CANADIAN IMPERIAL BANK OF COMMERCE /CAN/
Form 424B5
July 01, 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 June 30, 2004

Terms Supplement No. 8
(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 August 1, 2011
(Linked to the NASDAQ-100 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 August 1, 2011. We will not make interest or other payments on the Notes before maturity.

The performance of the Notes is linked to the NASDAQ-100 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 July 27, 2004, or .

The Upside Participation Rate is 110%.

The Monthly Average Index Level is the arithmetic average of the closing levels of the index taken on the 27th day of each of the 84 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.H."

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	$ 40.00	
Proceeds to us	$ 960.00	

We will deliver the Notes in book-entry form only through The Depository Trust Company on or about July 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 below have agreed to use 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 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

"NASDAQ-100 Index®" is a trademark of The Nasdaq Stock Market, Inc. and has been licensed for use by us or our affiliates. The Notes, based on the performance of the NASDAQ-100 Index®, are not sponsored, endorsed, sold or promoted by The Nasdaq Stock Market, Inc., and The Nasdaq Stock Market, Inc. makes no representation regarding the advisability of investing in the Notes.

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:	August 1, 2011
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 NASDAQ-100 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 $\times$ Upside Participation Rate $\times$ $\dfrac{\text{(Monthly Average Index Level - Initial Index Level)}}{\text{Initial Index Level}}$

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.

Upside Participation Rate:	110%
Monthly Average Index Level:	The Monthly Average Index Level will equal the arithmetic average of the closing levels of the index taken on the 27th day of each of the 84 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 August 27, 2004 and the final determination date will be July 27, 2011. 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 July 27, 2004, which is .
Listing:	We will apply to list the Notes on the American Stock Exchange under the symbol "MRS.H."

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 NASDAQ-100 Index®.

The Notes will mature on August 1, 2011. 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) $$\$1{,}000 \times \text{Upside Participation Rate} \times \frac{(\text{Monthly Average Index Level} - \text{Initial Index Level})}{\text{Initial Index Level}}$$

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.

The "Upside Participation Rate" means 110%.

The "Monthly Average Index Level" means the arithmetic average of the closing levels of the index taken on the 27th day of each of the 84 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 August 27, 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 July 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."

What is the NASDAQ-100 Index® and what does it measure?

The NASDAQ-100 Index® is a modified capitalization-weighted index of 100 of the largest non-financial companies listed on the Nasdaq National Market tier of the Nasdaq®. The NASDAQ-100 Index® constitutes a broadly diversified segment of the largest and most actively traded securities listed on The Nasdaq Stock Market, and includes companies across a variety of major industry groups. At any moment in time, the level of the NASDAQ-100 Index® equals the aggregate value of the then-current NASDAQ-100 Index® share weights of each of the

NASDAQ-100 Index® component securities, which are based on the total shares outstanding of each such NASDAQ-100® index component security, multiplied by each such security's respective last sale price on The Nasdaq Stock Market, and divided by a scaling factor (the "divisor"), which becomes the basis for the reported NASDAQ-100 Index® level. The divisor serves the purpose of scaling such aggregate level (otherwise in the trillions) to a lower order of magnitude which is more desirable for NASDAQ-100 Index® reporting purposes.

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.H." 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 June 30, 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.

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 component securities 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 84 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 component securities 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 component securities by the component securities issuers. In addition, as an owner of the Notes, you will not have voting rights or any other rights that holders of component securities 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 84 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 72 months, and then significantly increase above the Initial Index Level in the 12 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 84 determination dates. Similarly, if index closing levels steadily increase during the first 42 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 84 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 84 monthly determination dates are prior to the maturity date, you will not have exposure to the actual performance of the index over the seven-year term of the Notes. Instead, you will have exposure to the average of the performance of the index on those 84 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."

Adjustments to the NASDAQ-100 Index® could adversely affect the value of the Notes.

The Nasdaq Stock Market, to which we refer to as the "Nasdaq®" is responsible for calculating and maintaining the Nasdaq-100 Index®. The Nasdaq® can add, delete or substitute the stocks underlying the NASDAQ-100 Index® or make other methodological changes that could change the value of the NASDAQ-100 Index®. The Nasdaq® may discontinue or suspend calculation or dissemination of the NASDAQ-100 Index®. Any of these actions could adversely affect the 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 common stocks and any other equity securities underlying the NASDAQ-100 Index® will determine the index level. As a result, it is impossible to predict whether the level of the index will rise or fall. Trading prices of the common stocks and any other equity securities underlying the NASDAQ-100 Index® will be influenced by complex and interrelated political, economic, financial and other factors that can affect the market in which those securities are traded and the value of the underlying common stocks and other equity securities themselves.

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 the Nasdaq® and are not responsible for its public disclosure of information.

We and our affiliates are not affiliated with the Nasdaq® in any way (except for the licensing arrangements discussed below in "The NASDAQ-100 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 the Nasdaq® 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." The Nasdaq® 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 the Nasdaq® 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 the Nasdaq® contained in this terms supplement. You, as an investor in the Notes, should make your own investigation into the index and the Nasdaq®.

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 component securities 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	(1)	2.18	(2)	1.82	1.85	1.46
Including interest on deposits	(1)	1.42	(2)	1.20	1.23	1.15

(1) No U.S. GAAP information is provided for the six months ended April 30, 2004 because a U.S. GAAP reconciliation was not required for this period.

(2) 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 NASDAQ-100 INDEX®

All information contained in this terms supplement regarding the NASDAQ-100 Index®, including, without limitation, its make-up, method of calculation and changes in its components, is derived from publicly available information. Such information reflects the policies of, and is subject to change by the Nasdaq®. The NASDAQ-100 Index® was developed by and is determined, calculated and maintained by Nasdaq® without regard to the Notes.

The NASDAQ-100 Index® is a modified capitalization-weighted index of 100 of the largest non-financial companies listed on the Nasdaq National Market tier of the Nasdaq®. The NASDAQ-100 Index®, which was first published in January 1985, constitutes a broadly diversified segment of the largest and most actively traded securities listed on the Nasdaq®, and includes companies across a variety of major industry groups. As of March 31, 2004, the major industry groups covered in the NASDAQ-100 Index® (listed according to their respective capitalization in the NASDAQ-100 Index®) were as follows: computer and office equipment (30.81%), computer software/services (25.64%), telecommunications (13.41%), retail/wholesale trade (9.99%), biotechnology (9.51%), health care (4.06%), services (3.44%), manufacturing (2.31%) and transportation (0.83%). The identity and capitalization weightings of the five largest companies represented in the NASDAQ-100 Index® as of March 31, 2004 were as follows: Microsoft Corporation (7.98%), QUALCOMM Incorporated (5.55%) Intel Corporation (5.31%), Cisco Systems, Inc. (4.97%) and Amgen Inc. (2.99%).

At any moment in time, the value of the NASDAQ-100 Index® equals the aggregate value of the then-current NASDAQ-100 Index® share weights of each of the NASDAQ-100 Index® component securities, which are based on the total shares outstanding of each such NASDAQ-100 Index® component security, multiplied by each such security's respective last sale price on the Nasdaq®, and divided by a scaling factor (the "divisor"), which becomes the basis for the reported NASDAQ-100 Index® value. The divisor serves the purpose of scaling such aggregate value (otherwise in the trillions) to a lower order of magnitude which is more desirable for NASDAQ-100 Index® reporting purposes.

To be eligible for inclusion in the NASDAQ-100 Index®, a security must be traded on The Nasdaq National Market tier of the Nasdaq® and meet the other eligibility criteria, including the following:

- the security must be of a non-financial company;
- only one class of security per issuer is allowed;
- the security may not be issued by an issuer currently in bankruptcy proceedings;
- the security must have average daily trading volume on the Nasdaq® of at least 200,000 shares per day;
- the security must have been listed on a market for at least two years (in the case of a spin-off, the operating history of the spin-off will be considered), or a one year period if a security would otherwise qualify to be in the top 25% of the issuers included in the NASDAQ-100 Index® by market capitalization;
- if the security is of a foreign issuer, it must have listed options or be eligible for listed-options trading; and
- the issuer of the security may not have entered into a definitive agreement or other arrangement which would result in the security no longer being listed on the Nasdaq® within the next six months.

These NASDAQ-100 Index® eligibility criteria may be revised from time to time by the National Association of Securities Dealers, Inc. without regard to the Notes.

The securities in the NASDAQ-100 Index® are monitored every day by the Nasdaq® with respect to changes in total shares outstanding arising from secondary offerings, stock repurchases, conversions, or other corporate actions. The Nasdaq® has adopted the following quarterly scheduled weight adjustment procedures with respect to such changes. If the change in total shares outstanding arising from such corporate action is greater than or equal to 5.0%, such change is ordinarily made to the NASDAQ-100 Index® on the evening prior to the effective date of such corporate action or as soon as practical thereafter. Otherwise, if the change in total shares outstanding is less than 5.0%, then all such changes are accumulated and made effective at one time on a quarterly basis after the close of trading on the third Friday in each of March, June, September, and December. In either case, the NASDAQ-100 Index® share weights for such NASDAQ-100 Index® component securities are adjusted by the same percentage amount by which the total shares outstanding have changed in such NASDAQ-100 Index® component securities. Ordinarily, whenever there is a change in NASDAQ-100 Index® share weights or a change in a component security included in the NASDAQ-100 Index®, the Nasdaq® adjusts the divisor to assure that there is no discontinuity in the value of the NASDAQ-100 Index® which might otherwise be caused by any such change.

Additionally, the Nasdaq® may periodically (ordinarily, several times per quarter) replace one or more component securities in the NASDAQ-100 Index® due to mergers, acquisitions, bankruptcies, or other market conditions, or due to delisting if an issuer chooses to list its securities on another marketplace, or if the issuers of such component securities fail to meet the criteria for continued inclusion in the NASDAQ-100 Index®.

The NASDAQ-100 Index® share weights are also subject, in certain cases, to a rebalancing in order to ensure that the relative weightings of the index securities continue to meet minimum pre-established requirements for a diversified portfolio. See " Rebalancing of the NASDAQ-100 Index® for Modified Capitalization-Weighted Methodology" below.

The table under "Historical Closing Levels of the NASDAQ-100 Index®" on page TS-14 shows the actual performance of the NASDAQ-100 Index® for the calendar quarters included in the period between January 1, 1999 and June 29, 2004. Stock prices fluctuated widely during this period and were higher at the end than at the beginning. The results shown should not be considered as a representation of the income yield or capital gain or loss that may be generated by the NASDAQ-100 Index® in the future. In addition, after the close of trading on December 18, 1998, the NASDAQ-100 Index® share weights of the NASDAQ-100 Index® component securities were rebalanced in accordance with the "modified capitalization weighted" methodology implemented on such date. See " Rebalancing of the NASDAQ-100 Index® for Modified Capitalization-Weighted Methodology" below. As a result, the performance of the NASDAQ-100 Index® component securities is calculated in accordance with the revised NASDAQ-100 Index® methodology.

Annual Ranking Review

The NASDAQ-100 Index® component securities are evaluated annually, except under extraordinary circumstances which may result in an interim evaluation. Securities listed on the Nasdaq® which meet the eligibility criteria described above are ranked by market value. NASDAQ-100 Index®-eligible securities which are already in the NASDAQ-100 Index® and which are in the top 150 eligible securities (based on market value) are retained in the NASDAQ-100 Index® provided that such security was ranked in the top 100 eligible securities as of the previous year's annual review. Securities not meeting such criteria are replaced. The replacement securities chosen are those NASDAQ-100 Index®-eligible securities not currently in the NASDAQ-100 Index® which have the largest market capitalization. Generally, closing prices as of the end of October and publicly available total shares outstanding as of the end of November are used in determining market capitalization. The list of annual additions and deletions is publicly announced via a press release in the early part of December. Replacements are made effective after the close of trading on the third Friday in December.

Moreover, if at any time during the year a NASDAQ-100 Index® component security is no longer traded on the Nasdaq®, or is otherwise determined by the Nasdaq® to become ineligible for continued inclusion in the NASDAQ-100 Index®, the security will be replaced with the largest market capitalization security not currently in the NASDAQ-100 Index® and meeting the NASDAQ-100 Index® eligibility criteria listed above.

Rebalancing of the NASDAQ-100 Index® for Modified Capitalization-Weighted Methodology

Effective after the close of trading on December 18, 1998, the Nasdaq® has calculated the NASDAQ-100 Index® under a "modified capitalization-weighted" methodology, which is a hybrid between equal weighting and conventional capitalization weighting. This methodology is expected to:

- retain in general the economic attributes of capitalization weighting;
- promote portfolio weight diversification (thereby limiting domination of the NASDAQ-100 Index® by a few large stocks);
- reduce NASDAQ-100 Index® performance distortion by preserving the capitalization ranking of the companies; and
- reduce market impact on the smallest NASDAQ-100 Index® component securities from necessary weight rebalancings.

Under the methodology employed, on a quarterly basis coinciding with the Nasdaq®'s quarterly scheduled weight adjustment procedures described above, the Nasdaq® categorizes the NASDAQ-100 Index® component securities as either "Large Stock" or "Small Stocks" depending on whether their current percentage weights (after taking into account such scheduled weight adjustments due to stock repurchases, secondary offerings, or other corporate actions) are greater than, less than or equal to, the average percentage weight in the NASDAQ-100 Index® (i.e., as in 100-stock index, the average percentage weight in the NASDAQ-100 Index® is 1.0%).

Such quarterly examination will result in a NASDAQ-100 Index® rebalancing if either one or both of the following two weight distribution requirements are not met:

- the current weight of the single largest market capitalization NASDAQ-100 Index® component security must be less than or equal to 24.0%; and
- the "collective weight" of those NASDAQ-100 Index® component securities whose individual current weights are in excess of 4.5%, when added together, must be less than or equal to 48.0%.

In addition, the Nasdaq® may conduct a special rebalancing if it is determined necessary to maintain the integrity of the NASDAQ-100 Index®.

If either one or both of these weight distribution requirements are not met upon quarterly review or the Nasdaq® determines that a special rebalancing is required, a weight rebalancing will be performed in accordance with the following plan:

- First, relating to weight distribution requirement in the first bullet of the preceding paragraph, if the current weight of the single largest NASDAQ-100 Index® component security exceeds 24.0%, then the weights of all Large Stocks will be scaled down proportionately towards 1.0% by enough for the adjusted weight of the single largest NASDAQ-100 Index® security to be set to 20.0%.
- Second, relating to weight distribution requirement in the second bullet of the preceding paragraph, for those NASDAQ-100 Index® component securities whose individual current weights or adjusted weights in accordance with the preceding step are in excess of 4.5%, if their "collective weight" exceeds 48.0%, then the weights of all Large Stocks will be scaled down proportionately towards

1.0% by just enough for the "collective weight," so adjusted, to be set to 40.0%.

The Nasdaq® then redistributes the aggregate weight reduction among the Large Stocks resulting from either or both of the above rescalings to the Small Stocks in the following iterative manner:

- In the first iteration, the weight of the largest Small Stock will be scaled upwards by a factor which sets it equal to the average NASDAQ-100 Index® weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by the same factor reduced in relation to each stock's relative ranking among the Small Stocks so that the smaller the NASDAQ-100 Index® component security in the ranking, the less the scale-up of its weight. This is intended to reduce the market impact of the weight rebalancing on the smallest component securities in the NASDAQ-100 Index®.

- In the second iteration, the weight of the second largest Small Stock, already adjusted in the first iteration, will be scaled upwards by a factor which sets it equal to the average index weight of 1.0%. The weights of each of the smaller remaining Small Stocks will be scaled up by this same factor reduced in relation to each stock's relative ranking among the Small Stocks such that, once again, the smaller the stock in the ranking, the less the scale-up of its weight.

- Additional iterations will be performed until the accumulated increase in weight among the Small Stocks exactly equals the aggregate weight reduction among the Large Stocks from rebalancing in accordance with weight distribution requirement in the first bullet and/or weight distribution requirement in the second bullet.

Then, to complete the rebalancing procedure, once the final percent weights of each NASDAQ-100 Index® component security are set, the Nasdaq® will determine anew the NASDAQ-100 Index® share weights based upon the last sale prices and aggregate capitalization of the index at the close of trading on the Thursday in the week immediately preceding the week of the third Friday in March, June, September, and December. Changes to the NASDAQ-100 Index® share weights will be made effective after the close of trading on the third Friday in March, June, September, and December and an adjustment to the NASDAQ-100 Index® divisor will be made to ensure continuity of the NASDAQ-100 Index®.

Ordinarily, new rebalanced weights will be determined by applying the above procedures to the current NASDAQ-100 Index® share weights. However, the Nasdaq® may from time to time determine rebalanced weights, if necessary, by instead applying the above procedure to the actual current market capitalization of the NASDAQ-100 Index® components. In such instances, the Nasdaq® would announce the different basis for rebalancing prior to its implementation.

In this terms supplement, unless the context requires otherwise, references to the NASDAQ-100 Index® will include any successor index and references to Nasdaq will include any successor to the Nasdaq®.

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HISTORICAL CLOSING LEVELS OF THE NASDAQ-100 INDEX®

Since its inception, the index has experienced significant fluctuations and volatility. 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 component securities 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 NASDAQ-100 Index® for the calendar years 1999, 2000, 2001, 2002, 2003, the first calendar quarter of 2004, and the second calendar quarter of 2004 (through June 29, 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	2144.66	1854.39	2106.39
Second Quarter	2296.77	1967.84	2296.77
Third Quarter	2545.41	2163.77	2407.90
Fourth Quarter	3707.83	2362.11	3707.83
2000			
First Quarter	4704.73	3340.81	4397.84
Second Quarter	4291.53	3023.42	3763.79
Third Quarter	4099.30	3477.31	3570.61
Fourth Quarter	3457.97	2210.32	2341.70
2001			
First Quarter	2730.05	1563.14	1573.25
Second Quarter	2052.57	1370.75	1830.19
Third Quarter	1827.07	1126.95	1168.37
Fourth Quarter	1720.91	1151.24	1577.05
2002			
First Quarter	1675.03	1348.25	1452.81
Second Quarter	1478.52	1022.74	1051.41
Third Quarter	1060.89	832.52	832.52
Fourth Quarter	1127.06	804.64	984.36
2003			
First Quarter	1094.87	951.90	1018.66
Second Quarter	1247.90	1022.63	1201.69
Third Quarter	1400.13	1207.28	1303.70
Fourth Quarter	1470.37	1335.34	1467.92
2004			
First Quarter	1553.66	1370.04	1438.41
Second Quarter (through June 29)	1508.37	1379.90	1505.65

HYPOTHETICAL EXAMPLES

The following chart shows the hypothetical payment at maturity on $1,000 principal amount of Notes, assuming an Initial Index Level of 1,500, various hypothetical Monthly Average Index Levels and an Upside Participation Rate of 110%.

Hypothetical Monthly Average Index Level	Hypothetical Index Return Payment	Hypothetical Payment at Maturity
3000	$ 1,100	$ 2,100
2850	990	1,990
2700	880	1,880
2550	770	1,770
2400	660	1,660
2250	550	1,550
2100	440	1,440
1950	330	1,330
1800	220	1,220
1650	110	1,110
1500	0	1,000
1350	0	1,000
1200	0	1,000
1050	0	1,000
900	0	1,000
750	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 84-month scenarios. Each scenario assumes a hypothetical Initial Index Level of 1,500 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 1,500 to an index closing level at maturity of 2,280.55, the Monthly Average Index Level is 1,867.76:

End of Month	Index Level
0	1,500.00
1	1,507.50
2	1,515.04
3	1,522.61
4	1,530.23
5	1,537.88
6	1,545.57
7	1,553.29

End of Month	Index Level

8	1,561.06
9	1,568.87
10	1,576.71
11	1,584.59
12	1,592.52
13	1,600.48
14	1,608.48
15	1,616.52
16	1,624.61
17	1,632.73
18	1,640.89
19	1,649.10
20	1,657.34
21	1,665.63
22	1,673.96
23	1,682.33
24	1,690.74
25	1,699.19
26	1,707.69
27	1,716.23
28	1,724.81
29	1,733.43
30	1,742.10
31	1,750.81
32	1,759.56
33	1,768.36
34	1,777.20
35	1,786.09
36	1,795.02
37	1,804.00
38	1,813.02
39	1,822.08
40	1,831.19
41	1,840.35
42	1,849.55
43	1,858.80
44	1,868.09
45	1,877.43
46	1,886.82
47	1,896.25
48	1,905.73
49	1,915.26
50	1,924.84
51	1,934.46
52	1,944.14
53	1,953.86
54	1,963.63
55	1,973.44
56	1,983.31
57	1,993.23

58	2,003.19
59	2,013.21
60	2,023.28
61	2,033.39
62	2,043.56
63	2,053.78
64	2,064.05
65	2,074.37
66	2,084.74
67	2,095.16
68	2,105.64
69	2,116.16
70	2,126.75
71	2,137.38
72	2,148.07
73	2,158.81
74	2,169.60
75	2,180.45
76	2,191.35
77	2,202.31
78	2,213.32
79	2,224.39
80	2,235.51
81	2,246.69
82	2,257.92
83	2,269.21
84	2,280.55

Index Return Payment per $1,000 Note equals the greater of: $0 or $1,000 $\times \frac{1,867.76 - 1,500.00}{1,500.00} \times 1.10 = \$269.69$

Amount payable at maturity = $1,269.69

Although the index closing level at maturity is 2,280.55, the Monthly Average Index Level is 1,867.76. 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 1,500 to an index closing level at maturity of 1,792.61, the Monthly Average Index Level is 1,450.72:

End of Month	**Index Level**
0	1,500.00
1	1,492.50
2	1,485.04
3	1,477.61
4	1,470.22
5	1,462.87
6	1,455.56
7	1,448.28
8	1,441.04

9	1,433.83
10	1,426.67
11	1,419.53
12	1,412.43
13	1,405.37
14	1,398.35
15	1,391.35
16	1,384.40
17	1,377.47
18	1,370.59
19	1,363.73
20	1,356.92
21	1,350.13
22	1,343.38
23	1,336.66
24	1,329.98
25	1,323.33
26	1,316.71
27	1,310.13
28	1,303.58
29	1,297.06
30	1,290.58
31	1,284.12
32	1,277.70
33	1,271.31
34	1,264.96