

J.P.Morgan

J.P. Morgan Structured Products B.V.
(incorporated with limited liability in The Netherlands)
as Issuer

JPMorgan Chase Bank, N.A.
(a national banking association organised under the laws of the United States of America)
as Guarantor in respect of

**950,000 Regional Participation Notes linked to a Basket of
Philippines and Indonesia Bank Shares, due May 2014
(the "Securities" or the "Notes")**

(ISIN: NL0009086503)

**Structured Products Programme for the issuance of
Notes, Warrants and Certificates**

This document (this "**Prospectus**"), which will be published on the website of the Luxembourg Stock Exchange, constitutes a Prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and has been prepared in accordance with Chapter 5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (the "**Financial Supervision Act**") and the regulations thereunder (together, "**Dutch Securities Laws**") and relates to the above-referenced Securities issued by J.P. Morgan Structured Products B.V. (the "**Issuer**" or "**JPMSP**") under its Structured Products Programme for the issuance of Notes, Warrants and Certificates (the "**Programme**") and absolutely and unconditionally guaranteed by JPMorgan Chase Bank, N.A. (the "**Guarantor**") under the JPMorgan Chase Bank N.A. Guarantee (as defined in the 2009 Base Prospectus).

Application has been made to The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) ("**AFM**") in its capacity as competent authority under the Dutch Securities Laws to approve this Prospectus and application has been made for the Securities to be listed on the Official List and to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, which is regulated by Directive 2004/39/EC on Markets in Financial Instruments ("**MiFID**").

The AFM has been requested to provide the competent authority of Luxembourg for the purposes of the Prospectus Directive with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Further requests may be made in the future.

The Securities are unsecured and unsubordinated general obligations of the Issuer and not of any affiliate of the Issuer.

The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated general obligation of JPMorgan Chase Bank, N.A. and not of any of its affiliates.

The JPMorgan Chase Bank, N.A. Guarantee: (i) is not a savings account or a deposit of JPMorgan Chase Bank, N.A. or any bank or non-bank subsidiary of JPMorgan Chase Bank, N.A.; and (ii) will rank *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase Bank, N.A. except obligations, including U.S. domestic deposits of JPMorgan Chase Bank, N.A., that are subject to any priorities or preferences by law.

None of the Securities or the JPMorgan Chase Bank, N.A. Guarantee is a deposit insured by the U.S. Federal Deposit Insurance Corporation (the "FDIC"), the U.S. Deposit Insurance Fund or any other governmental agency or instrumentality.

SEE THE SECTION ENTITLED "RISK FACTORS" BELOW FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY POTENTIAL PURCHASERS OF THE SECURITIES.

Dealer

J.P. Morgan

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SUMMARY OF THE PROSPECTUS

This summary must be read as an introduction to this Prospectus and any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area, no civil liability will attach to the Responsible Persons (as defined below) in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating this Prospectus before the legal proceedings are initiated.

Issuer: J.P. Morgan Structured Products B.V. ("**JPMSP**"). JPMSP was incorporated as a limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of The Netherlands in Amsterdam, The Netherlands, on 6 November 2006 to exist for an unlimited duration. JPMSP's business principally consists of the issuance of securitised derivatives comprising notes, warrants and certificates, including equity-linked, reverse convertible and market participation notes and the subsequent hedging of those risk positions.

Guarantor: JPMorgan Chase Bank, N.A. JPMorgan Chase Bank, N.A. was initially organised as a New York banking corporation on 26 November 1968, and converted into a national banking association on 13 November 2004. JPMorgan Chase Bank, N.A. is one of the principal bank subsidiaries of JPMorgan Chase & Co. JPMorgan Chase Bank, N.A.'s activities are organised and integrated with the businesses of JPMorgan Chase & Co.

Issue Date: 12 May 2009

Issue Price: U.S.\$ 104.3108000 per Note

Specified Denomination: U.S.\$ 0.01 per Note

Maturity Date: 7 May 2014

Reference Assets: A basket of shares (each, an "**Underlying Share**" and together, the "**Underlying Shares**") comprising the common shares of the following companies (each, an "**Underlying Company**" and together, the "**Underlying Companies**"):

- (i) PT Astra International Tbk (*Bloomberg Code: ASII IJ <Equity>*) ("**ASII**");
- (ii) PT Bank Mandiri (*Bloomberg Code: BMRI IJ <Equity>*) ("**BMRI**");
- (iii) PT Bank Danamon Indonesia Tbk (*Bloomberg Code: BDMN IJ <Equity>*) ("**BDMN**");
- (iv) PT Bank Negara Indonesia (Persero) Tbk (*Bloomberg Code: BBNI IJ <Equity>*) ("**BBNI**");
- (v) Bank of the Philippine Islands (*Bloomberg Code: BPI PM <Equity>*) ("**BPI**");
- (vi) Metropolitan Bank & Trust Company (*Bloomberg Code: MBT PM <Equity>*) ("**MBT**");
- (vii) Ayala Land, Inc. (*Bloomberg Code: ALI PM <Equity>*) ("**ALI**");
- (viii) Banco de Oro Unibank, Inc. (*Bloomberg Code: BDO PM <Equity>*) ("**BDO**");
- (ix) SM Prime Holdings Inc. (*Bloomberg Code: SMPH PM <Equity>*) ("**SMPH**"); and
- (x) Megaworld Corporation (*Bloomberg Code: MEG PM <Equity>*) ("**MEG**")

Interest: A coupon amount ("**Coupon Amount**") is payable in respect of each Note on each Coupon Payment Date, being an amount in respect of any Underlying Share and a Cash Dividend, such Cash Dividend less any Taxation; multiplied by the relevant Number of Underlying Shares per Note and converted into USD at the Coupon Exchange Rate

Where:

"**Cash Dividend**" means, in respect of each Underlying Share, any ordinary or special dividend paid in

cash on such Underlying Share (excluding, for the avoidance of doubt, stock dividends or the cash value of any dividend declared on such Underlying Share in shares of the Underlying Company or in any assets other than cash) in relation to which the ex-dividend date has occurred during the relevant Coupon Period and payment has been made to the holder of such Underlying Share during the relevant Coupon Period;

"Cash Dividend Payment Date" means, in respect of each Underlying Share and an ex-dividend date, the date on which any Cash Dividend is received by the holder of such Underlying Share during the relevant Coupon Period for such ex-dividend date as determined by the Calculation Agent;

"Coupon Exchange Rate" means, in respect of each Underlying Share, a Cash Dividend and an ex-dividend date, the Exchange Rate on the day when a Foreign Institutional Investor would have received actual payment in USD of the applicable Cash Dividend;

"Coupon Payment Date" means, in respect of each Underlying Share, a Cash Dividend and an ex-dividend date, a day determined by the Calculation Agent, being no later than 15 Business Days after the relevant Cash Dividend Payment Date;

"Coupon Period" in relation to a Note means the period from, and including, the Issue Date to, and including, the Redemption Date, Early Redemption Date or Default Redemption Date, as the case may be, provided that in the case of physical Underlying Shares the first Coupon Period will commence on the first day of the Suspension Period and in the case of the dematerialised Underlying Shares the first Coupon Period will commence on the settlement date for delivery of shares in connection with the Issuer's underlying hedging arrangements and the last day of the final Coupon Period will be the earlier of the Redemption Date, Early Redemption Date or Default Redemption Date;

"Default Redemption Date" means the first Exchange Business Day after the date upon which notice is received by the Fiscal Agent (or if such first Exchange Business Day falls on different days for more than one Underlying Share, the last to occur of such Exchange Business Days in respect of all the Underlying Shares);

"Early Redemption Date" means (i) any Business Day announced by the Issuer as a date for redemption of the Notes; or (ii) the first Business Day after a valid Redemption Notice is received by the Fiscal Agent provided that such Redemption Notice is received prior to 4:00 p.m. (London time), or if received after such time, the next Business Day;

"Number of Underlying Shares per Note" means, in respect of the Underlying Shares of:

- (i) ASII, 15,000 Underlying Shares per Note;
- (ii) BMRI, 88,500 Underlying Shares per Note;
- (iii) BDMN, 55,000 Underlying Shares per Note;
- (iv) BBNI, 106,000 Underlying Shares per Note;
- (v) BPI, 6,500 Underlying Shares per Note;
- (vi) MBT, 5,900 Underlying Shares per Note;
- (vii) ALI, 14,000 Underlying Shares per Note;
- (viii) BDO, 2,900 Underlying Shares per Note;
- (ix) SMPH, 11,000 Underlying Shares per Note; and
- (x) MEG, 50,000 Underlying Shares per Note; and

"Redemption Notice" means a notice from a Holder to the Issuer exercising its option to redeem Notes.

Calculation of Final Redemption Amount: Unless previously redeemed, each Note will be redeemed on the Redemption Date at its Redemption Value, payable on the Redemption Payment Date. The Redemption Value

is the aggregate (in respect of each of the Underlying Companies) of the product of (i) 100 per cent. less any Redemption Charge, (ii) multiplied by the Average Selling Price of the Underlying Shares during the Valuation Period less any Taxation (iii) multiplied by the Number of Underlying Shares per Note for such Underlying Company, and converted into USD at the Redemption Exchange Rate provided that if redemption follows the occurrence of an event of default, the Redemption Value will be calculated by reference to the Closing Price of the Underlying Shares on the Default Redemption Date.

Where:

"Average Selling Price" means, in relation to each Note and each Underlying Share, an amount certified by the Calculation Agent as being equal to the volume weighted average of the prices at which a Relevant Investor could have sold such Underlying Share on the Relevant Exchange during an applicable Valuation Period;

"Closing Price" means the closing price of an Underlying Share as quoted on the daily quotations list (or equivalent) of a Relevant Exchange as recorded by the Calculation Agent. If the closing price of an Underlying Share is not shown on the daily quotations list (or equivalent) of any Relevant Exchange on the date on which such price is required then the Closing Price for an Underlying Share shall be the fair market value of an Underlying Share as determined in its sole discretion by the Calculation Agent;

"Redemption Exchange Rate" means, in respect of any Underlying Share, the Exchange Rate on the first Business Day immediately following the last day of the Valuation Period in respect of such Underlying Share when a Relevant Investor is able to convert into USD the proceeds of such Underlying Share sold during the Valuation Period (the **"Redemption Exchange Rate Date"**);

"Redemption Payment Date" means, in relation to a Note, and subject to conditions, the date falling not later than five Business Days after the Redemption Exchange Rate Date (or if the Redemption Exchange Rate Date for more than one Underlying Share falls on different dates, the last to occur of such Redemption Exchange Rate Dates in respect of all the Underlying Shares);

"Relevant Exchange" means, in respect of (i) the Underlying Shares of ASII, BMRI, BDMN and BBNI, the Indonesia Stock Exchange; and (ii) the Underlying Shares of BPI, MBT, ALI, BDO, SMPH and MEG, the Philippines Stock Exchange, or any other successor exchange as selected by the Issuer in its absolute discretion; and

"Valuation Period" in relation to a Note and any Underlying Share, means (i) a period commencing on (and including) the first Exchange Business Day immediately following the earlier of the Redemption Date or the Early Redemption Date and ending on (and including) the Exchange Business Day immediately following the date on which a Relevant Investor would have completed the sale of the required number of such Underlying Share, or (ii) the Default Redemption Date, but, in each case, excluding, for the avoidance of doubt, any day on which a Market Disruption Event has occurred or is continuing.

Status of Securities: The Securities are unsecured and unsubordinated obligations of the Issuer. There is no Cross Default or Negative Pledge in respect of the Securities.

Status of JPMorgan Chase Bank, N.A. Guarantee: The JPMorgan Chase Bank, N.A. Guarantee is an unsecured and unsubordinated obligation of JPMorgan Chase Bank, N.A., which ranks *pari passu* with all other unsecured and unsubordinated indebtedness of JPMorgan Chase Bank, N.A., subject to a preference in favour of certain deposit liabilities and other obligations that are subject to any priorities or preferences.

Market Disruption Events linked to the Reference Asset: If the Calculation Agent determines that a "Market Disruption Event" (which is essentially an event that may affect the valuation of a Reference Asset or its content or formula including, for example, suspension of or material limitation imposed on trading in such Reference Asset or in stocks generally on the relevant exchange or, suspension of or material limitation imposed on trading in options or futures relating to such Reference Asset or any options or futures exchange on which such options or futures are traded or, various other events and circumstances) has occurred or exists on any type of valuation date, such date may be postponed and/or alternative provisions in respect of such Reference Asset may apply which provisions could be exercised by the Calculation Agent in a manner which has an adverse effect on the market value and/or amount payable or deliverable in respect of the Securities.

Adjustments to conditions of the Securities (or early redemption) that are linked to the Reference Asset: The Securities are subject to provisions which provide for various adjustments and modifications of their terms

and alternative means of valuation of the underlying Reference Asset in certain circumstances, any of which provisions could be exercised by the Calculation Agent in a manner which has an adverse effect on the market value and/or amount payable or deliverable in respect of the Securities. The occurrence of an Adjustment Event, a Merger or a Change in Law may result in the Calculation Agent making adjustments to the terms of the Securities and calculations as described in the Contractual Terms. The occurrence of certain events such as the delisting of any of the Underlying Shares from any relevant exchange or if any of the Underlying Shares or all or substantially all the assets of any Underlying Company are nationalised may cause an early redemption of the Securities.

Taxation: The Issuer will not pay any additional amounts in respect of withholding taxes.

Illegality: The Issuer may, at its option, redeem or terminate the Securities early at the Redemption Value if it determines that the performance of its obligations under the Securities and/or the performance by the Guarantor under the JPMorgan Chase Bank, N.A. Guarantee has become unlawful.

Events of Default: Events of Default include (i) a failure to pay or deliver amounts payable or deliverable in respect of the Securities, subject to certain grace periods, (ii) the insolvency of JPMSP or repudiation of the JPMorgan Chase Bank, N.A. Guarantee or (iii) the insolvency of JPMorgan Chase Bank, N.A. If an Event of Default has occurred and is continuing, the Holder of any Security may declare such Security immediately repayable at the Redemption Value.

Early Redemption (including put and call options): The Securities may be redeemed early upon certain notice periods and subject to certain conditions and requirements for the Redemption Value (as defined herein), for certain regulatory or taxation reasons or certain other events. The Securities may be redeemed early, at the option of the Issuer or at the option of the Holders, during certain periods and subject to certain conditions and requirements.

Payment Disruption Event and Delayed Payment: If the Calculation Agent determines that an event beyond the control of the Hedging Entity (being the Issuer or an affiliate acting on its behalf) (a "**Payment Disruption Event**") has occurred or will occur as a result of which the Hedging Entity is not able or would not be able to sell (or otherwise realise) or receive the proceeds from the sale or other disposal of all or any part of the Reference Assets or other financial products held by the Hedging Entity, to hedge the Issuer's obligations in respect of the Notes prior to or on any date on which payments in respect of such Notes shall fall due, then the Maturity Date or any relevant payment date (as applicable) may be postponed to a date falling 14 days after the date on which the Payment Disruption Event is no longer operating. There shall be no accrued interest payable in respect of any such postponement and no Event of Default will result. Partial payments from the proceeds of realisation of sale of Reference Assets by the Hedging Entity may be paid during such period (after deduction for any hedging expenses). In the event that a Payment Disruption Event is still continuing and there remains Reference Assets held by the Hedging Entity to hedge the Issuer's obligations in respect of the Notes which have not been sold or otherwise realised before the date which is one year after Maturity Date or other relevant payment date (as applicable) (the "**Payment Event Cut-off Date**"), then (i) the Maturity Date or other relevant payment date (as applicable) for the Notes shall fall on the Payment Event Cut-off Date, (ii) the settlement price of the remaining Reference Assets held by the Hedging Entity which are still subject to the Payment Disruption Event or have not been sold or realised by the Hedging Entity shall be deemed to be zero and (iii) the remaining amounts payable under the Notes shall be deemed to be zero and the Issuer shall have no obligations whatsoever under the Notes.

Calculation Agent: J.P. Morgan Securities Ltd. The Calculation Agent has broad discretion in certain circumstances to make certain determinations, including to make adjustments to the terms of the Securities and/or to replace the original Reference Assets with another and/or to cause early redemption of the Securities, any of which may be adverse to Holders of the Securities.

Substitution of Issuer: The Issuer of the Securities may be substituted (subject to the Issuer or the Guarantor having become obliged (due to a change in law) to pay Additional Amounts in accordance with General Note Condition 7 (*Taxation*)) as obligor under such Securities in favour of any company from the group comprising JPMorgan Chase & Co. and its consolidated subsidiaries. Whilst the new issuer will provide an indemnity in favour of the Holders of such Securities in relation to any additional tax or duties that become payable solely as a result of such substitution, Holders will not have the right to object to such substitution.

Form of Securities: Bearer Securities. Each series of Securities in bearer form will be represented on issue by a temporary global security in bearer form exchangeable upon certification of non-U.S. beneficial ownership for a permanent global security in bearer form exchangeable, if so provided in the Contractual Terms, for Securities in definitive bearer form. Global Securities may be deposited on the issue date with a common

depository on behalf of Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme.

Rating: The Securities are unrated. A security rating is not a recommendation to buy, sell or hold Securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Governing law: The Securities shall be governed by English law. The JPMorgan Chase Bank, N.A. Guarantee is governed by the laws of the State of New York.

Listing and Admission to Trading: Application has been made for the Securities to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange (which is regulated by Directive 2004/39/EC on Markets in Financial Instruments).

Selling Restrictions: Restrictions apply to offers, sales or transfers of the Securities in various jurisdictions. See "Subscription and Sale" on pages 314 to 333 of the 2009 Base Prospectus, which is incorporated by reference into this Prospectus. In all jurisdictions offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction.

Voidable Transfers: The Securities may not be legally or beneficially owned by U.S. Persons at any time provided that J.P. Morgan Securities Ltd. may from time to time purchase or sell the Securities to its affiliates pursuant to other applicable registration exemptions under the Securities Act. Each holder and each beneficial owner of a Security, (a) as a condition to purchasing such Security or any beneficial interest therein, will be deemed to represent on purchase that neither it nor any person for whose account or benefit the Securities are being purchased is (i) located in the United States or its possessions, (ii) is a U.S. Person or (iii) was solicited to purchase the Securities while present in the United States or its possessions and (b) will be deemed on purchase to agree not to offer, sell, deliver, pledge or otherwise transfer any of the Securities at any time, directly or indirectly in the United States or its possessions or to any U.S. Person. The Issuer has the right, at its option, under the Agency Agreement and the General Note Conditions, to compel any legal or beneficial owner of Securities that is a U.S. Person to void the transfer of such Securities to such legal or beneficial owner or to redeem any such Securities held by such legal or beneficial owner or the Issuer may void the transfer of such Securities to such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Securities on behalf of such legal or beneficial owner at the lower of the Redemption Value or the Issue Price. "U.S. Person" has the meaning ascribed to it in the Securities Act or the U.S. Internal Revenue Code of 1986, as amended.

The Securities are structured products which include embedded derivatives, and potential purchasers must understand their terms including the potential risk of loss of investment and the relation to the performance of the Reference Assets before investing: No person should invest in the Securities unless that person understands the terms and conditions of the Securities and, in particular, the extent of the exposure to potential loss, together with the characteristics and risks inherent in the Reference Assets and the Issuer and Guarantor. Potential purchasers should reach an investment decision only after careful consideration, with their advisers, of the suitability of the Securities in the light of their particular financial circumstances and investment objectives and risk profile, all information set forth herein and in any supplements hereto, the information regarding the Securities set out in the Contractual Terms and the Reference Assets to which the value of the relevant Securities may relate. Potential purchasers of the Securities should consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of the Securities for them as an investment or if they are in any doubt about the contents of this Prospectus or the terms and conditions of the Securities.

Purchasers of the Securities are exposed to the performance of the Reference Assets: Purchasers of the Securities must clearly understand (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of the Reference Assets and how the performance thereof may affect the pay-out and value of the Securities. The past performance of the Reference Assets is not indicative of future performance. Postponement or alternative provisions for the valuation of the Reference Assets may have an adverse effect on the value of the Securities.

Investors in the Securities may lose up to the entire value of their investment: The Securities are not principal protected and investors may lose up to the entire value of their investment at maturity. Purchasers of the Securities may also lose up to the entire value of their investment in the Securities if the Issuer and Guarantor of the Securities are subject to insolvency proceedings or some other general event impairing the ability of each to meet its respective obligations under the Securities. Depending on the terms and conditions of the Securities, purchasers thereof may lose all of their investment on final and/or early redemption. Purchasers may also lose some or all of their investment if the Securities are not held to maturity by the

purchaser and/or if the terms of the Securities are adjusted in a materially adverse way (in accordance with the terms and conditions of the Securities).

The market value of Securities may be volatile and adversely affected by a number of factors: The market value of the Securities may be highly volatile and may be adversely affected by a number of factors, such as (i) the credit rating of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. (which credit ratings may move independently of each other), (ii) the performance of the underlying Reference Assets, (iii) the application of leverage in the structure of the Securities and (iv) various other factors.

An active trading market for the Securities is not likely to develop: The Securities may have no liquidity or the market for the Securities may be limited and this may adversely impact their value or the ability of the purchaser of the Securities to dispose of them.

The Holders of the Securities have no rights in relation to the underlying Reference Assets: The obligations of the Issuer and the Guarantor are not secured and purchasers of the Securities do not have any rights in respect of the Reference Assets referenced by the Securities.

Certain factors may affect the ability of the Issuer and Guarantor to fulfil their respective payment or other obligations under the Securities, such as the following:

- JPMorgan Chase's results of operations have been, and may continue to be, adversely affected by U.S. and international financial market and economic conditions
- If JPMorgan Chase does not effectively manage its liquidity, its business could be negatively affected
- The soundness of JPMorgan Chase's customers, clients and counterparties, including other financial institutions, could adversely affect JPMorgan Chase
- Concentration of credit and market risk could increase the potential for significant losses
- JPMorgan Chase's framework for managing risks may not be effective in mitigating risk and loss to it
- JPMorgan Chase's operations are subject to risk of loss from unfavourable economic, monetary, political, legal and other developments in the United States and around the world
- JPMorgan Chase's power generation and commodities activities are subject to extensive regulation, potential catastrophic events and environmental risks and regulation that may expose it to significant cost and liability
- JPMorgan Chase relies on its systems, employees and certain counterparties, and certain failures could materially adversely affect JPMorgan Chase's operations
- JPMorgan Chase operates within a highly regulated industry and its business and results are significantly affected by the laws and regulations to which JPMorgan Chase is subject
- JPMorgan Chase faces significant legal risks, both from regulatory investigations and proceedings and from private actions brought against it
- There is increasing competition in the financial services industry which may adversely affect JPMorgan Chase's results of operations
- JPMorgan Chase's acquisitions and the integration of acquired businesses may not result in all of the benefits anticipated
- Damage to JPMorgan Chase's reputation could damage its businesses
- JPMorgan Chase's ability to attract and retain qualified employees is critical to the success of its business and failure to do so may materially adversely affect JPMorgan Chase's performance
- JPMorgan Chase's financial statements are based in part on assumptions and estimates which, if wrong, could cause unexpected losses in the future

- JPMorgan Chase Bank, N.A. is affected by risks affecting its parent company
- The Issuer is partly dependent on other J.P. Morgan affiliates

Conflicts of Interest: JPMorgan affiliates are subject to certain conflicts of interest between their own interests and those of Holders of the Securities. Potential purchasers should read "Conflicts of Interest" below.

RISK FACTORS

Purchase of these Securities involves substantial risks: Potential purchasers should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Securities. Potential purchasers should make all pertinent inquiries they deem necessary without relying on the Issuer, the Guarantor, or the Dealer. Potential purchasers should consider the suitability of the Securities as an investment in light of their own circumstances, investment objectives, tax position and financial condition. Potential purchasers should consider carefully all the information set forth in this Prospectus along with all the information incorporated by reference below.

1. **"Fundamental risks" of the potential loss of investment and potential lack of suitability in relation to a purchase of Securities**

1.1 **Purchasers of Securities may receive back less than the original invested amount:** Purchasers of Securities may lose up to the entire value of their investment in the Securities as a result of the occurrence of any one or more of the following events:

- (i) since the Securities are not principal protected, the redemption amount payable on the Maturity Date may be less than the initial purchase price and may be as low as zero;
- (ii) the Issuer and Guarantor of the Securities may be subject to insolvency proceedings or some other event impairing their respective abilities to meet their obligations under the Securities or the JPMorgan Chase Bank N.A. Guarantee;
- (iii) the terms of the Securities do not provide for full repayment of the initial purchase price upon final maturity and/or mandatory early redemption of such Securities where the Reference Asset performs in such a manner that the final redemption amount and/or mandatory early redemption amount is less than the initial purchase price;
- (iv) the purchaser seeks to sell the Securities prior to their scheduled maturity, and the sale price of the Securities in the secondary market may be less than the purchaser's initial investment;
- (v) the Securities may be subject to certain adjustments in accordance with the terms and conditions of such Securities that may result in the scheduled amount to be paid upon redemption being reduced to or being valued at an amount less than a purchaser's initial investment.

The obligations of the Issuer and Guarantor of the Securities are not secured. Notwithstanding that the Securities are linked to the performance of the Reference Assets, investors in the Securities do not have and shall not receive any rights in respect of any Reference Assets and shall have no right to call for any Reference Asset to be delivered to them. Neither the Issuer nor the Guarantor of the Securities shall be required to hold any Reference Asset.

1.2 **The Securities may not be a suitable investment for all investors:** Each potential purchaser of the Securities must determine the suitability of such investment in light of the investor's own circumstances. In particular, each potential purchaser should:

- (i) have sufficient knowledge and experience (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) to evaluate the Securities, the merits and risks of investing in the Securities, all information contained or incorporated by reference into this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of the investor's particular financial situation, an investment in the Securities and the impact the Securities will have on the investor's overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;

- (iv) understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the terms of the Securities and be familiar with any relevant financial markets;
- (v) in respect of the Securities which are linked to the performance of the Underlying Shares of the Underlying Companies, understand thoroughly (if necessary, in consultation with the investor's own legal, tax, accountancy, regulatory, investment or other professional advisers) the nature of the Underlying Shares and/or the Underlying Companies and how the performance thereof may affect the pay-out and value of the Securities; and
- (vi) be able to evaluate (either alone or with the help of a financial adviser and/or other professional adviser) possible scenarios for economic, interest rate and other factors that may affect the investment and the investor's ability to bear the applicable risks.

The Securities are complex financial instruments and may include embedded derivatives. A potential purchaser should not invest in Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how such Securities will perform under changing conditions, the resulting effects on the value of those Securities and the impact that such Securities will have on the potential purchaser's overall investment portfolio.

None of the Issuer, Guarantor, Dealers or any J.P. Morgan affiliate has given, and will not give, to any potential purchaser of Securities (either directly or indirectly) any assurance or guarantee as to the merits, performance or suitability of such Securities to any potential purchaser, and the purchaser should be aware that the Issuer is acting as an arm's-length contractual counterparty and not as an advisor or fiduciary.

2. Risk factors that are generic to Securities issued under the Programme

2.1 **The Issue Price of the Securities may be more than the market value of such Securities as at the Issue Date and the price of the Securities in secondary market transactions:** The Issue Price in respect of the Securities specified in this Prospectus may be more than the market value of such Securities as at the Issue Date, and more than the price, if any, at which the Dealer or any other person is willing to purchase such Securities in secondary market transactions. In particular, the Issue Price in respect of such Securities may take into account amounts with respect to commissions relating to the issue and sale of such Securities and amounts relating to the hedging of the Issuer's obligations under such Securities.

2.2 **The market value and the amount payable on redemption of the Securities may be adversely affected by a number of factors, and the price at which a Holder of those Securities may be able to sell such Securities prior to maturity may be at a substantial discount to the market value of such Securities on the Issue Date, and a Holder may suffer a loss of some or up to all of the entire invested amount of the Securities on redemption**

- (i) ***The amount payable on redemption of the Securities may be less than the purchase price:*** The pay-out formula of the Securities does not provide for "principal protection". Investors in the Securities that are non-principal protected may risk losing their entire investment if the value of the Reference Assets does not move in the anticipated direction and may still be subject to loss of some or all of their investment in the circumstances described in risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*) above and may not receive any value for the time for which their money is invested.
- (ii) ***The market value of the Securities is expected to be affected, in part, by the credit rating of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co.:*** The value of the Securities is expected to be affected, in part, by investors' general appraisal of the creditworthiness of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. Such perceptions may be influenced by the ratings accorded to outstanding securities of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co. by well-recognised rating agencies, such as Moody's Investors Service Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. A reduction in the rating, if any, accorded to outstanding securities of JPMorgan Chase Bank, N.A. or JPMorgan Chase & Co., by one of these rating agencies could result in a reduction in the trading value of the Securities.

- (iii) ***The credit rating of JPMorgan Chase Bank, N.A. and JPMorgan Chase & Co. may move independently of each other:*** JPMorgan Chase & Co. is the holding company of JPMorgan Chase. As such, JPMorgan Chase & Co. and its subsidiaries (other than JPMorgan Chase Bank, N.A.) are generally permitted to undertake a wider range of activities than JPMorgan Chase Bank, N.A. and its subsidiaries. As a result, while the credit rating of JPMorgan Chase & Co. and JPMorgan Chase Bank, N.A. are closely related, those credit ratings are usually different and, in the event of any change in those credit ratings, those ratings may move independently of each other. JPMorgan Chase Bank, N.A. is likely to be rated more highly than JPMorgan Chase & Co. but potential purchasers should check the relevant rating at the time of considering any purchase of Securities.

The creditworthiness of JPMorgan Chase Bank, N.A. is more likely to affect the trading value of Securities issued by JPMorgan Chase Bank, N.A. and Securities issued by JPMSP, which are guaranteed by JPMorgan Chase Bank, N.A.

- (iv) ***The market value of the Securities at any time and/or the amount payable and on redemption of the Securities is dependent on the performance of the underlying Reference Assets:*** The Securities which are linked to the Reference Assets represent an investment linked to the economic performance of the Reference Assets and potential purchasers should note that any return on their investment in such Securities will depend upon the performance of such Reference Assets. Potential purchasers should not purchase any Securities if they do not fully understand how the performance of the Reference Assets may affect the pay-out and value of the Securities, including (i) the potential to lose all their investment, (ii) any limit on potential profits and (iii) the effects of any leverage.

As the amounts payable in respect of the Securities are linked to the performance of the Reference Assets, a purchaser of such a Security must generally make correct predictions as to the direction, timing and magnitude of an anticipated change in the value of the Reference Assets or other basis which may be specified in this Prospectus. However, it is impossible to make such predictions with any degree of certainty, and potential purchasers of Securities must be aware that the historical performance of the Reference Assets should not be taken as an indication of future performance of such Reference Assets during the term of such Securities.

In contrast to a direct investment in the Reference Assets, Securities represent the right to receive payment of amounts which will be determined by reference to the performance of the Reference Assets. Potential purchasers should also note that whilst the market value of such Securities linked to such Reference Assets will be influenced (positively or negatively) by such Reference Assets, any change may not be comparable or directly proportionate to the change in value of such Reference Assets.

POTENTIAL PURCHASERS MUST REVIEW THIS PROSPECTUS TO ASCERTAIN HOW THE PERFORMANCE OF THE REFERENCE ASSETS WILL AFFECT THE AMOUNT PAYABLE ON THE SECURITIES.

- (v) ***The market value of the Securities at any time is dependent on other matters in addition to the credit risk of the Issuer and Guarantor and the performance of the Reference Assets:*** The market value of the Securities at any time will be affected by a number of factors independent of the creditworthiness of the Issuer and Guarantor and the performance of the Reference Assets, including:
- (a) market interest and yield rates;
 - (b) the time remaining to the Maturity Date;
 - (c) the dividend rate on the Reference Assets and the financial results and prospects of the issuer of the Reference Assets; and
 - (d) numerous other economic, political and other factors.

The amount payable in respect of Securities at any time prior to redemption is typically expected to be less than the trading price of such Securities at that time. The difference

between the trading price and such amount will reflect, among other things, a "time value" for the Securities. The "time value" of the Securities will depend partly upon the length of the period remaining to final redemption and expectations concerning the value of the Reference Assets.

Before exercising or selling Securities, Holders should carefully consider, among other things, (1) the trading price of the Securities, (2) the value and volatility of the Reference Assets, (3) the time remaining to expiration, (4) the probable range of amounts payable on the Securities, (5) any changes in interim interest rates and dividend yields, (6) any changes in currency exchange rates, (7) the depth of the market or liquidity of the Reference Assets and (8) any related transaction costs.

- (vi) ***The market value of Securities may be highly volatile:*** Where the Securities reference one or more Reference Assets, the Holders of the Securities are exposed to the performance of such Reference Assets. The price, performance or investment return of the Reference Assets may be subject to sudden and large unpredictable changes over time and this degree of change is known as "volatility". The volatility of the Reference Assets may be affected by national and international financial, political, military or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these events or activities could adversely affect the value of the Securities.
- (vii) ***The amount payable on redemption of the Securities may be less than the purchase price:*** The pay-out formula of the Securities does not provide for full "principal protection". Investors in the Securities may risk losing virtually their entire investment if the value of the Reference Assets do not move in the anticipated direction and may still be subject to loss of some or all of their investment in the circumstances described in risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*) above and may not receive any value for the time for which their money is invested.

- 2.3 **An active trading market for the Securities is not likely to develop:** Unless otherwise communicated by the Issuer or any J.P. Morgan affiliate to the purchaser of the Securities, or to the extent that the rules of any stock exchange on which the Securities are listed and admitted to trading require the Issuer or any J.P. Morgan affiliate to provide liquidity in respect of such Securities, the Securities may have no liquidity or the market for such Securities may be limited and this may adversely impact their value or the ability of the purchaser of Securities to dispose of them. Subject to the rules of any relevant stock exchange, the Issuer or Guarantor may seek in its sole discretion the delisting of any Securities without notice to the Holders of such Securities.

A secondary market is unlikely to develop and, even if a secondary market does develop, it is not possible to predict the price at which Securities will trade in such secondary market. Neither the Issuer nor any J.P. Morgan affiliate is under any obligation, and none of the Issuer, Guarantor or any J.P. Morgan affiliate makes any commitment, to make a market in or to repurchase the Securities. If the Issuer, Guarantor or any J.P. Morgan affiliate does make a market for the Securities, it may cease to do so at any time without notice.

- 2.4 **There may be price discrepancies with respect to the Securities as between various dealers or other purchasers in the secondary market:** If at any time a third party dealer quotes a price to purchase Securities or otherwise values Securities, that price may be significantly different (higher or lower) from any price quoted by any J.P. Morgan affiliate. Furthermore, if any Holder sells their Securities, the Holder will likely be charged a commission for secondary market transactions, or the price may reflect a dealer discount.
- 2.5 **The Securities may be redeemed prior to their scheduled final maturity:** In certain circumstances, the Redemption Value or any other amounts determined by the Calculation Agent in accordance with the terms of the Securities payable on the redemption of a Security prior to its scheduled maturity may be less than its original purchase price and could be as low as zero.

Following early redemption of Securities, the Holders of such Securities may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Purchasers of Securities should consider such reinvestment risk in light of other investments available at that time.

Securities may be redeemed prior to maturity for any of the following reasons:

- (i) the occurrence of certain events or other circumstances in relation to the Reference Assets at the discretion of the Calculation Agent;
- (ii) the exercise by the Issuer of a call option;
- (iii) the exercise of a Holder of a put option;
- (iv) the occurrence of certain events or other circumstances in relation to a Reference Asset at the discretion of the Calculation Agent;
- (v) the Issuer determines that its performance under any Security has become unlawful in whole or in part for any reason;
- (v) the occurrence of certain taxation events; or
- (vi) following an Event of Default.

With regard to early redemption due to any of the above events (other than due to the occurrence of an Event of Default), the Redemption Value in respect of each Security shall be an amount determined by the Calculation Agent as the aggregate (in respect of each of the Underlying Companies in the Basket) of the product of (a) 100 per cent. less any Redemption Charge (expressed as a percentage), (b) multiplied by the Average Selling Price of the Underlying Shares during the Valuation Period less any Taxation (c) multiplied by the Number of Underlying Shares per Note for such Underlying Company, and converted into USD at the Redemption Exchange Rate. If early redemption follows the occurrence of an Event of Default, the Redemption Value will be calculated by reference to the Closing Price of the Underlying Shares on the Default Redemption Date. A purchaser of Securities should be aware that the Redemption Value may be less than the purchaser's initial investment, and in such case see risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*).

- 2.6 **JPMorgan Chase is subject to various potential conflicts of interest in respect of the Securities, which could have an adverse effect on the Securities:** See "Conflicts of Interest" below.
- 2.7 **Any consequential postponement of, or any alternative provisions for, valuation following a Market Disruption Event may have an adverse effect on the value of the Securities:** If an issue of Securities includes provisions dealing with the occurrence of a Market Disruption Event on a valuation date in respect of the Reference Assets), and the Calculation Agent determines that a Market Disruption Event has occurred or exists on such date, any consequential postponement of, or any alternative provisions for, valuation provided in the Securities may have an adverse effect on its value.
- 2.8 **It may not be possible to use the Securities as a perfect hedge against the market risk associated with investing in the Reference Assets:** Potential purchasers intending to purchase Securities to hedge against the market risk associated with investing in the Reference Assets should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly match the value of the Reference Assets. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will match movements in the value of the Reference Assets. For these reasons, among others, it may not be possible to purchase or liquidate Securities in a portfolio at the prices used to calculate the value of any Reference Asset.
- 2.9 **There may be regulatory consequences to the Holder of holding Securities linked to the Reference Assets:** There may be regulatory and other consequences associated with the ownership by certain investors of certain Securities linked to the Reference Assets. Each purchaser of Securities must conduct its own investigation into its regulatory position with respect to the potential purchase of Securities, and none of the Issuer, the Guarantor, the Dealer or the Arranger assumes any obligation or liability whatsoever to such purchaser in such regard.
- 2.10 **The occurrence of a Payment Disruption Event may lead to a Delayed and/or Reduced Payment:** In the event that the Calculation Agent determines that an event that (i) prevents, restricts or delays the Issuer from converting or delivering relevant currencies, (ii) imposes capital controls, or (iii) implements changes to laws relating to foreign investments, a "Payment Disruption Event" has occurred or is likely to occur, then as Payment Disruption Event is specified to be applicable in this

Prospectus the Coupon Payment Date, Maturity Date or any relevant exercise or payment date (as applicable) may be postponed to a date falling 14 calendar days after the date on which the Payment Disruption Event is no longer occurring. There shall be no accrued interest payable in respect of any such postponement and no Event of Default in respect of the Securities will result. Partial payments may be paid during such period (after deduction for any expenses). In the event that a Payment Disruption Event is still continuing on the date which is one year after the Coupon Payment Date, Maturity Date or other relevant payment date which is the last date on which amounts are due under the Securities (the "**Payment Event Cut-off Date**"), then (a) such final payment date shall be extended to the Payment Event Cut-off Date and (b) the remaining amounts payable under the Securities shall be deemed to be zero and the Issuer shall have no obligations whatsoever under the Securities.

2.11 **Securities may be amended without the consent of the Holders or with the consent of only some of the Holders binding all of the Holders of Securities:** Subject as provided below, the terms and conditions of the Securities may be amended by the Issuer with the approval of the Calculation Agent but without the consent of the Holders if the amendment:

- (i) is of a formal, minor or technical nature; or
- (ii) is made to cure a manifest or proven error; or
- (iii) is made to cure any ambiguity or is made to correct or supplement any defective provisions of the Securities or the Agency Agreement (as applicable); or
- (iv) is made to correct an error or omission such that, in the absence of such correction, the terms of the Securities would not otherwise represent the intended terms of the Securities on which the Securities were sold and have since traded; or
- (v) will not materially and adversely affect the interests of the Holders of the Securities.

In addition, other changes may be made to the terms and conditions with the consent of the Holders. In order to make such changes, the Issuer requires the consent of up to 75 per cent. of Holders. Any dissenting Holders will be bound by such changes. Therefore the Issuer may be able to make a change which certain Holders have voted against if up to 75 per cent. of the Holders of the entire series of Securities have approved the change.

2.12 **The Issuer or Guarantor of Securities may be substituted without the consent of the Holders:** The Issuer or Guarantor of Securities may be substituted (subject to the Issuer or the Guarantor having become obliged (due to a change in law) to pay Additional Amounts in accordance with General Note Condition 7 (*Taxation*)) as obligor under such Securities in favour of any company from JPMorgan Chase & Co. and its consolidated subsidiaries. Whilst the new issuer will provide an indemnity in favour of the Holders of such Securities in relation to any additional tax or duties that become payable solely as a result of such substitution, Holders will not have the right to object to such substitution. See General Note Condition 10(c).

3. **Risk factors that are generic to Securities that are linked to Reference Assets**

3.1 **No rights of ownership in the Reference Assets:** Purchasers of Securities should be aware that the Reference Assets will not be held by the Issuer for the benefit of the purchasers of such Securities, and as such, purchasers will not obtain any rights of ownership, including, without limitation, any voting rights, any rights to receive dividends or other distributions or any other rights with respect to any Reference Asset referenced by the Securities. For the avoidance of doubt, no J.P. Morgan affiliate is under any obligation whatsoever to acquire and hold any Reference Asset.

3.2 **The performance of the Securities is linked to the performance of the Reference Assets:** Where the Securities reference one or more Reference Assets, the purchasers of such Securities are exposed to the performance of such Reference Assets.

3.3 **The past performance of the Reference Assets is not indicative of future performance:** Any information about the past performance of the Reference Assets at the time of the issuance of the Security should not be regarded as indicative of the range of, or trends in, fluctuations in the Reference Assets that may occur in the future.

- 3.4 **Postponement or alternative provisions for the valuation of the Reference Assets may have an adverse effect on the value of the Securities:** If the Calculation Agent determines that any scheduled valuation date (i) falls on a day which is not a Scheduled Trading Day for a Reference Asset or any other day which is subject to adjustment in accordance with the terms and conditions of the Securities and/or (ii) any form of disruption event in relation to a Reference Asset has occurred which affects the valuation of such Reference Asset, the Calculation Agent has broad discretion to make any consequential postponement of, or any alternative provisions for, valuation of such Reference Asset provided in the terms and conditions of the Securities, including a determination of the value of such Reference Asset by the Calculation Agent in its discretion, each of which may have an adverse effect on the value of the Securities.
- 3.5 **The Calculation Agent has broad discretion to make certain determinations and adjustments and/or to cause early redemption of the Securities, any of which may be adverse to Holders:** The Calculation Agent may in certain circumstances adjust the terms and conditions of the Securities (without the consent of the Holders) or may procure the early redemption of such Securities prior to their scheduled maturity date where particular adjustment events or termination events specified to be applicable to such Securities occur, in each case, in accordance with such terms and conditions. In the event of such early termination the Issuer will repay such Securities by payment of an amount which will be determined on the basis as described in risk factor 2.5 (*The Securities may be redeemed prior to their scheduled final maturity*) above. Potential purchasers of Securities should be aware that it is likely that such amount will be less than the purchaser's initial investment, and in such case see risk factor 1.1 (*Purchasers of Securities may receive back less than the original invested amount*) above. Following any such early redemption of Securities, the purchasers of such Securities will generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate or yield on the Securities being redeemed and may only be able to do so at a significantly lower rate. Purchasers of Securities should consider such reinvestment risk in light of other investments available at that time.
- 3.6 **There are significant risks in purchasing Securities which reference an emerging market Reference Assets:** Where the terms and conditions of the Securities reference emerging market Reference Assets, purchasers of such Securities should be aware that the political and economic situation in countries with emerging economies or stock markets may be undergoing significant evolution and rapid development, and such countries may lack the social, political and economic stability characteristics of more developed countries, including a significant risk of currency value fluctuation. Such instability may result from, among other things, authoritarian governments, or military involvement in political and economic decision-making, including changes or attempted changes in governments through extra-constitutional means; popular unrest associated with demands for improved political, economic or social conditions; internal insurgencies; hostile relations with neighbouring countries; and ethnic, religious and racial disaffections or conflict. Certain of such countries may have in the past failed to recognise private property rights and have at times nationalised or expropriated the assets of private companies. As a result, the risks from investing in those countries, including the risks of nationalisation or expropriation of assets, may be heightened. In addition, unanticipated political or social developments may affect the values of a Reference Asset investment in those countries. The small size and inexperience of the securities markets in certain countries and the limited volume of trading in securities may make the Reference Assets illiquid and more volatile than investments in more established markets. There may be little financial or accounting information available with respect to local issuers, and it may be difficult as a result to assess the value or prospects of the Reference Assets.
- 3.7 **There is generally foreign exchange currency exposure in respect of Securities which provide payment to be made in a currency which is different to the currency of the Reference Assets:** Where the terms and conditions of the Securities provide that payment under such Securities will be made in a currency which is different from the currency of the Reference Assets, and such Securities do not have a "quanto" feature (i.e. a feature that hedges the currency risk), Holders of such Securities may be exposed not only to the performance of the Reference Assets but also to the performance of such foreign currency, which cannot be predicted. Purchasers should be aware that foreign exchange rates are, and have been, highly volatile and determined by supply and demand for currencies in the international foreign exchange markets, which are subject to economic factors, including inflation rates in the countries concerned, interest rate differences between the respective countries, economic forecasts, international political factors, currency convertibility and safety of making financial investments in the currency concerned, speculation and measures taken by governments and central banks (e.g. imposition of regulatory controls or taxes, issuance of a new currency to replace an existing

currency, alteration of the exchange rate or exchange characteristics by devaluation or revaluation of a currency or imposition of exchange controls with respect to the exchange or transfer of a specified currency that would affect exchange rates and the availability of a specified currency). Foreign exchange fluctuations between a Holder's home currency and the relevant currency in which the repayment amount of the Securities is denominated may affect purchasers who intend to convert gains or losses from the exercise or sale of Securities into their home currency.

4. Risk factors associated with Securities that are linked to one or more specific types of Reference Assets

4.1 Risks associated with Shares as Reference Assets: An investment in Share Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

- (i) ***Factors affecting the performance of Shares may adversely affect the value of the Securities:*** The performance of Shares is dependent upon macroeconomic factors, such as interest and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.
- (ii) ***No claim against the Share Issuer or recourse to the Shares:*** Share Linked Securities do not represent a claim against or an investment in any Share Issuer and Holders will not have any right of recourse under the Securities to any such company or the Shares. The Securities are not in any way sponsored, endorsed or promoted by any Share Issuer and such companies have no obligation to take into account the consequences of their actions for any Holders. Accordingly, the issuer of a Share may take any actions in respect of such Share without regard to the interests of the purchasers of the Securities, and any of these actions could adversely affect the market value of the Securities.
- (iii) ***Determinations made by the Calculation Agent in respect of Adjustment Events, Mergers or Change in Law or certain regulatory and taxation events may have an adverse effect on the value of the Securities:*** Upon determining that (a) an Adjustment Event, a Merger or Change in Law has occurred in relation to an Underlying Share or Underlying Company, the Calculation Agent has broad discretion to make certain determinations to account for such event including to make adjustments to the terms of the Securities. Upon determining that certain events have occurred, such as the delisting of any of the Underlying Shares from any relevant exchange or if any of the Underlying Shares or all or substantially all the assets of any Underlying Company are nationalised, the Calculation Agent has broad discretion to cause early redemption of the Securities. Any of the above determinations may have an adverse effect on the value of the Securities.

Adjustment Events include (1) a sub-division, consolidation or re-classification of the Shares, (2) an extraordinary dividend, (3) a repurchase by the issuer of the Underlying Shares, or (4) any event having a dilutive or concentrative effect on the value of the Underlying Shares. A Merger includes entailing the consolidation of the Underlying Shares with those of another entity. Change in Law include a change in applicable law since the Issue Date of the Relevant Country or to any treaty to which the Relevant Country is a party or the application of interpretation thereof.

4.2 Risks associated with baskets comprised of various constituents as Reference Assets

- (i) ***Exposure to performance of basket and its underlying constituents:*** Where the Securities reference a basket of Asset(s) as Reference Assets, the purchasers of the Securities are exposed to the performance of such basket. The purchasers will bear the risk of the performance of each of the basket constituents.
- (ii) ***A high correlation of basket constituents may have a significant effect on amounts payable:*** Correlation of basket constituents indicates the level of interdependence among the individual basket constituents with respect to their performance. If, for example, all of the basket constituents originate from the same sector and the same country, a high positive correlation may generally be assumed. Past rates of correlation may not be determinative of future rates of correlation: investors should be aware that, though basket constituents may not appear to be

correlated based on past performance, it may be that they suffer the same adverse performance following a general downturn or other economic or political event. Where the basket constituents are subject to high correlation, any move in the performance of the basket constituents will exaggerate the performance of the Securities.

- (iii) ***The negative performance of a single basket constituent may outweigh a positive performance of one or more other basket constituents:*** Purchasers of Securities must be aware that even in the case of a positive performance of one or more basket constituents, the performance of the basket as a whole may be negative if the performance of the other basket constituents is negative to a greater extent, subject to the terms and conditions of the Securities.
- (iv) ***A small basket, or an unequally weighted basket, will generally leave the basket more vulnerable to changes in the value of any particular basket constituent:*** The performance of a basket that includes a fewer number of basket constituents will generally, subject to the terms and conditions of the Securities, be more affected by changes in the value of any particular basket constituent included therein than a basket that includes a greater number of basket constituents.

The performance of a basket that gives greater weight to some basket constituents will generally, subject to the terms and conditions of the Securities, be more affected by changes in the value of any such particular basket constituent included therein than a basket that gives relatively equal weight to each basket constituent.

- (v) ***A change in composition of a basket may have an adverse effect on basket performance:*** Where the Securities grant the Calculation Agent the right, in certain circumstances, to adjust the composition of the basket, purchasers should be aware that any replacement basket constituent may perform differently from the original basket constituent, which may have an adverse effect on the performance of the basket.

5. Risks factors associated with Securities that include certain features

- 5.1 **The inclusion of an Issuer call option in respect of Securities will generally mean that (i) the Holder will not be able to participate in any future upside performance of the underlying Reference Assets following the effective date of the Issuer call option, (ii) the market value of the Securities may be limited and (iii) if the call option is exercised, the Holder may not be able to reinvest the proceeds at an effective interest rate as high as any interest rate on the Securities:** Where the terms and conditions of the Securities provide that the Issuer has the right to call for the termination of such Securities, following the exercise by the Issuer of such issuer call option, a purchaser of such Securities will no longer be able to realise his or her expectations for a gain in the value of such Securities and, if applicable, will no longer participate in the performance of the Reference Assets.

An optional redemption feature of Securities is likely to limit their market value. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential purchasers should consider reinvestment risk in light of other investments available at that time.

- 5.2 **There are specific risks with regard to Participation Notes and other "market access" Securities issued under the Programme :** Participation Notes are issued at a price linked to the value of the underlying shares on particular trading days during a fixing period. At maturity (or early redemption) a Holder will not receive the principal amount of its investment but instead will receive an amount calculated as a percentage of the weighted average sale price of the underlying shares over a valuation period (or such other price as may be specified herein) less deductions for local taxes (if any) and other costs which would have been incurred had the underlying shares been held by such Holder (qualifying

as a foreign or non resident institutional investor) directly (unless otherwise set forth herein). The valuation period will be the number of business days following the redemption date that would have been required for a holder of the underlying shares to complete the sale of the equivalent position on the stock exchange on which such shares are primarily traded. Generally, returns to investors in Participation Notes will be payable in U.S. Dollars or another currency other than the currency in which the shares are denominated. Changes in the rate of exchange between the currency in which the underlying shares are denominated and that in which returns are payable to Holders will affect the return to investors. There may be other types of such "market access" Securities issued under the Programme, which Securities will also be subject to such risks.

PURCHASERS OF PARTICIPATION NOTES (AND OTHER "MARKET ACCESS" SECURITIES) MAY LOSE UP TO THE ENTIRE VALUE OF THEIR INVESTMENT.

6. **Risk factors that may affect the Issuer's and Guarantor's ability to fulfil their respective obligations under the Securities:** Potential purchasers are advised to review the information contained in the 2009 Base Prospectus Risk Factor 6, "Risk Factors that may affect the Issuer's and Guarantor's ability to fulfil their respective obligations under the Securities" that has been incorporated by reference into this Prospectus, together with the information in relation to the Issuer and the Guarantor incorporated by reference below.
7. **Risks relating to JPMSP:** JPMSP is a non banking subsidiary of J.P. Morgan International Finance Limited, which is a subsidiary of JP Morgan Chase Bank, N.A., which is in turn a subsidiary of JPMorgan Chase & Co. The primary activity of JPMSP is the issuance to third parties of securitised derivatives, comprising notes, warrants and certificated including equity linked, reverse convertible and market participation notes, with the proceeds of securities being used to enter into hedging arrangements with other JPMorgan Chase & Co. companies. JPMSP's liability to perform its obligations may therefore be affected by any inability or failure to perform obligations owed to JPMSP by other JPMorgan Chase & Co. companies or third parties.

IMPORTANT NOTICES

Each of JPMSP and JPMorgan Chase Bank, N.A. (together, the "**Responsible Persons**") accepts responsibility for the information given in this Prospectus and confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect its import.

Notwithstanding the above paragraph or anything else in this Prospectus, none of the Issuer or the Guarantor will accept responsibility for the information given in this Prospectus or the Contractual Terms in relation to offers of Securities made by an offeror not authorised by the Issuer and Guarantor to make such offers. Generally, each person named as "Dealer" or "Manager" and any party named as a "Distributor" (if any) or other "placer" (if any) in the Contractual Terms will be so authorised, but any other party generally will not. Potential purchasers should therefore enquire whether the relevant offeror is so authorised by the Issuer and Guarantor and, if it is not, the potential purchaser should be aware that none of the Issuer or the Guarantor will be responsible for this Prospectus or the Contractual Terms for the purposes of the relevant securities laws. Further, whether or not the relevant offeror has been so authorised, no person is authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer and the Guarantor. If a potential purchaser is in any doubt about whether it can rely on this Prospectus and the Contractual Terms and/or who is responsible for the contents thereof it should take legal advice.

An investment in Securities is subject to a very high degree of complex risks which may arise without warning. Securities may at times be volatile and losses may occur quickly and in unanticipated magnitude. Securities are extremely speculative and investors bear the risk that they could lose all of their investment. No person should acquire any Securities unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss and any investment in the Securities is consistent with such person's overall investment strategy. Each potential purchaser of the Securities should consider carefully whether the Securities it considers acquiring are suitable for it in the light of such potential purchaser's investment objectives, financial capabilities and expertise. Potential purchasers of the Securities should consult their own business, financial, investment, legal, accounting, regulatory, tax and other professional advisers to assist them in determining the suitability of the Securities for them as an investment. See the section entitled "Risk Factors".

No person has been authorised to give any information or to make any representation other than as contained in this Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, JPMorgan Chase Bank, N.A., as a Guarantor or any of the Dealers or J.P. Morgan Securities Ltd. as arranger (the "Arranger"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor, since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The publication of this Prospectus is not intended as an offer or solicitation for the purchase or sale of any financial instrument in any jurisdiction where such offer or solicitation would violate the laws of such jurisdiction.

The Arranger and the Dealers have not separately verified the information contained in this Prospectus. None of the Arranger or the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus. This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Prospectus should purchase the Securities. Each potential purchaser of Securities should determine for himself or herself the relevance of the information contained in this Prospectus and any

purchase of Securities should be based upon such investigation as such potential purchaser deems necessary. None of the Arranger or the Dealers undertakes to review the financial condition or affairs of any of the Issuer or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any purchaser or potential purchaser in the Securities of any information coming to the attention of any of the Dealers or the Arranger.

In particular, none of JPMorgan Chase & Co. or any of its consolidated subsidiaries (each a "J.P. Morgan affiliate") accepts responsibility in respect of the accuracy or completeness of the information set forth in the Contractual Terms concerning the Reference Assets or that there has not occurred any event which would affect the accuracy or completeness of such information. Further, the Contractual Terms may include tables showing the high and low levels or prices (as applicable) of the Reference Assets for the periods indicated. While such tables provide some historical data regarding the risks of investing directly or indirectly in the Reference Assets, past results are not a reliable indicator of future performance. Actual results will be different and such differences may be material. Potential purchasers of the Securities are advised to consult their own legal, tax, accountancy and other professional advisers to assist them in determining the suitability of Securities for them as an investment. Each potential purchaser of Securities should be fully aware of and understand the complexity and risks inherent in Securities before it makes its investment decision in accordance with the objectives of its business.

JPMorgan Chase Bank, N.A. does not have authorisation from De Nederlandsche Bank NV for the pursuit of the business of a bank in The Netherlands and is not licensed pursuant to section 2:11(1) of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*). However, it is permitted to issue the Securities in The Netherlands under the Netherlands Financial Supervision Act.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Securities or determined that this Prospectus is accurate or complete. Any representation to the contrary is a criminal offence.

The Jersey Financial Services Commission (the "Commission") has given, and has not withdrawn, its consent under Article 8 of the Control of Borrowing Order to the circulation in Jersey of an offer for subscription, sale or exchange of Securities by the Issuer. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

It must be distinctly understood that, in giving these consents, the Commission does not take any responsibility for the financial soundness of the Issuer or for the correctness of any statements made, or opinions expressed, with regard to them.

Capitalised terms used herein shall be as defined in "Contractual Terms" unless otherwise specified.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to:

- (i) "U.S.\$ ", "USD", "\$" and "U.S. Dollars" are to United States dollars;**
- (ii) "IDR" is to the lawful currency of the Republic of Indonesia;**
- (iii) "PHP" is to the lawful currency of the Republic of the Philippines;**
- (iv) "JPMorgan Chase" are to JPMorgan Chase & Co. and its consolidated subsidiaries; and**
- (v) "JPMorgan Chase Bank" are to JPMorgan Chase Bank, N.A. and its consolidated subsidiaries.**

CONFLICTS OF INTEREST

J.P. Morgan is subject to various potential conflicts of interest in respect of the Securities, which could have an adverse effect on the Securities

J.P. Morgan affiliates may take positions in or deal with the Reference Assets The Issuer, the Guarantor and/or other J.P. Morgan affiliates may:

- in the ordinary course of business, effect transactions for their own account or for the account of their customers and hold long or short positions in the Reference Assets or related derivatives;
- in connection with an offering of Securities, enter into one or more hedging transactions with respect to the Reference Assets or related derivatives; and/or
- in connection with such hedging or market-making activities or with respect to proprietary or other trading activities, enter into transactions in the Reference Assets or related derivatives which may adversely (or positively) affect the price, liquidity or value of the Securities and which could therefore be adverse to the interests of the Holders.

The Calculation Agent, which will generally be a J.P. Morgan affiliate, has broad discretionary powers which may not take into account the interests of the Holders As the Calculation Agent will generally be a J.P. Morgan affiliate, potential conflicts of interest may exist between the Calculation Agent and the Holders, including with respect to the exercise of the very broad discretionary powers of the Calculation Agent. For example, the Calculation Agent has the authority (i) to determine whether certain specified events and/or matters so specified in the conditions relating to a series of Securities have occurred, and (ii) to determine any resulting adjustments and calculations or substitutions as described in such conditions. Potential purchasers should be aware that any determination made by the Calculation Agent may have an impact on the value and financial return of the Securities. Any such discretion exercised by, or any calculation made by, the Calculation Agent (in the absence of manifest or proven error) shall be binding on the Issuer and all Holders.

J.P. Morgan affiliates may have confidential information relating to the Reference Assets and the Securities Certain J.P. Morgan affiliates may from time to time, by virtue of their status as underwriter, advisor or otherwise, possess or have access to information relating to the Securities, the Reference Assets and any derivative Securities referencing them. Such J.P. Morgan affiliates will not be obliged to disclose any such information to a purchaser of the Securities.

DOCUMENTS INCORPORATED BY REFERENCE

This document should be read and construed in conjunction with the documents incorporated by reference into this Prospectus and each supplement to this Prospectus. The information contained in the following documents is hereby incorporated by reference into this Prospectus and deemed to form a part of this Prospectus:

- (i) the base prospectus dated 14 May 2009 relating to issues of non-equity securities under the Programme by J.P. Morgan Structured Products B.V., JPMorgan Chase Bank, N.A. and J.P. Morgan Chase & Co. (the "**Original 2009 Base Prospectus**"), as supplemented by a supplement to the Original 2009 Base Prospectus dated 12 June 2009 relating to (i) the unaudited consolidated financial statements of JPMorgan Chase Bank, N.A. for the quarter ended 31 March 2009 and (ii) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 1 June 2009 filed with the U.S. Securities and Exchange Commission concerning a common stock offering by JPMorgan Chase & Co. (the "**12 June 2009 Supplement**") and a supplement to the Original Base Prospectus dated 23 July 2009 relating to (i) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 17 June 2009 filed with the U.S. Securities and Exchange Commission concerning the redemption by JPMorgan Chase & Co. of \$25 billion of preferred stock issued to the U.S. Treasury under the Capital Purchase Program and (ii) the Current Report on Form 8-K of JPMorgan Chase & Co. dated 16 July 2009 filed with the U.S. Securities and Exchange Commission containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 June 2009 (the "**23 July 2009 Supplement**") (and the Original 2009 Base Prospectus as so supplemented, the "**2009 Base Prospectus**"); and
- (ii) the base prospectus dated 14 May 2008 relating to issues of non-equity securities under the Programme by J.P. Morgan Structured Products B.V., J.P. Morgan International Derivatives Ltd., JPMorgan Chase Bank, N.A. and J.P. Morgan Chase & Co. (the "**2008 Base Prospectus**").

The table below sets out the relevant page references for the information incorporated into this Prospectus by reference. Any information not listed below but included in the documents incorporated by reference is given for information purposes only.

Information incorporated by reference	Page reference
<i>From the Original 2009 Base Prospectus</i>	
Cautionary Note regarding Forward Looking Statements	Pages 6 to 7
Risk Factor 6, "Risk Factors that may affect the relevant Issuer's and Guarantor's (if any) ability to fulfil their respective obligations under the Securities"	Pages 39 to 49
Documents Incorporated by Reference (other than paragraphs (xi) and (xii) on page 51 and the sections entitled "From the JPMBD 2008 Audited Financial Statements" and "From the JPMBD 2007 Audited Financial Statements" on page 54)	Pages 51 to 55
Use of Proceeds	Page 275
JPMorgan Chase & Co.	Pages 282 to 300
JPMorgan Chase Bank, N.A.	Pages 301 to 305
J.P. Morgan Structured Products B.V.	Pages 306 to 309
Subscription and Sale	Pages 314 to 333
Taxation	Pages 351 to 400
General Information	Pages 401 to 404
<i>From the 12 June 2009 Supplement</i>	
Incorporation of the unaudited consolidated financial statements of JPMorgan Chase Bank, N.A. for the quarter ended 31 March 2009	Page 3
Incorporation of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 1 June 2009 filed with the U.S. Securities and Exchange Commission concerning a common stock offering by JPMorgan Chase & Co.	Page 3

From the 23 July 2009 Supplement

Incorporation of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 17 June 2009 filed with the U.S. Securities and Exchange Commission concerning the redemption by JPMorgan Chase & Co. of \$25 billion of preferred stock issued to the U.S. Treasury under the Capital Purchase Program Page 3

Incorporation of the Current Report on Form 8-K of JPMorgan Chase & Co. dated 16 July 2009 filed with the U.S. Securities and Exchange Commission containing the earnings press release of JPMorgan Chase & Co. for the quarter ended 30 June 2009 Page 3

From the 2008 Base Prospectus

General Note Conditions Pages 48 to 108

Schedule to the General Note Conditions and the General Security Conditions Pages 196 to 204

Summary of provisions relating to the Securities while in Global Form Pages 210 to 212

Form of Guarantee Pages 214 to 216

General Information Pages 418 to 419

Investors who have not previously reviewed the information contained in the above documents should do so in connection with their evaluation of the Securities. Any statement contained in a document, all or the relevant portion of which is incorporated by reference into this Prospectus, shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus or in any supplement to this Prospectus filed under Article 16 of the Prospectus Directive, including any documents incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). The documents incorporated by reference will be available on the Luxembourg Stock Exchange's website (www.bourse.lu).

JPMorgan Chase & Co.'s filings with the SEC are available to the public on the website maintained by the SEC at <http://www.sec.gov>. Such filings can also be inspected and printed or copied, for a fee, at the SEC's Office of Public Reference, 100 F Street N.E., Washington, D.C. 20549, U.S.A., or by contacting that office by phone: +001 202 942 8090, fax: +001 202 628 9001 or e-mail: publicinfo@sec.gov. Investors may call the SEC at +001 800 732 0330 for further information on the public reference rooms. JPMorgan Chase & Co.'s SEC filings can also be viewed on JPMorgan Chase & Co.'s investor relations website at <http://investor.shareholder.com/jpmorganchase/>. Unless specifically incorporated by reference into this Prospectus, JPMorgan Chase & Co.'s filings with the SEC shall not be deemed to be part of this Prospectus.

JPMorgan Chase Bank, N.A. also files Consolidated Reports of Condition and Income ("**Call Reports**") with its primary federal regulator, the U.S. Office of the Comptroller of the Currency ("**OCC**"). These Call Reports are publicly available upon written request to the FDIC at 550 17th Street, N.W., Washington D.C. 20429, Attention: Disclosure Group, Room F-518. The FDIC has a website where the Call Reports can be viewed, at <http://www.fdic.gov>. The Call Reports are prepared in accordance with regulatory instructions issued by the U.S. Federal Financial Institutions Examinations Council and not U.S. generally accepted accounting principles. The Call Reports are supervisory and regulatory documents; they are not primarily accounting documents, do not conform with U.S. generally accepted accounting principles and do not provide a complete range of financial disclosure about JPMorgan Chase Bank, N.A. Nevertheless, the Call Reports do provide important information concerning the financial condition of JPMorgan Chase Bank, N.A. The Call Reports are not incorporated by reference in, and shall not be deemed to be part of, this Prospectus.

PART A -CONTRACTUAL TERMS

- | | | | |
|----|------|---|---|
| 1. | (i) | Issuer: | J.P. Morgan Structured Products B.V. |
| | (ii) | Guarantor: | JPMorgan Chase Bank, N.A. |
| 2. | (i) | Series Number: | Not Applicable |
| | (ii) | Tranche Number: | One |
| 3. | | Specified Currency or Currencies: | United States dollars (" U.S.\$ " or " USD "), Indonesian Rupiah ("IDR") , being the lawful currency of the Republic of Indonesia , and Philippine Peso ("PHP") , being the lawful currency of the Republic of the Philippines |
| 4. | | Settlement Currency: | USD |
| 5. | | Relevant Exchange Rate: | Not Applicable |
| 6. | | Aggregate Nominal Amount of Notes admitted to trading: | |
| | (i) | Series: | U.S.\$ 9,500 |
| | (ii) | Tranche: | U.S.\$ 9,500 |
| 7. | | Issue Price: | U.S.\$ 104.3108000 per Note |
| | | | <p>The Issue Price specified above may be more than the market value of the Notes as at the Issue Date, and the price, if any, at which the Dealer or any other person willing to purchase the Notes in secondary market transactions is likely to be lower than the Issue Price. In particular, the Issue Price may take into account amounts with respect to commissions relating to the issue and sale of the Notes as well as amounts relating to the hedging of the Issuer's obligations under the Notes, and secondary market prices are likely to exclude such amounts. In addition, pricing models of relevant market participants may differ or produce a different result.</p> <p>If any commissions or fees relating to the issue and sale of these Notes have been paid or are payable by the Dealer to an intermediary, then such intermediary may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such intermediary, including any legislation, regulation and/or rule implementing MiFID, or as otherwise may apply in any non-EEA jurisdictions. Potential investors in these Notes intending to purchase Notes through an intermediary (including by way of introducing broker) should request details of any such commission or fee payment from such intermediary before making any purchase hereof.</p> |
| 8. | (i) | Issue Size: | 950,000 Notes |

	(ii)	Minimum trading size:	One Note (corresponding to a Nominal Amount of U.S.\$ 0.01) and, thereafter, multiples of one Note (corresponding to a Nominal Amount of U.S.\$ 0.01)
	(iii)	Specified Denominations:	U.S.\$ 0.01 per Note
9.	(i)	Issue Date:	Settlement Date – see Annex 1
	(ii)	Interest Commencement Date:	Issue Date
10.		Maturity Date:	Redemption Date – see Annex 1
11.		Interest Basis:	See Coupon Amount provisions in Annex 1
12.		Redemption/Payment Basis:	See Annex 1
13.		Change of Interest or Redemption/ Payment Basis:	Not Applicable
14.		Put/Call Options:	Not Applicable
15.	(i)	Status of the Notes:	Senior
	(ii)	Status of the Guarantee:	Senior
	(iii)	Date Board approval for issuance of Notes obtained:	13 May 2008
16.		Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.		Fixed Rate Note Provisions:	Not Applicable
18.		Floating Rate Provisions:	Not Applicable
19.		Zero Coupon Note Provisions:	Not Applicable
20.		Index Linked Interest Note Provisions:	Not Applicable
21.		Equity Linked Interest Note Provisions:	Not Applicable – see Annex 1
22.		Dual Currency Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

23.		Call Option:	Not Applicable
24.		Put Option:	Not Applicable
25.		Final Redemption Amount:	In respect of a Note, the Redemption Value – See Annex 1
26.		Early Redemption Amount:	
	(i)	Early Redemption Amount(s) payable on redemption for taxation reasons (General Note Condition 5(c)) or an event of default (General Note Condition 9) and/or the method of	Not Applicable – see Annex 1

calculating the same (if required or if different from that set out in the General Note Conditions) (or in the case of Equity Linked Notes following certain corporate events in accordance with General Note Condition 5(j)(v)(A) and (B) and/or the method of calculating the same (if required or if different from that set out in General Note Condition 5(b)):

- | | | |
|---|--|---|
| (ii) | (If Interest Payment Dates are specified in these Contractual Terms) redemption for taxation reasons permitted only on Interest Payment Dates (General Note Condition 5(c)): | Not Applicable – see Annex 1 |
| (iii) | Unmatured Coupons to become void upon early redemption (Bearer Notes only) (General Note Condition 6(f)): | Not Applicable |
| 27. | Index Linked Redemption Notes: | Not Applicable |
| 28. | Equity Linked Redemption Notes: | Not Applicable |
| 29. | Credit Linked Notes: | Not Applicable |
| GENERAL PROVISIONS APPLICABLE TO THE NOTES | | |
| 30. | New Global Note: | No |
| 31. | Form of Notes: | Bearer Notes |
| (i) | Temporary or permanent Bearer/Registered Global Note: | Temporary Bearer Global Note exchangeable for a permanent Bearer Global Note (or, at the request of a Holder, for Bearer Definitive Notes) which is exchangeable for Bearer Definitive Notes (i) automatically in the limited circumstances specified in the permanent Bearer Global Note, (ii) at any time at the option of the Issuer by giving notice to the Holders and the Fiscal Agent of its intention to effect such exchange or (iii) at any time at the request of a Holder, in each case on the terms as set forth in the relevant Bearer Global Note. |
| (ii) | Applicable TEFRA exemption: | D Rules |
| 32. | Additional Financial Centre(s) (General Note Condition 6(h)) or other special provisions relating to payment dates: | Not Applicable |
| 33. | Payment Disruption Event (General Note Condition 6(i)): | Applicable |
| (i) | Relevant Currency: | As may be notified by the Calculation Agent to the Holders via the Fiscal Agent or Paying Agent and the |

		relevant clearing system(s) at the relevant time
	(ii) Relevant Reference Asset Jurisdiction:	As may be notified by the Calculation Agent to the Holders via the Fiscal Agent or Paying Agent and the relevant clearing system(s) at the relevant time
	(iii) Payment Event Cut-off Date:	Applicable. As set forth in General Note Condition 6(i) and the Special Conditions as set out in Annex 1
34.	Physical Delivery:	Not Applicable
35.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
36.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
37.	Details relating to Instalment Notes:	Not Applicable
38.	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
39.	Consolidation provisions:	Not Applicable
40.	Other final terms or special conditions:	See Special Conditions 1, 2, 3 and 4 in Annex 1. In the event of any inconsistency between the General Note Conditions and the Special Conditions in Annex 1, the Special Conditions in Annex 1 shall prevail

DISTRIBUTION

41.	(i) If syndicated, names and addresses of Managers:	Not Applicable
	(ii) Stabilising Manager(s) (if any):	Not Applicable
	(iii) Dealer's Commission:	Not Applicable
42.	If non-syndicated, name and address of Dealers:	J.P. Morgan Securities Ltd. of 125 London Wall, London EC2Y 5AJ
43.	U.S. selling restrictions:	Section 3(a)(2) and Regulation S under the Securities Act – No offers or sales at any time within the United States or to or for the account or benefit of any U.S. Person; no legal or beneficial ownership by a U.S. Person at any time. "U.S. Person" has the meaning ascribed to it in the U.S. Securities Act of 1933, as amended (the " Securities Act ") or the U.S. Internal Revenue Code of 1986, as amended. TEFRA D Rules – The Notes are for U.S. tax law purposes "bearer obligations" and will be issued in compliance with the D Rules.

44. **Additional Selling restrictions:** Not Applicable
45. **Non-exempt Offer:** Not Applicable

GENERAL

46. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with General Note Condition 10(a): Not Applicable
47. The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●] 1 = U.S.\$ [●], producing a sum of (for Notes not denominated in U.S. dollars): Not Applicable

PART B - OTHER INFORMATION

LISTING AND ADMISSION TO TRADING

Application will be made for the Notes to be listed on the Official List and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from, at the earliest, the Issue Date. No assurances can be given that such application for admission to trading will be granted (or, if granted, will be granted by the Issue Date).

RATINGS

The Notes will not be rated

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in the section of the Original 2009 Base Prospectus entitled "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|-------|---------------------------|----------------|
| (i) | Reasons for the offer: | Not Applicable |
| (ii) | Estimated net proceeds: | Not Applicable |
| (iii) | Estimated total expenses: | Not Applicable |

PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Details of past and future performance and the volatility of the Underlying Shares may be obtained from Bloomberg®. The value of the investment in the Notes will be affected by changes in the value of the Underlying Shares as specified in Part A above.

The Final Redemption Amount and the value of the Notes will depend on the performance of the Underlying Shares. See Part A above for further details.

Capitalised terms used herein shall have the meanings ascribed to them in Part A hereto.

POST-ISSUANCE INFORMATION

The Issuer will not provide any post-issuance information with respect to the Reference Assets unless required to do so by applicable law or regulations.

OPERATIONAL INFORMATION

- | | |
|--|------------------------------------|
| ISIN Code: | NL0009086503 |
| Common Code: | 042843458 |
| Any Clearing System(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| Delivery: | Delivery against payment |
| The Agents appointed in respect of the Notes are: | As set out in the Agency Agreement |

PART C - OTHER APPLICABLE TERMS

Not Applicable – see Annex 1.

ANNEX 1

Special Conditions

(This Annex 1 forms part of the Contractual Terms to which it is attached)

Items 1 through 4 apply to the Contractual Terms to which this Annex 1 is attached.

1. Redemption and Purchase
 - 1.1 Final Redemption: Unless previously redeemed, each Note will be redeemed on the Redemption Date at its Redemption Value. The Redemption Value will be due and payable on the Redemption Payment Date.
 - 1.2 Redemption for Regulatory or Taxation Reasons:
 - (i) Subject to Special Condition 1.2(ii), the Notes may be redeemed at the option of the Issuer in whole at any time on giving not less than 30 nor more than 60 days' notice to the holders of the Notes (which notice shall be irrevocable) at the Redemption Value of each Note if: (1) the Issuer or the Guarantor has or will (or there is a substantial likelihood that it will) become obliged to pay additional amounts as provided or referred to in General Note Condition 7 as a result of any action taken by The Netherlands or the United States or any political subdivision or any authority thereof or therein having power to tax or brought in a court of competent jurisdiction on or after the Issue Date or any change in, or amendment to, the laws or regulations of The Netherlands or the United States or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Trade Date and (2) such obligation cannot be avoided by the Issuer or the Guarantor, as the case may be, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Special Condition 1.2, the Issuer or, as the case may be, the Guarantor shall deliver to the Fiscal Agent a certificate duly signed by the Issuer or the Guarantor (as the case may be) stating that the Issuer or the Guarantor is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to such right of the Issuer or the Guarantor so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or the Guarantor, as the case may be, has or will (or there is a substantial likelihood that it will) become obliged to pay such additional amounts as a result of such change or amendment.
 - (ii) The Notes will be redeemable by the Issuer on shorter notice than the period specified above if the period of notice given to the Issuer of any relevant change, or amendment to the law, makes it impracticable for the Issuer to give such notice and the interests of the relevant Holders will not be prejudiced by such action, as determined by the Calculation Agent.
 - 1.3 Redemption at the option of the Issuer: The Issuer may, having given not less than 5 Business Days' notice to Holders in accordance with General Note Condition 13, on any date redeem the Notes at the Redemption Value of each relevant Note if the Calculation Agent certifies that: (1) any Relevant Country Authority has (i) revoked or suspended the Investment Regulations, (ii) suspended or terminated the ability of investors to invest in securities listed on any Relevant Exchange or (iii) imposed material limitations or restrictions on such ability; (2) the Underlying Shares have been delisted from any Relevant Exchange or (3) there has occurred any change in, amendment or non-renewal of (i) any judicial decision relating to the laws of the Relevant Country, (ii) any treaty to which the Relevant Country is a party, (iii) any application or official interpretation of such laws or treaty or (iv) any arrangements pertaining to any applicable investment facility including any hedging arrangements relating to the Notes after the Trade Date.
 - 1.4 Nationalisation: If (a) any of the Underlying Shares or all the assets or substantially all the assets of any Underlying Company are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity; or (b) by reason of the voluntary or involuntary liquidation, winding-up or dissolution of or any analogous proceeding affecting any Underlying Company (i) any of the Underlying Shares are required to be transferred to any trustee, liquidator or other similar official or (ii) holders of any Underlying Shares become legally prohibited from transferring them, then, in the case

of (a) or (b), the Calculation Agent will, upon becoming aware of such event, notify the holders of Notes of such event and on or after the relevant Announcement Date (or such other date as the Calculation Agent deems relevant), the Calculation Agent shall either (i)(A) make such adjustment to the redemption, settlement, payment or any other terms of the Notes (including Coupon Amounts) as the Calculation Agent determines appropriate to account for the economic effect on the Notes of such event (including adjustments to account for changes in volatility, expected dividends, stock loan rate or liquidity relevant to the Underlying Shares or to the Notes) and (B) determine the effective date of that adjustment, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Notes will be redeemed upon prior notice made to the Holders in accordance with General Note Condition 5(f) and General Note Condition 13.

For these purposes, "**Announcement Date**" means the date of the first public announcement to nationalise (whether or not subsequently amended) that leads to the Nationalisation.

1.5 Redemption at the option of a Holder:

- (i) At any time after the later of the Settlement Date and the last to occur of the Underlying Settlement Periods in respect of all the Underlying Shares, a Holder may instruct the Issuer to redeem any Note held by such Holder at its Redemption Value. The Redemption Value will be due and payable on the Redemption Payment Date. In order for a Holder to exercise its right so to instruct the Issuer, such Holder shall deliver on a Business Day to the Fiscal Agent or to a Paying Agent a valid Redemption Notice.
- (ii) A Holder may exercise its right under this Special Condition only in respect of the Minimum Redemption Number of Notes and such multiples thereof.

1.6 Suspension Periods:

- (i) A "**Suspension Period**" occurs in respect of an Underlying Share from the date the Calculation Agent determines (in its absolute discretion) that (I) as a result of delivery of such Underlying Share connected with the Issuer's underlying hedging arrangements to the registrar of the Underlying Company for registration, such Underlying Share cannot be transferred; or (II) as a result of the closure of the register of members of the Underlying Company for the purpose of establishing any dividend or other rights attaching to the Underlying Share, such Underlying Share cannot be transferred until such transfer may be effected and notice thereof (including an indication as to whether the Suspension Period has occurred due to the circumstances described in (I) or (II) above) shall be given to the Holders in accordance with General Note Condition 13.
- (ii) If a Redemption Date or an Early Redemption Date in respect of a Note shall fall within a Suspension Period, such Redemption Date or Early Redemption Date shall be postponed until the first Business Day after the expiry of such Suspension Period (or in respect of a Redemption Date or an Early Redemption Date falling within a number of overlapping Suspension Periods for a number of Underlying Shares, such Redemption Date or Early Redemption Date shall be postponed until the first Business Day after the expiry of the last of such Suspension Periods to end).

1.7 Purchase: The Issuer and the Guarantor and any of their respective subsidiaries may at any time purchase Notes in the open market or otherwise at any price. The Notes so purchased, while held by or on behalf of the Issuer or the Guarantor shall not entitle the holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders for the purposes of General Note Condition 10.

1.8 Postponement: Notwithstanding any other provision to the contrary in these Contractual Terms, if redemption of the Notes is to be undertaken on a day which is not a Business Day, such action shall be settled as follows: If the Calculation Agent determines that, due to prevailing market conditions relating to share settlement, foreign exchange conversion or USD remittance in the Relevant Country, a Relevant Investor which had sold Underlying Shares during a Valuation Period is not able to receive the USD equivalent of the proceeds of such sale on the relevant Redemption Payment Date, then the Redemption Payment Date will be postponed until such date as a Relevant Investor is able to receive such USD equivalent of the proceeds of any such sale (or if such date falls on different days for more than one Underlying Share, the last to occur of such dates in respect of all such Underlying Shares). No interest

shall accrue on such proceeds of sale in respect of any such postponement. Any such determination by the Calculation Agent shall be notified immediately by the Calculation Agent to the Issuer and the Fiscal Agent. Notice of any postponement to the Redemption Payment Date pursuant to this Special Condition 1.8 shall be given by the Fiscal Agent to Holders in accordance with General Note Condition 13 as soon as practicable after any determination pursuant to this Special Condition.

2. Events Relating to the Underlying Shares

2.1 Adjustment Event: The declaration by an Underlying Company of the terms of any of the following may constitute an Adjustment Event in respect of the Notes:

- (i) a subdivision, consolidation or reclassification of the Underlying Shares or a change in par or paid value of the Underlying Shares, or a free dividend or distribution of any Underlying Shares to existing holders by way of bonus, capitalisation or similar issue including pursuant to a scrip dividend or similar scheme for the time being operated by the Underlying Company or otherwise in lieu of a Cash Dividend;
- (ii) a distribution to existing holders of the Underlying Shares of (I) Underlying Shares or (II) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Underlying Company equally or proportionately with such payments to holders of Underlying Shares or (III) any other type of securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares for a consideration determined by the Issuer to be less than the prevailing market price per Underlying Share;
- (iii) a dividend or distribution other than a Cash Dividend;
- (iv) a repurchase by the Underlying Company of Underlying Shares whether out of profit or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (v) any other similar event that may have a diluting or concentrative effect on the market value of the Underlying Shares or action that may be required to take account of provisions of the laws of the Relevant Country or any Relevant Exchange practice.

2.2 Action by Calculation Agent: Following each Adjustment Event during the Term of a Note the Calculation Agent will determine whether such Adjustment Event has a diluting or concentrative effect on the market value of the Underlying Shares. When an Adjustment Event occurs the Calculation Agent will do one or more of the following (provided that, in the case of physical Underlying Shares, a Suspension Period has occurred or is continuing):

- (i) calculate the corresponding adjustment, if any, to be made to the terms of the Notes as the Calculation Agent determines appropriate to account for that diluting or concentrative effect and determine the effective date of that adjustment;
- (ii) distribute to the holders of outstanding Notes additional Notes and/or a cash amount; and/or
- (iii) give notice to each Holder in accordance with General Note Condition 13 of its right to purchase additional Notes.

2.3 Fixing of Record Date: Whenever any cash amount shall become payable or any distribution other than cash shall be made or whenever rights shall be issued with respect to the Notes or whenever for any reason the Calculation Agent causes a change in the Number of Underlying Shares per Note or whenever the Calculation Agent shall find it necessary or convenient, the Calculation Agent shall fix a record date (the "**Record Date**"), which shall be the record date applicable to any Underlying Share (which is expected to be on or around the relevant ex-dividend date of such Underlying Share) or a date as soon thereafter as practicable;

- (i) to determine those Holders who shall be entitled to receive such distribution or rights; or
- (ii) on or after which each Note will relate to the adjusted Number of Underlying Shares per Note.

The Holders on such Record Date shall be entitled, as the case may be, to receive the amount distributable by the Issuer with respect to such distribution or such rights in proportion to the number of Notes held by them respectively.

2.4 Notice of Adjustment Event: As soon as practicable after each Adjustment Event the Fiscal Agent will give notice to Holders in accordance with General Note Condition 13 specifying:

- (i) in the case of a new issue of Notes at a specified subscription price:
 - (a) the Record Date;
 - (b) the date by which holders must reply to the notice and pay subscription monies (if any) (the "**Rights Settlement Date**");
 - (c) the amount payable by the holder of each Note to take up the rights relating to each Note;
 - (d) the amount of any fees or charges payable by the holder of each Note in connection with the issue of the new Notes; and
 - (e) the account of the Issuer with Euroclear or Clearstream, Luxembourg to be credited with the amount payable by the Holders;
- (ii) in the case of a free distribution of Notes the Record Date and the number of new Notes to which the holder of a Note is entitled;
- (iii) in the case of a cash distribution the Record Date and the amount payable to the holder of each Note;
- (iv) in the case of an adjustment to the terms of the Notes (including the Number of Underlying Shares per Note) and all other cases which the Calculation Agent in its discretion considers appropriate, the Record Date and details of the adjustment; or
- (v) any combination of the above.

Notes and/or cash will be available for distribution to eligible Holders as soon as is practicable and the Fiscal Agent shall notify Holders in accordance with General Note Condition 13 when such Notes and/or cash are so available. Payments of cash amounts will be made in accordance with Special Condition 3 and in the case of a new issue of Notes under (i) above, no Holder will be entitled to receive any additional Notes unless and until the Fiscal Agent shall have received a notice that the Holder wishes to purchase such Notes and payment of the subscription monies on or prior to the Rights Settlement Date.

2.5 Coupon Amounts: Each Coupon Amount is payable on the Coupon Payment Date following the immediately preceding Coupon Period.

2.6 Subdivisions and Consolidations: If and whenever an Underlying Company shall subdivide its outstanding share capital into a greater number of shares or consolidate its outstanding share capital into a smaller number of shares, the Calculation Agent will adjust, in respect of such Underlying Company, the Number of Underlying Shares per Note which shall be decreased (in the case of a consolidation) or increased (in the case of a subdivision) accordingly.

2.7 Merger: If it is announced that an Underlying Company is to, or may, merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any person or corporation) (except where such Underlying Company is the surviving corporation in a merger) or that it is to, or may, sell or transfer all or substantially all of its assets, the rights attaching to a Note may be amended to reflect such merger or consolidation no later than the Business Day preceding the consummation of any such merger, consolidation, sale or transfer (as determined by the Calculation Agent, in its absolute discretion).

2.8 Change in Law: If:

- (i) there is any change in, or amendment to, the laws and regulations of the Relevant Country or any political subdivision or any authority thereof or therein having power to tax;

- (ii) there is any change in, or amendment to, any treaty to which the Relevant Country is a party;
- (iii) there is any change in the application or official interpretation of such laws, regulations or treaties; or
- (iv) the Calculation Agent in its absolute discretion makes a determination that any other circumstance exists which would or could reduce the Redemption Value or Coupon Amount receivable by a Relevant Investor on repatriation of such amounts from the Relevant Country,

which change or amendment becomes effective or is applied or interpreted, or which determination is made, as the case may be, on or after the Trade Date, the Calculation Agent shall, in its absolute discretion, determine the amount of any additional deduction or withholding from the Redemption Value or Coupon Amount that is required or, in the absolute determination of the Calculation Agent, ought to be made in such circumstances and shall notify the Issuer, the Guarantor and the Fiscal Agent of such amount. The Fiscal Agent shall thereupon immediately notify Holders in accordance with General Note Condition 13.

3. **Payments and other Conditions**

- 3.1 **Method of Payment:** Payments in respect of the Redemption Value or any Coupon Amount or any other amount may be against presentation and surrender (or, in the case of partial payment, endorsement) of the relevant Notes (in the case of all payments other than a Coupon Amount) or of the relevant Coupon (in the case of the Coupon Amount) at the specified office of any Paying Agent, by a cheque denominated in USD drawn on, or by transfer to an account denominated in USD, maintained by the payee with, a bank in New York, as may be specified by the Holder.
- 3.2 **Payments subject to fiscal laws:** All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of General Note Condition 7. Subject to the General Note Conditions, no commissions or expense shall be charged to the Holders in respect of payments.
- 3.3 **Payments on a business day:** A Note may be presented for payment only on a day which is a business day in the place of presentation (and in the case of payment by transfer to an account denominated in USD maintained by the payee with a bank in New York City on a business day in New York City). No further payment will be made as a consequence of the day on which the relevant Note may be presented for payment under this paragraph falling after the due date.

4. **Other Special Conditions**

- 4.1 For the purposes of these Special Conditions, the following words and expressions shall have the following meanings:

"Adjustment Event" means any one or more of the events referred to in Special Condition 2;

"Authority" means any governmental authority or any state or agency of a state (in each case whether or not having a separate legal personality);

"Average Selling Price" means, in relation to each Note and each Underlying Share, an amount certified by the Calculation Agent as being equal to the volume weighted average of the prices at which a Relevant Investor could have sold such Underlying Share on the Relevant Exchange during an applicable Valuation Period;

"Business Day" means a day (excluding Saturday) on which banks are open for business in London and New York City and the principal centre of the Relevant Country for the type of business contemplated herein;

"Calculation Agent" means J.P. Morgan Securities Ltd.;

"Cash Dividend" means, in respect of each Underlying Share, any ordinary or special dividend paid in cash on such Underlying Share (excluding, for the avoidance of doubt, stock dividends or the cash value of any dividend declared on such Underlying Share in shares of the Underlying Company or in any assets

other than cash) in relation to which the ex-dividend date has occurred during the relevant Coupon Period and payment has been made to the holder of such Underlying Share during the relevant Coupon Period;

"Cash Dividend Payment Date" means, in respect of each Underlying Share and an ex-dividend date, the date on which any Cash Dividend is received by the holder of such Underlying Share during the relevant Coupon Period for such ex-dividend date as determined by the Calculation Agent;

"Closing Price" means the closing price of an Underlying Share as quoted on the daily quotations list (or equivalent) of a Relevant Exchange as recorded by the Calculation Agent. If the closing price of an Underlying Share is not shown on the daily quotations list (or equivalent) of any Relevant Exchange on the date on which such price is required then, notwithstanding any provision of the General Note Conditions, the Closing Price for an Underlying Share shall be the fair market value of an Underlying Share as determined in its sole discretion by the Calculation Agent;

"Coupon Amount" means, in respect of any Underlying Share and a Cash Dividend, such Cash Dividend less (i) any Taxation; and (ii) any Handling Charge multiplied by the relevant Number of Underlying Shares per Note and converted into USD at the Coupon Exchange Rate;

"Coupon Exchange Rate" means, in respect of each Underlying Share, a Cash Dividend and an ex-dividend date, the Exchange Rate on the day when a Foreign Institutional Investor would have received actual payment in USD of the applicable Cash Dividend;

"Coupon Payment Date" means, in respect of each Underlying Share, a Cash Dividend and an ex-dividend date, a day determined by the Calculation Agent, being no later than 15 Business Days after the relevant Cash Dividend Payment Date;

"Coupon Period" in relation to a Note means the period from, and including, the Issue Date to, and including, the Redemption Date, Early Redemption Date or Default Redemption Date, as the case may be, provided that in the case of physical Underlying Shares the first Coupon Period will commence on the first day of the Suspension Period and in the case of the dematerialised Underlying Shares the first Coupon Period will commence on the settlement date for delivery of shares in connection with the Issuer's underlying hedging arrangements and the last day of the final Coupon Period will be the earlier of the Redemption Date, Early Redemption Date or Default Redemption Date;

"Default Redemption Date" means the first Exchange Business Day after the date upon which notice is received by the Fiscal Agent pursuant to General Note Condition 9 (or if such first Exchange Business Day falls on different days for more than one Underlying Share, the last to occur of such Exchange Business Days in respect of all the Underlying Shares);

"Early Redemption Date" means (i) any Business Day announced by the Issuer as a date for redemption of the Notes in accordance with Special Condition 1.2 or 1.3 or (ii) the first Business Day after a valid Redemption Notice is received by the Fiscal Agent provided that such Redemption Notice is received prior to 4:00 p.m. (London time), or if received after such time, the next Business Day;

"Exchange Business Day" means, in respect of any Underlying Share, a day that is (i) a Business Day; (ii) a trading day on any Relevant Exchange and on any relevant options or futures exchange other than a day on which trading on any Relevant Exchange or any relevant futures or options exchange is scheduled to close prior to its regular weekday closing time; and (iii) a day on which no Market Disruption Event has occurred or is continuing;

"Exchange Rate" means, in respect of (i) the Underlying Shares of ASII, BMRI, BDMN and BBNI, the IDR/USD exchange rate; and (ii) the Underlying Shares of BPI, MBT, ALI, BDO, SMPH and MEG, the PHP/USD exchange rate, each as determined by the Calculation Agent by reference to such sources as it may, in its absolute discretion, select;

"Foreign Institutional Investor" means, in respect of each Underlying Share, an entity that is duly registered to carry out purchases or sales of such Underlying Share on the Relevant Exchange;

"General Note Conditions" means the terms and conditions of the Notes and references to a particular numbered General Note Condition shall be construed accordingly;

"Handling Charge" is not applicable;

"Holders" shall have the meaning ascribed to it in the General Note Conditions;

"Investment Regulations" means, in respect of (i) the Underlying Shares of ASII, BMRI, BDMN and BBNI, the laws and regulations of the Republic of Indonesia; and (ii) the Underlying Shares of BPI, MBT, ALI, BDO, SMPH and MEG, the laws and regulations of the Republic of the Philippines;

"Market Disruption Event" means, in respect of any Underlying Share, as determined by the Calculation Agent, the occurrence or existence of (i) any suspension of, or material limitation on, trading in such Underlying Share on any Relevant Exchange; or (ii) any suspension of, or material limitation on, trading in stocks generally on any Relevant Exchange; or (iii) a material restriction on the sale and purchase of such Underlying Share; or (iv) any suspension of, or material limitation imposed on, trading of options or futures relating to such Underlying Share or options or futures relating to securities generally on any Relevant Exchange on any options or futures exchange on which options or futures relating to such Underlying Share are traded; or (v) any suspension of or limitation on execution of sales on any Relevant Exchange or elsewhere by reason of illiquidity in any market for such Underlying Share; or (vi) any prevailing market conditions which in the good faith opinion of the Issuer prevent Relevant Investors from being able to buy or sell such Underlying Share on any Relevant Exchange; (vii) any failure by local entities in the Relevant Country involved in the process of transfer and/or registration of such Underlying Share, including, without limitation, custodians, registrars and clearing houses to perform their duties in a timely manner or (viii) any prevailing market conditions which in the good faith opinion of the Calculation Agent are such as should constitute a Market Disruption Event.

For the purpose of this definition:

- (i) a limitation on the hours and number of days of trading if it results from an announced change in the regular business hours of any Relevant Exchange shall not constitute a Market Disruption Event; and
- (ii) a limitation on trading imposed during the course of a day by reason of movements in price exceeding levels permitted by any Relevant Exchange shall constitute a Market Disruption Event.

All determinations by the Calculation Agent as to whether a Market Disruption Event has occurred will be conclusive and binding on the Holders save in the case of manifest error;

"Minimum Redemption Number" means one Note;

"Number of Underlying Shares per Note" means, in respect of the Underlying Shares of:

- (i) ASII, 15,000 Underlying Shares per Note;
- (ii) BMRI, 88,500 Underlying Shares per Note;
- (iii) BDMN, 55,000 Underlying Shares per Note;
- (iv) BBNI, 106,000 Underlying Shares per Note;
- (v) BPI, 6,500 Underlying Shares per Note;
- (vi) MBT, 5,900 Underlying Shares per Note;
- (vii) ALI, 14,000 Underlying Shares per Note;
- (viii) BDO, 2,900 Underlying Shares per Note;
- (ix) SMPH, 11,000 Underlying Shares per Note; and
- (x) MEG, 50,000 Underlying Shares per Note

(in each case, subject to adjustment in accordance with Special Condition 2);

"Record Date" has the meaning specified in Special Condition 2.3;

"Redemption Charge" means, in respect of any Underlying Share, 1.00 per cent. of the Average Selling Price of such Underlying Share, together with any other levies, fees, commissions, custodial fees, registrations or other charges or costs whatsoever which may be incurred by the Issuer and/or the Hedging Entity as a result of, or in connection with, the holding of and/or selling of and/or realising such Underlying Share as may be imposed from time to time, such amounts as calculated by the Calculation Agent in its sole and absolute discretion;

"Redemption Date" means 7 May 2014;

"Redemption Exchange Rate" means, in respect of any Underlying Share, the Exchange Rate on the first Business Day immediately following the last day of the Valuation Period in respect of such Underlying Share when a Relevant Investor is able to convert into USD the proceeds of such Underlying Share sold during the Valuation Period (the **"Redemption Exchange Rate Date"**);

"Redemption Notice" means a notice, substantially in the form set out in Schedule 4 to the Agency Agreement and available upon request at the specified office of any Paying Agent, from a Holder to the Issuer exercising its option to redeem Notes in accordance with Special Condition 1.5;

"Redemption Payment Date" means, in relation to a Note, subject to Special Condition 3.3, the date falling not later than five Business Days after the Redemption Exchange Rate Date (or if the Redemption Exchange Rate Date for more than one Underlying Share falls on different dates, the last to occur of such Redemption Exchange Rate Dates in respect of all the Underlying Shares);

"Redemption Value" means, in respect of a Note and subject to Special Condition 2, the aggregate (in respect of each of the Underlying Companies in the Basket) of the product of (i) 100 per cent. less any Redemption Charge (expressed as a percentage), (ii) multiplied by the Average Selling Price of the Underlying Shares during the Valuation Period less any Taxation (iii) multiplied by the Number of Underlying Shares per Note for such Underlying Company, and converted into USD at the Redemption Exchange Rate provided that if redemption follows the occurrence of an event of default specified in General Note Condition 9, the Redemption Value will be calculated by reference to the Closing Price of the Underlying Shares on the Default Redemption Date;

"Relevant Country" means, in respect of (i) the Underlying Shares of ASII, BMRI, BDMN and BBNI, the Republic of Indonesia; and (ii) the Underlying Shares of BPI, MBT, ALI, BDO, SMPH and MEG, the Republic of the Philippines;

"Relevant Country Authority" means the Authority of the Relevant Country;

"Relevant Exchange" means, in respect of (i) the Underlying Shares of ASII, BMRI, BDMN and BBNI, the Indonesia Stock Exchange; and (ii) the Underlying Shares of BPI, MBT, ALI, BDO, SMPH and MEG, the Philippines Stock Exchange, or any other successor exchange as selected by the Issuer in its absolute discretion;

"Relevant Investor" means, a qualified foreign or non-resident institutional investor as such terms or concepts may be defined under the Investment Regulations or if such terms or concepts are not defined in the Investment Regulations, the Issuer;

"Settlement Date" means 12 May 2009;

"Suspension Period" has the meaning provided in Special Condition 1.6;

"Taxation" means, in respect of any Underlying Share, the aggregate of:

- (i) all withholding taxes, capital gains taxes and other duties and taxes whatsoever in effect which the Calculation Agent certifies as would be payable in the Relevant Country by or on behalf of a Relevant Investor had such investor owned an Underlying Share from the Trade Date and sold such Underlying Share on any day during the relevant Valuation Period; and
- (ii) all stamp duties or increases introduced in the rates of stamp duties in the Relevant Country in effect on or after the Trade Date;

"Term of a Note" means, in relation to a Note, the period commencing on the Settlement Date and ending on the earlier of the Redemption Date, the Default Redemption Date or the Early Redemption Date;

"Trade Date" means **7 May 2009**;

"Underlying Company" means:

- (i) PT Astra International Tbk (*Bloomberg Code: ASII IJ <Equity>*) ("**ASII**");
- (ii) PT Bank Mandiri (*Bloomberg Code: BMRI IJ <Equity>*) ("**BMRI**");
- (iii) PT Bank Danamon Indonesia Tbk (*Bloomberg Code: BDMN IJ <Equity>*) ("**BDMN**");
- (iv) PT Bank Negara Indonesia (Persero) Tbk (*Bloomberg Code: BBNI IJ <Equity>*) ("**BBNI**");
- (v) Bank of the Philippine Islands (*Bloomberg Code: BPI PM <Equity>*) ("**BPI**");
- (vi) Metropolitan Bank & Trust Company (*Bloomberg Code: MBT PM <Equity>*) ("**MBT**");
- (vii) Ayala Land, Inc. (*Bloomberg Code: ALI PM <Equity>*) ("**ALI**");
- (viii) Banco de Oro Unibank, Inc. (*Bloomberg Code: BDO PM <Equity>*) ("**BDO**");
- (ix) SM Prime Holdings Inc. (*Bloomberg Code: SMPH PM <Equity>*) ("**SMPH**"); and
- (x) Megaworld Corporation (*Bloomberg Code: MEG PM <Equity>*) ("**MEG**"),

and **"Underlying Companies"** means two or more such companies;

"Underlying Settlement Period" means, in respect of any Underlying Share, the number of days from the Trade Date required for a Relevant Investor to settle the purchase of such Underlying Share in the Relevant Exchange;

"Underlying Shares" means the ordinary shares in each Underlying Company;

"U.S. Person" has the meaning ascribed to it in Regulation S or the Code; and

"Valuation Period" in relation to a Note and any Underlying Share, means (i) a period commencing on (and including) the first Exchange Business Day immediately following the earlier of the Redemption Date or the Early Redemption Date and ending on (and including) the Exchange Business Day immediately following the date on which a Relevant Investor would have completed the sale of the required number of such Underlying Share, or (ii) the Default Redemption Date, but, in each case, excluding, for the avoidance of doubt, any day on which a Market Disruption Event has occurred or is continuing.

GENERAL INFORMATION

1. To the best of the Issuer's and the Guarantor's knowledge, there has been no material adverse change in the prospects of the Issuer or the Guarantor since the date of the last published audited financial statements of the Issuer and the Guarantor, respectively, except as disclosed in the following documents incorporated by reference herein:
 - (i) the Annual Report on Form 10-K of JPMorgan Chase & Co. for the year ended 31 December 2008 filed with the U.S. Securities and Exchange Commission (the "SEC"), including:
 - (a) Part II, Item 7, "Management's Discussion and Analysis – Executive Overview – 2009 Business Outlook" (pages 43-44);
 - (b) Part I, Item 1A, "Risk Factors" (pages 4-10);
 - (ii) the Quarterly Report on Form 10-Q of JPMorgan Chase & Co. for the quarter ended 31 March 2009 filed with the SEC, including:
 - (a) Part I, Item 2 "Management's Discussion and Analysis – Executive Overview – Business Outlook" (pages 9-10); and
 - (b) "Forward Looking Statements" (pages 156-157).

2. To the best of the Issuer's and the Guarantor's knowledge, there has been no significant change in the financial or trading position of the Issuer or the Guarantor and their respective subsidiaries since 31 March 2009, the date of their respective most recently published unaudited interim financial statements.

3. Except as disclosed in the following document incorporated by reference herein:
 - (i) the JPMorgan Chase & Co. 2008 Form 10-K, including:
 - (a) Part I, Item 3, "Legal Proceedings" (pages 11-16); and
 - (ii) the JPMorgan Chase & Co. March 2009 Form 10-Q, including:
 - (a) Part II, Item 1, "Legal Proceedings" (pages 157-160),

there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) during the 12 months preceding the date of this Prospectus which may have or have had in the recent past significant effects, in the context of the issue of the Securities, on the financial position or profitability of the Issuer, the Guarantor and their respective subsidiaries.

4. The following documents, or copies thereof, will be available, during normal business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Principal Programme Agent and at the office of the Paying Agent in Luxembourg, or at the office of each Relevant Programme Agent, as the case may be:
 - (i) the JPMorgan Chase & Co. 2008 Form 10-K Annual Report, the JPMorgan Chase & Co. 2007 Form 10-K Annual Report, the JPMorgan Chase Bank, N.A. Audited Financial Statements 2008, the JPMorgan Chase Bank, N.A. Audited Financial Statements 2007, the JPMSP Audited Financial Statements 2008, the JPMSP Audited Financial Statements 2007;
 - (ii) the Articles of Association of the Issuer;
 - (iii) the Articles of Association of JPMorgan Chase Bank, N.A.;
 - (iv) the Restated Certificate of Incorporation of JPMorgan Chase & Co.;
 - (v) a copy of the 2008 Base Prospectus, including any documents incorporated therein or any supplement to the 2008 Base Prospectus;

- (vi) a copy of the Original 2009 Base Prospectus, including any documents incorporated therein or any supplement to the Original 2009 Base Prospectus;
 - (vii) the JPMorgan Chase Bank, N.A. Guarantee; and
 - (viii) any supplement or amendment to any of the foregoing.
5. The Securities shall be governed by English law. The JPMorgan Chase Bank, N.A. Guarantee is governed by the laws of the State of New York.

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