APRIL 16, 2008

# FINANCIAL RESULTS

## 1Q08

JPMorganChase

# 1Q08 Financial highlights

- Earnings of $2.4B on revenue of $17.9B
- EPS of $0.68 down 49% from record 1Q07 earnings
- Tier 1 capital remained strong at $89.6B, or 8.3% (estimated)
- Credit reserves further strengthened by $2.5B firmwide, of which $1.1B is related to home equity portfolio
- Investment Bank took markdowns of $2.6B, including markdowns on leveraged lending, prime, Alt-A and subprime mortgages
- Sale proceeds of $1.5B (pretax) on the sale of Visa shares in initial public offering
- Continuing underlying business momentum:
  - Retail Financial Services grew revenue by 15%
  - Investment Bank ranked #1 for Global Investment Banking Fees[1] and for first time ever, #1 in Global Debt, Equity and Equity-Related[2]
  - Treasury & Securities Services increased earnings 53%
  - Commercial Banking grew liability balances by 22% and loans by 18%
  - Asset Management grew assets under management by 13%
- Announced the planned acquisition of Bear Stearns on March 16

[1] Source: Dealogic
[2] Source: Thomson Financial

# 1Q08 Managed Results[1]

**$ in millions**

| | | $ O/(U) | | O/(U) % | |
|---|---|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 | 4Q07 | 1Q07 |
| Revenue (FTE)[1] | $17,898 | ($377) | ($1,843) | (2)% | (9)% |
| Credit Costs[1] | 5,105 | 1,944 | 3,504 | 61% | 219% |
| Expense[2] | 8,931 | (1,789) | (1,697) | (17)% | (16)% |
| Reported Net Income | $2,373 | ($598) | ($2,414) | (20)% | (50)% |
| Reported EPS | $0.68 | ($0.18) | ($0.66) | (21)% | (49)% |
| ROE[3] | 8% | 10% | 17% | | |
| ROE Net of GW[3] | 12% | 15% | 27% | | |
| ROTCE[3, 4] | 13% | 17% | 30% | | |

[1] Managed basis presents revenue and credit costs without the effect of credit card securitizations. Revenue is on a fully taxable-equivalent (FTE) basis. All references to credit costs refer to managed provision for credit losses

[2] Includes merger costs of $22mm in 4Q07 and $62mm in 1Q07

[3] Actual numbers for all periods, not over/under

[4] See note 1 on slide 20

# Investment Bank

| $ in millions | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Revenue | $3,011 | ($161) | ($3,243) |
| Investment Banking Fees | 1,206 | (451) | (523) |
| Fixed Income Markets | 466 | (149) | (2,126) |
| Equity Markets | 976 | 398 | (563) |
| Credit Portfolio | 363 | 41 | (31) |
| Credit Costs | 618 | 418 | 555 |
| Expense | 2,553 | (458) | (1,278) |
| Net Income | ($87) | ($211) | ($1,627) |
| Key Statistics[1] | | | |
| Overhead Ratio | 85% | 95% | 61% |
| Comp/Revenue | 41% | 49% | 42% |
| Allowance for loan losses to average loans | 2.55% | 1.93% | 1.76% |
| ROE | (2)% | 2% | 30% |
| VAR ($mm)[2] | $122 | $123 | $83 |

[1] Actual numbers for all periods, not over/under
[2] Average Trading and Credit Portfolio VAR
[3] Source: Dealogic
[4] Source: Thomson Financial

- Net loss of $87mm on revenue of $3.0B, down 52% YoY
- IB fees of $1.2B down 30% YoY, driven primarily by a decline in debt underwriting fees
  - Ranked #1 for total Global Investment Banking Fees[3]; market share grew from 7.2%[3] in 2007 to 7.4%[3] in 1Q08
  - Ranked #1 in Global Debt, Equity and Equity-Related[4] for first time ever
- Fixed Income Markets revenue of $466mm decreased 82% YoY reflecting:
  - Markdowns of $2.6B: $1.2B on prime, Alt-A and subprime mortgages; $1.1B on leveraged lending commitments; $266mm on CDO warehouse and unsold positions
  - All other trading results include record rates & currencies and strong trading results in credit trading, commodities and emerging markets. Mixed results in all other businesses
  - Gain of $662mm from the widening of the firm's credit spread on certain structured liabilities
- Equity Markets revenue of $1.0B down 37% YoY, driven by weak trading results, offset partially by strong client flows and gains of $287mm from the widening of the firm's credit spread on certain structured liabilities
- Credit costs of $618mm were driven by increased allowance, including the impact of the transfer of $4.9B of leveraged lending commitments to the retained loan portfolio

# Leveraged Lending

- Net additional markdown of $1.1B for the quarter on the remaining funded and unfunded commitments of $22.5B
- $22.5B of funded and unfunded commitments with gross markdowns in excess of 11% at 3/31/2008
  - $26.4B of funded and unfunded commitments at 12/31/2007
  - ($2.3B) closed, distributed and other reductions in quarter
  - $3.3B new commitments
  - ($4.9B) transferred to held-for-investment
  - $22.5B of leveraged lending funded and unfunded commitments at 3/31/08 classified as held-for-sale
- Valuations are deal specific and result in a wide range of pricing levels; markdowns represent best indication of prices at 3/31/08

Note: $8.0B total commitments at 3/31/08 classified as held-for-investment

# Other Investment Bank Risk Topics

**Mortgage Related**

- Prime / Alt-A exposure of $12.8B - markdowns of $1.1B
  - Prime - securities of $5.6B, mostly AAA-rated and $1.5B of first lien mortgages
  - Alt-A - securities of $3.5B, mostly AAA-rated and $2.2B of first lien mortgages
- Subprime exposure of $1.9B – markdowns of $152mm
  - Exposure is hedged by approximately ($1.6B) of hedges and short positions
- CMBS exposure of $13.5B
  - The majority is comprised of loans and securities of which 50% are AAA-rated

**Collateralized Debt Obligation ("CDO") Warehouse and Unsold Positions**

- CDO warehouse and unsold positions of $4.4B - markdowns of $266mm
  - Mostly corporate credit underlying; no subprime

**Fair value accounting**

- Firm-wide Level 3 assets are expected to increase from 5% to 6%[1] of total firm-wide assets in 1Q08

[1] Includes assets measured at fair value on a recurring basis and Level 3 held-for-sale loans which are accounted for under LOCOM. These numbers are estimates

# Retail Financial Services - Drivers

**Key Statistics[1] ($ in billions)**

| | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| Regional Banking | | | |
| Average Deposits | $214.3 | $208.5 | $206.5 |
| Checking Accts (mm) | 11.1 | 10.8 | 10.2 |
| # of Branches | 3,146 | 3,152 | 3,071 |
| # of ATMs | 9,237 | 9,186 | 8,560 |
| Investment Sales ($mm) | $4,084 | $4,114 | $4,783 |
| Home Equity Originations | $6.7 | $9.8 | $12.7 |
| Avg Home Equity Loans Owned | $95.0 | $94.0 | $86.3 |
| Avg Mortgage Loans Owned[2,3] | $15.8 | $13.7 | $8.9 |
| Mortgage Banking | | | |
| Mortgage Loan Originations | $47.1 | $40.0 | $36.1 |
| 3rd Party Mortgage Loans Svc'd | $627 | $615 | $546 |
| Auto | | | |
| Auto Originations | $7.2 | $5.6 | $5.2 |
| Avg Auto Loans and Leases | $45.1 | $43.5 | $42.5 |

- Average deposits up 4% YoY
- Branch production statistics YoY:
  - Checking accounts up 9%
  - Credit card sales up 18%
  - Mortgage originations up 39%
  - Investment sales down 15%
- Home equity originations down 47% YoY due to tighter underwriting standards and housing market deterioration
- Mortgage loan originations up 30% YoY
- 3rd party mortgage loans serviced up 15% YoY

[1] Actual numbers for all periods, not over/under
[2] Does not include held-for-sale loans
[3] Reflects primarily subprime mortgage loans owned. As of 3/31/08, $34.3B of held-for-investment prime mortgage loans sourced by RFS are reflected in Corporate for reporting and risk management purposes. The economic benefits of these loans flow to RFS

# Retail Financial Services

**$ in millions**

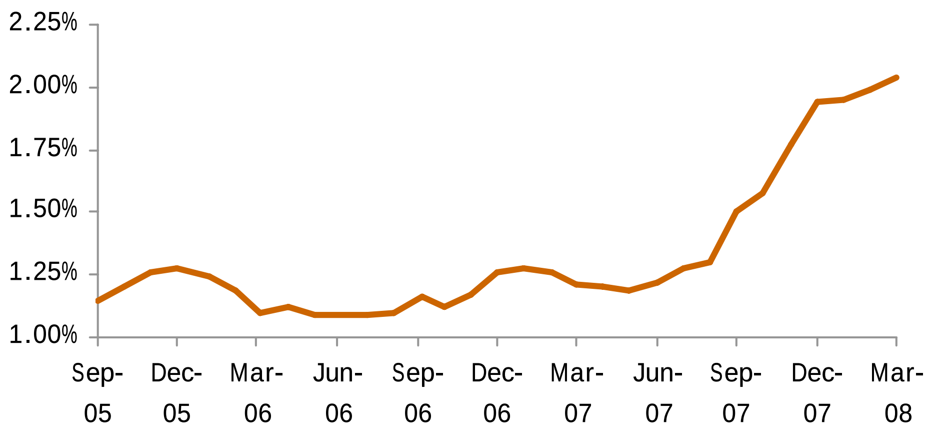
| | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Net Interest Income | $3,011 | $306 | $394 |
| Noninterest Revenue | 1,691 | (419) | 202 |
| Total Revenue | 4,702 | (113) | 596 |
| Credit Costs | 2,492 | 1,441 | 2,200 |
| Expense | 2,570 | 30 | 163 |
| Net Income | ($227) | ($979) | ($1,086) |
| Regional Banking | ($433) | ($804) | ($1,123) |
| Consumer and Business Banking | 545 | (17) | 37 |
| Loan Portfolio/Other | (978) | (787) | (1,160) |
| Mortgage Banking | 132 | (200) | 48 |
| Auto Finance | $74 | $25 | ($11) |
| Key Statistics[1] | | | |
| Overhead (excl. CDI) | 53% | 50% | 56% |
| Net Charge-off Rate[2] | 1.71% | 1.17% | 0.46% |
| Allowance for Loan Losses to EOP Loans | 2.28% | 1.46% | 0.89% |
| ROE | (5)% | 19% | 22% |

- Net loss of $227mm driven by increased credit costs
- Revenue of $4.7B grew 15% YoY
- Credit costs in 1Q08 include a $1.7B addition to allowance (including $1.1B home equity and $417mm subprime mortgage) and higher net charge-offs across all segments
- Expense growth of 7% YoY reflects higher mortgage production and servicing expense and investments in retail distribution
- Regional Banking net loss of $433mm reflects a significant increase in the provision for credit losses. Net revenue of $3.4B was up 11% YoY, benefiting from higher loan balances, wider loan spreads, increased deposit-related fees and higher deposit balances
- Mortgage Banking net income of $132mm was up 57% YoY driven by increased production revenue
- Auto Finance net income of $74mm declined 13% YoY primarily due to increased credit costs

[1] Actual numbers for all periods, not over/under
[2] The net charge-off rate for 1Q08 and 4Q07 excluded $14mm and $2mm, respectively, of charge-offs related to prime mortgage loans held by Treasury in the Corporate sector

# Home Equity

## JPM 30-day delinquency trend




## Key statistics

| | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| EOP owned portfolio ($B) | $95.0 | $94.8 | $87.7 |
| Net charge-offs ($mm) | $447 | $248 | $68 |
| Net charge-off rate | 1.89% | 1.05% | 0.32% |

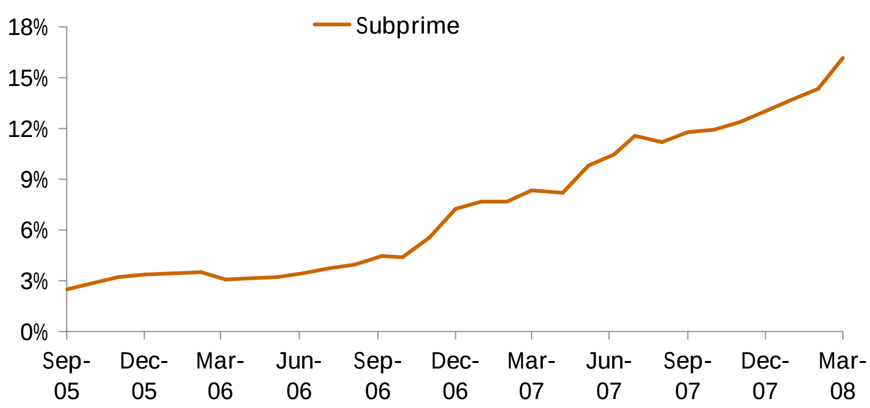
## Comments on home equity

- 1Q08 addition to allowance for loan losses of $1.1B is sufficient to cover annual net charge-offs of approximately $2.6B
- Significant underwriting changes made over the past year include elimination of stated income loans and state/MSA based reductions in maximum CLTVs based on expected housing price trends. Maximum CLTVs now range from 60% to 85%
- 2008 originations are expected to be down significantly from 2006-2007 levels
- High CLTVs continue to perform poorly, exacerbated by housing price declines in key geographies

Note: CLTV = Combined-Loan-to-Value. This metric represents how much equity the borrower has in the property

# Subprime Mortgage

## JPM 30-day delinquency trend




## Subprime mortgage key statistics

| | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| EOP owned portfolio ($B)[1] | $15.8 | $15.5 | $9.0 |
| EOP held-for-sale ($B) | - | - | $3.7 |
| Net charge-offs ($mm) | $149 | $71 | $20 |
| Net charge-off rate | 3.82% | 2.08% | 0.92% |

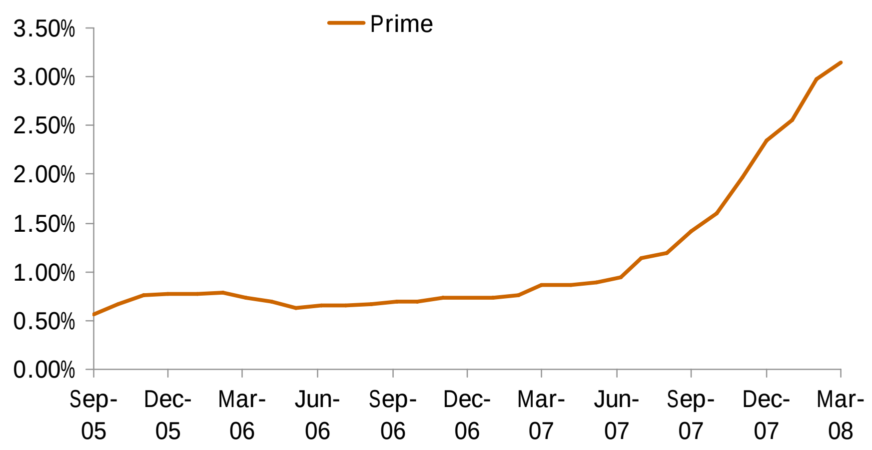
[1] Excludes mortgage loans held in the Community Development loan portfolio

## Comments on subprime mortgage portfolio

- 1Q08 addition to allowance for loan losses of $417mm is sufficient to cover annual net charge-offs of approximately $700mm
- Portfolio experiencing credit deterioration as a result of risk layering and housing price declines
- Additional underwriting changes have effectively eliminated new production in the current environment

# Prime Mortgage

## JPM 30-day delinquency trend




## Prime mortgage portfolio key statistics

| | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| EOP balances in Corporate ($B) | $41.1 | $36.9 | $26.5 |
| EOP balances in RFS ($B) | 4.0 | 3.6 | 7.4 |
| Total | $45.1 | $40.5 | $33.9 |
| | | | |
| Net charge-offs ($mm) | $50 | $17 | $3 |
| Net charge-off rate | 0.48% | 0.18% | 0.04% |

## Comments on prime mortgage portfolio

- 1Q08 addition to allowance for loan losses of $256mm
- Prime mortgage includes[1]:
  - $32.1B of jumbo mortgages
  - $2.6B of Alt-A mortgages
- Recent underwriting changes for non-conforming loans include:
  - Eliminated stated income/assets in wholesale and correspondent channels
  - Reduced maximum allowable CLTVs in all markets and set even tighter CLTV limits in declining home price markets

Note: CLTV = Combined-Loan-to-Value. This metric represents how much equity the borrower has in the property
[1] $0.3B jumbo mortgages and $1.2B Alt-A mortgages are in warehouse

# Card Services (Managed)

**$ in millions**

| | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Revenue | $3,904 | ($67) | $224 |
| Credit Costs | 1,670 | (118) | 441 |
| Expense | 1,272 | 49 | 31 |
| Net Income | $609 | - | ($156) |
| Key Statistics ($B)[1] | | | |
| Avg Outstandings | $153.6 | $151.7 | $149.4 |
| EOP Outstandings | $150.9 | $157.1 | $146.6 |
| Charge Volume | $85.4 | $95.5 | $81.3 |
| Net Accts Opened (mm) | 3.4 | 5.3 | 3.4 |
| Managed Margin | 8.34% | 8.20% | 8.11% |
| Net Charge-Off Rate | 4.37% | 3.89% | 3.57% |
| 30-Day Delinquency Rate | 3.66% | 3.48% | 3.07% |
| ROO (pretax) | 2.52% | 2.51% | 3.28% |
| ROE | 17% | 17% | 22% |

[1] Actual numbers for all periods, not over/under

- Net income of $609mm down by $156mm, or 20% YoY; decline in results driven by increase in credit costs
- Credit costs up by $441mm, or 36% YoY due to a higher level of charge-offs and an $85mm prior-year reduction of the allowance for loan losses
- Average outstandings of $153.6B up 3% YoY and 1% QoQ
- Charge volume growth of 5% YoY reflects a 10% increase in sales volume, offset partially by a lower level of balance transfers, the result of more targeted marketing efforts
- Revenue of $3.9B up by $224mm or 6% YoY
- Managed margin increased to 8.34% from 8.11% YoY and 8.20% in the prior quarter
- Expense of $1.3B up by $31mm, or 2% YoY, primarily due to higher marketing expense

# Commercial Banking

| $ in millions | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Revenue | $1,067 | ($17) | $64 |
| Middle Market Banking | 706 | 11 | 45 |
| Mid-Corporate Banking | 207 | (32) | (5) |
| Real Estate Banking | 97 | (5) | (5) |
| Other | 57 | 9 | 29 |
| Credit Costs | 101 | (4) | 84 |
| Expense | 485 | (19) | - |
| Net Income | $292 | $4 | ($12) |
| Key Statistics ($B)[1] | | | |
| Avg Loans & Leases | $68.0 | $65.5 | $57.7 |
| Avg Liability Balances[2] | $99.5 | $96.7 | $81.8 |
| Overhead Ratio | 45% | 46% | 48% |
| Net Charge-Off Rate | 0.48% | 0.21% | (0.01)% |
| Allowance for loan losses to average loans | 2.65% | 2.66% | 2.68% |
| ROE | 17% | 17% | 20% |

[1] Actual numbers for all periods, not over/under
[2] Includes deposits and deposits swept to on-balance sheet liabilities

- Net income of $292mm down 4% YoY driven by an increase in the provision for credit losses, largely offset by higher net revenue
- Average loans up 18% and liability balances up 22% YoY
- Revenue of $1.1B up 6% YoY primarily due to higher treasury services and lending revenue, partially offset by lower IB revenue
- Credit costs reflect higher net charge-offs, primarily related to residential real estate, the effect of the weakening credit environment and growth in loan balances
- Expense relatively flat YoY, with overhead ratio of 45%

# Treasury & Securities Services

**$ in millions**

| | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Revenue | $1,913 | ($17) | $387 |
| Treasury Services | 813 | (11) | 124 |
| Worldwide Securities Svcs | 1,100 | (6) | 263 |
| Expense | 1,228 | 6 | 153 |
| Net Income | $403 | ($19) | $140 |
| Key Statistics[1] | | | |
| Avg Liability Balances ($B)[2] | $254.4 | $250.6 | $210.6 |
| Assets under Custody ($T) | $15.7 | $15.9 | $14.7 |
| Pretax Margin | 34% | 35% | 27% |
| ROE | 46% | 56% | 36% |
| TSS Firmwide Revenue | $2,598 | $2,636 | $2,142 |
| TS Firmwide Revenue | $1,498 | $1,530 | $1,305 |
| TSS Firmwide Avg Liab Bal ($B)[2] | $353.8 | $347.4 | $292.4 |

[1] Actual numbers for all periods, not over/under
[2] Includes deposits and deposits swept to on-balance sheet liabilities

- Net income of $403mm up 53% YoY
  - Pretax margin of 34%
- Liability balances up 21% YoY
- Assets under custody up 7% YoY
- Revenue up 25% YoY driven by:
  - Double-digit revenue growth in both TS and WSS
  - Higher client volumes across businesses
  - WSS benefited from wider spreads in securities lending and foreign exchange driven by recent market conditions
- Expense up 14% YoY driven by:
  - Higher expense related to business and volume growth
  - Investment in new product platforms

# Asset Management

**$ in millions**

| | | $ O/(U) | |
|---|---|---|---|
| | 1Q08 | 4Q07 | 1Q07 |
| Revenue | $1,901 | ($488) | ($3) |
| Private Bank | 655 | (58) | 95 |
| Institutional | 490 | (264) | (61) |
| Retail | 466 | (174) | (61) |
| Private Client Services | 290 | 8 | 24 |
| Credit Costs | 16 | 17 | 25 |
| Expense | 1,323 | (236) | 88 |
| Net Income | $356 | ($171) | ($69) |
| Key Statistics ($B)[1] | | | |
| Assets under Management | $1,187 | $1,193 | $1,053 |
| Assets under Supervision | $1,569 | $1,572 | $1,395 |
| Average Loans[2] | $36.6 | $32.6 | $25.6 |
| Average Deposits | $68.2 | $64.6 | $54.8 |
| Pretax Margin | 30% | 35% | 36% |
| ROE | 29% | 52% | 46% |

- Net income of $356mm down 16% YoY and 32% QoQ
  - Pretax margin of 30%
- Revenue of $1.9B flat YoY as the benefit from higher AUM and deposit and loan growth was offset by lower performance fees and lower market valuations for seed capital investments
- Revenue decline of 20% QoQ driven by seasonality in the recognition of performance fees and a decline in AUM due to lower market levels
- Assets under management of $1.2T, up 13% YoY and flat QoQ
  - Net AUM inflows of $47B for 1Q08 and $143B for the past twelve months
  - 1Q08 AUM balances affected by markets
- Continued mixed global investment performance
  - 75% of mutual fund AUM ranked in first or second quartiles over past five years; 73% over past three years; 52% over one year
- Expense up 7% YoY, driven by higher compensation related to increased headcount

[1] Actual numbers for all periods, not over/under
[2] Reflects the transfer in 2007 of held-for-investment prime mortgage loans from AM to Treasury within the Corporate segment

# Corporate/Private Equity

**$ in millions**

| | 1Q08 | $ O/(U) 4Q07 | $ O/(U) 1Q07 |
|---|---|---|---|
| Private Equity | $57 | ($299) | ($641) |
| Corporate ex. Visa | 15 | 108 | 44 |
| Visa | 955 | 955 | 955 |
| Net Income[1] | $1,027 | $778 | $396 |

[1] Includes after-tax merger costs of $14mm in 4Q07 and $38mm in 1Q07

## Private Equity

- Private Equity gains of $189mm in 1Q08
- EOP Private Equity portfolio of $6.6B
  - Represents 8.3% of common equity less goodwill

## Corporate

- Net income of $15mm excluding sale proceeds on Visa
- Sale proceeds of $955mm (after-tax) on the sale of Visa shares in initial public offering

# Capital Management / Fortress Balance Sheet

| $ in billions | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| Tangible Common Equity[1] | $74.0 | $71.9 | $65.7 |
| Common Shareholders' Equity less Goodwill | $79.9 | $78.0 | $72.6 |
| Tier 1 Capital[2] | $89.6 | $88.7 | $82.5 |
| Risk Weighted Assets[2] | $1,075.9 | $1,051.9 | $972.8 |
| Tier 1 Capital Ratio[2] | 8.3% | 8.4% | 8.5% |
| Total Capital Ratio[2] | 12.5% | 12.6% | 11.8% |
| Leverage Ratio[2] | 6.0% | 6.0% | 6.2% |
| TCE/Managed RWA[1,2] | 6.8% | 6.7% | 6.6% |

- Strong capital positions with Tier I capital ratio at 8.3% (estimated)
- Strong liquidity and funding position
- Reserve coverage ratios remain strong:

| Allowance for loan losses to loans | 1Q08 | 4Q07 | 1Q07 |
|---|---|---|---|
| Consumer ex. Card | 2.00% | 1.23% | 0.79% |
| Card Services | 4.49% | 4.04% | 3.96% |
| Investment Bank | 2.55% | 1.93% | 1.76% |
| Commercial Banking | 2.65% | 2.66% | 2.68% |

[1] See note 1 on slide 20
[2] Estimated for 1Q08

# Bear Stearns Transaction Update

- Expect closing by June 30, 2008
- Increase in capital at closing of approximately $5B +/-
  - Estimated adjustments to book value include:
    - Bear Stearns results through closing
    - Cost of de-leveraging / de-risking the balance sheet
    - Purchase accounting, restructuring, litigation, etc.
- Extraordinary gain will be reflected in 2Q08 results
- Ongoing merger costs in second half of 2008
- Capital ratios will remain strong after Bear Stearns transaction

# Bear Stearns Merger Integration Update

**Execution**

- Firmwide Merger Integration Office established
  - Each business area and function represented
- Day 1 Integration Plan / Milestones established
- 90% complete with acquisition suite selection

**People**

- Named new IB Management Team for the combined firm
- Aiming for next level of announcements by the end of April
- Completed people mapping – all 14,000 people tracked to appropriate JPM area
- Set up groundbreaking "Talent Network" to help place all employees not offered positions with JPMorgan Chase

**Risks**

- Aggregated and categorized all market / credit risk positions
- Revised risk limits to match appetite
- Progress made in hedging / de-risking outsized risk positions for combined firm

# 2008 Outlook

## Investment Bank

- Good market share but lower IB fees
- Reduced trading expectations for foreseeable future
- Strong credit reserves; credit losses are idiosyncratic

## Retail Financial Services

- Solid underlying growth
- Continued deterioration in home equity, subprime and prime mortgage

## Card Services

- 2008 losses of 4.50%-5.00% +/- depend on economy and unemployment
- Slowing card spend

## CB

- Good underlying growth
- Strong reserves but credit normalizing

## TSS

- Good underlying growth, which includes benefit of recent market conditions

## AM

- Lower revenue given lower markets
- Good growth in new assets under management

## Corporate/Private Equity

- Private Equity
  - Results will be volatile by quarter
  - Low visibility
- Corporate
  - Expect combined net loss to be $50mm – $100mm per quarter in 2008

# Notes on non-GAAP financial measures and forward-looking statements

*This presentation includes non-GAAP financial measures.*

1. *TCE as used on slide 2 for purposes of a return on tangible common equity and presented as Tangible Common Equity on slide 16 (line 1) is defined as common stockholders' equity less identifiable intangible assets (other than MSRs) and goodwill. TCE as used in slide 16 (line 8) in the TCE/Managed RWA ratio, which is used for purposes of a capital strength calculation, is defined as common stockholders' equity plus a portion of junior subordinated notes (which have certain equity-like characteristics due to their subordinated and long-term nature) less identifiable intangible assets (other than MSRs) and goodwill. The latter definition of TCE is used by the firm and some analysts and creditors of the firm when analyzing the firm's capital strength. The TCE measures used in this presentation are not necessarily comparable to similarly titled measures provided by other firms due to differences in calculation methodologies.*

2. *Financial results are presented on a managed basis, as such basis is described in the firm's Annual Report on Form 10-K for the year ended December 31, 2007.*

3. *All non-GAAP financial measures included in this presentation are provided to assist readers in understanding certain trend information. Additional information concerning such non-GAAP financial measures can be found in the above-referenced filings, to which reference is hereby made.*

*Forward looking statements*

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase's results to differ materially from those described in the forward-looking statements can be found in the firm's Annual Report on Form 10-K for the year ended December 31, 2007 and its March 24, 2008 Current Report on Form 8-K, both filed with the United States Securities and Exchange Commission (SEC) and available at the SEC's Internet site (http://www.sec.gov).*

*Additional Information*

*In connection with the proposed merger with The Bear Stearns Companies Inc (Bear Stearns), JPMorgan Chase has filed with the SEC a Registration Statement on Form S-4 that includes a preliminary proxy statement of Bear Stearns that also constitutes a prospectus of JPMorgan Chase. Bear Stearns will mail the definitive proxy statement/prospectus, when it becomes available, to its stockholders. JPMorgan Chase and Bear Stearns urge investors and security holders to read the definitive proxy statement/prospectus, when it becomes available, because it will contain important information. You may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC's website (www.sec.gov). You may also obtain these documents, free of charge, from JPMorgan Chase's website (www.jpmorganchase.com) under the tab "Investor Relations," then under the heading "Financial Information," then under the item "SEC Filings," and then under the item "Display all of the above SEC filings." You may also obtain these documents, free of charge, from Bear Stearns's website (www.bearstearns.com) under the heading "Investor Relations" and then under the tab "SEC Filings."*

*JPMorgan Chase, Bear Stearns and their respective directors, executive officers and certain other members of management and employees may solicit proxies from Bear Stearns stockholders in favor of the merger. Information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the Bear Stearns stockholders in connection with the proposed merger will be set forth in the definitive proxy statement/prospectus filed with the SEC. You can find information about JPMorgan Chase's executive officers and directors in its proxy statement filed with the SEC on March 31, 2008. You can find information about Bear Stearns's executive officers and directors in the amendment to its Annual Report on Form 10-K filed with the SEC on March 31, 2008. You can obtain free copies of these documents from JPMorgan Chase and Bear Stearns using the contact information above.*