

GENERAL ELECTRIC CAPITAL CORP
Form 424B3
April 19, 2007

PRICING SUPPLEMENT No. 4590
(To prospectus dated March 29, 2006 and
prospectus supplement dated March 29, 2006)

Filed pursuant to Rule 424(b)(3)
Registration Statement No. 333-132807

\$1,000,000,000
General Electric Capital Corporation
6.00% Public Income NotES (PINES®) due April 24,
2047

We are offering \$1,000,000,000 of 6.00% Public Income NotES due April 24, 2047, which we refer to as [PINES]. The PINES will be our senior obligations and will rank on parity with all of our existing and future unsecured and unsubordinated indebtedness. We will pay interest on the PINES on January 24th, April 24th, July 24th and October 24th of each year and on the maturity date. The first such payment will be on July 24, 2007. We may redeem the PINES, in whole or in part, at any time on or after April 24, 2012 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date. The PINES will be issued in minimum denominations of \$25 and integral multiples thereof.

We intend to list the PINES on the New York Stock Exchange and expect trading in the PINES on the New York Stock Exchange to begin within 30 days after the original issue date. The PINES are expected to trade [flat,] meaning that purchasers will not pay, and sellers will not receive, any accrued and unpaid interest on the PINES that is not included in the trading price.

| | <u>Per PINES</u> | <u>Total</u> |
|--|-------------------------|---------------------|
| Public offering price | 100.00% | \$ 1,000,000,000 |
| Underwriting discount | 3.15% | \$ 31,500,000 |
| Proceeds, before expenses, to the Company | 96.85% | \$ 968,500,000 |

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

The PINES will be ready for delivery in book-entry form only through The Depository Trust Company on or about April 24, 2007. The CUSIP and ISIN numbers for the PINES are 369622451 and US3696224514, respectively.

[PINES®] is a registered service mark of Citigroup Global Markets Inc.

Citi

Merrill Lynch & Co.

Morgan Stanley

UBS Investment Bank

Wachovia Securities

The date of this pricing supplement is April 17, 2007.

You should rely only on the information contained in or incorporated by reference in this pricing supplement and the accompanying prospectus supplement and prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this pricing supplement or the accompanying prospectus supplement and prospectus is accurate as of any date other than the date on the front of this pricing supplement.

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In this pricing supplement, the "Company", "we", "us" and "our" refer to General Electric Capital Corporation. Capitalized terms used in this pricing supplement which are defined in the prospectus supplement shall have the meanings assigned to them in the prospectus supplement.

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ALTERNATIVE SETTLEMENT DATE

It is expected that delivery of the PINES will be made on or about the date specified on the cover page of this pricing supplement, which will be the fifth Business Day following the date of this pricing supplement. Under Rule 15c6-1 of the Securities Exchange Commission (SEC) under the Securities Exchange Act of 1934, trades in the secondary market generally are required to settle in three Business Days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade PINES on the date of this pricing supplement or the next two succeeding Business Days will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of PINES who wish to trade PINES on the date of this pricing supplement or the next two succeeding Business Days should consult their own advisors.

THE COMPANY

General

At December 31, 2006, the Company had outstanding indebtedness totaling \$425.713 billion, consisting of notes payable within one year, senior notes payable after one year and subordinated notes payable after one year. The total amount of outstanding indebtedness at December 31, 2006, excluding subordinated notes payable after one year, was equal to \$420.811 billion.

Consolidated Ratio of Earnings to Fixed Charges

The information contained in the Prospectus under the caption "Consolidated Ratio of Earnings to Fixed Charges" is hereby amended in its entirety, as follows:

| <u>Year Ended December 31,</u> | | | | |
|--------------------------------|-------------|-------------|-------------|-------------|
| <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> |
| 1.43 | 1.77 | 1.87 | 1.70 | 1.64 |

For purposes of computing the consolidated ratio of earnings to fixed charges, earnings consist of net earnings adjusted for the provision for income taxes, minority interest and fixed charges.

Fixed charges consist of interest and discount on all indebtedness and one-third of rentals, which the Company believes is a reasonable approximation of the interest factor of such rentals.

DESCRIPTION OF THE PINES

General

We provide information to you about the PINES in three separate documents:

- this pricing supplement which specifically describes the PINES being offered;
- the accompanying prospectus supplement which describes the Company's Global Medium-Term Notes, Series A; and
- the accompanying prospectus which describes generally the debt securities of the Company.

The PINES are "senior, unsecured debt securities" as described in the accompanying prospectus and "fixed rate notes" as described in the accompanying prospectus supplement. This description supplements the

description of the general terms and provisions of the debt securities found in the accompanying prospectus and prospectus supplement.

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The PINES

- will be our senior, unsecured obligations,
- will rank equally with all our other unsecured and unsubordinated indebtedness from time to time outstanding,
- will initially be limited in aggregate principal amount to \$1,000,000,000; we may, without the consent of the holders, increase such principal amount in the future, on the same terms and conditions and with the same CUSIP number as the PINES being offered hereby,
- will mature on April 24, 2047,
- will be issued in minimum denominations of \$25 and integral multiples thereof,
- will be redeemable at our option, in whole or in part, at any time on or after April 24, 2012 at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date, and
- are expected to be listed on the New York Stock Exchange.

Quarterly Payments

Interest on the PINES will accrue from April 24, 2007 at a rate of 6.00% per annum and will be payable initially on July 24, 2007 and thereafter quarterly on January 24th, April 24th, July 24th and October 24th of each year and on the maturity date (each an "Interest Payment Date"). On an Interest Payment Date, interest will be paid to the persons in whose names the PINES were registered as of the record date. With respect to any Interest Payment Date, for so long as the PINES are represented by global securities, the record date will be the close of business on the Business Day prior to the relevant Interest Payment Date, and in the case the PINES are no longer represented by global securities, the record date will be the close of business on the 15th calendar day (whether or not a Business Day) prior to the relevant Interest Payment Date.

The amount of interest payable for any period will be computed on the basis of twelve 30-day months and a 360-day year. If any Interest Payment Date falls on a Saturday, Sunday, legal holiday or a day on which banking institutions in The City of New York are authorized by law or regulation to close, then payment of interest may be made on the next succeeding Business Day and no additional interest will accrue because of such delayed payment.

Redemption and Repayment

The PINES will be redeemable at our option, in whole or in part, at any time on or after April 24, 2012, upon not less than 30 nor more than 60 days notice, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to the redemption date. Additionally, we may at any time repurchase PINES at any price in the open market and may hold, resell or surrender such PINES to the Trustee for cancellation. You will not have the right to require us to repay PINES prior to maturity. The PINES are not subject to any sinking fund provision.

Trading Characteristics

We expect the PINES to trade at a price that takes into account the value, if any, of accrued and unpaid interest. This means that purchasers will not pay, and sellers will not receive, accrued and unpaid interest on the PINES that is not included in their trading price. Any portion of the trading price of a PINES that is attributable to accrued and unpaid interest will be treated as ordinary interest income for U.S. federal income tax purposes and will not be treated as part of the amount realized for purposes of determining gain or loss on the disposition of the PINES. See United States Tax Considerations below.

Book-Entry, Delivery and Form

The PINES will be issued in the form of one or more fully registered global certificates (the Global Notes) which will be deposited with, or on behalf of, The Depository Trust Company, New York, New York (the Depository) and registered in the name of Cede & Co., the Depository's nominee. PINES in definitive form will not be issued, unless the Depository notifies us that it is unwilling or unable to continue as depository for Global Notes and we do not appoint a successor depository within 90 days or unless we otherwise so determine in our sole discretion, subject to the procedures of the Depository. Beneficial interests in the Global Notes will be represented

through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in the Depository.

UNITED STATES TAX CONSIDERATIONS

The following discussion summarizes certain U.S. federal income tax considerations that may be relevant to you if you invest in PINES. The following information replaces the information provided in the prospectus supplement under the caption "United States Tax Considerations." Except as discussed under "Non-U.S. Holders" and "Information Reporting and Backup Withholding," the discussion generally applies only to holders of PINES that are U.S. holders.

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

This summary is based on laws, regulations, rulings and decisions now in effect, all of which may change. Any change could apply retroactively and could affect the continued validity of this summary. You should consult your tax adviser about the tax consequences of purchasing or holding PINES, including the relevance to your particular situation of the considerations discussed below, as well as the relevance to your particular situation of state, local or other tax laws.

Payments or Accruals of Interest

Payments or accruals of interest on PINES will be taxable to you as ordinary interest income at the time that you receive or accrue such amounts (in accordance with your regular method of tax accounting).

Purchase, Sale and Retirement of PINES

Your tax basis in your PINES generally will be its cost, however, your tax basis does not include any portion of your purchase price which represents accrued but unpaid interest. You will generally recognize capital gain or loss on the sale or retirement of your PINES equal to the difference between the amount you realize on the sale or retirement (excluding any amounts attributable to accrued but unpaid interest which will be subject to tax in the manner described under "Payments or Accruals of Interest") and your tax basis in your PINES.

The PINES trade "flat," which means that upon the disposition of PINES you will not receive a separate amount representing accrued interest. Notwithstanding the foregoing, the portion of the proceeds you receive upon the disposition of PINES that represents interest that has accrued from the last interest payment date must be treated for U.S. federal income tax purposes (and for U.S. federal income tax reporting purposes) as interest rather than disposition proceeds.

Non-U.S. Holders

If you are a non-resident alien individual or a foreign corporation (a "non-U.S. holder"), the interest income that you derive in respect of the PINES generally will be exempt from United States federal withholding tax. This exemption will apply to you provided that

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- you do not actually or constructively own 10 percent or more of the combined voting power of all classes of our stock and you are not a controlled foreign corporation that is related, directly or indirectly, to us through stock ownership, and

- the beneficial owner provides a statement (generally, an Internal Revenue Service Form W-8BEN) signed under penalties of perjury that includes its name and address and certifies that it is a non-U.S. person in compliance with applicable requirements (or satisfies certain documentary evidence requirements for establishing that it is a non-U.S. person).

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If you are a non-U.S. holder, any gain you realize on a sale, exchange or other disposition of PINES generally will be exempt from United States federal income tax, including withholding tax. This exemption will not apply to you if your gain is effectively connected with your conduct of a trade or business in the United States or you are an individual holder and are present in the United States for 183 days or more in the taxable year of the disposition and either your gain is attributable to an office or other fixed place of business that you maintain in the United States or you have a tax home in the United States.

United States Federal estate tax will not apply to PINES held by you if at the time of death you were not a citizen or resident of the United States, you did not actually or constructively own 10 percent or more of the combined voting power of all classes of our stock and payments of interest on PINES would not have been effectively connected with the conduct by you of a trade or business in the United States.

For purposes of applying the rules set forth under this heading [Non-U.S. Holders] to PINES held by an entity that is treated as fiscally transparent (for example, a partnership) for U.S. federal income tax purposes, the beneficial owner means each of the ultimate beneficial owners of the entity.

Information Reporting and Backup Withholding

The paying agent must file information returns with the Internal Revenue Service in connection with payments made on PINES to certain U.S. holders. You may also be subject to information reporting and backup withholding tax requirements with respect to the proceeds from a sale of PINES. If you are a U.S. holder, you generally will not be subject to United States backup withholding tax on such payments if you provide your taxpayer identification number to the paying agent. If you are a non-U.S. holder, you may have to comply with certification procedures to establish your non-U.S. status in order to avoid information reporting on IRS Form 1099 (although such amounts may be subject to reporting on IRS Form 1042-S) and backup withholding tax. The certification procedures required to claim the exemption from withholding tax on interest income described above will satisfy these requirements. The amount of any backup withholding from a payment to a holder may be allowed as a credit against the holder's U.S. federal income tax liability and may entitle the holder to a refund, provided that the required information is timely furnished to the Internal Revenue Service.

UNDERWRITING

Subject to the terms and conditions set forth in a terms agreement dated April 17, 2007, between us and the underwriters named below (the "Underwriters"), incorporating the terms of a distribution agreement dated as of March 29, 2006, between us and the agents named in the prospectus supplement, we have agreed to sell to the Underwriters, and the Underwriters have severally agreed to purchase, as principals, the respective principal amounts of the PINES set forth below opposite their names.

| <u>Underwriter</u> | <u>Principal Amount of PINES</u> |
|--|----------------------------------|
| Citigroup Global Markets Inc. | \$ 180,800,000 |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | \$ 180,800,000 |
| Morgan Stanley & Co. Incorporated | \$ 180,800,000 |
| UBS Securities LLC | \$ 180,800,000 |
| Wachovia Capital Markets, LLC | \$ 180,800,000 |
| A.G. Edwards & Sons, Inc. | \$ 4,000,000 |
| Banc of America Securities LLC | \$ 4,000,000 |
| Charles Schwab & Co., Inc. | \$ 4,000,000 |
| H&R Block Financial Advisors, Inc. | \$ 4,000,000 |
| InCapital LLC | \$ 4,000,000 |
| KeyBanc Capital Markets, a division of McDonald Investments Inc. | \$ 4,000,000 |
| Oppenheimer & Co. Inc. | \$ 4,000,000 |
| Raymond James & Associates, Inc. | \$ 4,000,000 |
| RBC Dain Rauscher Inc. | \$ 4,000,000 |
| TD Ameritrade, Inc. | \$ 4,000,000 |
| Wells Fargo Securities, LLC | \$ 4,000,000 |
| B.C. Ziegler and Company | \$ 2,000,000 |
| Blaylock & Company, Inc | \$ 2,000,000 |
| CastleOak Securities, LP | \$ 2,000,000 |
| Crowell, Weedon & Co. | \$ 2,000,000 |
| D.A. Davidson & Co. | \$ 2,000,000 |
| Davenport & Company LLC | \$ 2,000,000 |
| Ferris, Baker Watts, Incorporated | \$ 2,000,000 |
| Fifth Third Securities, Inc. | \$ 2,000,000 |
| Fixed Income Securities, LP | \$ 2,000,000 |
| J.J.B. Hilliard, W.L. Lyons, Inc. | \$ 2,000,000 |
| Janney Montgomery Scott LLC | \$ 2,000,000 |
| Mesirow Financial, Inc. | \$ 2,000,000 |
| Morgan Keegan & Company, Inc. | \$ 2,000,000 |
| Muriel Siebert & Co., Inc. | \$ 2,000,000 |
| Robert W. Baird & Co. Incorporated | \$ 2,000,000 |
| Ryan Beck & Co., Inc. | \$ 2,000,000 |
| Samuel A. Ramirez & Co., Inc. | \$ 2,000,000 |
| Southwest Securities, Inc. | \$ 2,000,000 |
| Stifel, Nicolaus & Company, Incorporated | \$ 2,000,000 |
| Stone & Youngberg LLC | \$ 2,000,000 |
| SunTrust Capital Markets, Inc. | \$ 2,000,000 |

| | | |
|----------------------------------|----|------------------|
| The Williams Capital Group, L.P. | \$ | 2,000,000 |
| Toussaint Capital Partners, LLC | \$ | 2,000,000 |
| Utendahl Capital Partners, L.P. | \$ | 2,000,000 |
| Wedbush Morgan Securities Inc. | \$ | 2,000,000 |
| William Blair & Company, L.L.C. | \$ | 2,000,000 |
| TOTAL | | \$ 1,000,000,000 |

Prior to this offering, there has been no public market for the PINES. We intend to list the PINES on the New York Stock Exchange, and we expect trading in the PINES on the New York Stock Exchange to begin within 30 days after the original issue date. In order to meet one of the requirements for listing the PINES, the Underwriters will undertake to sell the PINES to a minimum of 400 beneficial holders.

The PINES are a new issue of securities with no established trading market. The Underwriters have advised us that they intend to make a market in the PINES but are not obligated to do so and may discontinue market making at any time without notice. Neither we nor the Underwriters can assure you that the trading market for the PINES will be liquid.

The Underwriters propose to offer some of the PINES directly to the public at the public offering price set forth on the cover page of this pricing supplement and some of the PINES to dealers at the public offering price less a concession not to exceed \$.50 per \$25 PINES. The Underwriters may allow, and dealers may reallow, a concession not to exceed \$.45 per \$25 PINES on sales to other dealers. After the initial offering of the PINES to public, the representatives may change the public offering price and concessions.

In connection with this offering, Citigroup Global Markets Inc., on behalf of the Underwriters, may purchase and sell PINES in the open market. These transactions may include over-allotment, syndicate covering transactions and stabilizing transactions. Over-allotment involves syndicate sales of PINES in excess of the principal amount of PINES to be purchased by the Underwriters in the offering, which creates a syndicate short position. Syndicate covering transactions involve purchase of the PINES in the open market after the distribution has been completed in order to cover syndicate short positions. Stabilizing transactions consist of certain bids or purchases of PINES made for the purpose of preventing or retarding a decline in the market price of the PINES while the offering is in progress.

The Underwriters also may impose a penalty bid. Penalty bids permit the Underwriters to reclaim a selling concession from a syndicate member when Citigroup Global Markets Inc., in covering syndicate short positions or making stabilizing purchases, repurchases PINES originally sold by that syndicate member.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the PINES. They may also cause the price of the PINES to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The Underwriters may conduct these transactions on the New York Stock Exchange, in the over-the-counter market or otherwise. If the Underwriters commence any of these transactions, they may discontinue them at any time.

We have agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the Underwriters may be required to make because of any of these liabilities.

It is expected that delivery of the PINES will be made on or about the date specified on the cover page of this pricing supplement, which will be the fifth Business Day following the date of this pricing supplement. Under Rule 15c6-1 of the Securities Act of 1933, trades in the secondary market generally are required to settle in three Business Days, unless the parties to any such trade expressly agree otherwise. Accordingly, the purchasers who wish to trade PINES on the date of this pricing supplement or the next two succeeding Business Days will be required to specify an alternate settlement cycle at the time of any such trade to prevent failed settlement. Purchasers of PINES who wish to trade PINES on the date of this pricing supplement or the next two succeeding Business Days should consult their own advisors.

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

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

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

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

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

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

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

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

Citigroup

Deutsche Bank Securities

GE Capital Markets, Inc.

Goldman, Sachs & Co.

JPMorgan

**Lehman
Brothers**

Merrill

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

ABOUT THIS PROSPECTUS SUPPLEMENT

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

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

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

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

RISKS OF FOREIGN CURRENCY NOTES AND INDEXED NOTES

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

Exchange Rates and Exchange Controls

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

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

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

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

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

Foreign Currency Judgments

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

Risks Associated with Indexed Notes

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

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.

DESCRIPTION OF NOTES

General

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Special Provisions Relating to Certain Foreign Currency Notes.

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

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

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

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

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

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

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

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

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

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

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

DTC, Euroclear and Clearstream, Luxembourg Arrangements.

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

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

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

The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

Registration and Transfer of Notes

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

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

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

Methods of Payment

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

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

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

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

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

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

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

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

principal, no later than fifteen calendar days prior to Maturity. Foreign currency wire transfers must be made to banks located outside the U.S.

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

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

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

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

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

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

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

Repayment[] form not later than five Business Days after the date set for repayment or (ii) in the case of a book-entry note, instructions to such effect from the beneficial owner of the note to JPMorgan Chase through DTC or the common depository, as the case may be.

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

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

Interest and Interest Rates

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

Fixed Rate Notes

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

Floating Rate Notes

General

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

- the CD Rate;
- CMT Rate;
- the Commercial Paper Rate;
- the Eleventh District Cost of Funds Rate;
- the Federal Funds Rate;
- LIBOR;
- the Prime Rate;
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