

## JPMorgan Chase Bank, National Association

# Contingent Coupon Certificates of Deposit Linked to an Equally Weighted Basket of 10 Reference Stocks due November 28, 2014

### General

- Certificates of deposit (the "CDs") issued by JPMorgan Chase Bank, National Association maturing November 28, 2014\*.
- 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 Reference Stocks. The Coupon Rate will be subject to a minimum Coupon Rate of at least 0.25% for each Coupon Payment Date (equivalent to 0.50% per annum) and a Coupon Cap of at least 4.25% for each Coupon Payment Date (equivalent to 8.50% per annum) (each 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 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 terms of the CDs as set forth in "Key Terms" below, to the extent that they differ from or conflict with those set forth in the accompanying disclosure statement dated September 29, 2009, supersede the terms set forth in the disclosure statement dated September 29, 2009. In particular, the Coupon Rate for each Coupon Payment Date will not be less than a minimum Coupon Rate of at least 0.25%, as described further below.***
- The CDs are expected to price on or about November 24, 2009 (the "Pricing Date") and to settle on or about November 30, 2009.

### Key Terms

Basket:	The Basket consists of 10 common 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 greater of (a) the sum of the Stock Performance of each Reference Stock on the Coupon Determination Date multiplied by the Stock Weighting for such Reference Stock, and (b) at least 0.25% (equivalent to 0.50% per annum) (to be determined on the Pricing Date).
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).
Coupon Payment Dates*:	May 27, 2010, November 30, 2010, May 27, 2011, November 30, 2011, May 30, 2012, November 29, 2012, May 30, 2013, November 29, 2013, May 30, 2014 and November 28, 2014
Coupon Determination Dates*:	May 24, 2010, November 24, 2010, May 24, 2011, November 25, 2011, May 24, 2012, November 26, 2012, May 24, 2013, November 25, 2013, May 27, 2014 and November 24, 2014
Stock Performance:	The Stock Performance for a Reference Stock on any Coupon Determination Date will be: (1) if the Stock Return on such date is greater than the Stock Return Threshold, the Coupon Cap, or (2) if the Stock Return on such date is less than or equal to the Stock Return Threshold, the Stock Return. The Stock Performance for a Reference Stock may be positive, zero or negative.
Stock Return Threshold:	Equal to the Coupon Cap, which will be at least 4.25% (equivalent to 8.50% per annum) for each Coupon Payment Date (to be determined on the Pricing Date).
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:	At least 4.25% (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*:	November 28, 2014
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 \$62.50 per \$1,000 CD and would use a portion of that commission to allow selling concessions to other dealers of approximately \$42.50 per \$1,000 CD. This commission includes projected profits that our affiliates expect to realize, some of which may be allowed to other dealers, in connection with hedging our obligations under the CDs. The concessions of approximately \$42.50 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 (including affiliates), exceed \$80.00 per \$1,000 CD.
Early Withdrawals:	Early withdrawals are permitted at par upon death or adjudication of incompetence of a beneficial holder of the CDs. For information about early withdrawals and the limitations on such withdrawals, see "General Terms of the CDs — Additions and Withdrawals" in the accompanying disclosure statement.
CUSIP:	48123YBN5
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.

## Additional Terms Specific to the CDs

You should read this term sheet together with the disclosure statement dated September 29, 2009. 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 September 29, 2009:

[http://www.jpmorgan.com/directdoc/Basket\\_Stocks\\_Disclosure\\_Statement\\_9\\_29\\_2009.pdf](http://www.jpmorgan.com/directdoc/Basket_Stocks_Disclosure_Statement_9_29_2009.pdf)

You may access information related to the unaudited quarterly financial statements for the Bank for the three and six months ended June 30, 2009 and March 31, 2009 and the audited annual financial statements of the Bank for the years ended December 31, 2007 and December 31, 2008 at the following URL:

[http://www.jpmorgan.com/directdoc/jpmcb\\_financial\\_information\\_2007\\_through\\_Q2\\_09.pdf](http://www.jpmorgan.com/directdoc/jpmcb_financial_information_2007_through_Q2_09.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	Exchange	Stock Weighting	Initial Share Price*
AMZN	Amazon.com, Inc.	NASDAQ	1/10	
CLX	The Clorox Company	NYSE	1/10	
DE	Deere & Company	NYSE	1/10	
FDX	FedEx Corporation	NYSE	1/10	
MCD	McDonald’s Corporation	NYSE	1/10	
NEM	Newmont Mining Corporation	NYSE	1/10	
PEP	PepsiCo, Inc.	NYSE	1/10	
SLB	Schlumberger N.V. (Schlumberger Limited)	NYSE	1/10	
WFC	Wells Fargo & Company	NYSE	1/10	
WMT	Wal-Mart Stores, Inc.	NYSE	1/10	

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

### Selected Purchase Considerations

- **PRESERVATION OF CAPITAL AT MATURITY** — You will receive at least the principal amount of your CDs *plus* a minimum coupon payment at a rate of at least 0.25% for each Coupon Payment Date (to be determined on the Pricing Date) if you hold the CDs to maturity, regardless of the performance of the Reference Stocks. These payments are subject to our creditworthiness for any amount in excess of FDIC insured limits.
- **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 a minimum Coupon Rate of at least 0.25% or greater than the Coupon Cap of at least 4.25% for each Coupon Payment Date (each 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 Payment Date, *provided* that the Coupon Rate will not be less than a minimum Coupon Rate of at least 0.25%. 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 Stock Return 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.
- **FDIC INSURED** — The CDs are deposit obligations of the Bank and are insured by the FDIC up to applicable limits set by federal law and regulation. Pursuant to the Emergency Economic Stabilization Act of 2008 (the “Economic Stabilization Act”), the maximum deposit insurance amount was temporarily raised from \$100,000 to \$250,000 for all deposits held by you in the same ownership capacity at the Bank until December 31, 2009. On May 20, 2009, the Emergency Economic Stabilization Act was amended by the Helping Families Save Their Homes Act of 2009 (the “Helping Families Save Their Homes Act”), extending the increased limit until December 31, 2013. Unless the increased coverage is extended by law or regulation, the maximum deposit insurance amount will revert to \$100,000 per account after December 31, 2013, which is prior to the Maturity Date of the CDs. The maximum amount of deposit insurance per participant in the case of certain retirement accounts remains \$250,000 as described in the disclosure statement under “Deposit Insurance.” The principal amount plus accrued Coupon Payment of any CDs owned in excess of these limits is not insured by the FDIC. Under federal legislation adopted in 1993, 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.

- **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. These Reference Stocks are the common stocks of Amazon.com, Inc., The Clorox Company, Deere & Company, FedEx Corporation, McDonald's Corporation, Newmont Mining Corporation, PepsiCo, Inc., Schlumberger N.V. (Schlumberger Limited), Wells Fargo & Company and Wal-Mart Stores, Inc.
- **TREATED AS CONTINGENT PAYMENT 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 "contingent payment debt instruments" for U.S. federal income tax purposes. Assuming this characterization is respected, unlike a traditional certificate of deposit that provides for periodic payments of interest at a single fixed rate, with respect to which a cash-method holder generally recognizes income only upon payment of stated interest, the CDs will be subject to special tax rules. Under these rules, you generally will be required to accrue taxable interest income in each year at a rate equal to our comparable yield, subject to certain adjustments to reflect the difference between the actual and "projected" amounts of any payments you receive during the year, with the result that your taxable income in any year may differ significantly from (and may be significantly higher than) the coupon payments you receive in that year. Generally, amounts received at maturity or earlier sale or exchange in excess of your adjusted basis will be treated as additional interest income, while any loss will be treated as an ordinary loss to the extent of all previous inclusions with respect to your CDs, which to that extent will be deductible against other income (e.g., employment and interest income), with the balance treated as capital loss, which may be subject to limitations. Purchasers who are not initial purchasers of CDs at their issue price should consult their tax advisers with respect to the tax consequences of an investment in CDs, including the treatment of the difference, if any, between their basis in their CDs and the CDs' adjusted issue price. See the section entitled "Certain U.S. Federal Income Tax Consequences" in the accompanying disclosure statement for more detailed information. 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.
- **COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE** — Upon the pricing of the CDs, you may obtain the comparable yield and projected payment schedule by submitting a written request for this information to us at: JPMorgan, Structured Investments Team, 5th Floor, 383 Madison Avenue, New York, NY, 10179. If the CDs had priced on October 28, 2009 and we had determined the comparable yield on that date, it would have been an annual rate of 2.96%, compounded semiannually. The actual comparable yield that we will determine for the CDs may be more or less than 2.96%, and will depend upon a variety of factors, including the actual market conditions and our borrowing costs for debt instruments of comparable maturities. **Neither the comparable yield nor the projected payment schedule constitutes a representation by us regarding the actual amounts, if any, that we will pay on the CDs.**

#### 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 September 29, 2009.

- **YOU MAY NOT RECEIVE COUPON PAYMENTS ON YOUR CDs IN EXCESS OF A MINIMUM COUPON RATE OF AT LEAST 0.25% FOR EACH COUPON PAYMENT DATE**— Your only return on the CDs will be the semi-annual Coupon Payments 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 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 a minimum Coupon Rate of at least 0.25% and the minimum Coupon Payment of at least \$2.50 per \$1,000 principal amount CD will be made on each applicable Coupon Payment Date. If the minimum Coupon Rate applies for each of the applicable Coupon Payment Dates, over the term of the CDs you will receive at least \$25.00 per \$1,000 principal amount CD. The actual minimum Coupon Rate and corresponding minimum Coupon Payment will be determined on the Pricing Date. 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 at least 4.25% (to be determined on the Pricing 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 relevant 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 while any negative contribution by a Reference Stock is not limited and may have a disproportionate impact on the Coupon Rate. There can be no assurance that you will receive a Coupon Payment with a Coupon Rate in excess of the minimum Coupon Rate of at least 0.25% 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 Stock Performance to be zero or negative and adversely affect 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** — A depositor purchasing a principal amount of CDs in excess of FDIC insurance limits will be subject to the credit risk of JPMorgan Chase Bank, National Association and our credit ratings and credit spreads may adversely affect the market value of the CDs. Investors are dependent on JPMorgan Chase Bank, National Association's ability to pay amounts due on the CDs in excess of FDIC insurance limits at maturity or on any other relevant payment dates, and therefore investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Any decline in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the value of 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.
- **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 IS PROTECTED ONLY AT 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 through an unaffiliated hedging agent. As a result, the price, if any, 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 "Supplemental Terms of the CDs" in this term sheet and "Discounts and Secondary Market" in the accompanying disclosure statement dated September 29, 2009.
- **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.
- **RISKS ASSOCIATED WITH NON-U.S. SECURITIES** — An investment in the CDs linked to the value of non-U.S. equity securities, such as the common stock of Schlumberger N.V. (Schlumberger Limited) ("Schlumberger") involves risks associated with the home country of the issuer of the non-U.S. equity securities. Non-U.S. companies, such as those organized in Netherlands Antilles, 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 economy 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.
- **LIMITATIONS ON FDIC INSURANCE** — As a general matter, holders who purchase CDs in a principal amount greater than the applicable limits set by federal law and regulation will not be insured by the FDIC for the principal amount exceeding such limit. Before the Economic Stabilization Act, which came into effect on October 3, 2008, the maximum deposit insurance amount was \$100,000 per account or \$250,000 per participant in the case of certain retirement accounts. While the Economic Stabilization Act raised the maximum deposit insurance amount from \$100,000 to \$250,000 per account (without changing limits for retirement accounts), and the Helping Families Save Their Homes Act extended the increased limit until December 31, 2013, unless the increased coverage is extended further by law or regulation, the maximum deposit insurance amount will revert to \$100,000 per account after December 31, 2013, which is prior to the Maturity Date of the CDs. In addition, the return on the CDs, which is reflected in the form of the Coupon Payments, would not be insured by the FDIC until each of the respective Coupon Determination Dates. For more information, see "Deposit Insurance" 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 on which the Coupon Rate is determined with reference to the Stock Performance.

- **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 or judicial events;
  - the exchange rate and volatility of the exchange rate between the euro and the U.S. dollar;
  - 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; and
  - our creditworthiness, including actual or anticipated downgrades in our credit ratings.
- **TAX DISCLOSURE** – The information under “Treated as Contingent Payment Debt Instruments” and “Comparable Yield and Projected Payment Schedule” 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 Contingent Payment Debt Instruments” and “Comparable Yield and Projected Payment Schedule” 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. The following tables and examples assume a Coupon Cap and a Stock Return Threshold of 4.25% and a minimum Coupon Rate of 0.25%. The actual Coupon Cap, Coupon Rate and Stock Return Threshold will be determined on the Pricing Date.

The actual Initial Share Price for each actual 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 one another. 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%	0.01%
Stock 2	\$100.05	0.05%	0.05%	0.005%
Stock 3	\$100.50	0.50%	0.50%	0.05%
Stock 4	\$101.00	1.00%	1.00%	0.10%
Stock 5	\$102.00	2.00%	2.00%	0.20%
Stock 6	\$95.00	-5.00%	-5.00%	-0.50%
Stock 7	\$102.50	2.50%	2.50%	0.25%
Stock 8	\$97.00	-3.00%	-3.00%	-0.30%
Stock 9	\$103.50	3.50%	3.50%	0.35%
Stock 10	\$104.00	4.00%	4.00%	0.40%
			<b>Total =</b>	<b>0.565%</b>
			<b>Coupon Rate =</b>	<b>0.565%</b>
			<b>Annual Percentage Yield =</b>	<b>1.130%</b>

### 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 4.00%, 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 0.565%, and the investor receives a Coupon Payment on the applicable Coupon Payment Date of \$5.65 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	\$107.00	7.00%	4.25%	0.425%
Stock 2	\$110.00	10.00%	4.25%	0.425%
Stock 3	\$70.00	-30.00%	-30.00%	-3.00%
Stock 4	\$150.00	50.00%	4.25%	0.425%
Stock 5	\$110.00	10.00%	4.25%	0.425%
Stock 6	\$120.00	20.00%	4.25%	0.425%
Stock 7	\$65.00	-35.00%	-35.00%	-3.50%
Stock 8	\$102.00	2.00%	2.00%	0.20%
Stock 9	\$50.00	-50.00%	-50.00%	-5.00%
Stock 10	\$105.00	6.00%	4.25%	0.425%
			<b>Total =</b>	<b>-8.75%</b>
			<b>Coupon Rate =</b>	<b>0.25%</b>
			<b>Annual Percentage Yield =</b>	<b>0.50%</b>

### Explanation for Example 2

As illustrated by Table 2 above, even though 7 of the 10 Reference Stocks have positive Stock Returns, ranging from 2.00% to 50.00%, because the other 3 Reference Stocks (Stock 3, Stock 7 and Stock 9) have significant negative Stock Returns of -30.00%, -35.00% and -50.00%, the weighted average Stock Performance is -8.75%. However, because the Coupon Rate may not be less than 0.25%, the Coupon Rate is 0.25%, and the investor receives a Coupon Payment on the applicable Coupon Payment Date of \$2.50 per \$1,000 CD. Even when most of the Reference Stocks have positive Stock Returns, if the negative Stock Returns for the other Reference Stocks are sufficiently large, the investor will receive the minimum Coupon Payment of \$2.50 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%	4.25%	0.425%
Stock 2	\$115.00	15.00%	4.25%	0.425%
Stock 3	\$120.00	20.00%	4.25%	0.425%
Stock 4	\$150.00	50.00%	4.25%	0.425%
Stock 5	\$130.00	30.00%	4.25%	0.425%
Stock 6	\$130.00	30.00%	4.25%	0.425%
Stock 7	\$135.00	35.00%	4.25%	0.425%
Stock 8	\$125.00	25.00%	4.25%	0.425%
Stock 9	\$145.00	45.00%	4.25%	0.425%
Stock 10	\$115.00	15.00%	4.25%	0.425%
			<b>Total =</b>	<b>4.25%</b>
			<b>Coupon Rate =</b>	<b>4.25%</b>
			<b>Annual Percentage Yield =</b>	<b>8.50%</b>

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 4.25%, the Coupon Rate is equal to the Coupon Cap of 4.25%, and the investor receives the maximum Coupon Payment on the applicable Coupon Payment Date of \$42.50 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	\$109.00	9.00%	4.25%	0.425%
Stock 2	\$110.00	10.00%	4.25%	0.425%
Stock 3	\$90.00	-10.00%	-10.00%	-1.00%
Stock 4	\$150.00	50.00%	4.25%	0.425%
Stock 5	\$110.00	10.00%	4.25%	0.425%
Stock 6	\$120.00	20.00%	4.25%	0.425%
Stock 7	\$81.50	-18.50%	-18.50%	-1.85%
Stock 8	\$104.00	4.00%	4.00%	0.40%
Stock 9	\$99.00	-1.00%	-1.00%	-0.10%
Stock 10	\$106.00	6.00%	4.25%	0.425%
			<b>Total =</b>	<b>0.00%</b>
			<b>Coupon Rate =</b>	<b>0.25%</b>
			<b>Annual Percentage Yield =</b>	<b>0.50%</b>

Explanation for Example 4

As illustrated by Table 4 above, even though 7 of the 10 Reference Stocks have positive Stock Returns, ranging from 4.00% to 50.00%, because the other 3 Reference Stocks (Stock 3, Stock 7 and Stock 9) have significant negative Stock Returns of -10.00%, -18.50% and -1.00%, the average Stock Performance is 0%. However, because the Coupon Rate is subject to a minimum rate of 0.25%, the Coupon Rate is 0.25%, and the investor receives a Coupon Payment on the applicable Coupon Payment Date of \$2.50 per \$1,000 CD. Even if the negative Stock Returns offset any positive Stock Performance, the investor will receive a Coupon Payment of \$2.50 per \$1,000 CD 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](http://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 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) of the Reference Stocks from January 1, 2004 through October 23, 2009. 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.

#### *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 2, 2004 through October 23, 2009. The closing price of the common stock of Amazon.com on October 28, 2009 was \$121.64.

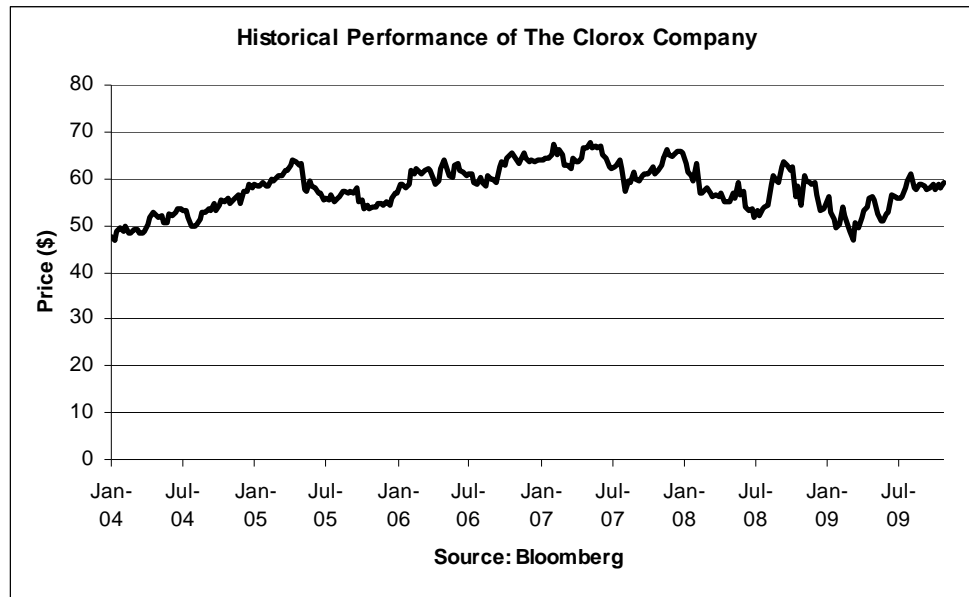


### *The Clorox Company ("Clorox")*

According to its publicly available filings with the SEC, Clorox is a manufacturer and marketer of consumer products, including bleach and other cleaning products, and sells its products primarily through mass merchandisers, grocery stores and other retail outlets. The common stock of Clorox, par value \$1.00 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Clorox in the accompanying disclosure statement. Clorox's SEC file number is 001-07151.

#### **Historical Information of the Common Stock of Clorox**

The following graph sets forth the historical performance of the common stock of Clorox based on the weekly closing price (in U.S. dollars) of the common stock of Clorox from January 2, 2004 through October 23, 2009. The closing price of the common stock of Clorox on October 28, 2009 was \$57.99.

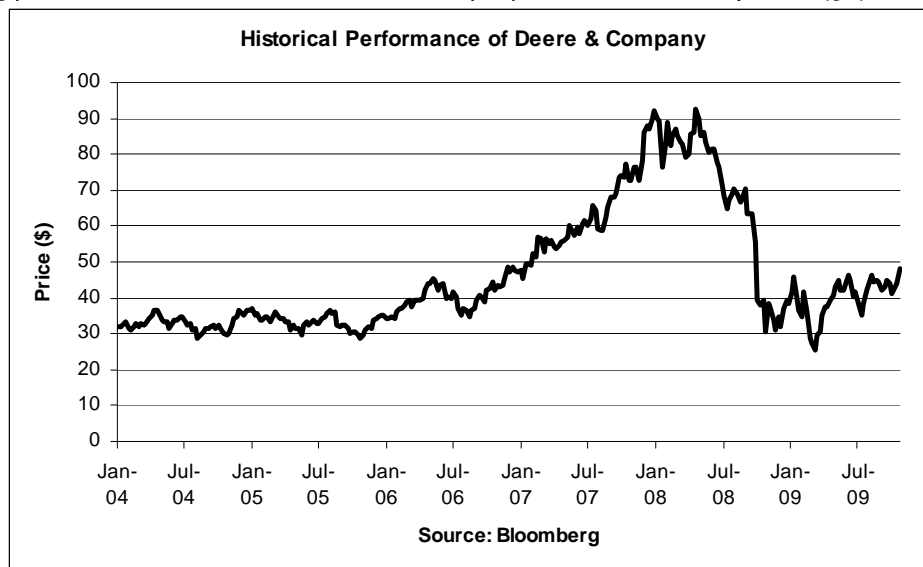


### *Deere & Company*

According to its publicly available filings with the SEC, Deere & Company through its subsidiaries, is engaged in the manufacture, distribution and sale of agricultural equipment, commercial and consumer equipment and construction and forestry equipment. Deere & Company also provides financing for sales and leases by dealers of new and used equipment. The common stock of Deere & Company, par value \$1.00 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Deere & Company in the accompanying disclosure statement. Deere & Company's SEC file number is 001-04121.

#### **Historical Information of the Common Stock of Deere & Company**

The following graph sets forth the historical performance of the common stock of Deere & Company based on the weekly closing price (in U.S. dollars) of the common stock of Deere & Company from January 2, 2004 through October 23, 2009. The closing price of the common stock of Deere & Company on October 28, 2009 was \$45.42.

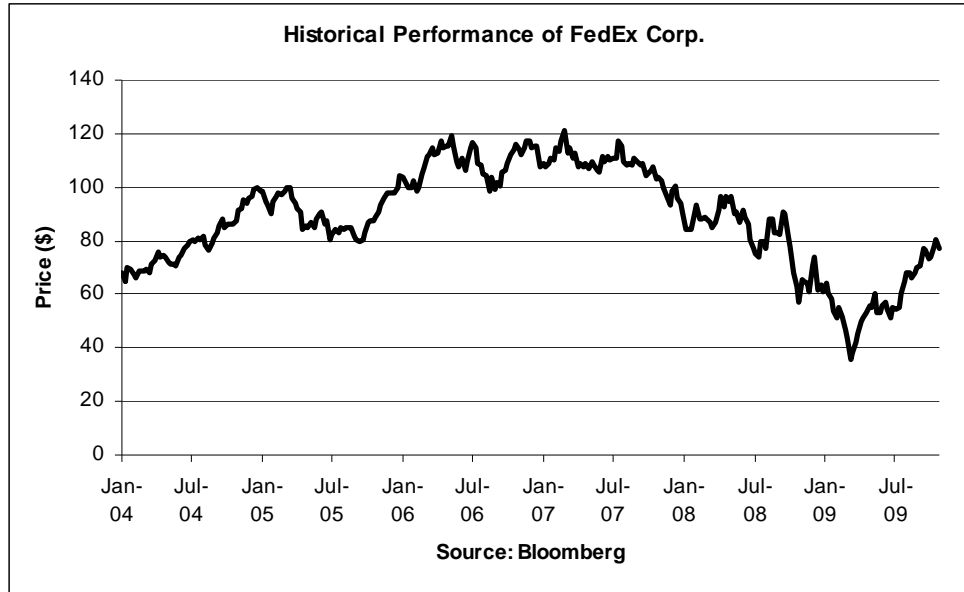


### FedEx Corporation ("FedEx")

According to its publicly available filings with the SEC, FedEx provides a broad portfolio of transportation, e-commerce and business services through companies competing collectively, operating independently and managed collaboratively, under the FedEx brand. The common stock of FedEx, 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 FedEx in the accompanying disclosure statement. FedEx's SEC file number is 001-15829.

#### Historical Information of the Common Stock of FedEx

The following graph sets forth the historical performance of the common stock of FedEx based on the weekly closing price (in U.S. dollars) of the common stock of FedEx from January 2, 2004 through October 23, 2009. The closing price of the common stock of FedEx on October 28, 2009 was \$73.54.

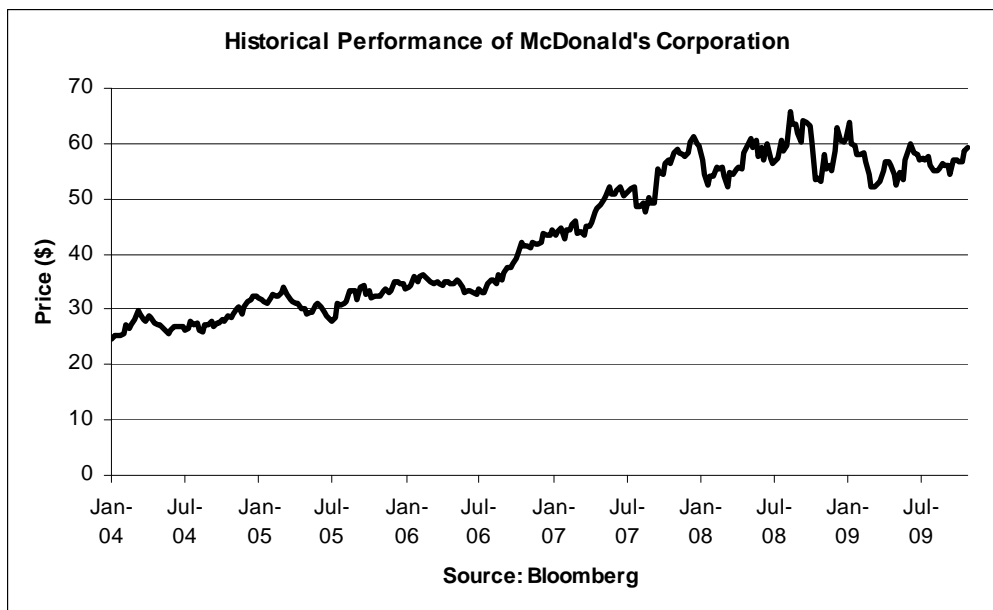


### McDonald's Corporation ("McDonald's")

According to its publicly available filings with the SEC, McDonald's 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 2, 2004 through October 23, 2009. The closing price of the common stock of McDonald's on October 28, 2009 was \$58.64.

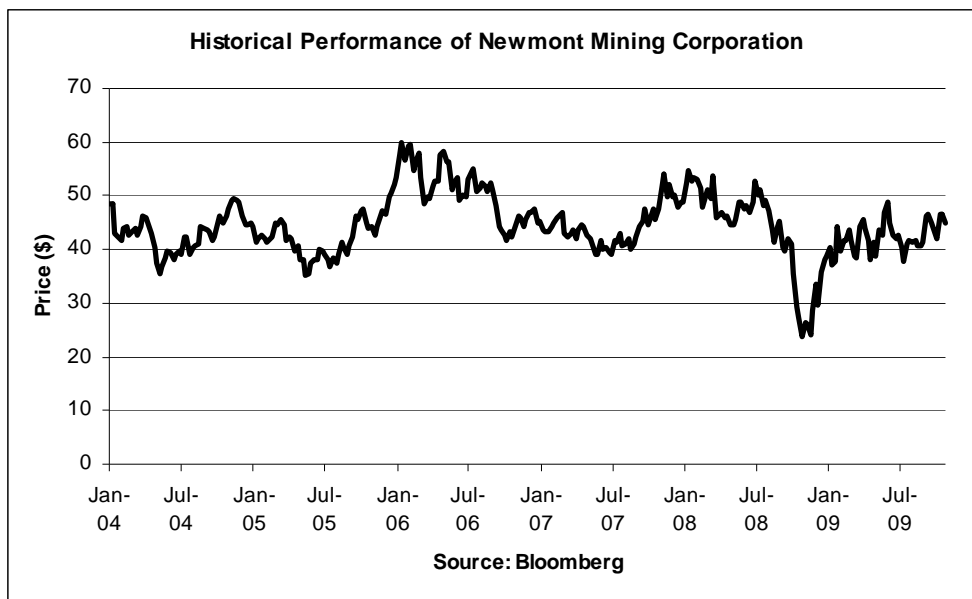


### *Newmont Mining Corporation ("Newmont Mining")*

According to its publicly available filings with the SEC, Newmont Mining is primarily a gold producer, with significant assets or operations in the United States, Australia, Peru, Indonesia, Ghana, Canada, New Zealand and Mexico. The common stock of Newmont Mining, par value \$1.60 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Newmont Mining in the accompanying disclosure statement. Newmont Mining's SEC file number is 001-31240.

### *Historical Information of the Common Stock of Newmont Mining*

The following graph sets forth the historical performance of the common stock of Newmont Mining based on the weekly closing price (in U.S. dollars) of the common stock of Newmont Mining from January 2, 2004 through October 23, 2009. The closing price of the common stock of Newmont Mining on October 28, 2009 was \$41.50.

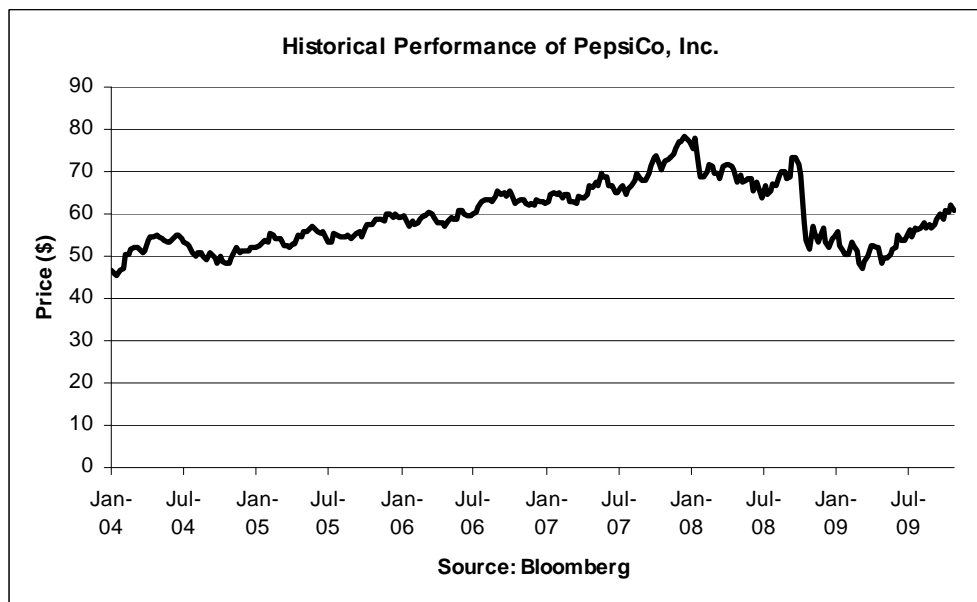


### *PepsiCo, Inc. ("PepsiCo")*

According to its publicly available filings with the SEC, PepsiCo is a global beverage, snack and food company. The common stock of PepsiCo, par value 1 2/3 cents per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of PepsiCo in the accompanying disclosure statement. PepsiCo's SEC file number is 001-01183.

### *Historical Information of the Common Stock of PepsiCo*

The following graph sets forth the historical performance of the common stock of PepsiCo based on the weekly closing price (in U.S. dollars) of the common stock of PepsiCo from January 2, 2004 through October 23, 2009. The closing price of the common stock of PepsiCo on October 28, 2009 was \$60.99.

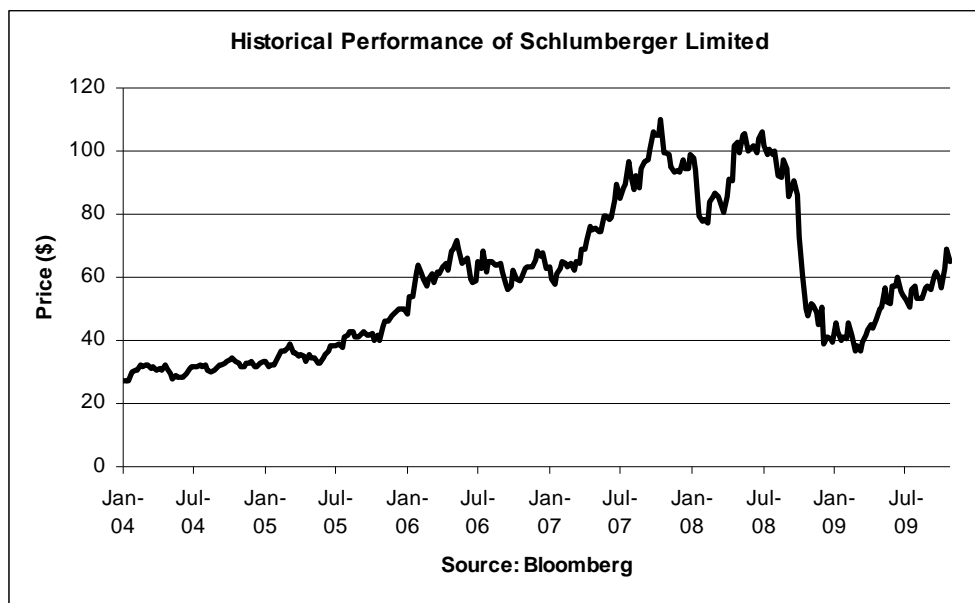


### Schlumberger N.V. (Schlumberger Limited) ("Schlumberger")

According to its publicly available filings with the SEC, Schlumberger, a Netherlands Antilles company, is a supplier of technology, integrated project management and information solutions to customers working in the oil and gas industry worldwide. The common stock of Schlumberger, 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 Schlumberger in the accompanying disclosure statement. Schlumberger's SEC file number is 001-04601.

#### Historical Information of the Common Stock of Schlumberger

The following graph sets forth the historical performance of the common stock of Schlumberger based on the weekly closing price (in U.S. dollars) of the common stock of Schlumberger from January 2, 2004 through October 23, 2009. The closing price of the common stock of Schlumberger on October 28, 2009 was \$62.27.

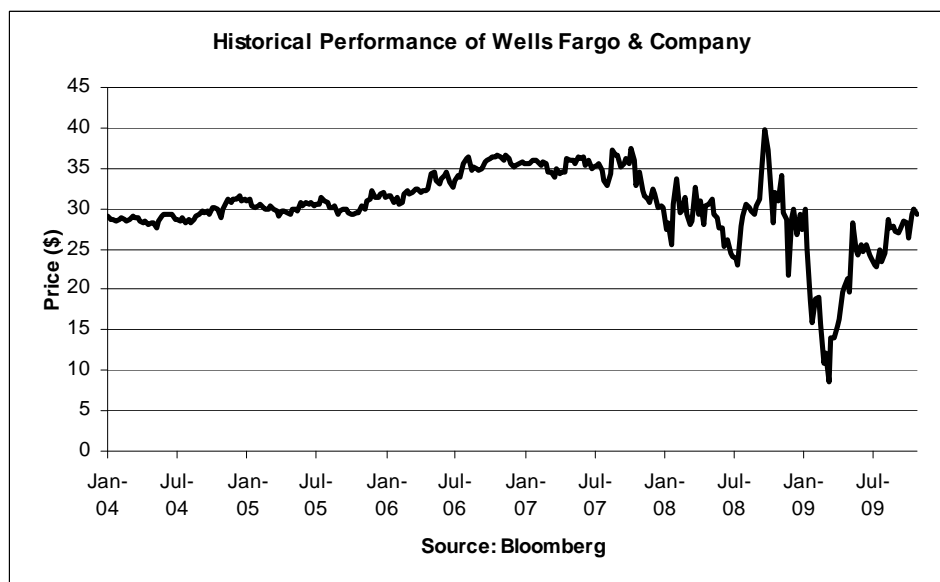


### Wells Fargo & Company ("Wells Fargo")

According to its publicly available filings with the SEC, Wells Fargo is a financial services company providing banking, insurance, trust and investments, mortgage banking, investment banking, retail banking, brokerage and consumer finance through banking stores, the internet and other distribution channels to businesses and institutions in all 50 states, the District of Columbia and in other countries. The common stock of Wells Fargo, par value \$1-2/3 per share, is listed on the New York Stock Exchange, which we refer to as the Relevant Exchange for purposes of Wells Fargo in the accompanying disclosure statement. Wells Fargo's SEC file number is 001-02979.

#### Historical Information of the Common Stock of Wells Fargo

The following graph sets forth the historical performance of the common stock of Wells Fargo based on the weekly closing price (in U.S. dollars) of the common stock of Wells Fargo from January 2, 2004 through October 23, 2009. The closing price of the common stock of Wells Fargo on October 28, 2009 was \$27.46.



**Wal-Mart Stores, Inc. ("Wal-Mart")**

According to its publicly available filings with the SEC, Wal-Mart operates retail stores in various formats around the world and provides a broad assortment of merchandise and services. The common stock of Wal-Mart, 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 in the accompanying disclosure statement. Wal-Mart's SEC file number is 001-06991.

**Historical Information of the Common Stock of Wal-Mart**

The following graph sets forth the historical performance of the common stock of Wal-Mart based on the weekly closing price (in U.S. dollars) of the common stock of Wal-Mart from January 2, 2004 through October 23, 2009. The closing price of the common stock of Wal-Mart on October 28, 2009 was \$49.90.

