

Investment Bank

Across our business, our goal is to help clients succeed, contribute to orderly and well-functioning markets, and support global economic growth. One of the most important functions we serve is extending credit to companies to help them grow.

J.P. Morgan is a leading global investment bank with one of the largest client bases in the world. We serve more than 20,000 clients, including corporations, governments, states, municipalities, healthcare organizations, educational institutions, banks and investors. Our clients operate in more than 100 countries. We offer a complete range of financial services to help clients achieve their goals. We provide strategic advice, lend money, raise capital, help manage risk, make markets and extend liquidity, and we hold global leadership positions in all of our major business lines.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS

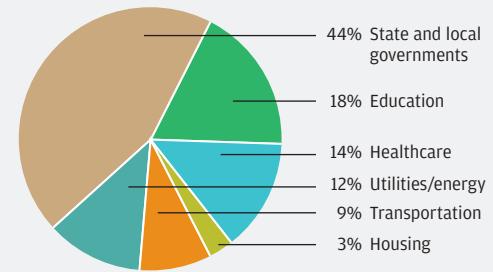
- Delivered record net income of \$6.9 billion on record revenue of \$28.1 billion, led by record Global Markets revenue of \$22 billion and record reported IB fees of \$7.2 billion.
- Earned a return on equity of 21% on \$33 billion of average allocated capital.
- As the market leader, arranged and raised \$204 billion in corporate loans for 295 issuer clients globally.^(a) The average size of loans led by J.P. Morgan was roughly \$691 million, more than double the market's average size of \$316 million.

*Average corporate loan size:
J.P. Morgan deals vs. industry average^(a)
(in millions)*

| Category | Average Corporate Loan Size (in millions) |
|------------------|---|
| Industry Average | \$316 |
| J.P. Morgan | \$691 |

J.P. Morgan helped raise \$102 billion for governments, public sector organizations and institutions
- Advised clients on 322 mergers and acquisitions globally, more than any other bank.^(a) In fact, J.P. Morgan acted as advisor on 11 of the year's largest 25 deals^(a), including advising on the year's largest deal, Pfizer's acquisition of Wyeth, and serving as sole advisor to ExxonMobil on its acquisition of XTO Energy. J.P. Morgan also advised on 119 cross-border deals, more than any other bank.^(a)
- In the U.S., helped raise approximately \$102 billion, including \$19 billion of extended credit, for state and local governments, healthcare organizations and educational institutions, to help build local infrastructure, improve social services, expand universities and hospitals, and fund medical research. In addition, committed to provide financing urgently needed to fund cash flow shortfalls, including \$4 billion to the state of California and \$2 billion to the state of New Jersey.

- Helped clients issue \$620 billion of stocks and bonds, \$170 billion more than any other bank in the world.^(a) As the top underwriter in each category, J.P. Morgan raised \$105 billion and \$515 billion in the global equity and debt markets, respectively.^(a) Excluding self-led bank deals, J.P. Morgan was a lead underwriter on eight of the 10 largest transactions in both the equity and debt markets.
- Arranged and raised \$178 billion of capital for banks and financial institutions around the world; that amounts to nearly 10% of the capital raised in 2009 to restore the global banking system to health.^(a)



- Invested in renewable energy projects, including 58 wind farms across 16 U.S. states, as well as in environmentally responsible companies; in 2009, J.P. Morgan acquired EcoSecurities, a leader in sourcing and developing emission reduction credits.

(a) Dealogic

Retail Financial Services

Our bankers work with consumers and small business owners to meet everyday financial needs and to pursue lifetime dreams. They can use an ATM, debit card or credit card, save, pay bills, borrow for a car, a home, a business expansion or college, and invest for a well-earned retirement.

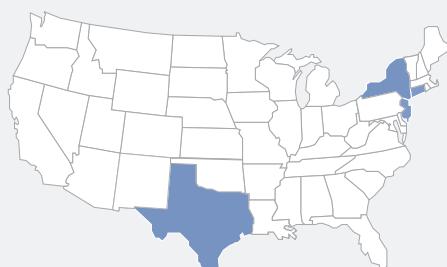
Retail Financial Services serves consumers and businesses through personal service at branches, through ATMs and online, mobile and telephone banking, and through retail mortgage correspondents, auto dealerships and school financial aid offices.

Customers can use more than 5,100 bank branches (third largest nationally) and 15,400 ATMs (second largest nationally), as well as online and mobile banking around the clock. Nearly 24,000 personal bankers and specialists assist customers with checking and savings accounts, mortgages, business loans and investments across the 23-state footprint from New York and Florida to California. Consumers also can obtain loans through more than 15,700 auto dealerships and nearly 2,100 schools and universities nationwide.

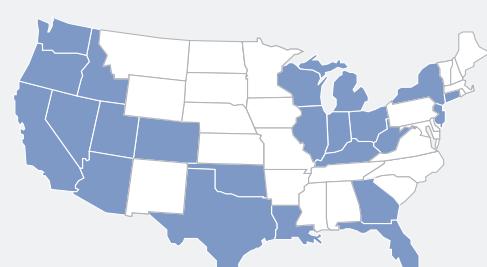
2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- Provided customers full access to 5,154 bank branches in 23 states after converting the computer systems in 1,800 Washington Mutual branches and rebranding them Chase.
- Added 2,400 personal bankers, business bankers, investment specialists and mortgage officers in bank branches to serve customers better.
- Increased in-branch sales of mortgages by 84%, investments by 23% and credit cards by 3%.
- Expanded convenience for Chase customers by opening 117 new branches.
- Increased the total number of checking accounts 5% to 26 million.
- Added more than 800 ATMs and made nearly 4,300 additional ATMs deposit-friendly by eliminating envelopes and providing images of deposited checks on the screen and on receipts.
- Expanded mobile banking capabilities by adding iPhone applications.
- Generated Retail Banking revenue of \$18 billion, up 42% from 2008.
- Originated \$150.7 billion of mortgage loans to help families to lower their payments by refinancing or to purchase a home.
- Offered nearly 600,000 mortgage modifications in an unprecedented initiative to help struggling homeowners stay in their homes.
- Opened 34 face-to-face loan-counseling centers – with 17 more opening in early 2010 – and sent counselors to 388 public reach-out events.
- Originated \$23.7 billion of auto financing to become the largest U.S. auto lender while maintaining disciplined underwriting.

Chase has expanded its network from 540 branches in four states in early 2004 to more than 5,100 branches in 23 states by the end of 2009 to serve customers better



Retail branch network in early 2004



Retail branch network by end of 2009

Card Services

We deliver products and services that meet both the spending and borrowing needs of our more than 50 million customers in the U.S. In addition to offering industry-leading products through the Chase brand, we are one of the largest issuers of co-brand credit cards, partnering with many of the world's most prominent brands.

Card Services is one of the nation's largest credit card issuers, with more than 145 million credit cards in circulation and over \$163 billion in managed loans. Customers used Chase cards to meet more than \$328 billion of their spending needs in 2009.

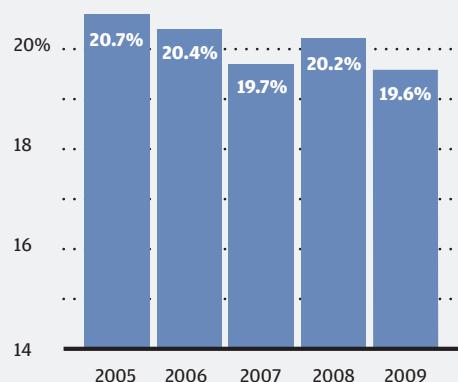
Chase continues to innovate despite a very difficult business environment, launching new products and services, such as BlueprintSM, Ultimate RewardsSM, Chase SapphireSM and InkSM from Chase, and earning a market leadership position in building loyalty and rewards programs.

Through its merchant acquiring business, Chase Paymentech Solutions, Chase is one of the leading processors of credit card payments.

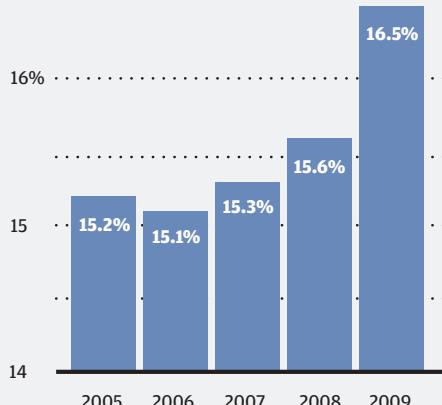
2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- Added 10.2 million new Visa, MasterCard and private label credit card accounts.
- Launched BlueprintSM, an innovative feature that allows customers to have more control of their spending and borrowing. BlueprintSM is designed to help customers pay down balances, manage everyday spending and pay off major purchases.
- Invested in activities – such as the launch of Ultimate RewardsSM, a new rewards platform for Chase's proprietary credit cards – designed to attract new customers and further engage current cardmembers.
- Introduced Chase SapphireSM, a new rewards product designed for affluent cardholders.
- Launched InkSM from Chase, a new product suite of cards for small business owners.
- Successfully completed the conversion of the Washington Mutual credit card portfolio to the Chase platform.
- Continued improvements in risk management, customer satisfaction, and systems and infrastructure.
- Processed 18 billion transactions through Chase Paymentech Solutions.

*End-of-period outstandings market share of general purpose credit cards**



*Sales volume market share of general purpose credit cards**



* Source: Earnings releases; internal reporting, excluding the Washington Mutual and private label portfolios

Commercial Banking

With offices in more than 100 U.S. cities and eight countries around the world, we are a stable and dependable local banking partner with access to global financial solutions. Our bankers build long-term relationships to help our clients succeed by supporting their lending, treasury, investment banking and asset management needs.

Commercial Banking serves nearly 25,000 clients nationally, including corporations, municipalities, financial institutions and not-for-profit entities with annual revenue generally ranging from \$10 million to \$2 billion, and more than 30,000 real estate investors/owners.

Delivering extensive industry knowledge, local expertise and dedicated service, Commercial Banking partners with the firm's other businesses to provide comprehensive solutions, including lending, treasury services, investment banking and asset management, to meet its clients' domestic and international financial needs.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- Maintained Top 3 leadership position nationally in market penetration and lead share.^(a)
- Ranked #1 multi-family lender^(b) and #2 asset-based lead arranger.^(c)
- Delivered more than \$1 billion in gross investment banking fees.
- Increased revenue by 20% to a record \$5.7 billion.
- Improved operating margin by 25% to \$3.5 billion on record revenue and continued focus on expense management.
- Delivered a double-digit increase in average liability balances, up 10%.
- Added in excess of 1,700 new clients and expanded more than 7,600 existing relationships.
- Expanded into five additional states across the United States with local middle market bankers delivering complete lending and treasury solutions.
- Demonstrated credit and risk management discipline with an allowance coverage ratio of more than 3% of retained loans and a decrease of more than 12% in real estate exposure.
- Achieved the second lowest nonperforming loan ratio in our peer group.
- Experienced online banking revenue growth of nearly 10% and remote deposit volume of nearly \$6 billion.
- Recognized for our commitment to fiscal responsibility by earning a 2009 National Greenwich Excellence Award for Financial Stability in Middle Market Banking.^(d)
- Successfully completed the conversion of Washington Mutual clients' commercial accounts onto Chase platforms.
- Continued to support communities by extending nearly \$8 billion in new financing to more than 500 government entities, healthcare companies, educational institutions and not-for-profit organizations.

Commercial Banking serves nearly 25,000 clients in 26 states across the country

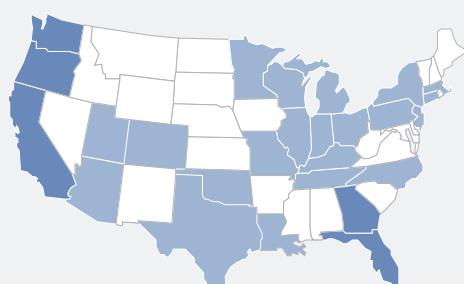
Nearly \$8 billion in new financing has been extended to help support our communities

(a) Greenwich Associates, Full Year 2009

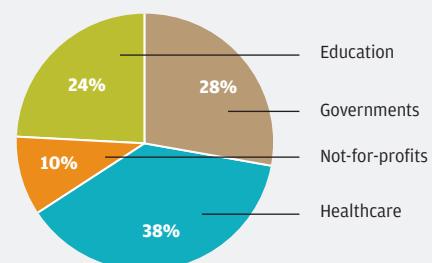
(b) FDIC, September 2009

(c) Loan Pricing Corporation, Full Year 2009

(d) Greenwich Associates, 2009



■ States with expanded middle market presence



Treasury & Securities Services

We actively work with clients on a global basis to fully optimize their working capital, manage their collateral and help mitigate their risk effectively.

J.P. Morgan's Treasury & Securities Services division is a global leader in transaction, investment and information services. We are one of the world's largest cash management providers, processing a market-leading average of \$3.1 trillion in U.S. dollar transfers daily, as well as a leading global custodian with \$14.9 trillion in assets under custody. We operate through two divisions:

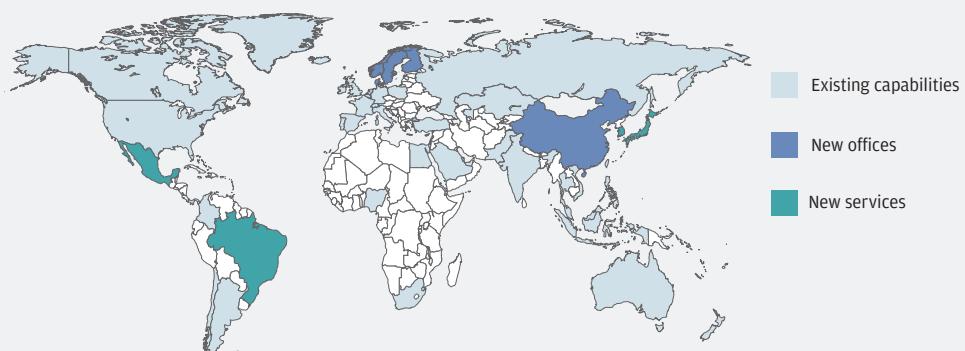
Treasury Services provides cash management, trade, wholesale card and liquidity products and services to small- and mid-sized companies, multinational corporations, financial institutions and government entities.

Worldwide Securities Services holds, values, clears and services securities, cash and alternative investments for investors and broker-dealers and manages depositary receipt programs globally.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- Continued strong underlying growth in the following key business drivers: international electronic funds transfer volumes grew 13%, assets under custody grew 13% and the number of wholesale cards issued grew 19%.
- Received more than 100 industry awards and top rankings, including Securities Lending Manager of the Year (*Global Pensions*), Best Overall Hedge Fund Administrator (*HFMWeek*), Pension Fund Custodian of the Year (*ICFA* magazine), Fund Administrator of the Year: Europe (*ICFA* magazine), Best Depositary Receipt Bank (*The Asset*), Best Overall Bank for Cash Management: North America (*Global Finance*), Best Liquidity Solutions Provider (*The Asset*), Best Global Cash Management Services in Asia Pacific (*Asiamoney*) and many others.
- The only financial institution invited by the U.S. Department of the Treasury's Financial Management Service (FMS) and the Department of Defense to participate in a series of meetings in the U.S., Kuwait and Afghanistan to assist FMS and the U.S. Army toward implementing a prepaid card program that would not only help U.S. troops but also benefit the local population in Afghanistan.
- Strengthened our international presence: Opened branches in China, Denmark, Finland, Norway and Sweden; launched services in Tokyo, South Korea, Brazil and Mexico; and expanded capabilities in Australia, India, Europe, the Middle East and Africa.
- Acquired ANZ's Custodian Services business, including access to more than 100 clients and AUD99 billion in assets under custody, further strengthening our position as one of the leading providers of third-party custodial services in the Australian and New Zealand marketplace.
- Remained the #1 clearer of U.S. dollars in the world and have been #1 in Automated Clearing House originations for the past 34 years.
- Announced the formation of the Prime-Custody Solutions Group, a team responsible for delivering the firm's integrated prime brokerage and custody platform to clients.
- Led depositary receipt initial public offering (IPO) capital raising with a 77% market share and three of the five largest IPOs of the year, including landmark deals from both Brazil and China.

We expanded our global footprint to better serve clients around the world



Asset Management

Our business has been built upon our core principle of putting our clients' interests first. Inherent in that commitment is a fiduciary responsibility of successfully managing our clients' assets – which is the foundation of what we do – every minute of every day.

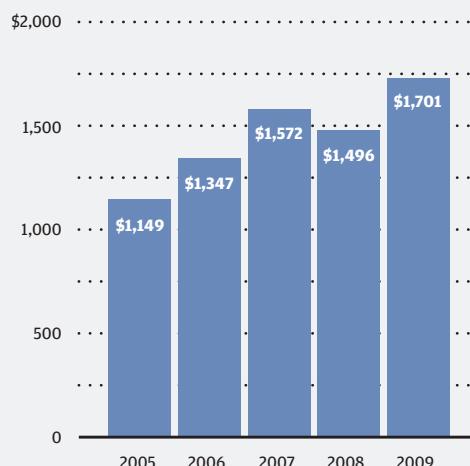
Asset Management, with assets under supervision of \$1.7 trillion, is a global leader in investment and wealth management.

Asset Management clients include institutions, retail investors and high-net-worth individuals in every major market throughout the world. Asset Management offers its clients global investment management in equities, fixed income, real estate, hedge funds, private equity and liquidity, including money market instruments and bank deposits. Asset Management also provides trust and estate, banking and brokerage services to high-net-worth clients and retirement services to corporations and individuals. The majority of Asset Management's client assets are in actively managed portfolios.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- As the #1 money market fund manager in the world, managed more than \$500 billion in global liquidity assets on behalf of clients. In 2009, the J.P. Morgan US Dollar Liquidity Fund became the largest mutual fund in Europe and the first of its kind to reach \$100 billion in assets.
- Achieved record revenue of \$2.6 billion in the Private Bank led by strong brokerage activity as we put timely, innovative investment opportunities to work for clients.
- Provided clients with superior risk-adjusted returns. The percentage of global long-term mutual fund assets under management in the first or second quartiles was 74% for the five-year period and 62% for the three-year period ended December 31, 2009.
- Ranked third in long-term U.S. mutual fund flows as retail investors sought the stability and performance of J.P. Morgan Funds.
- Ranked #4 U.S. Mutual Fund Family based on investment performance over five-year period.^(a)
- Expanded Private Wealth Management into five new markets: Miami, Philadelphia, San Francisco, Seattle and Washington, D.C.
- Granted more than \$100 million to charities throughout the world on behalf of Private Bank fiduciary clients.
- Euromoney* rated the Private Bank as the top private bank for ultra-high-net-worth clients globally.
- China International Fund Management, the joint venture between J.P. Morgan Asset Management and Shanghai International Trust & Investment Co., was named the best overall performing foreign asset manager operating in China by a PricewaterhouseCoopers survey.
- Received the Gold Standard Award for Funds Management in the United Kingdom for the seventh year in a row from leading publishing house Incisive Media.
- Named Asset Management Company of the Year in Asia and Hong Kong by *The Asset* magazine.
- Completed the acquisition of Highbridge Capital Management. In 2009, Highbridge clients experienced the best investment performance in its 17-year operating history. Since the formation of the partnership in 2004, client assets under management have grown threefold.

Assets under supervision
(in billions)



(a) Barron's

Corporate Responsibility

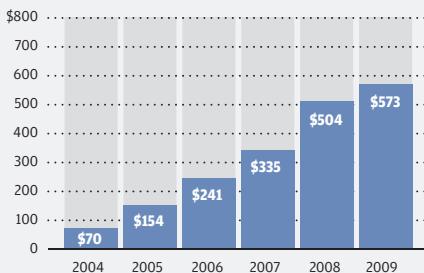
We do our best to manage and operate our company with a consistent set of business principles and core values. First and foremost, this means always trying to do the right thing.

At JPMorgan Chase, corporate responsibility is about what we do every day in our businesses and how we do it. We are committed to managing our businesses to create value for our consumer, small business and corporate clients, as well as our shareholders, communities and employees, and to being a responsible corporate citizen.

2009 HIGHLIGHTS AND ACCOMPLISHMENTS

- Invested more than \$573 billion in low- and moderate-income families and communities in the first six years of our 10-year, \$800 billion Community Development commitment and also earned the highest possible rating of Outstanding in our latest Community Reinvestment Act examination.

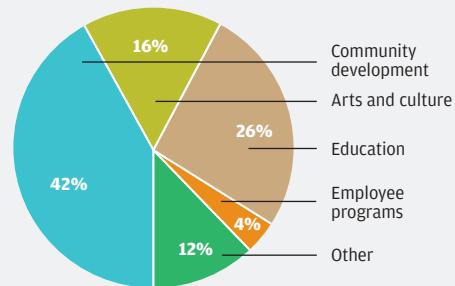
First six years of cumulative spend of our 10-year, \$800 billion commitment to invest in low- and moderate-income families and communities (in billions)



- Provided in excess of \$690 million in financing for the construction or preservation of more than 5,500 units of affordable housing and made investments in low-income communities through our New Markets Tax Credits. Recognized leader in supporting community development financial institutions.
- Demonstrated our support for impact investing through our principal investment and placements activity in the microfinance sector, through our research on microfinance issues, and as a founding sponsor of the Global Impact Investing Network. Expanded commitment to Grameen Foundation's Bankers without Borders®, an innovative program bringing private sector talent to the microfinance sector.
- Launched the innovative philanthropic campaign, Chase Community Giving, engaging more than 2 million Facebook users in helping to direct over \$5 million to small and local charities.

- Strategically contributed more than \$100 million in high-need neighborhoods across the globe while supporting thousands of not-for-profits charged with strengthening the communities we serve. Multiplied the impact of our philanthropic investments through active partnership with employee volunteers, community leaders, and other private and public funders.

2009 charitable contributions*



* Percentages include charitable giving from JPMorgan Chase & Co. and the JPMorgan Chase Foundation

- Continued energy efficiency programs to meet our 20% greenhouse gas reduction target. Bought 100,000 carbon credits to offset emissions from employee air travel. Increased number of branches built to smart and responsible construction practices to more than 90, including 13 LEED certified branches. Significantly increased procurement of paper from certified responsibly managed sources from 8% of total volume to over 69% and continued efforts to eliminate paper statements across the firm.
- Reviewed more than 180 financial transactions to determine and, where possible, mitigate adverse environmental and social impacts.
- Maintained more than \$1 billion in annual spend with diverse suppliers despite a reduction in firmwide spend.