

JPMORGAN CHASE & CO  
 Form 424B2  
 March 28, 2019

**PRICING SUPPLEMENT**

Filed Pursuant to Rule 424(b)(2)  
 Registration Statement Nos. 333-222672 and 333-222672-01  
 Dated March 26, 2019

JPMorgan Chase Financial Company LLC Capped Trigger GEARS

\$5,275,140 Linked to the Russell 2000® Index due March 31, 2022

Fully and Unconditionally Guaranteed by JPMorgan Chase & Co.

**Investment Description**

Capped Trigger GEARS (Growth Enhanced Asset Return Securities), which we refer to as the “Securities,” are unsecured and unsubordinated debt securities issued by JPMorgan Chase Financial Company LLC (“JPMorgan Financial”), the payment on which is fully and unconditionally guaranteed by JPMorgan Chase & Co., with a return linked to the performance of the Russell 2000® Index (the “Underlying”). If the Underlying Return is positive, JPMorgan Financial will repay your principal amount at maturity plus pay a return equal to the Underlying Return times the Upside Gearing of 2.00, up to the Maximum Gain of 29.85%. If the Underlying Return is zero or negative but the Final Value is greater than or equal to the Downside Threshold, JPMorgan Financial will repay your principal amount at maturity. However, if the Underlying Return is negative but the Final Value is less than the Downside Threshold (75% of the Initial Value), JPMorgan Financial will repay less than your principal amount at maturity, if anything, resulting in a loss of principal that is proportionate to the negative Underlying Return. In this case, you will have full downside exposure to the Underlying from the Initial Value to the Final Value and could lose all of your principal amount. **Investing in the Securities involves significant risks. You may lose some or all of your principal amount. You will not receive dividends or other distributions paid on any stocks included in the Underlying, and the Securities will not pay interest. The contingent repayment of principal applies only if you hold the Securities to maturity. Any payment on the Securities, including any repayment of principal, is subject to the creditworthiness of JPMorgan Financial, as issuer of the Securities, and the creditworthiness of JPMorgan Chase & Co., as guarantor of the Securities. If JPMorgan Financial and JPMorgan Chase & Co. were to default on their payment obligations, you may not receive any amounts owed to you under the Securities and you could lose your entire investment.**

**Features**

**q Enhanced Growth Potential Subject to Maximum Gain** — At maturity, the Upside Gearing feature will provide leveraged exposure to any positive performance of the Underlying, up to the Maximum Gain of 29.85%. If the Underlying Return is negative, investors may be exposed to the negative Underlying Return at maturity.

**q Downside Exposure with Contingent Repayment of Principal at Maturity** — If the Underlying Return is zero or negative but the Final Value is greater than or equal to the Downside Threshold, JPMorgan Financial will repay your principal amount at maturity. However, if the Underlying Return is negative and the Final Value is less than the Downside Threshold, JPMorgan Financial will repay less than your principal amount at maturity, if anything, resulting in a loss of principal that is proportionate to the Underlying’s decline from the Initial Value to the Final Value. You may lose some or all of your principal. The contingent repayment of

**Key Dates**

Trade Date	March 26, 2019
Original Issue Date (Settlement Date) <sup>1</sup>	March 29, 2019
Final Valuation Date <sup>2</sup>	March 28, 2022
Maturity Date <sup>2</sup>	March 31, 2022

<sup>1</sup> See “Supplemental Plan of Distribution” for more details on the expected Settlement Date.

<sup>2</sup>

principal applies only if you hold the Securities to maturity. Any payment on the Securities, including any repayment of principal, is subject to the creditworthiness of JPMorgan Financial and JPMorgan Chase & Co.

Subject to postponement in the event of a market disruption event and as described under “General Terms of Notes — Postponement of a Determination Date — Notes Linked to a Single Underlying — Notes Linked to a Single Underlying (Other Than a Commodity Index)” and “General Terms of Notes — Postponement of a Payment Date” in the accompanying product supplement

**THE SECURITIES ARE SIGNIFICANTLY RISKIER THAN CONVENTIONAL DEBT INSTRUMENTS. JPMORGAN FINANCIAL IS NOT NECESSARILY OBLIGATED TO REPAY THE FULL PRINCIPAL AMOUNT OF THE SECURITIES AT MATURITY, AND THE SECURITIES CAN HAVE DOWNSIDE MARKET RISK SIMILAR TO THE UNDERLYING. THIS MARKET RISK IS IN ADDITION TO THE CREDIT RISK INHERENT IN PURCHASING A DEBT OBLIGATION OF JPMORGAN FINANCIAL FULLY AND UNCONDITIONALLY GUARANTEED BY JPMORGAN CHASE & CO. YOU SHOULD NOT PURCHASE THE SECURITIES IF YOU DO NOT UNDERSTAND OR ARE NOT COMFORTABLE WITH THE SIGNIFICANT RISKS INVOLVED IN INVESTING IN THE SECURITIES.**

**YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED UNDER “KEY RISKS” BEGINNING ON PAGE 6 OF THIS PRICING SUPPLEMENT, UNDER “RISK FACTORS” BEGINNING ON PAGE PS-10 OF THE ACCOMPANYING PRODUCT SUPPLEMENT AND UNDER “RISK FACTORS” BEGINNING ON PAGE US-1 OF THE ACCOMPANYING UNDERLYING SUPPLEMENT BEFORE PURCHASING ANY SECURITIES. EVENTS RELATING TO ANY OF THOSE RISKS, OR OTHER RISKS AND UNCERTAINTIES, COULD ADVERSELY AFFECT THE MARKET VALUE OF, AND THE RETURN ON, YOUR SECURITIES. YOU MAY LOSE SOME OR ALL OF YOUR INITIAL INVESTMENT IN THE SECURITIES. THE SECURITIES WILL NOT BE LISTED ON ANY SECURITIES EXCHANGE.**

**Security Offering**

We are offering Capped Trigger GEARS linked to the Russell 2000® Index. The Securities are offered at a minimum investment of \$1,000 in denominations of \$10 and integral multiples thereof. The return on the Securities is subject to, and will not exceed, the Maximum Gain.

Underlying	Upside Gearing	Maximum Gain	Initial Value	Downside Threshold	CUSIP	ISIN
Russell 2000® Index (Bloomberg ticker: RTY)	2.00	29.85%	1,528.166	1,146.125, which is 75% of the Initial Value	48130X356	US48130X3567

See “Additional Information about JPMorgan Financial, JPMorgan Chase & Co. and the Securities” in this pricing supplement. The Securities will have the terms specified in the prospectus and the prospectus supplement, each dated April 5, 2018, product supplement no. UBS-1-I dated April 5, 2018, underlying supplement no. 1-I dated April 5, 2018 and this pricing supplement. *The terms of the Securities as set forth in this pricing supplement, to the extent they differ or conflict with those set forth in the accompanying product supplement, will supersede the terms set forth in that product supplement.*

*Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of the Securities or passed upon the accuracy or the adequacy of this pricing supplement or the accompanying prospectus, the accompanying prospectus supplement, the accompanying product supplement and the accompanying underlying supplement. Any representation to the contrary is a criminal offense.*

Offering of Securities	Price to Public <sup>1</sup>		Fees and Commissions <sup>2</sup>		Proceeds to Issuer	
	Total	Per Security	Total	Per Security	Total	Per Security
Securities Linked to the Russell 2000® Index	\$5,275,140	\$10.00	\$131,878.50	\$0.25	\$5,143,261.50	\$9.75

<sup>1</sup> See “Supplemental Use of Proceeds” in this pricing supplement for information about the components of the price to public of the Securities.

UBS Financial Services Inc., which we refer to as UBS, will receive selling commissions from us of \$0.25 per \$10.00 principal amount Security. See “Plan of Distribution (Conflicts of Interest)” in the accompanying product supplement, as supplemented by “Supplemental Plan of Distribution” in this pricing supplement.

**The estimated value of the Securities, when the terms of the Securities were set, was \$9.758 per \$10 principal amount Security. See “The Estimated Value of the Securities” in this pricing supplement for additional information.**

*The Securities are not bank deposits, are not insured by the Federal Deposit Insurance Corporation or any other governmental agency and are not obligations of, or guaranteed by, a bank.*

UBS Financial Services Inc.

### **Additional Information about JPMorgan Financial, JPMorgan Chase & Co. and the Securities**

You should read this pricing supplement together with the accompanying prospectus, as supplemented by the accompanying prospectus supplement relating to our Series A medium-term notes of which these Securities are a part, and the more detailed information contained in the accompanying product supplement and the accompanying underlying supplement. **This pricing supplement, together with the documents listed below, contains the terms of the Securities 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 the “Risk Factors” sections of the accompanying product supplement and the accompanying underlying supplement, as the Securities involve risks not associated with conventional debt securities.

**You may access these documents on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing our filings for the relevant date on the SEC website):**

Product supplement no. UBS-1-I dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004522/dp87529\\_424b2-ubs1i.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004522/dp87529_424b2-ubs1i.pdf)

Underlying supplement no. 1-I dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt\\_dp87766-424b2.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004514/crt_dp87766-424b2.pdf)

Prospectus supplement and prospectus, each dated April 5, 2018:

[http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767\\_424b2-ps.pdf](http://www.sec.gov/Archives/edgar/data/19617/000095010318004508/dp87767_424b2-ps.pdf)

Our Central Index Key, or CIK, on the SEC website is 1665650, and JPMorgan Chase & Co.’s CIK is 19617. As used in this pricing supplement, the “Issuer,” “JPMorgan Financial,” “we,” “us” and “our” refer to JPMorgan Chase Financial Company LLC.

### **Supplemental Terms of the Securities**

For purposes of the accompanying product supplement, the Russell 2000® Index is an “Index.”

## Investor Suitability

### **The Securities may be suitable for you if, among other considerations:**

- t You fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire principal amount.
- t You can tolerate a loss of all or a substantial portion of your investment and are willing to make an investment that may have the same downside market risk as a hypothetical investment in the Underlying.
- t You believe the level of the Underlying will increase over the term of the Securities and that the appreciation is unlikely to exceed an amount equal to the Maximum Gain indicated on the cover hereof.
- t You understand and accept that your potential return is limited by the Maximum Gain and you are willing to invest in the Securities based on the Maximum Gain indicated on the cover hereof.
- t You can tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Underlying.
- t You do not seek current income from your investment and are willing to forgo dividends paid on the stocks included in the Underlying.
- t You are willing and able to hold the Securities to maturity.
- t You accept that there may be little or no secondary market for the Securities and that any secondary market will depend in large part on the price, if any, at which J.P. Morgan Securities LLC, which we refer to as JPMS, is willing to trade the Securities.
- t You understand and accept the risks associated with the Underlying.
- t You are willing to assume the credit risks of JPMorgan Financial and JPMorgan Chase & Co. for all payments under the Securities, and understand that if JPMorgan Financial and JPMorgan Chase & Co. default on their obligations, you may not receive any amounts due to you including any repayment of

### **The Securities may not be suitable for you if, among other considerations:**

- t You do not fully understand the risks inherent in an investment in the Securities, including the risk of loss of your entire principal amount.
- t You require an investment designed to provide a full return of principal at maturity.
- t You cannot tolerate a loss of all or a substantial portion of your investment, or you are not willing to make an investment that may have the same downside market risk as a hypothetical investment in the Underlying.
- t You believe the level of the Underlying will decline over the term of the Securities and is likely to close below the Downside Threshold on the Final Valuation Date, or you believe the Underlying will appreciate over the term of the Securities by more than the Maximum Gain indicated on the cover hereof.
- t You seek an investment that has unlimited return potential without a cap on appreciation.
- t You are unwilling to invest in the Securities based on the Maximum Gain indicated on the cover hereof.
- t You cannot tolerate fluctuations in the price of the Securities prior to maturity that may be similar to or exceed the downside fluctuations in the level of the Underlying.
- t You seek current income from your investment or prefer not to forgo dividends paid on the stocks included in the Underlying.
- t You are unwilling or unable to hold the Securities to maturity or seek an investment for which there will be an active secondary market.

principal.

t You do not understand or accept the risks associated with the Underlying.

t You are not willing to assume the credit risks of JPMorgan Financial and JPMorgan Chase & Co. for all payments under the Securities, including any repayment of principal.

**The suitability considerations identified above are not exhaustive. Whether or not the Securities are a suitable investment for you will depend on your individual circumstances, and you should reach an investment decision only after you and your investment, legal, tax, accounting and other advisers have carefully considered the suitability of an investment in the Securities in light of your particular circumstances. You should also review carefully the “Key Risks” section of this pricing supplement and the “Risk Factors” sections of the accompanying product supplement and the accompanying underlying supplement for risks related to an investment in the Securities. For more information on the Underlying, please see the section titled “The Underlying” below.**

**Final Terms**

JPMorgan  
Chase  
Financial  
Company  
LLC, an  
Issuer: indirect,  
wholly owned  
finance  
subsidiary of  
JPMorgan  
Chase & Co.  
Guarantor: JPMorgan  
Chase & Co.  
\$10.00 per  
Security  
(subject to a  
Issue minimum  
Price: purchase of  
100 Securities  
or \$1,000)  
\$10.00 per  
Security. The  
Principal payment at  
Amount: maturity will  
be based on  
the principal  
amount.  
Underlying: Russell 2000®  
Index  
Term: Approximately  
3 years  
Payment **if the**  
at **Underlying**  
Maturity **Return is**  
(per **positive,**  
\$10 JPMorgan  
principal financial will  
amount pay you a cash  
Security) payment at  
maturity per  
\$10 principal  
amount  
Security equal  
to:  
  
\$10.00 +  
(\$10.00 ×  
Underlying

Return  $\times$   
Upside  
Gearing)

*provided,*  
*however,* that  
in no event  
will JPMorgan  
Financial pay  
you at  
maturity an  
amount greater  
than:

\$10.00 +  
(\$10.00  $\times$   
Maximum  
Gain)

**If the  
Underlying  
Return is zero  
or negative  
but the Final  
Value is  
greater than  
or equal to  
the Downside  
Threshold,**  
JPMorgan  
Financial will  
pay you a cash  
payment at  
maturity of  
\$10.00 per \$10  
principal  
amount  
Security.

**If the  
Underlying  
Return is  
negative and  
the Final  
Value is less  
than the  
Downside  
Threshold,**  
JPMorgan  
Financial will  
pay you a cash



payment at maturity per \$10 principal amount Security equal to:

$\$10.00 + (\$10.00 \times \text{Underlying Return})$

***In this scenario, you will be exposed to the decline of the Underlying and you will lose some or all of your principal amount in an amount proportionate to the negative Underlying Return.***

(Final Value –

Initial Value)

Underlying Return:

Initial Value

Upside Gearing: 2.00

29.85%. In no event will the return on the

Maximum Principal

Gain: Amount be greater than the Maximum Gain.

The closing level of the Underlying on the Trade

Initial Value: Date, as specified on the cover of this pricing supplement

The closing level of the Underlying on the Final Value: the Final Valuation Date 75% of the Initial Value, Downside Threshold is specified on the cover of this pricing supplement

**Investment Timeline**

**Trade Date** The Initial Value is observed. The Maximum Gain is determined.  
The Final Value and the Underlying Return are determined.

**If the Underlying Return is positive,** JPMorgan Financial will pay you a cash payment at maturity per \$10 principal amount Security equal to:

$$\$10.00 + (\$10.00 \times \text{Underlying Return} \times \text{Upside Gearing})$$

*provided, however,* that in no event will JPMorgan Financial pay you at maturity an amount greater than:

$$\$10.00 + (\$10.00 \times \text{Maximum Gain})$$

**Maturity Date**

**If the Underlying Return is zero or negative but the Final Value is greater than or equal to the Downside Threshold,** JPMorgan Financial will pay you a cash payment at maturity of \$10.00 per \$10 principal amount Security.

**If the Underlying Return is negative and the Final Value is less than the Downside Threshold,** JPMorgan Financial will pay you a cash payment at maturity per \$10 principal amount Security equal to:

$$\$10.00 + (\$10.00 \times \text{Underlying Return})$$

*Under these circumstances, you will be exposed to the decline of the Underlying and you will lose some or all of your principal amount.*

**INVESTING IN THE SECURITIES INVOLVES SIGNIFICANT RISKS. YOU MAY LOSE SOME OR ALL OF YOUR PRINCIPAL AMOUNT. ANY PAYMENT ON THE SECURITIES, INCLUDING ANY REPAYMENT OF PRINCIPAL, IS SUBJECT TO THE CREDITWORTHINESS OF JPMORGAN FINANCIAL AND JPMORGAN CHASE & CO. IF JPMORGAN FINANCIAL AND JPMORGAN CHASE & CO. WERE TO DEFAULT ON THEIR PAYMENT OBLIGATIONS, YOU MAY NOT RECEIVE ANY AMOUNTS OWED TO YOU UNDER THE SECURITIES AND YOU COULD LOSE YOUR ENTIRE INVESTMENT.**



## What Are the Tax Consequences of the Securities?

You should review carefully the section entitled “Material U.S. Federal Income Tax Consequences” in the accompanying product supplement no. UBS-1-I. The following discussion, when read in combination with that section, constitutes the full opinion of our special tax counsel, Davis Polk & Wardwell LLP, regarding the material U.S. federal income tax consequences of owning and disposing of Securities.

Based on current market conditions, in the opinion of our special tax counsel it is reasonable to treat the Securities as “open transactions” that are not debt instruments for U.S. federal income tax purposes, as more fully described in “Material U.S. Federal Income Tax Consequences — Tax Consequences to U.S. Holders — Notes Treated as Open Transactions That Are Not Debt Instruments” in the accompanying product supplement. Assuming this treatment is respected, the gain or loss on your Securities should be treated as long-term capital gain or loss if you hold your Securities for more than a year, whether or not you are an initial purchaser of Securities at the issue price. However, the IRS or a court may not respect this treatment, in which case the timing and character of any income or loss on the Securities could be materially and adversely affected. In addition, in 2007 Treasury and the IRS released a notice requesting comments on the U.S. federal income tax treatment of “prepaid forward contracts” and similar instruments. The notice focuses in particular on whether to require investors in these instruments to accrue income over the term of their investment. It also asks for comments on a number of related topics, including the character of income or loss with respect to these instruments; the relevance of factors such as the nature of the underlying property to which the instruments are linked; the degree, if any, to which income (including any mandated accruals) realized by non-U.S. investors should be subject to withholding tax; and whether these instruments are or should be subject to the “constructive ownership” regime, which very generally can operate to recharacterize certain long-term capital gain as ordinary income and impose a notional interest charge. While the notice requests comments on appropriate transition rules and effective dates, any Treasury regulations or other guidance promulgated after consideration of these issues could materially and adversely affect the tax consequences of an investment in the Securities, possibly with retroactive effect. You should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the Securities, including possible alternative treatments and the issues presented by this notice.

Section 871(m) of the Code and Treasury regulations promulgated thereunder (“Section 871(m)”) generally impose a 30% withholding tax (unless an income tax treaty applies) on dividend equivalents paid or deemed paid to Non-U.S. Holders with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Section 871(m) provides certain exceptions to this withholding regime, including for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations (such as an index, a “Qualified Index”). Additionally, a recent IRS notice excludes from the scope of Section 871(m) instruments issued prior to January 1, 2021 that do not have a delta of one with respect to underlying securities that could pay U.S.-source dividends for U.S. federal income tax purposes (each an “Underlying Security”). Based on certain determinations made by us, our special tax counsel is of the opinion that Section 871(m) should not apply to the Securities with regard to Non-U.S. Holders. Our determination is not binding on the IRS, and the IRS may disagree with this determination. Section 871(m) is complex and its application may depend on your particular circumstances, including whether you enter into other transactions with respect to an Underlying Security. You should consult your tax adviser regarding the potential application of Section 871(m) to the Securities.

Withholding under legislation commonly referred to as “FATCA” may (if the Securities are recharacterized as debt instruments) apply to amounts treated as interest paid with respect to the Securities, as well as to payments of gross proceeds of a taxable disposition, including redemption at maturity, of a Security, although under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization), no withholding will apply to payments of gross proceeds (other than any amount treated as interest). You should consult your tax adviser regarding the potential application of FATCA to the Securities.



## Key Risks

An investment in the Securities involves significant risks. Investing in the Securities is not equivalent to investing directly in the Underlying. These risks are explained in more detail in the “Risk Factors” sections of the accompanying product supplement and the accompanying underlying supplement. We also urge you to consult your investment, legal, tax, accounting and other advisers before you invest in the Securities.

### Risks Relating to the Securities Generally

**Your Investment in the Securities May Result in a Loss** — The Securities differ from ordinary debt securities in that we will not necessarily repay the full principal amount of the Securities. If the Underlying Return is negative, we will pay you the principal amount of your Securities in cash only if the Final Value has not declined below the Downside Threshold. If the Underlying Return is negative and the Final Value is less than the Downside Threshold, you will be exposed to the full decline of the Underlying and will lose some or all of your principal amount in an amount proportionate to the negative Underlying Return. Accordingly, you could lose up to your entire principal amount.

**Credit Risks of JPMorgan Financial and JPMorgan Chase & Co.** — The Securities are unsecured and unsubordinated debt obligations of the Issuer, JPMorgan Chase Financial Company LLC, the payment on which is fully and unconditionally guaranteed by JPMorgan Chase & Co. The Securities will rank *pari passu* with all of our other unsecured and unsubordinated obligations, and the related guarantee JPMorgan Chase & Co. will rank *pari passu* with all of JPMorgan Chase & Co.’s other unsecured and unsubordinated obligations. The Securities and related guarantees are not, either directly or indirectly, an obligation of any third party. Any payment to be made on the Securities, including any repayment of principal, depends on the ability of JPMorgan Financial and JPMorgan Chase & Co. to satisfy their obligations as they come due. As a result, the actual and perceived creditworthiness of JPMorgan Financial and JPMorgan Chase & Co. may affect the market value of the Securities and, in the event JPMorgan Financial and JPMorgan Chase & Co. were to default on their obligations, you may not receive any amounts owed to you under the terms of the Securities and you could lose your entire investment.

**As a Finance Subsidiary, JPMorgan Financial Has No Independent Operations and Limited Assets** — As a finance subsidiary of JPMorgan Chase & Co., we have no independent operations beyond the issuance and administration of our securities. Aside from the initial capital contribution from JPMorgan Chase & Co., substantially all of our assets relate to obligations of our affiliates to make payments under loans made by us or other intercompany agreements. As a result, we are dependent upon payments from our affiliates to meet our obligations under the Securities. If these affiliates do not make payments to us and we fail to make payments on the Securities, you may have to seek payment under the related guarantee by JPMorgan Chase & Co., and that guarantee will rank *pari passu* with all other unsecured and unsubordinated obligations of JPMorgan Chase & Co.

**The Appreciation Potential of the Securities Is Limited by the Maximum Gain** — The appreciation potential of the Securities is limited by the Maximum Gain of 29.85%. Accordingly, the appreciation potential of the Securities will be limited by the Maximum Gain even if the Underlying Return times the Upside Gearing is greater than the Maximum Gain.

**The Upside Gearing Applies Only If You Hold the Securities to Maturity** — You should be willing to hold your Securities to maturity. If you are able to sell your Securities prior to maturity in the secondary market, if any, the price you receive likely will not reflect the full economic value of the Upside Gearing or the Securities themselves, and the return you realize may be less than the product of the performance of the Underlying and the Upside Gearing and may be less than the Underlying’s return, even if that return is positive and does not exceed the Maximum Gain. You can receive the full benefit of the Upside Gearing, subject to the Maximum Gain, only if you hold your Securities to maturity.

**The Contingent Repayment of Principal Applies Only If You Hold the Securities to Maturity** — You should be willing to hold your Securities to maturity. If you are able to sell your Securities in the secondary market, if any, prior to maturity, you may have to sell them at a loss relative to your initial investment even if the closing level of the Underlying is above the Downside Threshold. If you hold the Securities to maturity, JPMorgan Financial will repay

your principal amount as long as the Final Value is not below the Downside Threshold. However, if the Underlying Return is negative and the Final Value is less than the Downside Threshold, JPMorgan Financial will repay less than the principal amount, if anything, resulting in a loss that is proportionate to the decline in the level of the Underlying from the Initial Value to the Final Value. The contingent repayment of principal based on whether the Final Value is below the Downside Threshold applies only if you hold your Securities to maturity.

**No Interest Payments** — JPMorgan Financial will not make any interest payments to you with respect to the Securities.

**Potential Conflicts** — We and our affiliates play a variety of roles in connection with the issuance of the Securities, including acting as calculation agent and hedging our obligations under the Securities and making the assumptions used to determine the pricing of the Securities and the estimated value of the Securities when the terms of the Securities are set, which we refer to as the estimated value of the Securities. In performing these duties, our and JPMorgan Chase & Co.'s economic interests and the economic interests of the calculation agent and other affiliates of ours are potentially adverse to your interests as an investor in the Securities. In addition, our and JPMorgan Chase & Co.'s business activities, including hedging and trading activities, could cause our and JPMorgan Chase & Co.'s economic interests to be adverse to yours and could adversely affect any payment on the Securities and the value of the Securities. It is possible that hedging or trading activities of ours or our affiliates in connection with the Securities could result in substantial returns for us or our affiliates while the value of the Securities declines. Please refer to "Risk Factors — Risks Relating to Conflicts of Interest" in the accompanying product supplement for additional information about these risks.

**The Probability That the Final Value Will Fall Below the Downside Threshold on the Final Valuation Date Will Depend on the Volatility of the Underlying** — "Volatility" refers to the frequency and magnitude of changes in the level of the Underlying. Greater

expected volatility with respect to the Underlying reflects a higher expectation as of the Trade Date that the Underlying could close below the Downside Threshold on the Final Valuation Date of the Securities, resulting in the loss of some or all of your investment. However, the Underlying's volatility can change significantly over the term of the Securities. The level of the Underlying could fall sharply, which could result in a significant loss of principal.

**The Estimated Value of the Securities Is Lower Than the Original Issue Price (Price to Public) of the Securities** — The estimated value of the Securities is only an estimate determined by reference to several factors. The original issue price of the Securities exceeds the estimated value of the Securities because costs associated with selling, structuring and hedging the Securities are included in the original issue price of the Securities. These costs include the selling commissions, the projected profits, if any, that our affiliates expect to realize for assuming risks inherent in hedging our obligations under the Securities and the estimated cost of hedging our obligations under the Securities. See “The Estimated Value of the Securities” in this pricing supplement.

**The Estimated Value of the Securities Does Not Represent Future Values of the Securities and May Differ from Others' Estimates** — The estimated value of the Securities is determined by reference to internal pricing models of our affiliates when the terms of the Securities are set. This estimated value of the Securities is based on market conditions and other relevant factors existing at that time and assumptions about market parameters, which can include volatility, dividend rates, interest rates and other factors. Different pricing models and assumptions could provide valuations for the Securities that are greater than or less than the estimated value of the Securities. In addition, market conditions and other relevant factors in the future may change, and any assumptions may prove to be incorrect. On future dates, the value of the Securities could change significantly based on, among other things, changes in market conditions, our or JPMorgan Chase & Co.'s creditworthiness, interest rate movements and other relevant factors, which may impact the price, if any, at which JPMS would be willing to buy Securities from you in secondary market transactions. See “The Estimated Value of the Securities” in this pricing supplement.

**The Estimated Value of the Securities Is Derived by Reference to an Internal Funding Rate** — The internal funding rate used in the determination of the estimated value of the Securities is based on, among other things, our and our affiliates' view of the funding value of the Securities as well as the higher issuance, operational and ongoing liability management costs of the Securities in comparison to those costs for the conventional fixed-rate debt of JPMorgan Chase & Co. The use of an internal funding rate and any potential changes to that rate may have an adverse effect on the terms of the Securities and any secondary market prices of the Securities. See “The Estimated Value of the Securities” in this pricing supplement.

**The Value of the Securities as Published by JPMS (and Which May Be Reflected on Customer Account Statements) May Be Higher Than the Then-Current Estimated Value of the Securities for a Limited Time Period** — We generally expect that some of the costs included in the original issue price of the Securities will be partially paid back to you in connection with any repurchases of your Securities by JPMS in an amount that will decline to zero over an initial predetermined period. These costs can include selling commissions, projected hedging profits, if any, and, in some circumstances, estimated hedging costs and our internal secondary market funding rates for structured debt issuances. See “Secondary Market Prices of the Securities” in this pricing supplement for additional information relating to this initial period. Accordingly, the estimated value of your Securities during this initial period may be lower than the value of the Securities as published by JPMS (and which may be shown on your customer account statements).

**Secondary Market Prices of the Securities Will Likely Be Lower Than the Original Issue Price of the Securities** — Any secondary market prices of the Securities will likely be lower than the original issue price of the Securities because, among other things, secondary market prices take into account our internal secondary market funding rates for structured debt issuances and, also, because secondary market prices (a) exclude selling commissions and (b) may exclude projected hedging profits, if any, and estimated hedging costs that are included in the original issue price of the Securities. As a result, the price, if any, at which JPMS will be willing to buy Securities from you in secondary market transactions, if at all, is likely to be lower than the original issue price. Any sale by you prior to the Maturity Date could result in a substantial loss to you. See the immediately following risk factor for information about additional factors that will impact any secondary market prices of the Securities.



The Securities are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your Securities to maturity. See “— Lack of Liquidity” below.

**Many Economic and Market Factors Will Impact the Value of the Securities** — As described under “The Estimated Value of the Securities” in this pricing supplement, the Securities can be thought of as securities that combine a fixed-income debt component with one or more derivatives. As a result, the factors that influence the values of fixed-income debt and derivative instruments will also influence the terms of the Securities at issuance and their value in the secondary market. Accordingly, the secondary market price of the Securities during their term will be impacted by a number of economic and market factors, which may either offset or magnify each other, aside from the selling commissions, projected hedging profits, if any, estimated hedging costs and the level of the Underlying, including:

- tany actual or potential change in our or JPMorgan Chase & Co.’s creditworthiness or credit spreads;
- tcustomary bid-ask spreads for similarly sized trades;
- tour internal secondary market funding rates for structured debt issuances;
- tthe actual and expected volatility in the level of the Underlying;
- tthe time to maturity of the Securities;
- tthe dividend rates on the equity securities included in the Underlying;
- tinterest and yield rates in the market generally; and

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ta variety of other economic, financial, political, regulatory and judicial events.

Additionally, independent pricing vendors and/or third party broker-dealers may publish a price for the Securities, which may also be reflected on customer account statements. This price may be different (higher or lower) than the price of the Securities, if any, at which JPMS may be willing to purchase your Securities in the secondary market.

**Investing in the Securities Is Not Equivalent to Investing in the Stocks Composing the Underlying** — Investing in the Securities is not equivalent to investing in the stocks included in the Underlying. As an investor in the Securities, you will not have any ownership interest or rights in the stocks included in the Underlying, such as voting rights, dividend payments or other distributions.

**We Cannot Control Actions by the Sponsor of the Underlying and That Sponsor Has No Obligation to Consider Your Interests** — We and our affiliates are not affiliated with the sponsor of the Underlying and have no ability to control or predict its actions, including any errors in or discontinuation of public disclosure regarding methods or policies relating to the calculation of the Underlying. The sponsor of the Underlying is not involved in this Security offering in any way and has no obligation to consider your interest as an owner of the Securities in taking any actions that might affect the market value of your Securities.

**Your Return on the Securities Will Not Reflect Dividends on the Stocks Composing the Underlying** —

Your return on the Securities will not reflect the return you would realize if you actually owned the stock included in the Underlying and received the dividends on the stock included in the Underlying. This is because the calculation agent will calculate the amount payable to you at maturity of the Securities by reference to the Final Value, which reflects the closing level of the Underlying on the Final Valuation Date without taking into consideration the value of dividends on the stock included in the Underlying.

**Lack of Liquidity** — The Securities will not be listed on any securities exchange. JPMS intends to offer to purchase the Securities in the secondary market, but is not required to do so. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Securities easily. Because other dealers are not likely to make a secondary market for the Securities, the price at which you may be able to trade your Securities is likely to depend on the price, if any, at which JPMS is willing to buy the Securities.

**Potentially Inconsistent Research, Opinions or Recommendations by JPMS, UBS or Their Affiliates** — JPMS, UBS or their affiliates may publish research, express opinions or provide recommendations that are inconsistent with investing in or holding the Securities, and that may be revised at any time. Any such research, opinions or recommendations may or may not recommend that investors buy or hold investments linked to the Underlying and could affect the value of the Underlying, and therefore the market value of the Securities.

**Tax Treatment** — Significant aspects of the tax treatment of the Securities are uncertain. You should consult your tax adviser about your tax situation.

**Potential JPMorgan Financial Impact on the Market Price of the Underlying** — Trading or transactions by JPMorgan Financial or its affiliates in the Underlying or in futures, options or other derivative products on the Underlying may adversely affect the market value of the Underlying and, therefore, the market value of the Securities.

### **Risks Relating to the Underlying**

**An Investment in the Securities is Subject to Risks Associated with Small Capitalization Stocks** — The equity securities included in the Underlying 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. These companies tend to be less well-established than large market capitalization companies. Small 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.

**Hypothetical Examples and Return Table**

**Hypothetical terms only. Actual terms may vary. See the cover page for actual offering terms.**

The following table and hypothetical examples below illustrate the payment at maturity per \$10.00 principal amount Security for a hypothetical range of Underlying Returns from -100.00% to +100.00% on an offering of the Securities linked to a hypothetical Underlying, and assume a hypothetical Initial Value of 100, a hypothetical Downside Threshold of 90, a hypothetical Upside Gearing of 1.50 and a hypothetical Maximum Gain of 12.00%. The hypothetical Initial Value of 100 has been chosen for illustrative purposes only and does not represent the actual Initial Value. The actual Initial Value and Downside Threshold are based on the closing level of the Underlying on the Trade Date and are specified on the cover of this pricing supplement. For historical data regarding the actual closing levels of the Underlying, please see the historical information set forth under “The Underlying” in this pricing supplement. The actual Upside Gearing and Maximum Gain are specified on the cover of this pricing supplement. The hypothetical payment at maturity examples set forth below are for illustrative purposes only and may not be the actual returns applicable to a purchaser of the Securities. The actual payment at maturity may be more or less than the amounts displayed below and will be determined based on the actual terms of the Securities, including the Upside Gearing, the Initial Value, the Downside Threshold and the Maximum Gain and the Final Value on the Final Valuation Date. You should consider carefully whether the Securities are suitable to your investment goals. The numbers appearing in the table below have been rounded for ease of analysis.

<b>Final Value</b>	<b>Underlying Return (%)</b>	<b>Payment at Maturity (\$)</b>	<b>Return at Maturity per \$10.00 issue price (%)</b>						
200.00	100.00%	\$11.200	12.00%						
190.00	90.00%	\$11.200	12.00%						
180.00	80.00%	\$11.200	12.00%						
	1.64		1.35	1.42	1.47	1.26	0.91	1.13	

(1) The numbers in this chart supersede the numbers in the Ratio of Earnings to Fixed Charges in the accompanying prospectus dated October 3, 2005.

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## CAPITALIZATION

## Capitalization and Subordinated Notes

The table below sets forth our consolidated capitalization as of July 31, 2006. This information should be read in conjunction with our unaudited consolidated financial statements for the nine month period ended July 31, 2006, incorporated herein by reference.

	<b>July 31, 2006</b>
	<b>(C\$ millions)</b>
<b>Subordinated Indebtedness:</b>	
Subordinated notes, debentures and other debt	6,915
<b>Class A Preferred Shares:</b>	
16,065 Series I	
14,000,000 Series M	350
8,000,000 Series N	200
Total Class A Preferred Shares	550
350,000 Liabilities for preferred shares issued by TD MIC: Series A	344
<b>Capital Trust Securities</b>	
Units	
900,000 TD Capital Trust Securities	900
350,000 TD Capital Trust Securities II <sup>(note 1)</sup>	350
Total Capital Trust Securities	1,250
<b>Shareholders' Equity:</b>	
720,791,569 Common Shares	6,353
17,000,000 Preferred Shares Series O	425
Contributed surplus	56
Foreign currency translation adjustment	(951)
Retained earnings	13,544
Total Shareholders' Equity	19,427
<b>Total Capitalization</b>	<b>28,486</b>

Note 1: Not included in TD Bank Consolidated Balance Sheet

## SPECIFIC TERMS OF THE NOTES

In this section, references to "holders" mean those who own the Notes registered in their own names, on the books that the Bank or the trustee maintain for this purpose, and not those who own beneficial interests in the Notes registered in street name or in the Notes issued in book-entry form through The Depository Trust Company or another depository. Owners of beneficial interests in the Notes should read the section entitled "Clearance and Settlement" in the accompanying prospectus supplement.

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The Notes are part of a series of debt securities entitled "11.00% Notes due 2007" that the Bank may issue under the indenture, described in the accompanying prospectus supplement and prospectus, from time to time. This terms supplement summarizes specific financial and other terms that apply to the Notes. The terms described below supplement those described in the accompanying prospectus supplement and, if the terms described below are inconsistent with those described there, the terms described below are controlling.

Please note that the information about the price to the public and our net proceeds on the front cover of this terms supplement relates only to the initial sale of the Notes. If you have purchased the Notes in a

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secondary market transaction after the initial sale, information about the price and date of sale to you will be provided in a separate confirmation of sale.

## General

The Notes are being issued in denominations of \$1,000. The Notes will be the Bank's direct and unsubordinated contractual obligations and will constitute deposit liabilities which will rank *pari passu* in right of payment with all of the Bank's 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 will mature on the Maturity Date (or if such day is not a business day, the following business day). There are no mandatory sinking fund payments for the Notes. **The Notes are subject to investment risk including loss of some or all of your principal, subject to the Minimum Amount.**

## Interest

The Notes will bear interest at the rate per annum specified on the front cover, based on assumed 30-day months and 360-day years, which will be paid on the Interest Payment Dates specified on the front cover. In the event that an Interest Payment Date is not a business day, the Bank will pay interest on the next day that is a business day, with the same force and effect as if made on the Interest Payment Date, and without any interest or other payment with respect to the delay.

## Optional Tax Redemption

We have the right to redeem the Notes in the circumstances described under "*Description of Notes - Redemption and Repayment of Notes - Tax Redemption*" in the accompanying prospectus supplement which we refer to herein as a "Tax Event". In the case of a Tax Event, the Redemption Amount will be calculated in the same general manner. The Scheduled Trading Day that is the fifth business day after the Calculation Agent is notified by the Bank of the Tax Event (or, if a Disrupted Day exists with respect to the Reference Shares on such Scheduled Trading Day, the first following day that is a Scheduled Trading Day on which a Disrupted Day does not exist with respect to the Reference Shares) will be used as the Valuation Date for determining the Final Share Price (provided that if a Disrupted Day exists on ten consecutive Scheduled Trading Days after the scheduled Valuation Date, the tenth Scheduled Trading Day shall be the Valuation Date, and the Calculation Agent shall determine the Final Share Price on such date in good faith and in its sole discretion based upon its estimate of the value of the Reference Shares as of the close of trading on that tenth Scheduled Trading Day) and the Maturity Date will be the twentieth business day following such Valuation Date. In addition, the Notes are subject to adjustment as described in "*Antidilution Adjustments*" herein.

## Redemption Amount

At maturity, whether scheduled maturity or upon acceleration, the holder of a Note will receive the Redemption Amount. The Redemption Amount, payable with respect to each Note at maturity, will be calculated by the Calculation Agent on the Valuation Date. The Redemption Amount is dependent upon whether the Final Share Price is greater than or less than the Initial Share Price and whether the Market Price was less than the Limit Price on any Scheduled Trading Day during the Relevant Period.

If the Final Share Price is equal to or greater than the Initial Share Price, the Redemption Amount will be the Cash Delivery Amount, which is equal to the initial principal amount of the Note. **The Redemption Amount is capped at 100% of the initial principal amount of a Note. This means that even if the Final Share Price is greater than the Initial Share Price, the maximum total return at maturity for each \$1,000 invested (exclusive of interest payments) is \$1,000.**

If the Final Share Price is less than the Initial Share Price and the Market Price was never less than the Limit Price on any Scheduled Trading Day during the Relevant Period, the Redemption Amount is the Cash Delivery Amount, which is equal to the initial principal amount of the Note.

If the Final Share Price is less than the Initial Share Price and the Market Price was less than the Limit Price on any Scheduled Trading Day during the Relevant Period, the Redemption Amount will be the Physical Delivery Amount. If the fair market value of the Physical Delivery Amount (excluding accrued interest and expressed in absolute terms), as determined by the Calculation Agent in its absolute discretion, on the Valuation Date is less than the Minimum Amount, the Bank shall, in lieu of the Physical Delivery Amount, pay to holders an amount in cash equal to the Minimum Amount. Minimum Amount means an amount equal to 1% of the principal amount of the Notes. **Investors should understand that if the Final Share Price is less than the Initial Share Price and the Market Price was less than the Limit Price on any Scheduled Trading Day during the Relevant Period, they may suffer an entire loss of principal, subject to the Minimum Amount.**

The Final Share Price equals the Market Price on the Valuation Date. The Initial Share Price is the closing value of the Reference Shares on the date indicated on the front cover.

The Bank will cause the Calculation Agent to provide written notice to the Trustee, on which notice the Trustee may conclusively rely, of the Redemption Amount, by the close of business on the business day preceding the Maturity Date. All percentages resulting from any calculation with respect to the Notes will be rounded to the nearest one hundredth of a percentage point, with five one thousandths of a percentage point rounded upwards, and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent with one-half cent being rounded upwards.

The Redemption Amount will not include dividends paid on the common stock included in the Reference Shares.

Unless otherwise specifically provided, "business day" as used in this terms supplement means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions are authorized or required by law or regulation to close in Toronto, Ontario, Canada or New York, New York. In any case where any date specified herein for any payment under, or redemption of, the Notes or other action required to be taken in connection therewith shall not be a business day, then such payment or redemption date will be, or such other required action will be taken on, the immediately succeeding business day (except in the case of the determination of Initial Share Price and Final Share Price figures, which shall be as described above).

#### **Events of Default and Acceleration**

In case an Event of Default (as defined in the Indenture) with respect to any Note shall have occurred and be continuing, the Notes may be accelerated by the Trustee at the direction of the holders of 25% in aggregate principal and amount of the outstanding debt securities of each affected series. Upon such acceleration, the Redemption Amount declared due and payable will be determined by the Calculation Agent, and the Redemption Amount will be calculated in the same general manner as described above under "*Redemption Amount*". In such case, the Scheduled Trading Day preceding the date of acceleration (or, if a Disrupted Day exists on such Scheduled Trading Day, the first following day that is a Scheduled Trading Day on which a Disrupted Day does not exist) will be used as the Valuation Date for calculating the accelerated Final Share Price (provided that if a Disrupted Day exists on ten consecutive Scheduled Trading Days after the scheduled Valuation Date, the tenth Scheduled Trading Day shall be the Valuation Date, and the Calculation Agent shall determine the Final Share Price on such date in good faith and in its sole discretion based upon its estimate of the value of the Reference Shares as of the close of trading on that tenth Scheduled Trading Day) and the accelerated Maturity Date will be the business day following such accelerated Valuation Date.

#### **The Calculation Agent**

The Bank has initially appointed TD Securities Inc. as its Calculation Agent with regard to the Notes. TD Securities Inc. will be solely responsible for the determination and calculation of the Redemption Amount (including the components thereof) and any other determinations and calculations with respect to any distributions of cash in connection with the Notes, as well as for determining whether a Disrupted Day exists and for making certain other determinations with regard to the Reference Shares. See "*Antidilution Adjustments*." All determinations and calculations made by the Calculation Agent will be at the sole discretion of the Calculation Agent and will, in the absence of manifest error, be conclusive for all purposes and binding on the Bank and holders of the Notes. The Calculation Agent, an affiliate of the Bank, may have economic interests

adverse to those of the holders of the Notes, including with respect to certain determinations and judgments that the Calculation Agent must make in determining the Redemption Amount, whether the Market Price is less than the Limit Price or whether a Disrupted Day exists, and in making certain other determinations with regard to the Reference Shares. The Bank may, in its sole discretion at any time and from time to time, upon written notice to the Trustee, but without notice to the holders, terminate the appointment of any person serving as the Calculation Agent and appoint another person (including any affiliate of the Bank) to serve as such agent.

#### **SUPPLEMENTAL CANADIAN FEDERAL TAX CONSIDERATIONS**

The discussion below supplements the discussion under "*Canadian Federal Income Taxation*" in the attached prospectus supplement and is subject to the limitations and exceptions set forth therein. This discussion is only applicable to you if you are a Non-Resident Holder (as defined in the accompanying prospectus supplement).

Interest paid or credited or deemed for purposes of the *Income Tax Act* (Canada) (the "Act") to be paid or credited on a Note to a Non-Resident Holder should not be subject to Canadian non-resident withholding tax where we deal at arm's length for the purposes of the Act with the Non-Resident Holder at the time of such payment.

#### **U.S. FEDERAL TAX CONSIDERATIONS**

The Bank intends to treat a note as a financial contract giving rise to capital gain or loss, rather than as a debt instrument. See "*United States Federal Income Taxation - Financial Contracts*" in the accompanying prospectus supplement for a summary of the United States federal income tax consequences of holding the notes.

#### **CERTAIN ERISA CONSIDERATIONS**

See "*Certain ERISA Considerations*" in the accompanying prospectus supplement for a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of ERISA, plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any Similar Laws, and entities whose underlying assets are considered to include "plan assets" of any such plan, account or arrangement.

#### **SUPPLEMENTAL PLAN OF DISTRIBUTION**

We have appointed TD Securities (USA) LLC as our agent to solicit offers on a reasonable efforts basis to purchase the Notes. TD Securities (USA) LLC is party to the distribution agreement described in the "Plan of Distribution" in the accompanying prospectus supplement. TD Securities (USA) LLC may also appoint selected dealers to purchase or solicit offers to Purchase the Notes. TD Securities (USA) LLC or such selected dealers will receive a commission of up to 2.375% of the principal amount of each Note sold through their efforts.

This terms supplement may be used by TD Securities (USA) LLC or any of our other affiliates in connection with offers and sales of the Notes in secondary market transactions. A secondary market transaction is one in which TD Securities (USA) LLC or another of our affiliates resells a Note that it has previously acquired from another holder. A secondary market transaction in a particular Note occurs after the original sale of the Note. We describe secondary market transactions and other matters relating to the distribution of the Notes in the accompanying prospectus supplement and the accompanying prospectus under "*Plan of Distribution*."

Unless we or the agent informs you in your confirmation of sale that your Note is being purchased in its original offering and sale, you may assume that you are purchasing your Note in a secondary market transaction.

You should rely only on the information incorporated by reference or provided in this terms supplement and the accompanying prospectus supplement and prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this terms supplement and accompanying prospectus supplement and prospectus is accurate as of any date other than the date on the front of the document.





ANNEX A

DESCRIPTION OF THE REFERENCE SHARES AND SENSITIVITY ANALYSIS

DESCRIPTION OF THE REFERENCE SHARES

*Neither we nor any of our affiliates assumes any responsibility for the adequacy or accuracy of the information about the Reference Issuer contained in this Terms Supplement or in any publicly available filings made by the Reference Issuer. You should make your own investigation into the Reference Issuer.*

**Las Vegas Sands Corp.: Company Description**

Las Vegas Sands Corp. (the "Company") was incorporated in Nevada in August 2004. On December 20, 2004, the Company issued 27,380,953 shares of common stock in an initial public offering at an offering price of \$29.00 per share resulting in net proceeds of approximately \$738.7 million. The Company's shares of common stock are traded on the New York Stock Exchange under the symbol "LVS". Immediately prior to the consummation of the initial public offering, the Company acquired 100% of the capital stock of Las Vegas Sands, Inc., a Nevada corporation and the direct or indirect owner and operator of The Venetian, The Sands Expo Center and The Sands Macao, by merging Las Vegas Sands, Inc. with and into its wholly owned subsidiary, with Las Vegas Sands, Inc. as the surviving subsidiary. Las Vegas Sands, Inc. was incorporated in Nevada in April 1988. In July 2005, Las Vegas Sands, Inc. was converted into a limited liability company and changed its name to Las Vegas Sands, LLC.

The Company's principal executive office is located at 3355 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

The Reference Shares are registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the Commission. Information provided to or filed with the Commission can be inspected and copied at the public reference facilities maintained by the Commission at Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549 or at its Regional Offices located at Suite 1400, Citicorp Center, 500 West Madison Street, Chicago, Illinois 60661 and at the Woolworth Building, 233 Broadway, New York, New York 10279, and copies of such material can be obtained from the Public Reference Section of the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, information provided to or filed with the Commission electronically can be accessed through a website maintained by the Commission. The address of the Commission's website is <http://www.sec.gov>. In addition, information regarding the Reference Issuer may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents. We make no representation or warranty as to the accuracy or completeness of such reports.

**This Terms Supplement relates only to the Notes offered hereby and does not relate to the Reference Shares or other securities of the Reference Issuer. We have derived all disclosures contained in this Terms Supplement regarding the Reference Issuer from the publicly available documents described in the preceding paragraph. Neither we nor the Agent has participated in the preparation of such documents or made any due diligence inquiry with respect to the Reference Issuer in connection with the offering of the Notes. Neither we nor the Agent makes any representation that such publicly available documents or any other any other publicly available information regarding the Reference Issuer are accurate or complete. Furthermore, we cannot give any assurance that all events occurring prior to the date hereof (including events that would affect the accuracy or completeness of the publicly available documents described in the preceding paragraph) that would affect the trading price of Reference Shares (and therefore the Initial Share Price and the Physical Delivery Amount) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Reference Issuer could affect the value received on any date with respect to the Notes and, therefore, the trading prices of the Notes. Neither we nor the Agent has any obligation to disclose any information about the Reference Issuer or the Reference Shares after the date of this terms supplement.**

**Historical Performance of the Reference Shares**

The following table sets forth the high, low and end-of-period closing prices, of the Reference Shares for each calendar quarter in the period from January 1, 2005 through September 30, 2006, as well as from October 1, 2006 through November 6, 2006. The Reference Share closing prices listed below were obtained from the Bloomberg Financial Service, without independent verification by the Bank. **The historical prices of the Reference Shares should not be taken as an indication of future performance, and no assurance can be given that the price of the Reference Shares will not decrease below the Limit Price during the term of the Notes. In addition, no assurance can be given that the price of the Reference Shares will perform sufficiently from year to year to cause the holders of the Notes to receive the Cash Delivery Amount.**

**Reference Share Closing Prices**

<b>Date</b>	<b>Px Last</b>	<b>Px High</b>	<b>Px Low</b>
<b>2005</b>			
First Quarter	\$ 45.000	\$ 50.790	\$ 42.050
Second Quarter	\$ 35.750	\$ 44.260	\$ 33.700
Third Quarter	\$ 32.910	\$ 40.420	\$ 31.650
Fourth Quarter	\$ 39.470	\$ 45.830	\$ 29.690
<b>2006</b>			
First Quarter	\$ 56.660	\$ 56.720	\$ 38.680
Second Quarter	\$ 77.860	\$ 77.860	\$ 55.000
Third Quarter	\$ 68.350	\$ 77.150	\$ 59.410
October 1 through November 6	\$ 73.930	\$ 77.720	\$ 67.770

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**SENSITIVITY ANALYSIS**

The following examples and charts are provided for illustration purposes only and are hypothetical; they also do not purport to be representative of every possible scenario concerning increases or decreases in the value of the Reference Shares. Investors should not take these examples or the data included in the charts contained in "*Historical Performance of the Reference Shares*" above as an indication or assurance of the expected performance of the Notes or the Reference Shares.

**Sensitivity analysis: comparison of total return of the Notes at maturity against owning the Reference Shares.**

**ASSUMPTIONS**

Reference Share:	The common stock of Las Vegas Sands Corp.
Assumed Initial Share Price:	\$73.93
Annual dividend yield:	0%
Interest Rate:	11.00% per annum
Term of Notes:	366 days
Reinvestment rate for Note coupon and stock dividends:	The reinvestment rate is assumed to be 0%. A positive reinvestment rate would increase the total return of the Notes relative to the total return of the Reference Shares.

The total return at maturity from owning the Notes compared to the return from owning the Reference Shares is driven by a number of factors including the Market Price of the Reference Shares on the Valuation Date, whether the Market Price of the Reference Shares fell below the Limit Price, the Interest Rate, dividends paid on the Reference Share and the reinvestment rate.

In the two tables below, we compare the total return of owning the Reference Shares to the total return of owning the Notes at maturity based on the assumptions outlined above. The information in the tables is based on hypothetical market prices for the Reference Shares and the Notes. Certain values in the tables below have been rounded for ease of analysis.

In Table 1, we assume that the Market Price of the Reference Shares will not fall below the Limit Price at any time on or prior to the Valuation Date and that, as a result, you receive the Cash Delivery Amount. In Table 2 below, we assume that the Market Price of the Reference Shares will fall below the Limit Price on or prior to the Valuation Date and that, as a result, you receive the Physical Delivery Amount, which is reflected in the chart as the value of the Reference Shares at the Valuation Date, in cases where the Final Share Price is less than the Initial Share Price.

We cannot predict the Market Price of the Reference Shares or the market value of the Notes, nor can we predict the relationship between the two. Moreover, the assumptions we have made in connection with the illustrations set forth below may not reflect actual events. Consequently, the total return that you would actually achieve, as well as how that return would compare to the total return that an investor in the Reference Shares would actually achieve, may be very different from the information reflected in the tables.

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Table 1: Assuming that the Market Price of the Reference Shares never fell below the Limit Price during the Relevant Period.

Stock Performance				Note Performance					Performance Comparison	
Final Share Price	Quarterly Dividend	Total Annual Dividend Payments	Stock Total Return	Redemption Amount	Quarterly Coupon	Total Annual Interest Payments on Note	Total Return for the Term of Note (\$)	Total Return for the Term of Note (%)	Note vs. Reference Shares Outperformance (Underperformance) versus stock (\$)	Note vs. Reference Shares Outperformance (Underperformance) versus stock (%)
\$118.29	\$0.00	\$0.00	60.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$490.03)	-49.00%
\$114.59	\$0.00	\$0.00	55.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$439.98)	-44.00%
\$110.90	\$0.00	\$0.00	50.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$390.07)	-39.01%
\$107.20	\$0.00	\$0.00	45.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$340.02)	-34.00%
\$103.50	\$0.00	\$0.00	40.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$289.97)	-29.00%
\$99.81	\$0.00	\$0.00	35.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$240.06)	-24.01%
\$96.11	\$0.00	\$0.00	30.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$190.01)	-19.00%
\$92.41	\$0.00	\$0.00	25.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$139.97)	-14.00%
\$88.72	\$0.00	\$0.00	20.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$90.05)	-9.01%
\$85.02	\$0.00	\$0.00	15.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$40.01)	-4.00%
\$81.32	\$0.00	\$0.00	10.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$10.04	1.00%
\$77.63	\$0.00	\$0.00	5.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$59.95	6.00%
<b>\$73.93</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$1,000.00</b>	<b>\$27.50</b>	<b>\$110.00</b>	<b>\$1,110.00</b>	<b>11.00%</b>	<b>\$110.00</b>	<b>11.00%</b>
\$70.23	\$0.00	\$0.00	-5.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$160.05	16.00%
\$66.54	\$0.00	\$0.00	-10.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$209.96	21.00%
\$62.84	\$0.00	\$0.00	-15.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$260.01	26.00%
\$59.14	\$0.00	\$0.00	-20.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$310.05	31.01%
\$55.45	\$0.00	\$0.00	-25.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$359.97	36.00%
\$51.75	\$0.00	\$0.00	-30.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$410.00	41.00%

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Table 2: Assuming that the Market Price of the Reference Shares fell below the Limit Price during the Relevant Period.

Stock Performance				Note Performance					Performance Comparison	
Final Share Price	Quarterly Dividend	Total Annual Dividend Payments	Stock Total Return	Redemption Amount	Quarterly Coupon	Total Annual Interest Payments on Note	Total Return for the Term of Note (\$)	Total Return for the Term of Note (%)	Note vs. Reference Shares Outperformance (Underperformance) versus stock (\$)	Note vs. Reference Shares Outperformance (Underperformance) versus stock (%)
\$118.29	\$0.00	\$0.00	60.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$490.03)	-49.00%
\$114.59	\$0.00	\$0.00	55.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$439.98)	-44.00%
\$110.90	\$0.00	\$0.00	50.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$390.07)	-39.01%
\$107.20	\$0.00	\$0.00	45.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$340.02)	-34.00%
\$103.50	\$0.00	\$0.00	40.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$289.97)	-29.00%
\$99.81	\$0.00	\$0.00	35.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$240.06)	-24.01%
\$96.11	\$0.00	\$0.00	30.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$190.01)	-19.00%
\$92.41	\$0.00	\$0.00	25.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$139.97)	-14.00%
\$88.72	\$0.00	\$0.00	20.01%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$90.05)	-9.01%
\$85.02	\$0.00	\$0.00	15.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	(\$40.01)	-4.00%
\$81.32	\$0.00	\$0.00	10.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$10.04	1.00%
\$77.63	\$0.00	\$0.00	5.00%	\$1,000.00	\$27.50	\$110.00	\$1,110.00	11.00%	\$59.95	6.00%
<b>\$73.93</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>0.00%</b>	<b>\$1,000.00</b>	<b>\$27.50</b>	<b>\$110.00</b>	<b>\$1,110.00</b>	<b>11.00%</b>	<b>\$110.00</b>	<b>11.00%</b>
\$70.23	\$0.00	\$0.00	-5.00%	\$949.95	\$27.50	\$110.00	\$1,059.95	6.00%	\$104.49	11.00%
\$66.54	\$0.00	\$0.00	-10.00%	\$900.04	\$27.50	\$110.00	\$1,010.04	1.00%	\$99.00	11.00%
\$62.84	\$0.00	\$0.00	-15.00%	\$849.99	\$27.50	\$110.00	\$959.99	-4.00%	\$93.50	11.00%
\$59.14	\$0.00	\$0.00	-20.01%	\$799.95	\$27.50	\$110.00	\$909.95	-9.01%	\$87.99	11.00%
\$55.45	\$0.00	\$0.00	-25.00%	\$750.03	\$27.50	\$110.00	\$860.03	-14.00%	\$82.50	11.00%
\$51.75	\$0.00	\$0.00	-30.00%	\$699.99	\$27.50	\$110.00	\$809.99	-19.00%	\$77.00	11.00%
\$48.05	\$0.00	\$0.00	-35.01%	\$649.94	\$27.50	\$110.00	\$759.94	-24.01%	\$71.49	11.00%
\$44.36	\$0.00	\$0.00	-40.00%	\$600.03	\$27.50	\$110.00	\$710.03	-29.00%	\$66.00	11.00%
\$40.66	\$0.00	\$0.00	-45.00%	\$549.98	\$27.50	\$110.00	\$659.98	-34.00%	\$60.50	11.00%
\$36.97	\$0.00	\$0.00	-49.99%	\$500.07	\$27.50	\$110.00	\$610.07	-38.99%	\$55.01	11.00%
\$33.27	\$0.00	\$0.00	-55.00%	\$450.02	\$27.50	\$110.00	\$560.02	-44.00%	\$49.50	11.00%
\$29.57	\$0.00	\$0.00	-60.00%	\$399.97	\$27.50	\$110.00	\$509.97	-49.00%	\$44.00	11.00%
\$25.88	\$0.00	\$0.00	-64.99%	\$350.06	\$27.50	\$110.00	\$460.06	-53.99%	\$38.51	11.00%
\$22.18	\$0.00	\$0.00	-70.00%	\$300.01	\$27.50	\$110.00	\$410.01	-59.00%	\$33.00	11.00%
\$18.48	\$0.00	\$0.00	-75.00%	\$249.97	\$27.50	\$110.00	\$359.97	-64.00%	\$27.50	11.00%
\$14.79	\$0.00	\$0.00	-79.99%	\$200.05	\$27.50	\$110.00	\$310.05	-68.99%	\$22.01	11.00%
\$11.09	\$0.00	\$0.00	-85.00%	\$150.01	\$27.50	\$110.00	\$260.01	-74.00%	\$16.50	11.00%
\$7.39	\$0.00	\$0.00	-90.00%	\$99.96	\$27.50	\$110.00	\$209.96	-79.00%	\$11.00	11.00%
\$3.70	\$0.00	\$0.00	-95.00%	\$50.05	\$27.50	\$110.00	\$160.05	-84.00%	\$5.51	11.00%
\$0.00	\$0.00	\$0.00	-100.00%	\$10.00	\$27.50	\$110.00	\$120.00	-88.00%	\$1.20	12.00%

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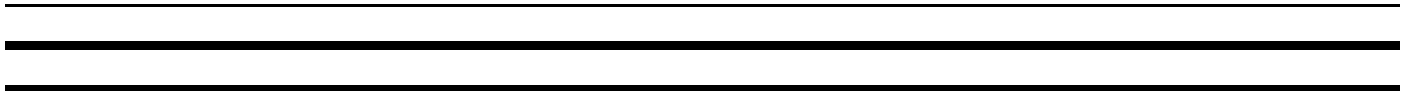
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