CANADIAN IMPERIAL BANK OF COMMERCE /CAN/
Form 424B5
September 02, 2004

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The information in this terms supplement is not complete and may be changed. This terms supplement relates to an effective registration statement under the Securities Act of 1933. We may not sell the Notes until we deliver a final terms supplement. The terms supplement is not an offer to sell these Notes and is not soliciting an offer to buy these securities in any jurisdiction where the offer would not be permitted.

Filed Pursuant to Rule 424(b)(5)
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Subject to Completion, Dated September 2, 2004

Terms Supplement No. 10
(to the Prospectus dated May 28, 2003
and the Prospectus Supplement dated May 28, 2003)

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CANADIAN IMPERIAL BANK OF COMMERCE

Index-Linked Notes due March 31, 2009
(Linked to the S&P 500® Index)

The Notes are our direct, unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank equally in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The Notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

The Notes mature on March 31, 2009. We will not make interest or other payments on the Notes before maturity.

The performance of the Notes is linked to the S&P 500® Index, which we will refer to as the "index." On the maturity date, we will pay you the full principal amount of your Notes plus the index return payment, if any. The Notes are principal protected such that the Index Return Payment may not be less than zero and you will receive at least the full principal amount of your Notes at maturity.

The Index Return Payment, per $1,000 principal amount of Notes, will equal the greater of $0 and the amount determined by the following formula:

$$\$1{,}000 \times \text{Upside Participation Rate} \times \frac{(\text{Monthly Average Index Level} \quad \text{Initial Index Level})}{\text{Initial Index Level}}$$

The Initial Index Level is the closing level of the index on September 27, 2004, which is .

The Upside Participation Rate is 100%.

The Monthly Average Index Level is the arithmetic average of the closing levels of the index taken on the 26th day of each of the 54 calendar months during the term of the Notes, unless such day is not a business day, in which case the closing level of the index will be taken on the next business day.

We will apply to list the Notes on the American Stock Exchange under the symbol "MRS.J."

Your investment in the Notes involves risks. Please read "Risk Factors" beginning on page TS-4 of this terms supplement and beginning on page S-2 of the accompanying prospectus supplement.

	Per Note	Total
Price to public	$1,000.00	
Agents' commission		
Proceeds to us		

We will deliver the Notes in book-entry form only through The Depository Trust Company on or about September 30, 2004 against payment in immediately available funds.

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

CIBC World Markets Corp., our indirect wholly-owned subsidiary, and the other agent named below have agreed to use their reasonable efforts to solicit offers to purchase the Notes as our agents. They may also purchase the Notes as principal at prices to be agreed upon at the time of sale. They may resell any Notes they purchase as principal at prevailing market prices, or at other prices, as they determine.

The agents may use this terms supplement and the accompanying prospectus supplement in the initial sale of any Notes. In addition, CIBC World Markets Corp., any other affiliate of ours or any other agent may use this terms supplement and the accompanying prospectus supplement in a secondary market transaction in any Note after its initial sale. Unless we, CIBC World Markets Corp. or any other agent inform the purchaser otherwise in the confirmation of sale, this terms supplement and the accompanying prospectus supplement are being used in a secondary market transaction.

CIBC World Markets H & R Block Financial Advisors, Inc.

The date of this terms supplement is , 2004

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TERMS SUPPLEMENT SUMMARY

The following summary answers some questions that you might have regarding the Notes in general terms only. It does not contain all the information that may be important to you. You should read the summary together with the more detailed information that is contained in the rest of this terms supplement and in the accompanying prospectus and prospectus supplement. You should carefully consider, among other things, the matters set forth in "Risk Factors." In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes. Please note that references to "CIBC," "we," "our," and "us" refer only to Canadian Imperial Bank of Commerce and not to its consolidated subsidiaries.

Key Terms

Issuer:	Canadian Imperial Bank of Commerce
Maturity Date:	March 31, 2009
Interest Payments:	We will not make interest or other payments on the Notes before maturity.
Underlying Index:	The return on the Notes at maturity is linked to the performance of the S&P 500® Index.
Payment on Maturity Date:	On the maturity date, you will receive the full principal amount of your Notes plus the Index Return Payment, if any.
Index Return Payment:	The Index Return Payment, per $1,000 principal amount of Notes, will equal the greater of:

(a) $0; and

(b) $$\$1{,}000 \times \text{Upside Participation Rate} \times \frac{(\text{Monthly Average Index Level} - \text{Initial Index Level})}{\text{Initial Index Level}}$$

The Notes are principal protected such that the Index Return Payment may not be less than zero and on the maturity date, you will receive at least the full principal amount of your Notes.

Upside Participation Rate:	100%
Monthly Average Index Level:	The Monthly Average Index Level will equal the arithmetic average of the closing levels of the index taken on the 26th day of each of the 54 calendar months during the term of the Notes, unless such day is not a business day, in which case the closing level of the index will be taken on the next business day. Each such date is referred to as a "determination date." The first determination date will be on October 26, 2004 and the final determination date will be on March 26, 2009. A determination of the closing index level required to be made on a determination date may be postponed due to a market disruption event as described in "Specific Terms of the Notes Market Disruption Event."
Initial Index Level:	The Initial Index Level is the official closing level of the index on September 27, 2004, which is .
Listing:	We will apply to list the Notes on the American Stock Exchange under the symbol "MRS.J."

QUESTIONS AND ANSWERS REGARDING THE NOTES

What are the Notes?

The Notes combine certain features of debt and equity by offering return of principal at maturity and the opportunity to earn a return based upon performance of the S&P 500® Index.

The Notes will mature on March 31, 2009. The Notes will be issued in denominations of $1,000 or integral multiples of $1,000. Unless otherwise specified, all references to currency in this terms supplement are to U.S. dollars. The Notes will be our direct, unsecured and unsubordinated contractual obligations and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of our deposit liabilities, except for obligations preferred by mandatory provisions of law. The Notes will not be insured under the Canada Deposit Insurance Corporation Act or by the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

Will I receive interest payments on the Notes?

We will not make periodic interest payments on the Notes and we will not make any other payments on the Notes until maturity.

What will I receive at maturity?

On the maturity date, we will pay you the full principal amount of your Notes plus the Index Return Payment, if any. The Index Return Payment, per $1,000 principal amount of Notes, will equal the greater of:

(a) $0; and

(b)

$$\$1{,}000 \times \text{Upside Participation Rate} \times \frac{\text{(Monthly Average Index Level - Initial Index Level)}}{\text{Initial Index Level}}$$

The Notes are principal protected, such that the Index Return Payment may not be less than zero and, on the maturity date, you will receive at least the full principal amount of your Notes.

The "Upside Participation Rate" means 100%.

The "Monthly Average Index Level" means the arithmetic average of the closing levels of the index taken on the 26th day of each of the 54 calendar months during the term of the Notes, unless such day is not a business day, in which case the closing level of the index will be taken on the next business day. Each such date is referred to as a "determination date." The first determination date will be October 26, 2004. A determination of the closing index level required to be made on a determination date may be postponed due to a market disruption event as described in "Specific Term of the Notes Market Disruption Event."

The "Initial Index Level" equals , which was the closing level of the index on September 27, 2004.

What about United States federal income taxes?

For United States federal income tax purposes, the Notes are classified as debt instruments that provide for contingent interest. As a result, the Notes are considered to be issued with original issue discount, or "OID."

If you are a United States holder, you will be required to include a portion of such OID in income for each taxable year that you own Notes, even though you will not receive any cash payments before maturity. Additionally, you generally will be required to recognize ordinary income on the gain, if any, realized on a sale, upon maturity, or other disposition of the Notes. See the section entitled "Supplemental U.S. Federal Income Tax Consequences."

Who publishes the S&P 500® Index and what does it measure?

The S&P 500® Index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the value of the index is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time compared to the aggregate market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of July 30, 2004, 423 companies, or 84.4% of the index (based on market capitalization), traded on the New York Stock Exchange, 75 companies or 15.4% of the index, traded on The Nasdaq Stock Market and 2 companies, or 0.2% of the index, traded on the American Stock Exchange. Standard & Poor's chooses companies for inclusion in the index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its stock guide database of over 7,173 equities, which Standard & Poor's uses as an assumed mode from the composition of the total market.

The index is determined, comprised and calculated by the Standard & Poor's division of The McGraw-Hill Companies, Inc., which we refer to as "Standard and Poor's," without regard to the Notes.

Please note that an investment in the Notes does not entitle you to any ownership interest in the stocks of the companies included in the index.

For further information, please see "The S&P 500® Index."

How has the index performed historically?

We have included a graph showing the quarter-end closing value of the index for each year from 1999 through 2004 in the section entitled "Historical Closing Levels of the S&P 500® Index" in this term supplement. We have provided this historical information to help you evaluate the behavior of the index in various economic environments, however, past performance of the index is not necessarily indicative of how the index will perform in the future.

Will the Notes be listed on a securities exchange?

We will apply to list the Notes on the American Stock Exchange, or AMEX, under the trading symbol "MRS.J." The listing of the Notes on the AMEX will not necessarily ensure that a liquid trading market will be available for the Notes. Accordingly, you should be willing to hold your investment in the Notes until the maturity date. You should review the section entitled "Risk Factors There may not be an active trading market for the Notes. Sales in the secondary market may result in significant losses," in this terms supplement.

Tell me more about CIBC.

We are a leading North American financial institution which provides financial services to retail and small business banking customers as well as corporate and investment banking customers. At the end of our 2003 fiscal year, our total assets were in excess of C$275 billion and as of July 31, 2004, we had a senior debt credit rating of Aa3 by Moody's and A+ by S&P®. We are headquartered in Toronto, Canada, and, as of October 31, 2003, had more than 36,000 employees located worldwide.

The range of banking services we offer includes: personal financial services, credit cards, mortgage lending, insurance, investment services, consumer and commercial credit, lease financing, treasury and private banking. In our fiscal year ended October 31, 2003, we generated revenue of over C$11.5 billion and after-tax income of C$2.1 billion. Since 1997, we have been listed on the NYSE (ticker symbol BCM).

Who invests in the Notes?

The Notes are not suitable for all investors. The Notes might be considered by investors who are willing to forego market interest payments, such as floating interest rates paid on a conventional debt security, with a comparable credit rating in return for the possibility of earning a return if the Monthly Average Index Level exceeds the Initial Index Level.

You should carefully consider whether the Notes are suited to your particular circumstances before you decide to purchase them. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Notes.

What are some of the risks in owning the Notes?

Investing in the Notes involves a number of risks. We have described the most significant risks relating to the Notes under the heading "Risk Factors" in this terms supplement and in the accompanying prospectus supplement, which you should read before making an investment in the Notes.

RISK FACTORS

An investment in the Notes is subject to the risks described below as well as described beginning on page S-2 of the accompanying prospectus supplement. The Notes are a riskier investment than ordinary debt securities. You should carefully consider whether the Notes are suited to your particular circumstances.

You will not receive interest payments on your Notes.

You will not receive any interest payments or other payments on your Notes before maturity. Even if the amount payable on your Notes on the maturity date exceeds the principal amount of your Notes, the overall return you earn on your Note may be less than you would have earned by investing in a conventional debt security of comparable maturity that bears interest at a prevailing market rate.

You will receive no more than the full principal amount of your Notes at maturity if the Monthly Average Index Level over the term of the Notes does not exceed the Initial Index Level.

It is possible that the index may not increase over the relevant period, or, even if it does increase, that the Monthly Average Index Level will not exceed the Initial Index Level. If the Monthly Average Index Level over the term of the Notes does not exceed the Initial Index Level, the amount of the Index Return Payment will be zero. Consequently, you may receive only the full principal amount of your Notes at maturity and no return on your investment.

Owning the Notes is not the same as owning the index stocks or a security directly linked to the performance of the index.

The return on your Notes will not reflect the return you would realize if you actually owned the common stocks comprising the index to which your Note is linked, or a security directly linked to the performance of the index and held such investment for a similar period because:

- as more fully described in the next risk factor, the return is calculated based on the average of the closing index levels over 54 monthly determination dates;

- at a minimum, you will receive the full principal amount of your Notes if the Notes are held to maturity; and

- the level of the index is calculated in part by reference to the prices of the index stocks without taking into consideration the value of dividends paid on those index stocks.

You will not receive any dividends that may be paid on any of the index stocks by the index stock issuers. In addition, as an owner of the Notes, you will not have voting rights or any other rights that holders of index stocks may have.

The Monthly Average Index Level may be less than the index closing level at the maturity date of the Notes or may be less than the index closing level at other times during the term of the Notes.

Because the Monthly Average Index Level will be calculated based on the index closing level on 54 monthly determination dates, the level of the index at the maturity date or at other times during the term of the Notes could be higher than the Monthly Average Index Level. This difference could be particularly large if there is a significant increase in the level of the index during the latter portion of the term of the Notes or if there is significant volatility in the index closing levels during the term of the Notes.

For example, if index closing levels decline or remain relatively constant during the first 45 months, and then significantly increase above the Initial Index Level in the nine months prior to maturity, the Monthly Average Index Level will be significantly lower than the index closing level at maturity. This is because the Monthly Average Index Level will be based on the index closing level on all 54 determination dates. Similarly, if index closing levels steadily increase during the first 27 months and then steadily decrease back to the Initial Index Level by maturity, the Monthly Average Index Level will be significantly less than the index closing level at its peak.

Calculating the Monthly Average Index Level based on 54 determination dates is not equivalent to using either the index closing level at the maturity date or the average daily index closing level over the entire period. Since all of the 54 monthly determination dates are prior to the maturity date, you will not have exposure to the actual performance of the index over the four and a half-year term of the Notes. Instead, you will have exposure to the average of the performance of the index on those 54 determination dates only.

You will be required to pay taxes on your Notes each year.

If you are a U.S. person, you generally will be required to pay taxes on ordinary income from your Notes over their term based upon an estimated yield for the Notes, even though you will not receive any payments from us until maturity. The estimated yield is determined solely to calculate the amounts you will be taxed on prior to maturity and is neither a prediction nor a guarantee of what the actual yield will be. In addition, any gain you may recognize upon the sale or maturity of the Notes will be taxed as ordinary interest income. Conversely, if the actual payment at maturity for the Notes is less than the projected payment at maturity based on the estimated yield for the Notes, you would have an ordinary tax loss. If you purchase the Notes at a time other than the original issuance date, the tax consequences to you may be different. You should consult your tax advisor about your own tax situation.

For further information, you should refer to "Supplemental U.S. Federal Income Tax Consequences."

Changes that affect the index will affect the market value of your Notes and the amount you will receive at maturity.

The policies of Standard & Poor's concerning the calculation of the index, additions, deletions or substitutions of the index stocks and the manner in which changes affecting the index stocks or the issuers of the index stocks, such as stock dividends, reorganizations or mergers, are reflected in the index, could affect the index and, therefore, could affect the amount payable on the Notes at maturity, and the market value of the Notes prior to maturity. The amount payable on your Notes and their market value could also be affected if Standard & Poor's changes these policies, for example by changing the manner in which it calculates the index, or if Standard & Poor's discontinues or suspends calculation or publication of the index, in which case it may become difficult to determine the market value of the Notes. If events such as these occur, or if a closing index level on a determination date is not available because of a market disruption event or for any other reason, the calculation agent which initially will be us may determine the closing index level for that determination date and thus affect the amount payable at maturity. See "Specific Terms of the Notes Discontinuance of or Adjustments to the Index; Alteration of Methods of Calculation."

Historical levels of the index should not be taken as an indication of the future performance of the index during the term of the Notes.

The trading prices of the index stocks will determine the level of the index. As a result, it is impossible to predict whether the level of the index will rise or fall. Trading prices of the index stocks will be influenced by complex and interrelated political, economic, financial and other factors that can affect the values of index stocks.

Changes in our credit ratings may affect the value of the Notes.

Real or anticipated changes in our credit ratings may affect the trading value of the Notes. However, because your return on the Notes depends upon factors in addition to our ability to pay our obligations under the Notes, such as the percentage increase in the value of the index, trends in the movement of the index and the volatility of the index, an improvement in our credit ratings will not reduce the other investment risks related to the Notes.

There may not be an active trading market in the Notes. Sales in the secondary market may result in significant losses.

Although we will apply to have the Notes listed on the American Stock Exchange, there is no guarantee that we will be able to list the Notes. If the Notes are successfully listed, the secondary markets may not provide enough liquidity to allow you to trade or sell the Notes easily. Therefore, you should be willing to hold your Notes to maturity. If you sell your Notes before maturity, you may have to do so at a substantial discount from the issue price, and as a result, you may suffer substantial losses.

We and our affiliates have no affiliation with Standard & Poor's and are not responsible for its public disclosure of information.

We and our affiliates are not affiliated with Standard & Poor's in any way (except for the licensing arrangements discussed below in "The S&P 500® Index License Agreement") and have no ability to control or predict its actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of the index. If Standard & Poor's discontinues or suspends the calculation of the index, it may become difficult to calculate the index level on each determination date. In our role as calculation agent, we may designate a successor index if the index is discontinued. If we determine that no successor index comparable to the index exists, we will calculate the index level on each determination date in our role as calculation agent in accordance with the formula previously used to calculate the index, and we have the right to make adjustments or calculations we deem to be necessary to achieve an equitable result. See "Specific Terms of the Notes Market Disruption Event" and "Specific Terms of the Notes Discontinuation of or Adjustments to the Index; Alteration of Method of Calculation." Standard & Poor's is not involved in the offer of the Notes in any way and has no obligation to consider your interest as an owner of Notes in taking any actions that might affect the value of your Notes.

We have derived the information about Standard & Poor's and the index in this terms supplement from publicly available information, without independent verification. Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the index or Standard & Poor's contained in this terms supplement. You, as an investor in the Notes, should make your own investigation into the index and Standard & Poor's.

There are potential conflicts of interest between you and the calculation agent.

We will initially serve as the calculation agent. We will, among other things, decide the amount, if any, of the return paid out to you on the Notes at maturity and determine the closing index levels on each determination date. For a description of our role as calculation agent, see "Specific Terms of the Notes Role of Calculation Agent." In our role as calculation agent, we will exercise our judgment when performing our functions. For example, we may have to determine whether a market disruption event affecting index stocks or the index has occurred or is continuing on a determination date. Absent manifest error, all of our determinations in our role as calculation agent will be final and binding on you and us, without any liability on our part. You will not be entitled to any compensation from us for any loss suffered as a result of any of our determinations in our role as calculation agent.

Since these determinations by us as calculation agent may affect the market value of the Notes, we may have a conflict of interest if we need to make any such decision.

We can postpone a determination of the closing index level on a determination date if a market disruption event occurs on such date.

In our role as calculation agent, we may postpone any determination of a closing index level if we determine that on the applicable determination date, a market disruption event has occurred or is continuing. If such a postponement occurs, in our role as calculation agent, we will determine the closing level of the index on the first trading day after that date on which no market disruption event occurs or is continuing. In no event, however, will the necessary determination be postponed for more than eight consecutive trading days immediately following the originally scheduled determination date.

If a determination date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the date on which the determination will be made. In such an event, in our role as calculation agent, we will determine the closing index level in accordance with the formula for determining the index level in effect before the market disruption event. This determination may involve estimating the value of securities included in the index.

If the determination of the closing index level on the final determination date is postponed as a result of a market disruption event, the maturity of the Notes will be postponed until three business days after such determination is made.

USE OF PROCEEDS

We will use the net proceeds from the sale of the Notes for general corporate purposes, which may include additions to working capital, investments in or extensions of credit to our subsidiaries and the repayment of indebtedness.

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the six month period ended April 30, 2004 and each of the years in the five-year period ended October 31, 2003 calculated in accordance with generally accepted accounting principles in Canada and the United States.

	Six months ended April 30, 2004	Twelve months ended October 31,				
		2003	2002	2001	2000	1999
Canadian GAAP:						
Excluding interest on deposits	2.90	2.06	1.24	1.75	1.93	1.41
Including interest on deposits	1.63	1.37	1.06	1.18	1.25	1.13
U.S. GAAP:						
Excluding interest on deposits	2.94	2.18	(1)	1.82	1.85	1.46
Including interest on deposits	1.65	1.42	(1)	1.20	1.23	1.15

(1) Earnings for the year ended October 31, 2002 were inadequate to cover fixed charges as calculated under U.S. GAAP (both excluding and including interest on deposits) by C$291 million.

THE S&P 500® INDEX

We have derived all information regarding the S&P500® Index contained in this terms supplement, including, without limitation, its make-up, method of calculation and changes in its components, from publicly available information. That information reflects the policies of, and is subject to change by, Standard & Poor's. Standard & Poor's owns the copyright and all other rights to the index. Standard & Poor's has no obligation to continue to publish the index, and may discontinue publication of the index. Current information regarding the market value of the index is available from Standard & Poor's and from numerous public information sources. We do not make any representation that the publicly available information about the index is accurate or complete. The index is determined, comprised and calculated by Standard & Poor's without regard to the Notes. Neither we nor any of our affiliates accept any responsibility for the calculation, maintenance or publication of, or for any error, omission or disruption in the index.

The index is intended to provide a performance benchmark for the U.S. equity markets. The calculation of the level of the index, discussed below in further detail, is based on the relative value of the aggregate market value of the common stocks of 500 companies as of a particular time, which are referred to as index stocks, compared to the aggregate average market value of the common stocks of 500 similar companies during the base period of the years 1941 through 1943. As of July 30, 2004, 423 companies, or 84.4% of the index by market capitalization, traded on the New York Stock Exchange ("NYSE"), 75 companies, or 15.4% of the index by market capitalization, traded on The Nasdaq Stock Market, and 2 companies, or 0.2% of the index by market capitalization traded on the American Stock Exchange. Standard & Poor's chooses companies for inclusion in the index with the aim of achieving a distribution by broad industry groupings that approximates the distribution of these groupings in the common stock population of its database of over 7,173 equities, which Standard & Poor's uses as an assumed model for the composition of the total market. Relevant criteria employed by Standard & Poor's include the viability of the particular company, the extent to which that company represents the industry group to which it is assigned, the extent to which the market price of that company's common stock is generally responsive to changes in the affairs of the respective industry and the market value and trading activity of the common stock of that company. As of July 30, 2004, ten main groups of companies comprise the index with the number of companies currently included in each group indicated in parentheses: Consumer Discretionary (85), Consumer Staples (37), Energy (27), Financials (81), Health Care (53), Industrials (59), Information Technology (81), Materials (33), Telecommunication Services (11), and Utilities (33). Standard & Poor's may from time to time, in its sole discretion, add companies to or delete companies from the index to achieve the objectives stated above.

Standard & Poor's calculates the index by reference to the prices of the index stocks without taking account of the value of dividends paid on such stocks.

Computation of the Index

Standard & Poor's currently computes the index as of a particular time as follows:

- the product of the market price per share and the number of then outstanding shares of each component stock is determined as of that time (referred to as the "market value" of that stock);

- the market values of all component stocks as of that time are aggregated;

- the mean average of the market values as of each week in the base period of the years 1941 through 1943 of the common stock of each company in a group of 500 substantially similar companies is determined;

- the mean average market values of all these common stocks over the base period are aggregated (the aggregate amount being referred to as the "base value");

the current aggregate market value of all component stocks is divided by the base value; and

the resulting quotient, expressed in decimals, is multiplied by ten.

While Standard & Poor's currently employs the above methodology to calculate the index, no assurance can be given that it will not modify or change this methodology in a manner that may affect the amount payable at maturity to beneficial owners of the Notes.

Standard & Poor's adjusts the foregoing formula to offset the effects of changes in the market value of a component stock that are determined by Standard & Poor's to be arbitrary or not due to true market fluctuations. These changes may result from causes such as:

the issuance of stock dividends;

the granting to shareholders of rights to purchase additional shares of stock;

the purchase of shares by employees pursuant to employee benefit plans;

consolidations and acquisitions;

the granting to shareholders of rights to purchase other securities of the issuer;

the substitution by Standard & Poor's of particular component stocks in the index; or

other reasons.

In these cases, Standard & Poor's first recalculates the aggregate market value of all component stocks, after taking account of the new market price per share of the particular component stock or the new number of outstanding shares of that stock or both, as the case may be, and then determines the new base value in accordance with the following formula:

$$\text{Old Base Value} \times \frac{\text{New Market Value}}{\text{Old Market Value}} = \text{New Base Value}$$

The result is that the base value is adjusted in proportion to any change in the aggregate market value of all component stocks resulting from the causes referred to above to the extent necessary to negate the effects of these causes upon the index.

Standard & Poor's does not guarantee the accuracy or the completeness of the index or any data included in the index. Standard & Poor's assumes no liability for any errors, omissions or disruption in the calculation and dissemination of the index. Standard & Poor's disclaims all responsibility for any errors or omissions in the calculation and dissemination of the index or the manner in which the index is applied in determining the amount payable at maturity.

License Agreement

We have entered into a non-exclusive license agreement with Standard & Poor's for the license to us, and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use indices owned and published by Standard & Poor's (including the S&P 500® Index) in connection with certain securities, including the Notes.

The license agreement between us and Standard & Poor's requires that the following language be stated in this terms supplement:

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HISTORICAL CLOSING LEVELS OF THE S&P 500® INDEX

Since its inception, the index has experienced significant fluctuations. Any historical upward or downward trend in the value of the index during any period shown below is not an indication that the value of the index is more or less likely to increase or decrease at any time during the term of the Notes. You should not take the historical index levels as an indication of future performance of the index. We cannot assure you that the future performance of the index or the index stocks will result in you receiving an amount greater than the principal amount of your Notes on the maturity date. The actual performance of the index over the life of the Notes may bear little relation to the historical levels shown below.

The table below sets forth the high, the low, and the last closing levels at the end of each calendar quarter of the S&P 500® Index for the calendar years 1999, 2000, 2001, 2002, 2003, and the first three calendar quarters of 2004 (through August 31, 2004). The closing levels listed in the table below were obtained from Bloomberg Financial Services, without independent verification.

QUARTER ENDED	HIGH	LOW	CLOSE
1999			
First Quarter	1,316.55	1,212.19	1,286.37
Second Quarter	1,372.71	1,281.41	1,372.71
Third Quarter	1,418.78	1,268.37	1,282.71
Fourth Quarter	1,469.25	1,247.41	1,469.25
2000			
First Quarter	1,527.46	1,333.36	1,498.58
Second Quarter	1,516.35	1,356.56	1,454.60
Third Quarter	1,520.77	1,419.89	1,436.51
Fourth Quarter	1,436.28	1,264.74	1,320.28
2001			
First Quarter	1,373.73	1,117.58	1,160.33
Second Quarter	1,312.83	1,103.25	1,224.42
Third Quarter	1,236.72	965.80	1,040.94
Fourth Quarter	1,170.35	1,038.55	1,148.08
2002			
First Quarter	1,172.51	1,080.17	1,147.39
Second Quarter	1,146.54	973.53	989.82
Third Quarter	989.03	797.70	815.28
Fourth Quarter	938.87	776.76	879.82
2003			
First Quarter	931.66	800.73	848.18
Second Quarter	1,015.33	847.85	974.50
Third Quarter	1,039.58	965.46	995.97
Fourth Quarter	1,111.92	1,018.22	1,111.92
2004			
First Quarter	1,157.76	1,091.33	1,126.21
Second Quarter	1,150.57	1,084.10	1,140.84
Third Quarter (through August 31)	1,128.94	1,063.23	1,104.24

HYPOTHETICAL EXAMPLES

The following chart shows the hypothetical payment at maturity on $1,000 principal amount of Notes, assuming an Initial Index Level of 1,095, various hypothetical Monthly Average Index Levels and an Upside Participation Rate of 100%.

Hypothetical Monthly Average Index Level	Hypothetical Index Return Payment	Hypothetical Payment at Maturity
2190	$ 1,000	$ 2,000
2081	900	1,900
1971	800	1,800
1862	700	1,700
1752	600	1,600
1643	500	1,500
1533	400	1,400
1424	300	1,300
1314	200	1,200
1205	100	1,100
1095	0	1,000
986	0	1,000
876	0	1,000
767	0	1,000
657	0	1,000
548	0	1,000

Because the Notes are principal protected and the Index Return Payment cannot be negative, you will always receive at least $1,000 per Note at maturity.

These results are based solely on the hypothetical example cited. You should consider carefully whether the notes are suitable to your investment goals.

Hypothetical Examples of Amounts Payable at Maturity

The movement of the index over the term of the Notes may have a significant effect on the Index Return Payment because the Monthly Average Index Level is equal to the arithmetic average of the index closing level on each determination date.

The following examples illustrate the Index Return Payment on a hypothetical investment of $1,000 under various 54-month scenarios. Each scenario assumes a hypothetical Initial Index Level of 1,095 and that the Notes are held to maturity. Under each scenario, if you hold the Notes until maturity, you will receive at least $1,000 per Note.

Example

1: The level of the index steadily increases from the Initial Index Level of 1,095 to an index closing level at maturity of 1,433.45, the Monthly Average Index Level is 1,259.77:

End of Month	Index Level
0	1,095.00
1	1,100.48
2	1,105.98
3	1,111.51
4	1,117.06
5	1,122.65
6	1,128.26
7	1,133.90

End of Month	Index Level

8	1,139.57
9	1,145.27
10	1,151.00
11	1,156.75
12	1,162.54
13	1,168.35
14	1,174.19
15	1,180.06
16	1,185.96
17	1,191.89
18	1,197.85
19	1,203.84
20	1,209.86
21	1,215.91
22	1,221.99
23	1,228.10
24	1,234.24
25	1,240.41
26	1,246.61
27	1,252.85
28	1,259.11
29	1,265.41
30	1,271.73
31	1,278.09
32	1,284.48
33	1,290.90
34	1,297.36
35	1,303.85
36	1,310.37
37	1,316.92
38	1,323.50
39	1,330.12
40	1,336.77
41	1,343.45
42	1,350.17
43	1,356.92
44	1,363.71
45	1,370.52
46	1,377.38
47	1,384.26
48	1,391.19
49	1,398.14
50	1,405.13
51	1,412.16
52	1,419.22
53	1,426.31
54	1,433.45

Index Return Payment per $1,000 Note equals the greater of:

$0; and

$$\$1{,}000 \times \frac{1{,}259.77 - 1{,}095.00}{1{,}095.00} \times 1.00 = \$150.48$$

Amount payable at maturity = $1,150.48

Although the index closing level at maturity is 1,433.45, the Monthly Average Index Level is 1,259.77. The Monthly Average Index Level is what is used to calculate the Index Return Payment.

Example 2: The level of the index initially decreased and then increases back above its Initial Index Level of 1,095 to an index closing level at maturity of 1,170.18, the Monthly Average Index Level is 1,042.62:

End of Month	Index Level
0	1,095.00
1	1,089.53
2	1,084.08
3	1,078.66
4	1,073.26
5	1,067.90
6	1,062.56
7	1,057.25
8	1,051.96
9	1,046.70
10	1,041.47
11	1,036.26
12	1,031.08
13	1,025.92
14	1,020.79
15	1,015.69
16	1,010.61
17	1,005.56
18	1,000.53
19	995.53
20	990.55
21	985.60
22	980.67
23	975.76
24	970.89
25	966.03
26	961.20
27	956.40
28	963.57
29	970.79
30	978.08
31	985.41
32	992.80
33	1,000.25
34	1,007.75

35	1,015.31
36	1,022.92
37	1,030.59
38	1,038.32
39	1,046.11
40	1,053.96
41	1,061.86
42	1,069.83
43	1,077.85
44	1,085.93
45	1,094.06
46	1,102.28
47	1,110.55
48	1,118.88
49	1,127.27
50	1,135.73
51	1,144.24
52	1,152.83
53	1,161.47
54	1,170.18

Index Return Payment per $1,000 Note equals the greater of:

$0; and

$$\$1{,}000 \times \frac{1{,}042.62 - 1{,}095.00}{1{,}095.00} \times 1.00 = \$\text{-}47.84$$

Amount payable at maturity = $1,000

Although the index closing level at maturity is 1,170.18, the Monthly Average Index Level is 1,042.62. The Monthly Average Index Level is what is used to calculate the Index Return Payment. The additional amount payable at maturity is zero because the Monthly Average Index Level is less than the Initial Index Level.

Example

3: The level of the index initially increases from the Initial Index Level of 1,095 and then steadily decreases to an index closing level at maturity of 1,170.18; the Monthly Average Index Level is 1,233.87:

End of Month	Index Level
0	1,095.00
1	1,103.21
2	1,111.49
3	1,119.82
4	1,128.22
5	1,136.68
6	1,145.21
7	1,153.80
8	1,162.45
9	1,171.17
10	1,179.95

11	1,188.80
12	1,197.72
13	1,206.70
14	1,215.75
15	1,224.87
16	1,234.06
17	1,243.31
18	1,252.64
19	1,262.03
20	1,271.50
21	1,281.03
22	1,290.64
23	1,300.32
24	1,310.07
25	1,319.90
26	1,329.80
27	1,339.77
28	1,333.07
29	1,326.41
30	1,319.77
31	1,313.18
32	1,306.61
33	1,300.08
34	1,293.58
35	1,287.11
36	1,280.67
37	1,274.27
38	