

GENERAL ELECTRIC CAPITAL CORP

Form 424B3

August 24, 2005

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**Filed Pursuant to Rule 424(b)(3)  
Registration No. 333-123085**

**PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MAY 17, 2005**

**U.S. \$26,404,605,650**

**General Electric Capital Corporation**

**Global Medium-Term Notes, Series A**

**Due From 9 Months to 60 Years From Date of Issue**

General Electric Capital Corporation may offer at various times up to U.S. \$26,404,605,650 of its global medium-term notes. We may offer notes denominated in U.S., foreign and composite currencies. If we offer original issue discount notes, we will use their initial offering prices to determine when we have offered U.S. \$26,404,605,650 of notes.

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

The notes will mature in 9 months to 60 years.

The notes may be subject to redemption at our option or repayment at the option of the holder.

The notes will be either senior or subordinated debt obligations.

The notes will bear interest at either a fixed or floating rate. The floating interest rate formula may be based on:

CD Rate	Treasury Rate
Commercial Paper Rate	Prime Rate
Federal Funds Rate	CMT Rate
LIBOR	Eleventh District Cost of Funds Rate

The notes may be issued as indexed notes, dual currency notes, renewable notes, extendible notes or amortizing notes.

The notes will be in certificated or book-entry form.

Interest will be paid on fixed rate notes on March 15 and September 15 of each year or as otherwise specified in the applicable pricing supplement. Interest will be paid on floating rate notes on dates specified in the applicable pricing supplement.

The notes will have minimum denominations of \$1,000 for book-entry notes and \$100,000 for certificated notes, in each case increased in multiples of \$1,000, unless otherwise specified in the applicable pricing supplement. We will specify the minimum denominations for notes denominated in a foreign or composite currency in the applicable pricing supplement.

Notes issued hereunder may be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s), in each case as specified in the applicable pricing supplement, including on the official list maintained by the United Kingdom's Listing Authority and on the London Stock Exchange's Gilt Edged and Fixed Interest Market. Any such listing and/or admission to trading, or any offer of notes to the public, in the European Economic Area will be made in compliance with the provisions of the European Union's Directive 2003/71/EC and all applicable rules and regulations promulgated thereunder. We may also issue notes which are listed, quoted and/or traded on or by such other or further stock exchanges, competent listing authorities and/or quotation systems as we may decide. We may also issue unlisted notes. A market for any particular tranche of notes may not develop.

We expect to receive between \$26,246,178,016 and \$26,391,403,347 of proceeds from the sale of the notes after paying the agents' commissions of between \$13,202,303 and \$158,427,634. The exact proceeds from the sale of each note will be determined at the time of issuance.

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

**Citigroup**

**Deutsche Bank Securities**

**GE Capital Markets, Inc.**

**Goldman, Sachs & Co.**

**JPMorgan**

**Lehman Brothers**

**Merrill Lynch & Co.**

**UBS Investment Bank**

The date of this prospectus supplement is August 24, 2005.

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**ABOUT THIS PROSPECTUS SUPPLEMENT**

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

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

This prospectus supplement updates, revises and supercedes our prospectus supplement dated May 17, 2005. The delivery of this prospectus supplement does not at any time imply that the information contained in this prospectus supplement about us is correct at any time subsequent to the date hereof or that any other information supplied in connection with the offering of any notes is correct at any time subsequent to the date of the document containing such information.

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

**DOCUMENTS INCORPORATED BY REFERENCE**

We are incorporating by reference into this prospectus supplement and accompanying prospectus our Annual Report on Form 10-K, as amended by amendment No. 1 on Form 10-K/ A, for the fiscal year ended December 31, 2004, our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2005 and June 30, 2005, and our Current Reports on Form 8-K filed on May 6, 2005 and June 23, 2005 which have been filed with the United States Securities and Exchange Commission (the Commission) pursuant to the United States Securities Exchange Act of 1934 (the 1934 Act). All reports filed by us with the Commission pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act after the date of this prospectus supplement shall be deemed to be incorporated in the prospectus supplement and accompanying prospectus by reference and to be a part hereof from the date of filing of such documents; provided, however, that we are not incorporating any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K unless, and except to the extent, specified in any such Current Report on Form 8-K. You may request a copy of these filings at no cost. Requests should be directed to David P. Russell, Senior Counsel, Corporate Treasury and Assistant Secretary, General Electric Capital Corporation, 260 Long Ridge Road, Stamford, Connecticut 06927, Telephone No. (203) 357-4000. See also *Where You Can Get More Information On GECC* in the accompanying prospectus.

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

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General Electric Capital Corporation ( GECC ) was incorporated in 1943 in the State of New York under the provisions of the New York Banking Law relating to investment companies, as successor to General Electric Contracts Corporation, which was formed in 1932. Until November 1987, our name was General Electric Credit Corporation. On July 2, 2001, we changed our state of incorporation to Delaware. All of our outstanding common stock is owned by General Electric Capital Services, Inc. ( GE Capital Services ), formerly General Electric Financial Services, Inc., the common stock of which is in turn wholly owned directly or indirectly by General Electric Company ( GE Company ). Financing and services offered by us are diversified, a significant change from the original business of GECC, that is, financing distribution and sale of consumer and other GE Company products. GE Company manufactures few of the products financed by us.

Our services are offered primarily within the United States, Canada, Europe and the Pacific Basin. These operations are subject to a variety of regulations in their respective jurisdictions. GECC's principal executive offices are at 260 Long Ridge Road, Stamford, Connecticut 06927-1600 (telephone number (203) 357-4000). At December 31, 2004, our employment totaled approximately 76,300.

**Consolidated Ratio of Earnings to Fixed Charges**

	<b>Year Ended December 31,</b>				<b>Six</b>	
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Months</b>	
<b>2000</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>Ended</b>	
					<b>June 30,</b>	
					<b>2005</b>	
	1.52	1.73	1.66	1.86	1.89	1.72

**Consolidated Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends**

	<b>Year Ended December 31,</b>				<b>Six</b>	
	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Months</b>	
<b>2000</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>(Restated)</b>	<b>Ended</b>	
					<b>June 30,</b>	
					<b>2005</b>	
	1.50	1.71	1.65	1.85	1.88	1.71

For purposes of computing the consolidated ratios of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends, earnings consist of net earnings adjusted for the provision for income taxes, minority interest, interest capitalized (net of amortization) and fixed charges. Fixed charges consist of interest on all indebtedness and one-third of rentals, which we believe is a reasonable approximation of the interest factor of such rentals.

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**RISKS OF FOREIGN CURRENCY NOTES AND INDEXED NOTES**

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

**Exchange Rates and Exchange Controls**

An investment in a note denominated in a currency other than U.S. dollars entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar and such currency and the possibility of the imposition or modification of foreign exchange controls by either the United States or foreign governments. These risks generally depend on factors over which we have no control, such as economic and political events and the supply of and demand for the relevant currencies. In recent years, rates of exchange between the U.S. dollar and certain currencies have been highly volatile, and you should be aware that volatility may occur in the future. Fluctuations in any particular exchange rate that have occurred in the past, however, are not necessarily indicative of fluctuations in the rate that may occur during the term of any note. Depreciation of the specified currency for a note against the U.S. dollar would result in a decrease in the effective yield of such note (on a U.S. dollar basis) below its coupon rate and, in certain circumstances, could result in a loss to you on a U.S. dollar basis.

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

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

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

**Foreign Currency Judgments**

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

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**Risks Associated with Indexed Notes**

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

**Credit Ratings**

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

Table of Contents**DESCRIPTION OF NOTES****General**

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

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

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

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

**Amount.** The amount of notes we may offer with this prospectus supplement will be reduced to the extent we issue other debt securities, preferred stock, warrants or support obligations under the prospectus. As of June 30, 2005, we have issued and have outstanding approximately \$110 billion of our global medium-term notes, Series A. The amount of additional notes of this series that we may offer with this prospectus supplement is \$26,404,605,650. In addition, we may further increase the amount of notes of this series that we may issue from time to time. The Indentures do not limit the amount of notes that we may offer. If a note is an Original Issue Discount Note, we will use its initial offering price to calculate the amount issued.

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

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

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

the specified currency;



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the nominal amount of the note;

whether the note is a fixed rate note, a floating rate note, an indexed note, a dual currency note, a renewable note, an extendable note or an amortizing note;

the issue price;

the expected net proceeds from the issue of the note;

the original issue date;

the stated maturity date;

whether the note will be a Senior Note or a Subordinated Note;

if the note will be a Subordinated Note, whether the subordination provisions summarized herein or different subordination provisions will apply;

any deletions or modifications of or additions to the Events of Default and related remedies, or the covenants set forth in the applicable Indenture;

for a fixed rate note, the rate per annum at which it will bear interest, if any, and the date or dates on which interest will be payable if other than March 15 and September 15;

for a floating rate note, the base rate, the initial interest rate, the interest reset period, the interest payment dates, the Index Maturity, the Designated LIBOR Currency, if any, the maximum interest rate, if any, the minimum interest rate, if any, the Spread and/or Spread Multiplier, if any, and any other terms relating to the particular method of calculating the interest rate for the note;

whether the note is an Original Issue Discount Note;

for an indexed note, the manner in which interest payments and the principal amount payable at Maturity will be determined;

if such note is an amortizing note, an amortization schedule;

whether the note may be redeemed at our option, or repaid at the holder's option prior to the stated maturity date as described further under "Optional Redemption or Repayment" below, and if so, the terms of the redemption or repayment;

for notes issued in currencies that may be replaced by the euro, redenomination provisions, if any (see "Euro Redenomination" below);

whether the notes will be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) or whether the notes will be unlisted;

in the case of foreign currency notes, whether the notes will be issued in the form of both a DTC global note and international global note as described below;

whether the notes are a reopening of notes previously issued; and

any other terms that do not conflict with the provisions of the Indentures.

Forms of pricing supplements relating to fixed rate notes and floating rate notes are attached to this prospectus supplement as Annex A and Annex B, respectively. However, the pricing supplement for any offering of notes may vary from these forms.

**Form of the Notes.** We will issue the notes either in registered certificated form or pursuant to a book-entry system.

**Book-entry notes.** When we issue notes in book-entry form, we will issue one or more global certificates representing the entire issue of notes. All of the notes that have been issued previously have been issued in book-entry form. Unless we otherwise specify in the applicable pricing supplement, these certificates will name a nominee of The Depository Trust Company, New York, New York ( DTC ) as the owner of the

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notes. DTC maintains a computerized system that will reflect your ownership of the notes through an account you will maintain with your broker/ dealer, bank, trust company or other representative. If specified in the applicable pricing supplements, notes denominated in currencies other than U.S. dollars may also be issued in book-entry form and registered in the name of a nominee for Euroclear and Clearstream, Luxembourg. For additional information regarding such notes, you should review *Special Provisions Relating to Certain Foreign Currency Notes* below.

DTC's nominee will be considered the owner of your note in our records and will be the entity entitled to cast a vote regarding your note. However, DTC and the broker/ dealers, banks, trust companies and other representatives that are part of DTC's computerized system are required to contact you for voting instructions.

***Certificated notes.*** When we issue notes in certificated form, you will receive a certificate evidencing your note. JPMorgan Chase will issue certificated notes on our behalf and will only prepare such certificated notes at our request. The certificate will name you as the owner of the note, unless you choose to have your broker/ dealer, bank, trust company or other representative hold these certificates for you. If your name appears on the certificate evidencing your note, then you will be considered the owner of your note for all purposes under the applicable Indenture. For example, if we need to ask the holders of the notes to vote on a proposed amendment to the notes, you will be asked to cast the vote regarding your note. If you have chosen to have some other entity hold the certificates for you, that entity will be considered the owner of your note in our records and will be entitled to cast the vote regarding your note. However, this entity is required to contact you for voting instructions.

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

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

If specified in the applicable pricing supplement, notes denominated in currencies other than U.S. dollars may also be issued in the form of a DTC global note and an international global note registered in the name of a nominee for Euroclear and Clearstream, Luxembourg. In such cases, the following provisions shall apply:

***Form of Notes.*** Notes offered and sold outside the United States ( *international notes* ) will be represented by beneficial interests in a fully registered permanent global note (the *international global note* ), without interest coupons attached, which will be registered in the name of a nominee for, and shall be deposited with, a common depositary for, and in respect of interests held through Euroclear and Clearstream, Luxembourg. Notes which are offered and sold in the United States ( *DTC notes* ) will be represented by beneficial interests in a fully registered permanent global note (the *DTC global note* and, together with the international global note, the *global notes* ), without interest coupons attached, which will be deposited on or about the closing date with a custodian for, and registered in the name of Cede & Co, as nominee for, DTC. Beneficial interests in the global notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC, Euroclear and Clearstream Luxembourg and their participants.

***Payments.*** If the pricing supplement provides for both a DTC global note and an international global note, then a holder of an interest in a DTC global note will receive all payments under the DTC notes in United States dollars, unless such holder makes an election, as described herein, for payment in the specified currency. Distributions of principal and interest with respect to the international global note will be credited, in the specified currency, to the extent received by Euroclear or Clearstream, Luxembourg, to the cash accounts of Euroclear or Clearstream, Luxembourg customers in accordance with the relevant system's rules and procedures.

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***Euroclear, Clearstream, Luxembourg and DTC arrangements.*** So long as DTC or its nominee or Euroclear, Clearstream, Luxembourg, or their nominee or their common depository is the registered holder of the global notes, DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the case may be, will be considered the sole owner or holder of the notes represented by such global notes for all purposes under the Notes. Payments of principal, interest and additional amounts, if any, in respect of the global notes will be made to DTC, Euroclear, Clearstream, Luxembourg or such nominee, as the registered holder thereof. Neither we nor any agent, underwriter or affiliate or any person by whom any of the above is controlled (as such term is defined in the Securities Act) will have any responsibility or liability for any records relating to or payments made on account of beneficial ownership interests in the global notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The holding of book-entry interests in the global notes through Euroclear, Clearstream, Luxembourg and DTC will be reflected in the book-entry accounts of each such institution. As necessary, the registrar will adjust the amounts of the global notes on the register for the accounts of the nominees for the respective clearing systems.

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

***Trading between Euroclear and/or Clearstream, Luxembourg Participants.*** Secondary market sales of book-entry interests in the international global note to purchasers of book-entry interests in the international global note will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the conventional procedures applicable to Eurobonds.

***Trading between DTC participants.*** Secondary market sales of book-entry interests in the DTC notes between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations if payment is effected in United States dollars, or free of payment if payment is not effected in United States dollars. Where payment is not effected in United States dollars, separate payment arrangements outside DTC are required to be made between DTC participants.

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

***Trading between Euroclear/ Clearstream, Luxembourg seller and DTC purchaser.*** When book-entry interest in the notes are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC participant wishing to purchase a beneficial interest in the DTC global note, the Euroclear or Clearstream, Luxembourg participant must send to Euroclear or Clearstream, Luxembourg, delivery free of payment instructions within its established deadline one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg will in turn transmit appropriate instructions to the common depository for Euroclear and Clearstream, Luxembourg and the registrar to arrange delivery to the DTC participant on the settlement date. Separate payment arrangements are required to be made between the DTC participant and the relevant Euroclear and Clearstream, Luxembourg accountholder, as the case may be. On the



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settlement date, the common depository for Euroclear and Clearstream, Luxembourg will (1) transmit appropriate instructions to the custodian who will in turn deliver such book-entry interests in the notes free of payment to the relevant account of the DTC participant and (2) instruct the registrar to decrease the amount of notes registered in the name of the nominee of the common depository for Euroclear and Clearstream, Luxembourg evidenced by the international global note, and to increase the amount of Notes registered in the name of Cede & Co evidenced by the DTC global note.

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

***Registration and Transfer of Notes***

**Book-entry notes.** If you transfer your note while it is in book-entry form, the transfer will be reflected on the computerized system at DTC or, in the case of non-U.S. dollar denominated notes, Euroclear and Clearstream, Luxembourg. Your broker/ dealer, bank, trust company or other representative will arrange for the transfer to be reflected on the applicable clearing system's records.

**Certificated notes.** In addition to acting as trustee under the Indenture, JPMorgan Chase also acts as our registrar for notes issued in certificated form. You may go to JPMorgan Chase's office at 4 New York Plaza, 1st Floor, GIS Unit Trust Window-ITS Operations, New York, New York 10004 or, in the case of notes to be listed on, or admitted to trading on or by, one or more stock exchange(s), competent authority(ies) and/or market(s) for the purposes of the European Union's Directive 2003/71/EC, to such other place as we may from time to time specify for such purposes in relation to any notes, if you want to:

register the transfer of any certificated note;

exchange certificated notes for notes of different denominations;

deliver payment instructions;

obtain a new note to replace a note that has been lost or destroyed (you may be required to provide a document to JPMorgan Chase and us agreeing to return the new certificate if the missing one is found); or

present notes that have matured or been redeemed in exchange for payment.

***Depository***

Unless specified in the applicable pricing supplement, each note will be deposited with, or on behalf of, DTC, as depository, and registered in the name of Cede & Co. (DTC's partnership nominee). Investors may elect to hold interests in the notes through DTC (in the United States) or, if the notes are eligible, through Clearstream Banking, société anonyme (Clearstream, Luxembourg), or Euroclear Bank S.A./N.V., as operator (the Euroclear Operator) of the Euroclear System (Euroclear), if they are participants in such

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systems or indirectly through organizations which are participants in such systems. Clearstream, Luxembourg and the Euroclear Operator will hold interests on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg and the Euroclear Operator's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the DTC. Citibank, N.A. will act as depositary for Clearstream, Luxembourg and JPMorgan Chase will act as depositary for the Euroclear Operator (in such capacities, the U.S. Depositaries).

If specified in the applicable pricing supplement, notes denominated in currencies other than U.S. dollars may also be issued in registered global form and registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream, Luxembourg.

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

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

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

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

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear

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Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

***Methods of Payment***

***Paying Agents.*** JPMorgan Chase and J.P. Morgan Bank Luxembourg S.A., act as our paying agents and will make all payments on the notes on our behalf.

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

***Book-entry notes.*** JPMorgan Chase will make payments of principal and interest on book-entry notes to the account of DTC's nominee by wire transfer of immediately available funds. Neither we nor JPMorgan Chase will make any payments to owners of beneficial interests in book-entry notes. Instead, DTC will credit the funds to which you are entitled to the account of the broker/ dealer, bank, trust company or other participant of DTC through which you hold your note. That participant, in turn, will credit these funds to your account (or the account of any other intermediary through which you hold your note).

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

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

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

Except as described below, regardless of whether the notes are in book-entry or certificated form, all payments of principal and interest on foreign currency notes (other than dual currency notes) will be made in U.S. dollars based on the Noon Buying Rate. JPMorgan Chase will convert these U.S. dollar payments into the currency of the notes on your behalf if you request the conversion at least ten calendar days before the applicable payment date.



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Any currency conversion will be based upon a firm bid quotation in New York City received by JPMorgan Chase at approximately 11:00 a.m., Eastern Time, on the second Business Day preceding the applicable payment date from a recognized foreign exchange dealer (which may be JPMorgan Chase). If JPMorgan Chase cannot obtain a bid quotation for the conversion of U.S. dollars into the relevant foreign currency, then payments on the note will be made in U.S. dollars.

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

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

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

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

***Recipients of Payments***

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

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

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

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

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

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

**Subordinated Notes**

The description of the subordinated debt securities under Description of Debt Securities Subordinated Debt Securities in the accompanying prospectus is revised to reflect the terms of the Subordinated Indenture to read in its entirety as set forth below. As noted above, the subordination provisions applicable to a particular series may differ from the following and, if so, such difference will be set forth in the applicable pricing supplement.

**The Subordinated Notes will be unsecured.** The Subordinated Notes will be subordinate in right of payment to all our senior indebtedness. (Section 14.01 of Subordinated Indenture).

The Subordinated Indenture defines senior indebtedness to mean:

the principal of, premium, if any, and interest on all indebtedness for money borrowed other than the Subordinated Notes;

obligations arising from any guaranty, letter of credit or similar credit enhancement (including, without limitation, obligations arising from off balance sheet guarantees and direct credit substitutes);

obligations associated with derivative products such as interest rate and foreign exchange rate swaps, forward sales of interests in commodities, and similar arrangements; and

obligations for purchased money;

in each case, regardless of whether such indebtedness or obligations are outstanding on the date of execution of the Subordinated Indenture or thereafter created, assumed or incurred, and any deferral, renewals or extensions thereof.

However, the term senior indebtedness will not include:

any accounts payable or other liability to trade creditors (other than those obligations referenced in the second and third bullet points under the definition of senior indebtedness above) arising in the ordinary course of business, including instruments evidencing those liabilities;

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any indebtedness, guarantee or obligation of ours which is expressly subordinate or junior in right of payment in any respect to any other indebtedness, guarantee or obligation of ours; or

any obligations with respect to any capital stock.

We use the term "indebtedness for money borrowed" to include, without limitation, any obligation of ours for the repayment of borrowed money, whether or not evidenced by bonds, debentures, notes, or other written instruments, and any deferred obligation for the payment of the purchase price of property or assets.

There is no limitation on our ability to issue additional senior indebtedness. The Senior Notes constitute senior indebtedness under the Subordinated Indenture.

Under the Subordinated Indenture, no payment may be made by us on the Subordinated Notes and no purchase, redemption or retirement by us of any Subordinated Notes may be made in the event:

any senior indebtedness is not paid when due, or

the maturity of any senior indebtedness is accelerated as a result of a default, in either case, unless the default has been cured or waived and the acceleration has been rescinded or that senior indebtedness has been paid in full.

In addition, the right to accelerate the Subordinated Notes upon an Event of Default is limited. Subordinated Notes can be accelerated, unless the principal of such series of Subordinated Notes shall have already become due and payable, only in the event of an Event of Default arising from certain events involving bankruptcy, insolvency or reorganization, and the right to receive payment through an acceleration will not be available for any other Events of Default including, without limitation, failure to pay principal, interest or premium on the Subordinated Notes. (Section 6.01 of the Subordinated Indenture).

In the event we pay or distribute our assets to creditors upon a total or partial liquidation, dissolution or bankruptcy, reorganization, insolvency or receivership of us or our property, the holders of senior indebtedness will be entitled to receive payment in full of the senior indebtedness before the holders of Subordinated Notes are entitled to receive any payment and until the senior indebtedness is paid in full, any payment or distribution to which holders of Subordinated Notes would be entitled but for the subordination provisions of the Subordinated Indenture will be made to holders of the senior indebtedness (except that the holders of Subordinated Notes may receive shares of stock and any debt securities that are subordinated to Senior Indebtedness to at least the same extent as the Subordinated Notes and do not provide for the payment of principal prior to the maturity of all Senior Indebtedness). (Section 14.02 of Subordinated Indenture).

If a distribution is made to holders of Subordinated Notes that, due to the subordination provisions, should not have been made to them, those holders of Subordinated Notes are required to hold it in trust for the holders of senior indebtedness and pay it over to them as their interests may appear. (Section 14.04 of Subordinated Indenture).

As a result of the subordination provisions contained in the subordinated indenture, in the event of default or insolvency, our creditors who are holders of senior indebtedness are likely to recover more, ratably, than the holders of Subordinated Notes. It is important to keep this in mind if you decide to hold our Subordinated Notes.

**Subordinated Notes Events of Default**

The description of the events of default with respect to Subordinated Notes under "Description of Debt Securities Events of Default" in the accompanying prospectus is revised to reflect the terms of the Subordinated Indenture to read in its entirety as set forth below. As noted above, the events of default and related remedies may be deleted, modified or added to for a particular series and, if so, such changes will be set forth in the applicable pricing supplement.

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The Subordinated Indenture defines an Event of Default with respect to any series of Subordinated Notes as any of the following:

default in any payment of principal or premium, if any, on any Subordinated Note of such series;

default for 30 days in payment of any interest, if any, on any Subordinated Note of such series;

default in the making or satisfaction of any sinking fund payment or analogous obligation on the Subordinated Notes of such series;

certain events involving bankruptcy, insolvency or reorganization;

any other event of default provided in the instrument establishing such series of Subordinated Notes. (Section 6.01).

The Subordinated Indenture requires us to deliver to the Trustee annually a written statement as to the presence or absence of certain defaults under the terms thereof. (Section 4.05). An Event of Default under one series of Subordinated Notes does not necessarily constitute an Event of Default under any other series of Subordinated Notes. The Subordinated Indenture provides that the Trustee may withhold notice to the holders of any series of Subordinated Notes issued thereunder of any default if the Trustee considers it in the interest of such noteholders to do so provided the Trustee may not withhold notice of default in the payment of principal, premium, if any, or interest, if any, on any of the Subordinated Notes of such series or in the making of any sinking fund installment or analogous obligation with respect to such series. (Section 6.08).

The Subordinated Indenture provides that if an Event of Default arising from certain events involving bankruptcy, insolvency or reorganization occurs and is continuing with respect to a series of Subordinated Notes, then the Trustee or the holders of not less than 25% in aggregate principal amount of the outstanding Subordinated Notes of such series may declare the principal, or in the case of discounted Subordinated Notes, a portion of the principal amount, of all such Subordinated Notes to be due and payable immediately. Under certain conditions such declaration may be annulled by the holders of a majority in principal amount of such Subordinated Notes then outstanding. The holders of a majority in aggregate principal amount of such Subordinated Notes then outstanding may also waive on behalf of all holders past defaults with respect to a particular series of Subordinated Notes except, unless previously cured, a default in payment of principal, premium, if any, or interest, if any, on any of the Subordinated Notes of such series, or the payment of any sinking fund installment or analogous obligation on the Subordinated Notes of such series. (Sections 6.01 and 6.07).

In the Subordinated Indenture, we agree that in case of an Event of Default pursuant to the first, second or third bullet points above, then, upon demand of the Trustee, we will pay to the Trustee, for the benefit of the holder of any Subordinated Note in respect of which the Event of Default has occurred (or holders of any series of Subordinated Notes in the case of the third bullet point above) the whole amount that then shall have become due and payable on any such Subordinated Note (or Subordinated Notes of any such series in the case of the third bullet point above) for principal, premium, if any, and interest, if any, with interest upon the overdue principal and premium, if any, and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest, if any, at the Overdue Rate (as defined in the Subordinated Indenture) applicable to any such Subordinated Note (or Subordinated Notes of any such series in the case of the third bullet point above). In addition, we will pay to the Trustee any further amount as shall be sufficient to cover costs and expenses of collection and any further amounts payable to the Trustee. (Section 6.02). The Trustee or a holder may bring suit for the collection of amounts set forth in this paragraph. The foregoing rights in respect of payment defaults do not, however, permit the acceleration of amounts scheduled to become due and payable, which remedy is limited as noted above to certain events involving bankruptcy, insolvency or reorganization.

Other than the duties of a trustee during a default, the Trustee is not obligated to exercise any of its rights or powers under the Subordinated Indenture at the request, order or direction of any holders of Subordinated Notes of

any series issued thereunder unless such holders shall have offered to the Trustee reasonable indemnity. (Sections 7.01 and 7.02). Subject to such indemnification provision, the Subordinated Indenture

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provides that the holders of a majority in aggregate principal amount of the Subordinated Notes of any series issued thereunder at the time outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee thereunder, or exercising any trust or power conferred on such Trustee with respect to the Subordinated Notes of such series. However, the Trustee may decline to act if it determines that the proceedings so directed would be illegal or involve it in any personal liability. (Section 6.07).

**Interest and Interest Rates**

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

***Fixed Rate Notes***

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

***Floating Rate Notes***

***General***

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

CMT Rate;

the Commercial Paper Rate;

the Eleventh District Cost of Funds Rate;

the Federal Funds Rate;

LIBOR;

the Prime Rate;

the Treasury Rate; or

another rate specified in the applicable pricing supplement.

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

***Date of Interest Rate Change***

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

for floating rate notes that reset daily, each Business Day;

for floating rate notes (other than Treasury Rate notes) that reset weekly, Wednesday of each week;

for Treasury Rate notes that reset weekly, Tuesday of each week;



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for floating rate notes (other than Eleventh District Cost of Funds Rate Notes) that reset monthly, the third Wednesday of each month;

for Eleventh District Cost of Funds Rate Notes, all of which reset monthly, the first calendar day of each month;

for floating rate notes that reset quarterly, the third Wednesday of March, June, September and December of each year;

for floating rate notes that reset semiannually, the third Wednesday of each of the two months specified in the pricing supplement; and

for floating rate notes that reset annually, the third Wednesday of the month specified in the pricing supplement.

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

*How Interest Is Calculated*

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

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

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

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



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

*When Interest Is Paid*

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

- (a) for notes that reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September and December of each year specified in the pricing supplement;
- (b) for notes that reset quarterly, on the third Wednesday of March, June, September, and December of each year specified in the pricing supplement;
- (c) for notes that reset semiannually, on the third Wednesday of each of two months of each year specified in the pricing supplement; and
- (d) for notes that reset annually, on the third Wednesday of one month of each year specified in the pricing supplement.

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

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

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

References below to information services include any successor information services.

*CMT Rate Notes*

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

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

(1) if the Designated CMT Telerate Page is 7051, the rate for the Interest Determination Date; or

(2) if the Designated CMT Telerate Page is 7052, the weekly or monthly average, as applicable, ended immediately preceding the week or month, as applicable, in which the Interest Determination Date occurs. The following procedures will apply if the rate cannot be set as described above:

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

(b) If the rate is no longer published in H.15(519), or is not published by 3:00 p.m., New York City time, on the Calculation Date, then the CMT Rate for that determination date will be the Treasury constant maturity rate for the specified Index Maturity (or other U.S. Treasury rate for such Index

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Maturity for that Interest Determination Date) as may then be published by either the Federal Reserve Board or the U.S. Department of the Treasury that the calculation agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in the relevant H.15(519).

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

The calculation agent will eliminate the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest), for the most recently issued direct noncallable fixed rate obligations of the United States ( Treasury Notes ) with an original maturity of approximately the specified Index Maturity and a remaining term to maturity of not less than the specified Index Maturity minus one year.

If two Treasury notes with an original maturity as described in the preceding sentence have remaining terms to maturity equally close to the specified Index Maturity, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

(d) If the calculation agent cannot obtain three Treasury note quotations, the CMT Rate will be calculated as a yield to maturity based on the average of the secondary market bid side prices as of approximately 3:30 p.m., New York City time, on that Interest Determination Date of three Reference Dealers in The City of New York selected by the calculation agent using the same method described above, for Treasury notes with an original maturity of the number of years that is the next highest to the specified Index Maturity with a remaining term to maturity closest to such Index Maturity and in an amount of at least \$100,000,000. If three or four (and not five) of the Reference Dealers are providing quotes, then the CMT Rate will be based on the average of the offer prices obtained, and neither the highest nor the lowest of such quotes will be eliminated.

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

*CD Rate Notes*

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

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

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

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

(b) If the rate is not yet published in H.15(519), H.15 Daily Update or another recognized electronic source by 3:00 p.m., New York City time, on the Calculation Date, the CD Rate will be the average of the secondary market offered rates, as of 10:00 a.m., New York City time, of three leading nonbank dealers of negotiable U.S. dollar certificates of deposit in The City of New York selected by

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the calculation agent for negotiable certificates of deposit of major money market banks with a remaining maturity closest to the specified Index Maturity in a denomination of \$5,000,000.

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

*Commercial Paper Rate Notes*

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

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

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

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

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

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

*Eleventh District Cost of Funds Rate Notes*

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

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

*Federal Funds Rate Notes*

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

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

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

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

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

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

*LIBOR Notes*

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

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

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

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

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

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

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

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

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

*Prime Rate Notes*

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

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

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

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

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

(c) If fewer than four, but more than one, rates appear on the Reuters Screen USPRIME1 Page, the Prime Rate will be the average of the prime rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on the Interest Determination Date by four major money center banks in The City of New York selected by the calculation agent.

(d) If fewer than two rates appear, the Prime Rate will be determined based on the rates furnished in The City of New York by the appropriate number of substitute banks or trust companies organized and doing business under the laws of the United States, or any State thereof, having total equity capital of at least \$500 million and being subject to supervision or examination by a Federal or State authority, as selected by the calculation agent.

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

*Treasury Rate Notes*

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

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

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

(a) If, by 3:00 p.m., New York City time, on the Calculation Date for an Interest Reset Period, Treasury bills of the specified Index Maturity have been auctioned on an Interest Determination Date during that Interest Reset Period, but the rate for such Interest Determination Date does not appear on either Telerate Page 56 or Telerate Page 57, the rate will be the Bond Equivalent Yield on such Interest Determination Date of the rate for Treasury bills of the specified Index Maturity as set forth in H.15 Daily Update, or such other recognized electronic source used for the purpose of displaying such rate, for that day under the caption U.S. Government securities/ Treasury bills/ Auction high.

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

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

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

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

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

**Indexed Notes**

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

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

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

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



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**Dual Currency Notes**

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

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

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

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

**Renewable Notes**

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

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

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

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

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

**Extendible Notes**

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



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herein. The notice will specify the notes' new Maturity date, the interest rate applicable to the extension period and any applicable redemption provisions.

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

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

**Amortizing Notes**

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

**Original Issue Discount Notes**

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

**Other Provisions, Addenda**

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

**Euro Redenomination**

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

**Notices**

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

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

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deemed to have been given to the relevant investors on the seventh day after the day on which such notice was given to Euroclear and Clearstream, Luxembourg.

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

**GLOBAL CLEARANCE AND SETTLEMENT PROCEDURES**

Initial settlement for the notes will be made in immediately available funds. Secondary market trading between DTC Participants will occur in the ordinary way in accordance with DTC's rules and will be settled in immediately available funds using DTC's Same-Day Funds Settlement System. Secondary market trading between Clearstream Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through DTC on the one hand, and directly or indirectly through Clearstream Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with DTC's rules on behalf of the relevant European international clearing system by its U.S. Depositary. However, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depositary to take action to effect final settlement on its behalf by delivering or receiving notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Clearstream Participants and Euroclear Participants may not deliver instructions directly to DTC.

Because of time-zone differences, credits of notes received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and will be credited the business day following the DTC settlement date. Such credits or any transactions in such notes settled during such processing will be reported to the relevant Euroclear Participants or Clearstream Participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of notes by or through a Clearstream Participant or a Euroclear Participant to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in the DTC.

Although the DTC, Clearstream, Luxembourg and the Euroclear Operator have agreed to the foregoing procedures in order to facilitate transfers of notes among participants in DTC, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

If the applicable pricing supplement relating to an issue of non-U.S. dollar denominated notes specifies that such notes are to be issued in the form of both a DTC global note and an international global note, certain alternative clearance and settlement procedures will apply. Such alternative procedures are described above under "Description of Notes—General—*Special Provisions Relating to Certain Foreign Currency Notes*."

***Secondary Market Trading***

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

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*Trading between DTC Participants*

Secondary market sales of notes held in DTC between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations.

*Trading between Euroclear and/or Clearstream Participants*

Secondary market sales of beneficial interests in the notes held through Euroclear or Clearstream, Luxembourg to purchasers that will hold beneficial interests through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

*Trading between DTC Seller and Euroclear/ Clearstream, Luxembourg Purchaser*

When book-entry interests in notes are to be transferred from the account of a DTC participant to the account of a Euroclear or Clearstream, Luxembourg accountholder, the purchaser must first send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg will then instruct its depository to receive the notes and make payment for them. On the settlement date, the depository will make payment to the DTC participant's account and the notes will be credited to the depository's account. After settlement has been completed, DTC will credit the notes to the U.S. Depository for Euroclear or Clearstream, Luxembourg, as the case may be. Euroclear or Clearstream, Luxembourg will credit the notes, in accordance with its usual procedures, to the participant's account, and the participant will then credit the purchaser's account. These securities credits will appear the next day (European time) after the settlement date. The cash debit from the account of Euroclear or Clearstream, Luxembourg will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the cash debit will instead be valued at the actual settlement date. Since the settlement will occur during New York business hours, a DTC participant selling an interest in the notes can use its usual procedures for transferring notes to the U.S. Depository for Euroclear or Clearstream, Luxembourg, as the case may be, for the benefit of Euroclear Participants or Clearstream Participants. The DTC seller will receive the sale proceeds on the settlement date. Thus, to the DTC seller, a cross-market sale will settle no differently than a trade between two DTC Participants.

*Trading between a Euroclear or Clearstream, Luxembourg Seller and a DTC Purchaser*

Due to time zone differences in their favor, Euroclear Participants and Clearstream, Luxembourg participants can use their usual procedures to transfer notes through the applicable U.S. Depository to a DTC participant. The seller must first send instructions to Euroclear or Clearstream, Luxembourg through a participant at least one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg will then instruct its U.S. Depository to credit the notes to the DTC participant's account and receive payment. The payment will be credited in the account of the Euroclear or Clearstream, Luxembourg participant on the following day, but the receipt of the cash proceeds will be back-valued to the value date (which will be the preceding day if settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade fails), the receipt of the cash proceeds will instead be valued at the actual settlement date.

Although the foregoing sets out the procedures of Euroclear, Clearstream, Luxembourg and DTC in order to facilitate the transfers of interests in the notes among participants of DTC, Clearstream, Luxembourg and Euroclear, none of Euroclear, Clearstream, Luxembourg or DTC is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither we nor any agent or any paying agent, any underwriter or any affiliate of any of the above, or any person by whom any of the above is controlled for the purposes of the United States Securities Act of 1933, as amended, will have any responsibility for the performance by DTC, Euroclear and Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described above.

**Table of Contents****CAPITALIZATION OF GENERAL ELECTRIC CAPITAL CORPORATION**

The following table set forth our capitalization and indebtedness and our consolidated affiliates, consisting of borrowings and equity, at December 31, 2004 and June 30, 2005:

	<b>Outstanding at December 31, 2004 (Restated)</b>	<b>(unaudited) Outstanding at June 30, 2005</b>
<b>(Dollar amounts in millions)</b>		
<b>Liabilities and Shareowner's Equity</b>		
Borrowings:		
Short-term borrowings	\$ 147,792	\$ 135,326
Senior long-term borrowings	203,714	210,346
Subordinated long-term borrowings	820	773
Total borrowings	352,326	346,445
Accounts Payable	17,083	16,337
Insurance liabilities, reserves and annuity benefits	103,890	103,975
Other liabilities	23,253	21,901
Deferred income taxes	10,270	11,494
Total liabilities	506,822	500,152
Minority interest in equity of consolidated affiliates	6,105	8,766
Equity:		
Variable cumulative preferred stock-par value \$100, liquidation preference \$100,000 per share (33,000 shares authorized and 26,000 shares outstanding)	3	3
Common stock, \$14.00 par value (4,166,000 shares authorized and 3,985,403 shares outstanding)	56	56
Additional paid-in capital	14,539	14,563
Retained earnings	34,947	37,277
Accumulated gains/(losses) net:		
Investment securities	974	1,026
Currency translation adjustments	4,844	2,822
Cash flow hedges	(1,281)	(960)
Minimum pension liabilities	(124)	(135)
Total equity	53,958	54,652
Total capitalization	\$ 566,885	\$ 563,570

There has been no material change in our capitalization and/or indebtedness or that of our consolidated affiliates considered as a whole since June 30, 2005.



**Table of Contents****SELECTED CONSOLIDATED EARNINGS AND FINANCIAL POSITION DATA OF  
GENERAL ELECTRIC CAPITAL CORPORATION**

The following consolidated earnings data for each of the years in the three-year period ended December 31, 2004, and the consolidated financial position data as of December 31, 2004 and 2003, have been taken or computed from the audited financial statements of GECC and our consolidated affiliates included in our Annual Report on Form 10-K, as amended by amendment No. 1 on Form 10-K/ A, for the fiscal year ended December 31, 2004. The consolidated earnings data for the six month period ended June 30, 2005 have been taken or computed from our unaudited condensed financial statements included in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2005. The Annual Report and Quarterly Report are incorporated by reference in this prospectus. The following selected consolidated earnings and financial position data should be read in conjunction with the financial statements of GECC and our consolidated affiliates contained in such document.

**Consolidated Earnings Data**

	Year Ended December 31,			(unaudited) Six Months Ended	
	2004 (Restated)	2003 (Restated)	2002 (Restated)	June 30, 2005	June 30, 2004 (Restated)
Earned income	\$ 59,850	\$ 53,370	\$ 48,835	\$ 32,337	\$ 28,329
Interest expense	11,158	9,999	9,479	7,023	5,394
Operating and administrative expense	18,810	15,243	13,175	9,646	9,389
Insurance losses and policyholder and annuity benefits	7,139	8,510	8,275	4,189	3,539
Cost of goods sold	2,741	2,119	3,039	1,263	1,252
Provision for losses on financing receivables	3,868	3,612	2,978	1,888	1,956
Depreciations and amortization of equipment on operating leases (including buildings and equipment)	5,774	4,594	4,248	3,023	2,841
Minority interest in net earnings of consolidated affiliates	359	84	95	294	104
Earnings before income taxes and accounting changes	10,001	9,209	7,546	5,011	3,854
Provision for income taxes	(1,741)	(1,743)	(992)	(808)	(672)
Earnings before accounting changes	\$ 8,260	\$ 7,466	\$ 6,554	\$ 4,203	\$ 3,182

The consolidated ratios of earnings to fixed charges for the years ended December 31, 2004 and December 31, 2003, as restated, were 1.89 and 1.86, respectively. The consolidated ratios of earnings to fixed charges for the six month periods ended June 30, 2005 and June 30, 2004 (June 30, 2004, as restated) were 1.72 and 1.71, respectively. For purposes of computing the consolidated ratios of earnings to fixed charges, earnings consist of net earnings

adjusted for the provision for income taxes, minority interest, interest capitalized (net of amortization) and fixed charges. Fixed charges consist of interest on all indebtedness and one-third of annual rentals, which we believe is a reasonable approximation of the interest factor of such rentals.

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**Table of Contents****Consolidated Financial Position Data:**

	<b>At December 31,</b>		
	<b>2004</b>	<b>2003</b>	<b>(unaudited)</b>
	<b>(Restated)</b>	<b>(Restated)</b>	<b>At June 30,</b>
			<b>2005</b>
<b>Financing receivables:</b>			
Time sales and loans net of deferred income	\$ 218,837	\$ 187,941	\$ 214,359
Investment in financing leases net of deferred income	66,340	63,760	63,358
Total Financing receivables	285,177	251,701	277,717
Allowance for losses on financing receivables	(5,589)	(6,198)	(5,010)
Financing receivables net	\$ 279,588	\$ 245,503	\$ 272,707
<b>Percent of allowance for losses on financing receivable to total financing receivables</b>			
	1.96%	2.46%	1.80%
Equipment on operating leases (including buildings and equipment)	46,351	38,621	48,342
Intangible assets net	25,426	22,610	25,274
Other assets	69,408	60,348	70,595
Total assets	\$ 566,885	\$ 506,773	\$ 563,570
<b>Capitalization:</b>			
Notes payable within one year	\$ 147,792	\$ 148,556	\$ 135,326