

J.P. MORGAN STRUCTURED PRODUCTS B.V.
Amsterdam, the Netherlands

Interim report for the six month period ended 30 June 2009

J.P. MORGAN STRUCTURED PRODUCTS B.V.
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J.P. MORGAN STRUCTURED PRODUCTS B.V.

Management report for the six month period ended 30 June 2009

The directors present their report and the financial statements of the Company for the six month period ended 30 June 2009.

Principal activity

The Company's primary activity is the management and issuance of securitised derivatives comprising certificates, warrants and notes including equity linked, reverse convertible and market participation notes, and the subsequent hedging of those risk positions.

Review of business

During the period, the Company continued to issue securities. The proceeds of the sale of the securities were used to enter into certain economic hedging arrangements with other JPMorgan Chase & Co. (the Group) companies. The principal purpose of the hedging arrangements entered into between the Company and the relevant Group companies is to hedge against various risks associated with the securities issuance activity. In 2009, the Company issued securities in the Asia Pacific region, in Europe, the Middle East, Africa and a limited number in the United States of America.

Key performance indicators

The results are monitored against expectations of the business activities. A more detailed description of the Group key performance indicators may be found withing the Group annual report.

Business environment, strategy and future outlook for the next six months

The primary objective of the Company will be the continued development of securitised products to be offered and sold to retail, 'high net worth' and institutional investors principally outside of the United States of America, linked to a range of underlying reference assets including equity, credit, interest rates, commodities and so called 'alternatives' such as funds and hedge funds.

Results and dividends

The results for the period are set out on page 6 and show the Company's profit for the year after taxation is \$731,000 (2008: \$5,640,000).

No dividend was paid or proposed during the period (2008: \$nil).

Directors

The directors of the Company who served during the period and up to the date of signing the management report were as follows:

J.P. Everwijn
J.C.W. van Burg
J.C.P. van Uffelen
B.P. von Gunten

(Resigned 1 February 2009)

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Management report for the six month period ended 30 June 2009 (continued)

Principal risks and uncertainties

The primary activity of the Company is the issuance and holding of securitised derivatives comprising certificates, warrants and notes including equity linked notes, reverse convertible notes and market participation notes, reported as financial liabilities designated at fair value through profit or loss.

The market, credit and liquidity risks resulting from the issuance of these instruments, are matched by simultaneously entering into equal and offsetting over the counter (OTC) transactions, reported as financial assets held for trading, with internal group companies so that all such risks are effectively hedged. Regular checks are made on open OTC transactions to ensure the continued effectiveness of the economic hedges in place.

To the extent that settlement-related timing differences between issuance and the OTC hedge may result in funding requirements, these are funded by the JPMorgan Chase Group undertakings involved in the transaction.

Liquidity risk

Liquidity risk arises from the general funding needs of the Company's activities and in the management of its assets and liabilities. The Company's funding needs are provided by JPMorgan Chase Bank, N.A. or other Group companies whose liquidity management frameworks are intended to maximise liquidity access. To accomplish this, Group management uses a variety of liquidity risk measures that take into consideration market conditions, prevailing interest rates, liquidity needs and the desired maturity profile.

The Group's funding strategy is to ensure liquidity and diversity of funding sources to meet actual and contingent liabilities through both stable and adverse conditions. The Group holds sizeable amounts of marketable securities that are readily converted to cash, and provide a buffer for dramatic market conditions.

The Group's Asset-Liability Committee approves and oversees the execution of the Group's liquidity policy and contingency funding plan while Corporate Treasury formulates the Group's liquidity and contingency planning strategies and is responsible for measuring, monitoring, reporting and managing the Group's and the Company's liquidity risk profile.

Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Each business within the Group has its own independent credit risk management function, reporting to the Chief Risk Officer. These units are responsible for making credit decisions on behalf of the Company. They approve significant new transactions and product offerings and exercise on behalf of the directors' final authority over credit risk assessment. They are also responsible for monitoring the credit risk profile of the portfolio and reporting monthly to the Group's Operating Committee. The Board of Directors have final authority over credit risk assessment for the Company.

The Group has developed policies and practices that are designed to preserve the independence and integrity of the approval and decision making of extending credit and are intended to ensure credit risks are assessed accurately, approved properly, monitored regularly and managed actively at both the transaction and portfolio levels.

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Management report for the six month period ended 30 June 2009 (continued)

Principal risks and uncertainties (continued)

Market risk

Market risk represents the potential loss in value of portfolios and financial instruments caused by adverse movements in market variables such as interest and foreign exchange rates, credit spreads, and equity and commodity prices. Market Risk (MR) is a corporate risk governance function within the Group that is independent of the lines of business and identifies, measures, monitors and controls market risk. MR works in partnership with the business segments within the Group and the directors of the Company and seeks to facilitate efficient risk/return decisions, reduce volatility in operating performance and refine and monitor market risk policies and procedures.

Since no single measure can reflect all aspects of market risk and because of the complexity of the range of products traded or strategically managed within the Group, a combination of risk management and measurement tools are used to analyse the market risk as follows:

- Statistical risk measures
 - Value-at-Risk (VAR)
 - Risk identification for large exposures (RIFLE)
- Non-statistical risk measures
 - Economic value stress tests
 - Earnings-at-risk stress tests
 - Other measures of position size and sensitivity to market movements

The Group's VAR statistical measure gauges the potential loss from adverse market moves in an ordinary market environment. Through the Group's RIFLE system, risk managers identify worst-case losses that could arise from an unusual or specific event, such as a potential tax change, and estimate the probabilities of such a loss. This information is then communicated to the appropriate level of management, thereby permitting the Group and the directors of the Company to identify further earnings vulnerabilities. MR regularly reviews and updates risk limits, and the Group's Operating Committee reviews and approves risk limits at least twice a year.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed processes or systems, human factors or external events. To monitor and control operating risk, the Group and the Company maintain a system of comprehensive policies and a control framework designed to provide a sound and well-controlled operational environment.

Creditor payment policy

All invoices from suppliers are settled on the Company's behalf by an affiliated Group company, JPMorgan Chase Bank, N.A.

JPMorgan Chase Bank, N.A.'s policy is to pay invoices (including those in respect of the Company) upon presentation, except where other arrangements have been negotiated with the supplier. It is the policy of the Company to abide by the terms of payment, provided the supplier performs according to the terms of the contract.

Registered address

Strawinskylaan 3105, Floor 7
1077 ZX Amsterdam,
The Netherlands

J.P. MORGAN STRUCTURED PRODUCTS B.V.
Management report for the six month period ended 30 June 2009 (continued)

Expected development of the Company

The directors of the Company expect:

- that the Company will continue to issue securities;
- that the Company will not enter into investments; and
- that the interest income will depend on market saving rate developments

Statement under Transparency Directive (as implemented in Dutch law).

The directors confirm to the best of their knowledge that:

- a) the attached financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs), give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company for the six month period ended 30 June 2009, and
- b) the interim report for the six-month period ended 30 June 2009, consisting of the management report and the financial statements, gives a true and fair view of the position as per the balance sheet date 30 June 2009 and of the development during the six month period of the Company and of the expected development of the Company, and of circumstances on which the development of the profitability depend.

By order of the Board

J.P. Everwijn

J.C.W. van Burg

J.C.P. van Uffelen

Date: 25 August 2009

J.P. MORGAN STRUCTURED PRODUCTS B.V.
Balance sheet as at 30 June 2009

		Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
	Notes		
Assets			
Current assets			
Financial assets held for trading	4	24,957,411	17,002,231
Trade and other receivables	5	167,100	123,702
Current tax asset		5,051	3,991
Cash and cash equivalents	6	564,041	571,429
Total assets		25,693,603	17,701,353
Liabilities			
Current liabilities			
Financial liabilities designated at fair value through profit or loss	7	24,957,411	17,002,231
Trade and other payables	8	130,378	24,689
Bank overdraft	6	81,598	150,948
Total liabilities		25,169,387	17,177,868
Equity			
Capital and reserves attributable to equity shareholders of the Company			
Share capital	9	26	26
Share premium reserve		499,997	499,997
Legal reserve		2	2
Retained earnings		24,191	23,460
Total equity		524,216	523,485
Total liabilities and equity		25,693,603	17,701,353

By the order of the Board

J.P. Everwijn

J.C.W. van Burg

J.C.P. van Uffelen

Date: 25 August 2009

The notes on pages 9 - 13 form an integral part of the financial statements.

J.P. MORGAN STRUCTURED PRODUCTS B.V.
Income statement for the six month period ended 30 June 2009

		Unaudited 30 June 2009 \$'000	Unaudited 30 June 2008 \$'000
	Notes		
Trading profit		-	-
Fee and commission income	10	2,385	2,279
Fee and commission expense	10	(2,164)	(2,120)
Administrative expenses		135	-
Net foreign exchange gain		74	-
Operating profit		430	159
Interest and similar income	11	531	7,412
Profit before income tax		961	7,571
Income tax expense	12	(230)	(1,931)
Profit for the period attributable to equity shareholders of the Company		731	5,640

The profit for the period resulted from continuing operations.

The notes on pages 9 - 13 form an integral part of the financial statements.

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Statement of changes in equity for the six month period ended 30 June 2009

(unaudited)

	Share capital \$'000	Share premium reserve \$'000	Legal reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2009	26	499,997	2	23,460	523,485
Profit for the period	-	-	-	731	731
Balance at 30 June 2009	26	499,997	2	24,191	524,216
Balance at 1 January 2008	26	499,997	4	14,275	514,302
Share premium on issue of ordinary shares	-	-	-	-	-
Profit for the period	-	-	-	5,640	5,640
Transfer from retained earnings to legal reserve	-	-	2	(2)	-
Balance at 30 June 2008	26	499,997	6	19,913	519,942

The notes on pages 9 - 13 form an integral part of the financial statements.

J.P. MORGAN STRUCTURED PRODUCTS B.V.
Cash flow statement for the six month period ended 30 June 2009

		Unaudited 30 June 2009 \$'000	Unaudited 30 June 2008 \$'000
	Notes		
Cash flow from operating activities			
Profit before income tax		961	7,571
Income tax paid		(1,290)	(4,141)
Interest income	11	(531)	(7,412)
Foreign exchange on operating activities		(74)	12
		(934)	(3,970)
Changes in working capital			
Financial assets held for trading		(7,955,180)	(7,571,473)
Trade and other receivables		(43,398)	(59,612)
Financial liabilities designated at fair value through profit or loss		7,955,180	7,571,473
Trade and other payables		105,689	782,865
Net cash from operating activities		61,357	719,103
Cash flow from investing activities			
Interest income	11	531	7,412
Net cash generated from investing activities		531	7,412
Net increase in cash and cash equivalents		61,888	726,515
Cash and cash equivalents at the beginning of the period		420,481	519,517
Effect of realised exchange rate changes on cash and cash equivalents		74	12
Cash and cash equivalents at the end of the period	6	482,443	1,246,020

The notes on pages 9 - 13 form an integral part of the financial statements.

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Notes to the financial statements for the six month period ended 30 June 2009

1. General information

J.P. Morgan Structured Products B.V. (the "Company") was incorporated on 6 November 2006 as a private company with limited liability under the laws of The Netherlands. These interim financial statements reflect the operations of the Company during the period from 1 January 2009 to 30 June 2009. The interim financial statements have neither been audited nor reviewed by the external auditors.

The Company's main activity is the issuance of securitised derivatives comprising certificates, warrants and notes including equity linked, reverse convertible and market participation notes, and the subsequent hedging of those risk positions.

2. Basis of preparation

This condensed interim financial information for the six month period ended 30 June 2009 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards.

3. Accounting Policies

The interim financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of certain financial instruments. The interim financial statements have also been prepared using accounting policies consistent with those adopted by the Company in its annual financial statements for the year ended 31 December 2008.

4. Financial assets held for trading

	Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
Financial assets held for trading	24,957,411	17,002,231

5. Trade and other receivables

	Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
Amounts owed by Group undertakings	167,100	123,702

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Notes to the financial statements for the six month period ended 30 June 2009 (continued)

6. Cash and cash equivalents

	Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
Cash placed with Group undertakings	537,380	542,710
Balances with third party	26,661	28,719
Cash and cash equivalents	564,041	571,429
Balances due to Group undertakings	(60,529)	(143,331)
Balances due to third parties	(21,069)	(7,617)
	482,443	420,481

7. Financial liabilities designated at fair value through profit and loss

	Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
Financial liabilities designated at fair value through profit and loss	24,957,411	17,002,231

Included within financial liabilities designated at fair value through profit or loss are financial instruments for which fair values are derived in whole or in part from appropriate pricing or valuation techniques that are not based on directly observable market transactions. The directors consider that the Company is perfectly hedged and that there would be no impact due to movement in the fair value of the financial liabilities held for trading to the results of the Company.

For financial liabilities designated at fair value through profit or loss there is no difference between the carrying value and the amount required to pay at maturity to the holder of the obligation.

8. Trade and other payables

	Unaudited 30 June 2009 \$'000	31 December 2008 \$'000
Trade creditors	3,717	5,265
Amounts owed to Group undertakings	126,661	19,424
	130,378	24,689

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Notes to the financial statements for the six month period ended 30 June 2009 (continued)

9. Share capital

	Unaudited 30 June 2009 '000	31 December 2008 '000
Authorised share capital		
90,000 Ordinary shares of €1.00 each	€ 90	€ 90
Issued and fully paid share capital		
20,000 Ordinary shares of €1.00 each	\$ 26	\$ 26

10. Fee and commission

All fee and commission income is receivable from other Group undertakings.

All fee and commission expense are paid by other Group undertakings and reimbursed by the Company.

11. Interest and similar income

	Unaudited 30 June 2009 \$'000	Unaudited 30 June 2008 \$'000
Interest and similar income	531	7,412

All interest income is receivable from other Group undertakings.

12. Current income tax

	Unaudited 30 June 2009 \$'000	Unaudited 30 June 2008 \$'000
Income tax expense:		
Current tax	230	1,931
Tax on profit on ordinary activities	230	1,931
Profit for the year before tax	961	7,571
Tax calculated at applicable tax rates	230	1,931
Income tax expense	230	1,931

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Notes to the financial statements for the six month period ended 30 June 2009 (continued)

13. Related party transactions

Related parties comprise:

(a) Directors and shareholders of the Company and companies in which they have an ownership interest;

(b) Group undertakings of the Company.

The Company's parent undertaking is detailed in note 14. There were no transactions with the parent undertaking during the period.

Related party transactions, outstanding balances at period end, and income and expenses for the period, relating to normal business activities are as follows:

(i) Outstanding balances at period end

	Unaudited Directors 30 June 2009 \$'000	Unaudited JPMorgan Chase group undertakings 30 June 2009 \$'000	Unaudited Directors 31 December 2008 \$'000	Unaudited JPMorgan Chase group undertakings 31 December 2008 \$'000
Financial assets held for trading	-	24,957,411	-	17,002,231
Trade and other receivables	-	167,100	-	123,702
Cash and cash equivalents	-	537,380	-	542,710
Bank overdraft	-	(60,529)	-	(143,331)
Trade and other payables	-	(126,661)	-	(19,424)

(ii) Income and expenses

	Unaudited Directors 30 June 2009 \$'000	Unaudited JPMorgan Chase group undertakings 30 June 2009 \$'000	Unaudited Directors 30 June 2008 \$'000	Unaudited JPMorgan Chase group undertakings 30 June 2008 \$'000
Fees and commission income	-	2,385	-	2,279
Fees and commission expense	-	(2,164)	-	(2,120)
Interest income	-	531	-	7,412

There was no remuneration paid to the directors of the Company.

Included within fees and commission expenses was \$1,017,275 (2008: \$304,934) charged by Equity Trust Co. N.V., which share the following director with the Company:

J.C.W. van Burg

The Company had no employees, at any time during the period.

J.P. MORGAN STRUCTURED PRODUCTS B.V.

Notes to the financial statements for the six month period ended 30 June 2009 (continued)

14. Parent undertaking

The Company's immediate parent undertaking is J.P. Morgan International Finance Limited which is incorporated in the state of Delaware in the United States of America.

The Company's ultimate parent undertaking and the parent undertaking of the largest group in which the results of the Company are consolidated, is JPMorgan Chase & Co., which is also incorporated in the state of Delaware in the United States of America.

The parent undertaking of the smallest group in which the Company's results are consolidated is J.P. Morgan International Finance Limited.

The largest and the smallest groups' consolidated financial statements can be obtained from:

The Company Secretary
125 London Wall
EC2Y 5AJ
London