AGREEMENT ON A LONGER-TERM SUBORDINATED LOAN
Agreement on a longer-term subordinated loan

BETWEEN:

J.P. Morgan AG, Junghofstraße 14, 60311 Frankfurt am Main, Germany (Borrower);

and

J.P. Morgan International Finance Limited, 500 Stanton Christiana Road, Newark, Delaware, United States of America (Lender);

(The Borrower and the Lender are herein collectively referred to as the Parties and individually as a Party).
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<td><strong>BaFin</strong></td>
<td>Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) or any successor thereto</td>
</tr>
<tr>
<td><strong>Business Day</strong></td>
<td>Each day on which banks in New York, United States of America and in Frankfurt am Main, Germany are open for general business</td>
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<tr>
<td><strong>Borrower</strong></td>
<td>J.P. Morgan AG</td>
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<tr>
<td><strong>Drawdown Date</strong></td>
<td>Date of payment of the loan amount on 21 December 2009</td>
</tr>
<tr>
<td><strong>EURIBOR</strong></td>
<td>(Euro Interbank Offered Rate) the percentage rate per annum determined by the Banking Federation of the European Union for the relevant period displayed on the appropriate page of the Reuters screen. If the agreed page is replaced or service ceases to be available, the Lender may specify another page or service displaying the appropriate rate after consultation with the Borrower</td>
</tr>
<tr>
<td><strong>Interest Period</strong></td>
<td>Period of three months from the expiration of the preceding interest period</td>
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<td><strong>KWG</strong></td>
<td>German Banking Act (Kreditwesengesetz)</td>
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<td><strong>Lender</strong></td>
<td>J.P. Morgan International Finance Limited</td>
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<tr>
<td><strong>Loan</strong></td>
<td>Longer-term subordinated loan within the meaning of § 10 (2b), sentence 1 no. 5, and § 10 (5a) KWG in the amount of EUR 150,000,000 granted by the Lender to the Borrower</td>
</tr>
<tr>
<td><strong>Parties</strong></td>
<td>The Issuer and the Subscriber collectively</td>
</tr>
<tr>
<td><strong>Party</strong></td>
<td>Either the Issuer or the Subscriber</td>
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PREAMBLE

In order to further strengthen its capital base, the Borrower wishes to take out a longer-term subordinated loan within the meaning of § 10 (2h), sentence 1 no. 5, and § 10 (5a) of the German Banking Act (Kreditwesengesetz – KWG) in the amount of EUR 150,000,000 (in words: one hundred and fifty million Euro) from the Lender (the Loan). The Lender wishes to grant the Loan to the Borrower.

§ 1

LOAN

1. The Lender hereby grants the Loan to the Borrower. The Lender shall pay the loan amount, i.e. the sum of EUR 150,000,000 (in words: one hundred and fifty million Euro), on 21 December 2009 (the Drawdown Date) to an account specified by the Borrower.

2. The Loan is subject to the terms and conditions of this Agreement

3. The Lender may assign the Loan, or encumber the Loan for the benefit of a third party, in whole or in part, only with the prior written approval of the Borrower.

4. The Loan shall not be certificated.

§ 2

INTEREST

1. The interest payable on the Loan shall be determined on the basis of interest periods (the Interest Periods) which are three months long. The first Interest Period shall commence on the Drawdown Date. Any following Interest Period shall commence on the day after the end of the preceding Interest Period.

2. The Loan shall bear interest at a rate equal to the 3-months-EURIBOR quoted on the first Business Day of the respective Interest Period.

3. The accruing interest during any Interest Period shall be payable on the last Business Day of such Interest Period to an account indicated by the Lender.

4. The interest shall be calculated on the basis of a year with 360 days and twelve months with 30 days each.

§ 3

TERM, REDEMPTION

1. The Loan shall be granted for a term of thirty years as from the Drawdown Date.
2. This Agreement may be terminated by giving notice of at least two years prior to the end of a financial year of the Borrower provided, however, that this Agreement may be for the first time so terminated with effect of the end the financial year ending on or after the fifth anniversary of the Drawdown Date. Notwithstanding the foregoing, Borrower may terminate this Agreement without notice if additional payments to the Lender become necessary as a result of any changes in applicable tax law.

§ 4
Payments

1. All payments shall be made in Euros in full without any deduction whatsoever for any charges for any taxes, levies, imposts or duties to an account specified by the Lender in a timely manner.

2. If a due date is not a Business Day, the relevant payments shall be due on the next following Business Day.

§ 5
Subordination

In the event of insolvency proceedings against the assets of the Borrower or a liquidation of the Borrower, the Loan, including any interest outstanding thereon, shall only be repaid after satisfaction of all non-subordinated creditors.

§ 6
Requirements under the German Banking Act

1. The subordination stipulated in § 5 of this Agreement may not be restricted.

2. The term or the notice period stipulated in § 3.2 of this Agreement cannot be shortened.

3. An early redemption or other repayment must be restituted to the Borrower regardless of any agreements to the contrary, unless the Loan has been replaced through the payment of other own funds (haftendes Eigenkapital) of at least equal rank or the Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin) has consented to such early repayment.

4. A set-off of the repayment claim under this loan agreement against claims of the Borrower shall be excluded. This shall also apply in case of undisputed claims or claims acknowledged by final judgment.

5. Neither the Borrower nor any third parties shall provide collateral in respect of the liabilities of the Borrower under this Loan.

Agreement on a longer-term subordinated loan
§ 7

Miscellaneous

1. This agreement is governed by German law. Terms explained in this Agreement in German language shall be interpreted accordingly.

2. Non-exclusive place of jurisdiction shall be Frankfurt am Main. Should any provision of this Agreement be or become invalid, ineffective or unenforceable as a whole or in part, the validity, effectiveness and enforceability of the remaining provisions shall not be effected thereby. Any such invalid, ineffective or unenforceable provision shall be deemed replaced by such valid, effective and enforceable provisions as comes closest to the economic intent and the purpose of such invalid, ineffective or unenforceable provisions as regards subject matter, amount, time, place and extent. The aforesaid shall apply mutatis mutandis to any gap in this agreement.

3. The parties agree to amend this Agreement if and to the extent this should be required to achieve favourable effects under the KWG, in particular following the enactment of the present Act Implementing the Amended Banking Directive and the amended Capital Adequacy Directive (Gesetz zur Umsetzung der geänderten Bankenrichtlinie und der geänderten Kapitaladäquanzrichtlinie).
Place: Frankfurt
Date: 17.12.2009

BORROWER:
J.P. Morgan AG

LENDER:
J.P. Morgan International Finance Ltd.

by: __________________________
Name: _______________________
Function: ____________________
Supplement

to the Agreement on a longer-term subordinated loan

(the Supplement)

between

J.P. Morgan AG
Frankfurt am Main, Germany
(the Borrower)

and

J.P. Morgan International Finance Limited
Newark, Delaware, United States of America
(the Lender)
Whereas:

(A) On 17 December 2009, the Borrower and the Lender (together, the Parties) entered into an Agreement on a longer-term subordinated loan (the Loan Agreement). Under the Loan Agreement the Lender granted to the Borrower a loan in the amount of EUR 150,000,000 (in words: one hundred and fifty million euros) (the Loan) on 21 December 2009 (the Drawdown Date) which is still outstanding. A copy of the Loan Agreement is attached hereto as Annex I.

(B) The purpose of the Loan Agreement was to make available to the Borrower Tier 2 capital within the meaning of Section 10 subsection 2b sentence 1 No. 5 of the German Banking Act (KVG) in conjunction with Section 10 subsection 5a KWG. Due to the changes in law which came into force with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (the CRR), the Loan Agreement no longer complies with all regulatory requirement for Tier 2 instruments. Rather, the funds made available under the Loan Agreement can only be partially recognised as own funds for regulatory purposes under the transitional provisions of the CRR, and such recognition will be reduced in partial steps to zero until 31 December 2021. After the end of this transitional period, it is expected that none of the funds made available under the Loan Agreement can be recognised any longer as own funds.

(C) In order to ensure that the funds made available under the Loan Agreement can be recognised for regulatory purposes as Tier 2 capital within the meaning of Art. 63 CRR, the Parties intend to amend the Loan Agreement in such manner that it fully complies with the requirements of Art. 63 CRR.

Now, therefore, the Parties agree as follows:
Clause 1

§ 3 of the Loan Agreement is deleted in its entirety and replaced by the following § 3:

"§ 3. Term, Redemption

1. The Loan shall be granted for a term of thirty years as from the Drawdown Date, without prejudice to the termination rights set out below.

2. The Borrower may terminate the Loan, in whole or in part, in its discretion and subject to the prior approval of the competent supervisory authority by giving one month’s notice with effect as of the end of each calendar month, provided that a termination pursuant to this § 3.2 may be declared for the first time with effect as of 31 [March] 2020.

3. In addition the Borrower at any time may terminate the Loan, in whole but not in part, in its discretion and subject to the prior approval of the competent supervisory authority, by giving two weeks’ notice and with effect as of the end of each calendar month in the event that

   (i) the Borrower determines, in its own discretion, that it may not treat the Loan in its full amount as Tier 2 capital for the purposes of its own funds in accordance with the CRR, as amended from time to time or any successor provisions thereof, provided that an amortization pursuant to Art. 64 CRR will not give right to terminate the Loan, or

   (ii) the Borrower determines, in its own discretion, that it is subject to any other form of a less advantageous regulatory own funds treatment with respect to the Loan than as of the date of this Supplement, or

   (iii) the tax treatment of the Loan changes (including but not limited to any obligation to make additional payments to the lender as a result of changes in applicable tax law pursuant to § 4) and the Borrower determines, in its own discretion, that such change has a material adverse effect on the Borrower."
Clause 2

§ 4 of the Loan Agreement is deleted in its entirety and replaced by the following § 4:

"§ 4 Payments

1. All payments shall be made in Euros in full without any withholding or deduction whatsoever to an account specified by the Lender in a timely manner, unless such withholding or deduction is required by law. If the Borrower is required by law to withhold any taxes or duties of whatever nature on the nominal amount of the Loan or interest payments under the Loan, imposed by way of withholding by or on behalf of the Federal Republic of Germany, the Borrower will pay such additional amounts as shall be necessary in order that the net amounts received by the Lender after such withholding shall equal the respective amounts which would otherwise have been receivable without such withholding.

2. If a due date is not a Business Day, the relevant payments shall be due on the next following Business Day."

Clause 3

§ 6 of the Loan Agreement is deleted in its entirety and replaced by the following § 6:

"§ 6. Continuity, No Set-off, No collateral

1. No subsequent agreement may limit the subordination pursuant to § 5 or shorten the term of the Loan Agreement or any applicable notice period without the prior consent of the competent supervisory authority.

2. If the Loan is repaid or repurchased otherwise than in the circumstances described in § 5 or other than as a result of a termination pursuant to § 3, then the amount repaid or paid must be returned to the Borrower irrespective of any agreement to the contrary unless the competent supervisory authority of the Borrower has given its consent to such repayment.

3. A termination of the Loan Agreement pursuant to § 3 or a repayment or repurchase of the Loan requires, in any event, the prior consent of the competent supervisory authority of the Borrower.

4. The Lender may not set off his repayment claim under this Loan Agreement against claims of the Borrower. This shall also apply in case of undisputed claims or claims acknowledged by final judgement.

5. Neither the Borrower nor any third parties shall provide collateral in respect of the liabilities of the Borrower under this Loan."
Clause 4

A new § 6a is inserted into the Loan Agreement as follows:

"§ 6a. Regulatory Bail-in

The Loan Agreement may be subject to a regulatory bail-in. "Regulatory Bail-in" means a decision of the competent authority to reduce the principal amount of the Loan in whole or in part or to transform it into one or several Common Equity Tier 1 instruments of the Borrower. Any claims of the Lender will be excluded to such extent as the competent authority in the context of a Regulatory Bail-in orders the reduction of the principal amount of the Loan or its transformation into one or several Common Equity Tier 1 instruments of the Borrower. A reduction of the principal amount of the Loan or a transformation into one or several Common Equity Tier 1 instruments of the Borrower by virtue of a Regulatory Bail-in will release the Borrower from its relevant obligations under this Loan Agreement."

Clause 5

§ 7.3 of the Loan Agreement is deleted and replaced by the following § 7.3:

"3. The Parties agree to amend this Agreement if and to the extent this should be required to achieve favourable effects for the treatment of the Loan as own funds of the Borrower, in particular if the Loan is not fully recognized by the competent supervisory authority as a Tier 2 instrument within the meaning of Art. 63 CRR."

Clause 6

§ 7 of the Loan Agreement applies mutatis mutandis to this Supplement.
Frankfurt am Main, 3/31/15

J.P. Morgan AG

[Name]
[Title]

J.P. Morgan International Finance Limited

Managing Director
Annex 1

[Agreement on a longer-term subordinated loan]