining Shares.

(B) Nationalisation, Insolvency and or Delisting

(i) Definitions

"Delisting" means, in respect of a Share, that the relevant Exchange announces that pursuant to the rules of such Exchange, the Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any member state of the European Union);

"Insolvency" means, in respect of a Share, that by reason of the voluntary or involuntary liquidation, winding-up, dissolution, bankruptcy or insolvency or any analogous proceeding affecting a Share Issuer (i) all the Shares of such Share Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares of such Share Issuer become legally prohibited from transferring them;

"Nationalisation" means, in respect of a Share, that all the Shares of a Share Issuer or all the assets or substantially all the assets of such Share Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

(ii) Consequences of Nationalisation, Insolvency or Delisting

In respect of a Nationalisation, Insolvency or Delisting, if the consequence specified is:

"Calculation Agent Adjustment", it has the meaning set out in Condition 5(j)(v)(A)(ii)(a) above;

"Cancellation and Payment", it has the meaning set out in Condition 5(j)(v)(A)(ii)(b) above; or

"Partial Cancellation and Payment", it has the meaning set out in Condition 5(j)(v)(A)(ii)(c) above.

(C) Notification of adjustments

The Calculation Agent shall notify as soon as practicable each of the Paying Agents and each Stock Exchange on which the Notes are listed of any adjustment made pursuant to this Condition 5(j) and the Issuer shall procure that such adjustments are made available to Noteholders at the specified offices of the Paying Agents and, if so required by the rules of the stock exchange(s) on which the Notes are listed or the relevant competent authority, that notice of such adjustments are notified to Noteholders as required by the relevant stock exchange or competent authority. Any adjustments shall be made by the Calculation Agent, acting in good faith and in a commercially reasonable manner.

(k) ***Credit Linked Notes***

(i) Cash Settled Credit Linked Notes

If Cash Settlement is specified hereon, and if:

- (a) The Issuer is specified as Buyer, the Issuer shall, unless provided otherwise hereon, reduce the applicable Settlement Amount or Redemption Amount by an amount in aggregate equal to the sum of the Cash Settlement Amounts determined pursuant to this Condition 5(k); or
- (b) The Issuer is specified as Seller, the Issuer shall, unless provided otherwise hereon, increase the applicable Settlement Amount or Redemption Amount by an amount in aggregate equal to the sum of the Cash Settlement Amounts determined pursuant to this Condition 5(k).

(ii) Physically Settled Credit Linked Notes/Issuer as Buyer

- (A) If Physical Settlement is specified hereon and the Issuer is the Buyer, the Issuer shall, unless provided otherwise hereon and subject to the provisions of (c) below, on or prior to a Physical Settlement Date, Deliver to the Holders in aggregate the Deliverable Obligations specified in the relevant Notice of Physical Settlement. For the purposes of the foregoing, Delivery by the Issuer shall be made in accordance with market practice applicable to the Deliverable Obligation on the Delivery Date.

In the case of Deliverable Obligations that are Borrowed Money, (i) the Issuer shall Deliver Deliverable Obligations with an outstanding principal balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified hereon, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified hereon, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified hereon, excluding accrued but unpaid interest) and (ii) in the case of Deliverable Obligations that are not Borrowed Money, the Issuer shall Deliver Deliverable Obligations with a

Due and Payable Amount (or, in the case of either (i) or (ii), the equivalent Currency Amount of any such amount), in the aggregate amount as of the relevant Delivery Dates equal to the Physical Settlement Amount.

If an obligation by its terms represents or contemplates an obligation to pay an amount greater than the outstanding principal balance of such obligation as of the Delivery Date as a result of the occurrence or nonoccurrence of an event or circumstance, the outstanding principal balance of such obligation shall not include any additional amount that would be payable upon the occurrence or nonoccurrence of such event or circumstance.

- (B) By no later than the day that is fifteen (15) Business Days following the delivery of a Credit Event Notice, each Holder shall have:
 - (a) Identified themselves to the Calculation Agent in accordance with the instructions of the Principal Paying Agent;
 - (b) Provided the Calculation Agent with such evidence and confirmations, as requested by the Calculation Agent, demonstrating the Holder's entitlement to the relevant Notes (after which the sale of such Notes by such Holder shall be prohibited); and
 - (c) Provided the Calculation Agent with details of any account capable of taking Delivery of any part of the Deliverable Obligations and all other consents and authorisations requested by the Calculation Agent to facilitate the Delivery of the Deliverable Obligations.

Following such identification and delivery of information, the Issuer or the Calculation Agent as agent of the Issuer and each Holder shall then execute, deliver, file and record any specific assignment, novation or other document and take any other action that may be necessary or customary to perfect the Delivery of the relevant portion of the Deliverable Obligations, as determined by the Issuer or Calculation Agent as agent of the Issuer in its sole and absolute discretion.

The Delivery of any of the Deliverable Obligations to a Holder will be subject to payment by the Holder, in accordance with the instructions of the Issuer or its agents, of all applicable transfer fees, costs, expenses, tax, stamp duties or other relevant tax incurred by the Issuer or its agents in respect of such Delivery.

- (C) If, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to Deliver, or due to an event beyond the control of a Holder it is impossible or illegal for a Holder to accept Delivery of, any of the Deliverable Obligations specified in the Notice of Physical Settlement on the Physical Settlement Date (including, without limitation, (i) failure of the relevant clearance system or due to any law, regulation or court order, but excluding market conditions or the failure to obtain any requisite consent with respect to the Delivery of Loans and/or (ii) the inability to pro rata divide any Deliverable Obligation amongst the Holders), then on or before such date (a) the Issuer shall Deliver and the Holder shall take Delivery of any of the Deliverable Obligations specified in the Notice of Physical Settlement for which it is possible and legal to take Delivery in accordance with market practice applicable to the Deliverable Obligation on the Delivery Date and (b) the Issuer or the Holder, as applicable, shall provide a description in reasonable detail of the facts giving rise to such impossibility or illegality and, as soon as practicable thereafter, the Issuer shall

Deliver and the Holder shall take Delivery of the Deliverable Obligations specified in the Notice of Physical Settlement which were not Delivered in accordance with market practice applicable to the Deliverable Obligation on the Delivery Date. If, following the occurrence of any such impossibility or illegality, the amount of Deliverable Obligations that are to be Delivered as specified in the Notice of Physical Settlement are not Delivered to a Holder on or prior to the relevant Latest Permissible Physical Settlement Date, the Issuer shall pay to the relevant Holder an amount equal to the market value of the Holder's portion of the Deliverable Obligation, determined by the Issuer in a commercially reasonable manner as of the Latest Permissible Physical Settlement Date.

(D) If:

- (a) Partial Cash Settlement of Consent Required Loans Applicable is specified hereon;
- (b) the Deliverable Obligations specified in the Notice of Physical Settlement include Consent Required Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being assigned or novated to the Holders or their designees and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and
- (c) (x) Direct Loan Participation is not specified as a Deliverable Obligation Characteristic hereon or (y) Direct Loan Participation is specified as a Deliverable Obligation Characteristic hereon and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

the Issuer shall pay to each Holder an amount equal to the market value of the Holder's portion of the Consent Required Loan for which consents are not obtained or deemed given, determined by the Issuer in a commercially reasonable manner as of the relevant Latest Permissible Physical Settlement Date.

(E) If:

- (a) Partial Cash Settlement of Assignable Loans Applicable is specified hereon;
- (b) the Deliverable Obligations specified in the Notice of Physical Settlement include Assignable Loans that, due to the non-receipt of any requisite consents, are not, on the Physical Settlement Date, capable of being assigned or novated to the Holders or their designees and such consents are not obtained or deemed given by the Latest Permissible Physical Settlement Date; and
- (c) (x) Direct Loan Participation is not specified as a Deliverable Obligation Characteristic hereon or (y) Direct Loan Participation is specified as a Deliverable Obligation Characteristic hereon and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

the Issuer shall pay to each Holder an amount equal to the market value of the Holder's portion of the Assignable Loan for which consents are not obtained or deemed given, determined by the Issuer in a commercially reasonable manner as of the relevant Latest Permissible Physical Settlement Date.

(F) If:

- (a) Partial Cash Settlement of Participations Applicable is specified hereon; and

- (b) the Deliverable Obligations include Direct Loan Participations and the relevant participation is not effected on or before the Latest Permissible Physical Settlement Date,

the Issuer shall pay to each Holder an amount equal to the market value of the Holder's portion of the Direct Loan Participation in respect of which the relevant participation is not effected, determined by the Issuer in a commercially reasonable manner as of the relevant Latest Permissible Physical Settlement Date.

- (G) If the Issuer has not Delivered any Deliverable Obligations specified in the Notice of Physical Settlement that are Loans on or prior to the date that is five Business Days after the Physical Settlement Date (the "**Alternative Procedure Start Date**"), the following provisions shall apply unless (i) Reference Obligations Only has been specified as the Deliverable Obligation Category hereon, (ii) in the case of a Consent Required Loan, "Partial Cash Settlement of Consent Required Loans Applicable" is specified hereon (in which case (iv) above shall apply), (iii) in the case of an Assignable Loan, "Partial Cash Settlement of Assignable Loans Applicable" is specified hereon (in which case (v) above shall apply), (iv) in the case of a Direct Loan Participation, "Partial Cash Settlement of Participations Applicable" is specified hereon (in which case (vi) above shall apply) or (v) in any case, such failure to Deliver is due to an event described in (iii) above (in which case (iii) above shall apply). In the event that the Issuer has failed to obtain the requisite consents to Deliver a Loan specified in the Notice of Physical Settlement and has provided a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer, which shall certify that the Issuer has used reasonable efforts to obtain such consents, at any time following the Alternative Procedure Start Date, the Issuer may Deliver, in lieu of all or part of such Loan, any, subject to Sections 2 and 8, Bond that is Transferable and Not Bearer or Loan that is Assignable, in either case selected by the Issuer and having on both the Physical Settlement Date and the Delivery Date each of the Deliverable Obligation Characteristics (other than Consent Required Loan or Direct Loan Participation), if any, specified hereon and otherwise satisfying the requirements to constitute a Deliverable Obligation (and such instrument shall be deemed specified in the Notice of Physical Settlement).

- (iii) Physically Settled Credit Linked Notes/Issuer as Seller

If Physical Settlement is specified hereon and the Issuer is the Seller, each Holder shall, unless provided otherwise hereon, on or prior to a Physical Settlement Date, Deliver to the Issuer those obligations determined as provided hereon.

- (iv) Notifications

All notices delivered to Holders pursuant to the provisions of this Condition 5(k) shall comply with the provisions of Condition 13. In addition, if the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (including the Luxembourg Stock Exchange), and:

- (a) a Succession Event occurs;
- (b) a Substitute Reference Obligation occurs;
- (c) a Credit Event Notice is given;

- (d) a Notice of Physical Settlement is given;
- (e) a Credit Event Notice After Restructuring is given; or
- (f) a Repudiation/Moratorium Extension Notice is given,

(each in accordance with the provisions of the Credit Definitions Annex to the Conditions), then the Issuer shall notify the relevant listing authority, stock exchange and/or quotation system (including, so long as Notes are listed thereon, the Luxembourg Stock Exchange) of such event and, in relation to the events set out in (iii) to (vi) above, shall supply the relevant listing authority, stock exchange and/or quotation system with a copy of the Credit Event Notice, Notice of Physical Settlement, Credit Event Notice after Restructuring or Repudiation/Moratorium Extension Notice (as applicable).

(v) **Credit Linked Notes Definitions**

The definitions and other provisions of the Credit Definitions Annex to these Conditions are incorporated into and shall form part of this Condition 5(k).

In addition, the following definitions are incorporated into and shall form part of this Condition 5(k):

Latest Permissible Physical Settlement Date. "Latest Permissible Physical Settlement Date" means, in respect of Condition 5(k)(b)(iii), the date that is thirty calendar days after the Physical Settlement Date and, in respect of Condition 5(k)(b)(iv), (v) and (vi), the date that is fifteen Business Days after the Physical Settlement Date.

Reference Entity Notional Amount. "Reference Entity Notional Amount" means, in respect of a Reference Entity, the amount specified as such hereon or otherwise determined pursuant to Condition 5(k).

(vi) **Conflict with other Conditions**

Unless specified otherwise hereon, if any provision of this Condition 5(k) is inconsistent with any other Condition, the provisions of such other Condition shall prevail.

(l) ***Purchases***

The Issuer, the Guarantor and any of their subsidiaries or affiliates may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

(m) ***Cancellation***

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries or affiliates may either be held or resold or be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may be reissued or resold but if cancelled, the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

The Notes may not be legally or beneficially owned by U.S. Persons at any time nor offered, sold, pledged assigned, delivered or otherwise transferred at any time, directly or indirectly, in the United States of America or to any U.S. Person. In addition, each Note that is an Indian Participation Note may not be legally or beneficially owned by a person that is an Indian Resident at any time. The Issuer has the right, at its option, under the Agency Agreement and these Conditions, to compel any beneficial owner of the Notes that is a U.S. Person to void the transfer of the Notes to such beneficial owner or to redeem any Notes held by such beneficial owner, and to compel any beneficial owner of Indian Participation Notes that is an Indian Resident to void the transfer of the Indian Participation Notes to such Indian Resident or to redeem any Indian Participation Notes held by such Indian Resident. Transfers may be voided by the Issuer by compelling a sale by such beneficial owner or by the Issuer selling such Notes on behalf of such beneficial owner to another purchaser acceptable to the Issuer.

(n) ***Additional Termination Events***

- (i) **"Additional Termination Events"** means any one or more of the following, as specified hereon:

"Change in Law" means that, on or after the date specified hereon (or if no such date is specified, the Issue Date) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (X) it has become illegal to hold, acquire or dispose of the Shares, or (Y) the Hedging Entity (as defined in Condition 6(i)) will incur a materially increased cost in performing its obligations under the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position), or (Z) the performance of the Guarantor under the Guarantee has become unlawful;

"Failure to Deliver" means, in respect of a Share, the failure of the Issuer to deliver, when due, the relevant Shares, where such failure to deliver is due to illiquidity in the market for such Shares;

"Insolvency Filing" means, in respect of a Share, that the Share Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the Share Issuer shall not be deemed an Insolvency Filing;

"Hedging Disruption" means that the Hedging Entity (as defined in Condition 6(i)) is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s);

"Increased Cost of Hedging" means that the Hedging Entity (as defined in Condition 6(i)) would incur a materially increased (as compared with circumstances existing on the date specified hereon (or if no date is so specified, the Issue Date)) amount of tax, duty, expense or fee (other than brokerage commissions) to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the relevant Notes, or (B) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer (or the Guarantor, if applicable) shall not be deemed to be an Increased Cost of Hedging;

"Loss of Stock Borrow" means that the Hedging Entity (as defined in Condition 6(i)) is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) Shares in an amount equal to the Hedging Shares (not to exceed the number of Shares underlying the Notes) at a rate equal to or less than the Maximum Stock Loan Rate, where "Hedging Shares" means the number of Shares that the Calculation Agent deems necessary to hedge the equity price risk of entering into and performing its obligations with respect to the Notes and "Maximum Stock Loan Rate" means the stock loan rate specified as such hereon or notified to the Noteholders in accordance with the Conditions;

"Increased Cost of Stock Borrow" means that the Hedging Entity (as defined in Condition 6(i)) would incur a rate to borrow the Shares that is greater than the Initial Stock Loan Rate, where "Initial Stock Loan Rate" means the stock loan rate specified as such hereon or notified to the Noteholders in accordance with the Conditions.

(ii) **Consequences of Additional Termination Events**

Upon the occurrence of an Additional Termination Event, unless otherwise specified hereon, the relevant Issuer may redeem the Notes early.

In the event of an early redemption of the Notes following an Additional Termination Event, the Issuer or the Guarantor, as the case may be, will cause to be paid to each Noteholder in respect of each such Note held by it an amount determined by the Issuer in good faith and in a commercially reasonable manner as representing the fair market value of such Note immediately prior to such termination (ignoring, in the case of a Termination Event, such illegality or impracticality) less the cost to the Issuer of unwinding any underlying related hedging arrangements plus all other expenses related thereto as determined by the Issuer in good faith and in a commercially reasonable manner or an amount otherwise determined by the Issuer in good faith and in a commercially reasonable manner as specified in the relevant Conditions. Payment will be made to the relevant Clearing System(s) in such manner and shall be notified to the Noteholders in accordance with the procedure set out in Condition 13.

6. ***Payments, Talons, Payment Disruption and Physical Delivery***

(a) ***Bearer Notes***

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as

specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System provided however, that payment will not be made by mail to an address in the United States or by transfer to an account maintained in the United States.

(b) ***Registered Notes***

- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.

(c) ***Payments in the United States***

Except as described below, no payment of principal, premium (if any) or interest on any Bearer Note may be made at any office of the Fiscal Agent or any other Paying Agent maintained by the Issuer or the Guarantor in the United States, nor may payment be made to any address in the United States or by transfer to an account maintained in the United States. Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer and, for Notes issued by JPMCB, the Guarantor.

(d) ***Payments Subject to Laws***

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

(e) ***Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agent, the Calculation Agent and the Delivery Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agent, the Calculation Agent(s) and the Delivery Agent act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and the Guarantor, subject to obtaining the prior consent of the Jersey Financial Services Commission, reserve the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Listing Agent, the Calculation Agent(s) or the Delivery Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) and Delivery Agent(s) where these Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including Luxembourg) so long as the Notes are listed on the Luxembourg Stock Exchange, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 13.

(f) ***Unmatured Coupons and Receipts and unexchanged Talons***

(i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unmaturing Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) ***Talons***

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

(h) ***Non-Business Days***

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

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

(i) ***Payment Disruption Events and Payment Event Cut-off Date***

- (i) If the Calculation Agent shall, at any time and from time to time, determine that an event beyond the control of the Hedging Entity (a "**Payment**

Disruption Event") has occurred or will occur as a result of which the Hedging Entity is not able or would not be able to receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity, to hedge the Issuer's obligations in respect of the Notes prior to or on any date on which payments in respect of such Notes shall fall due, then the Calculation Agent shall as soon as practicable notify the holders of the relevant Notes of the occurrence of a Payment Disruption Event in accordance with Condition 13 whereupon the provisions of Condition 6(i)(ii) below shall become applicable.

In addition and without prejudice to the generality of the foregoing, each of the following events shall constitute a Payment Disruption Event:

- (i) the delivery of the Further Shares, arising on the occurrence of a Potential Adjustment Event pursuant to Condition 5(j) is pending;
- (ii) the occurrence of an FX Disruption Event;
- (iii) the occurrence of a Bad Settlement Event or an Objection to Registration Event;
- (iv) the application is pending with the Issuer of the Reference Assets for the registration of the transfers of the Reference Assets to or from the Hedging Entity;
- (v) an application is pending for the dematerialisation of the Reference Assets; and
- (vi) any law or regulation is imposed which affects the Hedging Entity's status as a holder of the Reference Assets.

For the purposes of this Condition 6(i):

"Bad Settlement Event" means an event where the Hedging Entity is not able or would not be able to transfer or procure transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to torn, damaged, or forged certificates or any other limitations whatsoever on or in respect of the transfer or registration of Reference Assets

"FX Disruption Event" means

- (a) an event in relation to a Relevant Reference Asset Jurisdiction which has the effect of preventing, restricting or delaying the Calculation Agent from:
 - (i) converting the Relevant Currency into the Specified Currency through customary legal channels; or
 - (ii) converting the Relevant Currency into the Specified Currency at a rate at least as favourable as the rate for domestic institutions located in the Relevant Reference Asset Jurisdiction; or

- (iii) delivering the Specified Currency from accounts inside the Relevant Reference Asset Jurisdiction to accounts outside the Relevant Reference Asset Jurisdiction; or
 - (iv) delivering the Relevant Currency between accounts inside the Relevant Reference Asset Jurisdiction or to a party that is a non-resident of the Relevant Reference Asset Jurisdiction; or
- (b) the imposition by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) of any capital controls, or the publication of any notice of an intention to do so, which the Calculation Agent determines in good faith is likely materially to affect the Notes, and notice thereof is given by the Issuer to the Noteholders in accordance with Condition 13; or
- (c) the implementation by the Relevant Reference Asset Jurisdiction (or any political or regulatory authority thereof) or the publication of any notice of an intention to implement any changes to the laws or regulations relating to foreign investment in the Relevant Reference Asset Jurisdiction (including, but not limited to, changes in tax laws and/or laws relating to capital markets and corporate ownership), which the Calculation Agent determines are likely to materially affect the Issuer's ability to hedge its obligations under the Notes

"Hedging Entity" means the Issuer or any affiliate(s) of the Issuer or any entity (or entities) acting on behalf of the Issuer engaged in any underlying or hedging transactions relating to the Reference Assets in respect of the Issuer's obligations under the Notes

"Objection to Registration Event" means an event where the Hedging Entity is not able or would not be able to effect the registration of the transfer of any of the Reference Assets (i) acquired by it from any transferor or (ii) held by it to any transferees, in any case, due to a refusal or objection by the issuer of the Reference Assets to register any such transfer for any reasons whatsoever

"Payment Event Cut-Off Date" means a date which is one year after the Maturity Date or any other date on which any amount under the Notes shall be due and payable (as the case may be), or as determined by the Calculation Agent acting in good faith and as specified herein

"Relevant Currency" means the currency in which the Reference Assets are denominated as specified hereon

"Relevant Reference Asset Jurisdiction" means the jurisdiction(s) specified hereon.

- (ii) Upon the occurrence of a Payment Disruption Event:

- (A) the Maturity Date or any other date on which principal or any other amount including interest in relation to any of the Notes shall be due and payable (as the case may be) in respect of the relevant Notes shall, subject to Condition 6(iii), be extended to a date falling 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Noteholder in accordance with Condition 13) after the date on which the Payment Disruption Event is no longer operating, if relevant, and on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the relevant Notes and notice thereof shall be given to the relevant Noteholders in accordance with Condition 13; and
- (B) the Issuer's obligation to pay the Final Redemption Amount, the Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount or any such other amounts including interest in relation to any of the Notes as may be due and payable (as the case may be) in respect of the relevant Notes, subject to Condition 6(iii), shall be postponed until 14 calendar days (or such other date as may be determined by the Calculation Agent and notified to the Noteholders in accordance with Condition 13) after the date on which the Payment Disruption Event is no longer operating, if relevant, and on the date on which the Hedging Entity is able to, or would be able to, sell or otherwise realise all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Notes. Notwithstanding the foregoing, in the event that the Hedging Entity is able to sell or otherwise realise a part but not all of the Reference Assets held by the Hedging Entity to hedge the Issuer's obligation in respect of the relevant Notes, the Issuer may, in its sole and absolute discretion, satisfy in part its obligation to pay the amounts as may be due and payable under the relevant Notes by making a partial payment(s) based upon the relevant amount of the Reference Assets that the Hedging Entity has been able to sell or otherwise realise (the "Partial Proceeds") in respect of the relevant Notes (the "Partial Payments"). Any Partial Payments paid by the Issuer to the Noteholders will be calculated by the Calculation Agent and shall be paid to the Noteholders pro rata to the proportion of the aggregate outstanding principal amount of the Notes held by the relevant Noteholder. In the event that any Partial Payment is made by the Issuer, the Calculation Agent may make any such corresponding adjustment to any variable relevant to the settlement, redemption or payment terms of the relevant Notes as it deems necessary and shall notify the relevant Noteholders thereof in accordance with Condition 13.
- (C) For the avoidance of doubt and notwithstanding any provisions to the contrary, (i) any such payments made in accordance with this Condition shall be made after deduction of any costs, expenses or liabilities incurred or to be incurred by the Calculation Agent or Issuer in connection with or arising from the resolution of the relevant Payment Disruption Event(s) (including, without limitation, any additional custodial fees); (ii) no accrued interest shall be paid by the Issuer in respect of any delay which may occur in the payment of any amounts due and payable under the Notes as a result of the operation of this Condition 6(i); and (iii) any failure by the Issuer to pay any amounts due and payable under the Notes as a result of the operation of this Condition 6(i) shall not constitute an Event of Default (as such term is defined in Condition 9) under Conditions 9(i) and (ii).

- (iii) In the event that a Payment Disruption Event is still occurring and there remains Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the Notes which have not been sold or otherwise realised before the Payment Event Cut-off Date, the Maturity Date or any other date on which principal or any other amount including interest in relation to any of the Notes shall be due and payable (as the case may be) for the relevant Notes shall fall on the Payment Event Cut-off Date and the settlement price of the remaining Reference Assets held by the Hedging Entity which are still subject to the Payment Disruption Event or have not been sold or realised by the Hedging Entity shall be deemed to be zero. Thereafter, the Issuer shall have no obligations whatsoever under the Notes

(j) ***Physical Delivery***

If any payment in respect of any Note is to be made by delivery of the Reference Asset Amount, in order to obtain delivery of the Reference Asset Amount(s) in respect of such Note:

- (i) if such Note is represented by a Global Note or a Global Certificate and Put Option is specified hereon as applicable, the relevant Noteholder must deliver to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as applicable), with a copy to each of the Issuer, the Fiscal Agent and the Delivery Agent, not later than the close of business in each place of receipt on the relevant Cut-Off Date, a duly completed Reference Asset Transfer Notice substantially in the form set out in the Agency Agreement (the "**Reference Asset Transfer Notice**"); and
- (ii) if such Note is in definitive form and Put Option is specified hereon as applicable, the relevant Noteholder must deliver to any Paying Agent, with a copy to each of the Issuer, the Fiscal Agent and the Delivery Agent, not later than the close of business in each place of receipt on the relevant Cut-Off Date, a duly completed Reference Asset Transfer Notice.

Forms of the Reference Asset Transfer Notice, the form of which is set out in the Agency Agreement, may be obtained during normal business hours from the specified office of any Paying Agent.

A Reference Asset Transfer Notice may only be delivered (i) if such Note is represented by a Global Note or a Global Certificate, in such manner as is acceptable to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as applicable) as the case may be, which is expected to be by tested telex or (ii) if such Note is in definitive form, in writing or by tested telex.

The delivery of the Reference Asset Amount(s) shall be made in the manner specified hereon or in such other commercially reasonable manner as the Issuer shall determine to be appropriate for such delivery and shall notify to the Noteholders in accordance with Condition 13.

All expenses including any applicable depositary charges, transaction or exercise charges, stamp duty, stamp duty reserve tax and/or other taxes or duties (together "**Delivery Expenses**") arising from the delivery and/or transfer of any Reference Asset Amount(s) shall be for the account of the relevant Noteholder or Couponholder, as the case may be, and no delivery and/or transfer of any Reference Asset Amount(s) shall be made until all Delivery Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder or Couponholder, as the case may be.

A Reference Asset Transfer Notice must:

- (1) specify the name and address of the relevant Noteholder or Couponholder, as the case may be, any account details required for delivery as set out hereon and the person from whom the Issuer may obtain details for the delivery of the Reference Asset Amount if such delivery is to be made otherwise than in the manner specified hereon;
- (2) contain certification, inter alia, that the beneficial holder is not a U.S. Person and that delivery of the Reference Asset Amount(s) will not be made in the United States;
- (3) in the case of the Notes represented by a Global Note or Global Certificate, specify the nominal amount of Notes which are the subject of such notice and the number of the Noteholder's account at Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, to be debited with such Notes and irrevocably instruct and authorise Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, to debit the relevant Noteholder's account with such Notes on the relevant Interest Payment Date(s) or the Maturity Date;
- (4) include an undertaking to pay all Delivery Expenses and, in the case of the Notes represented by a Global Note or Global Certificate, an authority to debit a specified account of the Noteholder at Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, in respect thereof and to pay such Delivery Expenses; and
- (5) authorise the production of such notice in any applicable administrative or legal proceedings.

No Reference Asset Transfer Notice may be withdrawn after receipt thereof by Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable) or a Paying Agent, as the case may be, as provided above. After delivery of a Reference Asset Transfer Notice, the relevant Noteholder or Couponholder, as the case may be, may not transfer the Notes or Coupons, as the case may be, which are the subject of such notice.

In the case of Notes represented by a Global Note or Global Certificate, upon receipt of such notice, Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, shall verify that the person specified therein as the Noteholder or the Couponholder, as the case may be, is the holder of the specified nominal amount of Notes or the Coupons attached to such Notes according to its books.

Failure properly to complete and deliver a Reference Asset Transfer Notice may result in such notice being treated as null and void. Any determination as to whether such notice has been properly completed and delivered as provided in these Conditions shall be made, in the case of Notes represented by a Global Note or Global Certificate, by Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder and, in the case of Notes in definitive form, by the relevant Paying Agent after consultation with the Issuer, and shall be conclusive and binding on the Issuer and the relevant Noteholder.

If no certification of non-U.S. Person beneficial ownership (in the form set out in the Reference Asset Transfer Notice) is provided by the relevant Physical Delivery Cut-Off Date, the Issuer may, instead of delivering, or having delivered on its behalf, the Reference Asset Amount, satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of a cash amount, calculated by the Calculation Agent in good faith and in a commercially reasonable manner to represent the fair market value of the Reference Assets comprising such Reference Asset Amount on such day as shall be selected by the Issuer in good faith and in a commercially reasonable manner adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements).

If any Noteholder or Couponholder fails properly to complete and deliver a Reference Asset Transfer Notice which results in such transfer being treated as null and void, the Issuer may determine, in its sole and absolute discretion whether to waive the requirement to deliver a properly completed Reference Asset Transfer Notice prior to the relevant cut-off date for physical delivery (the "**Physical Delivery Cut-Off Date**") in order for such Noteholder or Couponholder to receive the Redemption Amount and/or Interest Amount(s), as the case may be, by obtaining delivery of the Reference Asset Amount in respect of such Notes or Coupons and shall give notice of such waiver to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable), as the case may be, and to each of the Paying Agents, the Calculation Agent and the Delivery Agent.

Subject as provided in this Condition, in relation to each Note or Coupon which is to be redeemed or satisfied by delivery of a Reference Asset Amount, the Reference Asset Amount will be delivered at the risk of the relevant Noteholder or Couponholder, as the case may be, in the manner provided above on the relevant Interest Payment Date and/or the Redemption Date, as the case may be (each such date, subject to adjustment in accordance with this Condition, a "**Delivery Date**"), provided that the Reference Asset Transfer Notice is duly delivered to Euroclear, Clearstream, Luxembourg or a Paying Agent, as the case may be, with a copy to the Issuer and the Calculation Agent and Delivery Agent, as provided above, not later than the close of business in each place of receipt on the relevant Physical Delivery Cut-Off Date.

If a Reference Asset Transfer Notice is delivered to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (if applicable) or a Paying Agent, as the case may be, with a copy to each of the Fiscal Agent and the Delivery Agent, no later than the close of business in each place of receipt on the relevant Physical Delivery Cut-Off Date, then the Reference Asset Amount may, at the option of the Issuer, be delivered as soon as practicable after the relevant Interest Payment Date and/ or the Maturity Date, as the case may be (in which case, such date of delivery shall be the relevant Delivery Date), at the risk of such Noteholder in the manner provided above. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, in the event of such relevant Delivery Date falling after the originally designated relevant Delivery Date and no liability in respect thereof shall attach to the Issuer or to the Delivery Agent.

If a Settlement Disruption Event does prevent delivery on that date, then the Delivery Date will be the first succeeding date on which delivery of the Reference Asset Amount

can take place through the relevant Clearing System unless a Settlement Disruption Event prevents settlement on each of the eight relevant Clearing System Business Days immediately following the original date that, but for the Settlement Disruption Event, would have been the Delivery Date. In that case, (x) if such Reference Asset Amount can be delivered in any other commercially reasonable manner, then the Delivery Date will be the first date on which settlement of a sale of the Reference Assets comprising the Reference Asset Amount executed on that eighth relevant Clearing System Business Day customarily would take place using such other commercially reasonable manner of delivery (which other manner of delivery will be deemed the relevant Clearing System for the purposes of delivery of the relevant Reference Asset Amount), and (y) if such Reference Asset Amount cannot be delivered in any other commercially reasonable manner, then the Delivery Date will be postponed until delivery can be effected through the relevant Clearing System or in any other commercially reasonable manner. In the case of a Share Basket, if as a result of a Settlement Disruption Event some but not all of the Shares comprised in a Basket are affected, the Delivery Date for Shares not affected by the Settlement Disruption Event will be the original Delivery Date and the Delivery Date for the Shares that are affected by the Settlement Disruption Event shall be determined as provided above. In the event that a Settlement Disruption Event will result in the delivery on a Delivery Date of some but not all of the Shares comprised in a Basket, the Calculation Agent shall determine the appropriate pro rata portion of the amount payable to be paid to each Noteholder or Couponholder in respect of that partial settlement.

Such Noteholder or Couponholder shall not be entitled to any payment, whether of interest or otherwise, on such Note in the event of any delay in the delivery of the Reference Asset Amount pursuant to this paragraph and no liability in respect thereof shall attach to the Issuer or the Delivery Agent.

For so long as delivery of the Reference Asset Amount in respect of any Note or Coupon is not practicable by reason of a Settlement Disruption Event, then notwithstanding that Physical Delivery is specified hereon, or any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note or Coupon by payment to the relevant Noteholder or Couponholder, as the case may be, of the relevant Disruption Cash Settlement Price not later than on the third Business Day following the date that the notice of such election (the "**Election Notice**") is given to the Noteholders or Couponholders, as the case may be, in accordance with Condition 13. Payment of the relevant Disruption Cash Settlement Price will be made in such manner as shall be notified to the Noteholders or Couponholders, as the case may be, in accordance with Condition 13.

For the avoidance of doubt, if during the period of time after the Interest Payment Date or the Redemption Date, as the case may be, the Issuer or any subsidiary or affiliate of the Issuer or any other entity acting on behalf of the Issuer shall be the legal owner of any securities that may comprise a part of any Reference Assets (the "**Intervening Period**"), whether owned in connection with such entity's hedge of its obligations, directly or indirectly, under the Notes or otherwise held in its normal course of business, neither the Issuer nor any of its subsidiaries or affiliates or such other entities shall be under any obligation or liability to any Noteholder or Couponholder in respect of such Reference Assets, including (i) any obligation to deliver or procure delivery to the relevant Noteholder or Couponholder, as the case may be, or any subsequent beneficial owner of such Note or Coupon, any letter, certificate, notice, circular or any other document or payment (including any interest, dividend or any other distribution) in

respect of any Reference Asset(s) whatsoever received by the Issuer or any of its subsidiaries or affiliates or any such other entities in its capacity as the holder of such Reference Asset(s), (ii) any obligation to exercise or procure exercise of any or all rights (including voting rights) attaching to such Reference Asset(s) during the Intervening Period or (iii) any liability to the relevant Noteholder or Couponholder, as the case may be, or any subsequent beneficial owner of such Note or Coupon in respect of any loss or damage which the relevant Noteholder or Couponholder, as the case may be, or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of such Notes or Coupons during such Intervening Period. In furtherance of the foregoing, each Noteholder or Couponholder of a Note or Coupon linked to Reference Assets shall be deemed to have represented to the Issuer that it does not have, arising from its beneficial ownership of a Note or Coupon, a lien or any other type of security interest in or any other claim or entitlement to any such Reference Asset held by the Issuer or any such subsidiary, affiliate or other entity.

Where the Reference Asset Amount comprises, in the sole and absolute determination of the Issuer, fractions of Reference Assets, the Noteholders or Couponholders, as the case may be, will receive a Reference Asset Amount comprising of the nearest number (rounded down) of Reference Assets capable of being delivered by the Issuer (taking into account that a Noteholder's entire holding may be aggregated at the Issuer's discretion for the purpose of delivering the Reference Asset Amounts), and no such additional cash amounts shall be made in the value of the amount of the relevant Reference Asset so rounded down.

For the purposes of this Condition 6(j):

"Alternative Clearing System" means any alternative clearing system specified herein in addition to, or in place of Euroclear and/or Clearstream, Luxembourg

"Clearing System" means as specified hereon or any successor to such Clearing System as determined by the Calculation Agent or, if none is specified, the Clearing System will be the principal domestic clearing system customarily used for settling trades in the relevant Share on the Redemption Date. If the Clearing System ceases to settle trades in such Shares the Calculation Agent may, in its sole and absolute discretion, specify another manner of delivery.

"Clearing System Business Day" means in respect of a Clearing System, any day on which such Clearing System is (or but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions

"Delivery Agent" means J.P. Morgan Securities Ltd. or any successor thereof (or such other Delivery Agent as may be appointed from time to time either generally or in relation to a specific issue or Series of Notes and as specified hereon)

"Disruption Cash Settlement Price" means an amount equal to the fair market value of the relevant Note or Coupon (but not taking into account any interest accrued on such Note as such interest shall be paid pursuant to Conditions 4 and 6) on such day as shall be selected by the Calculation Agent in its discretion adjusted to take account fully for any losses, expenses and costs to the Issuer and/or any affiliate of the Issuer of unwinding or adjusting any underlying or related hedging arrangements (including but not limited to any options or selling or otherwise realising any relevant Share or other

instruments of any type whatsoever which the Issuer and/or any of its affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in good faith and in a commercially reasonable manner

"Physical Delivery Cut-Off Date" means, in relation to an Interest Payment Date or the Maturity Date, the relevant date specified hereon (or if that day is not a Clearing System Business Day, the next following such Clearing System Business Day)

"Settlement Disruption Event" means an event beyond the control of the Issuer or other Hedging Entity (including illiquidity in the market for the relevant Reference Assets or any legal prohibition, or material restriction imposed by any law, order or regulation on the ability of the Issuer or any Hedging Entity, to deliver the Reference Asset) as a result of which, in the opinion of the Calculation Agent, delivery of the Reference Asset Amount by or on behalf of the Issuer, in accordance with these Conditions and/or the applicable Pricing Supplement is not practicable, or as a result of which the relevant Clearing System cannot clear the transfer of the relevant Reference Assets.

7. **Taxation**

All payments of principal of and interest on the Notes, Receipts or Coupons will be made without deduction or withholding for or on account of any present or future tax, assessment or other governmental charge, of whatever nature, imposed or levied by or within Jersey or the United States or by or within any political subdivision or taxing authority thereof or therein, except as required by law. In that case, the Issuer or, as the case may be, the Guarantor will, subject to certain limitations and exceptions set forth below, pay to a Noteholder, holder of Receipts or Couponholder who is a United States Alien (in the case of United States-related taxes) or a person who is not a Jersey Tax Resident (in the case of Jersey taxes) (each as defined below) such additional amounts ("**Additional Amounts**") as may be necessary so that every net payment by the Issuer or the Guarantor or any of their Paying Agents of principal or interest with respect to the Notes, Receipts or Coupons after deduction or withholding for or on account of any such present or future tax, assessment or other governmental charge imposed upon such Noteholder, Receiptholder or Couponholder, or as a result of such payment of tax imposed or levied by or within the United States (as defined below) (or any political subdivision or taxing authority thereof or therein) or Jersey, will not be less than the amount provided for in such Notes, Receipts or Coupons to be then due and payable. However, neither the Issuer nor the Guarantor will be required to make any payment of Additional Amounts for or on account of:

- (i) any tax, assessment or other governmental charge which would not have been so imposed but for (A) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership or a corporation) and Jersey or the United States, as applicable, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or assessor) being or having been present therein, being or having been a citizen or resident thereof, being or having been engaged in a trade or business therein or having had a permanent establishment therein, or (B) the failure of such holder or the beneficial owner to comply with any certification, identification or information reporting requirements under the income tax laws and regulations of Jersey or the United States, as applicable, or any political subdivision or taxing authority thereof or therein to establish that such holder or beneficial owner is not a Jersey Tax Resident entitled without regard to any tax treaty, to an exemption from withholding or is a United States Alien as applicable;

- (ii) any estate, inheritance, gift, sales, transfer, personal property, or any similar tax, assessment or governmental charge;
- (iii) any tax, assessment or other governmental charge which is payable other than by withholding from payments of principal of or interest on such Note, Receipt or Coupon;
- (iv) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as a personal holding company, private foundation or other tax exempt organisation, passive foreign investment company, foreign personal holding company or controlled foreign corporation with respect to the United States or as a corporation that accumulates earnings to avoid United States federal income tax;
- (v) any tax, assessment or other governmental charge which is required to be withheld by a Paying Agent from payments of principal of or interest on any Note, if such payment can be made without such withholding by at least one other Paying Agent;
- (vi) any tax, assessment or other governmental charge imposed by reason of such holder's past or present status as the actual or constructive owner of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer or Guarantor entitled to vote;
- (vii) any tax, assessment, or other governmental charge payable by a holder, or by a third party on behalf of a holder, who is liable for such taxes, assessments or governmental charges in respect of any Note, Receipt or Coupon by reason of the holder or the third party's having some connection with Jersey other than the mere holding of the Note, Receipt or Coupon;
- (viii) any tax assessment, or other governmental charge payable by a holder, or by a third party on behalf of a holder, who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it), Receipt or Coupon is presented for payment;
- (ix) the presentation (where presentation is required) of a Note, Receipt or Coupon for payment on a date more than 30 days after the Relevant Date or the date on which such payment is fully provided for, whichever occurs later;
- (x) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (xi) any combination of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix) or (x)

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

The Issuer undertakes that, if European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 is brought into force, it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

As used in these Conditions, the term "**United States**" means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction; the term "**United States Alien**" means any person who is, for United States federal income tax purposes, as to the United States: (i) a foreign corporation; (ii) a foreign partnership any member of which is, as to the United States, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; or (iii) a foreign estate or trust; and the term "**Jersey Tax Resident**" means in respect of any particular time any person who will be required by Jersey law to file a Jersey tax return in respect of the tax year of assessment which includes that time on the basis that such person is resident in Jersey for tax purposes.

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

8. **Prescription**

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

9. **Events of Default**

If one or more of the following events (herein referred to as "**Events of Default**") shall have occurred and be continuing, the holder of any Note may give written notice to the Issuer and the Fiscal Agent at their specified offices that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with the accrued interest to the date of payment (if applicable) shall become immediately due and payable, unless such Event of Default shall have been cured by the Issuer or waived prior to receipt of such notice by the Issuer and the Fiscal Agent:

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

- (ii) failure on the part of the Issuer to pay when due any instalment of interest upon any Notes as and when the same shall become due and payable, and such failure shall have continued for a period of 30 days;
- (iii) failure on the part of the Issuer duly to observe or perform in any material respect any other term, covenant or agreement on its part contained in the Notes or the Agency Agreement for a period of 90 days after the date on which written notice of such failure requiring the Issuer to remedy the same shall have been given to the Issuer and the Fiscal Agent by any holder;
- (iv) failure on the part of the Issuer to perform or comply with any one or more of its other obligations under the Notes which default is not remedied within 90 days;
- (v) either the Issuer or the Guarantor is (or is, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of the debts of the Issuer or the Guarantor, or the assets of either the Issuer or the Guarantor (in respect of Notes issued by JPMIDL) are declared en désastre;
- (vi) an order is made by any competent court or an effective resolution passed for the winding-up or dissolution of the Issuer or the Guarantor, or the Issuer or the Guarantor ceases or threatens to cease to carry on all or a substantial part of its business or operations, in each case except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders; or
- (vii) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

10. **Meeting of Noteholders and Modifications**

(a) ***Modifications and Waivers; Noteholders' Meetings***

Certain modifications and amendments to the Agency Agreement and to these Conditions may be made without the consent of the Noteholder or Couponholder in accordance with these Conditions and/or Clause 21 of the Agency Agreement, as applicable, including for the purpose of curing any ambiguity, or of correcting or supplementing any defective provisions contained therein, adding covenants for the benefit of holders of the Notes, Receipts and Coupons, surrendering rights or powers conferred on the Issuer, effecting succession or assumption as a result of a merger or similar transaction, or in any other manner which the Issuer and the Fiscal Agent may deem necessary or desirable and which will not materially adversely affect the interest of the holders of the Notes, Receipts or Coupons.

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

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

(b) ***Meetings***

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement, a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75 per cent. of the aggregate principal amount of the Notes of the relevant Series or of all the Series, as the case may be, represented and voting at the meeting) of a modification of any of these Conditions or any provisions of the Agency Agreement. Such a meeting may be convened by the Issuer. At a meeting of the holders of the Notes for the purpose of approving a modification or amendment to, or obtaining a waiver of, any covenant or condition set forth in the Notes or the Agency Agreement, the holders of a clear majority in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum. In the absence of a quorum at any such meeting, within 30 minutes of the time appointed for such meeting, the meeting may be adjourned for a period of not less than ten days; in the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for a period of not less than ten days; at the reconvening of any meeting further adjourned for lack of a quorum, the persons entitled to 25 per cent. in aggregate principal amount of the Notes at the time outstanding shall constitute a quorum for the taking of any action set forth in the notice of the original meeting. At a meeting or an adjourned meeting duly convened and at which a quorum is present as aforesaid, any resolution to modify or amend any of these Conditions or any provisions of the Agency Agreement (other than those items specified in Condition 10(a)(i) through (vii), or to waive compliance with, any of these Conditions shall be effectively passed if passed by the persons entitled to the lesser of (i) a clear majority in aggregate principal amount of the Notes then outstanding or (ii) 75 per cent. in aggregate principal amount of the Notes represented and voting at the meeting.

(c) ***Substitution***

The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under

the Notes, the Receipts, the Coupons and the Talons, any company (the "**Substitute**") from the JPMorgan Chase & Co. group. The substitution shall be made by a deed poll (the "**Deed Poll**"), to be substantially in the form scheduled to the Agency Agreement as Schedule 8, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge that is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant and that would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, (iii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll of the Guarantor have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (iii) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to Noteholders, shall be available for inspection at the specified office of each of the Paying Agents. References in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the guarantor not to be) in full force and effect.

So long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (including, so long as the Notes are listed thereon, the Luxembourg Stock Exchange), the Issuer shall notify such listing authority, stock exchange and/or quotation system of any substitution pursuant to this Condition 10(c), prepare a supplemental offering circular if required to do so by the rules of such listing authority, stock exchange and/or quotation system and, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, publish a notification in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

11. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by

the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Upon the issuance of any replacement Note, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental or issuance charge that may be imposed in connection with such replacement and any other expense (including the fees and expenses of the Fiscal Agent) connected therewith.

12. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (with the exception of the first Interest Payment and the Issue Price of the further notes) (so that, for the avoidance of doubt, references in the conditions of such notes to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

13. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*) and so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

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

Notices to be given by any holder of Notes of a Series of Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Fiscal Agent. While any of the Notes of this Series are represented by a Global Note or Global Certificate, such notice may be given by any holder of such Note to the Fiscal Agent via Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, as the case may be, in such manner as the Fiscal Agent and Euroclear, Clearstream, Luxembourg or any Alternative Clearing System, as the case may be, may approve for this purpose.

14. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or the Guarantor or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer or

the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer, failing whom the Guarantor for Notes, Coupons or Receipts issued by JPMIDL, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom the Guarantor for Notes, Coupons or Receipts issued by JPMIDL, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and for Notes, Coupons or Receipts issued by JPMIDL, the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

15. **Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16. **Governing Law and Jurisdiction**

(a) ***Governing Law***

The Notes, the Receipts, the Coupons and the Talons are governed by, and shall be construed in accordance with, English law.

(b) ***Jurisdiction***

The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) ***Service of Process***

JPMIDL appoints the Company Secretary of J.P. Morgan Securities Ltd. of 125 London Wall, London EC2Y 5AJ and JPMCB appoints the Company Secretary of J.P. Morgan Europe Limited, 125 London Wall, London EC2Y 5AJ as their respective agent in England to receive, for them and on their behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to the relevant process agent (whether or not, it is forwarded to and received by JPMIDL or JPMCB, as the case may be). If for any reason the relevant process agent ceases to be able to act as

such or no longer has an address in London, each of JPMIDL or JPMCB, as the case may be, irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

CREDIT DEFINITIONS ANNEX TO THE CONDITIONS

(1) SECTION 1: GENERAL DEFINITIONS

Section 1.1. Not referenced.

Section 1.2. Not referenced.

Section 1.3. Not referenced.

Section 1.4. Effective Date. "Effective Date" means the Issue Date or such other date specified hereon.

Section 1.5. Trade Date. "Trade Date" means the date specified hereon.

Section 1.6. Scheduled Termination Date. "Scheduled Termination Date" means the date specified as such hereon.

Section 1.7. Not referenced.

Section 1.8. Event Determination Date. "Event Determination Date" means the first date on which both the Credit Event Notice and, if applicable, the Notice of Publicly Available Information are effective.

Section 1.9. Notice Delivery Period. "Notice Delivery Period" means the period from and including the Effective Date to and including (a) the Scheduled Termination Date; (b) the Grace Period Extension Date if (i) Grace Period Extension is specified as applicable hereon, (ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Termination Date and (iii) the Potential Failure to Pay with respect to such Failure to Pay occurs on or prior to the Scheduled Termination Date; or (c) the Repudiation/Moratorium Evaluation Date if (i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Termination Date, (ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date and (iii) the Repudiation/Moratorium Extension Condition is satisfied.

Section 1.10. Not referenced.

Section 1.11. Grace Period Extension Date. "Grace Period Extension Date" means, if (a) Grace Period Extension is specified as applicable hereon and (b) a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date, the date that is the number of days in the Grace Period after the date of such Potential Failure to Pay. If Grace Period Extension is not specified as applicable hereon, Grace Period Extension shall not apply.

Section 1.12. Grace Period; Grace Period Business Day.

(a) "Grace Period" means:

(i) subject to clauses (ii) and (iii), the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred;

(ii) if Grace Period Extension is specified hereon as applicable, a Potential Failure to Pay has occurred on or prior to the Scheduled Termination Date and the applicable grace period cannot, by its terms, expire on or prior to the Scheduled Termination Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such hereon or, if no period is specified, thirty calendar days; and

(iii) if, at the later of the Trade Date and the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless Grace Period Extension is specified as applicable hereon, such deemed Grace Period shall expire no later than the Scheduled Termination Date.

(b) "Grace Period Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation and if a place or places are not so specified, in the jurisdiction of the Obligation Currency.

Section 1.13. Potential Failure to Pay. "Potential Failure to Pay" means the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations, in accordance with the terms of such Obligations at the time of such failure.

Section 1.14. Not referenced.

Section 1.15. Calculation Agent City. "Calculation Agent City" means the city specified as such hereon or, if a city is not so specified, the city in which the office through which the Calculation Agent is acting is located.

Section 1.16. Business Day. "Business Day" means for the purposes of Condition 5(k) a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose hereon, a TARGET Settlement Day (if "TARGET" or "TARGET Settlement Day" is specified for that purpose hereon), or if a place or places or such terms are not so specified, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the jurisdiction of the currency of the Notes.

Section 1.17. Calculation Agent City Business Day. "Calculation Agent City Business Day" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the Calculation Agent City.

Section 1.18. Affiliate. "Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the person.

Section 1.19. Not referenced.

Section 1.20. Not referenced.

Section 1.21. Not referenced.

(2) **SECTION 2: GENERAL TERMS**

Section 2.1. Reference Entity. "Reference Entity" means the entity or entities specified as such hereon or such other entities specified to be Reference Entities pursuant to the provisions of Condition 5(k) and any Successor.

Section 2.2. Provisions for Determining a Successor.

(a) "Successor" means in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined as set forth below:

(i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;

(ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;

(iii) if more than one entity each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;

(iv) if one or more entities each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a Successor;

(v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity will not be changed in any way as a result of the Succession Event; and

(vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, but no entity succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor.

The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the legally effective date of the Succession Event), and with effect from the legally effective date of the Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under Section 2.2(a)(vi), as applicable. In calculating the percentages used to determine whether the relevant thresholds set forth above have been met, or which entity qualifies under Section 2.2(a)(vi), as applicable, the Calculation Agent shall use, in respect of each applicable Relevant Obligation included in

such calculation, the amount of the liability in respect of such Relevant Obligation listed in the Best Available Information.

(b) "Succession Event" means an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement. Notwithstanding the foregoing, "Succession Event" shall not include an event in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event.

(c) For purposes of Section 2.2, "succeed" means, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required pursuant to Section 2.2(a) shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged.

(d) Where:

- (i) a Reference Obligation has been specified;
- (ii) one or more Successors to the Reference Entity have been identified; and
- (iii) any one or more such Successors have not assumed the Reference Obligation,

a Substitute Reference Obligation will be determined in accordance with the provisions of Section 2.23.

(e) Where, pursuant to Section 2.2(a)(iii) or (iv), more than one Successor has been identified in respect of a Reference Entity (the "**Original Reference Entity**"):

- (i) each Successor will be deemed to be a Reference Entity for the purposes of Condition 5(k);
- (ii) the Reference Entity Notional Amount applicable to each Successor shall be equal to the Reference Entity Notional Amount of the Original Reference Entity divided by the number of Successors; and
- (iii) Condition 5(k) shall be amended to the extent deemed necessary by the Calculation Agent to preserve the economic effect of the Notes.

(f) "Relevant Obligations" means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its Affiliates, as determined by the Calculation Agent. The Calculation Agent will determine the entity which succeeds to such Relevant Obligations on the basis of the Best Available Information. If the date on which the Best Available Information becomes available or is filed precedes the legally effective date of the relevant Succession Event, any assumptions as to the allocation of obligations between or among entities contained in the Best Available Information will be deemed to have been fulfilled as of the legally effective date of the Succession Event, whether or not this is in fact the case.

(g) "Best Available Information" means:

(i) in the case of a Reference Entity which files information with its primary Notes regulator or primary stock exchange that includes unconsolidated, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent makes its determination for the purposes of this Section 2.2, other relevant information that is contained in any written communication provided by the Reference Entity to its primary Notes regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or

(ii) in the case of a Reference Entity which does not file with its primary Notes regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (i) above, the best publicly available information at the disposal of the Calculation Agent to allow it to make a determination for the purposes of this Section 2.2.

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

(h) In relation to a Sovereign Reference Entity, "Successor" means any direct or indirect successor(s) to that Reference Entity irrespective of whether such successor(s) assumes any of the obligations of such Reference Entity.

Section 2.3. Reference Obligation. "Reference Obligation" means each obligation specified as such or of a type described hereon (if any are so specified or described) and any Substitute Reference Obligation.

Section 2.4. Reference Price. "Reference Price" means the percentage specified as such hereon or, if a percentage is not so specified, one hundred per cent.

Section 2.5. Not referenced.

Section 2.6. Not referenced.

Section 2.7. Not referenced.

Section 2.8. Not referenced.

Section 2.9. Not referenced.

Section 2.10. Not referenced.

Section 2.11. Business Day Convention.

(a) "Business Day Convention" means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date applicable to Condition 5(k), shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(i) if "Following" is specified, that date will be the first following day that is a Business Day;

(ii) if "Modified Following" or "Modified" is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(iii) if "Preceding" is specified, that date will be the first preceding day that is a Business Day.

(b) The Business Day Convention applicable to a date that is specified hereon to be subject to adjustment in accordance with an applicable Business Day Convention shall be the Business Day Convention specified for that date hereon or, if a Business Day Convention is not so specified, the "Following" Business Day Convention, subject to Sections 1.4 and 1.6, shall apply to that date.

(c) In the event that the last day of any period calculated by reference to calendar days in Section 1.9, 1.12(a)(ii), 2.2(a), 2.2(g), 3.2(d), 3.4, 4.2(d)(ii), or 4.2(g) or in any other Section of the Conditions falls on a day that is not a Business Day, such last day shall be subject to adjustment in accordance with the applicable Business Day Convention.

Section 2.12. Not referenced.

Section 2.13. Not referenced.

Section 2.14. Obligation. "Obligation" means (a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable hereon, as provider of any Qualifying Guarantee) determined pursuant to the method described in Section 2.20 (but excluding any Excluded Obligation), (b) each Reference Obligation, unless specified hereon as an Excluded Obligation, and (c) any other obligation of a Reference Entity specified as such hereon.

Section 2.15. Deliverable Obligation. "Deliverable Obligation" means , subject to Sections 2.32(a) and 2.33(a):

(a) any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable hereon, as provider of any Qualifying Guarantee) determined pursuant to the method described in Section 2.20 (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in Section 4.1(a)-(d)) or right of set off by or of a Reference Entity or any applicable Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of nonpayment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement;

(b) subject to the second paragraph of Section 2.20(b)(i), each Reference Obligation, unless specified hereon as an Excluded Deliverable Obligation;

(c) solely in relation to a Restructuring Credit Event applicable to a Sovereign Reference Entity, any Sovereign Restructured Deliverable Obligation (but excluding any Excluded Deliverable Obligation) that (i) is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable, (ii) is not subject to any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in Section 4.1(a)-(d)) or right of set off by or of a Reference Entity or, as applicable, an Underlying Obligor and (iii) in the case of a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, is capable, at the Delivery Date, of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the

outstanding principal balance or Due and Payable Amount being Delivered apart from the giving of any notice of nonpayment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and

- (d) any other obligation of a Reference Entity specified as such hereon.

Section 2.16. Sovereign Restructured Deliverable Obligation. "Sovereign Restructured Deliverable Obligation" means an Obligation of a Sovereign Reference Entity (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice has occurred and (b) described by the Deliverable Obligation Category specified hereon, and, subject to Section 2.21(c), having each of the Deliverable Obligation Characteristics, if any, specified hereon, in each case, immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring without regard to whether the Obligation would satisfy such Deliverable Obligation Category or Deliverable Obligation Characteristics after such Restructuring.

Section 2.17. Excluded Obligation. "Excluded Obligation" means any obligation of a Reference Entity specified as such or of a type described hereon.

Section 2.18. Excluded Deliverable Obligation. "Excluded Deliverable Obligation" means any obligation of a Reference Entity specified as such or of a type described hereon.

Section 2.19. Method for Determining Obligations. For purposes of Section 2.14(a), the term "Obligation" may be defined as each obligation of each Reference Entity described by the Obligation Category specified hereon and having each of the Obligation Characteristics, if any, specified hereon, in each case, as of the date of the event which constitutes the Credit Event which is the subject of the Credit Event Notice. The following terms shall have the following meanings:

- (a) "Obligation Category" means Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan, only one of which shall be specified hereon, and:

- (i) "Payment" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money;

- (ii) "Borrowed Money" means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);

- (iii) "Reference Obligations Only" means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligations Only;

- (iv) "Bond" means any obligation of a type included in the "Borrowed Money" Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security and shall not include any other type of Borrowed Money;

- (v) "Loan" means any obligation of a type included in the "Borrowed Money" Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money; and

- (vi) "Bond or Loan" means any obligation that is either a Bond or a Loan.

(b) "Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:

(i) (A) "Not Subordinated" means an obligation that is not Subordinated to (i) the most senior Reference Obligation in priority of payment or (ii) if no Reference Obligation is specified hereon, any unsubordinated Borrowed Money obligation of the Reference Entity. For purposes of determining whether an obligation satisfies the "Not Subordinated" Obligation Characteristic or Deliverable Obligation Characteristic, the ranking in priority of payment of each Reference Obligation shall be determined as of the later of (1) the Trade Date; and (2) the date on which such Reference Obligation was issued or incurred and shall not reflect any change to such ranking in priority of payment after such later date.

(B) "Subordination" means, with respect to an obligation (the "Subordinated Obligation") and another obligation of the Reference Entity to which such obligation is being compared (the "Senior Obligation"), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the Senior Obligation. "Subordinated" will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign.

(ii) "Specified Currency" means an obligation that is payable in the currency or currencies specified as such hereon (or, if Specified Currency is specified hereon and no currency is so specified, any of the lawful currencies of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies, which currencies shall be referred to collectively as the "Standard Specified Currencies");

(iii) "Not Sovereign Lender" means any obligation that is not primarily owed to a Sovereign or Supranational Organization, including, without limitation, obligations generally referred to as "Paris Club debt";

(iv) "Not Domestic Currency" means any obligation that is payable in any currency other than the Domestic Currency;

(v) "Not Domestic Law" means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign, or (B) the jurisdiction of organization of the relevant Reference Entity, if such Reference Entity is not a Sovereign;

(vi) "Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and

(vii) "Not Domestic Issuance" means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity.

Any obligation that is registered or qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity.

Section 2.20. Method for Determining Deliverable Obligations. For purposes of Section 2.15, the term "Deliverable Obligation" may be defined as each obligation of each Reference Entity described by the Deliverable Obligation Category specified hereon, and, subject to Section 2.21(c), having each of the Deliverable Obligation Characteristics, if any, specified hereon, in each case, as of the Delivery Date. The following terms shall have the following meanings:

(a) "Deliverable Obligation Category" means one of Payment, Borrowed Money, Reference Obligations Only, Bond, Loan, or Bond or Loan (each as defined in Section 2.19(a), except that, for the purpose of determining Deliverable Obligations, Section 2.19(a)(iii) (Reference Obligations Only) shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligations Only).

(b) "Deliverable Obligation Characteristics" means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer, and:

(i) "Not Contingent" means any obligation having as of the Delivery Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or nonoccurrence of an event or circumstance (other than payment). A Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall satisfy the Not Contingent Deliverable Obligation Characteristic if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Notes) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

If a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the rights referred to in clauses (A) and (B) of this Section 2.20(b)(i) have not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Date.

(ii) "Assignable Loan" means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organization) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iii) "Consent Required Loan" means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

(iv) "Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Issuer is capable of creating, or procuring the creation of, a

contractual right in favour of the Holders that provides the Holders with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between the Holders and either (A) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (B) a Qualifying Participation Seller (if any) (to the extent such Qualifying Participation Seller is then a lender or a member of the relevant lending syndicate);

(v) "Transferable" means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction, provided that none of the following shall be considered contractual, statutory or regulatory restrictions:

(A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Notes Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation); or

(B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

(vi) "Maximum Maturity" means an obligation that has a remaining maturity from the Physical Settlement Date of not greater than the period specified hereon;

(vii) "Accelerated or Matured" means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Date will be, due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws; and

(viii) "Not Bearer" means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognized clearing system.

Section 2.21. Interpretation of Provisions. Unless this Section 2.21 is stated hereon to be not applicable:

(a) If the Obligation Characteristic "Listed" is specified hereon, it shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Obligation Category;

(b) If (i) either of the Deliverable Obligation Characteristics "Listed" or "Not Bearer" is specified hereon, it shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if Bonds are covered by the selected Deliverable Obligation Category; (ii) the Deliverable Obligation Characteristic "Transferable" is specified hereon, it shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans (and shall only be relevant to the extent that obligations other than Loans are covered by the selected Deliverable Obligation Category); or (iii) any of the Deliverable Obligation Characteristics "Assignable Loan", "Consent Required Loan" or "Direct Loan Participation" is specified hereon, it shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if Loans are covered by the selected Deliverable Obligation Category;

(c) If any of Payment, Borrowed Money, Loan or Bond or Loan is specified as the Deliverable Obligation Category and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics; and

(d) In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:

(i) For purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Qualifying Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation.

(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified hereon from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified hereon, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

(iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified hereon.

(iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified hereon from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.

(v) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

(vi) The terms "outstanding principal balance" and "Due and Payable Amount" (as they are used in various other Sections), when used in connection with Qualifying Guarantees are to be interpreted to be the then "outstanding principal balance" or "Due and Payable Amount", as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

Section 2.22. Qualifying Participation Seller. "Qualifying Participation Seller" means any participation seller that meets the requirements specified hereon. If no such requirements are specified, there shall be no Qualifying Participation Seller.

Section 2.23. Qualifying Guarantee. "Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "Underlying Obligation") for which another party is the obligor (the "Underlying Obligor") and that is not at the time of the Credit Event Subordinated to any unsubordinated Borrowed Money obligation of the Underlying Obligor (with references in the definition of Subordination to the Reference Entity deemed to refer to the Underlying

Obligor). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

Section 2.24. Qualifying Affiliate Guarantee. "Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity.

Section 2.25. Downstream Affiliate and Voting Shares.

(a) "Downstream Affiliate" means an entity, at the date of the event giving rise to the Credit Event which is the subject of the Credit Event Notice, the Delivery Date or the time of identification of a Substitute Reference Obligation (as applicable), whose outstanding Voting Shares are more than 50 percent owned, directly or indirectly, by the Reference Entity.

(b) "Voting Shares" shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

Section 2.26. Sovereign. "Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

Section 2.27. Sovereign Agency. "Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

Section 2.28. Supranational Organization. "Supranational Organization" means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

Section 2.29. Domestic Currency. "Domestic Currency" means the currency specified as such hereon and any successor currency. If no currency is so specified, the Domestic Currency shall be the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the relevant Reference Entity is organized, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor currency to any such currency).

Section 2.30. Substitute Reference Obligation. "Substitute Reference Obligation" means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable hereon, as provider of any Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

(a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying

Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity, the Calculation Agent shall identify one or more Obligations to replace such Reference Obligation.

(b) Any Substitute Reference Obligation or Substitute Reference Obligations shall be an Obligation that (1) ranks *pari passu* (or, if no such Obligation exists, then, at the Issuer's option, an Obligation that ranks senior) in priority of payment with such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the later of (A) the Trade Date specified hereon and (B) the date on which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, of the delivery and payment obligations under the Conditions and (3) is an obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable hereon, as provider of a Qualifying Guarantee). The Substitute Reference Obligation or Substitute Reference Obligations identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.

(c) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under Section 2.30(a) has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.

(d) If more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under Section 2.30(a) has occurred with respect to all of the Reference Obligations, and the Calculation Agent determines that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

(e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under Section 2.30(a) has occurred with respect to all of the Reference Obligations and the Calculation Agent determines that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under Section 2.30(a) has occurred with respect to such Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the latest of the Scheduled Termination Date, the Grace Period Extension Date (if any) and the Repudiation/Moratorium Evaluation Date (if any). If (i) either Cash Settlement is applicable and the Cash Settlement Amount is determined by reference to a Reference Obligation or Physical Settlement is applicable and the Reference Obligation is the only Deliverable Obligation and (ii) on or prior to the latest of the Scheduled Termination Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date, a Substitute Reference Obligation has not been identified, the Issue's Obligations to pay the Cash Settlement Amount or Deliver the Reference Obligation as the case may be, shall cease as of the latest of the Scheduled Termination Date, the Grace Period Extension Date or the Repudiation/Moratorium Evaluation Date.

(f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation.

Section 2.31. Not referenced.

Section 2.32. Restructuring Maturity Limitation and Fully Transferable Obligation.

(a) If Physical Settlement and "Restructuring Maturity Limitation and Fully Transferable Obligation Applicable" are specified hereon and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Deliverable Obligation may be specified (or deemed specified pursuant to Condition 5(k)(b)(vii)) in the Notice of Physical Settlement only if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date.

(b) "Fully Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.32(b).

For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

(c) "Restructuring Maturity Limitation Date" means the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Scheduled Termination Date or later than thirty months following the Scheduled Termination Date and if it is, it shall be deemed to be the Scheduled Termination Date or thirty months following the Scheduled Termination Date, as the case may be.

(d) "Restructuring Date" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

(e) "Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

(f) "Eligible Transferee" means each of the following:

(i)

(A) any bank or other financial institution;

(B) an insurance or reinsurance company;

(C) a mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii)(A) below); and

(D) a registered or licensed broker or dealer (other than a natural person or proprietorship);

provided, however, in each case that such entity has total assets of at least USD 500,000,000;

(i) an Affiliate of an entity specified in the preceding clause (i);

(ii) each of a corporation, partnership, proprietorship, organization, trust or other entity

(A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 or (2) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;

(B) that has total assets of at least USD 500,000,000; or

(C) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in clauses (i), (ii), (iii)(B) or (iv) of this Section 2.32(f); and

(ii) a Sovereign, Sovereign Agency or Supranational Organization.

All references in this Section 2.32(f) to USD include equivalent amounts in other currencies.

Section 2.33. Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation.

(a) If Physical Settlement and "Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation Applicable" are specified hereon and Restructuring is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then a Deliverable Obligation may be specified (or deemed specified pursuant to Condition 5(k)(b)(vii)) in the Notice of Physical Settlement only if it (i) is a Conditionally Transferable Obligation and (ii) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date.

(b) "Conditionally Transferable Obligation" means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this Section 2.33(b).

(i) Where Modified Restructuring Maturity Limitation under this Section 2.33 applies and a Deliverable Obligation is a Conditionally Transferable Obligation with respect to which consent is required to novate, assign or transfer, then if the requisite consent is refused (whether or not a reason is given for such refusal and, where a reason is given for such refusal, regardless of that reason), or is not received by the Physical Settlement Date (in which case it shall be deemed to have been refused), the Issuer shall promptly notify the Holders of such refusal (or deemed refusal) and Condition 5(k)(b)(vii) shall apply.

(ii) For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Conditionally Transferable Obligation, such determination shall be made as of the Delivery Date for the Deliverable Obligation, taking into account only the

terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by the Issuer.

(c) "Modified Restructuring Maturity Limitation Date" means, with respect to a Deliverable Obligation, the date that is the later of (x) the Scheduled Termination Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other Deliverable Obligations.

(d) "Restructuring Date" means, with respect to a Restructured Bond or Loan, the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

(e) "Restructured Bond or Loan" means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice has occurred.

(f) "Modified Eligible Transferee" means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, Notes and other financial assets.

(3) SECTION 3: CONDITIONS TO SETTLEMENT

Section 3.1. Not referenced.

Section 3.2. Conditions to Settlement.

(a) "Conditions to Settlement" means (i) if Cash Settlement is specified hereon, Credit Event Notice and, if specified as applicable hereon, Notice of Publicly Available Information and (ii) if Physical Settlement is specified hereon, Credit Event Notice and Notice of Physical Settlement, and, if specified as applicable hereon, Notice of Publicly Available Information;

(b) Credit Event Notice. The Credit Event Notice Condition to Settlement may be satisfied by the delivery of a Credit Event Notice by the Issuer to the Holders that is effective during the Notice Delivery Period; and

(c) Notice of Publicly Available Information. The Notice of Publicly Available Information Condition to Settlement is satisfied by the delivery of a Notice of Publicly Available Information by the Issuer to the Holders that is effective during the Notice Delivery Period.

(d) Notice of Physical Settlement. The Notice of Physical Settlement Condition to Settlement is satisfied by the delivery by the Issuer of a Notice of Physical Settlement to the Holders that is effective no later than thirty calendar days after the Event Determination Date. For purposes of determining whether the Notice of Physical Settlement Condition to Settlement has been satisfied, the effective date of delivery of the Notice of Physical Settlement (whether or not subsequently changed) shall be used.

Section 3.3. Credit Event Notice. "Credit Event Notice" means an irrevocable notice from the Issuer to the Holders that describes a Credit Event that occurred at or after 12:01 a.m., Greenwich Mean Time, on the Effective Date and at or prior to 11:59 p.m., Greenwich Mean Time, on the latest of:

(a) the Scheduled Termination Date;

(b) the Grace Period Extension Date if:

(i) Grace Period Extension is specified as applicable hereon;

(ii) the Credit Event that is the subject of the Credit Event Notice is a Failure to Pay that occurs after the Scheduled Termination Date; and

(iii) the Potential Failure to Pay with respect to such Failure to Pay occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Termination Date; and

(c) the Repudiation/Moratorium Evaluation Date if:

(i) the Credit Event that is the subject of the Credit Event Notice is a Repudiation/Moratorium that occurs after the Scheduled Termination Date;

(ii) the Potential Repudiation/Moratorium with respect to such Repudiation/Moratorium occurs at or prior to 11:59 p.m., Greenwich Mean Time, on the Scheduled Termination Date; and

(iii) the Repudiation/Moratorium Extension Condition is satisfied,

unless an alternative time is specified hereon.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

Section 3.4. Notice of Physical Settlement. "Notice of Physical Settlement" means a notice from the Issuer to the Holders that contains a detailed description of the Deliverable Obligations that the Issuer will, subject to Condition 5(k)(b), Deliver to the Holders, including the outstanding principal balance or Due and Payable Amount of each such Deliverable Obligation to be Delivered and, if available, the CUSIP or ISIN number (if such identifying number is not available, the rate and tenor of the Deliverable Obligation). The Issuer may notify the Holders (in the manner given as aforesaid) that the Issuer is changing one or more Deliverable Obligations to be Delivered (to the extent such Deliverable Obligation has not previously been Delivered) or the detailed description thereof, but each such notice must be effective on or prior to the Physical Settlement Date (determined without reference to any such change). Notwithstanding the foregoing, the Issuer may correct any errors or inconsistencies in the detailed description of the Deliverable Obligations by notice to the Holders prior to the relevant Delivery Date.

Section 3.5. Publicly Available Information. "Publicly Available Information" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Issuer or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Issuer or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity which is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in Section 4.2(d) against or by a Reference Entity or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) In the event that the Issuer is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent or paying agent for an Obligation and (ii) a holder of the Obligation with respect to which a Credit Event has occurred, the Issuer shall be required to deliver to the Holders a certificate signed by a Managing Director (or other substantively equivalent title) of the Issuer, which shall certify the occurrence of a Credit Event with respect to a Reference Entity.

(c) In relation to any information of the type described in Section 3.5(a)(ii), (iii) and (iv), the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to third parties.

(d) Publicly Available Information need not state (i) in relation to Section 2.25, the percentage of Voting Shares owned, directly or indirectly, by the Reference Entity and (ii) that such occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable Grace Period or (C) has met the subjective criteria specified in certain Credit Events.

Section 3.6. Notice of Publicly Available Information. "Notice of Publicly Available Information" means an irrevocable notice from the Issuer to the Holders that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. In relation to a Repudiation/Moratorium Credit Event, the Notice of Publicly Available Information must cite Publicly Available Information confirming the occurrence of both clauses (i) and (ii) of the definition of Repudiation/Moratorium. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If Notice of Publicly Available Information is applicable and a Credit Event Notice or Repudiation/Moratorium Extension Notice, as applicable, contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

Section 3.7. Public Source. "Public Source" means each source of Publicly Available Information specified as such hereon (or, if a source is not so specified, each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organized and any other internationally recognized published or electronically displayed news sources).

Section 3.8. Specified Number. "Specified Number" means the number of Public Sources specified hereon (or, if a number is not so specified, two).

Section 3.9. Credit Event Notice After Restructuring. Unless specified otherwise hereon, upon the occurrence of a Restructuring Credit Event:

(a) the Issuer may deliver multiple Credit Event Notices with respect to such Restructuring Credit Event, each such Credit Event Notice setting forth the amount of the relevant Reference Entity Notional Amount to which such Credit Event Notice applies (the "Exercise Amount");

(b) if the Issuer has delivered a Credit Event Notice that specifies an Exercise Amount that is less than the then outstanding Reference Entity Notional Amount, the Conditions shall, with effect from the date such Credit Event Notice is effective, be construed as if references to Reference Entity Notional Amount were to the Exercise Amount and the outstanding Reference Entity Notional Amount shall be reduced by an amount equal to the relevant Exercise Amount. Thereafter the Issuer shall make such amendments to the Conditions as it deems necessary in its sole discretion to preserve the economic effect of the Notes;

(c) the Exercise Amount in connection with a Credit Event Notice describing a Credit Event other than a Restructuring must be equal to the then outstanding Reference Entity Notional Amount (and not a portion thereof); and

(d) the Exercise Amount in connection with a Credit Event Notice describing a Restructuring must be an amount that is at least 1,000,000 units of the currency (or, if Japanese Yen, 100,000,000 units) in which the Reference Entity Notional Amount is denominated or an integral multiple thereof or the entire then outstanding Reference Entity Notional Amount.

(4) SECTION 4: CREDIT EVENTS

Section 4.1. Credit Event. "Credit Event" means, one or more of Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium or Restructuring, as specified hereon. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defense based upon: (a) any lack or alleged lack of authority or capacity of a Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation, (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described, (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described, or (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

Section 4.2. Bankruptcy. "Bankruptcy" means a Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

Section 4.3. Obligation Acceleration. "Obligation Acceleration" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Section 4.4. Obligation Default. "Obligation Default" means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other

than a failure to make any required payment, in respect of a Reference Entity under one or more Obligations.

Section 4.5. Failure to Pay. "Failure to Pay" means, after the expiration of any applicable Grace Period (after the satisfaction of any conditions precedent to the commencement of such Grace Period), the failure by a Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

Section 4.6. Repudiation/Moratorium.

(a) "Repudiation/Moratorium" means the occurrence of both of the following events: (i) an authorized officer of a Reference Entity or a Governmental Authority (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation occurs on or prior to the Repudiation/Moratorium Evaluation Date.

(b) Repudiation/Moratorium Evaluation Date. "Repudiation/Moratorium Evaluation Date" means, if a Potential Repudiation/Moratorium occurs on or prior to the Scheduled Termination Date, (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (ii) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium.

(c) Potential Repudiation/Moratorium. "Potential Repudiation/Moratorium" means the occurrence of an event described in clause (i) of the definition of Repudiation/Moratorium.

(d) Repudiation/Moratorium Extension Condition. The "Repudiation/Moratorium Extension Condition" is satisfied by the delivery of a Repudiation/Moratorium Extension Notice and, if specified as applicable hereon, Notice of Publicly Available Information by the Issuer to the Holders that is effective during the period described in clause (a) of the definition of Notice Delivery Period.

(e) Repudiation/Moratorium Extension Notice. "Repudiation/Moratorium Extension Notice" means an irrevocable notice from the Issuer to the Holders that describes a Potential Repudiation/Moratorium that occurred on or after the Effective Date and on or prior to the Scheduled Termination Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.

Section 4.7. Restructuring.

(a) "Restructuring" means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation, and such event is not expressly provided for under the

terms of such Obligation in effect as of the later of the Trade Date and the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest or (B) the payment of principal or premium;
- (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

"Permitted Currency" means (1) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody's Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof.

(b) Notwithstanding the provisions of Section 4.7(a), none of the following shall constitute a Restructuring:

- (i) the payment in euros of interest or principal in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (ii) the occurrence of, agreement to or announcement of any of the events described in Section 4.7(a)(i) to (v) due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and
- (iii) the occurrence of, agreement to or announcement of any of the events described in Section 4.7(a)(i) to (v) in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

(c) For purposes of Sections 4.7(a), 4.7(b) and 4.9, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Qualifying Affiliate Guarantee or, if All Guarantees is specified as applicable hereon, as provider of any Qualifying Guarantee. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in Section 4.7(a) shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in Section 4.7(b) shall continue to refer to the Reference Entity.

Section 4.8. Certain Definitions Relating to Credit Events.

(a) **Default Requirement.** "Default Requirement" means the amount specified as such hereon or its equivalent in the relevant Obligation Currency or, if Default Requirement is not so specified,

USD 10,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Credit Event.

(b) **Governmental Authority.** "Governmental Authority" means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organization of a Reference Entity.

(c) **Obligation Currency.** "Obligation Currency" means the currency or currencies in which an Obligation is denominated.

(d) **Payment Requirement.** "Payment Requirement" means the amount specified as such hereon or its equivalent in the relevant Obligation Currency or, if Payment Requirement is not so specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency, in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as applicable.

Section 4.9. Limitation on Obligations in Connection with Section 4.7. Unless Multiple Holder Obligation is specified as not applicable hereon, then, notwithstanding anything to the contrary in Section 4.7, the occurrence of, agreement to or announcement of any of the events described in Section 4.7(a)(i) to (v) shall not be a Restructuring unless the Obligation in respect of any such events is a Multiple Holder Obligation.

"Multiple Holder Obligation" means an Obligation that (i) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (ii) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and-two-thirds is required to consent to the event which constitutes a Restructuring Credit Event.

(5) **SECTION 5: NOT REFERENCED**

(6) **SECTION 6: NOT REFERENCED**

(7) **SECTION 7: TERMS RELATING TO CASH SETTLEMENT**

Section 7.1. Not referenced.

Section 7.2. Not referenced.

Section 7.3. Cash Settlement Amount. "Cash Settlement Amount" means the amount specified as such hereon or, if an amount is not specified, the greater of (a) (i) the relevant Reference Entity Notional Amount multiplied by (ii) the Reference Price minus the Final Price and (b) zero.

Section 7.4. Final Price. "Final Price" means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method.

Section 7.5. Valuation Method.

(a) The following Valuation Methods may be specified hereon for a Reference Entity with only one Reference Obligation and only one Valuation Date:

(i) "Market" means the Market Value determined by the Calculation Agent with respect to the Valuation Date; or

(ii) "Highest" means the highest Quotation obtained by the Calculation Agent (or in accordance with Section 7.7(b)) with respect to the Valuation Date.

If no such Valuation Method is specified hereon, the Valuation Method shall be Highest.

(b) The following Valuation Methods may be specified hereon for a Reference Entity with only one Reference Obligation and more than one Valuation Date:

(i) "Average Market" means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or

(ii) "Highest" means the highest Quotation obtained by the Calculation Agent (or in accordance with Section 7.7(b)) with respect to any Valuation Date; or

(iii) "Average Highest" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with Section 7.7(b)) with respect to each Valuation Date.

If no such Valuation Method is specified, the Valuation Method shall be Average Highest.

(c) The following Valuation Methods may be specified hereon for a Reference Entity with more than one Reference Obligation and only one Valuation Date:

(i) "Blended Market" means the unweighted arithmetic mean of the Market Values for each Reference Obligation determined by the Calculation Agent with respect to the Valuation Date; or

(ii) "Blended Highest" means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with Section 7.7(b)) for each Reference Obligation with respect to the Valuation Date.

If no such Valuation Method is specified, the Valuation Method shall be Blended Highest.

(d) The following Valuation Methods may be specified hereon for a Reference Entity with more than one Reference Obligation and more than one Valuation Date:

(i) "Average Blended Market" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date; or

(ii) "Average Blended Highest" means, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date.

If no such Valuation Method is specified, the Valuation Method shall be Average Blended Highest.

(e) Notwithstanding Section 7.5(a) through (d), if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market, Average Market, or Blended Market or Average Blended Market, as the case may be.

Section 7.6. Market Value. "Market Value" means, with respect to an Obligation on a Valuation Date, (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full

Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to Section 7.7(b), an amount as determined by the Calculation Agent on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained within the additional five Business Day period set forth in Section 7.7(b), the Market Value shall be determined as provided in Section 7.7(b).

Section 7.7. Quotation. "Quotation" means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

(a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.

(b) If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, then the party that is not the Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method. If such party is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers at the Valuation Time on such fifth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

(c) (i) If "Include Accrued Interest" is specified hereon in respect of Quotations, such Quotations shall include accrued but unpaid interest; (ii) if "Exclude Accrued Interest" is specified hereon in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified hereon in respect of Quotations, the Calculation Agent shall determine based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

(d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance (as defined in Section 8.7(a)(i)) for purposes of determining the Final Price.

Section 7.8. Valuation Date. "Valuation Date" means:

(a) if "Single Valuation Date" is specified hereon, the date that is the number of Business Days specified hereon after satisfaction of all Conditions to Settlement or, if the number of Business Days is not so specified, five Business Days, and (b) if "Multiple Valuation Dates" is specified hereon, each of the following dates:

(i) the date that is the number of Business Days specified hereon after satisfaction of all Conditions to Settlement (or, if the number of Business Days is not so specified, five Business Days); and

(ii) each successive date that is the number of Business Days specified hereon (or, if the number of Business Days is not so specified, five Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When "Multiple Valuation Dates" is specified, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified hereon (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither Single Valuation Date nor Multiple Valuation Dates is specified hereon, Single Valuation Date shall apply.

Section 7.9. Quotation Method. The applicable Quotation Method may be specified hereon by reference to one of the following terms:

(a) "Bid" means that only bid quotations shall be requested from Dealers;

(b) "Offer" means that only offer quotations shall be requested from Dealers; or

(c) "Mid-market" means that bid and offer quotations shall be requested from Dealers and shall be averaged for purposes of determining a relevant Dealer's quotation.

If a Quotation Method is not specified hereon, Bid shall apply.

Section 7.10. Full Quotation. "Full Quotation" means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an outstanding principal balance equal to the Quotation Amount.

Section 7.11. Weighted Average Quotation. "Weighted Average Quotation" means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

Section 7.12. Quotation Amount. "Quotation Amount" means the amount specified as such hereon (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the relevant Reference Entity Notional Amount (or, in either case, its equivalent in the relevant Obligation Currency converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained).

Section 7.13. Minimum Quotation Amount. "Minimum Quotation Amount" means the amount specified as such hereon (or its equivalent in the relevant Obligation Currency) or, if no amount is

so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

Section 7.14. Valuation Time. "Valuation Time" means the time specified as such hereon or, if no time is so specified, 11:00 a.m. in the principal trading market for the Reference Obligation.

Section 7.15. Dealer. "Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Dealer specified hereon. If no Dealers are specified hereon, the Calculation Agent shall select the Dealers in good faith and in a commercially reasonable manner. Upon a Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent may substitute any other Dealer(s) for one or more of the foregoing.

Section 7.16. Representative Amount. "Representative Amount" means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent.

(8) SECTION 8: TERMS RELATING TO PHYSICAL SETTLEMENT

Section 8.1. Not referenced.

Section 8.2. Deliver. "Deliver" means to deliver, novate, transfer (including, in the case of a Qualifying Guarantee, transfer of the benefit of the Qualifying Guarantee), assign or sell, as appropriate, in the manner customary for the settlement of the applicable Deliverable Obligations (which shall include executing all necessary documentation and taking any other necessary actions), in order to convey all right, title and interest in the Deliverable Obligations specified in the Notice of Physical Settlement to the Holders free and clear of any and all liens, charges, claims or encumbrances (including, without limitation, any counterclaim, defense (other than a counterclaim or defense based on the factors set forth in Section 4.1(a) (d)) or right of set off by or of the Reference Entity or, as applicable, an Underlying Obligor); provided that to the extent that the Deliverable Obligations consist of Direct Loan Participations, "Deliver" means to create (or procure the creation) of a participation in favour of the Holders and to the extent that the Deliverable Obligations consist of Qualifying Guarantees, "Deliver" means to Deliver both the Qualifying Guarantee and the Underlying Obligation. "Delivery" and "Delivered" will be construed accordingly. In the case of a Loan, Delivery shall be effected using documentation substantially in the form of the documentation customarily used in the relevant market for Delivery of such Loan at that time.

Section 8.3. Delivery Date. "Delivery Date" means, with respect to a Deliverable Obligation, the date such Deliverable Obligation is Delivered.

Section 8.4. Physical Settlement Date. "Physical Settlement Date" means (i) the last day of the longest Physical Settlement Period following the satisfaction of all applicable Conditions to Settlement or (ii) such other date specified hereon.

Section 8.5. Physical Settlement Amount. "Physical Settlement Amount" means the relevant Reference Entity Notional Amount multiplied by the Reference Price.

Section 8.6. Physical Settlement Period. "Physical Settlement Period" means the number of Business Days specified as such hereon or, if a number of Business Days is not so specified, then, with respect to a Deliverable Obligation specified in the Notice of Physical Settlement, the longest number of Business Days for settlement in accordance with then current market practice of such Deliverable Obligation, as determined by the Calculation Agent.

Section 8.7. Provisions Applicable to Convertible, Exchangeable and Accreting Obligations.

(a)(i) With respect to any Accreting Obligation, "outstanding principal balance" means the Accreted Amount thereof.

(ii) With respect to any Exchangeable Obligation that is not an Accreting Obligation, "outstanding principal balance" shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Notes for which such obligation is exchangeable.

(b)(i) "Accreted Amount" means, with respect to an Accreting Obligation, an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in clause (A)(2) above), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or applicable Valuation Date, as the case may be. Such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent) only if "Include Accrued Interest" is specified as being applicable. If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation's yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of clause (A)(2) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semiannual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Notes for which such obligation is exchangeable.

(ii) "Accreting Obligation" means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable.

(iii) "Convertible Obligation" means any obligation that is convertible, in whole or in part, into Equity Notes solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

(iv) "Equity Notes" means:

(A) in the case of a Convertible Obligation, equity Notes (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity Notes of the issuer of such obligation together with any other property distributed to or made available to holders of those equity Notes from time to time; and

(B) in the case of an Exchangeable Obligation, equity Notes (including options and warrants) of a person other than the issuer of such obligation or depositary receipts

representing those equity Notes of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity Notes from time to time.

(v) "Exchangeable Obligation" means any obligation that is exchangeable, in whole or in part, for Equity Notes solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation).

Section 8.8. Due and Payable Amount. "Due and Payable Amount" means the amount that is due and payable under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts).

Section 8.9. Currency Amount. "Currency Amount" means, whenever an amount is denominated in a currency other than the currency in which the Notes are denominated and is specified herein to be determined by reference to a Currency Amount, such amount converted to the relevant currency in which the Notes are denominated using the Currency Rate.

Section 8.10. Currency Rate. "Currency Rate" means the rate determined by the Calculation Agent in a commercially reasonable manner.

Section 8.11. Not referenced.

(9) **SECTION 9: SUPPLEMENT APPLICABLE TO U.S. AND OTHER SIMILARLY TREATED REFERENCE ENTITIES (THE "U.S. SUPPLEMENT")**

If it is specified hereon that the U.S. Supplement is applicable then Sections 1 to 8 (inclusive) above shall be amended as follows:

I. Condition 5(k)(v) is amended by deleting Section 2.18(a) in its entirety and replacing it with the following:

Section 2.25. Downstream Affiliate and Voting Shares. (a) "Downstream Affiliate" means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50% owned, directly or indirectly, by the Reference Entity.

II. Condition 5(k)(v) is amended by deleting Section 2.21(d)(ii) and (iii) in their entirety and replacing them with the following Section 2.21(d)(ii) and re-numbering the clauses accordingly in Section 2.21(d):

Section 2.21. Interpretation of Provisions.

(d)(ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the related Confirmation from the following list: Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified hereon, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.

III. Condition 5(k)(v) is hereby amended by deleting Section 2.23 in its entirety and replacing it with the following:

Section 2.23. Qualifying Guarantee. "Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the "Underlying Obligation") for which another party is the obligor (the "Underlying Obligor"). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation.

IV. Condition 5(k)(v) is hereby supplemented by adding the following phrase to the end of Section 4.9(a): "provided that any Obligation that is a Bond shall be deemed to satisfy the requirement in Section 4.9(a)(ii)."

(10) SECTION 10: ADDITIONAL PROVISIONS FOR PHYSICALLY SETTLED DEFAULT SWAPS - MONOLINE INSURER AS REFERENCE ENTITY (THE "MONOLINE SUPPLEMENT")

If it is specified hereon that the Monoline Supplement is applicable then Sections 1 to 8 (inclusive) above shall be amended and/or supplemented as follows:

(a) **Qualifying Policy.** "Qualifying Policy" means a financial guaranty insurance policy or similar financial guarantee pursuant to which a Reference Entity irrevocably guarantees or insures all Instrument Payments (as defined below) of an instrument that constitutes Borrowed Money (modified as set forth below) (the "Insured Instrument") for which another party (including a special purpose entity or trust) is the obligor (the "Insured Obligor"). Qualifying Policies shall exclude any arrangement (i) structured as a surety bond, letter of credit or equivalent legal arrangement or (ii) pursuant to the express contractual terms of which the payment obligations of the Reference Entity can be discharged or reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than the payment of Instrument Payments). The benefit of a Qualifying Policy must be capable of being Delivered together with the Delivery of the Insured Instrument.

"Instrument Payments" means (A) in the case of any Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, (x) the specified periodic distributions in respect of interest or other return on the Certificate Balance on or prior to the ultimate distribution of the Certificate Balance and (y) the ultimate distribution of the Certificate Balance on or prior to a specified date and (B) in the case of any other Insured Instrument, the scheduled payments of principal and interest, in the case of both (A) and (B) (1) determined without regard to limited recourse or reduction provisions of the type described in paragraph (d) below and (2) excluding sums in respect of default interest, indemnities, tax gross-ups, make-whole amounts, early redemption premiums and other similar amounts (whether or not guaranteed or insured by the Qualifying Policy).

"Certificate Balance" means, in the case of an Insured Instrument that is in the form of a pass-through certificate or similar funded beneficial interest, the unit principal balance, certificate balance or similar measure of unreimbursed principal investment.

- (b) **Obligation and Deliverable Obligation.** Sections 2.14(a) and 2.15(a) are hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee".
- (c) **Interpretation of Provision.** In the event that an Obligation or a Deliverable Obligation is a Qualifying Policy, the terms of Section 2.21(d) will apply, with references to the Qualifying Guarantee, the Underlying Obligation and the Underlying Obligor deemed to include the Qualifying Policy, the Insured Instrument and the Insured Obligor, respectively, except that:
 - (iii) the Obligation Category Borrowed Money and the Obligation Category and Deliverable Obligation Category Bond shall be deemed to include distributions payable under an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the Deliverable Obligation Category Bond shall be deemed to include such an Insured Instrument, and the terms "obligation" and "obligor" as used in Condition 5(k) in respect of such an Insured Instrument shall be construed accordingly;
 - (iv) references in the definitions of Assignable Loan and Consent Required Loan to the guarantor and guaranteeing shall be deemed to include the insurer and insuring, respectively;
 - (v) neither the Qualifying Policy nor the Insured Instrument must satisfy on the relevant date the Deliverable Obligation Characteristic of Accelerated or Matured, whether or not that characteristic is otherwise specified as applicable hereon;
 - (vi) if the Assignable Loan, consent Required Loan, Direct Loan Participation or Transferable Deliverable Obligation Characteristics are specified hereon and if the benefit of the Qualifying Policy is not transferred as part of any transfer of the Insured Instrument, the Qualifying Policy must be transferable at least to the same extent as the Insured Instrument; and
 - (vii) with respect to an Insured Instrument in the form of a pass-through certificate or similar funded beneficial interest, the term "outstanding principal balance" shall mean the outstanding Certificate Balance and "maturity", as such term is used in the Maximum Maturity Deliverable Obligation Characteristic, shall mean the specified date by which the Qualifying Policy guarantees or insures, as applicable, that the ultimate distribution of the Certification Balance will occur.
- (d) **Not Contingent.** An Insured Instrument will not be regarded as failing to satisfy the Not Contingent Deliverable Obligation Characteristic solely because such Insured Instrument is subject to provisions limiting recourse in respect of such Insured Instrument to the proceeds of specified assets (including proceeds subject to a priority of payments) or reducing the amount of any Instrument Payments owing under such Insured Instrument, provided that such provisions are not applicable to the Qualifying Policy by the terms thereof and the Qualifying Policy continues to guarantee or insure, as applicable, the Instrument Payments that would have been required to be made absent any such limitation or reduction.

- (e) **Deliver.** For purposes of Section 8.2, "Deliver" with respect to an obligation that is a Qualifying Policy means to Deliver both the Insured Instrument and the benefit of the Qualifying Policy (or a custodial receipt issued by an internationally recognised custodian representing an interest in such an Insured Instrument and the related Qualifying Policy), and "Delivery" and "Delivered" will be construed accordingly.
- (f) **Provisions for Determining a Successor.** Section 2.2(c) is hereby amended by adding "or insurer" after "or guarantor".
- (g) **Substitute Reference Obligation.** Section 2.30 is hereby amended by adding "or Qualifying Policy" after "or as provider of a Qualifying Affiliate Guarantee" in the definition of Substitute Reference Obligation and paragraph (b) thereof. For purposes of Section 2.30(a)(ii)(B), references to the Qualifying Guarantee and the Underlying Obligation shall be deemed to include the Qualifying Policy and the Insured Instrument, respectively.
- (h) **Other Provisions.** For purposes of Sections 2.15(a)(ii), 4.1 and 8.2, references to the Underlying Obligation and the Underlying Obligor shall be deemed to include Insured Instruments and the Insured Obligor, respectively. Any transfer or similar fee reasonably incurred by the Issuer in connection with the Delivery of a Qualifying Policy and payable to the Reference Entity shall be payable by the Holder and the Issuer equally on the Delivery Date or Latest Permissible Physical Settlement Date, as applicable.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each clearing system participant with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

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

Relationship of Accountholders with Clearing Systems

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

Exchange

1. Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- 1.1 if the relevant Pricing Supplement indicates that such Global Note is issued in a transaction to which TEFRA is not applicable (as to which, see "Summary of the Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below and
- 1.2 otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

2. Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "Partial Exchange of Permanent Global Notes", in part for Definitive Notes or, in the case of 2.3 below, Registered Notes:

- 2.1 by the relevant Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange
- 2.2 if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or a part of such Global Note for Registered Notes or
- 2.3 otherwise (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "Alternative Clearing System") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise), or assumes an intention permanently to cease business or in fact closes or (2) if principal in respect of any Note is not paid when due by the holder giving notice to the Fiscal Agent of its election for such exchange.

3. Permanent Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- 3.1 in the case of a Global Certificate held on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so or
- 3.2 if principal in respect of any Notes is not paid when due or
- 3.3 with the consent of the relevant Issuer;

provided that, in the case of the first transfer of part of a holding pursuant to 3.1 or 3.2 above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

4. Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

5. **Delivery of Notes**

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be. In this Offering Circular, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

6. **Exchange Date**

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

Amendment to Conditions

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

(a) **Payments or Deliveries**

No payment and/or delivery falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments and/or deliveries on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments and/or deliveries in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment and/or delivery falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes.

(b) **Prescription**

Claims against the relevant Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal or any Reference Asset Amount(s)) and 5 years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

(c) **Meetings**

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

(d) **Cancellation**

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

(e) **Purchase**

Notes represented by a permanent Global Note may only be purchased by the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(f) **Issuer's Option**

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

(g) **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

(h) **Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal and/or any Reference Asset Amount(s) in respect of any Note is not paid and/or delivered when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the relevant Issuer and the Guarantor (in relation to Notes issued by JPMIDL) under the terms of a Deed of Covenant executed as a deed by the Issuers and the Guarantor on 11 November 2004 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

(i) **Notices**

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

(j) **Partly Paid Notes**

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

USE OF PROCEEDS

The net proceeds from each issue of the Notes will be used by the relevant Issuer for its general corporate purposes (including hedging arrangements).

INFORMATION RELATING TO JPMIDL

General Information

J.P. Morgan International Derivatives Ltd. is a wholly-owned subsidiary of J.P. Morgan International Finance Limited, which is in turn an indirect, wholly-owned subsidiary of JPMCB. JPMIDL was incorporated as a limited liability company under the laws of Jersey in Jersey, Channel Islands, on 20th June, 1990 to exist for an unlimited duration. JPMIDL was registered at the Royal Court of Jersey under registered number 47659 with registered offices at Oak Walk, St. Peter, Jersey, Channel Islands. Its objects as set out in Clause 3 of its Memorandum of Association are, *inter alia*, to acquire and hold investments of any nature whatsoever and to finance the acquisition of investments by the issue of securities of any nature whatsoever. By special resolution of the shareholders of JPMIDL passed on 23rd June, 2000, the name of JPMIDL was changed from "J.P. Morgan Jersey Limited" to "J.P. Morgan Investor Derivatives Ltd." effective 26th June, 2000, and then from "J.P. Morgan Investor Derivatives Ltd." to "J.P. Morgan International Derivatives Ltd." by special resolution of its shareholders passed on 15th May, 2001. By special resolution of the shareholders of JPMIDL passed on 9th October, 2000, JPMIDL became a public company.

Corporate Information

Directors and Officers of JPMIDL

Set forth below are the names and positions of JPMIDL's directors and officers:

<i>Name</i>	<i>Title</i>	<i>Address</i>
Axel Kilian	Director	10 Aldermanbury, London EC2V 7RF
Christopher Piers Martin Harris	Director	Oak Walk, St. Peter, Jersey, JE3 7EF
Michael Paul Egerton-Vernon	Director	Oak Walk, St. Peter, Jersey, JE3 7EF
Kiran Chandubhai Patel	Director	Oak Walk, St. Peter, Jersey, JE3 7EF
Rathbone Secretaries Jersey Limited	Secretary	Seaton House, 17 Seaton Place, St. Helier, Jersey JE2 3QL

Axel Kilian is a Managing Director of J.P. Morgan Securities Ltd. Messrs. Harris, Egerton-Vernon and Patel are partners in the firm of Nigel Harris & Partners, a firm of English lawyers established in Jersey and Directors of Rathbone Trust Company Jersey Limited, JPMIDL's Corporate Administrator. All the directors hold office until removed.

Independent Auditors

PricewaterhouseCoopers LLP (formerly PricewaterhouseCoopers), Southwark Towers, 32 London Bridge Street, London SE1 9SY have audited and rendered unqualified audit reports on the financial statements of JPMIDL for the years ended 31 December 2001, 31 December 2002 and 31 December 2003.

Business Activities

Principal Activities

JPMIDL's business principally consists of the issuance and holding of securitised derivatives comprising notes, warrants and certificates. All issues which have been closed to date are subject to hedging arrangements.

Net Turnover

The net turnover of JPMIDL for 2003 was USD 132,000 and for 2002 was USD 142,000.

Principal Establishments and Real Estate Owned

JPMIDL does not own any principal establishments which account for more than 10 per cent. of its revenues, nor does JPMIDL own any real estate directly.

Business Prospects

JPMIDL's primary objective in 2004 will be the continued development of securitised products to be offered and sold to retail and institutional investors and anticipates a growth in the issue of securities linked to assets across different classes, such as fixed income and credit. JPMIDL plans to launch a local language, local law programme for the offering and sale of notes to retail investors in Belgium and is considering the potential issue of securities to retail investors in other markets following the "passporting" route adopted in 2003 for The Netherlands.

On 14 January 2004, Bank One Corporation ("Bank One") and JPMorgan Chase & Co. ("JPMorgan Chase") entered into an Agreement and Plan of Merger whereby Bank One would merge with and into JPMorgan Chase (the "Holding Company Merger"). The Board of Governors of the Federal Reserve System approved the Holding Company Merger on 14 June 2004 and the merger was consummated on 1 July 2004.

JPMorgan Chase bank, New York, New York ("JPMCB") has requested the approval of the Office of Comptroller of the Currency ("OCC") to convert to a national banking association and of JPMCB, Bank One, National Association, Chicago, Illinois ("Bank One Chicago") and Bank One, National Association, Columbus, Ohio ("Bank One Ohio") to merge with and under the national bank charter of JPMCB (the "Bank Merger"). This corporate reorganisation is intended to occur several months after the Holding Company Merger. JPMCB, Bank One Chicago and Bank One Ohio are wholly owned subsidiaries of JPMorgan Chase.

Investment Policy

JPMIDL does not undertake any independent investments with the proceeds (net of third party costs) of an issuance of notes, warrants or certificates.

Capital

Capital Structure

The authorised share capital of JPMIDL is USD 140,000, divided into 140,000 ordinary shares of USD 1 each. All of the shares are fully paid. Each share entitles its holder to one vote at the Annual General Meetings and Extraordinary General Meetings of JPMIDL. JPMIDL does not hold any of its own shares.

Financial Information

The Annual Report of JPMIDL for the year ended 31 December 2003 and the auditors' report in respect thereof are reproduced in this Offering Circular.

The audited financial statements of JPMIDL have been audited in accordance with auditing standards issued by the United Kingdom's Auditing Practices Board and are prepared in accordance with Jersey company law and generally accepted accounting principles applied in the United Kingdom.

The audited financial information included in the Offering Circular in respect of JPMIDL is prepared and presented in accordance with accounting principles applicable in the United Kingdom. Significant differences exist between accounting principles applicable in the United Kingdom and United States GAAP which might be material to the financial information herein. JPMIDL has made no attempt to identify or quantify the impact of these differences. In making an investment decision, investors must rely upon their own examination of JPMIDL, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between accounting principles in the United Kingdom and United States GAAP, and how those differences might affect the financial information of JPMIDL herein.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Directors' report for the year ended 31 December 2003

The directors present their report and audited financial statements for the Company for the year ended 31 December 2003.

Principal activities

The Company's primary activity is the issuance and holding of securitised derivatives.

Review of business

A profit after tax of \$20,000 (2002: \$40,000) is reported for the year. During the year the Company issued a total of 63 securities (2002: 929 securities), the proceeds of which were used to enter into certain hedging arrangements with other JPMorgan Chase group companies. The principal purpose of the hedging arrangements entered into between the Company and the relevant JPMorgan Chase group company is to transfer the market risk associated with the securities issuance activity so that no profit or loss accrues to the Company as a result of market risk positions. The Company also had receipts from and made payments to other JPMorgan Chase group companies on a cost-recharge basis.

During 2003, the Company continued to expand its existing equity-linked activities by establishing additional programmes for the offering and sale of securities to retail investors in Hong Kong and Switzerland and by the admission of the German law, Luxembourg-listed retail notes programme with appropriate local addenda for Netherlands retail investors. Additionally, securities were issued linked to the return on a number of non-equity assets including fixed income, credit and commodities, both individually and in combination with each other or with equities.

The Company received fees from and paid fees to other JPMorgan Chase group companies on a cost-recharge basis.

Recent and future developments

The Company's primary objective in 2004 will be the continued development of securitised products to be offered and sold to retail and institutional investors and anticipates a growth in the issue of securities linked to assets across different classes, such as fixed income and credit. The Company plans to launch a local language, local law programme for the offering and sale of notes to retail investors in Belgium and is considering the potential issue of securities to retail investors in other markets following the "passporting" route adopted in 2003 for The Netherlands.

On 14 January 2004, Bank One Corporation ("Bank One") and JPMorgan Chase & Co. ("JPMorgan Chase") entered into an Agreement and Plan of Merger whereby Bank One would merge with and into JPMorgan Chase (the "Holding Company Merger"). The Board of Governors of the Federal Reserve System approved the Holding Company Merger on 14 June 2004 and the merger was consummated on 1 July 2004.

JPMorgan Chase bank, New York, New York ("JPMCB") has requested the approval of the Office of Comptroller of the Currency ("OCC") to convert to a national banking association and of JPMCB, Bank One, National Association, Chicago, Illinois ("Bank One Chicago") and Bank One, National Association, Columbus, Ohio ("Bank One Ohio") to merge with and under the national bank charter of JPMCB (the "Bank Merger"). This corporate reorganisation is intended to occur several months after the Holding Company Merger. JPMCB, Bank One Chicago and Bank One Ohio are wholly owned subsidiaries of JPMorgan Chase.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Directors' report for the year ended 31 December 2003

Results and dividends

The results for the year are set out in the profit and loss account on page 4¹. No dividend is proposed (2002: nil).

Directors

The directors of the Company serving during the year were as follows:

Christopher Piers Martin Harris
Michael Paul Egerton-Vernon
Kiran Chandubhai Patel
Axel Kilian

Company secretary

The following served as company secretary during the year ended 31 December 2003:

Rathbone Secretaries Jersey Limited.

The company secretary changed its name from Oak Walk Registrars Limited to Rathbone Secretaries Jersey Limited on 7 May 2002.

Registered Office

Oak Walk
St. Peter
Jersey JE37EF

Directors' interests

None of the directors has any beneficial interest in the Company.

Directors' responsibilities

The directors are required by the Companies (Jersey) Law 1991 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the

¹ The page number references are references to page numbers of the original Annual Report and not page numbers of this Offering Circular

financial statements comply with the Companies (Jersey) Law 1991. The directors also have responsibility for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Directors' report for the year ended 31 December 2003

Creditors payment policy

The JPMorgan Chase & Co. group policy is to pay invoices (including those in respect of the Company) upon presentation, except where other arrangements have been negotiated with the supplier. It is the policy of the company to abide by the terms of payment provided the supplier performs according to the terms of the contract.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 24 January 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors.

By Order of the Board

Axel Killian

Director

[15 July 2004]

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.**

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies (Jersey) Law 1991. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies (Jersey) Law 1991.

PricewaterhouseCoopers LLP
Chartered Accountants
London

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Profit and loss account for the year ended 31 December 2003

		2003	2002
	<i>Notes</i>	\$'000	\$'000
Turnover	2	132	142
Gross profit		132	142
Other operating (loss)/income	4	(20)	(29)
Operating and administrative expenses		(82)	(50)
Operating profit	4	30	63
Net interest expense	5	(5)	(10)
Profit on ordinary activities before taxation		25	53
Tax on profit on ordinary activities	7	(5)	(13)
Profit on ordinary activities after taxation		20	40
Retained profit for the financial year		20	40

The profit for the year resulted from continuing operations.

The Company has no recognised gains and losses other than the profit stated above and therefore no separate statement of total recognised gains and losses has been presented.

The reconciliation of movements in shareholders' funds during the year is detailed in note 13.

The notes on pages 7 to 22¹ form an integral part of the financial statements.

¹ The page number references are references to page numbers of the original Annual Report and not page numbers of this Offering Circular

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Balance sheet as at 31 December 2003

		2003	2002
	<i>Notes</i>	\$'000	\$'000
Current assets			
Trading account assets		15,014,075	8,079,475
Debtors: amounts owed by group undertakings		394	1,648
Cash at bank and in hand		4,345	4,115
	8	15,018,814	8,085,238
Creditors: amounts falling due within one year	9	6,168,639	4,137,239
Net current assets		8,850,175	3,947,999
Creditors: amounts falling due after more than one year	10	8,846,413	3,944,257
Net assets		3,762	3,742
Capital and reserves			
Share capital	11	140	140
Profit and loss account	12	3,622	3,602
Total shareholders' funds	13	3,762	3,742

On behalf of the Board

Axel Killian

Director

[15 July 2004]

The notes on pages 7 to 22² form an integral part of the financial statements.

² The page number references are references to page numbers of the original Annual Report and not page numbers of this Offering Circular

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Cash flow statement for the year ended 31 December 2003

		2003	2003	2002	2002
	<i>Notes</i>	\$'000	\$'000	\$'000	\$'000
Net cash in/(out)flow from operating activities	14		877		4,256
Returns on investments and servicing of finance					
Interest received		47		67	
Interest paid		(51)		(75)	
			(4)		(8)
Taxation paid			(30)		(1)
Financing					
Issue of ordinary share capital			-		-
Increase/(decrease) in cash in the year	15		843		4,247

The notes on pages 7 to 22³ form an integral part of the financial statements.

³ The page number references are references to page numbers of the original Annual Report and not page numbers of this Offering Circular

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

1. Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of trading account instruments on a transaction date basis, as described in notes 1(i) Trading account assets and note 1(j) Derivatives. This is consistent with the presentation for other group companies, and the directors consider this to be a more meaningful measure of the Company's performance. The financial statements have also been prepared in accordance with applicable accounting standards and in accordance with the requirements of the Companies (Jersey) Law 1991.

(b) Changes in accounting policies

There were no changes to the company's accounting policies during the year.

(c) Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into US dollars at rates of exchange ruling on the balance sheet date. Income and expense items denominated in foreign currencies are translated into US dollars at the average monthly rates of exchange during the year. Any gains or losses arising on translation are taken directly to the profit and loss account.

Year end exchange rate (USD/GBP)	1.78060 (2002: 1.60400)
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Average rate for the year (USD/GBP)	1.64449 (2002: 1.50861)
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(d) Netting

Amounts due from counterparties are only offset against amounts due to counterparties where a legally binding master netting agreement exists.

(e) Related party transactions

In accordance with the exemption afforded by Financial Reporting Standard 8 - Related Party Disclosures, certain details of transactions with parent and fellow subsidiary companies are not disclosed as they are included in the consolidated financial statements of the group, which are publicly available.

(f) Turnover

Turnover is comprised of receipts from other JPMorgan Chase group companies to reimburse the Company for operating and administrative expenses and interest charges incurred in arranging the issue of securitised derivatives on behalf of other JPMorgan Chase group companies on a cost recharge basis.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

(g) **Income and expense recognition**

- (i) Interest receivable and payable are recognised on an accruals basis.
- (ii) Expenses are recognised when the underlying contract becomes legally binding or at the agreed due date if later.
- (iii) Profits and losses resulting from the purchase and sale of securities and the revaluation of financial instruments are recognised as trading gains or losses on a trade date basis.

(h) **Operating and administrative expenses**

Operating and administrative expenses comprise overdraft charges and custodian fees paid in connection with the issuance of securitised derivatives. These expenses are recovered from other JPMorgan Chase group companies on whose behalf the issuance of the securitised derivatives have been arranged.

(i) **Trading account assets**

Trading account assets held as current assets are stated at fair value and profits and losses arising from this valuation are taken to the profit and loss account. This represents a departure from the historical cost convention as far as gains are concerned. The directors consider that this departure is necessary in order that the financial statements should give a true and fair view of the results of the Company's trading activities.

Fair value is generally based on the market prices of the listed economic equivalents of the assets. To the extent that market prices are not readily available, fair value is based on internal valuation models.

It is not practicable to quantify the effects of this departure since information on original cost, being of no continuing relevance to the business, is not available.

(j) **Derivatives**

Derivative contracts are used as part of the Company's issuance activities. The derivatives are measured at fair value in the balance sheet and any gains or losses are taken directly to the profit and loss account. This represents a departure from the historical cost convention as far as gains are concerned. The directors consider that this departure is necessary in order that the financial statements should give a true and fair view of the results of the Company's trading activities.

Fair value is generally based on the listed market prices of the derivatives themselves or the listed economic equivalents thereof. To the extent that market prices are not readily available, fair value is based on internal valuation models.

It is not practicable to quantify the effects of this departure since information on original cost, being of no continuing relevance to the business, is not available.

Notes to the financial statements for the year ended 31 December 2003

2. Turnover

Turnover is comprised of receipts from other JPMorgan Chase group companies to reimburse the Company for operating and administrative expenses and interest charges incurred in arranging the issue of securitised derivatives on behalf of other JPMorgan Chase group companies on a cost recharge basis.

3. Segmental analysis

In the opinion of the directors, the Company conducts only one class of business, the issuance of securitised derivatives.

4. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2003	2002
	\$'000	\$'000
Foreign exchange translation (loss)/ income	(20)	(29)
	(20)	(29)
The auditors' remuneration was borne by another JPMorgan Chase group company and not recharged.		
Fees to the auditors for non-audit services in 2003 were nil (2002: nil).		
	2003	2002
	\$'000	\$'000
Interest income from other JPMorgan Chase group undertakings	46	65
Interest expense on overdrafts with other JPMorgan Chase Group undertakings	(51)	(75)
Net interest expense	(5)	(10)

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

6. Directors and employees

None of the directors were remunerated by the Company. A director's fee of \$3,289 (2002: \$3,017) was paid by another JPMorgan Chase group company and not recharged. The Company has no employees.

7. Tax on profit on ordinary activities

(a) Analysis of tax charge in the period

	2003	2002
	\$'000	\$'000
Income tax (Jersey tax)	(5)	(11)
Adjustment in respect of previous periods	0	(2)
Current tax charge for the period	(5)	(13)
Total tax expense	(5)	(13)

(b) Factors affecting current tax charge for the period

	2003	2002
	\$'000	\$'000
Profit on ordinary activities before tax	25	53
Profit on ordinary activities multiplied by the standard rate of income tax in Jersey of 20%	(5)	(11)
Effects of:		
Adjustment in respect of previous periods	(0)	(2)
Current tax charge for the period	(5)	(13)

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

8. Current assets

	2003	2002
	\$'000	\$'000
Trading account assets	15,014,075	8,079,475
Amounts owed by JPMorgan Chase group undertakings	393	1,646
Interest receivable from JPMorgan Chase group undertakings	1	2
Cash at bank and in hand	4,345	4,115
	15,018,814	8,085,238

The trading account assets of \$15,014,075,000 (2002: \$8,079,475,000) are long trading positions and are characterised as hedging arrangements with other JPMorgan Chase group undertakings. \$8,846,413,000 of this (2002: \$3,944,257,000) falls due after more than one year.

9. Creditors: amounts falling due within one year

	2003	2002
	\$'000	\$'000
Overdraft	605	1,218
Securitised derivatives issued	6,167,662	4,135,218
Amounts due to JPMorgan Chase group undertakings	367	773
Income tax	5	30
	6,168,639	4,137,239

Amounts due to JPMorgan Chase group undertakings represent expenses paid on the Company's behalf by other group companies.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

10. Creditors: amounts falling due after more than one year

	2003	2002
	\$'000	\$'000
Securitised derivatives issued falling due in 1 - 5 years	6,956,583	3,912,513
Securitised derivatives issued falling due after 5 years	1,889,830	31,744
	8,846,413	3,944,257

11. Share capital

	2003	2002
	\$'000	\$'000
Authorised		
At beginning of period	140	140
Shares issued during the year	-	-
At 31 December	140	140
Allotted and fully paid		
Ordinary shares of \$1 each	140	140

12. Reconciliation of movements in reserves

	2003	2002
	\$'000	\$'000
Balance at the beginning of the year	3,602	3,562
Profit for the year	20	40
Balance at the end of the year	3,622	3,602

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

13. **Reconciliation of movement in shareholders' funds**

	2003	2002
	\$'000	\$'000
Balance at the beginning of the year	3,742	3,702
Profit for the year	20	40
Balance at the end of the year	3,762	3,742

14. **Reconciliation of operating profit to net operating cash flows**

	2003	2003	2002	2002
	\$'000	\$'000	\$'000	\$'000
Operating profit/(loss)		30		63
(Decrease)/increase in securitised derivatives issued	6,934,600		(2,026,352)	
Decrease/(increase) in trading account assets purchased	(6,934,600)		2,026,352	
Net cash flow from issuance/hedging activities	—		—	
Decrease/(increase) in amounts owed by group undertakings	1253		3,909	
Increase/(decrease) in amounts owed to group undertakings	(406)		284	
		847		4,193
Net cash in/(out)flow from operating activities		877		4,256

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

15. Reconciliation of net cash flow to movement in net debt

	2003	2002
	\$'000	\$'000
Increase/(decrease) in cash over the year	843	4,247
Movement in net debt over the year	843	4,247
Net funds at 1 January	2,897	(1,350)
Net funds/(debt) at 31 December	3,740	2,897
Comprising		
Cash at bank	4,345	4,115
Overdraft	(605)	(1,218)
	3,740	2,897

16. Other commitments

The Company held no capital commitments at 31 December 2003 (2002: nil).

17. Derivatives & Other Financial Instruments

The primary activity of the Company is the issuance of securitised derivatives, comprising warrants, notes and certificates.

The market, interest rate, foreign exchange and liquidity risks resulting from the issuance of these instruments, are matched by simultaneously entering into equal and offsetting over the counter ("OTC") transactions with internal group companies so that all such risks are effectively hedged. Regular checks are made on open OTC transactions to ensure the continued effectiveness of the hedges in place.

To the extent that settlement-related timing differences between issuance and OTC hedge may result in short-term funding requirements, these are funded by the settlement agent involved in the transaction. Should longer-term funding requirements arise, these would be met by JPMorgan Chase Bank.

There is no external credit risk as the Company only transacts with other JP Morgan Chase group companies.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.

Notes to the financial statements for the year ended 31 December 2003

Interest Rate Risk

All trading assets and liabilities with interest rate components are matched. The below tables represent both these and non-trading assets and liabilities. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

31 December 2003 (USD'000)

	Interest Bearing					Non-Interest Bearing	Total
	Less than 3 Months	3 -6 Months	6 - 12 Months	1 -5 Years	5 plus Years		
Assets							
Cash at Bank and in hand	4,345	—	—	—	—	—	4,345
Debtors	—	—	—	—	—	394	394
Trading Account Assets							
OTC Options	42,371	340,544	63,193	495,489	68,013	14,004,465	15,014,075
Liabilities							
Overdraft	605	—	—	—	—	—	605
Creditors	—	—	—	—	—	372	372
Securitised Derivatives							
Warrants	—	—	—	—	—	9,752,600	9,752,600
Notes	42,371	340,544	63,193	495,489	68,013	2,166,267	3,175,877
Certificates	—	—	—	—	—	2,085,598	2,085,598
	42,371	340,544	63,193	495,489	68,013	14,004,465	15,014,075
Net exposure	3,740	—	—	—	—	22	3,762

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

31 December 2002 (USD'000)

	Interest Bearing					Non-Interest Bearing	Total
	Less than 3 Months	3 -6 Months	6 - 12 Months	1 -5 Years	5 plus Years		
Assets							
Cash at Bank and in hand	4,115	—	—	—	—	—	4,115
Debtors	—	—	—	—	—	1,648	1,648
Trading Account Assets							
OTC Options	153,630	9,054	75,200	13,606	—	7,827,985	8,079,475
<hr/>							
Liabilities							
Overdraft	1,218	—	—	—	—	—	1,218
Creditors	—	—	—	—	—	803	803
Securitised Derivatives							
Warrants	—	—	—	—	—	6,263,060	6,263,060
Notes	153,630	9,054	75,200	13,606	—	998,288	1,249,778
Certificates	—	—	—	—	—	566,637	566,637
	153,630	9,054	75,200	13,606	—	7,827,985	8,079,475
<hr/>							
Net exposure	2,897	—	—	—	—	845	3,742

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Currency Risk

The Company is not in the business of currency trading. In its normal course of business, however, it will trade in multiple currencies. All warrants, notes and certificates are hedged in the same currency.

The tables below show USD equivalents of the financial assets and liabilities by major currency. This demonstrates the matching of currencies to offset currency risks.

31 December 2003 (USD'000)

	Euro	Yen	Swiss Franc	Other	Total
<hr/>					
Assets					
Trading Account Assets					
OTC Options	3,084,000	789,062	379,195	704,870	4,957,127
Liabilities					
Securitised Derivatives					
Warrants	771,620	217,561	145,552	476,737	1,611,470
Notes	998,634	536,563	-	193,606	1,728,803
Certificates	1,313,746	34,938	233,643	34,527	1,616,854
	3,084,000	789,062	379,195	704,870	4,957,127
<hr/>					
Net	—	—	—	—	—
<hr/>					

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

31 December 2002 (USD'000)

	Euro	Swiss Franc	British Pound	Other	Total
<hr/>					
Assets					
Trading Account Assets					
OTC Options	1,175,310	256,959	218,399	164,058	1,814,726
Liabilities					
Securitised Derivatives					
Warrants	456,406	192,656	115,421	46,716	811,199
Notes	449,786	41,232	4,635	54,008	549,661
Certificates	269,118	23,071	98,343	63,334	453,866
	1,175,310	256,959	218,399	164,058	1,814,726
<hr/>					
Net	-	-	-	-	-
<hr/>					

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Fair value of financial assets and financial liabilities

The fair value of a financial instrument is the current amount that would be exchanged between willing parties (other than in a forced sale or liquidation) and is best evidenced by a quoted market price, if one exists.

Quoted market prices are not available for all JPMorgan financial instruments. As a result, the fair values presented are estimates derived using present value or other valuation techniques and may not be indicative of net realisable value. In addition, the calculation of estimated fair value is based on market conditions at a specific point in time and may not be reflective of future fair values.

Set out below is a comparison by category of book values and fair values of all of the Company's trading and non-trading financial assets and financial liabilities:

	2003		2002	
	Fair value	Book value	Fair value	Book value
	\$ '000	\$ '000	\$ '000	\$ '000
Assets				
Trading Account Assets				
OTC Options	15,014,075	15,014,075	8,079,475	8,079,475
Cash at Bank	4,345	4,345	4,115	4,115
Debtors	394	394	1,648	1,648
Liabilities				
Securitised Derivatives				
Warrants	9,752,600	9,752,600	6,263,060	6,263,060
Notes	3,175,877	3,175,877	1,249,778	1,249,778
Certificates	2,085,598	2,085,598	566,637	566,637
	15,014,075	15,014,075	8,079,475	8,079,475
Overdraft	605	605	1,218	1,218
Creditors	372	372	803	803

All financial instruments held or issued for trading purposes are carried in the financial statements at fair value.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Derivatives held for trading purposes – as at 31 December 2003 (USD‘000)

	Notional principal amount	Year End Positive fair value	Year End Negative fair value
Securitised Derivatives			
Warrants	21,898,489	—	9,752,600
Notes	3,025,877	—	3,175,877
Certificates	1,511,482	—	2,085,598
	26,435,848	—	15,014,075
OTC Options			
Equity Derivatives	26,435,848	15,014,075	—
Foreign Exchange Options	—	—	—
	26,435,848	15,014,075	—

Derivatives held for trading purposes – as at 31 December 2002 (USD‘000)

	Notional principal amount	Year End Positive fair value	Year End Negative fair value
Securitised Derivatives			
Warrants	36,547,737	—	6,263,060
Notes	1,202,018	—	1,249,778
Certificates	471,308	—	566,637
	38,221,063		8,079,475
OTC Options			
Equity Derivatives	37,327,324	8,075,956	—
Foreign Exchange Options	893,739	3,519	—
	38,221,063	8,079,475	—

An extensive review of notional values was carried out in 2003. As a result notional values for 2002 were required to be restated by \$16,109,352,745.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Derivatives held for trading purposes

Maturity of Notional Principal Amounts – as at 31 December 2003 (USD'000)

	Less than 3 months	3 – 6 months	6 -12 months	1 - 5 years	More than 5 years	Total
Securitised Derivatives						
Warrants	2,138,213	5,664,077	6,774,483	7,321,716	—	21,898,489
Notes	65,613	342,510	274,975	2,086,991	255,788	3,025,877
Certificates	144,893	144,202	73,580	1,092,425	56,382	1,511,482
	2,348,719	6,150,789	7,123,038	10,501,132	312,170	26,435,848
OTC Options						
Equity Derivatives	2,348,719	6,150,789	7,123,038	10,501,132	312,170	26,435,848
Foreign Exchange Options						
	2,348,719	6,150,789	7,123,038	10,501,132	312,170	26,435,848

Derivatives held for trading purposes

Maturity of Notional Principal Amounts – as at 31 December 2002 (USD'000)

	Less than 3 months	3 – 6 months	6 -12 months	1 - 5 years	More than 5 years	Total
Securitised Derivatives						
Warrants	7,648,620	14,233,028	8,657,587	5,983,634	24,868	36,547,737
Notes	235,016	75,960	153,139	703,622	34,281	1,202,018
Certificates	43,165	220,991	55,523	151,629	—	471,308
	7,926,801	14,529,979	8,866,249	6,838,885	59,149	38,221,063
OTC Options						
Equity Derivatives	7,926,801	14,479,979	8,022,510	6,838,885	59,149	37,327,324
Foreign Exchange Options	—	50,000	843,739	—	—	893,739
	7,926,801	14,529,979	8,866,249	6,838,885	59,149	38,221,063

An extensive review of notional values was carried out in 2003. As a result notional values for 2002 were required to be restated by \$16,109,352,745.

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Derivatives held for trading purposes

Maturity of Fair Value Amounts – as at 31 December 2003 (USD'000)

	Less than 3 months	3 - 6 months	6 -12 months	1 - 5 years	More than 5 years	Total
<hr/>						
Securitised Derivatives						
Warrants	658,842	1,514,657	2,631,567	4,850,890	96,644	9,752,600
Notes	83,276	353,592	305,128	1,302,734	1,131,147	3,175,877
Certificates	301,501	216,274	102,825	802,959	662,039	2,085,598
	<hr/>					
	1,043,619	2,084,523	3,039,520	6,956,583	1,889,830	15,014,075
<hr/>						
OTC Options						
Equity Derivatives	1,043,619	2,084,523	3,039,520	6,956,583	1,889,830	15,014,075
Foreign Exchange Options	—	—	—	—	—	—
	<hr/>					
	1,043,619	2,084,523	3,039,520	6,956,583	1,889,830	15,014,075

J.P. MORGAN INTERNATIONAL DERIVATIVES LTD.
Notes to the financial statements for the year ended 31 December 2003

Maturity of Fair Value Amounts – as at 31 December 2002 (USD'000)

	Less than 3 months	3 - 6 months	6 -12 months	1 - 5 years	More than 5 years	Total
Securitised Derivatives						
Warrants	800,597	1,579,146	898,281	2,984,749	287	6,263,060
Notes	245,554	74,255	230,517	667,995	31,457	1,249,778
Certificates	89,842	134,819	82,207	259,769	—	566,637
	1,135,993	1,788,220	1,211,005	3,912,513	31,744	8,079,475
OTC Options						
Equity Derivatives	1,135,993	1,788,200	1,207,506	3,912,513	31,744	8,075,956
Foreign Exchange	—	20	3,499	—	—	3,519
Options						
	1,135,993	1,788,220	1,211,005	3,912,513	31,744	8,079,475

18. Related party transactions

In the ordinary course of business, the Company participates in a variety of financial and administrative transactions with parent and fellow subsidiary companies. Such transactions are not disclosed in accordance with the exemption detailed in note 1(e).

19. Holding company

The Company's immediate parent company is J.P. Morgan International Finance Limited which prepares a consolidated annual report.

The Company's ultimate parent company is JPMorgan Chase & Co. which is incorporated in the state of Delaware in the United States of America.

Details of the immediate and ultimate parents' consolidated accounts can be obtained from:

125 London Wall
London
EC2Y 5AJ

CAPITALISATION OF JPMIDL

The following table sets out the unaudited capitalisation of JPMIDL as at 30 June 2004. The financial data in this capitalisation statement has been extracted without material adjustment from the unaudited interim financial statements of JPMIDL for the six months ended 30 June 2004.

			As at 30 June 2004 (Unaudited) \$'000
			<hr/>
Amounts owed to group companies			22
	Authorised	Issued	
Shareholders' equity - capital	140,000	140,000	140
- reserves			3,778
Total capitalisation			<hr/> 3,939 <hr/>

Notes:

- (1) This capitalisation statement has been prepared in accordance with the accounting principles used in the 31 December 2003 annual financial statements of JPMIDL.
- (2) As at 30 June 2004, JPMIDL had no material contingent liabilities and had provided no guarantees.
- (3) JPMIDL has an authorised share capital of 140,000 ordinary shares with a nominal value of US\$1 per share.
- (4) There has been no material change in the capitalisation, contingent liabilities or guarantees of JPMIDL since 30 June 2004.
- (5) JPMIDL has outstanding warrants, notes and certificates issued under this Programme and other programmes, the values of which are linked to the values of other assets. The total amount of these liabilities as at 30 June 2004 was as follows:

	As at 30 June 2004	
	(Unaudited)	(Unaudited)
	Nominal amount	Market value
	\$'000	\$'000
	<hr/>	<hr/>
Warrants, notes and certificates issued	31,553,053	16,544,786
	<hr/>	<hr/>

INFORMATION RELATING TO JPMCB

JPMorgan Chase Bank (“JPMCB”) is a wholly owned bank subsidiary of JPMorgan Chase & Co., incorporated in the state of Delaware in the United States, whose principal office is located in New York, New York (“JPMorgan Chase”). JPMCB was organized in the legal form of a banking corporation organized under the laws of the State of New York on 26 November 1968 for an unlimited duration and is registered with the Federal and State of New York Banking supervisory authorities. JPMCB is a commercial bank offering a wide range of banking services to its customers both domestically and internationally.

Effective July 1, 2004, Bank One Corporation merged with and into J.P. Morgan Chase & Co., the surviving corporation in the Merger, pursuant to the Agreement and Plan of Merger dated as of January 14, 2004. On July 20, 2004, J.P. Morgan Chase & Co. changed its name to JPMorgan Chase & Co. The change eliminated the periods and space in JPMorgan so that the style of the formal name of the company is now consistent with the style used in referring to the JPMorgan Chase brand.

JPMorgan Chase’s principal bank subsidiaries are JPMorgan Chase Bank, Chase Manhattan Bank USA, National Association, Bank One, National Association with its main office located in Columbus, Ohio, (Bank One Columbus) and Bank One, National Association with its main office located in Chicago, Illinois (Bank One Chicago). JPMorgan Chase’s principal nonbank subsidiary is J.P. Morgan Securities Inc. The bank and nonbank subsidiaries of JPMorgan Chase operate nationally as well as through overseas branches and subsidiaries, representative offices and affiliated banks. As of 30 September 2004, JPMorgan Chase Bank had total assets of \$661.8 billion, total net loans of \$186.5 billion, total deposits of \$330.1 billion, and total stockholder’s equity of \$38.2 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income as at 30 September 2004 filed with the Board of Governors of the U.S. Federal Reserve System compiled in accordance with regulatory accounting principles. As of 31 December 2003, JPMorgan Chase Bank had total assets of \$628.7 billion, total net loans of \$181.1 billion, total deposits of \$326.7 billion, and total stockholder’s equity of \$37.5 billion. These figures are extracted from the Bank’s audited Consolidated Financial Statements compiled in accordance with United States generally accepted accounting principles.

JPMorgan Chase Bank intends to become a national banking association on November 13, 2004. Immediately thereafter, Bank One Chicago and Bank One Columbus are scheduled to merge into JPMorgan Chase Bank pursuant to an agreement among those banks (the “Bank Merger Agreement”). The surviving bank will operate under a national charter, under the name JPMorgan Chase Bank, National Association. The new bank will have branches in 17 states. Most of the branches were previously part of the Bank One branch system, and the combined branch system will represent a substantial expansion of geographic footprint for JPMorgan Chase Bank.

As a New York State banking corporation, JPMorgan Chase Bank’s business is subject to examination and regulation by Federal and New York State banking authorities. Upon conversion to a national banking association, JPMorgan Chase Bank will be supervised by the Office of the Comptroller of the Currency. It is and will remain a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation. Its Federal Reserve Bank Identification Number is 852218.

Additional information on JPMorgan Chase & Co., including the most recent Form 10-K for the year ended 31 December 2003 of JPMorgan Chase & Co., the 2003 Annual Report of JPMorgan Chase & Co. and additional annual, quarterly and current reports filed with the U.S. Securities and Exchange Commission (“SEC”) by JPMorgan Chase & Co., as they become available, may be obtained from the SEC internet site (<http://www.sec.gov>).

Executive Officers of JPMCB

The following persons are the Executive Officers of JPMCB as at 1 July 2004. The business address of each Executive Officer is 270 Park Avenue, New York, New York 10017.

William B. Harrison, Jr.	Chairman and Chief Executive Officer
James Dimon	President and Chief Operating Officer
David A. Coulter	Vice Chairman, Chairman of the Investment Bank and head of Private Equity and Asset & Wealth Management
Austin Adams	Chief Information Officer.
Michael J. Cavanaugh	Chief Financial Officer
John J. Farrell	Director Human Resources, Head of Real Estate/Facilities, General Services, Security
Joan Guggenheimer	Co-General Counsel
Frederick W. Hill	Director of Corporate Marketing and Communications
William H. McDavid	Co-General Counsel
Jeffrey C. Walker	Head of JPMorgan Partners
Don M. Wilson III	Chief Risk Officer

Directors of JPMCB

The following persons are the members of the Board of Directors of JPMCB as at 1 July 2004. The business address of each Director is 270 Park Avenue, New York, New York 10017:

Name	Principal Occupation
Lawrence A. Bossidy	Retired Chairman of Honeywell International Inc.
James S. Crown	President of Henry Crown and Company
James Dimon	President and Chief Operating Officer of JPMorgan Chase & Co.
William B. Harrison, Jr.	Chairman and Chief Executive Officer of JPMorgan Chase & Co.
Laban P. Jackson, Jr.	Chairman and Chief Executive Officer of Clear Creek Properties, Inc.
David C. Novak	Chairman and Chief Executive Officer of Yum! Brands, Inc.
Lee R. Raymond	Chairman of the Board and Chief Executive Officer of Exxon Mobil Corporation
John R. Stafford	Retired Chairman of the Board of Wyeth

Under the Bank Merger Agreement, the following persons will be the members of the Board of Directors of JPMorgan Chase Bank following the merger of the banks. The business address of each Director is 270 Park Avenue, New York, New York 10017:

William B. Harrison, Jr.	Chairman and Chief Executive Officer
James Dimon	President and Chief Operating Officer
David A. Coulter	Vice Chairman, Chairman of the Investment Bank and head of Private Equity and Asset & Wealth Management
Michael J. Cavanaugh	Chief Financial Officer
Charles W. Scharf	Head of Retail Financial Services
Don M. Wilson III	Chief Risk Officer

Business Activities

Principal Activities

The business activities of JPMCB is, for management reporting purposes, organised and integrated with the businesses of JPMorgan Chase and the affiliates of JPMorgan Chase into seven major business segments: Investment Bank, Retail Financial Services, Card Services, Commercial Banking, Treasury & Securities Services, Asset & Wealth Management, and Corporate. The following is a brief description of these businesses below.

Investment Bank

JPMorgan Chase's Investment Bank is one of the world's leading investment banks, with broad client relationships and product capabilities. Our customers are corporations, financial institutions, governments and institutional investors worldwide. The Investment Bank provides a complete platform for its clients, including advising on corporate strategy and structure, equity and debt capital raising, sophisticated risk management and market-making in cash securities and derivative instruments around the world. The Investment Bank also participates in proprietary investing and trading.

Retail Financial Services

Retail Financial Services includes Home Finance, Consumer & Small Business Banking, Auto & Education Finance and Insurance. Retail Financial Services provides consumers and small businesses a broad range of financial products and services including deposits, investments, loans and insurance. Through Consumer & Small Business Banking, we have the fourth largest branch network in the United States, covering 17 states with 2,467 branches and 6,587 ATMs. Home Finance is a leading provider of consumer real estate loan products and is one of the largest originators and servicers of home mortgages. Auto & Education Finance is the largest bank originator of automobile loans as well as a top provider of loans to college students. Through its Insurance operations, we sell and underwrite an extensive range of financial protection and investment alternatives, including life insurance, annuities and debt protection products.

Card Services

With approximately 96 million cards in circulation, JPMorgan Chase is the second largest issuer of credit cards in the United States and the largest merchant acquirer. We offer a wide variety of cards to satisfy the needs of our cardmembers, including cards issued on behalf of major airlines, hotels, universities, top retailers, other financial institutions and other well-known brands.

Commercial Banking

Commercial Banking, either directly or through other lines of businesses, offers a broad array of products and services to its customer base, including lending and deposit, global cash management, treasury services, commercial card, investment banking and investment management. Commercial Banking's customer base includes corporations, municipalities, financial institutions and not-for-profit entities with a significant portion of these customers using the Firm exclusively for their financial needs. The loan portfolio is diversified across a broad range of industries and geographic locations.

Commercial Banking includes three client segments: Middle Market Banking, Corporate Banking and Commercial Real Estate, and two product segments: Chase Business Credit (asset-based lending) and Chase Equipment Leasing.

Treasury & Securities Services

Treasury & Securities Services is a global leader in providing transaction, investment and information services to support the needs of issuers and investors worldwide. JPMorgan Chase is one of the world's largest cash management providers and one of the world's largest custodians.

Asset & Wealth Management

Asset & Wealth Management provides investment and wealth management services to institutional, high-net-worth and retail investors and their advisors. For wealthy individuals and families, JPMorgan Chase offers personalized financial solutions that integrate investment management, capital markets, trust and banking products. JPMorgan Chase provides retirement plan services, mutual funds and brokerage for retail customers.

Corporate

The Corporate Sector is composed of Global Treasury and Private Equity, which includes JPMorgan Partners, and Bank One's ONE Equity Partners, businesses as corporate support. With the exception of the business units in Corporate, Global Treasury and Private Equity, expenses incurred by support areas in Corporate are allocated to the business lines based on usage and other factors. However certain expenses are retained in the Corporate Sector and not allocated to the lines of business due to market pricing or other management accounting policies.

Principal Establishments And Real Estate Owned

JPMCB owns and/or leases property in most major cities throughout the world including the United States, the United Kingdom, Europe and the Far East. In the United States the Bank property portfolio includes its owned headquarters at 270 Park Avenue in New York City and a number of large office leaseholds and fee interests in various Manhattan locations totaling several million square feet. JPMorgan Chase Bank also occupies approximately 2.6 million square feet of space in the United Kingdom. In addition, the Bank and its subsidiaries occupy branch offices and other administrative and operational facilities throughout the United States and in foreign countries under various types of ownership and leasehold agreements.

Recent Developments and Business Outlook

Effective 1 July 2004, Bank One Corporation ("Bank One") merged (the "Merger") with and into JPMorgan Chase & Co. (the parent company of JPMCB) ("JPMorgan Chase") pursuant to the Agreement and Plan of Merger, dated as of 14 January 2004. JPMorgan Chase acquired 100 percent of the outstanding common stock of Bank One. Bank One's results of operations will be included in JPMorgan Chase's results beginning 1 July 2004.

As a result of the Merger, each outstanding share of common stock of Bank One was converted into the right to receive in a stock-for-stock exchange 1.32 shares of common stock of JPMorgan Chase.

JPMorgan Chase stockholders kept their shares, which remained outstanding and unchanged as shares of JPMorgan Chase following the Merger. The Merger is being accounted for using the purchase method of accounting.

As the date of the merger, the merged company, JPMorgan Chase, headquartered in New York, has combined assets of \$1.1 trillion, a strong capital base, 2,300 branches in 17 states and top-tier positions in retail banking and lending, credit cards, investment banking, asset management, private banking, treasury and securities services, middle markets and private equity. It is expected that cost savings of approximately \$3 billion (pre-tax) will be achieved by 2007. Merger-related costs are expected to be approximately \$4 billion (pre-tax).

SELECTED CONSOLIDATED FINANCIAL DATA OF JPMCB

The following tables set forth certain condensed financial data with respect to JPMCB which have been extracted from the audited consolidated financial statements appearing in JPMCB's consolidated financial statements for the years ended 31 December 2003 and 2002, which are incorporated herein by reference. This information should be read in conjunction with the other details of financial information concerning JPMCB appearing in the aforementioned documents.

The accounting and financial reporting policies of JPMCB and its subsidiaries conform to U.S. generally accepted accounting principles and prevailing industry practices. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by U.S. bank regulatory authorities.

JPMCB's consolidated financial statements include the accounts of JPMCB and its majority-owned subsidiaries after eliminating intercompany balances and transactions.

Consolidated statement of income of JPMCB

Year ended December 31, (in millions)	2003	2002
<hr/>		
Revenue		
Investment banking fees	\$ 1,546	\$ 1,311
Trading revenue	4,347	3,214
Fees and commissions	6,370	6,197
Private equity gains (losses)	103	(319)
Securities gains	1,423	1,555
Mortgage fees and related income	847	954
Other revenue	646	464
<hr/>		
Total noninterest revenue	15,282	13,376
<hr/>		
Interest income	17,982	18,883
Interest expense	8,327	10,087
<hr/>		
Net interest income	9,655	8,796
<hr/>		
Revenue before provision for credit losses	24,937	22,172
Provision for credit losses	473	2,674
<hr/>		
Total net revenue	24,464	19,498
<hr/>		
Noninterest expense		
Compensation expense	8,457	8,154
Occupancy expense	1,648	1,371
Technology and communications expense	1,972	2,080
Other expense	4,552	4,099
Surety settlement and litigation reserve	—	395
Merger and restructuring costs	—	1,130
<hr/>		
Total noninterest expense	16,629	17,229
<hr/>		
Income before income tax expense	7,835	2,269
Income tax expense	2,657	1,056
<hr/>		
Net income	\$ 5,178	\$ 1,213
<hr/>		

Consolidated balance sheet of JPMCB

December 31, (in millions, except share data)	2003	2002
Assets		
Cash and due from banks	\$ 19,429	\$ 18,102
Deposits with banks	9,602	8,392
Federal funds sold and securities purchased under resale agreements	86,431	69,518
Securities borrowed	19,735	13,973
Trading assets:		
Debt and equity instruments (including assets pledged of \$57,059 in 2003 and \$76,329 in 2002)	115,182	114,655
Derivative receivables	82,015	79,542
Securities:		
Available-for-sale (including assets pledged of \$31,639 in 2003, and \$50,468 in 2002)	54,186	79,936
Held-to-maturity (fair value: \$186 in 2003 and \$420 in 2002)	176	396
Loans (net of Allowance for loan losses of \$3,151 in 2003 and \$3,683 in 2002)	181,072	180,620
Private equity investments	794	862
Accrued interest and accounts receivable	9,675	11,811
Premises and equipment	6,010	6,280
Goodwill	2,315	2,159
Other intangible assets	4,997	3,315
Other assets	37,043	32,827
Total assets	\$ 628,662	\$ 622,388
Liabilities		
Deposits:		
U.S.:		
Noninterest-bearing	\$ 74,112	\$ 75,101
Interest-bearing	116,137	96,685
Non-U.S.:		
Noninterest-bearing	6,355	7,380
Interest-bearing	<u>130,141</u>	<u>121,400</u>
Total deposits	326,745	300,566
Federal funds purchased and securities sold under repurchase agreements	76,634	126,280
Other borrowed funds	5,571	3,816
Trading liabilities:		
Debt and equity instruments	58,101	53,613
Derivative payables	70,637	64,500
Accounts payable, accrued expenses and other liabilities (including the Allowance for lending-related commitment of \$324 in 2003 and \$363 in 2002)	27,530	24,973
Beneficial interests issued by consolidated variable interest entities	9,946	—
Long-term debt	16,007	13,100
Total liabilities	591,171	586,848
Commitments and contingencies (see Note 23)		
Stockholder's equity		
Common stock (\$12 per value; 148,761,243 outstanding shares)	1,785	1,785
Capital surplus	16,318	16,304
Retained earnings	19,590	16,347
Accumulated other comprehensive income (loss)	(202)	1,104
Total stockholder's equity	37,491	35,540
Total liabilities and stockholder's equity	\$ 628,662	\$ 622,388

CAPITALISATION OF JPMCB

The following table sets out the unaudited capitalisation of JPMCB as at 30 September 2004:

By remaining contractual maturity at 30 September 2004

	Under 1 year	1-5 years	After 5 years	Total
	<i>(in millions)</i>			
Third Party				
Senior debt:				
Fixed rate	\$250	\$1,261	\$1,057	\$2,568
Variable rate	\$918	\$6,425	\$2,868	\$10,211
Interest Rates ⁽¹⁾	3.66% - 10.45%	2.42% - 10.95%	2.65% - 13.00%	2.42% - 13.00%
Subordinated debt:				
Fixed rate	\$360	\$329	\$6	\$695
Variable rate	—	—	—	—
Interest Rates ⁽¹⁾	6.63% - 7.00%	6.13% - 6.70%	6.52%	6.13% - 7.00%
Subtotal.....	<u>\$1,528</u>	<u>\$8,015</u>	<u>\$3,931</u>	<u>\$13,474</u>
Long-term debt payable to the parent company and affiliates.....				\$13,243
Total long-term debt				<u><u>\$26,717</u></u>
Stockholders' Equity				
Preferred Stock.....				\$—
Common Stock.....				\$1,785
Capital Surplus.....				\$16,954
Retained Earnings.....				\$20,051
Accumulated Other Comprehensive Income				\$(583)
Treasury Stock.....				\$—
Total Stockholders' Equity.....				<u>\$38,207</u>
Total Capitalisation				<u><u>\$64,924</u></u>

- (1) The interest rates shown are the range of contractual rates in effect at 30 September 2004, including non-U.S. dollar fixed and variable rate issuances which excludes the effects of related derivative instruments. The use of these derivative instruments modifies JPMorgan Chase's exposure to the contractual interest rates disclosed in the table above.

Capital Structure of JPMCB as at 31 December 2003

JPMCB preferred shares

Shares authorised: 15,000 at USD 1 par value

Shares outstanding: none

JPMCB common shares

Shares authorised: 148,765,000 at USD 12 par value

Shares outstanding: 148,761,243 at USD 12 par value

Each common share entitles its holder to one vote at the annual and extraordinary general meetings of JPMCB. All shares of common stock of JPMCB are owned by JPMorgan Chase & Co. As to date, there is no more current information published as to the capital structure of JPMCB.

FORM OF GUARANTEE

The following is the form of the Guarantee made by the Guarantor:

Guarantee

JPMorgan Chase Bank (the "**Guarantor**") hereby irrevocably and unconditionally guarantees, as primary obligor and not merely as surety, the due and punctual settlement in full of all obligations due and owing by J.P. Morgan International Derivatives Ltd. ("**JPMIDL**") under the issuance of Notes by JPMIDL in connection with the JPMIDL and JPMorgan Chase Bank Euro Medium Term Note Programme (the "**Obligations**"), after taking account of any set-off, combination of accounts, netting or similar arrangement from time to time exercisable by JPMIDL against any person to whom Obligations are from time to time being owed, when and as due (whether at maturity, by acceleration or otherwise).

The Guarantor agrees that its guarantee constitutes a guarantee of settlement when due and not of collection and waives any right to require that any resort be had by any person to any security held for settlement of the Obligations. The Guarantor waives presentment to, demand of payment from and protest to JPMIDL of the Obligations and also waives notice of acceptance of this guarantee and notice of protest for non-payment.

The Guarantor further agrees that this guarantee shall continue to be effective or be reinstated, as the case may be, if at any time settlement, or any part thereof, on the Obligations is rescinded or must otherwise be restored on the bankruptcy or reorganisation of JPMIDL, or otherwise.

This guarantee shall continue in full force and effect until the opening of business on the fifteenth business day after the Guarantor gives written notice of its termination. It is understood and agreed, however, that notwithstanding any such termination, this guarantee shall continue in full force and effect with respect to all Obligations that arise in connection with a transaction entered into prior to such termination.

THIS GUARANTEE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK WITHOUT REFERENCE TO PRINCIPLES OF CONFLICTS OF LAWS.

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 11 November 2004, as amended and/or supplemented and/or restated from time to time (the "**Programme Agreement**"), between the Issuers, the Guarantor, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the relevant Issuer to the Permanent Dealers. However, each Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the relevant Issuer through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Pricing Supplement.

The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

Selling Restrictions

Argentina

The Notes are not and will not be authorized by the Comisión Nacional de Valores for public offer in Argentina and may thus not be offered or sold to the public at large or to sectors or specific groups thereof by any means, including but not limited to personal offerings, written materials, advertisements or the media, in circumstances which constitute a public offering of securities under Argentine Law No. 17,811, as amended

Austria

Any person who is in possession of this Offering Circular understands that no action has been or will be taken which would allow an offering of the Notes to the public in Austria. Any individual offer of these Notes to any person in Austria is made only to a limited circle of professional investors in accordance with § 3/1/11 of the Austrian Capital Market Act, Federal Law Gazette 1991/625, as amended (Kapitalmarktgesetz 1991 idgF) or in a private placement where a maximum of 250 individuals was individually approached and identified by name and where a notification pursuant to the Capital Market Act was sent to Oesterreichische Kontrollbank AG.

Each relevant Dealer with regard to each Tranche has represented and agreed and each further Dealer will represent and agree that it will only offer Notes in Austria in compliance with the provisions of the Austrian Capital Market Act and any other laws applicable in Austria governing the offer and the sale of the Notes in Austria.

The information contained in the Offering Circular does neither contain nor may be construed to contain an offer to purchase or sell nor a solicitation to make a purchase or subscription order for the Notes under circumstances where such an offer or solicitation is prohibited in Austria without first drawing up and publishing a prospectus in Austria. Whenever the Notes will be resold or sold by the purchaser and whenever investment advice is given, or brokerage services are provided in relation to the Notes, the information contained in the Offering Circular must not be used for purposes of a public offer or a public solicitation to subscribe for the Notes or an invitation to make an offer for the Notes or any marketing or

advertisement which is equivalent to such an offer or solicitation pursuant to the Austrian Capital Market Act, provided that such public offer is unlawful pursuant to the Austrian Capital Market Act.

Bahamas

Notes shall not be offered or sold from a place of business within The Bahamas or in a manner constituting the commencement of business in The Bahamas unless by an appropriately licensed broker dealer as permitted pursuant to the Securities Industry Act, 1999 of The Bahamas.

Notes may not be offered or sold to persons or entities deemed resident in The Bahamas pursuant to the Exchange Control Regulations, 1956 of The Bahamas unless the prior approval of the Central Bank of The Bahamas is obtained.

Belgium

The Programme has not been notified to, and the Offering Circular has not been approved by, the Belgian Banking, Finance and Insurance Commission (Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurancietewezzen). Accordingly, the Programme may not be advertised, the Notes may not be offered or sold, and this Offering Circular nor any other information circular, brochure or similar document may be distributed, directly or indirectly, to any persons in Belgium other than institutional investors referred to in article 3, 2° of the Belgian Royal Decree of 7 July 1999 on the public character of financial transactions, acting for their own account. This Offering Circular has been issued to you for your personal use only and exclusively for the purpose of the Programme. Accordingly, the information contained herein may not be used for any other purpose nor disclosed or passed on to any other person in Belgium.

Bermuda

The Notes may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda. Additionally, non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Notes in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Brazil

The Notes have not been and will not be registered with the "Comissão de Valores Mobiliários" - the Brazilian Securities and Exchange Commission ("CVM") and accordingly, each Dealer has represented and agreed that it has not sold, promised to sold, offered, solicited, advertised and/or marketing the Notes within the Federative Republic of Brazil. Additionally, each Dealer has represented and agreed that it has not violated any of the registration requirements and securities distribution, sales and marketing restrictions under CVM Instruction n° 400, dated December 29, 2003, as amended from time to time, and Federal Law 6.385, dated December 7, 1976, as amended from time to time.

British Virgin Islands ("BVI")

The Issuer is not registered in the British Virgin Islands and as such the Notes may not be offered to the public in the British Virgin Islands. However, the Notes may be offered to British Virgin Islands international business companies without restriction. A "British Virgin Islands international business company" is a BVI company formed under the International Business Companies Act of the BVI and is a company which does not carry on business with BVI residents, except as expressly permitted by law.

Cayman Islands

Each Dealer has represented and agreed with the Issuer that it shall not offer and sell Notes from a place of business within the Cayman Islands (including an offering from an internet or other electronic service provider located in the Cayman Islands) or in a manner constituting the commencement of business in the Cayman Islands unless it is appropriately registered and licenced or otherwise permitted to undertake such an offer or sale under applicable laws (including, without limitation, the Securities Investment Business Law of the Cayman Islands).

A Dealer may therefore offer and sell Notes to investors resident and incorporated in the Cayman Islands without restriction on such Dealer or the Issuer if such Dealer is, according to applicable Cayman Islands law, not located in the Cayman Islands (as a branch, an incorporated entity, a resident or otherwise) and does not have a place of business in and/or has not commenced the carrying on of business in the Cayman Islands.

Chile

The Issuers and the Notes are not registered under Law 18,045, as amended, of the Republic of Chile (“Securities Statute”) or with the *Superintendencia de Valores y Seguros de Chile* (Chilean Securities and Insurance Superintendency) (“SVS”) and, accordingly, each Dealer represents and agrees that it has not offered or sold, and will not offer or sell, any Note to the public within Chile or to, or for the account or benefit of, Chilean persons unless the buyer is (a) a registered Chilean broker-dealer purchasing the Notes acting as a *comisionista* (commissioner) pursuant to *Circular 1,046* of the SVS; (b) a registered Chilean broker-dealer purchasing the Notes for its own portfolio pursuant to *Norma de Carácter General 12* of the SVS and *Oficio Circular 125* of the SVS; (c) a customer of a registered Chilean broker-dealer purchasing this security upon its instructions in accordance with (a) above; or (d) a Chilean person purchasing the Notes abroad in an unsolicited transaction;

Furthermore, each buyer will be deemed on purchase to agree that: (x) in the case of (a) and (c) above, it will not resell the Notes other than in accordance with *Circular 1,046* of the SVS; (y) in the case of (b) above it will not resell the Notes in Chile, nor to investors resident, domicile or in transit in Chile, whether Chilean or foreigners; or (z) in the case of (d) above it will not resell the Notes in Chile in a transaction subject to the registration requirements of the Securities Statute, and in each case in accordance with all applicable Securities Laws of Chile; and it will deliver to each person to whom the Notes are transferred a notice substantially to the effect of this selling restriction.

Colombia

Each Dealer has represented and agreed that the Notes have not and will not be offered, sold or distributed in Colombia except in circumstances which do not constitute a public offer of securities in Colombia within the meaning of Colombian securities laws and regulations. Accordingly, the Notes will not be offered or marketed in Colombia through promotional activities (as defined under Colombian law) except in compliance with the requirements of the Colombian Securities Market Law (*Resolución 400 de 1995*) as amended and restated, and decrees and regulations made thereunder. Each Dealer acknowledges that the Offering Circular has not been registered with the Colombian Superintendence of Securities (*Superintendencia de Valores*), and therefore it is not intended for any public offer of the Notes in Colombia

Costa Rica

The Notes may not be offered or sold, directly or indirectly, to any person within the Republic of Costa Rica, in circumstances that require the issuer or offeror and the Notes to be authorized by the Superintendente General de Valores. Any offering, express or implicit, that seeks to issue, negotiate or sell securities among public investors, is deemed under Costa Rican law (*Ley Reguladora del Mercado de Valores*, N° 7732, and its regulations) as a public offering, which requires the issuer or offeror and the securities to be authorized by the Superintendente General de Valores. A public offering is any invitation

or transmission by any means to the public or determined groups of persons. A public offering is presumed when made through public means of communication (mass media), such as such as press, radio, television and Internet.

Accordingly, each Dealer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in Costa Rica, and that sales of the Notes in Costa Rica shall only be placed or negotiated on an individual basis with private investors. Each Dealer acknowledges that the Offering Circular has not been authorized by the Superintendente General de Valores and, therefore, it is not intended for any public offer of the Notes in Costa Rica.

Ecuador

The notes may not be offered or sold to any person within Ecuador, because the programme has not been approved by the “Consejo Nacional de Valores” of the Superintendence of Companies of Ecuador. Accordingly, the notes under the programme may not be offered, sold, promoted or advertised in Ecuador, because it does not comply with what is established in art. 12 of the Ecuadorian “Ley de Mercado de Valores.

El Salvador

The Notes will not be offered to the public in El Salvador, and according to Article 2 of the Ley de Mercado de Valores (Securities Market Law) of the Republic of El Salvador, Legislative Decree number 809 dated February 16th, 1994, published on the Diario Oficial (Official Gazette) number 73-BIS, Number 323, dated April 21st, 1994, and in compliance with the aforementioned regulation, each Dealer has represented and agreed that it will not make an invitation for subscription or purchase of the Notes to indeterminate individuals, nor it will make known this Offering Circular in the territory of El Salvador through any mass media communication such as Television, Radio, Press, or a similar one. The offering of the Notes has not been registered with an authorized stock exchange in the Republic of El Salvador. Any negotiation for the purchase or sale of Notes in the Republic of El Salvador shall only be negotiated on an individual basis with determinate individuals or entities in strict compliance of the aforementioned Article 2 of the Salvadoran Securities Market Law, and shall in any event be effected in accordance with all securities, tax and exchange control, and other applicable laws or regulations of the Republic of El Salvador.

France

Each of the Dealers and the relevant Issuer has represented and agreed that, (i) it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic of France, and (ii) offers and sales of Notes in the Republic of France will be made only to qualified investors as defined in and in accordance with Articles L.411-1 and L.411-2 of the French Code monétaire et financier and Decree No. 98-880 dated 1 October, 1998 (the "**Decree**") relating to offers to qualified investors.

Prospective purchasers of the Notes are informed that:

- (i) this Offering Circular has not been submitted to the clearance procedures of the Autorité des marchés financiers;
- (ii) in compliance with the Decree any investors subscribing the Notes would be acting for their own account; and
- (iii) the direct or indirect distribution by investors to the public of the Notes acquired by them shall only be made in compliance with Articles L.412-1 and L.621-8 of the French Code monétaire et financier.

In addition, each of the Dealers and the relevant Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Offering Circular or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.

Germany

Each Dealer has represented and agreed with the relevant Issuer that it shall only offer and sell Notes in the Federal Republic of Germany in accordance with the provisions of the Securities Sales Prospectus Act of 9 September 1998, as amended (*Wertpapier - Verkaufsprospektgesetz*) and any other laws applicable in the Federal Republic of Germany governing the issue, sale and offering of the Notes in the Federal Republic of Germany. Any resale of the Notes in the Federal Republic of Germany may only be made in accordance with the provisions of Securities Sales Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of the Notes.

Hong Kong

Each Dealer has represented and agreed that (i) 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 (ii) it has not issued or had in its possession for the purpose of issue and will not issue or have in its possession for the purpose of issue, any advertisement, invitation or document relating to the Notes whether in Hong Kong or elsewhere, which is or contains an invitation to the public to enter into or offer to enter into an agreement to acquire, dispose of, subscribe for or underwrite the Notes (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which 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, Chapter 571 of the Laws of Hong Kong and any rules made thereunder.

Ireland

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree. That it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell in Ireland any notes other than to persons whose ordinary business it is to buy or sell shares or debentures whether as principal or agent.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in a solicitation to the public at large, and that sales of the Notes in the Republic of Italy shall only be negotiated on an individual basis with "Professional Investors", as defined under Article 31, paragraph 2, of CONSOB Regulation no. 11522 of 1 July 1998, as amended, and effected in compliance with the requirements of Articles 94 and seq. of Legislative Decree no.58 of 24 February 1998 (the "**Legislative Decree no. 58**") and CONSOB Regulation no. 11971 of 14 May 1999 (the "**Regulation no. 11971**") and shall in any event be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each Dealer has represented and agreed that the Notes may not be offered, sold or delivered and neither the Offering Circular nor any other material relating to the Notes may be distributed or made available in the Republic of Italy, unless such offer, sale or delivery of Notes or distribution or availability of copies of the Offering Circular or any other material relating to the Notes in the Republic of Italy is:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree no. 385 of 1 September 1993 (the "Banking Law"), Legislative Decree no. 58, Regulation no. 11971 and any other applicable laws and regulations;
- (b) in compliance with Article 129 of the Banking Law and the implementing instructions of the Bank of Italy, pursuant to which the issue, trading or placement of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending inter alia on the amount of the issue and the characteristics of the securities, applies;
- (c) in compliance with Article 115 of the Banking Law, as implemented by the Bank of Italy Regulation of 30 July 1999, the resolution of Comitato Interministeriale per il Credito e il Risparmio (CICR) of 4 March 2003 and the Bank of Italy Regulation of 25 July 2003; and
- (d) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the "**Securities and Exchange Law**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Securities and Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Jersey

There are no selling restrictions applicable to the sale of Notes under this Offering Circular in Jersey.

Kingdom of Saudi Arabia

Each Dealer has represented and agreed that the offer and sale of the Notes will only take place within The Kingdom of Saudi Arabia in accordance with the applicable laws of The Kingdom of Saudi Arabia and the rules and regulations of the Saudi Arabian Monetary Agency, including the Investment Business Regulations of The Kingdom of Saudi Arabia. The Notes will be offered to citizens of The Kingdom of Saudi Arabia pursuant only to a "private placement" as defined in the Investment Business Regulations of The Kingdom of Saudi Arabia. Prior to any issuance of Notes in The Kingdom of Saudi Arabia, a copy of this Offering Circular will be delivered to the Saudi Arabian Monetary Agency for review in accordance with the Investment Business Regulations of The Kingdom of Saudi Arabia. The Notes have not been, nor will be approved or disapproved by the Saudi Arabian Monetary Agency nor will the Saudi Arabian Monetary Agency comment upon the accuracy or adequacy of this Offering Circular. Further, the Saudi Arabian Monetary Agency takes no responsibility for the accuracy or adequacy of the information and descriptions included in this Offering Circular.

Korea (Republic of Korea)

None of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Securities and Exchange Law of Korea and the decrees and regulations thereunder (the "**Securities and Exchange Laws**") and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**Foreign Exchange Transaction Laws**"). If the Notes are Registered Notes, then for a period of one year from the

issue date of the Notes, no holder of the Notes who is in Korea or a resident of Korea may transfer the Notes in Korea or to any resident of Korea unless such transfer involves all of the Notes held by it. If the Notes are Bearer Notes, then the number of notes offered in Korea or to a resident in Korea shall be less than 50 and for a period of one year, none of the Notes may be divided resulting in an increased number of Notes. Furthermore, the purchaser of the Notes shall comply with all applicable regulatory requirements (including but not limited to requirements under the Foreign Exchange Transaction Laws) in connection with the purchase of the Notes.

Each Dealer has represented and agreed that it has not offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea and will not offer, sell or deliver directly or indirectly or offer or sell to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Laws, Foreign Exchange Transaction Laws and other relevant laws and regulations of Korea.

Kuwait

Each Dealer has represented and agreed that it has not offered or sold and will not offer or sell any Notes or distribute any documents, offer any materials, or issue any invitation or advertisement in the State of Kuwait relating thereto, save in strict compliance with the provisions of Law No. 31/1990 and the various Ministerial Orders and Resolutions issued thereunder.

Lebanon

Each Dealer has represented and agreed with the relevant Issuer that, in connection with any marketing, offer, sale, distribution, resale or buy-back of any of the Notes in Lebanon, it shall comply with all applicable laws and regulations in Lebanon.

Luxembourg

The Notes are not offered to the public in or from Luxembourg and each Dealer has represented and warranted and agreed that it will not offer the Notes or cause the offering of the Notes or contribute to the offering of the Notes to the public in or from Luxembourg, unless all the relevant legal and regulatory requirements have been complied with. In particular, this offer has not been and will not be announced to the public and offering material will not be made available to the public. A listing of the Notes on the Luxembourg Stock Exchange does not necessarily imply that a public offering in or from Luxembourg has been authorised.

Malaysia

The Notes may not be offered or sold to Malaysian residents or in Malaysia and each Dealer has represented and undertaken to the Issuer that it has not offered or sold and will not offer or sell any of the Notes directly or indirectly, in Malaysia or to or for the account of any resident of Malaysia. No proposal has been submitted to and no prospectus has been registered with the Securities Commission under the Securities Commission Act 1993 in respect of Notes and the Notes may only be issued, offered for subscription or be the subject matter of an invitation to subscribe, to persons exclusively outside Malaysia.

Mexico

Pursuant to the Mexican Securities Market Law, the Notes have not been, and will not be, registered with the Mexican National Registry of Securities and may not be offered or sold publicly in the United Mexican States.

Nicaragua

Each Dealer has represented and agreed that the Notes have not and will not be offered, sold or distributed in Nicaragua except in circumstances which do not constitute a public offer of securities in Nicaragua within the meaning of Nicaraguan securities laws and regulations. Each Dealer acknowledges that the Offering Circular has not been registered with a Nicaraguan Exchange Market (Puesto de Bolsa).

Peru

Each Dealer has represented and agreed that the Notes have not and will not be placed, offered, sold, disposed or distributed in Peru, except in circumstances which do not constitute a public offer of securities in Peru within the meaning of Peruvian securities laws and regulations. Accordingly, the Notes will not be subject of a duly diffused invitation for subscription, acquisition or purchase of the Notes in Peru, pursuant to the Peruvian Securities Market Law, Supreme Decree No. 093-2002-EF, as amended and restated.

The Notes may only be offered in Peru, under private offerings, complying with the requirements of article 5° of the aforementioned Peruvian Securities Market Law; Chapter III of Resolution N° 115-98-EF/SAFP (*Título VIII del Compendio de Normas de Superintendencia Reglamentarias del Sistema de Administración de Fondos de Pensiones*), as amended and restated; and the decrees and regulations made thereunder.

Each Dealer acknowledges that the Offering Circular has not been registered with the Peruvian Securities Market Public Registry of the Peruvian Securities Market Commission (*Comisión Nacional Supervisora de Empresas y Valores - CONASEV*) and therefore it is not intended for any public offer of the Notes in Peru.

Poland

Each Dealer has agreed that the Notes will not be offered generally to unspecified persons in Poland or advertised in Poland by means of the mass media nor will the Notes be offered to more than 300 persons in Poland and, accordingly each Dealer has undertaken to observe and comply with all restrictions set out in the Act on Public Trading in Securities of August 21, 1997 (as amended) of Poland. The Notes have not been, and will not be, registered with the Komisja Papierów Wartościowych i Giełd, the Securities and Stock Exchange Commission of Poland.

Republic of Panama

The Programme has not been notified to, and the Offering Circular has not been approved, by the National Securities Commission (NSC) of the Republic of Panama for its offering in Panama. Consequently, the Programme may not be advertised, the Notes may not be offered or sold and this Offering Circular nor, any other information related thereto, may be distributed, directly or indirectly, to any person in the Republic of Panama other than institutional investors as defined by the Securities Laws of the Republic of Panama, through a brokerage firm licensed by the NSC to offer and sale securities in Panama.

Singapore

Each Dealer has represented and agreed that it will not offer or sell any Notes nor make any Notes the subject of an invitation for subscription or purchase, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (b) to a sophisticated investor, and in accordance

with the conditions, specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Spain

Each Dealer has represented and agreed that the Notes have not and will not be offered, sold or distributed in Spain except in circumstances which do not constitute a public offer of securities in Spain within the meaning of Spanish securities laws and regulations. Accordingly, the Notes will not be offered or marketed in Spain through promotional activities (as defined and construed under Spanish law) except in compliance with the requirements of the Spanish Securities Market Law (*Ley 24/1988, de 28 de julio, del Mercado de Valores*), as amended and restated, and Royal Decree 291/1992, of 27 March, on issues and public offerings of securities (*Real Decreto 291/1992, de 27 de marzo, sobre Emisiones y Ofertas Públicas de Venta de Valores*), as amended and restated, and the decrees and regulations made thereunder. Each Dealer acknowledges that the Offering Circular has not been registered with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) and therefore it is not intended for any public offer of the Notes in Spain.

Switzerland

The Notes may not be publicly offered (öffentlich zur Zeichnung angeboten) in Switzerland, as such term is defined or interpreted under the Swiss Code of Obligations. Neither the Programme nor any documents related to the Notes constitute a prospectus in the sense of article 652a or 1156 of the Swiss Code of Obligations.

In addition, Notes that fall within the scope of the Swiss Investment Fund Act may not be offered and distributed by means of public advertising (öffentliche Werbung) in or from Switzerland, as such term is defined or interpreted under the Swiss Investment Fund Act. Such Notes will not be registered with the Swiss Federal Banking Commission under the Swiss Investment Fund Act and the corresponding Swiss Investment Fund Ordinance and investors will, therefore, not benefit from protection under the Swiss Investment Fund Act or supervision by the Swiss Federal Banking Commission.

Taiwan

The Programme has not been approved by the Taiwan Securities and Futures Bureau. Accordingly, no person or entity in Taiwan is authorized to distribute or otherwise intermediate the offering of the Notes or the provision of information relating to the Programme, including, but not limited to, the Offering Circular (“**Information**”). The Notes under the Programme may not be offered and Information may not be circulated from outside Taiwan to any person who is not a "specific" person in Taiwan. Any person who is identified either by the relevant Issuer or by an agent acting on behalf of the relevant Issuer prior to the Information being delivered to them shall constitute a "specific" person provided that the Information distributed to such identified persons shall be for their personal use only and may not be disclosed to any other person in Taiwan. Any subscriptions of Notes shall only become effective upon acceptance by the Issuer or the relevant dealer outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or relevant dealer, as the case may be, unless otherwise specified in the subscription documents relating to the Notes signed by the investors.

Thailand

The Notes may not be offered or sold, directly or indirectly, to any person within Thailand.

The Netherlands

Notes will and may only be offered in The Netherlands, and such an offer will and may only be announced:

- (a) if those Notes have been, or will likely shortly be, admitted to listing on the Official Segment of the stock market of Euronext Amsterdam N.V.; or
- (b) if:
 - (i) the Offering Circular and the applicable Pricing Supplement (the "**Offer Documents**") (a) have been approved by the competent authority as referred to in Article 20 or Article 21 of EC Directive 89/298/EEC, (b) are recognised by The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "AFM") and (c) are generally available as of the time when the offer is made; and
 - (ii) each announcement of the offer states where and when the Offer Documents will be or have been made generally available, and each such announcement made before the offer is made, is submitted to the AFM before the applicable Pricing Supplement is published; and
 - (iii) if after the date of the Offering Circular new relevant facts occur or are discovered, Section 6 of the 1995 Decree on the Supervision of the Securities Trade (*Besluit toezicht effectenverkeer 1995*, the "**Decree**") is complied with;

all provided that the offer is made within one year after the date of the Offering Circular; or
- (c) to persons who trade or invest in securities in the conduct of their profession or trade (which includes banks, securities intermediaries (including dealers and brokers), insurance companies, pension funds, other institutional investors and commercial enterprises which as an ancillary activity regularly invest in securities), provided that the offer, the applicable Pricing Supplement and each announcement of the offer states that the offer is exclusively made to those persons; or
- (d) if those Notes have a denomination of at least EUR 50,000 (or its foreign currency equivalent); or
- (e) if those Notes can only be obtained as a package for a consideration with a value of at least EUR 50,000 (or its foreign currency equivalent), provided that (i) the offer, the applicable Pricing Supplement and each announcement of the offer states that the Notes can only be obtained as a package for a consideration with a value of at least EUR 50,000 and (ii) a copy of the Offer Documents and each announcement of the offer is submitted to the AFM before the offer is made; or
- (f) if:
 - (i) those Notes qualify as Euro-securities (*Euro-effecten*) (which they do if (a) they are subscribed for and placed by a syndicate of which at least two members are established according to their constitutional documents in different States party to the Agreement on the European Economic Area, (b) at least 60% of those Notes are offered in one or more states other than the state where the Issuer is established according to its constitutional documents, and (c) the Notes may only be subscribed for or initially be purchased through a credit institution or another institution which in the conduct of its business or profession provides one or more of the services referred to under 7 and 8 of Annex 1 to EC Directive 2000/12/EC); and
 - (ii) no general advertising or canvassing campaign is conducted in respect of the Notes anywhere in the world; or
- (g) otherwise in accordance with the Dutch 1995 Act on the Supervision of the Securities Trade (*Wet toezicht effectenverkeer 1995*).

In addition, Bearer Zero Coupon Notes and other Notes which qualify as savings certificates as defined in the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) may only be transferred or accepted through the mediation of either the Issuer or a Member of Euronext Amsterdam N.V. with due observance of the Savings Certificates Act (including registration requirements), provided that no mediation is required in respect of (i) the initial issue of those Notes to the first holders thereof, (ii) any transfer or acceptance by individuals who do not act in the conduct of a profession or trade, and (iii) the transfer or acceptance of those Notes, if they are physically issued outside The Netherlands and are not distributed in The Netherlands in the course of primary trading or immediately thereafter.

The Peoples Republic of China (the "PRC")

The Notes may not be offered or sold directly or indirectly in the PRC (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan). Neither this Offering Circular nor any offering material or information contained herein relating to the Notes, which has not been and will not be approved by the China Securities Regulatory Commission or other relevant governmental authorities in the People's Republic of China, may be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Notes in the PRC. The Notes may only be offered or sold to PRC investors that are authorized to engage in offshore investment outside of the PRC. Chinese investors are responsible for obtaining all relevant government approvals / licences themselves, including but not limited to the State Administration Of Foreign Exchange, and complying with all relevant PRC foreign exchange regulations.

The Philippines

The securities being offered or sold have not been registered with the Securities and Exchange Commission of the Philippines under the Securities Regulation Code of the Philippines. Any offer or sale thereof is subject to registration requirements under the Securities Regulation Code unless such offer or sale qualifies as an exempt transaction.

United Arab Emirates

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities. Furthermore, the information contained in this Offering Circular, does not constitute a public offer of securities in the United Arab Emirates in accordance with the Commercial Companies Law (Federal Law No. 8 of 1984 (as amended)) or otherwise, and is not intended to lead to the conclusion of any contract of whatsoever nature within the territory of the United Arab Emirates.

United Kingdom

Each Dealer has agreed 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 a 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 that 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) in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as

principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Financial Services and Markets Act 2000 (the "**FSMA**") by the relevant Issuer;

- (iii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the relevant Issuer or (in relation to Notes issued by JPMIDL) the Guarantor; and
- (iv) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

United States

The Notes and any Guarantee thereof have not been and will not be registered under the Securities Act, or any state securities laws, and trading in the Notes and any Guarantee thereof has not been approved by the SEC, any state securities commission, the U.S. Commodity Futures Trading Commission (the "**CFTC**") under the U.S. Commodities Exchange Act, as amended, any U.S. federal or state banking authority or any other U.S. or foreign regulatory authority, and JPMIDL has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the Notes may not be offered, sold, pledged, assigned, delivered, redeemed or otherwise transferred at any time within the United States or to or for the account or benefit of any U.S. Person. The term "U.S. Person" has the meaning ascribed to it in either Regulation S or the Code. The Notes and any Guarantee thereof are being offered and sold outside of the United States in reliance on the registration exemptions contained in Regulation S and Section 3(a)(2) of the Securities Act. Accordingly, the Dealers have represented and agreed in the Programme Agreement, and any other Dealer who is appointed by the relevant Issuer in connection with an issue of a Series of such Notes, will represent and agree, that it, its affiliates, and any person acting on its or their behalf has not offered or sold and will not offer or sell such Notes at any time, directly or indirectly within the United States of America or to, or for the account or benefit of, any U.S. Person. The Dealers further have represented and agreed in the Programme Agreement, and any other Dealer who is appointed by the relevant Issuer in connection with an issue of a Series of Notes will represent and agree that it, its affiliates, and any person acting on its or their behalf will not offer or sell the Notes at any time except in accordance with Rule 903 of Regulation S under the Securities Act, and that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. The terms used in this paragraph have the meanings given to them by Regulation S.

The Dealers have also agreed in the Programme Agreement, and any other Dealer who is appointed by the relevant Issuer in connection with an issue of a Series of Notes will agree, that, at or prior to confirmation of a sale of Notes, it, its affiliates, and any person acting on its or their behalf will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it (whether upon original issuance or in any secondary transaction) a written confirmation or notice stating that the purchaser is subject to the same restrictions on offers and sales and setting forth the restrictions on offers and sales of the Notes within the United States of America or to, or for the account or benefit of, any U.S. Person.

The Notes may not be legally or beneficially owned by any U.S. Person at any time. Each holder and each legal and beneficial owner of a Note, as a condition to purchasing such Note or any legal or beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit the Notes are being purchased (i) is located in the United States of America, (ii) is a U.S. Person or (iii) was solicited to purchase the Notes while present in the United States of America. Each holder and each legal and beneficial owner of a Note hereby will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any of the Notes or any interest therein at any time, directly or indirectly, in the United States of America or to any U.S. Person. The terms used in this paragraph have the meanings given to them by Regulation S.

Furthermore, each holder and beneficial owner will be deemed on purchase to agree that (1) the Notes offered in reliance on Regulation S will be represented by Global Notes and accordingly, prior to the expiration of the distribution compliance period, before any interest in a Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Global Note, it will be required to provide the Registrar or any Paying and Transfer Agent with a written certification of non-U.S. citizenship and residency (in the form provided in the Agency Agreement) and (2) the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), the Fiscal Agent, the Registrar, the Arranger, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Uruguay

The Programme has not been registered with the Central Bank of Uruguay and was not and will not be traded on any Uruguayan stock exchange.

The notes may not be offered to the public in Uruguay. This offer has not been and will not be announced to the public and offering material will not be made available to the public except in circumstances which do not constitute a public offer of securities in Uruguay in compliance with the requirements of the Uruguayan Securities Market Law (Ley N° 16.749 del 30 de mayo de 1996). The notes may be offered to people in or from Uruguay pursuant only to a private offer. Public advertising on the Programme will be avoided.

Venezuela (The Bolivarian Republic of Venezuela)

The public offering of the Notes has not been authorized by the National Securities Commission ("Comisión Nacional de Valores"-CNV). Each Dealer has represented and agreed with the Issuer that (i) it shall not offer and/or sell Notes in Venezuela by means of a public offering, without obtaining the prior authorization of CNV in accordance with the relevant provisions of the Capital Markets Law of October 22, 1998 ("Ley de Mercado de Capitales"); and (ii) this offer has not been and will not be announced to the public and offering material will not be made available to the public, without the prior authorization of CNV.

General

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers (e.g., following a change in a relevant law, regulation or directive). Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been taken (save that the Issuer has sought and obtained the consent of the Jersey Registrar of Companies, pursuant to Article 5 of the Companies (General Provisions) (Jersey) Order 2002, to the circulation of a prospectus in relation to the Notes) in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Pricing Supplement and neither the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL), nor any other Dealer shall have responsibility therefore.

Disclaimer

As a result of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

No offers, sales, re-sales or deliveries of any Notes, or distribution of any offering material relating to any Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the relevant Issuer or (in relation to Notes issued by JPMIDL) the Guarantor.

TAXATION

United States Taxation

The following discussion is a summary of certain U.S. federal income and estate tax considerations applicable to a United States Alien Holder (as defined below) of Notes issued by JPMIDL or JPMCB.

It is possible that, in relation to Notes issued by JPMIDL, for U.S. federal income tax purposes, the Guarantor may be deemed to be the issuer of the Notes. The following discussion assumes that the Guarantor is the issuer of such Notes for these purposes. If this were not the case, the discussion below will be true, without regard to the limitations stated in sections (a)(i), (a)(ii), (a)(iii), (a)(iv), (b)(i) and (b)(ii). This discussion does not describe all of the U.S. federal income or estate tax consequences that may be relevant to a Noteholder in light of its particular circumstances or to Noteholders subject to special tax rules.

Under current U.S. federal income and estate tax law, and subject to the discussion of backup withholding in the following section:

- (a) Payments of principal, premium (if applicable), and interest by the relevant Issuer, the Guarantor (in relation to Notes issued by JPMIDL) or any paying agent to any holder of a Note who is a United States Alien (as defined below) will not be subject to U.S. federal withholding tax, provided that, in the case of amounts treated as interest or premium with respect to Notes with a maturity at issue of more than 183 days, (i) the amount of the payment is not determined by reference to any receipts, sales or other cash flow, income or profits, change in value of any property of, or dividend or similar payment made by, the relevant Issuer, the Guarantor or a person related to the relevant Issuer or the Guarantor (a "Contingent Payment"), (ii) the holder does not actually or constructively own 10 per cent. or more of the total combined voting power of all classes of stock of the relevant Issuer or the Guarantor entitled to vote, and (iii) the holder is not for U.S. federal income tax purposes a controlled foreign corporation related to the relevant Issuer or the Guarantor through stock ownership, and (iv) in the case of Registered Notes, the holder provides the relevant Issuer or its paying agent with a properly completed and executed IRS Form W-8BEN. Principal, premium and interest on a Note that are determined by reference to changes in the value of property, the yield on property, or changes in any index based on such value or yield should not be Contingent Payments if the property is traded on an exchange or interdealer market that satisfies the requirements necessary for the property to qualify as "actively traded property" within the meaning of section 1092(d) of the United States Internal Revenue Code of 1986, as amended.
- (h) A United States Alien holder of a Note or coupon will not be subject to U.S. federal income tax on any gain or income realised upon the sale, exchange, retirement or other disposition of a Note or coupon, provided that (i) in the case of Notes with a maturity of more than 183 days, the Notes do not provide for any Contingent Payments, (ii) in the case of Registered Notes, the holder has provided the relevant Issuer or its paying agent with a properly completed and executed IRS Form W-8BEN, and (iii) neither the holder, nor a partner, fiduciary, settlor or beneficiary of the holder if the holder is a partnership or an estate or trust, or a person holding a power over an estate or trust administered by a fiduciary holder, is considered as:
 - (A) being or having been present or engaged in a trade or business in the United States or having or having had a permanent establishment therein;
 - (B) having a current or former relationship with the United States, including a relationship as a citizen or resident thereof or based on an individual's presence in the United States for 183 days or more in the taxable year of the applicable jurisdiction;

- (C) being or having been for U.S. federal income tax purposes a foreign or domestic personal holding company, a passive foreign investment company, a controlled foreign corporation or a corporation that has accumulated earnings to avoid U.S. federal income tax; or
 - (D) in the case of Notes issued by with a maturity of more than 183 days, (a) actually or constructively owning or having owned 10 per cent. or more of the total combined voting power of all classes of stock of the relevant Issuer or Guarantor entitled to vote or (b) being a controlled foreign corporation related to the relevant Issuer or Guarantor through stock ownership.
- (i) Generally, a Note or coupon held by an individual who is a United States Alien at the time of death will not be subject to U.S. federal estate tax as a result of the individual's death if (i) at the time of the individual's death payments with respect to the Note or coupon would not have been effectively connected with a U.S. trade or business of the individual, and (ii) with respect to Notes with a maturity of more than 183 days, (A) the holder does not own, actually or constructively, 10 per cent. or more of the total combined voting power of all classes of stock of the relevant Issuer or the Guarantor entitled to vote, and (B) the Note does not provide for any Contingent Payments. However, it is possible that Notes that are not fully principal protected held by an individual who is a United States Alien at the time of death could be subject to U.S. federal estate tax as a result of the individual's death, unless an applicable estate tax treaty provides otherwise.
 - (j) A beneficial owner of a Bearer Note or coupon that is a United States Alien will not be required to disclose its nationality, residence, or identity to the relevant Issuer, a paying agent, or any U.S. governmental authority in order to receive payment on the Note or coupon from the relevant Issuer or a paying agent outside the United States (although in the case of Notes issued in compliance with the D rules, the beneficial owner of an interest in a temporary Global Note will be required to provide a Certificate of Non-U.S. Status in order to receive a beneficial interest in a Permanent Global Note or definitive Notes and coupons and interest thereon, as described in "Summary of the Programme - Selling Restrictions").

For purposes of this discussion, "**United States Alien**" means any corporation, partnership, individual, estate or trust that, for U.S. federal income tax purposes, is (i) a foreign corporation, (ii) a foreign partnership, (iii) a non-resident alien individual or (iv) a foreign estate or trust.

For purposes of this discussion, "payments of principal, premium, and interest" mean payments made with respect to Notes or Coupons that are treated as payments of principal, original issue discount ("**OID**"), and interest for United States federal income tax purposes. It is possible that certain payments made with respect to certain types of Notes, including Index Linked Interest Notes, Equity Linked Interest Notes, Index Linked Redemption Notes, Equity Linked Redemption Notes, Participation Notes and Credit Linked Notes, may not be payments of principal, OID, and interest for these purposes. Nonetheless, the relevant Issuer expects that payments made with respect to Notes of this type will not be subject to United States federal withholding tax.

Backup Withholding and Information Reporting

Unless the relevant Issuer or the paying agent has actual knowledge or reason to know that the holder or beneficial owner, as the case may be, is a U.S. Person (as defined in the Code), payments of principal, premium, and interest on Registered Notes made to a United States Alien will not be subject to backup withholding, provided the United States Alien provides the payor with an IRS Form W-8BEN, but interest and premium paid on Registered Notes and Exchangeable Bearer Notes that have been exchanged with a maturity of more than 183 days will be reported to the IRS as required under applicable regulations.

Payments of principal, premium, and interest on Bearer Notes made outside the United States to a United States Alien by a non-U.S. payor will not be subject to information reporting and backup withholding.

In addition, except as provided in the following sentence, if principal, premium, or interest payments made with respect to Bearer Notes are collected outside the United States on behalf of a beneficial owner of a Bearer Note by a foreign office of a custodian, nominee or other agent who is not a U.S. Controlled Person (as defined below), the custodian, nominee or other agent will not be required to apply backup withholding to these payments when remitted to the beneficial owner and will not be subject to information reporting. However, if the custodian, nominee or other agent is a U.S. Controlled Person, payments collected by its foreign office may be subject to information reporting and backup withholding unless the custodian, nominee or other agent has in its records documentary evidence that the beneficial owner is not a U.S. Person or is otherwise exempt from information reporting, and it has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

Payments on the sale, exchange or other disposition of a Bearer Note made to or through a foreign office of a broker will generally not be subject to information reporting or backup withholding. However, if the broker is a U.S. Controlled Person, payments on the sale, exchange or other disposition of the Bearer Note made to or through a foreign office of the broker will be subject to information reporting unless the beneficial owner has furnished the broker with documentation upon which the broker can rely to treat the payment as made to a beneficial owner that is a foreign person, and the broker has no actual knowledge or reason to know that any of the information or certifications associated with this documentation is incorrect.

For purposes of this discussion, a "**U.S. Controlled Person**" means (i) a U.S. Person (as defined in the Code), (ii) a controlled foreign corporation for U.S. federal income tax purposes, (iii) a foreign person 50 per cent. or more of whose gross income was effectively connected with the conduct of a United States trade or business for a specified three-year period, or (iv) a foreign partnership, if at any time during its tax year, one or more of its partners are U.S. Persons who, in the aggregate, hold more than 50 per cent. of the partnership's income or capital interest or if, at any time during its tax year, it is engaged in the conduct of a trade or business in the United States.

Any amounts withheld under the backup withholding rules may be allowed as a credit against the holder's U.S. federal income tax liability, and may entitle the holder to a refund, provided that the required information is furnished to the U.S. Internal Revenue Service.

Holders should consult their tax advisors regarding the application of information reporting and backup withholding to their particular situations, the availability of an exemption therefrom, and the procedure for obtaining an exemption, if available.

A holder of a Bearer Note who is a U.S. Person will be subject to the following special rules unless an exemption applies: If a Bearer Note is paid, sold or otherwise disposed of in a transaction that results in a taxable gain or loss for U.S. federal income tax purposes, the gain will be treated as ordinary income and not as capital gain, and no deduction will be allowed in respect of the loss.

THE SUMMARY OF U.S. FEDERAL INCOME AND ESTATE TAX SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING NOTES OR COUPONS, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

EU Savings Directive

On 3 June 2003 the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income (the "**EU Tax Savings Directive**"). The directive is scheduled to be applied by Member States from 1 July 2005, provided that certain non-EU countries adopt similar measures from the same date. Under the directive each Member State will be required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, Austria, Belgium and Luxembourg may instead apply a withholding system for a transitional period in relation to such payments, deducting tax at rates rising over time to 35%. The transitional period is to commence on the date from which the directive is to be applied by Member States and to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Jersey Taxation

Under the current prevailing tax law of Jersey, and on the basis of written confirmations given by the Comptroller of Income Tax in Jersey, the proceeds or gain from the exercise, sale or other disposition of Notes issued by JPMIDL by a holder of such Note(s) who is not resident in Jersey for tax purposes will not be subject to any assessment for taxes (including withholding taxes) in Jersey. No stamp or transfer tax is payable in Jersey on the exercise, sale or other disposition of such Notes by a holder of such Notes.

Probate or Letters of Administration may be required to be obtained in Jersey on the death of an individual holder of such Notes. Stamp duty is payable in Jersey on the registration of such Probate or Letters of Administration on the value of the holder's estate in Jersey.

Jersey is not a member of the EU and therefore is not required to implement the EU Savings Tax Directive. However, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey's policy of constructive international engagement, Jersey, in line with steps proposed by other relevant third countries, proposes to introduce a withholding tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent situate in Jersey (the terms "beneficial owner" and "paying agent" for this purpose are as defined in the EU Savings Tax Directive). The withholding tax system would apply for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to withhold tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident. Under the current proposals in respect of the implementation of such a withholding tax system in Jersey neither JPMIDL as Issuer or JPMCB as Issuer will be obliged to levy withholding tax in respect of interest payments made by it to a paying agent. The States of Jersey has not yet adopted measures to implement these proposals but is expected to adopt such measures on the same timetable as EU Member States and other relevant third countries.

United Kingdom Stamp Duty and Stamp Duty Reserve Tax

The comments below are of a general nature and are based on current United Kingdom law and Inland Revenue practice. They do not relate to any form of United Kingdom taxation other than stamp duty and stamp duty reserve tax. Noteholders who are resident in the United Kingdom or who may otherwise be subject to United Kingdom taxation in respect of any aspect of their investment in the Notes should consult their professional advisers.

No United Kingdom stamp duty will be payable by Noteholders in respect of the issue of the Notes provided that any Notes which are in bearer form and which are denominated in sterling are issued outside the United Kingdom.

Assuming that any instrument of transfer is executed and retained outside the United Kingdom and that any register relating to the Notes is similarly kept outside the United Kingdom, no United Kingdom stamp duty will be payable in respect of transfers of Notes.

No United Kingdom stamp duty reserve tax ("**SDRT**") should generally be payable by Noteholders in respect of the issue of Notes, or any agreement to transfer Notes.

For Notes which provide for physical delivery of underlying assets to the Noteholders, that physical delivery may give rise to a charge to United Kingdom stamp duty or SDRT for the Noteholders, depending on various factors, including the nature of the underlying assets and the place any relevant transfer is executed and retained.

FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche, subject to the deletion of non-applicable provisions, addition of any applicable provisions and disclosure and/or amendments to the Conditions, is set out below:

Pricing Supplement dated [•]

[J.P. MORGAN INTERNATIONAL DERIVATIVES LTD./JPMORGAN CHASE BANK]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Unconditionally and Irrevocably Guaranteed by JPMorgan Chase Bank] under the **J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank U.S.\$9,000,000,000 Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 11 November 2004 [and the supplemental Offering Circular dated [•]] ([together] the "**Offering Circular**"). This Pricing Supplement must be read in conjunction with such Offering Circular.

The Issue Price specified below in paragraph 7 may be more than the market value of the Notes as at the date of this Pricing Supplement, and the price, if any, at which J.P. Morgan Securities Ltd. or any other person is willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price takes into account amounts with respect to commissions relating to the issue and sale of the Notes and secondary market prices are likely to exclude such amounts. In addition whilst the proprietary pricing models of J.P. Morgan Securities Ltd. are based on well recognised financial principles, other market participants' pricing models may differ or produce a different result.

[The due and punctual settlement in full of all obligations due and owing by the Issuer under the Notes is irrevocably and unconditionally guaranteed (the "**Guarantee**") by JPMorgan Chase Bank (the "**Guarantor**").] [The Guarantee/This Note] is not a deposit insured or guaranteed by the United States Federal Deposit Insurance Corporation (the "**FDIC**") or any other government authority. [The Guarantee/This Note] is an unsecured and unsubordinated debt obligation of the [Guarantor/Issuer] and not of its parent, JPMorgan Chase & Co. ("**JPMorgan Chase**"), or any of its affiliates [other than the Issuer], and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the [Guarantor/Issuer] subject to a preference in favour of certain deposit liabilities of the [Guarantor/Issuer] or other obligations that are subject to any priorities or preferences.]⁵

Purchase of these Notes involves substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters (including investments linked to shares) necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prospective investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Notes. Prospective investors should make all pertinent inquiries they deem necessary without relying on the Issuer (as defined in paragraph 1), the Guarantor, or J.P. Morgan Securities Ltd ("**JPMSL**"). Prospective investors should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Prospective investors should consider carefully all the information set forth in this Pricing Supplement along with all the information set forth in the Offering Circular. Prospective investors should pay particular attention to the section entitled "Certain Investment Considerations" in the Offering Circular (pages 10 to 14 inclusive). [Because the Notes are linked to the ordinary shares of [Name of Share Issuer]. (defined as the "Shares" herein in Annex A), an investment in the Notes entails significant

⁵ Delete as applicable depending on whether Notes issued by JPMIDL or JPMCB.

risks in addition to those associated with investments in a conventional debt security. The price performance of the Shares may affect the nature and value of the investment return on the Notes. In particular, where the Notes are redeemed by the Issuer by delivery of Shares the value of such Shares may be less than the principal amount of the Notes together with any accrued interest and may in certain circumstances be valueless. Investors should form their own views on the merits of an investment related to the Shares based upon their own such investigations of the Shares and [Name of Share Issuer] (defined as the "Share Issuer" herein) and should not rely on any information given in this Pricing Supplement. As noted above, given the highly specialised nature of these Notes, the Issuer, the Guarantor and JPMSL consider that the Notes are only suitable for sophisticated investors who are able to determine for themselves the risks of an investment linked to shares, and who possess all other relevant knowledge and experience in financial and business matters. Consequently, if you are not an investor who falls within this description you should consider not purchasing these Notes or, at the least, should take detailed advice from a specialised professional adviser experienced in the above matters.]

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

- | | | |
|----|--|---|
| 1. | (i) Issuer: | [J.P. Morgan International Derivatives Ltd./JPMorgan Chase Bank [acting through its [London branch of 125 London Wall, London EC2Y 5AJ]] |
| | (ii) [Guarantor: | JPMorgan Chase Bank] |
| 2. | (i) Series Number: | [•] |
| | (ii) [Tranche Number: | [•] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] | |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Settlement Currency: | [•] |
| 5. | Relevant Exchange Rate: | [•] |
| 6. | Aggregate Nominal Amount: | |
| | (i) Series: | [•] |
| | (ii) [Tranche: | [•] |
| 7. | (i) Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)] |

The Issue Price specified [on/at [page/item]] may be more than the market value of the Notes as at the date of this Pricing Supplement, and the price, if any, at which [the Dealer] or any other person willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue

Price. In particular, the Issue Price takes into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.

- | | | | |
|-----|-------|---|---|
| | (ii) | [Net proceeds: | [•] (<i>Required only for listed issues</i>) |
| 8. | (i) | Issue Size | [•] |
| | (ii) | Minimum trading size | [•] |
| | (iii) | Specified Denominations ⁶ | [•] |
| 9. | (i) | Issue Date | [•] |
| | (ii) | [Interest Commencement Date (if different from the Issue Date): | [•] |
| 10. | | Maturity Date: | [specify date or (for Floating Rate Notes) Interest Payment Date falling in the relevant month and year] |
| 11. | | Redemption Date: | [Specify for Equity and Index Linked Notes] |
| 12. | | Interest Basis: | [[•] per cent. Fixed Rate]

[specify reference rate] +/- [•] per cent. [Floating Rate] [Zero Coupon] [Index Linked Interest] [Equity Linked Interest] [Non-interest bearing] [Dual Currency Interest] [Other (specify)] (further particulars specified below) |
| 13. | | Redemption/Payment Basis: | [Redemption at par]

[Index Linked Redemption]

[Equity Linked Redemption]

[Credit Linked]

[Dual Currency]

[Partly Paid]

[Instalment] |

⁶ Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum denomination of £100,000 (or its equivalent).

[Other (specify)] in other currencies).

14. **Change of Interest or Redemption/Payment Basis:** *[Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]*
15. **Put/Call Options:** [Put]
[Call]
[(further particulars specified below)]
16. (i) Status of the Notes: Senior
(ii) Status of the Guarantee: Senior
17. **Listing:** [Application has been made to list the Notes on the Luxembourg Stock Exchange and / or the Channel Islands Stock Exchange, LBG pursuant to the EMTN Programme. No assurances can be given that such a listing on the Luxembourg Stock Exchange]/[Other (specify)]/[None]
18. **Method of distribution:** [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

19. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

*** Please add appropriate provisions to terms and conditions if included.**

- (i) Rate [(s)] of Interest Payment [•] per cent. per annum [payable [annually/semi-annually/quarterly/ monthly] in arrear][subject as provided in (iii) below]
Date(s):Interest:
[•] in each year
(NB: This will need to be amended in the case of long or short coupons)
- (ii) Fixed Coupon Amount [(s)]: [•] per [•] in nominal amount [(for the avoidance of doubt, the amount of interest payable on the Interest Payment Date shall be the Fixed Coupon Amount)]
- (iii) Broken Amount: *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]*
- (iv) Day Count Fraction (Condition 4(j)): [30/360 or Actual/Actual (ISMA) or specify other]
(Day count fraction should be Actual/Actual-ISMA)

for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise agreed).

- (v) Determination Date(s) (Condition 4(j)): *[Insert day(s) and month(s) on which interest is normally paid (if more than one, then insert such dates in the alternative)] in each year⁷*
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]

20. **Floating Rate Provisions**

[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph. Also consider whether EURO BBA LIBOR or EURIBOR is the appropriate reference rate for Notes denominated in euro)*

- (i) Specified Period(s)/Specified Interest Payment Dates: [•]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) Additional Business Centre(s) (Condition 4(j)): [•]
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/ other (give details)]
- (v) Interest Period Date(s): [Not Applicable/specify dates]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent): [•]
- (vii) Screen Rate Determination (Condition 4(b)(iii)(B)):
 - Relevant Time: [•]
 - Interest Determination Date: [[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]]
 - Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]

⁷ Only to be completed for an issue where Day Count Fraction is Actual/Actual-ISMA.

	—	Reference Banks (if Primary Source is " Reference Banks "):	[Specify five]
	—	Relevant Financial Centre:	[The financial centre most closely connected to the Benchmark - specify if not London]
	—	Benchmark:	[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
	—	Representative Amount:	[Specify if screen or Reference Bank quotations are to be given in respect of a transaction of a specified notional amount]
	—	Effective Date:	[Specify if quotations are not to be obtained with effect from commencement of Interest Accrual Period]
	—	Specified Duration:	[Specify period for quotation if not duration of Interest Accrual Period]
(viii)	(viii)	ISDA Determination (Condition 4(b)(iii)(A)):	
	—	Floating Rate Option:	[•]
	—	Designated Maturity:	[•]
	—	Reset Date:	[•]
	—	ISDA Definitions: (if different from those set out in the Conditions)	[•]
(ix)		Margin(s):	[+/-][•] per cent. per annum
(x)		Minimum Rate of Interest:	[•] per cent. per annum
(xi)		Maximum Rate of Interest:	[•] per cent. per annum
(xii)		Day Count Fraction (Condition [4(k)]):	[•]
(xiii)		Rate Multiplier:	[•]
(xiv)		Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]
21.		Zero Coupon Note Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i)	Amortisation Yield (Condition 5(b)):	[•] per cent. per annum

(ii)	Day Count Fraction (Condition 4(k)):	[•]
(iii)	Any other formula/basis of determining amount payable:	[•]
22.	Index Linked Interest Note Provisions	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Whether the Interest Amount(s) for the Notes relates to an Index, an Index Basket or a formula based on such Index or Index Basket, the identity of the relevant Index or Indices comprised in the relevant Index Basket (and their respective weightings) or formula and details of the relevant Index Sponsor(s):	[Give or annex details]
(ii)	Specified Period(s)/Specified Interest Payment Dates:	[•] [•]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other <i>(give details)</i>]
(iv)	Additional Business Centre(s) (Condition 4(k)):	[•]
(v)	Minimum Rate of Interest:	[•] per cent. per annum
(vi)	Maximum Rate of Interest:	[•] per cent. per annum
(vii)	Day Count Fraction (Condition 4(k)):	[•]
(viii)	Exchange:	[•]
(ix)	Related Exchange(s):	[•]/[All Exchanges]
(x)	Knock-in Event:	[•]/[Not Applicable]
(xi)	Knock-out Event:	[•]/[Not Applicable]
(xii)	Valuation Date:	[•]
(xiii)	Valuation Time:	[Specify if different from Conditions]
(xiv)	Initial Valuation Date:	[•]
(xv)	Interest Valuation Date:	[•]
(xvi)	Correction Cut-off Date:	[•]/[Not Applicable]
(xvii)	Disrupted Day/Market Disruption	[Applicable/Not Applicable/specify other]

Events:

(xviii)	Initial Averaging Dates or Averaging Dates (Condition 5(i)(iv)):	[Applicable/Not Applicable/ <i>specify other</i>]
(a)	Omission:	[Applicable/Not Applicable]
(b)	Postponement:	[Applicable/Not Applicable]
(c)	Modified Postponement:	[Applicable/Not Applicable]
(xix)	Index Disclaimer:	[Applicable unless otherwise stated]
(xx)	Other terms or special conditions:	[•]
23.	Equity Linked Interest Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete remaining sub-paragraphs of this paragraph</i>)
(i)	Whether the Interest Amount relates to a single Share, a Share Basket or a formula based on a Share or a Share Basket, details of the relevant Exchange(s) and Shares comprised in the Share Basket (including their weightings) or formula and the identity of the relevant Share Issuer(s) (each a " Share Issuer "):	[Give or annex details]
(ii)	Specified Period(s)/Specified Interest Payment Dates:	[•]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ <i>specify other</i>]
(iv)	Additional Business Day Centre(s) (Condition 4(k)):	[•]
(v)	Minimum Rate of Interest:	[•]
(vi)	Maximum Rate of Interest:	[•]
(vii)	Day Count Fraction (Condition 4(k)):	[•]
(viii)	Whether satisfaction of the Coupons relating to the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery] (<i>If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply</i>)
(ix)	Knock-in Event:	[•]/[Not Applicable]

(x)	Knock-out Event:	[•]/[Not Applicable]
(xi)	Related Exchange(s):	[•]/[All Exchanges]
(xii)	Options Exchange:	[•]
(xiii)	Potential Adjustment Events (Condition 5(j)(iv)):	[Applicable/Not Applicable/ <i>specify other</i>]
(xiv)	Nationalisation, De-listing, Insolvency (Condition 5(j)(v)(B)):	[Applicable [<i>specify consequence</i>]/Not Applicable/ <i>specify other</i>]
(xv)	Merger Event and Tender Offer (Condition 5(j)(v)(A)):	[Applicable [<i>specify consequence</i>]/Not Applicable/ <i>specify other</i>]
(xvi)	Valuation Date:	[•]
(xvii)	Valuation Time:	[Specify if different from Conditions]
(xviii)	Initial Valuation Date:	[•]
(xix)	Interest Valuation Date:	[•]
(xx)	Share Price:	[•]
(xxi)	Exchange Rate:	[Applicable/Not Applicable] [<i>Insert Details</i>]
(xxii)	Correction Cut-off Date:	[•]/[Not Applicable]
(xxiii)	Disrupted Day/Market Disruption Events:	[Applicable/Not Applicable/ <i>specify other</i>]
(xxiv)	Initial Averaging Dates or Averaging Dates (Condition 5(j)(iii)):	[Applicable/Not Applicable/ <i>specify other</i>]
	(d) Omission:	[Applicable/Not Applicable]
	(e) Postponement:	[Applicable/Not Applicable]
	(f) Modified Postponement:	[Applicable/Not Applicable]
(xxv)	Other terms or special conditions:	[•]
24.	Dual Currency Note Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Rate of Exchange/Method of calculating Rate of Exchange:	[<i>Give details</i>]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange	[•]

impossible or impracticable:

(iv) Person at whose option Specified Currency(ies) is/are payable: [•]

(v) Day Count Fraction (Condition 4(k)): [•]

PROVISIONS RELATING TO REDEMPTION

25. **Call Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]

(iii) If redeemable in part: [•]

Minimum nominal amount to be redeemed: [•]

Maximum nominal amount to be redeemed: [•]

(iv) Option Exercise Date(s): [•]

(v) Description of any other Issuer's option: [•]

(vi) Notice period (if other than as set out in the Conditions): [•]

26. **Put Option** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i) Optional Redemption Date(s): [•]

(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [•]

(iii) Option Exercise Date(s): [•]

(iv) Description of any other Noteholders' option: [•]

(v) Notice period (if other than as set out in the Conditions): [•]

27. **Knock-in Event:** [•]/[Not Applicable]

28. **Knock-out Event:** [•]/[Not Applicable]
29. **Final Redemption Amount** [Nominal amount/Specify other/Not Applicable].
(Where Notes are Index Linked Redemption Notes or Equity Linked Redemption Notes specify "Not Applicable" and complete Items 28 or 29 below)
30. **Early Redemption Amount**
- (i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 5(c)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions) (or in the case of Equity Linked Notes following certain corporate events in accordance with Condition(5)(j)(v)(A), (B) and (C) and/or the method of calculating the same (if required or if different from that set out in Condition 5(b)):
- [•]
- (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5(c)):
- [Yes/No]
- (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6(f)):
- [Yes/No/Not Applicable]
31. **Additional Termination Events:**
[Applicable only to Index Linked Notes and Equity Linked Notes]
- (i) Change in Law:
- [Not Applicable unless otherwise stated] [specify consequence]
- (ii) Failure to Deliver:
- [Not Applicable unless otherwise stated] [specify consequence]
- (iii) Insolvency Filing:
- [Not Applicable unless otherwise stated] [specify consequence]
- (iv) Hedging Disruption:
- [Not Applicable unless otherwise stated] [specify consequence]
- (v) Increased Cost of Hedging:
- [Not Applicable unless otherwise stated] [specify consequence]
- (vi) Loss of Stock Borrow:
- [Not Applicable unless otherwise stated] [specify consequence]
- (vii) Increased Cost of Stock Borrow:
- [Not Applicable unless otherwise stated] [specify consequence]

consequence]

32. **Index Linked Redemption Notes:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Whether the Notes relate to a single Index or an Index Basket or a formula based on an Index or Index Basket, the identity of the relevant Index or Indices comprised in the relevant Index Basket (including their respective weightings) or formula and details of the relevant Index Sponsor(s): [Give or annex details]
 - (ii) Exchange: [•]
 - (iii) Related Exchange(s): [•]/All Exchanges
 - (iv) Redemption Amount: [Express per lowest Specified Denomination/Not Applicable]
 - (v) Knock-in Event: [•]/[Not Applicable]
 - (vi) Knock-out Event: [•]/[Not Applicable]
 - (vii) Valuation Date: [•]
 - (viii) Valuation Time: [Specify if different from Conditions]
 - (ix) Initial Valuation Date: [•]
 - (x) Interest Valuation Date: [•]
 - (xi) Correction Cut-off Date: [•]/[Not Applicable]
 - (xii) Disrupted Day/Market Disruption Events: [Applicable/Not Applicable/specify other]
 - (xiii) Initial Averaging Dates or Averaging Dates (Condition 5(i)(iv)): [Applicable/Not Applicable/specify other]
 - (a) Omission: [Applicable/Not Applicable]
 - (b) Postponement: [Applicable/Not Applicable]
 - (c) Modified Postponement: [Applicable/Not Applicable]
 - (xiv) Index Disclaimer: [Applicable unless otherwise stated]
 - (xv) Other terms or special conditions: [•]
33. **Equity Linked Redemption Notes:** [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Whether the Notes relate to a single Share or a Share Basket or a formula based on a Share or Share Basket, details of the relevant Exchange(s) and Shares comprised in the Share Basket (including their respective weightings) or formula (each an "Exchange") and the identity of the relevant Share Issuer(s) (each a "**Share Issuer**"): [Give or annex details]
- (ii) Whether redemption of the Notes will be by (a) Cash Settlement or (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
(If Cash Settlement and/or Physical Delivery specified, specify details for determining in what circumstances Cash Settlement or Physical Delivery will apply)
- (iii) Knock-in Event: [•]/[Not Applicable]
- (iv) Knock-out Event: [•]/[Not Applicable]
- (v) Related Exchange(s): [•]/All Exchanges
- (vi) Options Exchange: [•]
- (vii) Potential Adjustment Events (Condition 5(j)(iv)): [Applicable/Not Applicable/specify other]
- (viii) Nationalisation, De-listing, Insolvency (Condition 5(j)(v)(B)): [Applicable [specify consequence]/Not Applicable/specify other]
- (ix) Merger Event and Tender Offer (Condition 5(j)(v)(A)): [Applicable [specify consequence]/Not Applicable/specify other]
- (x) Redemption Amount: [Express per lowest Specified Denomination/Not Applicable]
- (xi) Valuation Date: [•]
- (xii) Valuation Time: [Specify if different from Conditions]
- (xiii) Initial Valuation Date: [•]
- (xiv) Interest Valuation Date: [•]
- (xv) Share Price: [•]
- (xvi) Exchange Rate: [Applicable/Not Applicable]
[Insert Details]
- (xvii) Correction Cut-off Date: [•]/[Not Applicable]
- (xviii) Disrupted Day/Market Disruption Events: [Applicable/Not Applicable/specify other]

(xix)	Initial Averaging Dates or Averaging Dates (Condition 5(j)(iii)):	[Applicable/Not Applicable/ <i>specify other</i>]
(a)	Omission:	[Applicable/Not Applicable]
(b)	Postponement:	[Applicable/Not Applicable]
(c)	Modified Postponement:	[Applicable/Not Applicable]
(xx)	Other terms or special conditions:	[•]
34.	Credit Linked Notes:	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Trade Date:	[•]
(ii)	Effective Date:	[•]
(iii)	Scheduled Termination Date:	[•]
(iv)	Business Day for Credit Linkage Provisions:	[•]
(v)	Business Day Convention for Credit Linkage Provisions:	[•]
(vi)	Buyer:	[•]
(vii)	Seller:	[•]
(viii)	Reference Entities:	[•]
(ix)	Reference Obligations:	[•]
(x)	All Guarantees	[Applicable/Not Applicable]
(xi)	Reference Price:	[•]
(xii)	Conditions to Settlement:	Credit Event Notice
		[Notice of Physical Settlement]
		[Notice of Publicly Available Information]
		[Public Sources]
		[Specified Number]
(xiii)	Credit Events:	[Bankruptcy]
		[Failure to pay]
		[Grace Period Extension Applicable]
		[Grace Period]
		Payment Requirement: [•]

		[Obligation Default]
		[Obligation Acceleration]
		[Repudiation/Moratorium]
		[Restructuring]
		[Restructuring Maturity Limitation and Fully Transferable Obligation: Applicable]
		[Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable]
		[Multiple Holder Obligation: Applicable]
		Default Requirement: [•]
(xiv)	Obligations	Obligation Category: [•]
		Obligation Characteristics: [•]
		[Additional Obligations]
		[Excluded Obligations]
(xv)	Settlement:	[Cash Settlement/Physical Settlement]
	[Terms relating to Cash Settlement] (complete as necessary)	
	[Terms relating to Physical Settlement]	
	[Physical Settlement Period]:	[[•] Business Days]
	[Deliverable Obligations]:	[[Include/Exclude] Accrued Interest]
	Deliverable Obligations:	
	Deliverable Obligations Category:	[•]
	Deliverable Obligation Characteristics:	[•]
	[Additional Obligations]	
	[Excluded Deliverable Obligations:]	[•]
	[Partial Cash Settlement of Consent Required Loans]	[Applicable]
	[Partial Cash Settlement of Assignable Loans]	[Applicable]
	[Partial Cash Settlement of	

Participations]

[Applicable]

(xvi) Additional Credit Linkage Provisions: [•]

(xvii) U.S. Supplement: [Applicable/Not Applicable]

(xviii) Monoline Supplement: [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

35. **Form of Notes:** **Bearer Notes/Exchangeable Bearer Notes/Registered Notes]**

[Delete as appropriate]

(i) Temporary or permanent global Note/Certificate: [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]

[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice]

[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]

(ii) Applicable TEFRA exemption: [D Rules/Not Applicable]

36. **Additional Financial Centre(s) (Condition 6(h)) or other special provisions relating to payment dates:** [Not Applicable/*Give details. Note that this item relates to the place of payment, and not interest period end dates, to which item 17(iii) relates*]]

37. **Payment Disruption Event (Condition 6(i)):** [Applicable/Not Applicable/*specify other*]
(Note: If Physical Delivery is specified as applicable, in the event of a Payment Disruption, Physical Delivery shall cease to apply and the Notes will be cash settled.)

(i) Relevant Currency [Not Applicable/*insert*]

(ii) Relevant Reference Asset Jurisdiction [Not Applicable/*insert*]

(iii) Payment Event Cut-off Date [Not Applicable/Applicable/*other*]

38. **Physical Delivery:** [Applicable/Not Applicable] *(If not applicable delete the remaining sub-paragraphs of this*

paragraph 38]

- | | | |
|-------|--|--|
| (i) | Reference Asset(s): | [•] |
| (ii) | Reference Asset Amount: | [Express per lowest specified denomination] |
| (iii) | Cut-Off Date: | [•] |
| (iv) | Delivery provisions for Reference Asset Amount: | Condition 6(j) is amended to the effect that a Reference Asset Transfer Notice need only be delivered in the event that the Note is in definitive form. The words "Physical Delivery" are inserted before the words "Cut-Off Date" in Conditions 6(j)(i) and 6(j)(ii). |
| (v) | Alternative Clearing System: | [•] |
| (vi) | Other terms or special conditions: | [•] |
| 39. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | [Yes/No. <i>If yes, give details</i>] |
| 40. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | [Not Applicable/ <i>give details</i>] |
| 41. | Details relating to Instalment Notes: | [Not Applicable/ <i>give details</i>] |
| (i) | Instalment Amount(s): | [•] |
| (ii) | Instalment Date(s): | [•] |
| (iii) | Minimum Instalment Amount: | [•] |
| (iv) | Maximum Instalment Amount: | [•] |
| 42. | Redenomination, renominalisation and reconventioning provisions: | [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply] |
| 43. | Consolidation provisions: | [Not Applicable/The provisions [in Condition [•]] [annexed to this Pricing Supplement] apply] |
| 44. | Other terms or special conditions:⁸ | [Not Applicable/ <i>give details</i>] |

⁸ If full terms and conditions are to be used, please add the following here:

“The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary.”

DISTRIBUTION

45. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Agent (if any): [Not Applicable/*give names*]
- (iii) Dealer's Commission: [•]
46. **If non-syndicated, name of Dealers:** J.P. Morgan Securities Ltd.
47. **U.S. selling restrictions:** Section 3(a)(2) and Regulation S under the Securities Act - No offers or sales at any time within the United States or to or for the account or benefit of any U.S. Person; no legal or beneficial ownership by a U.S. person at any time. **"U.S. Person"** has the meaning ascribed to it in the U.S. Securities Act of 1933, as amended (the **"Securities Act"**) or the U.S. Internal Revenue Code of 1986, as amended.
48. **Additional Selling restrictions** [•]
- [Specify if different from those set out in the Offering Circular under **"Subscription and Sale"**]

OPERATION INFORMATION

49. **ISIN Code:** [•]
50. **Common Code:** [•]
51. **Any Clearing System(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):** [Not Applicable/*give name(s) and number(s)*]
52. **Delivery:** Delivery [against/free of] payment
53. **The Agents appointed in respect of the Notes are:** [As set out in the Agency Agreement]/(*Give details if different*)

GENERAL

54. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10(a): [Not Applicable/*give details*]
55. The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [•], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/[U.S.\$] [•]]

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

[LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the U.S.\$9,000,000,000 Euro Medium Term Note Programme of J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank.]

[STABILISING

In connection with this issue, [insert name of Stabilising Agent] (the "Stabilising Agent") or any person acting for the Stabilising Agent may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than when 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. Such stabilising shall be in compliance with all applicable laws, regulations and rules.]

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this pricing supplement and the Offering Circular, there/There]⁹ has been no material adverse change in the financial position or prospects of the Issuer or of the Group since [insert date of last published annual accounts.]

RESPONSIBILITY

The Issuer [and the Guarantor] accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: _____

Duly authorised

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

⁹ If any change is disclosed in the Pricing Supplement, it will require approval by any Stock Exchange(s) on which the Notes are listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular [comprising supplementary listing particulars] rather than in a Pricing Supplement. [Query – the Material Adverse Change section has been updated periodically following publication of various call reports, financial statements and rating agency notices – do these require formal approval by LSE?]

[APPENDIX]¹⁰
RECENT PERFORMANCE OF INDEX

The information included herein with respect to the Index consists only of extracts from, or summaries of, publicly available information. Such information has not been prepared in connection with the offering of the Notes. The Issuer accepts responsibility that such information has been accurately extracted or reproduced. No further or other responsibility in respect of such information is accepted by the Issuer or the Guarantor and no responsibility whatsoever is accepted by JPMSL. In particular, none of the Issuer, the Guarantor or JPMSL accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Index or that there has not occurred any event which would affect the accuracy or completeness of such information.

The Index levels shown in the table below under "Historical Performance" show the high and low levels of the Index for the periods indicated. While the table below provides some historical data regarding the risks of investing in the Index, past results are not necessarily indicative of future performance. Prospective purchasers of the Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. Each prospective purchaser of the Notes should be fully aware of and understand the complexity and risks inherent in the Notes before it makes its investment decision in accordance with the objectives of its business.

INSERT DESCRIPTION OF THE INDEX

[AMEND TABLE APPROPRIATELY BY INSERTING THE LATEST 3 CALENDAR YEARS AND THE MOST RECENT TWELVE MONTHS ELAPSED]*

The following table shows the high and low levels of the Index for each of the periods indicated. The historical performance of the Index should not be taken as an indication of the future performance.

	High	Low
[Year]		
[Year]		
[Year]		
Twelve Months Ended XX	High	Low

¹⁰ Form of disclosure to be annexed to the Pricing Supplement for Notes linked to a single Index (-for an Index Basket, repeat the table above for each Index)

Source: Bloomberg

The closing price of the Company's Shares on the [XX] Exchange on [XX] was [XX.]

Source: Bloomberg

[INSERT RELEVANT INDEX DISCLAIMER HERE]

[APPENDIX]¹¹
GENERAL DESCRIPTION OF THE SHARE ISSUER

[COMPANY NAME]

The information included herein with respect to the Company consists only of extracts from, or summaries of, publicly available information. Such information has not been prepared in connection with the offering of the Notes. The Issuer accepts responsibility for the accurate extraction or reproduction of such information. No further or other responsibility for such information is accepted by the Issuer or the Guarantor and no responsibility whatsoever is accepted by J.P Morgan Securities Limited ("JPMSL"). In particular, none of the Issuer, the Guarantor or JPMSL accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Company or its Shares or that there has not occurred any event which would affect the accuracy or completeness of such information.

The Share Price levels shown in the table below under "Share Price Information" show the high and low levels of the Shares for the periods indicated. While the table below provides some historical data regarding the risks of investing in the Shares, past results are not necessarily indicative of future performance. Prospective purchasers of the Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. Each prospective purchaser of the Notes should be fully aware of and understand the complexity and risks inherent in the Notes before it makes its investment decision in accordance with the objectives of its business.

The information provided in this Annex in respect of the Company and the Shares is intended to provide only a very basic outline of the general nature of the Company and the recent performance and certain of the rights attaching to the Shares. The information is incomplete and in highly abbreviated form only, and investors must look to other sources of information (including, without limitation, those sources of information referred to herein) in order to obtain all material information in respect of the Company and the Shares upon which to base their investment decision in the Notes.

Business Address

Source: Bloomberg

Purpose and Business

Source: Bloomberg (2004)

Primary Exchange

The primary exchange on which the Company's Shares are listed is the New York Stock Exchange.

Source: Bloomberg (2004)

Dividends

The following table sets out details of the dividends declared by the Company on the dates specified. Historical information regarding the payment of dividends should not be taken as an indication of possible future dividend payments.

Declared	Type	Amount
----------	------	--------

¹¹ Form of disclosure to be annexed to the Pricing Supplement for Notes relating to a single Share (-for a Share Basket, repeat the table above for each Share). Consider whether additional disclosure from local counsel should be included for Notes which may be settled by Physical Delivery

Source: Bloomberg (2004)

Share Price Information

The following table shows the high and low prices of the Company's Shares on the [XX] Stock Exchange for each of the periods indicated. The historical performance of the Company's Shares should not be taken as an indication of the future performance.

	High	Low
[Year]		
[Year]		
[Year]		
Twelve Months Ended XX	High	Low

Source: Bloomberg

The closing price of the Company's Shares on the [XX] Exchange on [XX] was [XX.]

Source: Bloomberg

Holding of Shares

[INSERT A DESCRIPTION OF THE RIGHTS ATTACHING TO THE COMPANY'S SHARES IN THE CASE OF PHYSICAL DELIVERY OF SHARES]

Source: [Company's articles of association.]

[FOR NOTES LISTED ON THE LUXEMBOURG STOCK EXCHANGE WHICH MAY BE SETTLED BY PHYSICAL DELIVERY, CONSIDER WHETHER ADDITIONAL DISCLOSURE FROM LOCAL COUNSEL SHOULD BE INCLUDED EG RELEVANT PROVISIONS OF LAW OF THE COUNTRY OF INCORPORATION OF THE COMPANY, TAXATION]

Financial Statements relating to [Company]

The Company publishes its financial statements in [LANGUAGE(S)] on [an annual/a semi-annual/a quarterly] basis. [Audited annual financial statements are published in the Company's annual report which can be found on its website. **None of the Issuer[, the Guarantor] or the Dealer accepts any responsibility for the accuracy or completeness of any information found on the Company's website.**]

Such publicly available financial statements shall be made available on request at the offices of [LUXEMBOURG PAYING AGENT].

Source: [annual report / website address]

The following are extracts of the Company's [consolidated] financial statements for the three years ended [DATE] which have been extracted from [SOURCE] [and have been obtained from the Company's website at [WEBSITE ADDRESS].

[The following consolidated financial statements should be read in conjunction with the "Notes to the consolidated financial statements" which can be found on the Company's website.]

[INSERT SUMMARY OF FINANCIAL STATEMENTS OVER PAST THREE YEARS OR ATTACH FINANCIAL STATEMENTS IN FULL. IF DATA FOR THE MOST RECENT FINANCIAL YEAR IS OLDER THAN 9 MONTHS, ADD INTERIM FINANCIAL DATA.]

Further headings for physically settled disclosure

Financial Statements

General Information

Capital Structure of the Company

Issue and Transfer of Shares

Dividends

Voting rights and General Meetings of Shareholders

[APPENDIX]¹²
CREDIT LINKED NOTES

The information included herein with respect to the Company (as defined below) consists only of extracts from, or summaries of, publicly available information. The Issuer accepts responsibility that such information has been correctly extracted or summarised. No further or other responsibility in respect of such information is accepted by the Issuer[, the Guarantor] or the Dealer. In particular, neither the Issuer[, the Guarantor] nor the Dealer accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Company or that there has not occurred any event which would affect the accuracy or completeness of such information.

[REFERENCE ENTITY DISCLOSURE]

¹² Relevant disclosure

FORM OF PARTICIPATION NOTE PRICING SUPPLEMENT

The form of Pricing Supplement for Participation Notes that will be issued in respect of each Tranche, subject to the deletion of non-applicable provisions, addition of any applicable provisions and disclosure and/or amendments to the Conditions, is set out below.

Pricing Supplement dated [•]

[J.P. MORGAN INTERNATIONAL DERIVATIVES LTD./JPMORGAN CHASE BANK]

Issue of Aggregate Nominal Amount of Tranche [Relevant Country]¹³ Participation Notes linked to existing issued [INSERT CLASS] Shares of [INSERT COMPANY] due [MATURITY DATE]
[Unconditionally and Irrevocably Guaranteed by JPMorgan Chase Bank] under the **J.P. Morgan International Derivatives Ltd. and JPMorgan Chase Bank U.S.\$ 9,000,000,000 Euro Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 11 November 2004 [and the supplemental Offering Circular dated [•]] (the "**Offering Circular**"). This Pricing Supplement must be read in conjunction with such Offering Circular.

[The due and punctual settlement in full of all obligations due and owing by the Issuer under the Notes is irrevocably and unconditionally guaranteed (the "**Guarantee**") by JPMorgan Chase Bank (the "**Guarantor**").] [The Guarantee/This Note] is not a deposit insured or guaranteed by the United States Federal Deposit Insurance Corporation (the "**FDIC**") or any other government authority. [The Guarantee/This Note] is an unsecured and unsubordinated debt obligation of the [Guarantor/Issuer] and not of its parent, JPMorgan Chase & Co. ("**JPMorgan Chase**"), or any of its affiliates [other than the Issuer], and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the [Guarantor/Issuer] or other obligations that are subject to any priorities or preferences.]¹⁴

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

- | | | |
|----|--|--|
| 1. | (i) Issuer: | [J.P. Morgan International Derivatives Ltd./JPMorgan Chase Bank acting through its [non U.S.] branch]] |
| | (ii) [Guarantor: | JPMorgan Chase Bank] |
| 2. | (i) Series Number: | [•] |
| | (ii) [Tranche Number: | [•] |
| | (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.)] | |

¹³ Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year and must have a minimum denomination of £100,000 (or its equivalent in other currencies).

¹⁴ Delete as applicable depending on whether Notes issued by JPMIDL or JPMCB.

3.	Specified Currency or Currencies:	[•]
4.	Settlement Currency:	[•]
5.	Relevant Exchange Rate:	[•]
6.	Aggregate Nominal Amount:	Not applicable
	(i) Series:	[•]
	(ii) [Tranche:	[•]
7.	(i) Issue Price:	[•] per cent. of the Aggregate Nominal Amount
	(ii) [Net proceeds:	(Required only for listed issues)]
8.	(i) Issue Size	[•]
	(ii) Minimum trading size	[•]
	(iii) Specified Denominations ¹	[•]
9.	(i) Issue Date	Settlement Date
	(ii) [Interest Commencement Date (if different from the Issue Date):	[•]
10.	Maturity Date:	Redemption Date - see Annex
11.	Interest Basis:	See Coupon Amount provisions in Annex
12.	Redemption/Payment Basis:	See Annex
13.	Change of Interest or Redemption/Payment Basis:	Not Applicable
14.	Put/Call Options:	Not Applicable
		Not Applicable
15.	(i) Status of the Notes:	Senior
	(ii) Status of the Guarantee:	Senior
16.	Listing:	[None]
17.	Method of distribution:	Non-syndicated
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
18.	Fixed Rate Note Provisions	Not Applicable
19.	Floating Rate Provisions	Not Applicable
20.	Zero Coupon Note Provisions	Not Applicable
21.	Index Linked Interest Note Provisions	Not Applicable

22.	Equity Linked Interest Note Provisions	Not Applicable
23.	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
24.	Call Option	Not Applicable
25.	Put Option	Not Applicable
26.	Final Redemption Amount	In respect of a Note, the Redemption Value - See Annex
27.	Early Redemption Amount	
	(i) Early Redemption Amount(s) payable on redemption for taxation reasons (Condition 5(c)) or an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions) (or in the case of Equity Linked Notes following certain corporate events in accordance with Condition (5)(j)(v)(A), (B) and (C) and/or the method of calculating the same (if required or if different from that set out in Condition 5(b)):	Not Applicable - see Annex
	(ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5(c))	Not Applicable - see Annex
	(iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 6(f)):	Not Applicable
28.	Index Linked Redemption Notes:	Not Applicable
29.	Equity Linked Redemption Notes:	Not Applicable
30.	Credit Linked Notes:	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

31.	Form of Notes:	Registered Notes <i>[Delete as appropriate]</i>
	(i) Temporary or permanent global Note/Certificate:	[temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]

		[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice]
		[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
	(ii) Applicable TEFRA exemption:	[D Rules/Not Applicable]
32.	Additional Financial Centre(s) (Condition 6(h)) or other special provisions relating to payment dates:	Not Applicable
33.	Payment Disruption Event (Condition 6(i)): <i>(Note: If Physical Delivery is specified as applicable, in the event of a Payment Disruption, Physical Delivery shall cease to apply and the Notes will be cash settled.)</i>	[Applicable/Not Applicable/ <i>specify other</i>]
	(i) Relevant Currency	[Not Applicable/ <i>insert</i>]
	(ii) Relevant Reference Asset Jurisdiction	[Not Applicable/ <i>insert</i>]
	(iii) Payment Event Cut-off Date	[Not Applicable/Applicable/ <i>other</i>]
34.	Physical Delivery:	Not Applicable
35.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i>]
36.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
37.	Details relating to Instalment Notes:	Not Applicable
38.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
39.	Consolidation provisions:	Not Applicable
40.	Other terms or special conditions:¹⁵	See Special Conditions 51, 52, 53, 54, 55 and 56

¹⁵ If full terms and conditions are to be used, please add the following here:

“The full text of the Conditions which apply to the Notes [and which will be endorsed on the Notes in definitive form] are set out in [the Annex hereto], which Conditions replace in their entirety those appearing in

in Annex

DISTRIBUTION

41. (i) **If syndicated, names of Managers:** Not Applicable
- (ii) **Stabilising Agent (if any):** Not Applicable
- (iii) **Dealer's Commission:** [•]
42. **If non-syndicated, name of Dealers:** J.P. Morgan Securities Ltd.
43. **U.S. selling restrictions:** Section 3(a)(2) and Regulation S under the Securities Act - No offers or sales at any time within the United States or to or for the account or benefit of any U.S. Person; no legal or beneficial ownership by a U.S. person at any time. "**U.S. Person**" has the meaning ascribed to it in the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the U.S. Internal Revenue Code of 1986, as amended.
- Additional Selling restrictions** [•]
- [Specify if different from those set out in the Offering Circular under "**Subscription and Sale**"]

OPERATION INFORMATION

44. **ISIN Code:** [•]
45. **Common Code:** [•]
46. **Any Clearing System(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):** [Not Applicable/give name(s) and number(s)]
47. **Delivery:** Delivery [against/free of] payment
48. **The Agents appointed in respect of the Notes are:** [As set out in the Agency Agreement]/(Give details if different)

GENERAL

49. **Additional steps that may only be taken following approval by an Extraordinary** [Not Applicable/give details]

the Offering Circular for the purposes of these Notes and such Conditions will prevail over any other provision to the contrary."

The first set of bracketed words is to be deleted where there is a permanent global Note instead of Notes in definitive form. The full Conditions should be attached to and form part of the pricing supplement.

Resolution in accordance with Condition 10(a):

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

[LISTING APPLICATION]

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the U.S.\$9,000,000,000 Euro Medium Term Note Programme of J.P.Morgan International Derivatives Ltd. and JPMorgan Chase Bank.]

[STABILIS ING]

In connection with this issue, [insert name of Stabilising Agent] (the "Stabilising Agent") or any person acting for the Stabilising Agent may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than when 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. Such stabilising shall be in compliance with all applicable laws, regulations and rules.]

MATERIAL ADVERSE CHANGE STATEMENT

[Except as disclosed in this pricing supplement and the Offering Circular, there/There]¹⁶ has been no material adverse change in the financial position or prospects of the Issuer or of the Group since [insert date of last published annual accounts.]

RESPONSIBILITY

The Issuer [and the Guarantor] accept responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: _____

Duly authorised

[Signed on behalf of the Guarantor:

By: _____

Duly authorised]

¹⁶ If any change is disclosed in the Pricing Supplement, it will require approval by any Stock Exchange(s) on which the Notes are listed. Consideration should be given as to whether or not such disclosure should be made by means of a supplemental Offering Circular [comprising supplementary listing particulars] rather than in a Pricing Supplement.

ANNEX

(This Annex forms part of the Pricing Supplement to which it is attached)

Items 51 through 56 [apply][do not apply] to the Pricing Supplement to which this Annex is attached.

51. **Redemption and Purchase**

51.1 Final Redemption: Unless previously redeemed, each Note will be redeemed on the Redemption Date at its Redemption Value. The Redemption Value will be due and payable on the Redemption Payment Date.

51.2 Redemption for Regulatory or Taxation Reasons:

(i) Subject to Condition 51.2(ii), the Notes may be redeemed at the option of the Issuer in whole at any time on giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice shall be irrevocable) at the Redemption Value of each Note if: (1) the Issuer or the Guarantor, has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any action taken by Jersey or the United States or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date or any change in, or amendment to, the laws or regulations of Jersey or the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Trade Date and (2) such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 51.2, the Issuer or, as the case may be, the Guarantor shall deliver to the Fiscal Agent a certificate signed by two directors of the Issuer or the Guarantor (as the case may be) stating that the Issuer or the Guarantor is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to such right of the Issuer or the Guarantor so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or the Guarantor, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment.

(ii) The Notes will be redeemable by the Issuer on shorter notice than the period specified above if the period of notice given to the Issuer of any relevant change, or amendment to the law makes it impracticable for the Issuer to give such notice and the interests of the relevant Noteholders will not be prejudiced by such action.

51.3 Redemption at the option of the Issuer: Notes may be redeemed by the Issuer as set forth in Condition 3(c). In addition, the Issuer may, having given not less than 5 Business Days' notice to Noteholders in accordance with Condition 13, on any date redeem the Notes at the Redemption Value of each relevant Note if the Calculation Agent certifies that: (1) any Relevant Country Authority has (i) revoked or suspended the Investment Regulations, (ii) suspended or terminated the ability of investors to invest in securities listed on any Relevant Exchange, or (iii) imposed material limitations or restrictions on such ability; (2) the Underlying Shares have been delisted from any Relevant Exchange; or (3) there has occurred any change in, amendment or non-renewal of (i) any judicial decision relating to the laws of the Relevant Country, (ii) any treaty to which the Relevant Country is a party, (iii) any application or official interpretation of such laws or

treaty or (iv) any arrangements pertaining to any applicable investment facility including any hedging arrangements relating to the Notes after the Trade Date.

51.4 Nationalisation: If (a) all the Underlying Shares or all the assets or substantially all the assets of the Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity; or (b) by reason of the voluntary or involuntary liquidation, winding-up or dissolution of or any analogous proceeding affecting the Underlying Company (i) all the Underlying Shares are required to be transferred to any trustee, liquidator or other similar official or (ii) holders of the Underlying Shares become legally prohibited from transferring them, then, in the case of (a) or (b), the Calculation Agent will, upon becoming aware of such event, notify the holders of Notes of such event and each Note will be redeemed at its Redemption Value on the fifteenth Business Day after the Calculation Agent has given notice to the Noteholders of such event (for the purposes of this Condition the "**Redemption Payment Date**"). For the purposes of this Condition the "**Redemption Value**" of a Note will be equal to the amount (if any) received by the holder of an Underlying Share upon the occurrence of either of the above events, less any Taxation, multiplied by the Number of Underlying Shares per Note and converted into [INSERT CURRENCY OF DENOMINATION OF NOTES] at the Exchange Rate on the Redemption Payment Date.

51.5 Redemption at the option of a Noteholder:

- (i) At any time after the later of the Settlement Date and the Underlying Settlement Period, a Noteholder may instruct the Issuer to redeem any Note held by such Noteholder at its Redemption Value. In order for a Noteholder to exercise its right so to instruct the Issuer, such Noteholder shall deliver on a Business Day to the Fiscal Agent or to a Paying Agent a valid Redemption Notice.
- (ii) A Noteholder may exercise its right under this Condition only in respect of the Minimum Redemption Number of Notes specified hereon and such multiples thereof.

51.6 Suspension Periods:

- (i) A "**Suspension Period**" occurs from the date the Calculation Agent determines (in its absolute discretion) that (I) as a result of delivery of Underlying Shares connected with the Issuer's underlying hedging arrangements to the registrar of the Underlying Company for registration, such Underlying Shares cannot be transferred; or (II) as a result of the closure of the register of members of the Underlying Company for the purpose of establishing any dividend or other rights attaching to the Underlying Shares, the Underlying Shares cannot be transferred until such transfer may be effected (in each case a "Suspension Period") and notice thereof (including an indication as to whether the Suspension Period has occurred due to the circumstances described in (I) or (II) above) shall be given to the Noteholders in accordance with Condition 13.
- (ii) If a Redemption Date or an Early Redemption Date in respect of a Note shall fall within a Suspension Period, such Redemption Date or Early Redemption Date shall be postponed until the first Exchange Business Day after the expiry of such Suspension Period.
- (iii) Only one Suspension Period may occur during the Term of a Note as a result of the circumstances described in (i)(I) above.

51.7 Purchase: The Issuer [and the Guarantor] and any of [their/its] respective subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer [or the Guarantor] shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders for the purposes of Condition 10.

51.8 Postponement: Notwithstanding any other provision to the contrary in this Pricing Supplement, if redemption of the Notes is to be undertaken on a day which is not a Business Day, such action shall be Settlement: If the Calculation Agent determines that, due to prevailing market conditions relating to share settlement, foreign exchange conversion or [INSERT CURRENCY OF DENOMINATION OF NOTES] remittance in the Relevant Country, a Relevant Investor which had sold Underlying Shares during a Valuation Period is not able to receive the [INSERT CURRENCY OF DENOMINATION OF NOTES] equivalent of the proceeds of such sale on the relevant Redemption Payment Date, then the Redemption Payment Date will be postponed until such date as a Relevant Investor is able to receive such [INSERT CURRENCY OF DENOMINATION OF NOTES] equivalent of the proceeds of any such sale. No interest shall accrue on such proceeds of sale in respect of any such postponement. Any such determination by the Calculation Agent shall be notified immediately by the Calculation Agent to the Issuer and the Fiscal Agent. Notice of any postponement to the Redemption Payment Date pursuant to this Condition 52.9 shall be given by the Fiscal Agent to Noteholders in accordance with Condition 13 as soon as practicable after any determination pursuant to this Condition.

52. Events Relating to the Underlying Shares

52.1 Adjustment Event: The declaration by an Underlying Company of the terms of any of the following may constitute an Adjustment Event in respect of the Notes:

- (i) A subdivision, consolidation or reclassification of the Underlying Shares or a change in par or paid value of the Underlying Shares, or a free dividend or distribution of any Underlying Shares to existing holders by way of bonus, capitalisation or similar issue including pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a Cash Dividend;
- (ii) A distribution to existing holders of the Underlying Shares of (I) Underlying Shares or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of Underlying Shares or (III) any other type of securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares for a consideration determined by the Issuer to be less than the prevailing market price per Underlying Share;
- (iii) A dividend or distribution other than a Cash Dividend;
- (iv) A repurchase by the Underlying Company of Underlying Shares whether out of profit or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (v) Any other similar event that may have a diluting or concentrative effect on the market value of the Underlying Shares or action that may be required to take account of provisions of the laws of the Relevant Country or any Relevant Exchange practice.

52.2 Action by Calculation Agent: Following each Adjustment Event during the Term of a Note the Calculation Agent will determine whether such Adjustment Event has a diluting or concentrative effect on the market value of the Underlying Shares. When an Adjustment Event occurs the Calculation Agent will do one or more of the following (provided that, in the case of physical Underlying Shares, a Suspension Period has occurred or is continuing):

- (i) calculate the corresponding adjustment, if any, to be made to the terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and determine the effective date of that adjustment;

- (ii) distribute to the holders of outstanding Notes additional Notes and/or a cash amount;
 - (iii) give notice to each Noteholder in accordance with Condition 13 of its right to purchase additional Notes.
- 52.3 Fixing of Record Date: Whenever any cash amount shall become payable or any distribution other than cash shall be made or whenever rights shall be issued with respect to the Notes or whenever for any reason the Calculation Agent causes a change in the Number of Underlying Shares per Note or whenever the Calculation Agent shall find it necessary or convenient, the Calculation Agent shall fix a record date (the "Record Date"), which shall be the record date applicable to the Underlying Shares or a date as soon thereafter as practicable;
- (i) to determine those Noteholders who shall be entitled to receive such distribution or rights; or
 - (ii) on or after which each Note will relate to the adjusted Number of Underlying Shares per Note.
 - (iii) The Noteholders on such Record Date shall be entitled, as the case may be, to receive the amount distributable by the Issuer with respect to such distribution or such rights in proportion to the number of Notes held by them respectively.
- 52.4 Notice of Adjustment Event: As soon as practicable after each Adjustment Event the Fiscal Agent will give notice to Noteholders in accordance with Condition 13 specifying:
- (i) in the case of a new issue of Notes at a specified subscription price:
 - (a) the Record Date;
 - (b) the date by which holders must reply to the notice and pay subscription monies (if any) (the "**Rights Settlement Date**");
 - (c) the amount payable by the holder of each Note to take up the rights relating to each Note;
 - (d) the amount of any fees or charges payable by the holder of each Note in connection with the issue of the new Notes; and
 - (e) the account of the Issuer with Euroclear or Clearstream, Luxembourg to be credited with the amount payable by the Noteholders;
 - (ii) in the case of a free distribution of Notes the Record Date and the number of new Notes to which the holder of a Note is entitled;
 - (iii) in the case of a cash distribution the Record Date and the amount payable to the holder of each Note;
 - (iv) in the case of an adjustment to the terms of the Notes (including the Number of Underlying Shares per Note) and all other cases which the Calculation Agent in its discretion considers appropriate, the Record Date and details of the adjustment;
 - (v) any combination of the above.

Notes and/or cash will be available for distribution to eligible Noteholders as soon as is practicable and the Fiscal Agent shall notify Noteholders in accordance with Condition 13 when such Notes and/or cash are so available. Payments of cash amounts will be made in accordance

with Condition 54 and in the case of a new issue of Notes under (i) above, no Noteholder will be entitled to receive any additional Notes unless and until the Fiscal Agent shall have received a notice that the Noteholder wishes to purchase such Notes and payment of the subscription monies on or prior to the Rights Settlement Date.

- 52.5 Coupon Amounts: Each Coupon Amount is payable on the Coupon Payment Date following the immediately preceding Coupon Period.
- 52.6 Subdivisions and Consolidations: If and whenever an Underlying Company shall subdivide its outstanding share capital into a greater number of shares or consolidate its outstanding share capital into a smaller number of shares, the Calculation Agent will adjust the Number of Underlying Shares per Note which shall be decreased (in the case of a consolidation) or increased (in the case of a subdivision) accordingly;
- 52.7 Merger: If it is announced that an Underlying Company is to, or may, merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation) (except where such Underlying Company is the surviving corporation in a merger) or that it is to, or may, sell or transfer all or substantially all of its assets, the rights attaching to a Note may be amended to reflect such merger or consolidation no later than the Business Day preceding the consummation of any such merger, consolidation, sale or transfer (as determined by the Calculation Agent, in its absolute discretion).
- 52.8 Change in Law: If:
- (i) there is any change in, or amendment to, the laws and regulations of the Relevant Country or any political subdivision or any authority thereof or therein having power to tax;
 - (ii) there is any change in, or amendment to, any treaty to which the Relevant Country is a party;
 - (iii) there is any change in the application or official interpretation of such laws, regulations or treaties; or
 - (iv) the Calculation Agent in its absolute discretion makes a determination that any other circumstance exists which would or could reduce the Redemption Value or Coupon Amount receivable by a Relevant Investor on repatriation of such amounts from the Relevant Country.

which change or amendment becomes effective or is applied or interpreted, or which determination is made, as the case may be, on or after the Trade Date, the Calculation Agent shall, in its absolute discretion, determine the amount of any additional deduction or withholding from the Redemption Value or Coupon Amount that is required or, in the absolute determination of the Calculation Agent, ought to be made in such circumstances and shall notify the Issuer[, the Guarantor] and the Fiscal Agent of such amount. The Fiscal Agent shall thereupon immediately notify Noteholders in accordance with Condition 13.

53. **Payments and other Conditions**

- 53.1 Method of Payment: Payments in respect of the Redemption Value or any Coupon Amount will be made to, or to the order of, the relevant Noteholder appearing on the Register on the relevant Record Date and, in the case of all payments other than the Coupon Amount against presentation and surrender (or, in the case of partial payment, endorsement) of the relevant Notes at the Specified Office of any Paying Agent, by a cheque denominated in [CURRENCY OF

DENOMINATION OF NOTES] drawn on, or by transfer to an account denominated in [CURRENCY OF DENOMINATION OF NOTES], maintained by the payee with, a bank in [CURRENCY CENTRE], as may be specified by the Noteholder (and, in the absence of such specification, by such a cheque posted to the Noteholder at the address shown in the Register at the risk of the Noteholder).

53.2 Payments subject to fiscal laws: All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 7. Subject to the Conditions, no commissions or expense shall be charged to the Noteholders in respect of payments.

53.3 Payments on a business day: A Note may be presented for payment only on a day which is a business day in the place of presentation (and in the case of payment by transfer to an account denominated in [INSERT CURRENCY OF DENOMINATION OF NOTES] maintained by the payee with a bank in [INSERT CURRENCY CENTRE] on a business day in [INSERT CURRENCY CENTRE]). No further payment will be made as a consequence of the day on which the relevant Note may be presented for payment under this paragraph falling after the due date.

54. **Other Special Conditions: [INSERT AS APPROPRIATE]**

55. **For the purposes of these Conditions, the following words and expressions shall have the following meanings:**

"Adjustment Event" means any one or more of the events referred to in Condition 53;

"Authority" means any governmental authority or any state or agency of a state (in each case whether or not having a separate legal personality);

"Average Selling Price" means, in relation to each Note, an amount certified by the Calculation Agent as being equal to the weighted average of the prices at which a Relevant Investor could have sold the Underlying Shares on the Relevant Exchange during an applicable Valuation Period;

"Business Day" means a day (excluding Saturday) on which banks are open for business in London and [INSERT CURRENCY CENTRE] and the principal centre of the Relevant Country for the type of business contemplated herein;

"Calculation Agent" means J.P. Morgan Securities Ltd.;

"Cash Dividend" means any ordinary or special dividend paid in cash on an Underlying Share (excluding, for the avoidance of doubt, stock dividends or the cash value of any dividend declared on an Underlying Share in shares of the Underlying Company or in any assets other than cash) in relation to which the ex-dividend date has occurred and payment has been made to the holder of the Underlying Share during the relevant Coupon Period;

"Closing Price" means the closing price of an Underlying Share as quoted on the daily quotations list (or equivalent) of a Relevant Exchange as recorded by the Calculation Agent. If the closing price of an

Underlying Share is not shown on the daily quotations list (or equivalent) of any Relevant Exchange on the date on which such price is required then, notwithstanding any provision of the Conditions, the Closing Price for an Underlying Share shall be the fair market value of an Underlying Share as determined in its sole discretion by the Calculation Agent;

"Conditions "

means the terms and conditions of the Notes and references to a particular numbered Condition shall be construed accordingly;

"Coupon Amount"

means Cash Dividends less (i) any Taxation; and (ii) any Handling Charge multiplied by the Number of Underlying Shares per Note and converted into [CURRENCY OF DENOMINATION OF NOTES] at the Coupon Exchange Rate;

"Coupon Exchange Rate"

means [INSERT RELEVANT AMOUNT OF CURRENCY, IF APPLICABLE] plus the Exchange Rate on the tenth Business Day after the later of the last day of the applicable Coupon Period or the day when a Foreign Institutional Investor would have received actual payment in United States dollars of the applicable Cash Dividend;

"Coupon Payment Date"

means [INSERT DATES ON WHICH COUPON AMOUNTS WILL BE PAID];

"Coupon Period"

in relation to a Note means,[INSERT RELEVANT PERIOD] provided that in the case of physical Underlying Shares the first Coupon Period will commence on the first day of the Suspension Period and in the case of the dematerialised Underlying Shares the first Coupon Period will commence on the settlement date for delivery of shares in connection with the Issuer's underlying hedging arrangements and the last day of the final Coupon Period will be the earlier of the Redemption Date, Early Redemption Date or Default Redemption Date;

"Default Redemption Date"

means the first Exchange Business Day after the date upon which notice is received by the Fiscal Agent pursuant to Condition 9;

"Early Redemption Date"

means: (i) any Business Day announced by the Issuer as a date for redemption of the Notes in accordance with Condition 52.2 or 52.3 or (ii) the first Exchange Business Day after a valid Redemption Notice is received by the Fiscal Agent provided that such Redemption Notice is received prior to 4.00pm (London time) or if received after such time the next Exchange Business Day;

"Exchange Business Day"

means a day that is (i) a Business Day; (ii) a trading day on any Relevant Exchange and on any relevant options or futures exchange other than a day on which trading on any Relevant Exchange or any relevant futures or options exchange is scheduled to close prior to its regular weekday closing time; and (iii) a day on which no Market Disruption Event has

occurred or is continuing;

"Exchange Rate"

means [INSERT SCREEN RATE FOR EXCHANGE BETWEEN CURRENCY OF DENOMINATION OF SHARES AND CURRENCY OF DENOMINATION OF NOTES] exchange rate as determined by the Calculation Agent by reference to such sources as it may, in its absolute discretion, select;

"Handling Charge"

means [INSERT DETAILS OF ANY HANDLING CHARGES]];

"Investment Regulations"

means [INSERT LEGISLATION OF RELEVANT COUNTRY] as amended and/or replaced from time to time;

"Market Disruption Event"

means, as determined by the Calculation Agent, the occurrence or existence of (i) any suspension of, or material limitation on, trading in the Underlying Shares on any Relevant Exchange; or (ii) any suspension of, or material limitation on, trading in stocks generally on any Relevant Exchange; or (iii) a material restriction on the sale and purchase of the Underlying Shares; or (iv) any suspension of, or material limitation imposed on, trading of options or futures relating to the Underlying Shares or options or futures relating to securities generally on any Relevant Exchange on any options or futures exchange on which options or futures relating to the Underlying Shares are traded; or (v) any suspension of or limitation on execution of sales on any Relevant Exchange or elsewhere by reason of illiquidity in any market for the Underlying Shares; or (vi) any prevailing market conditions which in the good faith opinion of the Issuer prevent Relevant Investors from being able to buy or sell Underlying Shares on any Relevant Exchange; (vii) any failure by local entities in the Relevant Country involved in the process of transfer and/or registration of the Underlying Shares, including, without limitation, custodians, registrars and clearing houses to perform their duties in a timely manner; or (viii) any prevailing market conditions which in the good faith opinion of the Calculation Agent are such as should constitute a Market Disruption Event.

For the purpose of this definition:

(i) a limitation on the hours and number of days of trading if it results from an announced change in the regular business hours of any Relevant Exchange shall not constitute a Market Disruption Event; and

(ii) a limitation on trading imposed during the course of a day by reason of movements in price exceeding levels permitted by any Relevant Exchange shall constitute a Market Disruption Event;

All determinations by the Calculation Agent as to whether a

	Market Disruption Event has occurred will be conclusive and binding on the Noteholders save in the case of manifest error;
"Minimum Redemption Number"	means [INSERT NUMBER];
"Noteholders"	means those persons in whose names Notes are registered in the Register;
"Number of Underlying Shares per Note"	means one (1) Underlying Share per Note (subject to adjustment in accordance with Condition 53);
"Record Date"	has the meaning specified in Condition 53.3;
"Redemption Charge"	means [INSERT DETAILS OF AMOUNT] together with any other levies, fees, commissions, custodial fees, registrations or other charges or costs whatsoever which may be incurred by the Issuer and/or the Hedging Entity as a result of, or in connection with, the holding of and/or selling of and/or realising the Underlying Shares as may be imposed from time to time, such amounts as calculated by the Calculation Agent in its sole and absolute discretion;
"Redemption Date"	means [INSERT REDEMPTION DATE] per cent.;
"Redemption Exchange Rate"	means the Exchange Rate on the first Business Day immediately following the last day of the Valuation Period when a Relevant Investor is able to convert into [INSERT CURRENCY OF DENOMINATION OF NOTES] the proceeds of Underlying Shares sold during the Valuation Period (the "Redemption Exchange Rate Date") [plus] [INSERT RELEVANT AMOUNT OF CURRENCY, AS APPLICABLE];
"Redemption Notice"	means a notice, substantially in the form set out in Schedule 4 to the Agency Agreement and available upon request at the Specified Office of any Paying Agent, from a Noteholder to the Issuer exercising its option to redeem Notes in accordance with Condition 52.5;
"Redemption Payment Date"	means, in relation to a Note, subject to Condition 52.9, the date falling not later than five Business Days after the Redemption Exchange Rate Date;
"Redemption Value"	means, in respect of a Note and subject to Condition 52.8, 100 per cent. less any Redemption Charge (expressed as a percentage), multiplied by the Average Selling Price of the Underlying Shares during the Valuation Period less any Taxation [plus any Coupon Amount] ¹⁷ multiplied by the Number of Underlying Shares per Note and converted into [INSERT CURRENCY OF DENOMINATION OF NOTES] at the Redemption Exchange Rate provided that if redemption follows the occurrence of an event of default specified in

¹⁷ Insert as appropriate

	Condition 9, the Redemption Value will be calculated by reference to the Closing Price of an Underlying Share on the Default Redemption Date;
"Register"	has the meaning provided in Clause 10 of the Agency Agreement;
"Relevant Country"	means [INSERT NAME OF RELEVANT COUNTRY];
"Relevant Country Authority"	means the Authority of the Relevant Country;
"Relevant Exchange"	means [INSERT STOCK EXCHANGE OF PRIMARY LISTING OF UNDERLYING SHARES] or any other successor exchange as selected by the Issuer in its absolute discretion;
"Relevant Investor"	means, a qualified foreign or non-resident institutional investor as such terms or concepts may be defined under the Investment Regulations or if such terms or concepts are not defined in the Investment Regulations, the Issuer;
"Settlement Date"	means [INSERT SETTLEMENT DATE];
"Suspension Period"	has the meaning provided in Condition 52.6;
"Taxation"	means the aggregate of : <ul style="list-style-type: none"> (i) all withholding taxes, capital gains taxes and other duties and taxes whatsoever in effect which the Calculation Agent certifies as would be payable in the Relevant Country by or on behalf of a Relevant Investor had such investor owned an Underlying Share from the Trade Date and sold such Underlying Share on any day during the relevant Valuation Period; and (ii) all stamp duties or increases introduced in the rates of stamp duties in the Relevant Country in effect on or after the Trade Date;
"Term of a Note"	means, in relation to a Note, the period commencing on the Settlement Date and ending on the earlier of the Redemption Date, the Default Redemption Date or the Early Redemption Date;
"Trade Date"	means [INSERT TRADE DATE];
"Underlying Company"	means [INSERT NAME OF UNDERLYING COMPANY];
"Underlying Settlement Period"	means the number of days, from the Trade Date, required for a Relevant Investor to settle the purchase of the Underlying Shares in the Relevant Exchange;
"Underlying Shares"	means [INSERT CLASS OF SHARES] in the Underlying Company;

"U.S. Person"

means a citizen or resident of the United States, or any person falling within the definition of the term "U.S. Person" under Regulation S promulgated under the U.S. Securities Act of 1933, as amended;

"Valuation Period"

in relation to a Note means (i) a period commencing on (and including) the first Exchange Business Day immediately following the earlier of the Redemption Date or the Early Redemption Date and ending on (and including) the Exchange Business Day immediately following the date on which a Relevant Investor would have completed the sale of the required number of Underlying Share, or (ii) the Default Redemption Date but excluding, for the avoidance of doubt, any day on which a Market Disruption Event has occurred or is continuing.

[APPENDIX]¹⁰

RECENT PERFORMANCE OF INDEX

The information included herein with respect to the Index consists only of extracts from, or summaries of, publicly available information. Such information has not been prepared in connection with the offering of the Notes. The Issuer accepts responsibility that such information has been accurately extracted or reproduced. No further or other responsibility in respect of such information is accepted by the Issuer or the Guarantor and no responsibility whatsoever is accepted by JPMSL. In particular, none of the Issuer, the Guarantor or JPMSL accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Index or that there has not occurred any event which would affect the accuracy of completeness of such information.

The Index levels shown in the table below under "Historical Performance" show the high and low levels of the Index for the periods indicated. While the table below provides some historical data regarding the risks of investing in the Index, past results are not necessarily indicative of future performance. Prospective purchasers of the Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. Each prospective purchaser of the Notes should be fully aware of and understand the complexity and risks inherent in the Notes before it makes its investment decision in accordance with the objectives of its business.

INSERT DESCRIPTION OF THE INDEX

[AMEND TABLE APPROPRIATELY BY INSERTING THE LATEST 3 CALENDAR YEARS AND THE MOST RECENT TWELVE MONTHS ELAPSED]*

The following table shows the high and low levels of the Index for each of the periods indicated. The historical performance of the Index should not be taken as an indication of the future performance.

¹⁰ Form of disclosure to be annexed to the Pricing Supplement for Notes linked to a single Index (-for an Index Basket, repeat the table above for each Index)

	High	Low
[Year]		
[Year]		
[Year]		
Twelve Months Ended XX	High	Low

Source: Bloomberg

The closing price of the Company's Shares on the [XX] Exchange on [XX] was [XX.]

Source: Bloomberg

[INSERT RELEVANT INDEX DISCLAIMER HERE]

[APPENDIX]¹¹
GENERAL DESCRIPTION OF THE SHARE ISSUER

[COMPANY NAME]

The information included herein with respect to the Company consists only of extracts from, or summaries of, publicly available information. Such information has not been prepared in connection with the offering of the Notes. The Issuer accepts responsibility for the accurate extraction or reproduction of such information. No further or other responsibility for such information is accepted by the Issuer or the Guarantor and no responsibility whatsoever is accepted by J.P Morgan Securities Limited ("JPMSL"). In particular, none of the Issuer, the Guarantor or JPMSL accepts responsibility in respect of the accuracy or completeness of the information set forth herein concerning the Company or its Shares or that there has not occurred any event which would affect the accuracy or completeness of such information.

The Share Price levels shown in the table below under "Share Price Information" show the high and low levels of the Shares for the periods indicated. While the table below provides some historical data regarding the risks of investing in the Shares, past results are not necessarily indicative of future performance. Prospective purchasers of the Notes are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Notes for them as an investment. Each prospective purchaser of the Notes should be fully aware of and understand the complexity and risks inherent in the Notes before it makes its investment decision in accordance with the objectives of its business.

The information provided in this Annex in respect of the Company and the Shares is intended to provide only a very basic outline of the general nature of the Company and the recent performance and certain of the rights attaching to the Shares. The information is incomplete and in highly abbreviated form only, and investors must look to other sources of information (including, without limitation, those sources of information referred to herein) in order to obtain all material information in respect of the Company and the Shares upon which to base their investment decision in the Notes.

Business Address

Source: Bloomberg

Purpose and Business

Source: Bloomberg (2004)

Primary Exchange

The primary exchange on which the Company's Shares are listed is the New York Stock Exchange.

Source: Bloomberg (2004)

Dividends

The following table sets out details of the dividends declared by the Company on the dates specified. Historical information regarding the payment of dividends should not be taken as an indication of possible future dividend payments.

Declared	Type	Amount
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¹¹ Form of disclosure to be annexed to the Pricing Supplement for Notes relating to a single Share (-for a Share Basket, repeat the table above for each Share). Consider whether additional disclosure from local counsel should be included for Notes which may be settled by Physical Delivery

Source: Bloomberg (2004)

Share Price Information

The following table shows the high and low prices of the Company's Shares on the [XX] Stock Exchange for each of the periods indicated. The historical performance of the Company's Shares should not be taken as an indication of the future performance.

	High	Low
[Year]		
[Year]		
[Year]		
Twelve Months Ended XX	High	Low

Source: Bloomberg

The closing price of the Company's Shares on the [XX] Exchange on [XX] was [XX.]

Source: Bloomberg

Holding of Shares

[INSERT A DESCRIPTION OF THE RIGHTS ATTACHING TO THE COMPANY'S SHARES IN THE CASE OF PHYSICAL DELIVERY OF SHARES]

Source: [Company's articles of association.]

[FOR NOTES LISTED ON THE LUXEMBOURG STOCK EXCHANGE WHICH MAY BE SETTLED BY PHYSICAL DELIVERY, CONSIDER WHETHER ADDITIONAL DISCLOSURE FROM LOCAL COUNSEL SHOULD BE INCLUDED EG RELEVANT PROVISIONS OF LAW OF THE COUNTRY OF INCORPORATION OF THE COMPANY, TAXATION]

Financial Statements relating to [Company]

The Company publishes its financial statements in [LANGUAGE(S)] on [an annual/a semi-annual/a quarterly] basis. [Audited annual financial statements are published in the Company's annual report which can be found on its website. **None of the Issuer[, the Guarantor] or the Dealer accepts any responsibility for the accuracy or completeness of any information found on the Company's website.**]

Such publicly available financial statements shall be made available on request at the offices of [LUXEMBOURG PAYING AGENT].

Source: [annual report / website address]

The following are extracts of the Company's [consolidated] financial statements for the three years ended [DATE] which have been extracted from [SOURCE] [and have been obtained from the Company's website at [WEBSITE ADDRESS].

[The following consolidated financial statements should be read in conjunction with the "Notes to the consolidated financial statements" which can be found on the Company's website.]

[INSERT SUMMARY OF FINANCIAL STATEMENTS OVER PAST THREE YEARS OR ATTACH FINANCIAL STATEMENTS IN FULL. IF DATA FOR THE MOST RECENT FINANCIAL YEAR IS OLDER THAN 9 MONTHS, ADD INTERIM FINANCIAL DATA.]

Further headings for physically settled disclosure

Financial Statements

General Information

Capital Structure of the Company

Issue and Transfer of Shares

Dividends

Voting rights and General Meetings of Shareholders

GENERAL INFORMATION

- (1) In connection with the application to list the Notes on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the constitutional documents of the Issuers will be deposited at the Registre de Commerce et des Societes de Luxembourg where such documents may be examined and copies obtained.
- (2) The Luxembourg Stock Exchange has allocated the number 12544 to the Programme for the purposes of admittance to the Luxembourg Stock Exchange.
- (3) Each of the Issuers and the Guarantor has obtained all necessary consents, approvals and authorisations in Jersey and the United States in connection with the establishment and update of the Programme and the Guarantee relating to Notes issued by JPMIDL under the Programme. The establishment of the Programme was authorised by a Resolution of the Board of Directors of JPMIDL passed on 19 March 2001 and the update of the Programme and the addition of JPMCB as an issuer under the Programme was authorised by a Resolution of the Board of Directors of JPMIDL passed on 10 November 2004 and a Resolution of the Asset Liability Committee of JPMCB dated 10 November 2004 respectively and the giving of the Guarantee relating to Notes issued by JPMIDL under the Programme by the Guarantor was authorised by the Guarantor's Certificate of Authorisation dated 5 September 2003.
- (4) Except as disclosed in this Offering Circular (and in any document incorporated by reference herein), there has been no material adverse change in the financial position or prospects of the Issuers since the date of their respective last published annual accounts.
- (5) Except as disclosed in this Offering Circular, JPMIDL is not and has not been involved in any litigation or arbitration proceedings relating to claims or amounts that are material since the date of its last published annual accounts nor, so far as JPMIDL is aware, is any such litigation or arbitration pending or threatened. JPMCB and its affiliates are named as defendants in a number of legal actions and governmental proceedings arising in connection with their respective businesses. Additional actions, investigations or proceedings may be brought from time to time in the future. In view of the inherent difficulty of predicting the outcome of legal matters, particularly where the claimants seek very large or indeterminate damages or where the cases present novel legal theories or involve a large number of parties, JPMCB cannot state with confidence what the eventual outcome of the pending matters (including the pending matters as to which a litigation reserve has been established, as described more fully in JPMorgan Chase's Form 10-Q filed with the U.S. Securities and Exchange Commission ("SEC") in February 2004 and more recently in JPMorgan Chase's Form 10-Q filed with the SEC in August 2004) will be, what the timing of the ultimate resolution of these matters will be or what the eventual loss, fines or penalties related to each pending matter may be. JPMCB anticipates, based upon its current knowledge, after consultation with counsel that the outcome of the legal actions, proceedings and investigations currently pending against it should not have a material adverse effect on the consolidated financial condition of JPMCB, although the outcome of a particular proceeding or the imposition of a particular fine or penalty may be material to JPMCB's operating results for a particular period, depending upon, among other factors, the size of the loss or liability and the level of JPMCB's income for that period. For further information, please refer to JPMorgan Chase's filings with the SEC which may be obtained from the SEC internet website (www.sec.gov).
- (6) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend: "This Note, Receipt, Coupon or Talon may not be owned by any United States Person (as defined in Regulation S or the Code). However, if notwithstanding such prohibition, a United States Person holds this obligation, then such United States Person will be subject to limitations under the

United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Code."

- (7) Each purchaser and transferee of a Note will be deemed to have represented by its purchase or receipt of the Note that, at the time of purchase or receipt, and throughout the period that it holds the Note, it is not an employee benefit plan subject to the U.S. Employee Retirement Income Security Act of 1974 or any entity whose assets are treated as assets of any such employee benefit plan
- (8) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant Clearing System for each Series of Notes will be set out in the relevant Pricing Supplement.
- (9) For so long as Notes may be issued pursuant to this Offering Circular, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and at the office of the Paying Agent in Luxembourg:
 - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
 - (ii) the Programme Agreement;
 - (iii) the Deed of Covenant;
 - (iv) the Guarantee;
 - (v) the Memorandum and Articles of Association of JPMIDL and the By-Laws of JPMCB;
 - (vi) the latest published annual report and audited accounts of each Issuer, the audited consolidated financial statements of JPMCB and the consolidated unaudited interim accounts of JPMCB, which are filed quarterly with the Board of Governors of the U.S. Federal Reserve System. JPMIDL does not publish any interim accounts nor any consolidated accounts;
 - (vii) a copy of this Offering Circular together with any Supplement to this Offering Circular or further Offering Circular as well as any Pricing Supplement relating to Notes listed on the Luxembourg Stock Exchange;
 - (viii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Offering Circular; and
 - (ix) any amendment to any of the foregoing.

Copies of the latest audited annual accounts of each Issuer, the unaudited quarterly reports of JPMCB and the latest Annual Report, quarterly and current reports of JPMorgan Chase filed with the SEC incorporated by reference herein may be obtained, and copies of the Agency Agreement, the Deed of Covenant and the Guarantee will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

- (10) JPMIDL does not publish interim accounts.
- (11) The consolidated financial statements of JPMCB for the years ended 31 December 2001, 2002 and 2003 have been audited without qualification by PricewaterhouseCoopers LLP of 1177

Avenue of Americas, New York, New York 10036, in accordance with auditing standards generally accepted in the United States of America

PricewaterhouseCoopers LLP and their predecessors PricewaterhouseCoopers, Chartered Accountants and Registered Auditors, London, have audited and rendered unqualified audit reports on the financial statements of JPMIDL for the years ended 31 December 2001, 31 December 2002 and 31 December 2003.

- (12) Davis Polk & Wardwell has advised upon some legal matters in respect of U.S. law relating to transfer restrictions and taxation matters as described under "Subscription and Sale - Selling Restrictions - United States", "Taxation - United States Taxation" and Condition 7 "Taxation", which relate to the Programme for the Issuers, the Guarantor and the Dealer. Davis Polk and Wardwell has in the past represented the Issuers, the Guarantor and the Dealer and continues to represent them on a regular basis and in a variety of matters.
- (13) In March 2003 the European Commission published a proposal for a Directive of the European Parliament and of the Council on the harmonisation of transparency requirements with regard to information about issuers whose securities are admitted to trading on a regulated market in the European Union ((2003/0045(COD) (the "**Transparency Directive**"). If, as a result of the adoption of the Transparency Directive or any legislation implementing the Transparency Directive, JPMIDL or JPMCB could be required to publish financial information either more regularly than it otherwise would be required to or according to accounting principles which are materially different from the accounting principles which it would otherwise use to prepare its published financial information, or any other requirements are imposed on JPMIDL or JPMCB which it considers burdensome, JPMIDL may delist the Securities if it so decides, or it may (but is not obliged to) seek an alternative admission to listing, trading and/or quotation for the Securities by such other listing authority, stock exchange and/or quotation system outside the European Union as it may decide.

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