Term sheet
To disclosure statement dated March 8, 2010

Subject to Completion
November 2, 2011

JPMorganChase

JPMorgan Chase Bank, National Association
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EQUITY LINKED KNOCK-OUT CDs
Certificates of Deposit Linked to the Russell 2000® Index due November 28, 2018

General

- Certificates of deposit (the "CDs") issued by JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank") maturing November 28, 2018*.
- The CDs are designed for investors who seek exposure to the appreciation of the Russell 2000® Index over the term of the CDs. Investors should be willing to forgo interest and dividend payments as well as (1) any appreciation of the Russell 2000® Index of more than 70.00%† to 80.00%† above the Starting Index Level and (2) any appreciation of the Russell 2000® Index of more than 20% if a Knock-Out Event occurs, while seeking full return of principal at maturity.
- The CDs are insured only within the limits and to the extent described in this term sheet and in the accompanying disclosure statement. See "Selected Risk Considerations — Limitations on FDIC Insurance" in this term sheet. Any payment on the CDs in excess of FDIC insurance limits is subject to the credit risk of JPMorgan Chase Bank.
- Early withdrawals are permitted at par in the event of death or adjudication of incompetence of the beneficial owner of the CDs.
- Investing in the CDs is not equivalent to investing in the Russell 2000® Index or any of its component stocks.
- Minimum denominations of $1,000 (and then in additional increments of $1,000).
- The CDs are expected to price on or about November 23, 2011 and to settle on or about November 29, 2011.
  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, the temporary increase of the maximum deposit insurance amount from $100,000 to $250,000 has been made permanent. Please refer to "Selected Purchase Considerations — FDIC Insured" in this term sheet for more information.
- **The terms of the CDs as set forth below, to the extent they differ or conflict with those set forth in the accompanying disclosure statement, will supersede the terms set forth in the accompanying disclosure statement. In particular, as set forth below, the Interest Payment will be limited to the Knock-Out Payment if a Knock-Out Event occurs. Please refer to "Key Terms — Interest Payment," "Key Terms — Knock-Out Event," "Key Terms — Knock-Out Level," "Key Terms — Knock-Out Rate" and "Key Terms — Knock-Out Payment" below for more information.**

Key Terms

Index:	Russell 2000® Index (the "Index")
Payment at Maturity:	At maturity, you will receive a cash payment, for each $1,000 CD, of $1,000 plus the Interest Payment, which may be zero. You will receive no other interest or dividend payments during the term of the CDs.
Interest Payment:	The Interest Payment paid at maturity per $1,000 CD will be calculated as follows: (1) If a Knock-Out Event does not occur, $1,000 × the Index Return × the Participation Rate; *provided* that the Interest Payment will not be less than zero or greater than the maximum Interest Payment; or (2) If a Knock-Out Event occurs, $1,000 × the Knock-Out Rate. Under these circumstances, the Interest Payment you receive at maturity will be equal to the Knock-Out Payment of $200.00.
Maximum Interest Payment:	Between $700.00† per $1,000 CD (or $1,000 × 70.00%†) and $800.00† per $1,000 CD (or $1,000 × 80.00%†). †The actual maximum Interest Payment will be determined on the pricing date and will not be less than $700.00 per $1,000 CD (or $1,000 × 70.00%) or greater than $800.00 per $1,000 CD (or $1,000 × 80.00%).
Knock-Out Event:	If the Index closing level is greater than the Knock-Out Level on any day during the period from, but excluding, the pricing date to and including the Observation Date, a Knock-Out Event will have occurred.
Knock-Out Level:	Between 170.00%†† and 180.00%†† of the Starting Index Level. ††The actual Knock-Out Level will be determined on the pricing date and will not be less than 170.00% or greater than 180.00% of the Starting Index Level.
Knock-Out Rate:	20%, which results in an Interest Payment equal to the Knock-Out Payment of $200.00 per $1,000 CD if a Knock-Out Event occurs.
Knock-Out Payment:	$200.00 per $1,000 CD
Participation Rate:	100%
Index Return:	$\frac{\text{Ending Index Level} - \text{Starting Index Level}}{\text{Starting Index Level}}$
Starting Index Level:	The closing level of the Index on the pricing date, which is expected to be on or about November 23, 2011
Ending Index Level:	The closing level of the Index on the Observation Date
Observation Date*:	November 23, 2018
Maturity Date*:	November 28, 2018
Fees and Discounts:	If the CDs priced today, J.P. Morgan Securities LLC, which we refer to as JPMS, and its affiliates, would receive a fee of approximately $51.00 per $1,000 CD and may pay a portion of that fee to other affiliated or unaffiliated dealers of approximately $32.50 per $1,000 CD. This commission includes projected profits that our affiliates expect to realize in connection with hedging our obligations under the CDs. The concessions of approximately $32.50 per $1,000 CD includes concessions to be allowed to selling dealers and concessions to be allowed to any arranging dealer. The actual fee received by JPMS and its affiliates will depend on market conditions on the Pricing Date. In no event will the fee received by JPMS and its affiliates, which includes fees to be paid to other dealers, exceed $80.00 per $1,000 CD.
Early Withdrawals:	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 early withdrawals, see "General Terms of the CDs — Additions and Withdrawals" in the accompanying disclosure statement.
CUSIP:	48123YX68
Calculation Agent:	JPMS

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

Investing in the CDs involves a number of risks. See "Risk Factors" beginning on page 8 of the accompanying disclosure statement and "Selected Risk Considerations" beginning on page TS-2 of this term sheet.

Our affiliate, JPMS, certain of its affiliates and other broker-dealers may use this term sheet and the accompanying disclosure statement in connection with offers and sales of the CDs after the date hereof.

J.P.Morgan

November , 2011

ADDITIONAL TERMS SPECIFIC TO THE CDs

You should read this term sheet together with the disclosure statement dated March 8, 2010. This term sheet, together with the documents listed below, contains the terms of the CDs and supersedes all 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 as well as any certificate of deposit disclosure statement produced and furnished by any unaffiliated dealer. You should carefully consider, among other things, the matters set forth in the "Risk Factors" section 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 March 8, 2010:

http://www.jpmorgan.com/directdoc/Equity_Cmdty_Hybrid_CD_Disclosure_Statement_March_8_2010.pdf

You may access information related to the unaudited quarterly financial statements for the Bank for the three and six months ended June 30, 2011 and 2010 and the three months ended March 31, 2011 and 2010, and the audited annual financial statements for the Bank for the three years ended December 31, 2010 at the following URL:

http://www.jpmorgan.com/directdoc/2008_through_Q2_2011_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 term sheet on or before the business day prior to the settlement date.

As used in this term sheet, "we," "us," "our" and "JPMorgan Chase Bank" refer to JPMorgan Chase Bank, National Association.

Selected Purchase Considerations

- **PRESERVATION OF CAPITAL AT MATURITY —** You will receive at least the principal amount of your CDs if you hold the CDs to maturity, regardless of the performance of the Index, subject to our creditworthiness for any amount in excess of FDIC-insured limits.

- **APPRECIATION POTENTIAL —** If a Knock-Out Event does not occur, at maturity, in addition to your principal, for each $1,000 CD, you will receive a payment equal to $1,000 × the Index Return × the Participation Rate, *provided* that this payment (the Interest Payment) will not be less than zero or greater than the maximum Interest Payment[†]. If a Knock-Out Event occurs, at maturity, in addition to the principal amount of your CDs, you will receive a payment equal to the Knock-Out Payment of $200.00 per $1,000 CD.
  [†]The maximum Interest Payment will be determined on the pricing date. The maximum Interest Payment will not be less than $700.00 per $1,000 CD (or $1,000 × 70.00%) or greater than $800.00 per $1,000 CD (or $1,000 × 80.00%).

- **FDIC INSURED —** The CDs are deposit obligations of JPMorgan Chase Bank and are insured by the FDIC up to applicable limits set by federal law and regulation, currently $250,000 for all deposits held by you in the same ownership capacity at JPMorgan Chase Bank. The principal amount of any CDs owned in excess of this limit 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 the CDs in any such liquidation or other resolution. Additionally, because the Interest Payment, if any, is calculated using the Ending Index Level, the Interest Payment will not accrue to a holder of a CD until the Observation Date. Accordingly, any potential Interest Payment will not be eligible for the federal deposit insurance prior to the Observation Date and is subject to the credit risk of JPMorgan Chase Bank.

- **DIVERSIFICATION OF THE RUSSELL 2000® INDEX —** The return on the CDs is linked to the performance of the Russell 2000® Index. The Russell 2000® Index consists of the middle 2,000 companies included in the Russell 3000E™ Index and, as a result of the index calculation methodology, consists of the smallest 2,000 companies included in the Russell 3000® Index. The Russell 2000® Index is designed to track the performance of the small capitalization segment of the U.S. equity market. For additional information about the Russell 2000® Index, see the information set forth under "Russell 2000® Index" in the accompanying disclosure statement.

- **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 receipt of stated interest, the CDs will be subject to special tax rules. Under these rules, you generally will be required to recognize interest income in each year at the "comparable yield," as determined by us, although we will not make any payments with respect to the CDs until maturity. Interest included in income will increase your basis in your CDs. Generally, subject to the occurrence of a Knock-Out Event, any amount 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. Special rules may apply in the event of the occurrence of a Knock-Out Event. You should consult your tax adviser concerning the application of these rules. 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 — We will determine the comparable yield for the CDs and will provide that comparable yield, and the related projected payment schedule, in the disclosure supplement for the CDs. If the CDs had priced on November 1, 2011 and we had determined the comparable yield on that date, it would have been an annual rate of 1.24%, compounded semiannually. The actual comparable yield that we will determine for the CDs may be more or less than 1.24%, and will depend upon a variety of factors, including 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 Interest Payment, if any, that we will pay on the CDs.**

Selected Risk Considerations

An investment in the CDs involves risks. Selected risks are summarized here, but we urge you to read the more detailed explanation of risks in "Risk Factors" in the accompanying disclosure statement.

- MARKET RISK — The return on the CDs at maturity is linked to the performance of the Index, and will depend on whether a Knock-Out Event occurs and, if a Knock-Out Event does not occur, whether, and the extent to which, the Index Return is positive. YOU WILL RECEIVE NO MORE THAN THE FULL PRINCIPAL AMOUNT OF YOUR CDS AT MATURITY IF THE INDEX RETURN IS ZERO OR NEGATIVE AND A KNOCK-OUT EVENT DOES NOT OCCUR. If a Knock-Out Event occurs, at maturity, in addition to the principal amount of your CDs, you will receive a payment equal to the Knock-Out Payment of $200.00 per $1,000 CD.

- THE CDs MIGHT NOT PAY MORE THAN THE PRINCIPAL AMOUNT — You may receive a lower payment at maturity than you would have received if you had invested in the Index, the stocks composing the Index or contracts related to the Index. If the Ending Index Level does not exceed the Starting Index Level and if a Knock-Out Event has not occurred, the Interest Payment will be zero. This will be true even if the value of the Index was greater than the Starting Index Level at some time during the term of the CDs but falls below the Starting Index Level on the Observation Date.

- THE KNOCK OUT FEATURE WILL LIMIT YOUR RETURN ON THE CDs AND MAY AFFECT YOUR PAYMENT AT MATURITY —If a Knock-Out Event occurs, at maturity, in addition to the principal amount of your CDs, you will receive a payment equal to the Knock-Out Payment of $200.00 per $1,000 CD, and your return on the CDs will not be determined by reference to the Index Return.

- THE MAXIMUM RETURN ON AN INVESTMENT IN THE CDs WILL NOT BE LESS THAN 70.00%† OR GREATER THAN 80.00%† AT MATURITY AND IS LIMITED BY THE KNOCK-OUT LEVEL — Your investment in the CDs may not perform as well as an investment with a return based solely on the performance of the Index. Your ability to participate in the appreciation of the Index may be limited by the Knock-Out Level. Regardless of whether the Ending Index Level is greater than or less than the Starting Index Level, if a Knock-Out Event does not occur, for each $1,000 CD, you will receive at maturity $1,000 plus an Interest Payment that will not exceed the maximum Interest Payment†, regardless of the appreciation in the Index, which may be significant. Under these circumstances, your return will not reflect any potential increase in the Ending Index Level as compared to the Starting Index Level of more than the Knock-Out Level. Therefore, your upside appreciation is limited by the Knock-Out Level.
  †The actual maximum Interest Payment will be determined on the pricing date and will not be less than $700.00 per $1,000 CD (or $1,000 × 70.00%) or greater than $800.00 per $1,000 CD (or $1,000 × 80.00%).

- CONSIDERATIONS RELATING TO CDs SOLD IN A SECONDARY MARKET MAINTAINED BY JPMS — If your CD is sold prior to maturity in a secondary market maintained by JPMS, a variety of factors may affect the pricing of the CDs in such secondary market. These factors may include fees received by JPMS, fees earned by its affiliates and the cost of hedging our obligations under the CDs. As a result, and as a general matter, the price at which our affiliate, JPMS, 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 amount you deposited with us and could result in a substantial loss to you. The CDs are not designed to be short-term trading instruments. YOU ARE ENSURED TO RECEIVE THE ENTIRE PRINCIPAL AMOUNT OF YOUR CDs ONLY IF YOU HOLD THE CDs TO MATURITY.

- 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.

- **YOUR RETURN ON THE CDs MAY BE LESS THAN THE KNOCK-OUT RATE –** If a Knock-Out Event does not occur, the Interest Payment will be equal to $1,000 × Index Return × Participation Rate, *provided* that the Interest Payment will not be less than zero and will not be determined by reference to the Knock-Out Rate. Under these circumstances, because the Participation Rate is 100%, if the Index Return is less than 20%, your return on the CDs will be less than if a Knock-Out Event occurs.
- **RISK OF KNOCK-OUT EVENT OCCURRING IS GREATER IF THE INDEX IS VOLATILE —** The likelihood of the Index closing above the Knock-Out Level during the period from the pricing date to and including the Observation Date and thereby triggering a Knock-Out Event, will depend in large part on the volatility of the Index — the frequency and magnitude of changes in the level of the Index. Recently, the Index has experienced significant volatility.
- **AN INVESTMENT IN THE CDs IS SUBJECT TO RISKS ASSOCIATED WITH SMALL CAPITALIZATION STOCKS –** The stocks that constitute the Russell 2000® Index are issued by companies with relatively small market capitalization. The stock prices of smaller companies may be more volatile than stock prices of large capitalization companies. Small capitalization companies may be less able to withstand adverse economic, market, trade and competitive conditions relative to larger companies. Smaller capitalization companies are less likely to pay dividends on their stocks, and the presence of a dividend payment could be a factor that limits downward stock price pressure under adverse market conditions.
- **POTENTIAL CONFLICTS —** We and our affiliates play a variety of roles in connection with the issuance of the CDs, including acting as a calculation agent and hedging our obligations under the CDs. 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. It is possible that such hedging or other trading activities of ours or our affiliates could result in substantial returns for us or our affiliates while the value of the CDs declines.
- **NO INTEREST OR DIVIDEND PAYMENTS OR VOTING RIGHTS —** As a holder of the CDs, you will not receive interest payments, other than the contingent Interest Payment, if any, and you will not have voting rights or rights to receive cash dividends or other distributions or other rights that holders of underlying securities composing the Index would have.
- **LACK OF LIQUIDITY —** The CDs will not be listed on an organized securities exchange. JPMS and its affiliates may offer to purchase the CDs upon terms and conditions acceptable to it, but is not required to do so. For more information, see “General Terms of the CDs – Additions and Withdrawals” and “Secondary Market” in the accompanying disclosure statement dated March 8, 2010.
- **THE INTEREST MAY NOT BE PROTECTED BY DEPOSIT INSURANCE —** Interest will not be determined or determinable until the Observation Date. **This means that the interest will not be eligible for FDIC insurance prior to the Observation Date.** The extent of, and limitations on, federal deposit insurance are discussed in the sections headed “Deposit Insurance: General” and “Deposit Insurance: Retirement Plans and Accounts” in the accompanying disclosure statement.
- **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. In addition, under FDIC interpretations, the return on the CDs, which is reflected in the form of the Interest Payment, is not insured by the FDIC until the Observation Date. Any amounts due on the CDs in excess of the applicable FDIC insurance limits will be subject to the credit risk of JPMorgan Chase Bank. For more information, see “Deposit Insurance” in the accompanying disclosure statement.

Sensitivity Analysis — Hypothetical Payment at Maturity for Each $1,000 CD

The table below illustrates the payment at maturity (including, where relevant, the payment of the Interest Payment) for an initial investment in $1,000 aggregate principal amount of CDs for a hypothetical range of performances for the Index Return from -90% to +150% and assumes a Starting Index Level of 700, a Knock-Out Level of 1190.00, which is equal to 170.00% of the hypothetical Starting Index Level (the low point of the expected range on the cover of this term sheet), a maximum Interest Payment of $700.00 per $1,000 CD, and reflects the Participation Rate of 100% and the Knock-Out Rate of 20%. For purposes of the following table and examples, the "Monitoring Period" refers to the period from but excluding the pricing date to and including the Observation Date. The following results are based solely on the hypothetical example cited. You should consider carefully whether the CDs are suitable to your investment goals. The numbers appearing in the table below have been rounded for ease of analysis.

Ending Index Level	Index Return	CD Total Return If Knock-Out Event Does Not Occur (1)	Annual Percentage Yield If Knock-Out Event Does Not Occur (1)	CD Total Return If Knock-Out Event Does Occur (2)	Annual Percentage Yield If Knock-Out Event Does Occur (2)
1750.00	150.00%	N/A	N/A	20.00%	2.64%
1645.00	135.00%	N/A	N/A	20.00%	2.64%
1540.00	120.00%	N/A	N/A	20.00%	2.64%
1435.00	105.00%	N/A	N/A	20.00%	2.64%
1330.00	90.00%	N/A	N/A	20.00%	2.64%
1190.07	70.01%	N/A	N/A	20.00%	2.64%
1190.00	70.00%	70.00%	8.32%	20.00%	2.64%
1120.00	60.00%	60.00%	6.94%	20.00%	2.64%
1015.00	45.00%	45.00%	5.45%	20.00%	2.64%
910.00	30.00%	30.00%	3.82%	20.00%	2.64%
805.00	15.00%	15.00%	2.02%	20.00%	2.64%
700.00	**0.00%**	**0.00%**	**0.00%**	**20.00%**	**2.64%**
595.00	-15.00%	0.00%	0.00%	20.00%	2.64%
490.00	-30.00%	0.00%	0.00%	20.00%	2.64%
385.00	-45.00%	0.00%	0.00%	20.00%	2.64%
280.00	-60.00%	0.00%	0.00%	20.00%	2.64%
70.00	-90.00%	0.00%	0.00%	20.00%	2.64%

(1) The Index closing level is less than or equal to the Knock-Out Level on each day during the Monitoring Period.
(2) The Index closing level is greater than the Knock-Out Level on at least one day during the Monitoring Period.

Hypothetical Examples of Amounts Payable at Maturity

The following examples illustrate how the payments at maturity in the table on the previous page are calculated.

Example 1: The Index closing level increases from the Starting Index Level of 700 to an Ending Index Level of 910 and the Index closing level did not exceed the Knock-Out Level on any day during the Monitoring Period. Because (i) the Ending Index Level of 910 is greater than the Starting Index Level of 700 and (ii) a Knock-Out Event did not occur, the Interest Payment is equal to $300 and the payment at maturity is equal to $1,300 per $1,000 CD, calculated as follows:

$$\$1,000 + (\$1,000 \times [(910-700)/700] \times 100\%) = \$1,300$$

Example 2: The Index closing level declines from the Starting Index Level of 700 to an Ending Index Level of 490 and the Index closing level did not exceed the Knock-Out Level on any day during the Monitoring Period. Because (i) the Ending Index Level of 490 is less than the Starting Index Level of 700 and (ii) a Knock-Out Event did not occur, the Interest Payment is equal to $0 and the payment at maturity per $1,000 CD is the principal amount of $1,000.

Example 3: The Index closing level increases from the Starting Index Level of 700 to an Ending Index Level of 1330 and the Index closing level did not exceed the Knock-Out Level on any day during the Monitoring Period until the Observation Date. Because the Ending Index Level of 1330 is greater than the Knock-Out Level, a Knock-Out Event occurs. Accordingly, the Interest Payment is equal to $200.00 and the payment at maturity is equal to the Knock-Out Payment of $1,200 per $1,000 CD, calculated as follows:

$$\$1,000 + (\$1,000 \times 20\%) = \$1,200$$

Example 4: The Index closing level increases from the Starting Index Level of 700 to an Ending Index Level of 1120 and the Index closing level exceeded the Knock-Out Level on at least one day during the Monitoring Period. Even though the Ending Index Level of 1120 is greater than the Starting Index Level of 700 by more than 20%, because a Knock-Out Event has occurred, the Interest Payment is equal to the Knock-Out Payment of $200.00 and the payment at maturity is equal to $1,200 per $1,000 CD, calculated as follows:

$$\$1,000 + (\$1,000 \times 20\%) = \$1,200$$

Example 5: The Index closing level decreases from the Starting Index Level of 700 to an Ending Index Level of 595 and the Index closing level exceeded the Knock-Out Level on at least one day during the Monitoring Period. Even though the Ending Index Level of 595 is less than the Starting Index Level of 700, because a Knock-Out Event has occurred, the Interest Payment is equal to the Interest Payment of $200.00 and the payment at maturity is equal to $1,200 per $1,000 CD, calculated as follows:

$$\$1,000 + (\$1,000 \times 20\%) = \$1,200$$

The hypothetical returns and hypothetical payouts on the CDs shown above do not reflect fees or expenses that would associated with any sale in the secondary market. If these fees and expenses were included, the hypothetical returns and hypothetical payouts shown above would likely be lower.

Historical Information

The following graph shows the weekly historical performance of the Russell 2000® Index from January 6, 2006 through October 28, 2011. The closing level of the Russell 2000® Index on November 1, 2011 was 713.89.

We obtained the various Index closing levels and other information below from Bloomberg Financial Markets and accordingly, we make no representation or warranty as to their accuracy or completeness. The historical Index closing level should not be taken as an indication of future performance, and no assurance can be given as to the level of the Index on the Pricing Date, the Observation Date or any other day between the Pricing Date and the Observation Date. We cannot give you assurance that the performance of the Index will result in a payment at maturity of more than the principal amount of your CDs.