



JPMorgan Chase Bank, National Association

Contingent Coupon Certificates of Deposit Linked to an Equally Weighted Basket of 10 Global Reference Stocks due September 30, 2015

General

- Certificates of deposit (the "CDs") issued by JPMorgan Chase Bank, National Association maturing September 30, 2015*.
- The CDs are designed for investors who seek variable semi-annual Coupon Payments that are linked to the performance of an equally weighted basket of 10 common stocks (including six foreign stocks), subject to a Coupon Cap of between 3.0% and 4.0% for each Coupon Payment Date (corresponding to an Annual Percentage Yield "APY" of between 6.0% and 8.0%)(to be determined on the Pricing Date (as defined herein)). Investors should be willing to forgo dividend payments on the Reference Stocks and any return on their investment beyond the Coupon Payments, if any, while seeking full principal protection at maturity. Any payment on the CDs in excess of FDIC insurance limits is subject to the credit risk of JPMorgan Chase Bank, National Association.
- The CDs are insured only within the limits as described in this term sheet and in the accompanying disclosure statement. See "Selected Risk Considerations — Limitations on FDIC Insurance" herein.
- Investing in the CDs is not equivalent to investing in a conventional CD or directly in the Reference Stocks.
- Minimum denominations of \$1,000 (and then in additional increments of \$1,000).
- The CDs are expected to price on or about September 27, 2010 (the "Pricing Date") and to settle on or about September 30, 2010.
- The description of the maximum deposit insurance amount applicable to the CDs in this term sheet, to the extent it differs from or conflicts with the corresponding description set forth in the accompanying disclosure statement, supersedes the description set forth in the accompanying disclosure statement. In particular, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the maximum deposit insurance amount was permanently fixed at \$250,000 for all deposits held by you in the same ownership capacity at the Bank. Please refer to "Selected Purchase Considerations — FDIC Insured" in this term sheet for more information.

Key Terms

Basket:	The Basket consists of 10 common stocks, including six foreign stocks (each, a "Reference Stock" and collectively, the "Reference Stocks"). The Reference Stocks and the Bloomberg ticker symbol, Stock Weighting and Initial Share Price of each Reference Stock are set forth under "The Basket" on page TS-1 of this term sheet.
Coupon Rate:	The Coupon Rate for each Coupon Payment Date will be a percentage equal to the sum of the Stock Performance of each Reference Stock on the applicable Coupon Determination Date multiplied by the Stock Weighting for such Reference Stock, provided, in each case, that the Coupon Rate will not be less than 0%.
Coupon Payment:	The Coupon Payment per \$1,000 CD payable on each Coupon Payment Date will equal \$1,000 x Coupon Rate.
Payment at Maturity:	At maturity, you will receive a cash payment for each \$1,000 CD of \$1,000 (plus the final Coupon Payment, if any).
Coupon Determination Dates*:	March 28, 2011, September 27, 2011, March 27, 2012, September 25, 2012, March 25, 2013, September 25, 2013, March 25, 2014, September 25, 2014, March 26, 2015 and September 25, 2015.
Coupon Payment Dates*:	March 31, 2011, September 30, 2011, March 30, 2012, September 28, 2012, March 28, 2013, September 30, 2013, March 31, 2014, September 30, 2014, March 31, 2015 and September 30, 2015.
Stock Performance:	The Stock Performance for a Reference Stock on any Coupon Determination Date will be: (1) if the Stock Return on such day is greater than the Stock Return Threshold, the Coupon Cap, or (2) if the Stock Return on such day is less than or equal to the Stock Return Threshold, the greater of the Stock Return and the Stock Return Floor. The Stock Performance for a Reference Stock may be positive, zero or negative.
Stock Return Threshold:	Equal to the Coupon Cap, which will be between 3.0% and 4.0% for each Coupon Payment Date (corresponding to an APY of between 6.0% and 8.0%)(to be determined on the Pricing Date).
Stock Return Floor:	-15%
Stock Return:	With respect to a Reference Stock, on any trading day: $\frac{\text{Final Share Price} - \text{Initial Share Price}}{\text{Initial Share Price}}$
Coupon Cap:	Between 3.0% and 4.0% (corresponding to an APY of between 6.0% and 8.0%)(to be determined on the Pricing Date).
Initial Share Price:	With respect to each Reference Stock, the closing price of one share of such Reference Stock on the Pricing Date divided by the Share Adjustment Factor for such Reference Stock.
Final Share Price:	With respect to each Reference Stock, the closing price of one share of such Reference Stock on the applicable Coupon Determination Date.
Share Adjustment Factor:	With respect to each Reference Stock, 1.0 on the Pricing Date and subject to adjustment under certain circumstances. See "Description of the CDs — Payment at Maturity" and "General Terms of the CDs — Anti-Dilution Adjustments" in the accompanying disclosure statement for further information.
Maturity Date*:	September 30, 2015
Fees and Discounts:	If the CDs priced today, J.P. Morgan Securities Inc., which we refer to as JPMSI, and its affiliates, would receive a commission of approximately \$60.00 per \$1,000 CD, and would use a portion of that commission to allow selling concessions to other affiliated or unaffiliated dealers of approximately \$37.50 per \$1,000 CD. This commission includes projected profits that our affiliates expect to realize, some of which may be allowed to other unaffiliated dealers, in connection with hedging our obligations under the CDs. The concessions of approximately \$37.50 include concessions to be allowed to selling dealers and concessions to be allowed to any arranging dealer. The actual commission received by JPMSI and its affiliates will depend on market conditions on the Pricing Date. In no event will the commission received by JPMSI, which includes concessions and other amounts to be allowed to other dealers, exceed \$80.00 per \$1,000 CD.
CUSIP:	48123YPP5
Calculation Agent:	JPMSI

* Subject to postponement in the event of a market disruption event as described under "Description of the CDs" in the accompanying disclosure statement.

Investing in the CDs involves a number of risks. See "Risk Factors" beginning on page 6 of the accompanying disclosure statement and "Selected Risk Considerations" beginning on page TS-2 of this term sheet. Our affiliate, JPMSI, certain of its affiliates and other broker-dealers may use this term sheet and the accompanying disclosure statement in connection with the offers and sales of the CDs after the date hereof.

J.P.Morgan

Additional Terms Specific to the CDs

You should read this term sheet together with the disclosure statement dated July 1, 2010. This term sheet, together with the disclosure statement that accompanies it, contains the terms of the CDs and supersedes all other prior or contemporaneous oral statements as well as any other written materials, including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, fact sheets, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Risk Factors” in the accompanying disclosure statement as the CDs involve risks not associated with conventional certificates of deposit. We urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the CDs.

You may access the disclosure statement on our website at the following URL:

Disclosure statement dated July 1, 2010:

http://www.jpmorgan.com/directdoc/JPM_Contingent_Coupon_Disclosure_Statement_7_1_10.pdf

You may access information related to the unaudited quarterly financial statements for the Bank for the three months ended March 31, 2010 and 2009, and the audited annual financial statements of the Bank for the three years ended December 31, 2009 at the following URL:

http://www.jpmorgan.com/directdoc/2007_through_2010_Q1_Financial_Statements.pdf

We reserve the right to change the terms of the CDs prior to their issuance. Before you make your investment we will notify you of any changes in the terms of the CDs in a disclosure supplement or amended and restated term sheet on or before the business day prior to the settlement date.

As used in this term sheet, “we,” “us,” “our” or the “Bank” refers to JPMorgan Chase Bank, National Association.

The Basket

The issuers of the Reference Stocks and the Bloomberg ticker symbol, the exchange on which each Reference Stock is listed, the Stock Weighting and the Initial Share Price of each Reference Stock are set forth below:

Ticker Symbol	Reference Stock Issuer	Relevant Exchange	Stock Weighting	Initial Share Price*
WMT	Wal-Mart Stores, Inc.	NYSE	1/10	\$
MCD	McDonald’s Corporation	NYSE	1/10	\$
AMZN	Amazon.com, Inc.	NASDAQ	1/10	\$
MO	Altria Group, Inc.	NYSE	1/10	\$
0005 HK	HSBC Holdings, plc.	Stock Exchange of Hong Kong (HKEX)	1/10	HK\$
6752 JT	Panasonic Corporation	Tokyo Stock Exchange (TSE)	1/10	¥
ABI BB	Anheuser-Busch InBev SA/NV	Euronext Brussels (EN Brussels)	1/10	€
GSK LN	GlaxoSmithKline plc	London Stock Exchange (LSE)	1/10	GBP
VOD LN	Vodafone Group Public Company Limited	London Stock Exchange (LSE)	1/10	GBP
ABX CT	Barrick Gold Corporation	Toronto Stock Exchange (TSX)	1/10	C\$

* The Initial Share Price of each Reference Stock will be determined on the Pricing Date.

Selected Purchase Considerations

- **PRESERVATION OF CAPITAL AT MATURITY** — Regardless of the performance of the Basket, if you hold the CDs to maturity, you will receive at least your principal back at maturity, subject to the creditworthiness of JPMorgan Chase Bank, National Association. The CDs are insured by the FDIC within the limits and to the extent described in the accompanying disclosure statement under the Section entitled “Deposit Insurance.” The principal amount of a CD plus any insured returns on a CD, together with any other deposits held in the same right and capacity at JPMorgan Chase Bank, National Association, in excess of the applicable FDIC insurance limits, as well as any amounts that are not insured by FDIC insurance and are subject to the creditworthiness of JPMorgan Chase Bank, National Association.

*For possible limitations on FDIC insurance, see “Selected Risk Considerations” below.

- **SEMI-ANNUAL COUPON PAYMENTS** — The CDs offer the potential to earn semi-annual Coupon Payments with a variable Coupon Rate that will not be less than 0% or greater than the Coupon Cap of between 3.0% and 4.0% for each Coupon Payment Date (corresponding to an APY of between 6.0% and 8.0%)(to be determined on the Pricing Date). The Coupon Rate will equal the weighted average Stock Performance of the Reference Stocks on the applicable Coupon Determination Date, *provided* that the Coupon Rate will not be less than 0%. For each Reference Stock, the Stock Performance on each relevant Coupon Determination Date will be equal to (i) the Coupon Cap if the closing price of such Reference Stock has appreciated beyond the Stock Return Threshold from the Pricing Date to such Coupon Determination Date or (ii) the greater of the Stock Return or the Stock Return Floor for such Reference Stock if the closing price of such Reference Stock has not appreciated beyond the Stock Return Threshold from the Pricing Date to such Coupon Determination Date. Accordingly, you will receive a Coupon Payment on a Coupon Payment Date if the closing prices of a sufficient number of the Reference Stocks have appreciated from the Pricing Date to the applicable Coupon Determination Date to offset any negative Stock Return of any other Reference Stock, subject to the Stock Return Threshold and Stock Return Floor.

- **FDIC INSURANCE** — The CDs are deposit obligations of the Bank and are insured by the FDIC up to applicable limits set by federal law and regulation. Each CD constitutes an obligation of the Bank and is not, either directly or indirectly, an obligation of any third party. Pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, the maximum deposit insurance amount was permanently fixed at \$250,000 for all deposits held by you in the same ownership capacity at the Bank. The Dodd-Frank Wall Street Reform and Consumer Protection Act did not alter the FDIC insurance coverage for certain retirement accounts, which also will continue to be fixed at \$250,000 per participant. The principal amount of any CDs plus all accrued Coupon Payments, if any, of any CDs owned, together with any other deposits held in the same right and capacity at the Bank, that is in excess of these limits is not insured by the FDIC. To the extent payments under CDs are not insured by the FDIC, you can depend only on our creditworthiness of payment on the CDs. Under federal law, claims of depositors are entitled to a preference in right of payment over claims of general unsecured creditors in the event of a liquidation or other resolution of any FDIC-insured depository institution. However, there can be no assurance that a depositor would receive the entire uninsured amount of CDs in any such liquidation or other resolution. Additionally, because the Coupon Payments, if any, are calculated using the Coupon Rate on each of the relevant Coupon Determination Dates, each Coupon Payment will not accrue to a holder of a CD until the relevant Coupon Determination Date. Accordingly, any potential Coupon Payment will not be eligible for FDIC insurance prior to the relevant Coupon Determination Date and is subject to the credit risk of the Bank. You are responsible for monitoring the total amount of deposits that you hold with JPMorgan Chase Bank, National Association in order to determine the extent to the deposit insurance coverage available to you on your deposits, including the CDs.
- **RETURN LINKED TO AN EQUALLY WEIGHTED BASKET OF 10 REFERENCE STOCKS** — The Coupon Rate of the CDs is linked to the performance of an equally weighted basket, which consists of 10 Reference Stocks (including six foreign stocks). We refer to these Reference Stocks as the common stocks of Wal-Mart Stores, Inc., McDonald's Corporation, Amazon.com, Inc., Altria Group, Inc., HSBC Holdings, plc., Panasonic Corporation, Anheuser-Busch InBev SA/NV, GlaxoSmithKline plc, Vodafone Group Public Company Limited and Barrick Gold Corporation.
- **TREATED AS VARIABLE RATE DEBT INSTRUMENTS** — You should review carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying disclosure statement. You and we agree to treat the CDs as “variable rate debt instruments” for U.S. federal income tax purposes. Assuming this characterization is respected, interest paid on the CDs should generally be taxable to you as ordinary interest income at the time it accrues or is received in accordance with your regular method of accounting for U.S. federal income tax purposes. In general, gain or loss realized on the sale, exchange or other disposition of the CDs will be capital gain or loss. You should review carefully the section entitled “Certain U.S. Federal Income Tax Consequences” in the accompanying disclosure statement and consult your tax adviser regarding your particular circumstances. As discussed in the section entitled “Certain U.S. Federal Income Tax Consequences — No Reliance” in the accompanying disclosure statement, you cannot use the tax summaries herein for the purpose of avoiding penalties that may be asserted against you under the Internal Revenue Code of 1986, as amended.

Selected Risk Considerations

An investment in the CDs involves significant risks. Investing in the CDs is not equivalent to investing directly in the Reference Stocks. These risks are explained in more detail in the “Risk Factors” section of the accompanying disclosure statement dated July 1, 2010.

- **YOU MAY NOT RECEIVE ANY COUPON PAYMENTS ON YOUR CDs** — Your only return on the CDs will be the semi-annual Coupon Payments, if any, that may be paid over the term of the CDs. If the closing prices of one or more of the Reference Stocks have declined from the Pricing Date to the applicable Coupon Determination Date, resulting in negative Stock Returns for such Reference Stocks, any such negative Stock Returns, although limited in their effect on your return by the Stock Return Floor, could offset entirely the positive contribution to the Coupon Rate from any other Reference Stocks that have positive Stock Returns. Under these circumstances, the Coupon Rate will be equal to 0% and no Coupon Payment will be made on the applicable Coupon Payment Date. If the Coupon Rate is 0% for each of the Coupon Payment Dates, you will not receive any Coupon Payment over the term of the CDs. **At maturity, you will receive a cash payment equal to \$1,000 per \$1,000 principal amount CD.** Therefore, the return on your investment in the CDs may be less than the amount that would be paid on a conventional certificate of deposit having a similar maturity issued by us or an issuer with a comparable credit rating. The Coupon Payments paid over the term of the CDs may not compensate you for any loss in value due to inflation and other factors relating to the value of money over time.
- **LIMITED RETURN ON THE CDs** — The appreciation potential of the CDs is limited by the Coupon Cap of between 3.0% and 4.0% for each Coupon Payment Date (corresponding to an APY of between 6.0% and 8.0%)(to be determined on the Pricing Date). On each Coupon Determination Date, even if one or more of the Stock Returns is greater than the Stock Return Threshold, the Coupon Rate will not exceed the Coupon Cap. **Moreover, the Stock Performance of each Reference Stock in the Basket is limited to the Coupon Cap, even if the Stock Return of such Reference Stock is greater than the Stock Return Threshold.** Accordingly, your return on each Coupon Payment Date will be limited, regardless of the actual appreciation of the closing prices of the Reference Stocks, which may be significant.
- **CHANGES IN THE CLOSING PRICES OF THE REFERENCE STOCKS MAY OFFSET EACH OTHER** — The CDs are linked to an equally weighted basket consisting of 10 Reference Stocks. Price movements in the Reference Stocks may change such that the Stock Returns for the Reference Stocks on any Coupon Determination Date may not correlate with each other. At a time when the closing prices of one or more of the Reference Stocks increases, the closing prices of the other Reference Stocks may not increase as much or may even decline in value. Therefore, in calculating the Coupon Rate for any relevant Coupon Payment Date, any positive contribution from a Reference Stock with a positive Stock Return may be moderated, or more than offset, by declines in the closing prices of the other Reference Stocks. In addition, any positive contribution by a Reference Stock is limited to the Coupon Cap and a negative contribution by a Reference Stock is limited to the Stock Return Floor, which may have a disproportionate impact on the Coupon Rate. There can be no assurance that you will receive a Coupon Payment on any Coupon Payment Date.
- **CORRELATION (OR LACK OF CORRELATION) OF PERFORMANCES AMONG THE REFERENCE STOCKS MAY REDUCE THE PERFORMANCE OF THE CDs** — Performances among the Reference Stocks may become highly correlated from time to

time during the term of the CDs, including, but not limited to, a period in which there is a substantial decline in the primary securities markets for the Reference Stocks. High correlation during periods of negative returns among the Reference Stocks could cause the Coupon Payments to be zero and reduce the value of the CDs. In addition, the performance of the Reference Stocks may not be correlated and, accordingly, your investment in the CDs may only produce a positive return if there is a broad based rise in the industries represented by the Reference Stocks.

- **THE CDs MAY BE SUBJECT TO THE CREDIT RISK OF JPMORGAN CHASE BANK, NATIONAL ASSOCIATION** — The principal amount of any CDs, together with any other deposits held in the same right and capacity at JPMorgan Chase Bank, National Association, that is in excess of the applicable FDIC insurance, as well as any amounts payable under the CDS that are not insured by FDIC insurance, are subject to the credit risk of JPMorgan Chase Bank, National Association. As a result, the actual and perceived creditworthiness of JPMorgan Chase Bank, National Association may affect the market value of the CDs and, in the event JPMorgan Chase Bank, National Association were to default on its obligations, you may not receive the principal of your CDs or any other amounts owed to you under the terms of the CDs in excess of the amounts covered by the applicable FDIC insurance.
- **POTENTIAL CONFLICTS** — We and our affiliates play a variety of roles in connection with the issuance of the CDs, including acting as calculation agent. In performing these duties, the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the CDs. We and/or our affiliates may also currently or from time to time engage in business with the Reference Stock issuers, including extending loans to, or making equity investments in, such Reference Stock issuers or providing advisory services to such Reference Stock issuers. In addition, one or more of our affiliates may publish research reports or otherwise express opinions with respect to the Reference Stock issuers and these reports may or may not recommend that investors buy or hold the Reference Stocks. As a prospective purchaser of the CDs, you should undertake an independent investigation of the applicable Reference Stock issuer that in your judgment is appropriate to make an informed decision with respect to an investment in the CDs.
- **NO OWNERSHIP RIGHTS IN THE REFERENCE STOCKS** — As a holder of the CDs, you will not have any ownership interest or rights in any of the Reference Stocks, such as voting rights or dividend payments. In addition, the issuers of the Reference Stocks will not have any obligation to consider your interests as a holder of the CDs in taking any corporate action that might affect the value of the relevant Reference Stocks and the CDs.
- **NO AFFILIATION WITH THE REFERENCE STOCK ISSUERS** — We are not affiliated with the issuers of the Reference Stocks. We assume no responsibility for the adequacy of the information about the Reference Stock issuers contained in this term sheet. You should make your own investigation into the Reference Stocks and their issuers. We are not responsible for the Reference Stock issuers' public disclosure of information, whether contained in SEC filings or otherwise.
- **RISKS ASSOCIATED WITH NON-U.S. SECURITIES** — An investment in the CDs linked in part to the value of non-U.S. equity securities. Accordingly, an investment in the CDs involves risks associated with the home country of the issuer of the non-U.S. equity securities, which in the case of the Reference Stocks, includes the People's Republic of China, Japan, Belgium, Canada and the United Kingdom. Non-U.S. companies are generally subject to accounting, auditing and financial reporting standards and requirements, and securities trading rules different from those applicable to U.S. reporting companies. The prices of non-U.S. equity securities may be affected by political, economic, financial and social factors in the home country of the issuer of the non-U.S. equity securities, including changes in such country's government, economic and fiscal policies, currency exchange laws or other laws or restrictions. Moreover, the economies of such country may differ favorably or unfavorably from the economy of the United States in such respects as growth of gross national product, rate of inflation, capital reinvestment, resources and self sufficiency. Such country may be subjected to different and, in some cases, more adverse economic environments.
- **NO DIRECT EXPOSURE TO FLUCTUATIONS IN CURRENCY EXCHANGE RATES RELATED TO THE SIX FOREIGN REFERENCE STOCKS** — Because the shares of HSBC Holdings, plc. are quoted and traded in Hong Kong dollars on the Stock Exchange of Hong Kong, the shares of Panasonic Corporation are quoted and traded in Japanese yen on the Tokyo Stock Exchange, the shares of Anheuser-Busch InBev SA/NV are quoted and traded in euros on the Euronext Brussels, the shares of Barrick Gold Corporation are traded in Canadian dollars on the Toronto Stock Exchange, the shares of GlaxoSmithKline plc and Vodafone Group Public Company Limited are traded in pounds sterling on the London Stock Exchange and the CDs are denominated in U.S. dollars, fluctuations in the exchange rate between the currencies in which the foreign Reference Stocks are traded and the U.S. dollar will likely affect the relative value of the shares of HSBC Holdings, plc., Panasonic Corporation, Anheuser-Busch InBev SA/NV, GlaxoSmithKline plc, Vodafone Group Public Company Limited and Barrick Gold Corporation, and your CDs will not be adjusted for exchange rate fluctuations between the U.S. dollar and these currencies or in any other currencies in which the foreign Reference Stocks are traded, although any currency fluctuations could affect the performance of the relevant foreign Reference Stock. Therefore, if the currencies in which the foreign Reference Stocks are traded appreciate or depreciate relative to the U.S. dollar over the term of the CDs, you will not receive any additional payment or incur any reduction in your payment on any Coupon Payment Date or at maturity.
- **THE CDs ARE NOT DESIGNED TO BE SHORT-TERM TRADING INSTRUMENTS** — The price at which you will be able to sell your CDs prior to maturity may be at a substantial discount from the principal amount of the CDs. The CDs are designed to be held to maturity. YOUR PRINCIPAL NOT IS PROTECTED IN THE EVENT OF SALE OR REDEMPTION PRIOR TO MATURITY.
- **CERTAIN BUILT-IN COSTS ARE LIKELY TO ADVERSELY AFFECT THE VALUE OF THE CDs PRIOR TO MATURITY** — While the payment at maturity described in this term sheet is based on the full principal amount of your CDs, the original issue price of the CDs includes the agent's commission and the cost of hedging our obligations under the CDs. As a result, the price at which, JPMSI, and certain of our other affiliates may be willing to purchase CDs from you in secondary market transactions, if at all, will likely be lower than the original issue price and could result in a substantial loss to you.
- **LACK OF LIQUIDITY** — The CDs will not be listed on an organized securities exchange. JPMSI and its affiliates may offer to purchase the CDs upon terms and conditions acceptable to them, but are not required to do so. For more

information, see “General Terms of the CDs – Additions and Withdrawals” and “Discounts and Secondary Market” in the accompanying disclosure statement dated July 1, 2010.

- **LIMITATIONS ON FDIC INSURANCE** — The CDs are insured by the FDIC within the limits set by federal law and regulation as described in the accompanying disclosure statement. As a general matter, holders purchasing a principal amount of CDs that, when aggregated with any other deposits held in the same right and capacity at JPMorgan Chase Bank, National Association, in excess of the applicable deposit insurance limits will not be insured by the FDIC for the principal amount exceeding such limits. Any return on your CDs in respect of a Coupon Payment, if any, will not be insured by the FDIC until such amount is finally determined on the Coupon Determination Date. In addition, any return on your CD in excess of the principal amount on any CD will not be insured by the FDIC to the extent that the principal amount plus the return, if any, when aggregated with any other deposits held in the same right and capacity at JPMorgan Chase Bank, National Association, exceed the applicable deposit insurance limits. The Dodd-Frank Wall Street Reform and Consumer Protection Act, which became effective on July 22, 2010, permanently fixed the insurance limit to \$250,000 for deposits held by a depositor in the same legal capacity at a single depository institution. The Dodd-Frank Wall Street Reform and Consumer Protection Act did not alter the FDIC insurance coverage for certain retirement accounts, which also will continue to be fixed at \$250,000 per participant. In addition, the return on the CDs, which is reflected in the form of the Coupon Payments, would not be eligible for FDIC insurance until each of the respective Coupon Determination Dates and is subject to the credit risk of the Bank. For more information, see “Deposit Insurance” in the accompanying disclosure statement. To the extent the description of FDIC insurance limits differs from the corresponding description in the accompanying disclosure statement, the description in this term sheet shall supersede the description set forth in the accompanying disclosure statement.
- **HEDGING AND TRADING IN THE REFERENCE STOCKS** — While the CDs are outstanding, we or any of our affiliates or an unaffiliated hedging agent may carry out hedging activities related to the CDs, including in the Reference Stocks or instruments related to one or more of the Reference Stocks. We or our affiliates may also trade in the Reference Stocks or instruments related to the Reference Stocks from time to time. Any of these hedging or trading activities as of the Pricing Date and during the term of the CDs could adversely affect our payment to you on any Coupon Payment Date.
- **ANTI-DILUTION PROTECTION IS LIMITED** — The calculation agent will make adjustments to the Share Adjustment Factor for each Reference Stock to reflect certain events affecting such Reference Stock. However, the calculation agent will not make an adjustment in response to all events that could affect the Reference Stocks. If an event occurs that does not require the calculation agent to make an adjustment, the value of the CDs may be materially and adversely affected. See “General Terms of the CDs — Anti-Dilution Adjustments” in the accompanying disclosure statement for further information.
- **MANY ECONOMIC AND MARKET FACTORS WILL INFLUENCE THE VALUE OF THE CDs** — In addition to the closing price of the Reference Stock on any day, the value of the CDs will be affected by a number of economic and market factors that may either offset or magnify each other, including:
 - the expected volatility in the Reference Stocks;
 - the time to maturity of the CDs;
 - the dividend rates paid on the Reference Stocks;
 - the correlation (or lack of correlation) in price movements among the Reference Stocks;
 - interest and yield rates in the market generally;
 - a variety of economic, financial, political, regulatory and judicial events;
 - the occurrence of certain events affecting the issuers of the Reference Stocks that may or may not require an adjustment to the applicable Share Adjustment Factor, including a merger or acquisition;
 - the exchange rate and volatility of the exchange rate between the U.S. dollar and the Canadian dollar, the Hong Kong dollar, the British pound sterling, the Japanese yen and the European Union euro; and
 - our creditworthiness, including actual or anticipated downgrades in our credit ratings.
- **TAX DISCLOSURE** — The information under “Treated as Variable Rate Debt Instruments” in this term sheet remains subject to confirmation by our tax counsel. We will notify you of any revisions to the information under “Treated as Variable Rate Debt Instruments” in a supplement to this term sheet on or before the business day immediately preceding the issue date, or if the information cannot be confirmed by our tax counsel, we may terminate this offering of CDs.

Sensitivity Analysis — Hypothetical Coupon Rates for one Coupon Payment Date for Each \$1,000 CD

The following tables and examples illustrate hypothetical Coupon Rates for a Coupon Payment Date for a basket of ten hypothetical Reference Stocks, each with a hypothetical Initial Share Price of \$100 and a hypothetical Final Share Price as set forth in the table for each example. We assume for purposes of these examples that all the Reference Stocks are quoted in U.S. dollars. The following tables and examples assume a Coupon Cap and a Stock Return Threshold of 3.0% (corresponding to an APY of 6.0%) (the low point of the expected range of the cover of this term sheet) and reflect the Stock Return Floor of -15%. The actual Coupon Cap and Stock Return Threshold will be determined on the Pricing Date.

The actual Initial Share Price for each Reference Stock included in the Basket will be determined on the Pricing Date and will likely be different from the hypothetical Initial Share Price and different from the Initial Share Prices of each of the other Reference Stocks. The actual Final Share Price for each actual Reference Stock included in the Basket will be determined on the applicable Coupon Determination Date and will likely be different from the hypothetical Final Share Prices set forth below. The hypothetical Coupon Rates set forth below are for illustrative purposes only and may not be the actual Coupon Rates for any Coupon Payment Date applicable to a purchaser of the CDs. The numbers appearing in the following tables and examples have been rounded for ease of analysis.

Example 1:

TABLE 1

Reference Stock	Final Share Price	Stock Return	Stock Performance	Stock Performance x Stock Weighting
Stock 1	\$100.10	0.10%	0.10%	0.010%
Stock 2	\$100.05	0.05%	0.05%	0.005%
Stock 3	\$100.50	0.50%	0.50%	0.050%
Stock 4	\$101.00	1.00%	1.00%	0.100%
Stock 5	\$102.00	2.00%	2.00%	0.200%
Stock 6	\$95.00	-5.00%	-5.00%	-0.500%
Stock 7	\$102.50	2.50%	2.50%	0.250%
Stock 8	\$97.00	-3.00%	-3.00%	-0.300%
Stock 9	\$105.00	5.00%	3.00%	0.300%
Stock 10	\$104.00	4.00%	3.00%	0.300%
Total =				0.415%
Coupon Rate =				0.415%
Annual Percentage Yield =				0.830%

Explanation for Example 1

As illustrated by Table 1 above, because 8 of the 10 Reference Stocks have positive Stock Returns, ranging from 0.05% to 5.00%, and even though the other 2 Reference Stocks (Stock 6 and Stock 8) have negative Stock Returns of -5.00% and -3.00%, the Coupon Rate is 0.415% (corresponding to an APY of 0.830%), and the investor receives a Coupon Payment on the applicable Coupon Payment Date of \$4.15 per \$1,000 CD. Even when most of the Reference Stocks only have modest positive Stock Returns, if the negative Stock Returns for the other Reference Stocks are sufficiently small, the investor will receive a Coupon Payment on the applicable Coupon Payment Date.

Example 2:

TABLE 2

Reference Stock	Final Share Price	Stock Return	Stock Performance	Stock Performance x Stock Weighting
Stock 1	\$105.00	5.00%	3.00%	0.30%
Stock 2	\$110.00	10.00%	3.00%	0.30%
Stock 3	\$80.00	-20.00%	-15.00%	-1.50%
Stock 4	\$150.00	50.00%	3.00%	0.30%
Stock 5	\$110.00	10.00%	3.00%	0.30%
Stock 6	\$120.00	20.00%	3.00%	0.30%
Stock 7	\$70.00	-30.00%	-15.00%	-1.50%
Stock 8	\$101.00	1.00%	1.00%	0.10%
Stock 9	\$50.00	-50.00%	-15.00%	-1.50%
Stock 10	\$104.00	4.00%	3.00%	0.30%
Total =				-2.60%
Coupon Rate =				0.00%
Annual Percentage Yield =				0.00%

Explanation for Example 2

As illustrated by Table 2 above, even though 7 of the 10 Reference Stocks have positive Stock Returns, ranging from 1.00% to 50.00%, because the other 3 Reference Stocks (Stock 3, Stock 7 and Stock 9) have significant negative Stock Returns of -20.00%, -30.00% and -50.00%, and although the Stock Performances of Stock 3, Stock 7 and Stock 9 will be the greater of each of their respective Stock Returns of -20%, -30% and -50%, respectively, and the Stock Return Floor, which is -15%, the weighted average Stock Performance is -2.60%. Because the Coupon Rate may not be less than 0% (0% APY), the Coupon Rate is 0% (0% APY), and the investor receives no Coupon Payment on the applicable Coupon Payment Date. Even when most of the Reference Stocks have significant positive Stock Returns, if the negative Stock Returns for the other Reference Stocks are sufficiently large, the investor will receive no Coupon Payment on the applicable Coupon Payment Date.

Example 3:

TABLE 3

Reference Stock	Final Share Price	Stock Return	Stock Performance	Stock Performance x Stock Weighting
Stock 1	\$115.00	15.00%	3.00%	0.30%
Stock 2	\$115.00	15.00%	3.00%	0.30%
Stock 3	\$120.00	20.00%	3.00%	0.30%
Stock 4	\$150.00	50.00%	3.00%	0.30%
Stock 5	\$130.00	30.00%	3.00%	0.30%
Stock 6	\$130.00	30.00%	3.00%	0.30%
Stock 7	\$135.00	35.00%	3.00%	0.30%
Stock 8	\$125.00	25.00%	3.00%	0.30%
Stock 9	\$145.00	45.00%	3.00%	0.30%
Stock 10	\$115.00	15.00%	3.00%	0.30%
Total =				3.00%
Coupon Rate =				3.00%
Annual Percentage Yield =				6.00%

Explanation for Example 3

As illustrated by Table 3 above, even though all 10 Reference Stocks have significant positive Stock Returns, ranging from 15.00% to 50.00%, because the Coupon Rate may not be more than the Coupon Cap of 3.0% (corresponding to an APY of 6.0%), the Coupon Rate is equal to the Coupon Cap of 3.0% (corresponding to an APY of 6.0%), and the investor receives the maximum Coupon Payment on the applicable Coupon Payment Date of \$30.00 per \$1,000 CD. Even when all of the Reference Stocks have significant positive Stock Returns, the Coupon Payment on the applicable Coupon Payment Date is limited by the Coupon Cap.

Example 4:

TABLE 4

Reference Stock	Final Share Price	Stock Return	Stock Performance	Stock Performance x Stock Weighting
Stock 1	\$105.00	5.00%	3.00%	0.30%
Stock 2	\$110.00	10.00%	3.00%	0.30%
Stock 3	\$89.00	-11.00%	-11.00%	-1.10%
Stock 4	\$150.00	50.00%	3.00%	0.30%
Stock 5	\$110.00	10.00%	3.00%	0.30%
Stock 6	\$120.00	20.00%	3.00%	0.30%
Stock 7	\$94.00	-6.00%	-6.00%	-0.60%
Stock 8	\$101.00	1.00%	1.00%	1.00%
Stock 9	\$89.00	-11.00%	-11.00%	-1.10%
Stock 10	\$104.00	4.00%	3.00%	0.30%
Total =				0.00%
Coupon Rate =				0.00%
Annual Percentage Yield =				0.00%

Explanation for Example 4

As illustrated by Table 4 above, even though 7 of the 10 Reference Stocks have positive Stock Returns, ranging from 1.00% to 50.00%, because the other 3 Reference Stocks (Stock 3, Stock 7 and Stock 9) have negative Stock Returns of -11.00%, -6.00% and -11.00%, the average Stock Performance is 0%. The Coupon Rate is 0% (0% APY), and the investor receives no Coupon Payment on the applicable Coupon Payment Date. Even when most of the Reference Stocks have significant positive Stock Returns, if the negative Stock Returns for the other Reference Stocks are sufficiently large, the investor will receive no Coupon Payment on the applicable Coupon Payment Date.

The Reference Stocks

Public Information

All information contained herein on the Reference Stocks and on the Reference Stock issuers is derived from publicly available sources and is provided for informational purposes only. Companies with securities registered under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, are required to periodically file certain financial and other information specified by the SEC. Information provided to or filed with the SEC by a Reference Stock issuer pursuant to the Exchange Act can be located by reference to the SEC file number provided below and can be accessed through www.sec.gov. We do not make any representation that these publicly available documents are accurate or complete. See "The Reference Stocks" beginning on page PS-18 of the accompanying disclosure statement for more information.

Historical Information of the Reference Stocks and the Basket

The following graphs contained in this term sheet set forth the historical performance of the Reference Stocks based on the weekly closing prices (in U.S. dollars, except in the case of HSBC Holdings, plc., Panasonic Corporation, Anheuser-Busch InBev SA/NV, GlaxoSmithKline plc, Vodafone Group Public Company Limited and Barrick Gold Corporation, in Hong Kong dollars, yen, euros, pounds sterling, pounds sterling and Canadian dollars, respectively) of the Reference Stocks from January 7, 2005 through August 27, 2010. We obtained the closing prices and other market information in this term sheet from Bloomberg, without independent verification. The closing prices and this other information may be adjusted by Bloomberg for corporate actions such as public offerings, mergers and acquisitions, spin-offs, delistings and bankruptcy. We make no representation or warranty as to the accuracy or completeness of the information obtained from Bloomberg.

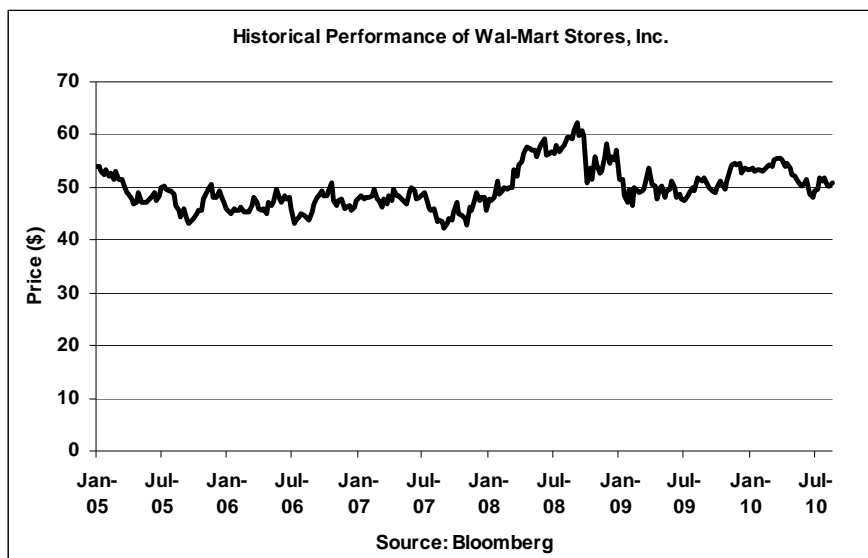
Since the commencement of trading of each Reference Stock, the price of such Reference Stock has experienced significant fluctuations. The historical performance of each Reference Stock and the historical performance of the Basket should not be taken as an indication of future performance, and no assurance can be given as to the closing prices of each Reference Stock during the term of the CDs. We cannot give you assurance that the performance of each Reference Stock will result in any Coupon Payment. We make no representation as to the amount of dividends, if any, that each Reference Stock issuer will pay in the future. In any event, as an investor in the CDs, you will not be entitled to receive dividends, if any, that may be payable on each Reference Stock.

Wal-Mart Stores, Inc.

According to its publicly available filings with the SEC, Wal-Mart Stores, Inc. operates discount stores, supercenters, and neighborhood markets which offer merchandise such as apparel, housewares, small appliances, electronics, and hardware. The common stock of Wal-Mart Stores, Inc., par value \$0.10 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Wal-Mart Stores, Inc. in the accompanying disclosure statement. Wal-Mart Stores, Inc.'s SEC file number is 001-06991.

Historical Information of the Common Stock of Wal-Mart Stores, Inc.

The following graph sets forth the historical performance of the common stock of Wal-Mart Stores, Inc. based on the weekly closing price (in U.S. dollars) of the common stock of Wal-Mart Stores, Inc. from January 7, 2005 through August 27, 2010. The closing price of the common stock of Wal-Mart Stores, Inc. on August 30, 2010 was \$50.55.

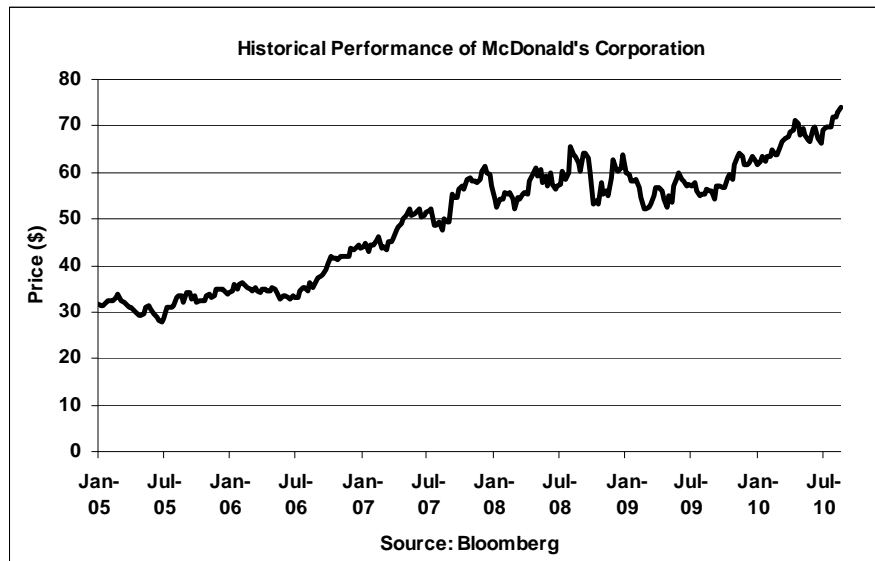


McDonald's Corporation ("McDonald's")

According to its publicly available filings with the SEC, McDonald's primarily franchises and operates McDonald's restaurants in the food service industry. These restaurants serve a varied, yet limited, value-priced menu in more than 100 countries around the world. The common stock of McDonald's, par value \$0.01 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of McDonald's in the accompanying disclosure statement. McDonald's SEC file number is 001-05231.

Historical Information of the Common Stock of McDonald's

The following graph sets forth the historical performance of the common stock of McDonald's based on the weekly closing price (in U.S. dollars) of the common stock of McDonald's from January 7, 2005 through August 20, 2010. The closing price of the common stock of McDonald's on August 30, 2010 was \$72.74.



Amazon.com, Inc. ("Amazon.com")

According to its publicly available filings with the SEC, Amazon.com operates retail websites and offers programs that enable third parties to sell products on its websites. The common stock of Amazon.com, par value \$0.01 per share, is listed on The NASDAQ Stock Market, which we refer to as the Relevant Exchange for purposes of Amazon.com in the accompanying disclosure statement. Amazon.com's SEC file number is 000-22513.

Historical Information of the Common Stock of Amazon.com

The following graph sets forth the historical performance of the common stock of Amazon.com based on the weekly closing price (in U.S. dollars) of the common stock of Amazon.com from January 7, 2005 through August 27, 2010. The closing price of the common stock of Amazon.com on August 30, 2010 was \$123.79.



Altria Group, Inc. ("Altria")

According to its publicly available filings with the SEC, Altria, through its subsidiaries, engages in the manufacture and sale of cigarettes, wine, and other tobacco products in the United States and internationally. The company also maintains a portfolio of leveraged and direct finance leases principally in transportation, including aircraft, as well as power generation and manufacturing equipment, and facilities. The common stock of Altria, par value \$0.33 1/3 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Altria in the accompanying disclosure statement. Altria's SEC file number is 001-08940.

Historical Information of the Common Stock of Altria

The following graph sets forth the historical performance of the common stock of Altria based on the weekly closing price (in U.S. dollars) of the common stock of Altria from January 7, 2005 through August 27, 2010. The closing price of the common stock of Altria on August 30, 2010 was \$22.52.



HSBC Holdings, plc. ("HSBC Holdings")

According to its publicly available filings with the SEC, HSBC Holdings is the holding company for the HSBC Group. The Company provides international banking and financial services, including retail and corporate banking, trade, trusteeship, securities, custody, capital markets, treasury, private and investment banking, and insurance worldwide. The ordinary shares of HSBC Holdings (which we refer to as the "common stock of HSBC Holdings"), par value \$0.50 per share, are listed on the Stock Exchange of Hong Kong, which we refer to as the Relevant Exchange for purposes of HSBC Holdings in the accompanying disclosure statement. HSBC Holdings' SEC file number is 001-14930.

Historical Information of the Common Stock of HSBC Holdings

The following graph sets forth the historical performance of the common stock of HSBC Holdings based on the weekly closing price (in Hong Kong dollars) of the common stock of HSBC Holdings from January 7, 2005 through August 27, 2010. The closing price of the common stock of HSBC Holdings on August 30, 2010 was HK\$77.25.

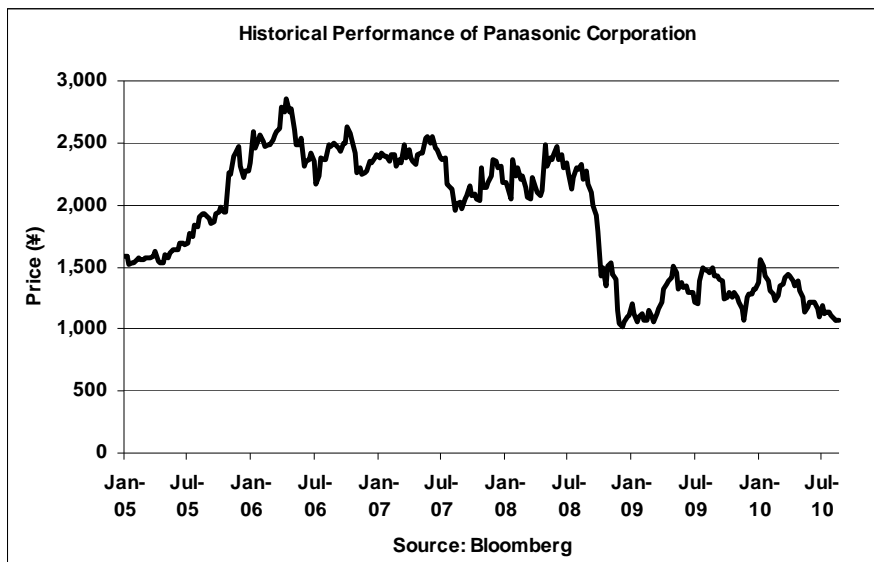


Panasonic Corporation (“Panasonic”)

According to its publicly available filings with the SEC, Panasonic, a Japanese company, manufactures electric and electronic products. The American Depositary Shares “ADSs” of Panasonic, representing the common stock of Panasonic, no par value, are registered under Exchange Act and are listed on the New York Stock Exchange. The common stock of Panasonic primarily trades in Japanese yen on the Tokyo Stock Exchange, which we refer to as the Relevant Exchange for purposes of Panasonic in the accompanying disclosure statement. Panasonic Corporation’s SEC file number is 001-06784.

Historical Information of the Common Stock of Panasonic

The following graph sets forth the historical performance of the common stock of Panasonic based on the weekly closing price (in yen) of the common stock of Panasonic Corporation from January 7, 2005 through August 27, 2010. The closing price of the common stock of Panasonic Corporation on August 30, 2010 was ¥1095.00.

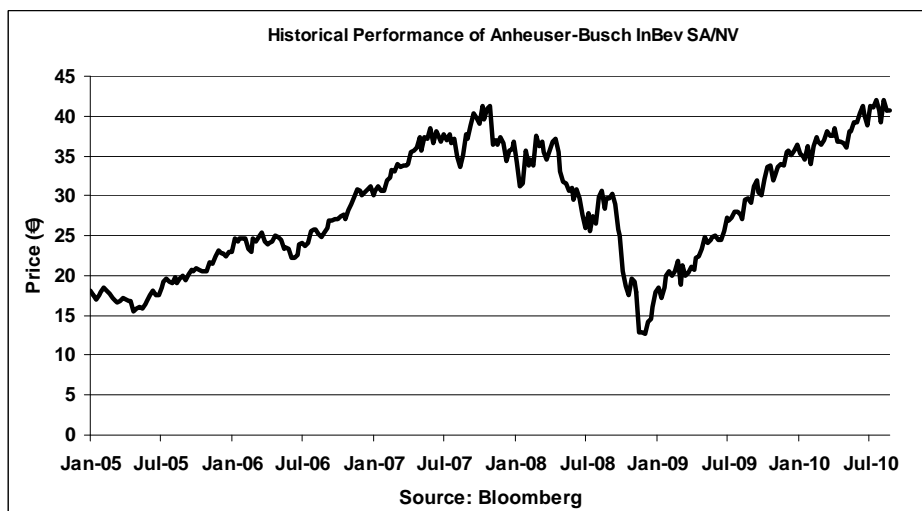


Anheuser-Busch InBev SA/NV (“Anheuser-Busch”)

According to its publicly available filings with the SEC, Anheuser-Busch, a Belgian company produces, markets, distributes and sells over 200 beer brands. Anheuser-Busch also produces and distributes soft drinks, particularly in Latin America. The ordinary shares of Anheuser-Busch (which we refer to as the “common stock of Anheuser-Busch”), without nominal value, is listed on the Euronext Brussels, which we refer to as the Relevant Exchange for purposes of Anheuser-Busch in the accompanying disclosure statement. Anheuser-Busch’s SEC file number is 001-34455.

Historical Information of the Common Stock of Anheuser-Busch

The following graph sets forth the historical performance of the common stock of Anheuser-Busch based on the weekly closing price (in euros) of the common stock of Anheuser-Busch from January 7, 2005 through August 27, 2010. The closing price of the common stock of Anheuser-Busch on August 30, 2010 was €40.77.

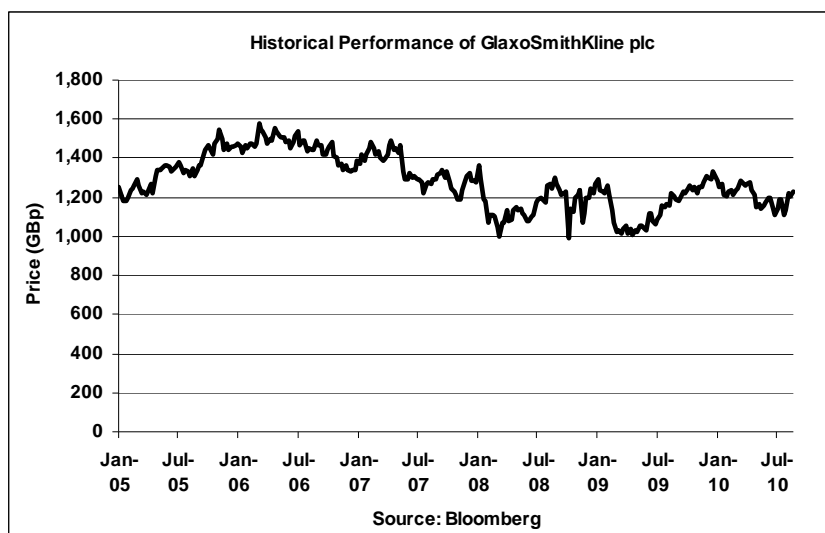


GlaxoSmithKline plc (“GlaxoSmithKline”)

According to its publicly available filings with the SEC, GlaxoSmithKline, a U.K. company, is a pharmaceutical group that develops, manufactures and markets vaccines, prescription and over-the-counter medicines, as well as health-related consumer products. GlaxoSmithKline, which also provides laboratory testing and disease management services, specializes in treatments for respiratory, central nervous system, gastro-intestinal and genetic disorders. The common stock of GlaxoSmithKline, no par value, is listed on the London Stock Exchange, which we refer to as the Relevant Exchange for purposes of GlaxoSmithKline in the accompanying disclosure statement. GlaxoSmithKline’s SEC file number is 001-15170.

Historical Information of the Common Stock of GlaxoSmithKline

The following graph sets forth the historical performance of the common stock of GlaxoSmithKline plc based on the weekly closing price (in pounds sterling) of the common stock of GlaxoSmithKline plc from January 7, 2005 through August 27, 2010. The closing price of the common stock of GlaxoSmithKline on August 27, 2010 was GBP1225.50.



Vodafone Group Public Company Limited (“Vodafone”)

According to its publicly available filings with the SEC, Vodafone, a U.K. company, is a mobile telecommunications company providing a range of services, including voice and data communications. The ADSs of Vodafone, each representing ten ordinary shares, par value \$0.11 3/7, are registered under Exchange Act and are listed on The NASDAQ Global Select Market, which we refer to as the Relevant Exchange for the purposes of Vodafone in the accompanying disclosure statement. Vodafone Group plc’s SEC file number is 001-10086.

Historical Information of Vodafone

The following graph sets forth the historical performance of the Vodafone based on the weekly closing price (in pounds sterling) of Vodafone from January 7, 2005 through August 27, 2010. The closing price of the Vodafone Group plc on August 27, 2010 was GBP153.60.



Barrick Gold Corporation (“Barrick”)

According to its publicly available filings with the SEC, Barrick, a Canadian company is a mining company operating mines or projects in Canada, the United States, Dominican Republic, Australia, Papua New Guinea, Peru, Chile, Argentina, Pakistan and Tanzania. Barrick’s principal products and sources of earnings are gold and copper. The common shares of Barrick, (which we refer to as the “common stock of Barrick”), are listed on the Toronto Stock Exchange, which we refer to as the Relevant Exchange for the purposes of Barrick in the accompanying disclosure statement. Barrick’s SEC file number is 001-09059.

Historical Information of the Common Stock of Barrick

The following graph sets forth the historical performance of the common stock of Barrick based on the weekly closing price (in Canadian dollars) of the common stock of Barrick from January 7, 2005 through August 27, 2010. The closing price of the common stock of Barrick on August 30, 2010 was C\$49.21.

