

JPMORGAN CHASE & Co.

EARNINGS RELEASE FINANCIAL SUPPLEMENT

FIRST QUARTER 2009

JPMORGAN CHASE & CO.

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JPMORGAN CHASE & CO.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share, ratio and headcount data)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|---|------------------|----------------|----------------|-----------------|-----------------|-------------|-------------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| SELECTED INCOME STATEMENT DATA: | | | | | | | |
| Reported Basis | | | | | | | |
| Total net revenue | \$ 25,025 | \$ 17,226 | \$ 14,737 | \$ 18,399 | \$ 16,890 | 45 % | 48 % |
| Total noninterest expense | 13,373 | 11,255 | 11,137 | 12,177 | 8,931 | 19 | 50 |
| Pretax pre-provision profit | 11,652 | 5,971 | 3,600 | 6,222 | 7,959 | 95 | 46 |
| Provision for credit losses | 8,596 | 7,313 | 5,787 | 3,455 | 4,424 | 18 | 94 |
| Income (loss) before extraordinary gain | 2,141 | (623) | (54) | 2,003 | 2,373 | NM | (10) |
| Extraordinary gain | - | 1,325 | 581 | - | - | NM | - |
| NET INCOME | 2,141 | 702 | 527 | 2,003 | 2,373 | 205 | (10) |
| Managed Basis (a) | | | | | | | |
| Total net revenue | \$ 26,922 | \$ 19,108 | \$ 16,088 | \$ 19,678 | \$ 17,898 | 41 | 50 |
| Total noninterest expense | 13,373 | 11,255 | 11,137 | 12,177 | 8,931 | 19 | 50 |
| Pretax pre-provision profit | 13,549 | 7,853 | 4,951 | 7,501 | 8,967 | 73 | 51 |
| Provision for credit losses | 10,060 | 8,541 | 6,660 | 4,285 | 5,105 | 18 | 97 |
| Income (loss) before extraordinary gain | 2,141 | (623) | (54) | 2,003 | 2,373 | NM | (10) |
| Extraordinary gain | - | 1,325 | 581 | - | - | NM | - |
| NET INCOME | 2,141 | 702 | 527 | 2,003 | 2,373 | 205 | (10) |
| PER COMMON SHARE: | | | | | | | |
| Basic Earnings (b) | | | | | | | |
| Income (loss) before extraordinary gain | 0.40 | (0.29) | (0.08) | 0.54 | 0.67 | NM | (40) |
| Net income | 0.40 | 0.06 | 0.09 | 0.54 | 0.67 | NM | (40) |
| Diluted Earnings (b) | | | | | | | |
| Income (loss) before extraordinary gain | 0.40 | (0.29) | (0.08) | 0.53 | 0.67 | NM | (40) |
| Net income | 0.40 | 0.06 | 0.09 | 0.53 | 0.67 | NM | (40) |
| Cash dividends declared | 0.05 | 0.38 | 0.38 | 0.38 | 0.38 | (87) | (87) |
| Book value | 36.78 | 36.15 | 36.95 | 37.02 | 36.94 | 2 | - |
| Closing share price | 26.58 | 31.53 | 46.70 | 34.31 | 42.95 | (16) | (38) |
| Market capitalization | 99,881 | 117,695 | 174,048 | 117,881 | 146,066 | (15) | (32) |
| COMMON SHARES OUTSTANDING: | | | | | | | |
| Weighted-average diluted shares outstanding (b) | 3,758.7 | 3,737.5 | 3,444.6 | 3,453.1 | 3,423.3 | 1 | 10 |
| Common shares outstanding at period-end | 3,757.7 | 3,732.8 | 3,726.9 | 3,435.7 | 3,400.8 | 1 | 10 |
| FINANCIAL RATIOS: (c) | | | | | | | |
| Income (loss) before extraordinary gain: | | | | | | | |
| Return on common equity ("ROE") | 5 % | (3) % | (1) % | 6 % | 8 % | | |
| Return on equity-goodwill ("ROE-GW") (d) | 7 | (5) | (1) | 10 | 12 | | |
| Return on assets ("ROA") | 0.42 | (0.11) | (0.01) | 0.48 | 0.61 | | |
| Net income: | | | | | | | |
| ROE | 5 | 1 | 1 | 6 | 8 | | |
| ROE-GW (d) | 7 | 1 | 2 | 10 | 12 | | |
| ROA | 0.42 | 0.13 | 0.12 | 0.48 | 0.61 | | |
| CAPITAL RATIOS: | | | | | | | |
| Tier 1 capital ratio | 11.3 (f) | 10.9 | 8.9 | 9.2 | 8.3 | | |
| Total capital ratio | 15.1 (f) | 14.8 | 12.6 | 13.4 | 12.5 | | |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Total assets | \$ 2,079,188 | \$ 2,175,052 | \$ 2,251,469 | \$ 1,775,670 | \$ 1,642,862 | (4) | 27 |
| Wholesale loans | 242,284 | 262,044 | 288,445 | 229,359 | 231,297 | (8) | 5 |
| Consumer loans | 465,959 | 482,854 | 472,936 | 308,670 | 305,759 | (3) | 52 |
| Deposits | 906,969 | 1,009,277 | 969,783 | 722,905 | 761,626 | (10) | 19 |
| Common stockholders' equity | 138,201 | 134,945 | 137,691 | 127,176 | 125,627 | 2 | 10 |
| Tangible common equity (e) | 87,232 | 84,054 | 88,467 | 77,903 | 76,285 | 4 | 14 |
| Headcount | 219,569 | 224,961 | 228,452 | 195,594 | 182,166 | (2) | 21 |
| LINE OF BUSINESS NET INCOME (LOSS) | | | | | | | |
| Investment Bank | \$ 1,606 | \$ (2,364) | \$ 882 | \$ 394 | \$ (87) | NM | NM |
| Retail Financial Services | 474 | 624 | 64 | 503 | (311) | (24) | NM |
| Card Services | (547) | (371) | 292 | 250 | 609 | (47) | NM |
| Commercial Banking | 338 | 480 | 312 | 355 | 292 | (30) | 16 |
| Treasury & Securities Services | 308 | 533 | 406 | 425 | 403 | (42) | (24) |
| Asset Management | 224 | 255 | 351 | 395 | 356 | (12) | (37) |
| Corporate/Private Equity | (262) | 1,545 | (1,780) | (319) | 1,111 | NM | NM |
| Net income | \$ 2,141 | \$ 702 | \$ 527 | \$ 2,003 | \$ 2,373 | 205 | (10) |

(a) For further discussion of managed basis, see Reconciliation from reported to managed summary on page 6.

(b) Effective January 1, 2009, the Firm adopted FSP EITF 03-6-1. Accordingly, prior period numbers have been revised as required. For further discussion of this FSP, see Per share-related information on page 36.

(c) Quarterly ratios are based upon annualized amounts.

(d) Net income applicable to common stock divided by total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm also utilizes this measure to facilitate comparisons to competitors.

(e) Tangible common equity ("TCE") represents common stockholders' equity (i.e., total stockholders' equity less preferred stock) less identifiable intangible assets (other than MSRs) and goodwill, net of related deferred tax liabilities. For further discussion of TCE, see Capital, intangible assets and deposits on page 35.

(f) Estimated.

JPMORGAN CHASE & CO.
STATEMENTS OF INCOME
(in millions, except per share and ratio data)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|---|-----------------|------------------|------------------|-----------------|-----------------|-------------|------|
| | | | | | | 4Q08 | 1Q08 |
| REVENUE | | | | | | | |
| Investment banking fees | \$ 1,386 | \$ 1,382 | \$ 1,316 | \$ 1,612 | \$ 1,216 | - % | 14 % |
| Principal transactions | 2,001 | (7,885) | (2,763) | 752 | (803) | NM | NM |
| Lending & deposit-related fees | 1,688 | 1,776 | 1,168 | 1,105 | 1,039 | (5) | 62 |
| Asset management, administration and commissions | 2,897 | 3,234 | 3,485 | 3,628 | 3,596 | (10) | (19) |
| Securities gains | 198 | 456 | 424 | 647 | 33 | (57) | 500 |
| Mortgage fees and related income | 1,601 | 1,789 | 457 | 696 | 525 | (11) | 205 |
| Credit card income | 1,837 | 2,049 | 1,771 | 1,803 | 1,796 | (10) | 2 |
| Other income | 50 | 593 | (115) | (138) | 1,829 | (92) | (97) |
| Noninterest revenue | 11,658 | 3,394 | 5,743 | 10,105 | 9,231 | 243 | 26 |
| Interest income | 17,926 | 21,631 | 17,326 | 16,529 | 17,532 | (17) | 2 |
| Interest expense | 4,559 | 7,799 | 8,332 | 8,235 | 9,873 | (42) | (54) |
| Net interest income | 13,367 | 13,832 | 8,994 | 8,294 | 7,659 | (3) | 75 |
| TOTAL NET REVENUE | 25,025 | 17,226 | 14,737 | 18,399 | 16,890 | 45 | 48 |
| Provision for credit losses | 8,596 | 7,313 | 5,787 | 3,455 | 4,424 | 18 | 94 |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 7,588 | 5,024 | 5,858 | 6,913 | 4,951 | 51 | 53 |
| Occupancy expense | 885 | 955 | 766 | 669 | 648 | (7) | 37 |
| Technology, communications and equipment expense | 1,146 | 1,207 | 1,112 | 1,028 | 968 | (5) | 18 |
| Professional & outside services | 1,515 | 1,819 | 1,451 | 1,450 | 1,333 | (17) | 14 |
| Marketing | 384 | 501 | 453 | 413 | 546 | (23) | (30) |
| Other expense | 1,375 | 1,242 | 1,096 | 1,233 | 169 | 11 | NM |
| Amortization of intangibles | 275 | 326 | 305 | 316 | 316 | (16) | (13) |
| Merger costs | 205 | 181 | 96 | 155 | - | 13 | NM |
| TOTAL NONINTEREST EXPENSE | 13,373 | 11,255 | 11,137 | 12,177 | 8,931 | 19 | 50 |
| Income (loss) before income tax expense and extraordinary gain | 3,056 | (1,342) | (2,187) | 2,767 | 3,535 | NM | (14) |
| Income tax expense (benefit) (a) | 915 | (719) | (2,133) | 764 | 1,162 | NM | (21) |
| Income (loss) before extraordinary gain | 2,141 | (623) | (54) | 2,003 | 2,373 | NM | (10) |
| Extraordinary gain (b) | - | 1,325 | 581 | - | - | NM | - |
| NET INCOME | \$ 2,141 | \$ 702 | \$ 527 | \$ 2,003 | \$ 2,373 | 205 | (10) |
| DILUTED EARNINGS PER SHARE | | | | | | | |
| Income (loss) before extraordinary gain (c) | \$ 0.40 | \$ (0.29) | \$ (0.08) | \$ 0.53 | \$ 0.67 | NM | (40) |
| Extraordinary gain | - | 0.35 | 0.17 | - | - | NM | - |
| NET INCOME (c) | \$ 0.40 | \$ 0.06 | \$ 0.09 | \$ 0.53 | \$ 0.67 | NM | (40) |
| FINANCIAL RATIOS | | | | | | | |
| Income (loss) before extraordinary gain: | | | | | | | |
| ROE | 5 % | (3) % | (1) % | 6 % | 8 % | | |
| ROE-GW | 7 | (5) | (1) | 10 | 12 | | |
| ROA | 0.42 | (0.11) | (0.01) | 0.48 | 0.61 | | |
| Net income: | | | | | | | |
| ROE | 5 | 1 | 1 | 6 | 8 | | |
| ROE-GW | 7 | 1 | 2 | 10 | 12 | | |
| ROA | 0.42 | 0.13 | 0.12 | 0.48 | 0.61 | | |
| Effective income tax rate (a) | 30 | 54 | 98 | 28 | 33 | | |
| Overhead ratio | 53 | 65 | 76 | 66 | 53 | | |
| EXCLUDING IMPACT OF MERGER COSTS (d) | | | | | | | |
| Income (loss) before extraordinary gain | \$ 2,141 | \$ (623) | \$ (54) | \$ 2,003 | \$ 2,373 | NM | (10) |
| Merger costs (after-tax) | 127 | 112 | 60 | 96 | - | 13 | NM |
| Income (loss) before extraordinary gain excluding merger costs | \$ 2,268 | \$ (511) | \$ 6 | \$ 2,099 | \$ 2,373 | NM | (4) |
| Diluted Per Share: | | | | | | | |
| Income (loss) before extraordinary gain (c) | \$ 0.40 | \$ (0.29) | \$ (0.08) | \$ 0.53 | \$ 0.67 | NM | (40) |
| Merger costs (after-tax) | 0.03 | 0.03 | 0.02 | 0.03 | - | - | NM |
| Income (loss) before extraordinary gain excluding merger costs (c) | \$ 0.43 | \$ (0.26) | \$ (0.06) | \$ 0.56 | \$ 0.67 | NM | (36) |

- (a) The income tax benefit in the third quarter of 2008 includes the realization of a benefit from the release of deferred tax liabilities associated with the undistributed earnings of certain non-U.S. subsidiaries that were deemed to be reinvested indefinitely.
- (b) On September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank from the Federal Deposit Insurance Corporation for \$1.9 billion. The fair value of the net assets acquired exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, noncurrent nonfinancial assets that are not held-for-sale were written down against that negative goodwill. The negative goodwill remaining of \$581 million after writing down nonfinancial assets was recognized as an extraordinary gain in the third quarter of 2008. As a result of refining the purchase price allocation during the fourth quarter of 2008, an additional gain of \$1.3 billion was recognized.
- (c) Effective January 1, 2009, the Firm adopted FSP EITF 03-6-1. Accordingly, prior period numbers have been revised as required. For further discussion of this FSP, see Per share-related information on page 36.
- (d) Net income excluding merger costs, a non-GAAP financial measure, is used by the Firm to facilitate comparison of results against the Firm's ongoing operations and with other companies' U.S. GAAP financial statements.

JPMORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEETS
(in millions)

JPMORGAN CHASE & CO.

| | Mar 31 2009 | Dec 31 2008 | Sep 30 2008 | Jun 30 2008 | Mar 31 2008 | Mar 31, 2009 Change | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|----------------|
| | | | | | | Dec 31 2008 | Mar 31 2008 |
| ASSETS | | | | | | | |
| Cash and due from banks | \$ 26,681 | \$ 26,895 | \$ 54,350 | \$ 32,255 | \$ 46,888 | (1) % | (43) % |
| Deposits with banks | 89,865 | 138,139 | 34,372 | 17,150 | 12,414 | (35) | NM |
| Federal funds sold and securities purchased under resale agreements | 157,237 | 203,115 | 233,668 | 176,287 | 203,176 | (23) | (23) |
| Securities borrowed | 127,928 | 124,000 | 152,050 | 142,854 | 81,014 | 3 | 58 |
| Trading assets: | | | | | | | |
| Debt and equity instruments | 298,453 | 347,357 | 401,609 | 409,608 | 386,170 | (14) | (23) |
| Derivative receivables | 131,247 | 162,626 | 118,648 | 122,389 | 99,110 | (19) | 32 |
| Securities | 333,861 | 205,943 | 150,779 | 119,173 | 101,647 | 62 | 228 |
| Loans (net of allowance for loan losses) | 680,862 | 721,734 | 742,329 | 524,783 | 525,310 | (6) | 30 |
| Accrued interest and accounts receivable | 52,168 | 60,987 | 104,232 | 64,294 | 50,989 | (14) | 2 |
| Premises and equipment | 10,336 | 10,045 | 9,962 | 11,843 | 9,457 | 3 | 9 |
| Goodwill | 48,201 | 48,027 | 46,121 | 45,993 | 45,695 | - | 5 |
| Other intangible assets: | | | | | | | |
| Mortgage servicing rights | 10,634 | 9,403 | 17,048 | 11,617 | 8,419 | 13 | 26 |
| Purchased credit card relationships | 1,528 | 1,649 | 1,827 | 1,984 | 2,140 | (7) | (29) |
| All other intangibles | 3,821 | 3,932 | 3,653 | 3,675 | 3,815 | (3) | - |
| Other assets (a) | 106,366 | 111,200 | 180,821 | 91,765 | 66,618 | (4) | 60 |
| TOTAL ASSETS | \$ 2,079,188 | \$ 2,175,052 | \$ 2,251,469 | \$ 1,775,670 | \$ 1,642,862 | (4) | 27 |
| LIABILITIES | | | | | | | |
| Deposits | \$ 906,969 | \$ 1,009,277 | \$ 969,783 | \$ 722,905 | \$ 761,626 | (10) | 19 |
| Federal funds purchased and securities loaned or sold under repurchase agreements | 279,837 | 192,546 | 224,075 | 194,724 | 192,633 | 45 | 45 |
| Commercial paper | 33,085 | 37,845 | 54,480 | 50,151 | 50,602 | (13) | (35) |
| Other borrowed funds (a) | 112,257 | 132,400 | 167,827 | 22,594 | 28,430 | (15) | 295 |
| Trading liabilities: | | | | | | | |
| Debt and equity instruments | 53,786 | 45,274 | 76,213 | 87,841 | 78,982 | 19 | (32) |
| Derivative payables | 86,020 | 121,604 | 85,816 | 95,749 | 78,983 | (29) | 9 |
| Accounts payable and other liabilities (including the allowance for lending-related commitments) | 165,521 | 187,978 | 260,563 | 171,004 | 106,088 | (12) | 56 |
| Beneficial interests issued by consolidated VIEs | 9,674 | 10,561 | 11,437 | 20,071 | 14,524 | (8) | (33) |
| Long-term debt | 243,569 | 252,094 | 238,034 | 260,192 | 189,995 | (3) | 28 |
| Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities | 18,276 | 18,589 | 17,398 | 17,263 | 15,372 | (2) | 19 |
| TOTAL LIABILITIES | 1,908,994 | 2,008,168 | 2,105,626 | 1,642,494 | 1,517,235 | (5) | 26 |
| STOCKHOLDERS' EQUITY | | | | | | | |
| Preferred stock | 31,993 | 31,939 | 8,152 | 6,000 | - | - | NM |
| Common stock | 3,942 | 3,942 | 3,942 | 3,658 | 3,658 | - | 8 |
| Capital surplus | 91,469 | 92,143 | 90,535 | 78,870 | 78,072 | (1) | 17 |
| Retained earnings | 55,487 | 54,013 | 55,217 | 56,313 | 55,762 | 3 | - |
| Accumulated other comprehensive income (loss) | (4,490) | (5,687) | (2,227) | (1,566) | (512) | 21 | NM |
| Shares held in RSU trust | (86) | (217) | (267) | (269) | - | 60 | NM |
| Treasury stock, at cost | (8,121) | (9,249) | (9,509) | (9,830) | (11,353) | 12 | 28 |
| TOTAL STOCKHOLDERS' EQUITY | 170,194 | 166,884 | 145,843 | 133,176 | 125,627 | 2 | 35 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 2,079,188 | \$ 2,175,052 | \$ 2,251,469 | \$ 1,775,670 | \$ 1,642,862 | (4) | 27 |

(a) On September 19, 2008, the Federal Reserve established a special lending facility, the AML Facility, to provide liquidity to eligible money market mutual funds. The Firm participated in the AML Facility and had ABCP investments totaling \$6.0 billion, \$11.2 billion, and \$61.3 billion at March 31, 2009, December 31, 2008, and September 30, 2008, respectively. These ABCP investments were recorded in other assets with the corresponding nonrecourse liability to the Federal Reserve Bank of Boston for the same amounts recorded in other borrowed funds.

JPMORGAN CHASE & CO.
CONDENSED AVERAGE BALANCE SHEETS AND ANNUALIZED YIELDS
(in millions, except rates)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|-------------|-------|
| | | | | | | 4Q08 | 1Q08 |
| AVERAGE BALANCES | | | | | | | |
| ASSETS | | | | | | | |
| Deposits with banks | \$ 88,587 | \$ 106,156 | \$ 41,303 | \$ 38,813 | \$ 31,975 | (17) % | 177 % |
| Federal funds sold and securities purchased | | | | | | | |
| under resale agreements | 160,986 | 205,182 | 164,980 | 155,664 | 153,864 | (22) | 5 |
| Securities borrowed | 120,752 | 123,523 | 134,651 | 100,322 | 83,490 | (2) | 45 |
| Trading assets - debt instruments | 252,098 | 269,576 | 298,760 | 302,053 | 322,986 | (6) | (22) |
| Securities | 281,420 | 174,652 | 119,443 | 109,834 | 89,757 | 61 | 214 |
| Loans | 726,959 | 752,524 | 536,890 | 537,964 | 526,598 | (3) | 38 |
| Other assets (a) | 27,411 | 56,322 | 37,237 | 15,629 | - | (51) | NM |
| Total interest-earning assets | 1,658,213 | 1,687,935 | 1,333,264 | 1,260,279 | 1,208,670 | (2) | 37 |
| Trading assets - equity instruments | 62,748 | 72,782 | 92,300 | 99,525 | 78,810 | (14) | (20) |
| Goodwill | 48,071 | 46,838 | 45,947 | 45,781 | 45,699 | 3 | 5 |
| Other intangible assets: | | | | | | | |
| Mortgage servicing rights | 11,141 | 14,837 | 11,811 | 9,947 | 8,273 | (25) | 35 |
| All other intangible assets | 5,443 | 5,586 | 5,512 | 5,823 | 6,202 | (3) | (12) |
| All other noninterest-earning assets | 281,503 | 339,887 | 267,525 | 247,344 | 222,143 | (17) | 27 |
| TOTAL ASSETS | \$ 2,067,119 | \$ 2,167,865 | \$ 1,756,359 | \$ 1,668,699 | \$ 1,569,797 | (5) | 32 |
| LIABILITIES | | | | | | | |
| Interest-bearing deposits | \$ 736,460 | \$ 777,604 | \$ 589,348 | \$ 612,305 | \$ 600,132 | (5) | 23 |
| Federal funds purchased and securities loaned or sold under | | | | | | | |
| repurchase agreements | 226,110 | 203,568 | 200,032 | 203,348 | 179,897 | 11 | 26 |
| Commercial paper | 33,694 | 40,486 | 47,579 | 47,323 | 47,584 | (17) | (29) |
| Other borrowings and liabilities (b) | 236,673 | 264,236 | 161,821 | 111,477 | 107,552 | (10) | 120 |
| Beneficial interests issued by consolidated VIEs | 9,757 | 9,440 | 11,431 | 17,990 | 14,082 | 3 | (31) |
| Long-term debt | 258,732 | 248,125 | 261,385 | 229,336 | 200,354 | 4 | 29 |
| Total interest-bearing liabilities | 1,501,426 | 1,543,459 | 1,271,596 | 1,221,779 | 1,149,601 | (3) | 31 |
| Noninterest-bearing liabilities | 397,243 | 460,894 | 351,023 | 315,965 | 295,616 | (14) | 34 |
| TOTAL LIABILITIES | 1,898,669 | 2,004,353 | 1,622,619 | 1,537,744 | 1,445,217 | (5) | 31 |
| Preferred stock | 31,957 | 24,755 | 7,100 | 4,549 | - | 29 | NM |
| Common stockholders' equity | 136,493 | 138,757 | 126,640 | 126,406 | 124,580 | (2) | 10 |
| TOTAL STOCKHOLDERS' EQUITY | 168,450 | 163,512 | 133,740 | 130,955 | 124,580 | 3 | 35 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 2,067,119 | \$ 2,167,865 | \$ 1,756,359 | \$ 1,668,699 | \$ 1,569,797 | (5) | 32 |
| AVERAGE RATES | | | | | | | |
| INTEREST-EARNING ASSETS | | | | | | | |
| Deposits with banks | 2.03 % | 3.34 % | 3.04 % | 3.87 % | 4.22 % | | |
| Federal funds sold and securities purchased | | | | | | | |
| under resale agreements | 1.64 | 2.88 | 3.76 | 3.84 | 3.80 | | |
| Securities borrowed | 0.29 | 0.92 | 2.07 | 2.29 | 3.56 | | |
| Trading assets - debt instruments | 5.27 | 6.18 | 6.06 | 5.59 | 5.75 | | |
| Securities | 4.16 | 5.14 | 5.09 | 5.27 | 5.47 | | |
| Loans | 5.87 | 6.44 | 6.31 | 6.36 | 7.10 | | |
| Other assets (a) | 2.44 | 3.06 | 3.29 | 3.97 | - | | |
| Total interest-earning assets | 4.41 | 5.12 | 5.22 | 5.34 | 5.88 | | |
| INTEREST-BEARING LIABILITIES | | | | | | | |
| Interest-bearing deposits | 0.93 | 1.53 | 2.26 | 2.36 | 3.09 | | |
| Federal funds purchased and securities sold | | | | | | | |
| under repurchase agreements | 0.36 | 0.95 | 2.63 | 2.73 | 3.31 | | |
| Commercial paper | 0.47 | 1.17 | 2.05 | 2.17 | 3.41 | | |
| Other borrowings and liabilities (b) | 1.46 | 2.56 | 2.84 | 3.77 | 5.03 | | |
| Beneficial interests issued by consolidated VIEs | 1.57 | 3.79 | 2.87 | 2.24 | 3.78 | | |
| Long-term debt | 2.73 | 3.87 | 3.31 | 3.27 | 3.82 | | |
| Total interest-bearing liabilities | 1.23 | 2.01 | 2.61 | 2.71 | 3.45 | | |
| INTEREST RATE SPREAD | 3.18% | 3.11% | 2.61% | 2.63% | 2.43% | | |
| NET YIELD ON INTEREST-EARNING ASSETS | 3.29% | 3.28% | 2.73% | 2.71% | 2.59% | | |
| NET YIELD ON INTEREST-EARNING ASSETS ADJUSTED FOR SECURITIZATIONS | 3.60% | 3.55% | 3.06% | 3.06% | 2.95% | | |

(a) Includes margin loans and the Firm's investment in asset-backed commercial paper under the Federal Reserve Bank of Boston's AML facility.

(b) Includes securities sold but not yet purchased, brokerage customer payables and advances from Federal Home Loan Banks.

JPMORGAN CHASE & CO.
RECONCILIATION FROM REPORTED TO MANAGED SUMMARY
(in millions)

JPMORGAN CHASE & CO.

The Firm prepares its consolidated financial statements using accounting principles generally accepted in the United States of America ("U.S. GAAP"). That presentation, which is referred to as "reported basis," provides the reader with an understanding of the Firm's results that can be tracked consistently from year to year and enables a comparison of the Firm's performance with other companies' U.S. GAAP financial statements.

In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's results and the results of lines of business on a "managed" basis, which is a non-GAAP financial measure. The Firm's definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications that assume credit card loans securitized by Card Services remain on the balance sheet and presents revenue on a fully taxable-equivalent ("FTE") basis. These adjustments do not have any impact on net income as reported by the lines of business or by the Firm as a whole. The impact of these adjustments are summarized below. For additional information about managed basis, please refer to the Glossary of Terms on page 37.

| | QUARTERLY TRENDS | | | | | | |
|---|------------------|------------------|-------------------|------------------|------------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| CREDIT CARD INCOME | | | | | | | |
| Credit card income - reported | \$ 1,837 | \$ 2,049 | \$ 1,771 | \$ 1,803 | \$ 1,796 | (10) % | 2 % |
| Impact of: | | | | | | | |
| Credit card securitizations | (540) | (710) | (843) | (843) | (937) | 24 | 42 |
| Credit card income - managed | <u>\$ 1,297</u> | <u>\$ 1,339</u> | <u>\$ 928</u> | <u>\$ 960</u> | <u>\$ 859</u> | (3) | 51 |
| OTHER INCOME | | | | | | | |
| Other income - reported | \$ 50 | \$ 593 | \$ (115) | \$ (138) | \$ 1,829 | (92) | (97) |
| Impact of: | | | | | | | |
| Tax-equivalent adjustments | 337 | 556 | 323 | 247 | 203 | (39) | 66 |
| Other income - managed | <u>\$ 387</u> | <u>\$ 1,149</u> | <u>\$ 208</u> | <u>\$ 109</u> | <u>\$ 2,032</u> | (66) | (81) |
| TOTAL NONINTEREST REVENUE | | | | | | | |
| Total noninterest revenue - reported | \$ 11,658 | \$ 3,394 | \$ 5,743 | \$ 10,105 | \$ 9,231 | 243 | 26 |
| Impact of: | | | | | | | |
| Credit card securitizations | (540) | (710) | (843) | (843) | (937) | 24 | 42 |
| Tax-equivalent adjustments | 337 | 556 | 323 | 247 | 203 | (39) | 66 |
| Total noninterest revenue - managed | <u>\$ 11,455</u> | <u>\$ 3,240</u> | <u>\$ 5,223</u> | <u>\$ 9,509</u> | <u>\$ 8,497</u> | 254 | 35 |
| NET INTEREST INCOME | | | | | | | |
| Net interest income - reported | \$ 13,367 | \$ 13,832 | \$ 8,994 | \$ 8,294 | \$ 7,659 | (3) | 75 |
| Impact of: | | | | | | | |
| Credit card securitizations | 2,004 | 1,938 | 1,716 | 1,673 | 1,618 | 3 | 24 |
| Tax-equivalent adjustments | 96 | 98 | 155 | 202 | 124 | (2) | (23) |
| Net interest income - managed | <u>\$ 15,467</u> | <u>\$ 15,868</u> | <u>\$ 10,865</u> | <u>\$ 10,169</u> | <u>\$ 9,401</u> | (3) | 65 |
| TOTAL NET REVENUE | | | | | | | |
| Total net revenue - reported | \$ 25,025 | \$ 17,226 | \$ 14,737 | \$ 18,399 | \$ 16,890 | 45 | 48 |
| Impact of: | | | | | | | |
| Credit card securitizations | 1,464 | 1,228 | 873 | 830 | 681 | 19 | 115 |
| Tax-equivalent adjustments | 433 | 654 | 478 | 449 | 327 | (34) | 32 |
| Total net revenue - managed | <u>\$ 26,922</u> | <u>\$ 19,108</u> | <u>\$ 16,088</u> | <u>\$ 19,678</u> | <u>\$ 17,898</u> | 41 | 50 |
| PRETAX PRE-PROVISION PROFIT | | | | | | | |
| Total pretax pre-provision profit - reported | \$ 11,652 | \$ 5,971 | \$ 3,600 | \$ 6,222 | \$ 7,959 | 95 | 46 |
| Impact of: | | | | | | | |
| Credit card securitizations | 1,464 | 1,228 | 873 | 830 | 681 | 19 | 115 |
| Tax-equivalent adjustments | 433 | 654 | 478 | 449 | 327 | (34) | 32 |
| Total pretax pre-provision profit - managed | <u>\$ 13,549</u> | <u>\$ 7,853</u> | <u>\$ 4,951</u> | <u>\$ 7,501</u> | <u>\$ 8,967</u> | 73 | 51 |
| PROVISION FOR CREDIT LOSSES | | | | | | | |
| Provision for credit losses - reported | \$ 8,596 | \$ 7,313 | \$ 5,787 | \$ 3,455 | \$ 4,424 | 18 | 94 |
| Impact of: | | | | | | | |
| Credit card securitizations | 1,464 | 1,228 | 873 | 830 | 681 | 19 | 115 |
| Provision for credit losses - managed | <u>\$ 10,060</u> | <u>\$ 8,541</u> | <u>\$ 6,660</u> | <u>\$ 4,285</u> | <u>\$ 5,105</u> | 18 | 97 |
| INCOME TAX EXPENSE | | | | | | | |
| Income tax expense (benefit) - reported | \$ 915 | \$ (719) | \$ (2,133) | \$ 764 | \$ 1,162 | NM | (21) |
| Impact of: | | | | | | | |
| Tax-equivalent adjustments | 433 | 654 | 478 | 449 | 327 | (34) | 32 |
| Income tax expense (benefit) - managed | <u>\$ 1,348</u> | <u>\$ (65)</u> | <u>\$ (1,655)</u> | <u>\$ 1,213</u> | <u>\$ 1,489</u> | NM | (9) |

JPMORGAN CHASE & CO.
LINE OF BUSINESS FINANCIAL HIGHLIGHTS - MANAGED BASIS

(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | 1Q09 Change | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|------|-------------|--|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 | |
| | | | | | | | | |
| <u>TOTAL NET REVENUE (FTE)</u> | | | | | | | | |
| Investment Bank | \$ 8,341 | \$ (302) | \$ 4,035 | \$ 5,470 | \$ 3,011 | NM % | 177 % | |
| Retail Financial Services | 8,835 | 8,684 | 4,963 | 5,110 | 4,763 | 2 | 85 | |
| Card Services | 5,129 | 4,908 | 3,887 | 3,775 | 3,904 | 5 | 31 | |
| Commercial Banking | 1,402 | 1,479 | 1,125 | 1,106 | 1,067 | (5) | 31 | |
| Treasury & Securities Services | 1,821 | 2,249 | 1,953 | 2,019 | 1,913 | (19) | (5) | |
| Asset Management | 1,703 | 1,658 | 1,961 | 2,064 | 1,901 | 3 | (10) | |
| Corporate/Private Equity | (309) | 432 | (1,836) | 134 | 1,339 | NM | NM | |
| TOTAL NET REVENUE | \$ 26,922 | \$ 19,108 | \$ 16,088 | \$ 19,678 | \$ 17,898 | 41 | 50 | |
| <u>TOTAL PRETAX PRE-PROVISION PROFIT</u> | | | | | | | | |
| Investment Bank | \$ 3,567 | \$ (3,043) | \$ 219 | \$ 736 | \$ 458 | NM | NM | |
| Retail Financial Services | 4,664 | 4,638 | 2,184 | 2,430 | 2,191 | 1 | 113 | |
| Card Services | 3,783 | 3,419 | 2,693 | 2,590 | 2,632 | 11 | 44 | |
| Commercial Banking | 849 | 980 | 639 | 630 | 582 | (13) | 46 | |
| Treasury & Securities Services | 502 | 910 | 614 | 702 | 685 | (45) | (27) | |
| Asset Management | 405 | 445 | 599 | 664 | 578 | (9) | (30) | |
| Corporate/Private Equity | (221) | 504 | (1,997) | (251) | 1,841 | NM | NM | |
| TOTAL PRETAX PRE-PROVISION PROFIT | \$ 13,549 | \$ 7,853 | \$ 4,951 | \$ 7,501 | \$ 8,967 | 73 | 51 | |
| <u>NET INCOME (LOSS)</u> | | | | | | | | |
| Investment Bank | \$ 1,606 | \$ (2,364) | \$ 882 | \$ 394 | \$ (87) | NM | NM | |
| Retail Financial Services | 474 | 624 | 64 | 503 | (311) | (24) | NM | |
| Card Services | (547) | (371) | 292 | 250 | 609 | (47) | NM | |
| Commercial Banking | 338 | 480 | 312 | 355 | 292 | (30) | 16 | |
| Treasury & Securities Services | 308 | 533 | 406 | 425 | 403 | (42) | (24) | |
| Asset Management | 224 | 255 | 351 | 395 | 356 | (12) | (37) | |
| Corporate/Private Equity | (262) | 1,545 | (1,780) | (319) | 1,111 | NM | NM | |
| TOTAL NET INCOME | \$ 2,141 | \$ 702 | \$ 527 | \$ 2,003 | \$ 2,373 | 205 | (10) | |
| <u>AVERAGE EQUITY (a)</u> | | | | | | | | |
| Investment Bank | \$ 33,000 | \$ 33,000 | \$ 26,000 | \$ 23,319 | \$ 22,000 | - | 50 | |
| Retail Financial Services | 25,000 | 25,000 | 17,000 | 17,000 | 17,000 | - | 47 | |
| Card Services | 15,000 | 15,000 | 14,100 | 14,100 | 14,100 | - | 6 | |
| Commercial Banking | 8,000 | 8,000 | 7,000 | 7,000 | 7,000 | - | 14 | |
| Treasury & Securities Services | 5,000 | 4,500 | 3,500 | 3,500 | 3,500 | 11 | 43 | |
| Asset Management | 7,000 | 7,000 | 5,500 | 5,066 | 5,000 | - | 40 | |
| Corporate/Private Equity | 43,493 | 46,257 | 53,540 | 56,421 | 55,980 | (6) | (22) | |
| TOTAL AVERAGE EQUITY | \$ 136,493 | \$ 138,757 | \$ 126,640 | \$ 126,406 | \$ 124,580 | (2) | 10 | |
| <u>RETURN ON EQUITY (a)</u> | | | | | | | | |
| Investment Bank | 20 % | (28) % | 13 % | 7 % | (2) % | | | |
| Retail Financial Services | 8 | 10 | 1 | 12 | (7) | | | |
| Card Services | (15) | (10) | 8 | 7 | 17 | | | |
| Commercial Banking | 17 | 24 | 18 | 20 | 17 | | | |
| Treasury & Securities Services | 25 | 47 | 46 | 49 | 46 | | | |
| Asset Management | 13 | 14 | 25 | 31 | 29 | | | |

(a) Each business segment is allocated capital by taking into consideration stand-alone peer comparisons, economic risk measures and regulatory capital requirements. The amount of capital assigned to each business is referred to as equity.

JPMORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS
(in millions, except ratio data)

JPMORGAN CHASE & Co.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|-----------------|-------------------|-----------------|-----------------|-----------------|-------------|------|
| | | | | | | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Investment banking fees | \$ 1,380 | \$ 1,373 | \$ 1,593 | \$ 1,735 | \$ 1,206 | 1 % | 14 % |
| Principal transactions | 3,515 | (6,160) | (922) | 838 | (798) | NM | NM |
| Lending & deposit-related fees | 138 | 138 | 118 | 105 | 102 | - | 35 |
| Asset management, administration and commissions | 692 | 764 | 847 | 709 | 744 | (9) | (7) |
| All other income | (86) | 109 | (279) | (226) | (66) | NM | (30) |
| Noninterest revenue | 5,639 | (3,776) | 1,357 | 3,161 | 1,188 | NM | 375 |
| Net interest income | 2,702 | 3,474 | 2,678 | 2,309 | 1,823 | (22) | 48 |
| TOTAL NET REVENUE (a) | 8,341 | (302) | 4,035 | 5,470 | 3,011 | NM | 177 |
| Provision for credit losses | 1,210 | 765 | 234 | 398 | 618 | 58 | 96 |
| Credit reimbursement from TSS (b) | 30 | 30 | 31 | 30 | 30 | - | - |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 3,330 | 1,166 | 2,162 | 3,132 | 1,241 | 186 | 168 |
| Noncompensation expense | 1,444 | 1,575 | 1,654 | 1,602 | 1,312 | (8) | 10 |
| TOTAL NONINTEREST EXPENSE | 4,774 | 2,741 | 3,816 | 4,734 | 2,553 | 74 | 87 |
| Income (loss) before income tax expense | 2,387 | (3,778) | 16 | 368 | (130) | NM | NM |
| Income tax expense (benefit) (c) | 781 | (1,414) | (866) | (26) | (43) | NM | NM |
| NET INCOME (LOSS) | \$ 1,606 | \$ (2,364) | \$ 882 | \$ 394 | \$ (87) | NM | NM |
| FINANCIAL RATIOS | | | | | | | |
| ROE | 20 % | (28) % | 13 % | 7 % | (2) % | | |
| ROA | 0.89 | (1.08) | 0.39 | 0.19 | (0.05) | | |
| Overhead ratio | 57 | NM | 95 | 87 | 85 | | |
| Compensation expense as a % of total net revenue | 40 | NM | 54 | 57 | 41 | | |
| REVENUE BY BUSINESS | | | | | | | |
| Investment banking fees: | | | | | | | |
| Advisory | \$ 479 | \$ 579 | \$ 576 | \$ 370 | \$ 483 | (17) | (1) |
| Equity underwriting | 308 | 330 | 518 | 542 | 359 | (7) | (14) |
| Debt underwriting | 593 | 464 | 499 | 823 | 364 | 28 | 63 |
| Total investment banking fees | 1,380 | 1,373 | 1,593 | 1,735 | 1,206 | 1 | 14 |
| Fixed income markets | 4,889 | (1,671) | 815 | 2,347 | 466 | NM | NM |
| Equity markets | 1,773 | (94) | 1,650 | 1,079 | 976 | NM | 82 |
| Credit portfolio | 299 | 90 | (23) | 309 | 363 | 232 | (18) |
| Total net revenue | \$ 8,341 | \$ (302) | \$ 4,035 | \$ 5,470 | \$ 3,011 | NM | 177 |
| REVENUE BY REGION | | | | | | | |
| Americas | \$ 4,780 | \$ (2,223) | \$ 1,052 | \$ 3,165 | \$ 536 | NM | NM |
| Europe/Middle East/Africa | 2,588 | 2,019 | 2,509 | 1,512 | 1,641 | 28 | 58 |
| Asia/Pacific | 973 | (98) | 474 | 793 | 834 | NM | 17 |
| Total net revenue | \$ 8,341 | \$ (302) | \$ 4,035 | \$ 5,470 | \$ 3,011 | NM | 177 |

- (a) Total net revenue included tax-equivalent adjustments, predominantly due to income tax credits related to affordable housing investments and tax-exempt income from municipal bond investments, of \$365 million, \$583 million, \$427 million, \$404 million, and \$289 million, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.
- (b) Treasury & Securities Services ("TSS") was charged a credit reimbursement related to certain exposures managed within the Investment Bank credit portfolio on behalf of clients shared with TSS.
- (c) The income tax benefit in the third quarter of 2008 is predominantly the result of reduced deferred tax liabilities on overseas earnings.

JPMORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except headcount and ratio data)

| | QUARTERLY TRENDS | | | | | | |
|--|------------------|---------------|---------------|---------------|---------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Equity | \$ 33,000 | \$ 33,000 | \$ 33,000 | \$ 26,000 | \$ 22,000 | - % | 50 % |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Total assets | \$ 733,166 | \$ 869,159 | \$ 890,040 | \$ 814,860 | \$ 755,828 | (16) | (3) |
| Trading assets - debt and equity instruments | 272,998 | 306,168 | 360,821 | 367,184 | 369,456 | (11) | (26) |
| Trading assets - derivative receivables | 125,021 | 153,875 | 105,462 | 99,395 | 90,234 | (19) | 39 |
| Loans: | | | | | | | |
| Loans retained (a) | 70,041 | 73,110 | 69,022 | 76,239 | 74,106 | (4) | (5) |
| Loans held-for-sale & loans at fair value | 12,402 | 16,378 | 17,612 | 20,440 | 19,612 | (24) | (37) |
| Total loans | 82,443 | 89,488 | 86,634 | 96,679 | 93,718 | (8) | (12) |
| Adjusted assets (b) | 589,163 | 685,242 | 694,459 | 676,777 | 662,419 | (14) | (11) |
| Equity | 33,000 | 33,000 | 26,000 | 23,319 | 22,000 | - | 50 |
| Headcount | 26,142 | 27,938 | 30,993 | 37,057 | 25,780 | (6) | 1 |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | |
| Net charge-offs (recoveries) | \$ 36 | \$ 87 | \$ 13 | \$ (8) | \$ 13 | (59) | 177 |
| Nonperforming assets: | | | | | | | |
| Loans (c) | 1,795 | 1,175 | 436 | 313 | 321 | 53 | 459 |
| Derivative receivables | 1,010 | 1,079 | 34 | 76 | 31 | (6) | NM |
| Assets acquired in loan satisfactions | 236 | 247 | 113 | 101 | 87 | (4) | 171 |
| Total nonperforming assets | 3,041 | 2,501 | 583 | 490 | 439 | 22 | NM |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses | 4,682 | 3,444 | 2,654 | 2,429 | 1,891 | 36 | 148 |
| Allowance for lending-related commitments | 295 | 360 | 463 | 469 | 607 | (18) | (51) |
| Total allowance for credit losses | 4,977 | 3,804 | 3,117 | 2,898 | 2,498 | 31 | 99 |
| Net charge-off (recovery) rate (a) (d) | 0.21 % | 0.47 % | 0.07 % | (0.04) % | 0.07 % | | |
| Allowance for loan losses to average loans (a) (d) (e) | 6.68 | 4.71 | 3.85 | 3.19 | 2.55 | | |
| Allowance for loan losses to nonperforming loans (c) | 269 | 301 | 657 | 843 | 683 | | |
| Nonperforming loans to average loans | 2.18 | 1.31 | 0.50 | 0.32 | 0.34 | | |

- (a) Loans retained included credit portfolio loans, leveraged leases and other accrual loans, and excluded loans held-for-sale and loans accounted for at fair value.
- (b) Adjusted assets, a non-GAAP financial measure, equals total assets minus (1) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (2) assets of variable interest entities ("VIEs") consolidated under FIN 46R; (3) cash and securities segregated and on deposit for regulatory and other purposes; (4) goodwill and intangibles; (5) securities received as collateral; and (6) investments purchased under the Asset-Backed Commercial Paper Money Market Mutual Fund Liquidity Facility. The amount of adjusted assets is presented to assist the reader in comparing the Investment Bank's ("IB") asset and capital levels to other investment banks in the securities industry. Asset-to-equity leverage ratios are commonly used as one measure to assess a company's capital adequacy. IB believes an adjusted asset amount that excludes the assets discussed above, which were considered to have a low risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.
- (c) Nonperforming loans included loans held-for-sale and loans at fair value of \$57 million, \$32 million, \$32 million, \$25 million, and \$44 million, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, March 31, 2008, respectively, which were excluded from the allowance coverage ratios. Nonperforming loans excluded distressed loans held-for-sale that were purchased as part of IB's proprietary activities.
- (d) Loans held-for-sale and loans at fair value were excluded when calculating the allowance coverage ratio and net charge-off (recovery) rate.
- (e) Excluding the impact of a loan originated in March 2008 to Bear Stearns, the adjusted ratio would be 3.46% and 2.61% for the quarters ended June 30, 2008, and March 31, 2008, respectively. The average balance of the loan extended to Bear Stearns was \$6.0 billion and \$1.7 billion for the quarters ended June 30, 2008, and March 31, 2008, respectively. The allowance for loan losses to period-end loans was 7.04%, 4.83%, 3.70%, 3.35%, and 2.46% at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|---|---------------------------|---------------|---------------|-----------------------|---------------|-------------|------------|
| | | | | | | 4Q08 | 1Q08 |
| MARKET RISK - AVERAGE TRADING AND CREDIT PORTFOLIO | | | | | | | |
| VAR - 99% CONFIDENCE LEVEL (a) | | | | | | | |
| Trading activities: | | | | | | | |
| Fixed income | \$ 218 | \$ 276 | \$ 183 | \$ 155 | \$ 120 | (21) % | 82 % |
| Foreign exchange | 40 | 55 | 20 | 26 | 35 | (27) | 14 |
| Equities | 162 | 87 | 80 | 30 | 31 | 86 | 423 |
| Commodities and other | 28 | 30 | 41 | 31 | 28 | (7) | - |
| Diversification (b) | (159) | (146) | (104) | (92) | (92) | (9) | (73) |
| Total trading VaR (c) | 289 | 302 | 220 | 150 | 122 | (4) | 137 |
| Credit portfolio VaR (d) | 182 | 165 | 47 | 35 | 30 | 10 | NM |
| Diversification (b) | (135) | (140) | (49) | (36) | (30) | 4 | (350) |
| Total trading and credit portfolio VaR | \$ 336 | \$ 327 | \$ 218 | \$ 149 | \$ 122 | 3 | 175 |
| | March 31, 2009 YTD | | | Full Year 2008 | | | |

MARKET SHARES AND RANKINGS (e)

| | Market Share | Rankings | Market Share | Rankings |
|--|--------------|----------|--------------|----------|
| Global debt, equity and equity-related | 11% | #1 | 10% | #1 |
| Global syndicated loans | 6% | #6 | 11% | #1 |
| Global long-term debt (f) | 9% | #2 | 9% | #3 |
| Global equity and equity-related (g) | 13% | #1 | 10% | #1 |
| Global announced M&A (h) | 43% | #2 | 27% | #2 |
| U.S. debt, equity and equity-related | 15% | #1 | 15% | #2 |
| U.S. syndicated loans | 17% | #3 | 27% | #1 |
| U.S. long-term debt (f) | 14% | #1 | 15% | #2 |
| U.S. equity and equity-related (g) | 21% | #1 | 11% | #1 |
| U.S. announced M&A (h) | 66% | #3 | 34% | #2 |

- (a) Results for second quarter 2008 include one month of the combined Firm's results and two months of heritage JPMorgan Chase & Co. results. First quarter of 2008 reflects heritage JPMorgan Chase & Co. results.
- (b) Average VaRs were less than the sum of the VaRs of their market risk components, which was due to risk offsets resulting from portfolio diversification. The diversification effect reflected the fact that the risks were not perfectly correlated. The risk of a portfolio of positions is usually less than the sum of the risks of the positions themselves.
- (c) Trading VaR includes predominantly all trading activities in IB; however, particular risk parameters of certain products are not fully captured, for example, correlation risk. Trading VaR does not include VaR related to held-for-sale funded loans and unfunded commitments, nor the debit valuation adjustments ("DVA") taken on derivative and structured liabilities to reflect the credit quality of the Firm. Trading VaR also does not include the MSR portfolio or VaR related to other corporate functions, such as Corporate/Private Equity. Beginning in the fourth quarter of 2008, trading VaR includes the estimated credit spread sensitivity of certain mortgage products.
- (d) Included VaR on derivative credit valuation adjustments ("CVA"), hedges of the CVA and mark-to-market hedges of the retained loan portfolio, which are all reported in principal transactions revenue. This VaR does not include the retained loan portfolio.
- (e) Source: Thomson Reuters. Full year 2008 results are pro forma for the Bear Stearns merger.
- (f) Includes asset-backed securities, mortgage-backed securities and municipal securities.
- (g) Includes rights offerings; U.S. domiciled equity and equity-related transactions.
- (h) Global announced M&A is based upon rank value; all other rankings are based upon proceeds, with full credit to each book manager/equal if joint. Because of joint assignments, market share of all participants will add up to more than 100%. Global and U.S. announced M&A market share and ranking for 2008 include transactions withdrawn since December 31, 2008. U.S. announced M&A represents any U.S. involvement ranking.

JPMORGAN CHASE & CO.
RETAIL FINANCIAL SERVICES

JPMORGAN CHASE & CO.

FINANCIAL HIGHLIGHTS

(in millions, except ratio and headcount data)

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|---|------------------|----------------|----------------|----------------|-----------------|-------------|-------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| | | | | | | | |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Lending & deposit-related fees | \$ 948 | \$ 1,050 | \$ 538 | \$ 497 | \$ 461 | (10) % | 106 % |
| Asset management, administration and commissions | 435 | 412 | 346 | 375 | 377 | 6 | 15 |
| Securities gains | - | - | - | - | - | - | - |
| Mortgage fees and related income | 1,633 | 1,962 | 438 | 696 | 525 | (17) | 211 |
| Credit card income | 367 | 367 | 204 | 194 | 174 | - | 111 |
| Other income | 214 | 183 | 206 | 198 | 152 | 17 | 41 |
| Noninterest revenue | 3,597 | 3,974 | 1,732 | 1,960 | 1,689 | (9) | 113 |
| Net interest income | 5,238 | 4,710 | 3,231 | 3,150 | 3,074 | 11 | 70 |
| TOTAL NET REVENUE | 8,835 | 8,684 | 4,963 | 5,110 | 4,763 | 2 | 85 |
| Provision for credit losses | 3,877 | 3,576 | 2,056 | 1,585 | 2,688 | 8 | 44 |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 1,631 | 1,604 | 1,120 | 1,184 | 1,160 | 2 | 41 |
| Noncompensation expense | 2,457 | 2,345 | 1,559 | 1,396 | 1,312 | 5 | 87 |
| Amortization of intangibles | 83 | 97 | 100 | 100 | 100 | (14) | (17) |
| TOTAL NONINTEREST EXPENSE | 4,171 | 4,046 | 2,779 | 2,680 | 2,572 | 3 | 62 |
| Income (loss) before income tax expense | 787 | 1,062 | 128 | 845 | (497) | (26) | NM |
| Income tax expense (benefit) | 313 | 438 | 64 | 342 | (186) | (29) | NM |
| NET INCOME (LOSS) | \$ 474 | \$ 624 | \$ 64 | \$ 503 | \$ (311) | (24) | NM |
| FINANCIAL RATIOS | | | | | | | |
| ROE | 8 % | 10 % | 1 % | 12 % | (7) % | | |
| Overhead ratio | 47 | 47 | 56 | 52 | 54 | | |
| Overhead ratio excluding core deposit intangibles (a) | 46 | 45 | 54 | 51 | 52 | | |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Assets | \$ 412,505 | \$ 419,831 | \$ 426,435 | \$ 265,845 | \$ 262,118 | (2) | 57 |
| Loans: | | | | | | | |
| Loans retained | 364,220 | 368,786 | 371,153 | 223,047 | 218,489 | (1) | 67 |
| Loans held-for-sale & loans at fair value (b) | 12,529 | 9,996 | 10,223 | 16,282 | 18,000 | 25 | (30) |
| Total loans | 376,749 | 378,782 | 381,376 | 239,329 | 236,489 | (1) | 59 |
| Deposits | 380,140 | 360,451 | 353,660 | 223,121 | 230,854 | 5 | 65 |
| Equity | 25,000 | 25,000 | 25,000 | 17,000 | 17,000 | - | 47 |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Assets | \$ 423,472 | \$ 423,699 | \$ 265,367 | \$ 267,808 | \$ 260,013 | - | 63 |
| Loans: | | | | | | | |
| Loans retained | 366,925 | 369,172 | 222,640 | 221,132 | 214,586 | (1) | 71 |
| Loans held-for-sale & loans at fair value (b) | 16,526 | 13,848 | 16,037 | 20,492 | 17,841 | 19 | (7) |
| Total loans | 383,451 | 383,020 | 238,677 | 241,624 | 232,427 | - | 65 |
| Deposits | 370,278 | 358,523 | 222,180 | 226,487 | 225,555 | 3 | 64 |
| Equity | 25,000 | 25,000 | 17,000 | 17,000 | 17,000 | - | 47 |
| Headcount | 100,677 | 102,007 | 101,826 | 69,550 | 70,095 | (1) | 44 |

(a) Retail Financial Services uses the overhead ratio (excluding the amortization of core deposit intangibles ("CDI")), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation results in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this method would result in an improving overhead ratio over time, all things remaining equal.

This non-GAAP ratio excludes Retail Banking's core deposit intangible amortization expense related to the 2006 Bank of New York transaction and the 2004 Bank One merger of \$83 million, \$97 million, \$99 million, \$99 million, and \$99 million, for the quarters ending March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

(b) Prime mortgages originated with the intent to sell are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets. These loans totaled \$8.9 billion, \$8.0 billion, \$8.6 billion, \$14.1 billion, and \$13.5 billion, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. Average balances of these loans totaled \$13.4 billion, \$12.0 billion, \$14.5 billion, \$16.9 billion, and \$13.4 billion for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | | |
|---|----------|----------|----------|----------|--------|-------------|------|-------|
| | | | | | | 4Q08 | 1Q08 | |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | | |
| Net charge-offs | \$ 2,176 | \$ 1,701 | \$ 1,326 | \$ 1,025 | \$ 825 | | 28 % | 164 % |
| Nonperforming loans (a) (b) (c) (d) | 7,978 | 6,784 | 5,724 | 4,574 | 3,742 | | 18 | 113 |
| Nonperforming assets (a) (b) (c) (d) | 9,846 | 9,077 | 8,085 | 5,333 | 4,359 | | 8 | 126 |
| Allowance for loan losses | 10,619 | 8,918 | 7,517 | 5,062 | 4,496 | | 19 | 136 |
| Net charge-off rate (e) | 2.41 % | 1.83 % | 2.37 % | 1.86 % | 1.55 % | | | |
| Net charge-off rate excluding purchased credit-impaired loans (e) (f) | 3.16 | 2.41 | 2.37 | 1.86 | 1.55 | | | |
| Allowance for loan losses to ending loans (e) | 2.92 | 2.42 | 2.03 | 2.27 | 2.06 | | | |
| Allowance for loan losses to ending loans excluding purchased credit-impaired loans (e) (f) | 3.84 | 3.19 | 2.56 | 2.27 | 2.06 | | | |
| Allowance for loan losses to nonperforming loans (a) (e) | 138 | 136 | 136 | 115 | 124 | | | |
| Nonperforming loans to total loans | 2.12 | 1.79 | 1.50 | 1.91 | 1.58 | | | |

- (a) Excludes purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans are accounted for on a pool basis and the pools are considered to be performing under SOP 03-3.
- (b) Nonperforming loans and assets included loans held-for-sale and loans accounted for at fair value of \$264 million, \$236 million, \$207 million, \$180 million, and \$129 million at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. Certain of these loans are classified as trading assets on the Consolidated Balance Sheets.
- (c) Nonperforming loans and assets excluded (1) loans eligible for repurchase as well as loans repurchased from Government National Mortgage Association ("GNMA") pools that are insured by U.S. government agencies of \$4.6 billion, \$3.3 billion, \$1.8 billion, \$1.9 billion, and \$1.8 billion at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, and (2) student loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$433 million, \$437 million, \$405 million, \$394 million, and \$418 million, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts for GNMA and student loans are excluded, as reimbursement is proceeding normally.
- (d) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform to all other home lending products. Prior period nonperforming loans and assets have been revised to reflect this change.
- (e) Loans held-for-sale and loans accounted for at fair value were excluded when calculating the allowance coverage ratio and the net charge-off rate.
- (f) Excludes the impact of purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans were accounted for at fair value on the acquisition date, which incorporated management's estimate, as of the acquisition date, of credit losses over the remaining life of the portfolio. No allowance for loan losses has been recorded for these loans as of March 31, 2009, December 31, 2008, and September 30, 2008, respectively.

JPMORGAN CHASE & CO.
RETAIL FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data and where otherwise noted)

| | QUARTERLY TRENDS | | | | | | 1Q09 Change | |
|---|------------------|-----------------|---------------|---------------|---------------|-------|-------------|--|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 | |
| RETAIL BANKING | | | | | | | | |
| Noninterest revenue | \$ 1,718 | \$ 1,834 | \$ 1,089 | \$ 1,062 | \$ 966 | (6) % | 78 % | |
| Net interest income | 2,614 | 2,687 | 1,756 | 1,671 | 1,545 | (3) | 69 | |
| Total net revenue | 4,332 | 4,521 | 2,845 | 2,733 | 2,511 | (4) | 73 | |
| Provision for credit losses | 325 | 268 | 70 | 62 | 49 | 21 | NM | |
| Noninterest expense | 2,580 | 2,533 | 1,580 | 1,557 | 1,562 | 2 | 65 | |
| Income before income tax expense | 1,427 | 1,720 | 1,195 | 1,114 | 900 | (17) | 59 | |
| Net income | \$ 863 | \$ 1,040 | \$ 723 | \$ 674 | \$ 545 | (17) | 58 | |
| Overhead ratio | 60 % | 56 % | 56 % | 57 % | 62 % | | | |
| Overhead ratio excluding core deposit intangibles (a) | 58 | 54 | 52 | 53 | 58 | | | |
| BUSINESS METRICS (in billions) | | | | | | | | |
| Business banking origination volume | \$ 0.5 | \$ 0.8 | \$ 1.2 | \$ 1.7 | \$ 1.8 | (38) | (72) | |
| End-of-period loans owned | 18.2 | 18.4 | 18.6 | 16.5 | 15.9 | (1) | 14 | |
| End-of-period deposits: | | | | | | | | |
| Checking | \$ 113.9 | \$ 109.2 | \$ 106.7 | \$ 69.1 | \$ 69.0 | 4 | 65 | |
| Savings | 152.4 | 144.0 | 146.4 | 105.8 | 105.4 | 6 | 45 | |
| Time and other | 86.5 | 89.1 | 85.8 | 37.0 | 44.6 | (3) | 94 | |
| Total end-of-period deposits | 352.8 | 342.3 | 338.9 | 211.9 | 219.0 | 3 | 61 | |
| Average loans owned | \$ 18.4 | \$ 18.2 | \$ 16.6 | \$ 16.2 | \$ 15.8 | 1 | 16 | |
| Average deposits: | | | | | | | | |
| Checking | \$ 109.4 | \$ 105.8 | \$ 68.0 | \$ 68.4 | \$ 66.1 | 3 | 66 | |
| Savings | 148.2 | 145.3 | 105.4 | 105.9 | 100.3 | 2 | 48 | |
| Time and other | 88.2 | 88.7 | 36.7 | 39.6 | 47.7 | (1) | 85 | |
| Total average deposits | 345.8 | 339.8 | 210.1 | 213.9 | 214.1 | 2 | 62 | |
| Deposit margin | 2.85 % | 2.94 % | 3.06 % | 2.88 % | 2.64 % | | | |
| Average assets | \$ 30.2 | \$ 28.7 | \$ 25.6 | \$ 25.7 | \$ 25.4 | 5 | 19 | |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | | |
| Net charge-offs | \$ 175 | \$ 168 | \$ 68 | \$ 61 | \$ 49 | 4 | 257 | |
| Net charge-off rate | 3.86 % | 3.67 % | 1.63 % | 1.51 % | 1.25 % | | | |
| Nonperforming assets | \$ 579 | \$ 424 | \$ 380 | \$ 337 | \$ 328 | 37 | 77 | |
| RETAIL BRANCH BUSINESS METRICS | | | | | | | | |
| Investment sales volume | \$ 4,398 | \$ 3,956 | \$ 4,389 | \$ 5,211 | \$ 4,084 | 11 | 8 | |
| Number of: | | | | | | | | |
| Branches | 5,186 | 5,474 | 5,423 | 3,157 | 3,146 | (5) | 65 | |
| ATMs | 14,159 | 14,568 | 14,389 | 9,310 | 9,237 | (3) | 53 | |
| Personal bankers | 15,544 | 15,825 | 15,491 | 9,995 | 9,826 | (2) | 58 | |
| Sales specialists | 5,454 | 5,661 | 5,899 | 4,116 | 4,133 | (4) | 32 | |
| Active online customers (in thousands) | 12,882 | 11,710 | 11,682 | 7,180 | 6,454 | 10 | 100 | |
| Checking accounts (in thousands) | 24,984 | 24,499 | 24,490 | 11,336 | 11,068 | 2 | 126 | |

(a) Retail Banking uses the overhead ratio (excluding the amortization of core deposit intangibles ("CDI")), a non-GAAP financial measure, to evaluate the underlying expense trends of the business. Including CDI amortization expense in the overhead ratio calculation results in a higher overhead ratio in the earlier years and a lower overhead ratio in later years; this method would result in an improving overhead ratio over time, all things remaining equal. This non-GAAP ratio excludes Retail Banking's core deposit intangible amortization expense related to the 2006 Bank of New York transaction and the 2004 Bank One merger of \$83 million, \$97 million, \$99 million, \$99 million, and \$99 million, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

QUARTERLY TRENDS

| | | | | | | 1Q09 Change | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| CONSUMER LENDING | | | | | | | |
| Noninterest revenue | \$ 1,879 | \$ 2,140 | \$ 643 | \$ 898 | \$ 723 | (12) % | 160 % |
| Net interest income | 2,624 | 2,023 | 1,475 | 1,479 | 1,529 | 30 | 72 |
| Total net revenue | 4,503 | 4,163 | 2,118 | 2,377 | 2,252 | 8 | 100 |
| Provision for credit losses | 3,552 | 3,308 | 1,986 | 1,523 | 2,639 | 7 | 35 |
| Noninterest expense | 1,591 | 1,513 | 1,199 | 1,123 | 1,010 | 5 | 58 |
| Income (loss) before income tax expense | (640) | (658) | (1,067) | (269) | (1,397) | 3 | 54 |
| Net income (loss) | \$ (389) | \$ (416) | \$ (659) | \$ (171) | \$ (856) | 6 | 55 |
| Overhead ratio | 35 % | 36 % | 57 % | 47 % | 45 % | | |
| BUSINESS METRICS (in billions) | | | | | | | |
| LOANS EXCLUDING PURCHASED CREDIT-IMPAIRED LOANS | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | \$ 111.7 | \$ 114.3 | \$ 116.8 | \$ 95.1 | \$ 95.0 | (2) | 18 |
| Prime mortgage | 65.4 | 65.2 | 63.0 | 40.1 | 38.2 | - | 71 |
| Subprime mortgage | 14.6 | 15.3 | 18.1 | 14.8 | 15.8 | (5) | (8) |
| Option ARMs | 9.0 | 9.0 | 19.0 | - | - | - | NM |
| Student loans | 17.3 | 15.9 | 15.3 | 13.0 | 12.4 | 9 | 40 |
| Auto loans | 43.1 | 42.6 | 43.3 | 44.9 | 44.7 | 1 | (4) |
| Other | 1.0 | 1.3 | 1.0 | 0.9 | 1.0 | (23) | - |
| Total end-of-period loans | 262.1 | 263.6 | 276.5 | 208.8 | 207.1 | (1) | 27 |
| Average loans owned: | | | | | | | |
| Home equity | \$ 113.4 | \$ 114.6 | \$ 94.8 | \$ 95.1 | \$ 95.0 | (1) | 19 |
| Prime mortgage | 65.4 | 65.0 | 39.7 | 39.3 | 36.0 | 1 | 82 |
| Subprime mortgage | 14.9 | 15.7 | 14.2 | 15.5 | 15.7 | (5) | (5) |
| Option ARMs | 8.8 | 9.0 | - | - | - | (2) | NM |
| Student loans | 17.0 | 15.6 | 14.1 | 12.7 | 12.0 | 9 | 42 |
| Auto loans | 42.5 | 42.9 | 43.9 | 44.9 | 43.2 | (1) | (2) |
| Other | 1.5 | 1.5 | 0.9 | 1.0 | 1.3 | - | 15 |
| Total average loans | 263.5 | 264.3 | 207.6 | 208.5 | 203.2 | - | 30 |
| PURCHASED CREDIT-IMPAIRED LOANS (a) | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | \$ 28.4 | \$ 28.6 | \$ 26.5 | \$ - | \$ - | (1) | NM |
| Prime mortgage | 21.4 | 21.8 | 24.7 | - | - | (2) | NM |
| Subprime mortgage | 6.6 | 6.8 | 3.9 | - | - | (3) | NM |
| Option ARMs | 31.2 | 31.6 | 22.6 | - | - | (1) | NM |
| Total end-of-period loans | 87.6 | 88.8 | 77.7 | - | - | (1) | NM |
| Average loans owned: | | | | | | | |
| Home equity | \$ 28.4 | \$ 28.2 | \$ - | \$ - | \$ - | 1 | NM |
| Prime mortgage | 21.6 | 21.9 | - | - | - | (1) | NM |
| Subprime mortgage | 6.7 | 6.8 | - | - | - | (1) | NM |
| Option ARMs | 31.4 | 31.6 | - | - | - | (1) | NM |
| Total average loans | 88.1 | 88.5 | - | - | - | - | NM |
| TOTAL CONSUMER LENDING PORTFOLIO | | | | | | | |
| End-of-period loans owned: | | | | | | | |
| Home equity | \$ 140.1 | \$ 142.9 | \$ 143.3 | \$ 95.1 | \$ 95.0 | (2) | 47 |
| Prime mortgage | 86.8 | 87.0 | 87.7 | 40.1 | 38.2 | - | 127 |
| Subprime mortgage | 21.2 | 22.1 | 22.0 | 14.8 | 15.8 | (4) | 34 |
| Option ARMs | 40.2 | 40.6 | 41.6 | - | - | (1) | NM |
| Student loans | 17.3 | 15.9 | 15.3 | 13.0 | 12.4 | 9 | 40 |
| Auto loans | 43.1 | 42.6 | 43.3 | 44.9 | 44.7 | 1 | (4) |
| Other | 1.0 | 1.3 | 1.0 | 0.9 | 1.0 | (23) | - |
| Total end-of-period loans | 349.7 | 352.4 | 354.2 | 208.8 | 207.1 | (1) | 69 |
| Average loans owned: | | | | | | | |
| Home equity | \$ 141.8 | \$ 142.8 | \$ 94.8 | \$ 95.1 | \$ 95.0 | (1) | 49 |
| Prime mortgage | 87.0 | 86.9 | 39.7 | 39.3 | 36.0 | - | 142 |
| Subprime mortgage | 21.6 | 22.5 | 14.2 | 15.5 | 15.7 | (4) | 38 |
| Option ARMs | 40.2 | 40.6 | - | - | - | (1) | NM |
| Student loans | 17.0 | 15.6 | 14.1 | 12.7 | 12.0 | 9 | 42 |
| Auto loans | 42.5 | 42.9 | 43.9 | 44.9 | 43.2 | (1) | (2) |
| Other | 1.5 | 1.5 | 0.9 | 1.0 | 1.3 | - | 15 |
| Total average loans owned (b) | 351.6 | 352.8 | 207.6 | 208.5 | 203.2 | - | 73 |

(a) Purchased credit-impaired loans represent loans acquired in the Washington Mutual transaction for which a deterioration in credit quality occurred between the origination date and JPMorgan Chase's acquisition date. Under SOP 03-3, these loans were initially recorded at fair value and accrete interest income over the estimated life of the loan when cash flows are reasonably estimable even if the underlying loans are contractually past due.

(b) Total average loans includes loans held-for-sale of \$3.1 billion, \$1.8 billion, \$1.5 billion, \$3.6 billion, and \$4.4 billion, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

| | QUARTERLY TRENDS | | | | | | 1Q09 Change | |
|---|-------------------------------------|--------------|--------------|-------------|-------------|------|-------------|--|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 | |
| | CONSUMER LENDING (continued) | | | | | | | |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | | |
| Net charge-offs excluding purchased credit-impaired loans: (a) | | | | | | | | |
| Home equity | \$ 1,098 | \$ 770 | \$ 663 | \$ 511 | \$ 447 | 43 % | 146 % | |
| Prime mortgage | 312 | 195 | 177 | 104 | 50 | 60 | NM | |
| Subprime mortgage | 364 | 319 | 273 | 192 | 149 | 14 | 144 | |
| Option ARMs | 4 | - | - | - | - | NM | NM | |
| Auto loans | 174 | 207 | 124 | 119 | 118 | (16) | 47 | |
| Other | 49 | 42 | 21 | 38 | 12 | 17 | 308 | |
| Total net charge-offs | 2,001 | 1,533 | 1,258 | 964 | 776 | 31 | 158 | |
| Net charge-off rate excluding purchased credit-impaired loans: (a) | | | | | | | | |
| Home equity | 3.93 % | 2.67 % | 2.78 % | 2.16 % | 1.89 % | | | |
| Prime mortgage | 1.95 | 1.20 | 1.79 | 1.08 | 0.56 | | | |
| Subprime mortgage | 9.91 | 8.08 | 7.65 | 4.98 | 3.82 | | | |
| Option ARMs | 0.18 | - | - | - | - | | | |
| Auto loans | 1.66 | 1.92 | 1.12 | 1.07 | 1.10 | | | |
| Other | 1.25 | 1.08 | 0.60 | 1.44 | 0.52 | | | |
| Total net charge-off rate excluding purchased credit-impaired loans (b) | 3.12 | 2.32 | 2.43 | 1.89 | 1.57 | | | |
| Net charge-off rate - reported: | | | | | | | | |
| Home equity | 3.14 | 2.15 | 2.78 | 2.16 | 1.89 | | | |
| Prime mortgage | 1.46 | 0.89 | 1.79 | 1.08 | 0.56 | | | |
| Subprime mortgage | 6.83 | 5.64 | 7.65 | 4.98 | 3.82 | | | |
| Option ARMs | 0.04 | - | - | - | - | | | |
| Auto loans | 1.66 | 1.92 | 1.12 | 1.07 | 1.10 | | | |
| Other | 1.25 | 1.08 | 0.60 | 1.44 | 0.52 | | | |
| Total net charge-off rate - reported (b) | 2.33 | 1.74 | 2.43 | 1.89 | 1.57 | | | |
| 30+ day delinquency rate excluding purchased credit-impaired loans (c) (d) (e) | 4.73 | 4.21 | 3.16 | 3.88 | 3.33 | | | |
| Nonperforming assets (f) (g) (h) | \$ 9,267 | \$ 8,653 | \$ 7,705 | \$ 4,996 | \$ 4,031 | 7 | 130 | |
| Allowance for loan losses to ending loans | 2.83 % | 2.36 % | 1.95 % | 2.33 % | 2.10 % | | | |
| Allowance for loan losses to ending loans excluding purchased credit-impaired loans (a) | 3.79 | 3.16 | 2.50 | 2.33 | 2.10 | | | |

- (a) Excludes the impact of purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans were accounted for at fair value on the acquisition date, which incorporated management's estimate, as of the acquisition date, of credit losses over the remaining life of the portfolio. No allowance for loan losses and no charge-offs have been recorded for these loans as of March 31, 2009, December 31, 2008, and September 30, 2008, respectively.
- (b) Average loans held-for-sale of \$3.1 billion, \$1.8 billion, \$1.5 billion, \$3.6 billion, and \$4.4 billion, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, were excluded when calculating the net charge-off rate.
- (c) Excluded loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by U.S. government agencies of \$4.5 billion, \$3.2 billion, \$2.0 billion, \$1.5 billion, and \$1.5 billion at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts are excluded as reimbursement is proceeding normally.
- (d) Excluded loans that are 30 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$770 million, \$824 million, \$787 million, \$735 million, and \$734 million, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts are excluded as reimbursement is proceeding normally.
- (e) The delinquency rate for purchased credit-impaired loans accounted for under SOP 03-3 was 21.36%, 17.89%, and 13.21% at March 31, 2009, December 31, 2008, and September 30, 2008, respectively. There were no purchased credit-impaired loans at June 30, 2008, and March 31, 2008.
- (f) Nonperforming assets excluded (1) loans eligible for repurchase as well as loans repurchased from Governmental National Mortgage Association ("GNMA") pools that are insured by U.S. government agencies of \$4.6 billion, \$3.3 billion, \$1.8 billion, \$1.9 billion, and \$1.8 billion, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, and (2) student loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$433 million, \$437 million, \$405 million, \$394 million, and \$418 million, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts for GNMA and student loans are excluded, as reimbursement is proceeding normally.
- (g) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform to all other home lending products. Prior period nonperforming assets have been revised to reflect this change.
- (h) Excludes purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans are accounted for on a pool basis and the pools are considered to be performing under SOP 03-3.

| | QUARTERLY TRENDS | | | | | | |
|--|------------------|----------------|----------------|--------------|----------------|-------------|-------------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| CONSUMER LENDING (continued) | | | | | | | |
| Origination volume: | | | | | | | |
| Mortgage origination volume by channel | | | | | | | |
| Retail | \$ 13.6 | \$ 7.6 | \$ 8.4 | \$ 12.5 | \$ 12.6 | 79 % | 8 % |
| Wholesale | 2.6 | 3.8 | 5.9 | 9.1 | 10.6 | (32) | (75) |
| Correspondent | 17.0 | 13.3 | 13.2 | 17.0 | 12.0 | 28 | 42 |
| CNT (negotiated transactions) | 4.5 | 3.4 | 10.2 | 17.5 | 11.9 | 32 | (62) |
| Total mortgage origination volume | 37.7 | 28.1 | 37.7 | 56.1 | 47.1 | 34 | (20) |
| Home equity | 0.9 | 1.7 | 2.6 | 5.3 | 6.7 | (47) | (87) |
| Student loans | 1.7 | 1.0 | 2.6 | 1.3 | 2.0 | 70 | (15) |
| Auto loans | 5.6 | 2.8 | 3.8 | 5.6 | 7.2 | 100 | (22) |
| Average mortgage loans held-for-sale & loans at fair value (a) | 14.0 | 12.2 | 14.9 | 17.4 | 13.8 | 15 | 1 |
| Average assets | 393.3 | 395.0 | 239.8 | 242.1 | 234.6 | - | 68 |
| Third-party mortgage loans serviced (ending) | 1,148.8 | 1,172.6 | 1,114.8 | 659.1 | 627.1 | (2) | 83 |
| MSR net carrying value (ending) | 10.6 | 9.3 | 16.4 | 10.9 | 8.4 | 14 | 26 |
| SUPPLEMENTAL MORTGAGE FEES AND RELATED INCOME | | | | | | | |
| DETAILS (in millions) | | | | | | | |
| Production revenue | \$ 481 | \$ 62 | \$ 66 | \$ 394 | \$ 376 | NM | 28 |
| Net mortgage servicing revenue: | | | | | | | |
| Loan servicing revenue | 1,222 | 1,366 | 654 | 645 | 593 | (11) | 106 |
| Changes in MSR asset fair value: | | | | | | | |
| Due to inputs or assumptions in model | 1,310 | (6,950) | (786) | 1,519 | (632) | NM | NM |
| Other changes in fair value | (1,073) | (843) | (390) | (394) | (425) | (27) | (152) |
| Total changes in MSR asset fair value | 237 | (7,793) | (1,176) | 1,125 | (1,057) | NM | NM |
| Derivative valuation adjustments and other | (307) | 8,327 | 894 | (1,468) | 613 | NM | NM |
| Total net mortgage servicing revenue | 1,152 | 1,900 | 372 | 302 | 149 | (39) | NM |
| Mortgage fees and related income | 1,633 | 1,962 | 438 | 696 | 525 | (17) | 211 |

(a) Prime mortgages with the intent to sell are accounted for at fair value and classified as trading assets on the Consolidated Balance Sheets. Average balances of these loans totaled \$13.4 billion, \$12.0 billion, \$14.5 billion, \$16.9 billion, and \$13.4 billion for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

JPMORGAN CHASE & CO.
CARD SERVICES - MANAGED BASIS

JPMORGAN CHASE & CO.

FINANCIAL HIGHLIGHTS

(in millions, except ratio data and where otherwise noted)

| | QUARTERLY TRENDS | | | | | | |
|---|------------------|-----------------|----------------|---------------|---------------|-------------|-------------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Credit card income | \$ 844 | \$ 862 | \$ 633 | \$ 673 | \$ 600 | (2) % | 41 % |
| All other income | (197) | (272) | 13 | 91 | 119 | 28 | NM |
| Noninterest revenue | 647 | 590 | 646 | 764 | 719 | 10 | (10) |
| Net interest income | 4,482 | 4,318 | 3,241 | 3,011 | 3,185 | 4 | 41 |
| TOTAL NET REVENUE | 5,129 | 4,908 | 3,887 | 3,775 | 3,904 | 5 | 31 |
| Provision for credit losses | 4,653 | 3,966 | 2,229 | 2,194 | 1,670 | 17 | 179 |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 357 | 335 | 267 | 258 | 267 | 7 | 34 |
| Noncompensation expense | 850 | 979 | 773 | 763 | 841 | (13) | 1 |
| Amortization of intangibles | 139 | 175 | 154 | 164 | 164 | (21) | (15) |
| TOTAL NONINTEREST EXPENSE | 1,346 | 1,489 | 1,194 | 1,185 | 1,272 | (10) | 6 |
| Income (loss) before income tax expense | (870) | (547) | 464 | 396 | 962 | (59) | NM |
| Income tax expense (benefit) | (323) | (176) | 172 | 146 | 353 | (84) | NM |
| NET INCOME (LOSS) | \$ (547) | \$ (371) | \$ 292 | \$ 250 | \$ 609 | (47) | NM |
| Memo: Net securitization gains (amortization) | \$ (180) | \$ (261) | \$ (28) | \$ 36 | \$ 70 | 31 | NM |
| FINANCIAL METRICS | | | | | | | |
| ROE | (15) % | (10) % | 8 % | 7 % | 17 % | | |
| Overhead ratio | 26 | 30 | 31 | 31 | 33 | | |
| % of average managed outstandings: | | | | | | | |
| Net interest income | 9.91 | 9.17 | 8.18 | 7.92 | 8.34 | | |
| Provision for credit losses | 10.29 | 8.42 | 5.63 | 5.77 | 4.37 | | |
| Noninterest revenue | 1.43 | 1.25 | 1.63 | 2.01 | 1.88 | | |
| Risk adjusted margin (a) | 1.05 | 2.00 | 4.19 | 4.16 | 5.85 | | |
| Noninterest expense | 2.98 | 3.16 | 3.01 | 3.12 | 3.33 | | |
| Pretax income (loss) (ROO) (b) | (1.92) | (1.16) | 1.17 | 1.04 | 2.52 | | |
| Net income (loss) | (1.21) | (0.79) | 0.74 | 0.66 | 1.60 | | |
| BUSINESS METRICS | | | | | | | |
| Charge volume (in billions) | \$ 76.0 | \$ 96.0 | \$ 93.9 | \$ 93.6 | \$ 85.4 | (21) | (11) |
| Net accounts opened (in millions) (c) | 2.2 | 4.3 | 16.6 | 3.6 | 3.4 | (49) | (35) |
| Credit cards issued (in millions) | 159.0 | 168.7 | 171.9 | 157.6 | 156.4 | (6) | 2 |
| Number of registered internet customers (in millions) | 33.8 | 35.6 | 34.3 | 28.0 | 26.7 | (5) | 27 |
| Merchant acquiring business (d) | | | | | | | |
| Bank card volume (in billions) | \$ 94.4 | \$ 135.1 | \$ 197.1 | \$ 199.3 | \$ 182.4 | (30) | (48) |
| Total transactions (in billions) | 4.1 | 4.9 | 5.7 | 5.6 | 5.2 | (16) | (21) |

(a) Represents total net revenue less provision for credit losses.

(b) Pretax return on average managed outstandings.

(c) Third quarter of 2008 included approximately 13 million credit card accounts acquired by JPMorgan Chase & Co. in the Washington Mutual transaction.

(d) The Chase Paymentech Solutions joint venture was dissolved effective November 1, 2008. For the period January 1, 2008 through October 31, 2008, the data presented represents activity for the Chase Paymentech Solutions joint venture and beyond that date, the data presented represents activity for Chase Paymentech Solutions.

JPMORGAN CHASE & CO.
CARD SERVICES - MANAGED BASIS
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except headcount and ratio data)

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| | | | | | | | |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Loans: | | | | | | | |
| Loans on balance sheets | \$ 90,911 | \$ 104,746 | \$ 92,881 | \$ 76,278 | \$ 75,888 | (13) % | 20 % |
| Securitized loans | 85,220 | 85,571 | 93,664 | 79,120 | 75,062 | - | 14 |
| Managed loans | \$ 176,131 | \$ 190,317 | \$ 186,545 | \$ 155,398 | \$ 150,950 | (7) | 17 |
| Equity | \$ 15,000 | \$ 15,000 | \$ 15,000 | \$ 14,100 | \$ 14,100 | - | 6 |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Managed assets | \$ 201,200 | \$ 203,943 | \$ 169,413 | \$ 161,601 | \$ 159,602 | (1) | 26 |
| Loans: | | | | | | | |
| Loans on balance sheets | \$ 97,783 | \$ 98,790 | \$ 79,183 | \$ 75,630 | \$ 79,445 | (1) | 23 |
| Securitized loans | 85,619 | 88,505 | 78,371 | 77,195 | 74,108 | (3) | 16 |
| Managed average loans | \$ 183,402 | \$ 187,295 | \$ 157,554 | \$ 152,825 | \$ 153,553 | (2) | 19 |
| Equity | \$ 15,000 | \$ 15,000 | \$ 14,100 | \$ 14,100 | \$ 14,100 | - | 6 |
| Headcount | 23,759 | 24,025 | 22,283 | 19,570 | 18,931 | (1) | 26 |
| MANAGED CREDIT QUALITY STATISTICS | | | | | | | |
| Net charge-offs | \$ 3,493 | \$ 2,616 | \$ 1,979 | \$ 1,894 | \$ 1,670 | 34 | 109 |
| Net charge-off rate (a) | 7.72 % | 5.56 % | 5.00 % | 4.98 % | 4.37 % | | |
| Managed delinquency rates | | | | | | | |
| 30+ day (a) | 6.16 % | 4.97 % | 3.91 % | 3.46 % | 3.66 % | | |
| 90+ day (a) | 3.22 | 2.34 | 1.77 | 1.76 | 1.84 | | |
| Allowance for loan losses (b) | \$ 8,849 | \$ 7,692 | \$ 5,946 | \$ 3,705 | \$ 3,404 | 15 | 160 |
| Allowance for loan losses to period-end loans (b) | 9.73 % | 7.34 % | 6.40 % | 4.86 % | 4.49 % | | |
| KEY STATS - WASHINGTON MUTUAL ONLY (c) | | | | | | | |
| Managed loans | \$ 25,908 | \$ 28,250 | \$ 27,235 | | | (8) | NM |
| Managed average loans | 27,578 | 27,703 | | | | - | NM |
| Net interest income (d) | 16.45 % | 14.87 % | | | | | |
| Risk adjusted margin (d) (e) | 4.42 | 4.18 | | | | | |
| Net charge-off rate (a) | 12.63 | 7.11 | | | | | |
| 30+ day delinquency rate (a) | 10.89 | 8.50 | 5.20 % | | | | |
| 90+ day delinquency rate (a) | 5.79 | 3.75 | 1.95 | | | | |
| KEY STATS - EXCLUDING WASHINGTON MUTUAL | | | | | | | |
| Managed loans | \$ 150,223 | \$ 162,067 | \$ 159,310 | \$ 155,398 | \$ 150,950 | (7) | - |
| Managed average loans | 155,824 | 159,592 | 157,554 | 152,825 | 153,553 | (2) | 1 |
| Net interest income (d) | 8.75 % | 8.18 % | 8.18 % | 7.92 % | 8.34 % | | |
| Risk adjusted margin (d) (e) | 0.46 | 1.62 | 4.19 | 4.16 | 5.85 | | |
| Net charge-off rate | 6.86 | 5.29 | 5.00 | 4.98 | 4.37 | | |
| 30+ day delinquency rate | 5.34 | 4.36 | 3.69 | 3.46 | 3.66 | | |
| 90+ day delinquency rate | 2.78 | 2.09 | 1.74 | 1.76 | 1.84 | | |

(a) Results for the quarters ending March 31, 2009, December 31, 2008, and September 30, 2008 reflect the impact of purchase accounting adjustments related to the Washington Mutual transaction.

(b) Based on loans on a reported basis.

(c) Statistics are only presented for periods after September 25, 2008, the date of the Washington Mutual transaction.

(d) As a percentage of average managed outstandings.

(e) Represents total net revenue less provision for credit losses.

JPMORGAN CHASE & CO.
CARD RECONCILIATION OF REPORTED AND MANAGED DATA

JPMORGAN CHASE & CO.

(in millions)

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------|--------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| INCOME STATEMENT DATA (a) | | | | | | | |
| Credit card income | | | | | | | |
| Reported | \$ 1,384 | \$ 1,553 | \$ 1,476 | \$ 1,516 | \$ 1,537 | (11) % | (10) % |
| Securitization adjustments | (540) | (691) | (843) | (843) | (937) | 22 | 42 |
| Managed credit card income | \$ 844 | \$ 862 | \$ 633 | \$ 673 | \$ 600 | (2) | 41 |
| Net interest income | | | | | | | |
| Reported | \$ 2,478 | \$ 2,408 | \$ 1,525 | \$ 1,338 | \$ 1,567 | 3 | 58 |
| Securitization adjustments | 2,004 | 1,910 | 1,716 | 1,673 | 1,618 | 5 | 24 |
| Managed net interest income | \$ 4,482 | \$ 4,318 | \$ 3,241 | \$ 3,011 | \$ 3,185 | 4 | 41 |
| Total net revenue | | | | | | | |
| Reported | \$ 3,665 | \$ 3,689 | \$ 3,014 | \$ 2,945 | \$ 3,223 | (1) | 14 |
| Securitization adjustments | 1,464 | 1,219 | 873 | 830 | 681 | 20 | 115 |
| Managed total net revenue | \$ 5,129 | \$ 4,908 | \$ 3,887 | \$ 3,775 | \$ 3,904 | 5 | 31 |
| Provision for credit losses | | | | | | | |
| Reported | \$ 3,189 | \$ 2,747 | \$ 1,356 | \$ 1,364 | \$ 989 | 16 | 222 |
| Securitization adjustments | 1,464 | 1,219 | 873 | 830 | 681 | 20 | 115 |
| Managed provision for credit losses | \$ 4,653 | \$ 3,966 | \$ 2,229 | \$ 2,194 | \$ 1,670 | 17 | 179 |
| BALANCE SHEETS - AVERAGE BALANCES (a) | | | | | | | |
| Total average assets | | | | | | | |
| Reported | \$ 118,418 | \$ 118,290 | \$ 93,701 | \$ 87,021 | \$ 88,013 | - | 35 |
| Securitization adjustments | 82,782 | 85,653 | 75,712 | 74,580 | 71,589 | (3) | 16 |
| Managed average assets | \$ 201,200 | \$ 203,943 | \$ 169,413 | \$ 161,601 | \$ 159,602 | (1) | 26 |
| CREDIT QUALITY STATISTICS (a) | | | | | | | |
| Net charge-offs | | | | | | | |
| Reported | \$ 2,029 | \$ 1,397 | \$ 1,106 | \$ 1,064 | \$ 989 | 45 | 105 |
| Securitization adjustments | 1,464 | 1,219 | 873 | 830 | 681 | 20 | 115 |
| Managed net charge-offs | \$ 3,493 | \$ 2,616 | \$ 1,979 | \$ 1,894 | \$ 1,670 | 34 | 109 |

(a) JPMorgan Chase & Co. uses the concept of "managed receivables" to evaluate the credit performance and overall performance of the underlying credit card loans, both sold and not sold; as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will affect both the receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase & Co. treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio. Managed results exclude the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. Securitization does not change reported net income versus managed earnings; however, it does affect the classification of items on the Consolidated Statements of Income and Consolidated Balance Sheets.

JPMORGAN CHASE & CO.
COMMERCIAL BANKING
FINANCIAL HIGHLIGHTS
(in millions, except ratio data)

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|------|
| | | | | | | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Lending & deposit-related fees | \$ 263 | \$ 242 | \$ 212 | \$ 207 | \$ 193 | 9 % | 36 % |
| Asset management, administration and commissions | 34 | 32 | 29 | 26 | 26 | 6 | 31 |
| All other income (a) | 125 | 102 | 147 | 150 | 115 | 23 | 9 |
| Noninterest revenue | 422 | 376 | 388 | 383 | 334 | 12 | 26 |
| Net interest income | 980 | 1,103 | 737 | 723 | 733 | (11) | 34 |
| TOTAL NET REVENUE | 1,402 | 1,479 | 1,125 | 1,106 | 1,067 | (5) | 31 |
| Provision for credit losses | 293 | 190 | 126 | 47 | 101 | 54 | 190 |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 200 | 164 | 177 | 173 | 178 | 22 | 12 |
| Noncompensation expense | 342 | 324 | 298 | 290 | 294 | 6 | 16 |
| Amortization of intangibles | 11 | 11 | 11 | 13 | 13 | - | (15) |
| TOTAL NONINTEREST EXPENSE | 553 | 499 | 486 | 476 | 485 | 11 | 14 |
| Income before income tax expense | 556 | 790 | 513 | 583 | 481 | (30) | 16 |
| Income tax expense | 218 | 310 | 201 | 228 | 189 | (30) | 15 |
| NET INCOME | \$ 338 | \$ 480 | \$ 312 | \$ 355 | \$ 292 | (30) | 16 |
| MEMO: | | | | | | | |
| Revenue by product: | | | | | | | |
| Lending | \$ 665 | \$ 611 | \$ 377 | \$ 376 | \$ 379 | 9 | 75 |
| Treasury services | 646 | 759 | 643 | 630 | 616 | (15) | 5 |
| Investment banking | 73 | 88 | 87 | 91 | 68 | (17) | 7 |
| Other | 18 | 21 | 18 | 9 | 4 | (14) | 350 |
| Total Commercial Banking revenue | \$ 1,402 | \$ 1,479 | \$ 1,125 | \$ 1,106 | \$ 1,067 | (5) | 31 |
| IB revenue, gross (b) | \$ 206 | \$ 241 | \$ 252 | \$ 270 | \$ 203 | (15) | 1 |
| Revenue by business: | | | | | | | |
| Middle Market Banking | \$ 752 | \$ 796 | \$ 729 | \$ 708 | \$ 706 | (6) | 7 |
| Commercial Term Lending (c) | 228 | 243 | - | - | - | (6) | NM |
| Mid-Corporate Banking | 242 | 243 | 236 | 235 | 207 | - | 17 |
| Real Estate Banking (c) | 120 | 131 | 91 | 94 | 97 | (8) | 24 |
| Other (c) | 60 | 66 | 69 | 69 | 57 | (9) | 5 |
| Total Commercial Banking revenue | \$ 1,402 | \$ 1,479 | \$ 1,125 | \$ 1,106 | \$ 1,067 | (5) | 31 |
| FINANCIAL RATIOS | | | | | | | |
| ROE | 17 % | 24 % | 18 % | 20 % | 17 % | | |
| Overhead ratio | 39 | 34 | 43 | 43 | 45 | | |

(a) IB-related and commercial card revenue is included in all other income.

(b) Represents the total revenue related to investment banking products sold to Commercial Banking ("CB") clients.

(c) Includes total net revenue on net assets acquired in the Washington Mutual transaction starting in the period ending December 31, 2008.

JPMORGAN CHASE & CO.
COMMERCIAL BANKING
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio and headcount data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|--|-------------------|-------------------|------------------|------------------|------------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Equity | \$ 8,000 | \$ 8,000 | \$ 8,000 | \$ 7,000 | \$ 7,000 | - % | 14 % |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Total assets | \$ 144,298 | \$ 149,815 | \$ 101,681 | \$ 103,469 | \$ 101,979 | (4) | 41 |
| Loans: | | | | | | | |
| Loans retained | 113,568 | 117,351 | 71,901 | 70,682 | 67,510 | (3) | 68 |
| Loans held-for-sale & loans at fair value | 297 | 329 | 397 | 379 | 521 | (10) | (43) |
| Total loans | 113,865 | 117,680 | 72,298 | 71,061 | 68,031 | (3) | 67 |
| Liability balances (a) | 114,975 | 114,113 | 99,410 | 99,404 | 99,477 | 1 | 16 |
| Equity | 8,000 | 8,000 | 7,000 | 7,000 | 7,000 | - | 14 |
| MEMO: | | | | | | | |
| Loans by business: | | | | | | | |
| Middle Market Banking | \$ 40,728 | \$ 42,613 | \$ 43,155 | \$ 42,879 | \$ 40,111 | (4) | 2 |
| Commercial Term Lending (b) | 36,814 | 37,039 | - | - | - | (1) | NM |
| Mid-Corporate Banking | 18,416 | 18,169 | 16,491 | 15,357 | 15,150 | 1 | 22 |
| Real Estate Banking (b) | 13,264 | 13,529 | 7,513 | 7,500 | 7,457 | (2) | 78 |
| Other (b) | 4,643 | 6,330 | 5,139 | 5,325 | 5,313 | (27) | (13) |
| Total Commercial Banking loans | \$ 113,865 | \$ 117,680 | \$ 72,298 | \$ 71,061 | \$ 68,031 | (3) | 67 |
| Headcount | 4,545 | 5,206 | 5,298 | 4,028 | 4,075 | (13) | 12 |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | |
| Net charge-offs | \$ 134 | \$ 118 | \$ 40 | \$ 49 | \$ 81 | 14 | 65 |
| Nonperforming loans (c) (d) | 1,531 | 1,026 | 844 | 486 | 446 | 49 | 243 |
| Nonperforming assets | 1,651 | 1,142 | 923 | 510 | 453 | 45 | 264 |
| Allowance for credit losses: | | | | | | | |
| Allowance for loan losses (e) | 2,945 | 2,826 | 2,698 | 1,843 | 1,790 | 4 | 65 |
| Allowance for lending-related commitments | 240 | 206 | 191 | 170 | 200 | 17 | 20 |
| Total allowance for credit losses | 3,185 | 3,032 | 2,889 | 2,013 | 1,990 | 5 | 60 |
| Net charge-off rate (f) | 0.48 % | 0.40 % | 0.22 % | 0.28 % | 0.48 % | | |
| Allowance for loan losses to average loans (d) (f) | 2.59 | 2.41 | 2.32 (g) | 2.61 | 2.65 | | |
| Allowance for loan losses to nonperforming loans (c) (d) | 192 | 275 | 320 | 401 | 426 | | |
| Nonperforming loans to average loans (d) | 1.34 | 0.87 | 0.72 (g) | 0.68 | 0.66 | | |

- (a) Liability balances include deposits and deposits swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities loaned or sold under repurchase agreements.
- (b) Includes loans acquired in the Washington Mutual transaction starting in the period ending December 31, 2008.
- (c) Nonperforming loans included loans held-for-sale and loans at fair value of \$26 million at both June 30, 2008, and March 31, 2008. These amounts were excluded when calculating the allowance for loan losses to nonperforming loans ratio. There were no nonperforming loans held-for-sale or held at fair value at March 31, 2009, December 31, 2008, and September 30, 2008.
- (d) Wholesale purchased credit-impaired loans accounted for under SOP 03-3 that were acquired in the Washington Mutual transaction are considered nonperforming loans because the timing and amount of expected cash flows are not reasonably estimable. These nonperforming loans were included when calculating the allowance coverage ratio, the allowance for loan losses to nonperforming loans ratio, and the nonperforming loans to average loans ratio. The carrying amount of these purchased credit-impaired loans at March 31, 2009, December 31, 2008, and September 30, 2008, was \$219 million, \$224 million and \$272 million, respectively.
- (e) The allowance for loan losses at September 30, 2008, and June 30, 2008, included amounts related to loans acquired in the Washington Mutual transaction and the merger with Bear Stearns, respectively.
- (f) Loans held-for-sale and loans accounted for at fair value were excluded when calculating the allowance coverage ratio and the net charge-off rate.
- (g) Average loans in the calculation of this ratio were adjusted to include \$44.5 billion of loans acquired from Washington Mutual as if the transaction occurred on July 1, 2008. Excluding this adjustment, the unadjusted allowance for loan losses to average loans and nonperforming loans to average loans ratios would have been 3.75% and 1.17%, respectively.

JPMORGAN CHASE & CO.
TREASURY & SECURITIES SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except headcount and ratio data)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|------|
| | | | | | | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Lending & deposit-related fees | \$ 325 | \$ 304 | \$ 290 | \$ 283 | \$ 269 | 7 % | 21 % |
| Asset management, administration and commissions | 626 | 748 | 719 | 846 | 820 | (16) | (24) |
| All other income | 197 | 268 | 221 | 228 | 200 | (26) | (2) |
| Noninterest revenue | 1,148 | 1,320 | 1,230 | 1,357 | 1,289 | (13) | (11) |
| Net interest income | 673 | 929 | 723 | 662 | 624 | (28) | 8 |
| TOTAL NET REVENUE | 1,821 | 2,249 | 1,953 | 2,019 | 1,913 | (19) | (5) |
| Provision for credit losses | (6) | 45 | 18 | 7 | 12 | NM | NM |
| Credit reimbursement to IB (a) | (30) | (30) | (31) | (30) | (30) | - | - |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 629 | 628 | 664 | 669 | 641 | - | (2) |
| Noncompensation expense | 671 | 692 | 661 | 632 | 571 | (3) | 18 |
| Amortization of intangibles | 19 | 19 | 14 | 16 | 16 | - | 19 |
| TOTAL NONINTEREST EXPENSE | 1,319 | 1,339 | 1,339 | 1,317 | 1,228 | (1) | 7 |
| Income before income tax expense | 478 | 835 | 565 | 665 | 643 | (43) | (26) |
| Income tax expense | 170 | 302 | 159 | 240 | 240 | (44) | (29) |
| NET INCOME | \$ 308 | \$ 533 | \$ 406 | \$ 425 | \$ 403 | (42) | (24) |
| REVENUE BY BUSINESS | | | | | | | |
| Treasury Services (b) | \$ 931 | \$ 1,068 | \$ 946 | \$ 905 | \$ 860 | (13) | 8 |
| Worldwide Securities Services (b) | 890 | 1,181 | 1,007 | 1,114 | 1,053 | (25) | (15) |
| TOTAL NET REVENUE | \$ 1,821 | \$ 2,249 | \$ 1,953 | \$ 2,019 | \$ 1,913 | (19) | (5) |
| FINANCIAL RATIOS | | | | | | | |
| ROE | 25 % | 47 % | 46 % | 49 % | 46 % | | |
| Overhead ratio | 72 | 60 | 69 | 65 | 64 | | |
| Pretax margin ratio (c) | 26 | 37 | 29 | 33 | 34 | | |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Equity | \$ 5,000 | \$ 4,500 | \$ 4,500 | \$ 3,500 | \$ 3,500 | 11 | 43 |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Total assets | \$ 38,682 | \$ 55,515 | \$ 49,386 | \$ 56,192 | \$ 57,204 | (30) | (32) |
| Loans (d) | 20,140 | 31,283 | 26,650 | 23,822 | 23,086 | (36) | (13) |
| Liability balances (e) | 276,486 | 336,277 | 259,992 | 268,293 | 254,369 | (18) | 9 |
| Equity | 5,000 | 4,500 | 3,500 | 3,500 | 3,500 | 11 | 43 |
| Headcount | 26,998 | 27,070 | 27,592 | 27,232 | 26,561 | - | 2 |

(a) TSS is charged a credit reimbursement related to certain exposures managed within IB credit portfolio on behalf of clients shared with TSS.

(b) Reflects an internal reorganization for escrow products from Worldwide Securities Services to Treasury Services revenue of \$45 million, \$75 million, \$49 million, \$53 million, and \$47 million, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

(c) Pretax margin represents income before income tax expense divided by total net revenue, which is a measure of pretax performance and another basis by which management evaluates its performance and that of its competitors.

(d) Loan balances include wholesale overdrafts, commercial card and trade finance loans.

(e) Liability balances include deposits and deposits swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities loaned or sold under repurchase agreements.

JPMORGAN CHASE & CO.
TREASURY & SECURITIES SERVICES

FINANCIAL HIGHLIGHTS, CONTINUED

(in millions, except ratio data and where otherwise noted)

TSS firmwide metrics include revenue recorded in the CB, Regional Banking and Asset Management ("AM") lines of business and excludes FX revenue recorded in the IB for TSS-related FX activity. In order to capture the firmwide impact of Treasury Services ("TS") and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary in order to understand the aggregate TSS business.

| | QUARTERLY TRENDS | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| TSS FIRMWIDE DISCLOSURES | | | | | | | |
| Treasury Services revenue - reported (a) | \$ 931 | \$ 1,068 | \$ 946 | \$ 905 | \$ 860 | (13) % | 8 % |
| Treasury Services revenue reported in Commercial Banking | 646 | 759 | 643 | 630 | 616 | (15) | 5 |
| Treasury Services revenue reported in other lines of business | 62 | 82 | 76 | 72 | 69 | (24) | (10) |
| Treasury Services firmwide revenue (a) (b) | 1,639 | 1,909 | 1,665 | 1,607 | 1,545 | (14) | 6 |
| Worldwide Securities Services revenue (a) | 890 | 1,181 | 1,007 | 1,114 | 1,053 | (25) | (15) |
| Treasury & Securities Services firmwide revenue (b) | \$ 2,529 | \$ 3,090 | \$ 2,672 | \$ 2,721 | \$ 2,598 | (18) | (3) |
| Treasury Services firmwide liability balances (average) (c) (d) | \$ 289,645 | \$ 312,559 | \$ 248,075 | \$ 252,625 | \$ 243,168 | (7) | 19 |
| Treasury & Securities Services firmwide liability balances (average) (c) | 391,461 | 450,390 | 359,401 | 367,670 | 353,845 | (13) | 11 |
| TSS FIRMWIDE FINANCIAL RATIOS | | | | | | | |
| Treasury Services firmwide overhead ratio (e) | 53 % | 44 % | 52 % | 53 % | 54 % | | |
| Treasury & Securities Services firmwide overhead ratio (e) | 63 | 52 | 60 | 58 | 58 | | |
| FIRMWIDE BUSINESS METRICS | | | | | | | |
| Assets under custody (in billions) | \$ 13,532 | \$ 13,205 | \$ 14,417 | \$ 15,476 | \$ 15,690 | 2 | (14) |
| Number of: | | | | | | | |
| US\$ ACH transactions originated (in millions) | 978 | 1,006 | 997 | 993 | 1,004 | (3) | (3) |
| Total US\$ clearing volume (in thousands) | 27,186 | 29,346 | 29,277 | 29,063 | 28,056 | (7) | (3) |
| International electronic funds transfer volume (in thousands) (f) | 44,365 | 47,734 | 41,831 | 41,432 | 40,039 | (7) | 11 |
| Wholesale check volume (in millions) | 568 | 572 | 595 | 618 | 623 | (1) | (9) |
| Wholesale cards issued (in thousands) (g) | 22,233 | 22,784 | 21,858 | 19,917 | 19,122 | (2) | 16 |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | |
| Net charge-offs (recoveries) | \$ 2 | \$ - | \$ - | \$ (2) | \$ - | NM | NM |
| Nonperforming loans | 30 | 30 | - | - | - | - | NM |
| Allowance for loan losses | 51 | 74 | 47 | 40 | 26 | (31) | 96 |
| Allowance for lending-related commitments | 77 | 63 | 45 | 33 | 33 | 22 | 133 |
| Net charge-off (recovery) rate | 0.04 % | - % | - % | (0.03) % | - % | | |
| Allowance for loan losses to average loans | 0.25 | 0.24 | 0.18 | 0.17 | 0.11 | | |
| Allowance for loan losses to nonperforming loans | 170 | 247 | NM | NM | NM | | |
| Nonperforming loans to average loans | 0.15 | 0.10 | - | - | - | | |

- (a) Reflects an internal reorganization for escrow products from Worldwide Securities Services to Treasury Services revenue of \$45 million, \$75 million, \$49 million, \$53 million, and \$47 million, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.
- (b) TSS firmwide FX revenue includes FX revenue recorded in TSS and FX revenue associated with TSS customers who are FX customers of the IB. FX revenue associated with TSS customers who are FX customers of the IB was \$154 million, \$271 million, \$196 million, \$222 million, and \$191 million, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts are not included in TS and TSS firmwide revenue.
- (c) Firmwide liability balances include TS' liability balances recorded in the Commercial Banking line of business.
- (d) Reflects an internal reorganization for escrow products from Worldwide Securities Services to Treasury Services liability balances of \$18.2 billion, \$22.3 billion, \$20.3 billion, \$21.9 billion, and \$21.5 billion, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.
- (e) Overhead ratios have been calculated based upon firmwide revenue and TSS and TS expense, respectively, including those allocated to certain other lines of business. FX revenue and expense recorded in the IB for TSS-related FX activity are not included in this ratio.
- (f) International electronic funds transfer includes non-US\$ ACH and clearing volume.
- (g) Wholesale cards issued include domestic commercial card, stored value card, prepaid card, and government electronic benefit card products.

JPMORGAN CHASE & CO.

ASSET MANAGEMENT

FINANCIAL HIGHLIGHTS

(in millions, except ratio, ranking and headcount data)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|--------|
| | | | | | | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Asset management, administration and commissions | \$ 1,231 | \$ 1,362 | \$ 1,538 | \$ 1,573 | \$ 1,531 | (10) % | (20) % |
| All other income | 69 | (170) | 43 | 130 | 59 | NM | 17 |
| Noninterest revenue | 1,300 | 1,192 | 1,581 | 1,703 | 1,590 | 9 | (18) |
| Net interest income | 403 | 466 | 380 | 361 | 311 | (14) | 30 |
| TOTAL NET REVENUE | 1,703 | 1,658 | 1,961 | 2,064 | 1,901 | 3 | (10) |
| Provision for credit losses | 33 | 32 | 20 | 17 | 16 | 3 | 106 |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 800 | 689 | 816 | 886 | 825 | 16 | (3) |
| Noncompensation expense | 479 | 504 | 525 | 494 | 477 | (5) | - |
| Amortization of intangibles | 19 | 20 | 21 | 20 | 21 | (5) | (10) |
| TOTAL NONINTEREST EXPENSE | 1,298 | 1,213 | 1,362 | 1,400 | 1,323 | 7 | (2) |
| Income before income tax expense | 372 | 413 | 579 | 647 | 562 | (10) | (34) |
| Income tax expense | 148 | 158 | 228 | 252 | 206 | (6) | (28) |
| NET INCOME | \$ 224 | \$ 255 | \$ 351 | \$ 395 | \$ 356 | (12) | (37) |
| REVENUE BY CLIENT SEGMENT | | | | | | | |
| Private Bank (a) | \$ 583 | \$ 630 | \$ 631 | \$ 708 | \$ 596 | (7) | (2) |
| Institutional | 460 | 327 | 486 | 472 | 490 | 41 | (6) |
| Private Wealth Management (a) | 312 | 330 | 352 | 356 | 349 | (5) | (11) |
| Retail | 253 | 265 | 399 | 490 | 466 | (5) | (46) |
| Bear Stearns Brokerage | 95 | 106 | 93 | 38 | - | (10) | NM |
| Total net revenue | \$ 1,703 | \$ 1,658 | \$ 1,961 | \$ 2,064 | \$ 1,901 | 3 | (10) |
| FINANCIAL RATIOS | | | | | | | |
| ROE | 13 % | 14 % | 25 % | 31 % | 29 % | | |
| Overhead ratio | 76 | 73 | 69 | 68 | 70 | | |
| Pretax margin ratio (b) | 22 | 25 | 30 | 31 | 30 | | |
| BUSINESS METRICS | | | | | | | |
| Number of: | | | | | | | |
| Client advisors | 1,708 | 1,705 | 1,684 | 1,717 | 1,744 | - | (2) |
| Retirement planning services participants | 1,628,000 | 1,531,000 | 1,492,000 | 1,505,000 | 1,519,000 | 6 | 7 |
| Bear Stearns brokers | 359 | 324 | 323 | 326 | - | 11 | NM |
| % of customer assets in 4 & 5 Star Funds (c) | 42 % | 42 % | 39 % | 40 % | 49 % | - | (14) |
| % of AUM in 1st and 2nd quartiles: (d) | | | | | | | |
| 1 year | 54 % | 54 % | 49 % | 51 % | 52 % | - | 4 |
| 3 years | 62 % | 65 % | 67 % | 70 % | 73 % | (5) | (15) |
| 5 years | 66 % | 76 % | 77 % | 76 % | 75 % | (13) | (12) |
| SELECTED BALANCE SHEET DATA (Period-end) | | | | | | | |
| Equity | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 5,200 | \$ 5,000 | - | 40 |
| SELECTED BALANCE SHEET DATA (Average) | | | | | | | |
| Total assets | \$ 58,227 | \$ 65,648 | \$ 71,189 | \$ 65,015 | \$ 60,286 | (11) | (3) |
| Loans | 34,585 | 36,851 | 39,750 | 39,264 | 36,628 | (6) | (6) |
| Deposits | 81,749 | 76,911 | 65,621 | 69,975 | 68,184 | 6 | 20 |
| Equity | 7,000 | 7,000 | 5,500 | 5,066 | 5,000 | - | 40 |
| Headcount | 15,109 | 15,339 | 15,493 | 15,840 | 14,955 | (1) | 1 |
| CREDIT DATA AND QUALITY STATISTICS | | | | | | | |
| Net charge-offs (recoveries) | \$ 19 | \$ 12 | \$ (1) | \$ 2 | \$ (2) | 58 | NM |
| Nonperforming loans | 301 | 147 | 121 | 68 | 11 | 105 | NM |
| Allowance for loan losses | 215 | 191 | 170 | 147 | 130 | 13 | 65 |
| Allowance for lending-related commitments | 4 | 5 | 5 | 5 | 6 | (20) | (33) |
| Net charge-off (recovery) rate | 0.22 % | 0.13 % | (0.01) % | 0.02 % | (0.02) % | | |
| Allowance for loan losses to average loans | 0.62 | 0.52 | 0.43 | 0.37 | 0.35 | | |
| Allowance for loan losses to nonperforming loans | 71 | 130 | 140 | 216 | 1,182 | | |
| Nonperforming loans to average loans | 0.87 | 0.40 | 0.30 | 0.17 | 0.03 | | |

(a) In the third quarter of 2008, certain clients were transferred from Private Bank to Private Wealth Management. Prior periods have been revised to conform with this change.

(b) Pretax margin represents income before income tax expense divided by total net revenue, which is a measure of pretax performance and another basis by which management evaluates its performance and that of its competitors.

(c) Derived from the following rating services: Morningstar for the United States; Micropal for the United Kingdom, Luxembourg, Hong Kong and Taiwan; and Nomura for Japan.

(d) Derived from the following rating services: Lipper for the United States and Taiwan; Micropal for the United Kingdom, Luxembourg and Hong Kong; and Nomura for Japan.

JPMORGAN CHASE & CO.
ASSET MANAGEMENT
FINANCIAL HIGHLIGHTS, CONTINUED
(in billions)

JPMORGAN CHASE & CO.

| | Mar 31 2009 | Dec 31 2008 | Sep 30 2008 | Jun 30 2008 | Mar 31 2008 | Mar 31, 2009 Change | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------|----------------|
| | | | | | | Dec 31 2008 | Mar 31 2008 |
| Assets by asset class | | | | | | | |
| Liquidity | \$ 625 | \$ 613 | \$ 524 | \$ 478 | \$ 471 | 2 % | 33 % |
| Fixed income | 180 | 180 | 189 | 199 | 200 | - | (10) |
| Equities & balanced | 215 | 240 | 308 | 378 | 390 | (10) | (45) |
| Alternatives | 95 | 100 | 132 | 130 | 126 | (5) | (25) |
| TOTAL ASSETS UNDER MANAGEMENT | 1,115 | 1,133 | 1,153 | 1,185 | 1,187 | (2) | (6) |
| Custody / brokerage / administration / deposits | 349 | 363 | 409 | 426 | 382 | (4) | (9) |
| TOTAL ASSETS UNDER SUPERVISION | \$ 1,464 | \$ 1,496 | \$ 1,562 | \$ 1,611 | \$ 1,569 | (2) | (7) |
| Assets by client segment | | | | | | | |
| Institutional | \$ 668 | \$ 681 | \$ 653 | \$ 645 | \$ 652 | (2) | 2 |
| Private Bank (a) | 181 | 181 | 194 | 181 | 179 | - | 1 |
| Retail | 184 | 194 | 223 | 276 | 279 | (5) | (34) |
| Private Wealth Management (a) | 68 | 71 | 75 | 75 | 77 | (4) | (12) |
| Bear Stearns Brokerage | 14 | 6 | 8 | 8 | - | 133 | NM |
| TOTAL ASSETS UNDER MANAGEMENT | \$ 1,115 | \$ 1,133 | \$ 1,153 | \$ 1,185 | \$ 1,187 | (2) | (6) |
| Institutional | \$ 669 | \$ 682 | \$ 653 | \$ 646 | \$ 652 | (2) | 3 |
| Private Bank (a) | 375 | 378 | 417 | 415 | 412 | (1) | (9) |
| Retail | 250 | 262 | 303 | 357 | 366 | (5) | (32) |
| Private Wealth Management (a) | 120 | 124 | 134 | 133 | 139 | (3) | (14) |
| Bear Stearns Brokerage | 50 | 50 | 55 | 60 | - | - | NM |
| TOTAL ASSETS UNDER SUPERVISION | \$ 1,464 | \$ 1,496 | \$ 1,562 | \$ 1,611 | \$ 1,569 | (2) | (7) |
| Assets by geographic region | | | | | | | |
| U.S. / Canada | \$ 789 | \$ 798 | \$ 785 | \$ 771 | \$ 773 | (1) | 2 |
| International | 326 | 335 | 368 | 414 | 414 | (3) | (21) |
| TOTAL ASSETS UNDER MANAGEMENT | \$ 1,115 | \$ 1,133 | \$ 1,153 | \$ 1,185 | \$ 1,187 | (2) | (6) |
| U.S. / Canada | \$ 1,066 | \$ 1,084 | \$ 1,100 | \$ 1,093 | \$ 1,063 | (2) | - |
| International | 398 | 412 | 462 | 518 | 506 | (3) | (21) |
| TOTAL ASSETS UNDER SUPERVISION | \$ 1,464 | \$ 1,496 | \$ 1,562 | \$ 1,611 | \$ 1,569 | (2) | (7) |
| Mutual fund assets by asset class | | | | | | | |
| Liquidity | \$ 570 | \$ 553 | \$ 470 | \$ 416 | \$ 405 | 3 | 41 |
| Fixed income | 42 | 41 | 44 | 47 | 45 | 2 | (7) |
| Equities | 93 | 99 | 134 | 179 | 186 | (6) | (50) |
| TOTAL MUTUAL FUND ASSETS | \$ 705 | \$ 693 | \$ 648 | \$ 642 | \$ 636 | 2 | 11 |

(a) In the third quarter of 2008, certain clients were transferred from Private Bank to Private Wealth Management. Prior periods have been revised to conform with this change.

JPMORGAN CHASE & CO.
ASSET MANAGEMENT
FINANCIAL HIGHLIGHTS, CONTINUED
(in billions)

JPMORGAN CHASE & Co.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| ASSETS UNDER SUPERVISION (continued) | | | | | |
| Assets under management rollforward | | | | | |
| Beginning balance | \$ 1,133 | \$ 1,153 | \$ 1,185 | \$ 1,187 | \$ 1,193 |
| Net asset flows: | | | | | |
| Liquidity | 19 | 86 | 55 | 1 | 68 |
| Fixed income | 1 | (7) | (4) | (1) | - |
| Equities, balanced & alternative | (5) | (18) | (5) | (3) | (21) |
| Market / performance / other impacts (a) | (33) | (81) | (78) | 1 | (53) |
| TOTAL ASSETS UNDER MANAGEMENT | \$ 1,115 | \$ 1,133 | \$ 1,153 | \$ 1,185 | \$ 1,187 |
| Assets under supervision rollforward | | | | | |
| Beginning balance | \$ 1,496 | \$ 1,562 | \$ 1,611 | \$ 1,569 | \$ 1,572 |
| Net asset flows | 25 | 73 | 61 | (5) | 52 |
| Market / performance / other impacts (a) | (57) | (139) | (110) | 47 | (55) |
| TOTAL ASSETS UNDER SUPERVISION | \$ 1,464 | \$ 1,496 | \$ 1,562 | \$ 1,611 | \$ 1,569 |

(a) Second quarter 2008 reflects \$15 billion for assets under management and \$68 billion for assets under supervision from the Bear Stearns merger on May 30, 2008.

JPMORGAN CHASE & CO.
CORPORATE/PRIVATE EQUITY
FINANCIAL HIGHLIGHTS
(in millions, except headcount data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|---|------------------|-----------------|-------------------|-----------------|-----------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| INCOME STATEMENT | | | | | | | |
| REVENUE | | | | | | | |
| Principal transactions | \$ (1,493) | \$ (1,620) | \$ (1,876) | \$ (97) | \$ 5 | 8 % | NM % |
| Securities gains | 214 | 499 | 440 | 656 | 42 | (57) | 410 |
| All other income (a) | (19) | 685 | (275) | (378) | 1,641 | NM | NM |
| Noninterest revenue | (1,298) | (436) | (1,711) | 181 | 1,688 | (198) | NM |
| Net interest income (expense) | 989 | 868 | (125) | (47) | (349) | 14 | NM |
| TOTAL NET REVENUE | (309) | 432 | (1,836) | 134 | 1,339 | NM | NM |
| Provision for credit losses (b) | - | (33) | 1,977 | 37 | - | NM | - |
| NONINTEREST EXPENSE | | | | | | | |
| Compensation expense | 641 | 438 | 652 | 611 | 639 | 46 | - |
| Noncompensation expense (c) | 345 | 673 | 563 | 689 | (84) | (49) | NM |
| Merger costs | 205 | 181 | 96 | 155 | - | 13 | NM |
| Subtotal | 1,191 | 1,292 | 1,311 | 1,455 | 555 | (8) | 115 |
| Net expense allocated to other businesses | (1,279) | (1,364) | (1,150) | (1,070) | (1,057) | 6 | (21) |
| TOTAL NONINTEREST EXPENSE | (88) | (72) | 161 | 385 | (502) | (22) | 82 |
| Income (loss) before income tax expense and extraordinary gain | (221) | 537 | (3,974) | (288) | 1,841 | NM | NM |
| Income tax expense (benefit) | 41 | 317 | (1,613) | 31 | 730 | (87) | (94) |
| Income (loss) before extraordinary gain | (262) | 220 | (2,361) | (319) | 1,111 | NM | NM |
| Extraordinary gain (d) | - | 1,325 | 581 | - | - | NM | - |
| NET INCOME (LOSS) | \$ (262) | \$ 1,545 | \$ (1,780) | \$ (319) | \$ 1,111 | NM | NM |
| MEMO: | | | | | | | |
| TOTAL NET REVENUE | | | | | | | |
| Private equity | \$ (449) | \$ (1,107) | \$ (216) | \$ 197 | \$ 163 | 59 | NM |
| Corporate | 140 | 1,539 | (1,620) | (63) | 1,176 | (91) | (88) |
| TOTAL NET REVENUE | \$ (309) | \$ 432 | \$ (1,836) | \$ 134 | \$ 1,339 | NM | NM |
| NET INCOME (LOSS) | | | | | | | |
| Private equity | \$ (280) | \$ (682) | \$ (164) | \$ 99 | \$ 57 | 59 | NM |
| Corporate | 252 | 1,163 | (881) | 122 | 1,054 | (78) | (76) |
| Merger-related items (e) | (234) | 1,064 | (735) | (540) | - | NM | NM |
| TOTAL NET INCOME (LOSS) | \$ (262) | \$ 1,545 | \$ (1,780) | \$ (319) | \$ 1,111 | NM | NM |
| Headcount | 22,339 | 23,376 | 24,967 | 22,317 | 21,769 | (4) | 3 |

- (a) Included the following significant items: a gain of \$1.0 billion from the dissolution of the Chase Paymentech Solutions joint venture in the fourth quarter of 2008, a charge of \$375 million for the repurchase of auction rate securities in the third quarter of 2008, \$423 million representing the Firm's share of Bear Stearns' losses from April 8 to May 30, 2008, in the second quarter of 2008, and proceeds of \$1.5 billion from the sale of Visa shares in its initial public offering in the first quarter of 2008.
- (b) The fourth and third quarters of 2008 included accounting conformity loan loss reserve provisions related to the acquisition of Washington Mutual Bank's banking operations. An analysis of loans acquired in the transaction was substantially completed during the fourth quarter. This resulted in an increase in the credit-impaired loan balances, a corresponding reduction in the non-credit-impaired portfolio and a reduction in the estimate of incurred losses related to the non-credit-impaired portfolio requiring a reduction in the accounting conformity provision for these loans. Also in the fourth quarter was a provision for credit losses related to the transfer of higher quality credit card loans from the legacy Chase portfolio to a securitization trust previously established by Washington Mutual.
- (c) Included a release of credit card litigation reserves in the first quarter of 2008.
- (d) On September 25, 2008, JPMorgan Chase acquired the banking operations of Washington Mutual Bank from the Federal Deposit Insurance Corporation for \$1.9 billion. The fair value of the net assets acquired exceeded the purchase price which resulted in negative goodwill. In accordance with SFAS 141, noncurrent nonfinancial assets that are not held-for-sale were written down against that negative goodwill. The negative goodwill remaining of \$581 million after writing down nonfinancial assets was recognized as an extraordinary gain in the third quarter of 2008. As a result of refining the purchase price allocation during the fourth quarter of 2008, an additional gain of \$1.3 billion was recognized.
- (e) Included accounting conformity loan loss reserve provisions, extraordinary gains and merger costs related to the Washington Mutual transaction, as well as items related to the Bear Stearns merger, including Bear Stearns' losses, merger costs, Bear Stearns asset management liquidation costs and Bear Stearns private client services broker retention expense.

JPMORGAN CHASE & CO.
CORPORATE/PRIVATE EQUITY
FINANCIAL HIGHLIGHTS, CONTINUED
(in millions, except ratio data)

JPMORGAN CHASE & CO.

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
|--|-----------------|-------------------|-----------------|-----------------|-----------------|-------------|-------|
| | | | | | | 4Q08 | 1Q08 |
| SUPPLEMENTAL | | | | | | | |
| TREASURY | | | | | | | |
| Securities gains (a) | \$ 214 | \$ 512 | \$ 442 | \$ 656 | \$ 42 | (58) % | 410 % |
| Investment securities portfolio (average) (b) | 218,961 | 143,160 | 105,984 | 97,223 | 80,443 | 53 | 172 |
| Investment securities portfolio (ending) (b) | 246,697 | 166,662 | 115,703 | 103,751 | 91,323 | 48 | 170 |
| Mortgage loans (average) | 7,210 | 7,277 | 7,221 | 7,004 | 6,730 | (1) | 7 |
| Mortgage loans (ending) | 7,162 | 7,292 | 7,297 | 7,150 | 6,847 | (2) | 5 |
| PRIVATE EQUITY | | | | | | | |
| Private equity gains (losses) | | | | | | | |
| Direct investments | | | | | | | |
| Realized gains | \$ 15 | \$ 24 | \$ 40 | \$ 540 | \$ 1,113 | (38) | (99) |
| Unrealized gains (losses) (c) | (409) | (1,000) | (273) | (326) | (881) | 59 | 54 |
| Total direct investments | (394) | (976) | (233) | 214 | 232 | 60 | NM |
| Third-party fund investments | (68) | (121) | 27 | 6 | (43) | 44 | (58) |
| Total private equity gains (losses) (d) | \$ (462) | \$ (1,097) | \$ (206) | \$ 220 | \$ 189 | 58 | NM |
| Private equity portfolio information | | | | | | | |
| Direct investments | | | | | | | |
| Publicly-held securities | | | | | | | |
| Carrying value | \$ 305 | \$ 483 | \$ 600 | \$ 615 | \$ 603 | (37) | (49) |
| Cost | 778 | 792 | 705 | 665 | 499 | (2) | 56 |
| Quoted public value | 346 | 543 | 657 | 732 | 720 | (36) | (52) |
| Privately-held direct securities | | | | | | | |
| Carrying value | 4,708 | 5,564 | 6,038 | 6,270 | 5,191 | (15) | (9) |
| Cost | 5,519 | 6,296 | 6,058 | 6,113 | 4,973 | (12) | 11 |
| Third-party fund investments | | | | | | | |
| Carrying value | 1,537 | 805 | 889 | 838 | 811 | 91 | 90 |
| Cost | 2,082 | 1,169 | 1,121 | 1,094 | 1,064 | 78 | 96 |
| Total private equity portfolio - Carrying value | \$ 6,550 | \$ 6,852 | \$ 7,527 | \$ 7,723 | \$ 6,605 | (4) | (1) |
| Total private equity portfolio - Cost | \$ 8,379 | \$ 8,257 | \$ 7,884 | \$ 7,872 | \$ 6,536 | 1 | 28 |

- (a) Included a \$668 million gain on the sale of MasterCard shares in the second quarter of 2008. All periods reflect repositioning of the Corporate investment securities portfolio and exclude gains/losses on securities used to manage risk associated with MSRs.
- (b) Includes Chief Investment Office investment securities only.
- (c) Unrealized gains (losses) contain reversals of unrealized gains and losses that were recognized in prior periods and have now been realized.
- (d) Included in principal transactions revenue in the Consolidated Statements of Income.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions)

JPMORGAN CHASE & CO.

| | | | | | | Mar 31, 2009 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------------|----------------|
| | Mar 31 2009 | Dec 31 2008 | Sep 30 2008 | Jun 30 2008 | Mar 31 2008 | Change Dec 31 2008 | Mar 31 2008 |
| CREDIT EXPOSURE | | | | | | | |
| WHOLESALE (a) | | | | | | | |
| Loans - U.S. | \$ 176,282 | \$ 186,776 | \$ 202,170 | \$ 137,236 | \$ 141,921 | (6) % | 24 % |
| Loans - Non-U.S. | 66,002 | 75,268 | 86,275 | 92,123 | 89,376 | (12) | (26) |
| TOTAL WHOLESALE LOANS - REPORTED (b) | 242,284 | 262,044 | 288,445 | 229,359 | 231,297 | (8) | 5 |
| CONSUMER (c) | | | | | | | |
| Home loan portfolio - excluding purchased credit-impaired loans: | | | | | | | |
| Home equity | 111,781 | 114,335 | 116,804 | 95,129 | 94,968 | (2) | 18 |
| Prime mortgage | 71,731 | 72,266 | 70,243 | 46,221 | 44,705 | (1) | 60 |
| Subprime mortgage | 14,594 | 15,330 | 18,162 | 14,792 | 15,775 | (5) | (7) |
| Option ARMs | 8,940 | 9,018 | 18,989 | - | - | (1) | NM |
| Total home loan portfolio - excluding purchased credit-impaired loans | 207,046 | 210,949 | 224,198 | 156,142 | 155,448 | (2) | 33 |
| Home loan portfolio - purchased credit-impaired loans: (d) | | | | | | | |
| Home equity | 28,366 | 28,555 | 26,507 | - | - | (1) | NM |
| Prime mortgage | 21,398 | 21,855 | 24,672 | - | - | (2) | NM |
| Subprime mortgage | 6,565 | 6,760 | 3,863 | - | - | (3) | NM |
| Option ARMs | 31,243 | 31,643 | 22,653 | - | - | (1) | NM |
| Total home loan portfolio - purchased credit-impaired loans | 87,572 | 88,813 | 77,695 | - | - | (1) | NM |
| Other consumer: | | | | | | | |
| Auto | 43,065 | 42,603 | 43,306 | 44,867 | 44,714 | 1 | (4) |
| Credit card - reported | 90,911 | 104,746 | 92,881 | 76,278 | 75,888 | (13) | 20 |
| Other loans | 33,700 | 33,715 | 33,252 | 29,187 | 25,175 | - | 34 |
| Loans held-for-sale (e) | 3,665 | 2,028 | 1,604 | 2,196 | 4,534 | 81 | (19) |
| TOTAL CONSUMER LOANS - REPORTED | 465,959 | 482,854 | 472,936 | 308,670 | 305,759 | (3) | 52 |
| TOTAL LOANS - REPORTED | 708,243 | 744,898 | 761,381 | 538,029 | 537,056 | (5) | 32 |
| Credit card - securitized | 85,220 | 85,571 | 93,664 | 79,120 | 75,062 | - | 14 |
| TOTAL LOANS - MANAGED | 793,463 | 830,469 | 855,045 | 617,149 | 612,118 | (4) | 30 |
| Derivative receivables | 131,247 | 162,626 | 118,648 | 122,389 | 99,110 | (19) | 32 |
| Receivables from customers (f) | 14,504 | 16,141 | 25,422 | 26,572 | - | (10) | NM |
| TOTAL CREDIT-RELATED ASSETS | 939,214 | 1,009,236 | 999,115 | 766,110 | 711,228 | (7) | 32 |
| Wholesale lending-related commitments | 363,013 | 379,871 | 407,823 | 430,028 | 438,392 | (4) | (17) |
| TOTAL | \$ 1,302,227 | \$ 1,389,107 | \$ 1,406,938 | \$ 1,196,138 | \$ 1,149,620 | (6) | 13 |
| Memo: Total by category | | | | | | | |
| Total wholesale exposure (g) | \$ 751,048 | \$ 820,682 | \$ 840,338 | \$ 808,348 | \$ 768,799 | (8) | (2) |
| Total consumer managed loans (h) | 551,179 | 568,425 | 566,600 | 387,790 | 380,821 | (3) | 45 |
| Total | \$ 1,302,227 | \$ 1,389,107 | \$ 1,406,938 | \$ 1,196,138 | \$ 1,149,620 | (6) | 13 |
| Risk profile of wholesale credit exposure: | | | | | | | |
| Investment-grade (i) | \$ 546,968 | \$ 605,210 | \$ 620,524 | \$ 595,043 | \$ 590,439 | (10) | (7) |
| Noninvestment-grade: (i) | | | | | | | |
| Noncriticized | 147,891 | 159,379 | 161,503 | 154,218 | 147,771 | (7) | - |
| Criticized performing | 25,320 | 22,568 | 14,491 | 11,611 | 9,570 | 12 | 165 |
| Criticized nonperforming | 4,615 | 3,429 | 1,418 | 899 | 742 | 35 | NM |
| Total noninvestment-grade | 177,826 | 185,376 | 177,412 | 166,728 | 158,083 | (4) | 12 |
| Loans held-for-sale & loans at fair value | 11,750 | 13,955 | 16,980 | 20,005 | 20,277 | (16) | (42) |
| Receivables from customers (f) | 14,504 | 16,141 | 25,422 | 26,572 | - | (10) | NM |
| Total wholesale exposure | \$ 751,048 | \$ 820,682 | \$ 840,338 | \$ 808,348 | \$ 768,799 | (8) | (2) |

(a) Includes Investment Bank, Commercial Banking, Treasury & Securities Services and Asset Management.

(b) Includes loans held-for-sale and loans at fair value.

(c) Includes Retail Financial Services, Card Services and residential mortgage loans reported in the Corporate/Private Equity segment to be risk managed by the Chief Investment Office.

(d) Purchased credit-impaired loans represent loans acquired in the Washington Mutual transaction for which a deterioration in credit quality occurred between the origination date and JPMorgan Chase's acquisition date. Under SOP 03-3, these loans were initially recorded at fair value and accrete interest income over the estimated life of the loan when cash flows are reasonably estimable even if the underlying loans are contractually past due. As of September 30, 2008, an analysis of the acquired portfolio was conducted in order to preliminarily identify loans meeting the SOP 03-3 impairment criteria. This analysis was completed during the fourth quarter of 2008, resulting in the reclassification of \$12.4 billion of acquired loans from the non-credit-impaired loan balances into the credit-impaired loan balances.

(e) Includes loans for prime mortgage of \$825 million, \$206 million, \$132 million, \$964 million, and \$375 million at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, and other (largely student loans) of \$2.8 billion, \$1.8 billion, \$1.5 billion, \$1.2 billion, and \$4.2 billion at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively.

(f) Represents margin loans to prime and retail brokerage customers, which are included in accrued interest and accounts receivable on the Consolidated Balance Sheets.

(g) Primarily represents total wholesale loans, derivative receivables, wholesale lending-related commitments and receivables from customers.

(h) Represents total consumer loans plus credit card securitizations, and excludes consumer lending-related commitments.

(i) Excludes loans held-for-sale and loans at fair value.

Note: The risk profile is based on JPMorgan Chase's internal risk ratings, which generally correspond to the following ratings as defined by Standard & Poor's / Moody's:

Investment-Grade: AAA / Aaa to BBB- / Baa3

Noninvestment-Grade: BB+ / Ba1 and below

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | Mar 31 2009 | Dec 31 2008 | Sep 30 2008 | Jun 30 2008 | Mar 31 2008 | Mar 31, 2009 Change | |
|--|------------------|------------------|-----------------|-----------------|-----------------|------------------------|----------------|
| | | | | | | Dec 31 2008 | Mar 31 2008 |
| NONPERFORMING ASSETS AND RATIOS | | | | | | | |
| WHOLESALE LOANS (a) | | | | | | | |
| Loans - U.S. | \$ 3,040 | \$ 2,123 | \$ 1,185 | \$ 806 | \$ 761 | 43 % | 299 % |
| Loans - Non-U.S. | 622 | 259 | 220 | 64 | 20 | 140 | NM |
| TOTAL WHOLESALE LOANS | 3,662 | 2,382 | 1,405 | 870 | 781 | 54 | 369 |
| CONSUMER LOANS (b) | | | | | | | |
| Home loan portfolio (includes RFS and Corporate/Private Equity): | | | | | | | |
| Home equity (c) | 1,591 | 1,394 | 1,142 | 1,008 | 924 | 14 | 72 |
| Prime mortgage | 2,712 | 1,895 | 1,496 | 1,232 | 860 | 43 | 215 |
| Subprime mortgage (c) | 2,545 | 2,690 | 2,384 | 1,715 | 1,401 | (5) | 82 |
| Option ARMs | 97 | 10 | - | - | - | NM | NM |
| Total home loan portfolio | 6,945 | 5,989 | 5,022 | 3,955 | 3,185 | 16 | 118 |
| Auto loans | 165 | 148 | 119 | 102 | 94 | 11 | 76 |
| Credit card - reported | 4 | 4 | 5 | 6 | 6 | - | (33) |
| Other loans | 625 | 430 | 382 | 340 | 335 | 45 | 87 |
| TOTAL CONSUMER LOANS (d) (e) | 7,739 | 6,571 | 5,528 | 4,403 | 3,620 | 18 | 114 |
| TOTAL NONPERFORMING LOANS REPORTED (c) | 11,401 | 8,953 | 6,933 | 5,273 | 4,401 | 27 | 159 |
| Derivative receivables | 1,010 | 1,079 | 45 | 80 | 31 | (6) | NM |
| Assets acquired in loan satisfactions | 2,243 | 2,682 | 2,542 | 880 | 711 | (16) | 215 |
| TOTAL NONPERFORMING ASSETS | \$ 14,654 | \$ 12,714 | \$ 9,520 | \$ 6,233 | \$ 5,143 | 15 | 185 |
| TOTAL NONPERFORMING LOANS TO TOTAL LOANS REPORTED | 1.61 % | 1.20 % | 0.91 % | 0.98 % | 0.82 % | | |
| NONPERFORMING ASSETS BY LOB | | | | | | | |
| Investment Bank | \$ 3,041 | \$ 2,501 | \$ 583 | \$ 490 | \$ 439 | 22 | NM |
| Retail Financial Services (c) (e) | 9,582 | 8,841 | 7,878 | 5,153 | 4,230 | 8 | 127 |
| Card Services | 4 | 4 | 5 | 6 | 6 | - | (33) |
| Commercial Banking | 1,651 | 1,142 | 923 | 510 | 453 | 45 | 264 |
| Treasury & Securities Services | 30 | 30 | - | - | - | - | NM |
| Asset Management | 319 | 172 | 121 | 68 | 11 | 85 | NM |
| Corporate/Private Equity (f) | 27 | 24 | 10 | 6 | 4 | 13 | NM |
| TOTAL | \$ 14,654 | \$ 12,714 | \$ 9,520 | \$ 6,233 | \$ 5,143 | 15 | 185 |

(a) Included nonperforming loans held-for-sale and loans at fair value of \$57 million, \$32 million, \$32 million, \$51 million, and \$70 million at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. Excluded purchased held-for-sale wholesale loans.

(b) There were no nonperforming loans held-for-sale at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008.

(c) During the second quarter of 2008, the policy for classifying subprime mortgage and home equity loans as nonperforming was changed to conform to all other home lending products. Prior period nonperforming loans and assets have been revised to reflect this change.

(d) Nonperforming loans and assets excluded (1) loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by U.S. government agencies of \$4.6 billion, \$3.3 billion, \$1.8 billion, \$1.9 billion, and \$1.8 billion, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, and (2) student loans that are 90 days past due and still accruing, which are insured by U.S. government agencies under the Federal Family Education Loan Program of \$433 million, \$437 million, \$405 million, \$394 million, and \$418 million, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts for GNMA and student loans are excluded, as reimbursement is proceeding normally.

(e) Excludes purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans are accounted for on a pool basis and the pools are considered to be performing under SOP 03-3.

(f) Predominantly relates to held-for-investment prime mortgage.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| GROSS CHARGE-OFFS | | | | | | | |
| Wholesale loans | \$ 206 | \$ 238 | \$ 71 | \$ 82 | \$ 130 | (13) % | 58 % |
| Consumer (includes RFS and Corporate/Private Equity) | 2,244 | 1,752 | 1,375 | 1,079 | 880 | 28 | 155 |
| Credit card - reported | 2,189 | 1,559 | 1,245 | 1,209 | 1,144 | 40 | 91 |
| Total loans - reported | 4,639 | 3,549 | 2,691 | 2,370 | 2,154 | 31 | 115 |
| Credit card - securitized | 1,579 | 1,351 | 985 | 949 | 791 | 17 | 100 |
| Total loans - managed | 6,218 | 4,900 | 3,676 | 3,319 | 2,945 | 27 | 111 |
| RECOVERIES | | | | | | | |
| Wholesale loans | 15 | 21 | 19 | 41 | 38 | (29) | (61) |
| Consumer (includes RFS and Corporate/Private Equity) | 68 | 51 | 49 | 54 | 55 | 33 | 24 |
| Credit card - reported | 160 | 162 | 139 | 145 | 155 | (1) | 3 |
| Total loans - reported | 243 | 234 | 207 | 240 | 248 | 4 | (2) |
| Credit card - securitized | 115 | 123 | 112 | 119 | 110 | (7) | 5 |
| Total loans - managed | 358 | 357 | 319 | 359 | 358 | - | - |
| NET CHARGE-OFFS | | | | | | | |
| Wholesale loans | 191 | 217 | 52 | 41 | 92 | (12) | 108 |
| Consumer (includes RFS and Corporate/Private Equity) | 2,176 | 1,701 | 1,326 | 1,025 | 825 | 28 | 164 |
| Credit card - reported | 2,029 | 1,397 | 1,106 | 1,064 | 989 | 45 | 105 |
| Total loans - reported | 4,396 | 3,315 | 2,484 | 2,130 | 1,906 | 33 | 131 |
| Credit card - securitized | 1,464 | 1,228 | 873 | 830 | 681 | 19 | 115 |
| Total loans - managed | \$ 5,860 | \$ 4,543 | \$ 3,357 | \$ 2,960 | \$ 2,587 | 29 | 127 |
| NET CHARGE-OFF RATES | | | | | | | |
| Wholesale loans (a) | 0.32 % | 0.33 % | 0.10 % | 0.08 % | 0.18 % | | |
| Consumer (b) | 2.36 | 1.80 | 2.29 | 1.81 | 1.50 | | |
| Consumer excluding purchased credit-impaired loans (b) | 3.09 | 2.35 | 2.29 | 1.81 | 1.50 | | |
| Credit card - reported | 8.42 | 5.63 | 5.56 | 5.66 | 5.01 | | |
| Total loans - reported (a) (b) | 2.51 | 1.80 | 1.91 | 1.67 | 1.53 | | |
| Credit card - securitized | 6.93 | 5.48 | 4.43 | 4.32 | 3.70 | | |
| Total loans - managed (a) (b) | 2.98 | 2.20 | 2.24 | 2.02 | 1.81 | | |
| Memo: Credit card - managed | 7.72 | 5.56 | 5.00 | 4.98 | 4.37 | | |

(a) Average wholesale loans held-for-sale and loans at fair value were \$13.3 billion, \$16.7 billion, \$18.0 billion, \$20.8 billion, and \$20.1 billion, for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts were excluded when calculating the net charge-off rates. Excluding average wholesale purchased credit-impaired loans of \$222 million and \$248 million for the quarters ended March 31, 2009 and December 31, 2008, respectively has no effect on the net charge-off rate.

(b) Average consumer (excluding card) loans held-for-sale and loans at fair value were \$3.1 billion, \$1.8 billion, \$1.5 billion, \$3.6 billion, and \$4.4 billion for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts were excluded when calculating the net charge-off rates.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions, except ratio data)

| | QUARTERLY TRENDS | | | | | 1Q09 Change | |
|--|------------------|------------------|------------------|------------------|------------------|-------------|-------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q08 | 1Q08 |
| | | | | | | | |
| SUMMARY OF CHANGES IN THE ALLOWANCE FOR LOAN LOSSES | | | | | | | |
| Beginning balance | \$ 23,164 | \$ 19,052 | \$ 13,246 | \$ 11,746 | \$ 9,234 | 22 % | 151 % |
| Acquired allowance resulting from the Washington Mutual transaction | - | - | 2,535 | - | - | - | - |
| Net charge-offs | 4,396 | 3,315 | 2,484 | 2,130 | 1,906 | 33 | 131 |
| Provision for loan losses (a) | 8,617 | 7,434 | 5,760 | 3,624 | 4,419 | 16 | 95 |
| Other | (4) | (7) | (5) | 6 | (1) | 43 | (300) |
| Ending balance | \$ 27,381 | \$ 23,164 | \$ 19,052 | \$ 13,246 | \$ 11,746 | 18 | 133 |
| SUMMARY OF CHANGES IN THE ALLOWANCE FOR LENDING-RELATED COMMITMENTS | | | | | | | |
| Beginning balance | \$ 659 | \$ 713 | \$ 686 | \$ 855 | \$ 850 | (8) | (22) |
| Provision for lending-related commitments | (21) | (121) | 27 | (169) | 5 | 83 | NM |
| Other | - | 67 | - | - | - | NM | - |
| Ending balance | \$ 638 | \$ 659 | \$ 713 | \$ 686 | \$ 855 | (3) | (25) |
| ALLOWANCE COMPONENTS AND RATIOS | | | | | | | |
| ALLOWANCE FOR LOAN LOSSES | | | | | | | |
| Wholesale | | | | | | | |
| Asset specific | \$ 1,213 | \$ 712 | \$ 253 | \$ 174 | \$ 146 | 70 | NM |
| Formula - based | 6,691 | 5,833 | 5,326 | 4,295 | 3,691 | 15 | 81 |
| Total wholesale | 7,904 | 6,545 | 5,579 | 4,469 | 3,837 | 21 | 106 |
| Consumer | | | | | | | |
| Asset specific | 106 | 74 | 70 | 61 | 75 | 43 | 41 |
| Formula - based | 19,371 | 16,545 | 13,403 | 8,716 | 7,834 | 17 | 147 |
| Total consumer | 19,477 | 16,619 | 13,473 | 8,777 | 7,909 | 17 | 146 |
| Total allowance for loan losses | 27,381 | 23,164 | 19,052 | 13,246 | 11,746 | 18 | 133 |
| Allowance for lending-related commitments | 638 | 659 | 713 | 686 | 855 | (3) | (25) |
| Total allowance for credit losses | \$ 28,019 | \$ 23,823 | \$ 19,765 | \$ 13,932 | \$ 12,601 | 18 | 122 |
| Wholesale allowance for loan losses to total wholesale loans (b) | 3.43 % | 2.64 % | 2.06 % | 2.13 % | 1.82 % | | |
| Consumer allowance for loan losses to total consumer loans (c) | 4.21 | 3.46 | 2.86 | 2.86 | 2.63 | | |
| Consumer allowance for loan losses to total consumer loans excluding purchased credit-impaired loans (c) (d) | 5.20 | 4.24 | 3.42 | 2.86 | 2.63 | | |
| Allowance for loan losses to total loans (b) (c) | 3.95 | 3.18 | 2.56 | 2.57 | 2.29 | | |
| Allowance for loan losses to total nonperforming loans (e) (f) | 241 | 260 | 287 | 254 | 271 | | |
| Allowance for loan losses to ending loans excluding purchased credit-impaired loans (b) (c) (d) | 4.53 | 3.62 | 2.87 | 2.57 | 2.29 | | |
| ALLOWANCE FOR LOAN LOSSES BY LOB | | | | | | | |
| Investment Bank | \$ 4,682 | \$ 3,444 | \$ 2,654 | \$ 2,429 | \$ 1,891 | 36 | 148 |
| Retail Financial Services | 10,619 | 8,918 | 7,517 | 5,062 | 4,496 | 19 | 136 |
| Card Services | 8,849 | 7,692 | 5,946 | 3,705 | 3,404 | 15 | 160 |
| Commercial Banking | 2,945 | 2,826 | 2,698 | 1,843 | 1,790 | 4 | 65 |
| Treasury & Securities Services | 51 | 74 | 47 | 40 | 26 | (31) | 96 |
| Asset Management | 215 | 191 | 170 | 147 | 130 | 13 | 65 |
| Corporate/Private Equity | 20 | 19 | 20 | 20 | 9 | 5 | 122 |
| Total | \$ 27,381 | \$ 23,164 | \$ 19,052 | \$ 13,246 | \$ 11,746 | 18 | 133 |

- (a) Includes accounting conformity loan loss reserve provision related to the acquisition of Washington Mutual Bank's banking operations.
- (b) Wholesale loans held-for-sale and loans at fair value were \$11.7 billion, \$14.0 billion, \$17.0 billion, \$20.0 billion, and \$20.3 billion, at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008 respectively, these amounts were excluded when calculating the allowance coverage ratios. Excluding wholesale purchased credit-impaired loans of \$219 million, \$224 million, and \$272 million at March 31, 2009, December 31, 2008, and September 30, 2008, respectively, has no effect on the wholesale allowance coverage ratios.
- (c) Consumer loans held-for-sale were \$3.7 billion, \$2.0 billion, \$1.6 billion, \$2.2 billion, and \$4.5 billion at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008 respectively. These amounts were excluded when calculating the allowance coverage ratios.
- (d) Excludes the impact of purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans were accounted for at fair value on the acquisition date, which incorporated management's estimate, as of the acquisition date, of credit losses over the remaining life of the portfolio. No allowance for loan losses has been recorded for these loans as of March 31, 2009, December 31, 2008, and September 30, 2008, respectively.
- (e) Nonperforming loans held-for-sale and loans at fair value were \$57 million, \$32 million, \$51 million, and \$70 million at March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively. These amounts were excluded when calculating the allowance coverage ratios.
- (f) Excludes consumer purchased credit-impaired loans accounted for under SOP 03-3 that were acquired as part of the Washington Mutual transaction. These loans are accounted for on a pool basis and the pools are considered to be performing under SOP 03-3.

JPMORGAN CHASE & CO.
CREDIT-RELATED INFORMATION, CONTINUED
(in millions)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|--|------------------|-----------------|-----------------|-----------------|-----------------|-------------|-------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| PROVISION FOR CREDIT LOSSES | | | | | | | |
| LOANS | | | | | | | |
| Investment Bank | \$ 1,274 | \$ 869 | \$ 238 | \$ 538 | \$ 571 | 47 % | 123 % |
| Commercial Banking | 263 | 180 | 105 | 77 | 143 | 46 | 84 |
| Treasury & Securities Services | (20) | 27 | 7 | 7 | 11 | NM | NM |
| Asset Management | 34 | 32 | 21 | 17 | 17 | 6 | 100 |
| Corporate/Private Equity (a) (b) | - | 76 | 564 | 36 | - | NM | - |
| Total wholesale | 1,551 | 1,184 | 935 | 675 | 742 | 31 | 109 |
| Retail Financial Services | 3,877 | 3,578 | 2,056 | 1,584 | 2,688 | 8 | 44 |
| Card Services - reported | 3,189 | 2,747 | 1,356 | 1,364 | 989 | 16 | 222 |
| Corporate/Private Equity (a) | - | (75) | 1,413 | 1 | - | NM | - |
| Total consumer | 7,066 | 6,250 | 4,825 | 2,949 | 3,677 | 13 | 92 |
| Total provision for loan losses | \$ 8,617 | \$ 7,434 | \$ 5,760 | \$ 3,624 | \$ 4,419 | 16 | 95 |
| LENDING-RELATED COMMITMENTS | | | | | | | |
| Investment Bank | \$ (64) | \$ (104) | \$ (4) | \$ (140) | \$ 47 | 38 | NM |
| Commercial Banking | 30 | 10 | 21 | (30) | (42) | 200 | NM |
| Treasury & Securities Services | 14 | 18 | 11 | - | 1 | (22) | NM |
| Asset Management | (1) | - | (1) | - | (1) | NM | - |
| Corporate/Private Equity (a) | - | 5 | - | - | - | NM | - |
| Total wholesale | (21) | (71) | 27 | (170) | 5 | 70 | NM |
| Retail Financial Services | - | (2) | - | 1 | - | NM | - |
| Card Services - reported | - | - | - | - | - | - | - |
| Corporate/Private Equity (a) | - | (48) | - | - | - | NM | - |
| Total consumer | - | (50) | - | 1 | - | NM | - |
| Total provision for lending-related commitments | \$ (21) | \$ (121) | \$ 27 | \$ (169) | \$ 5 | 83 | NM |
| TOTAL PROVISION FOR CREDIT LOSSES | | | | | | | |
| Investment Bank | \$ 1,210 | \$ 765 | \$ 234 | \$ 398 | \$ 618 | 58 | 96 |
| Commercial Banking | 293 | 190 | 126 | 47 | 101 | 54 | 190 |
| Treasury & Securities Services | (6) | 45 | 18 | 7 | 12 | NM | NM |
| Asset Management | 33 | 32 | 20 | 17 | 16 | 3 | 106 |
| Corporate/Private Equity (a) (b) | - | 81 | 564 | 36 | - | NM | - |
| Total wholesale | 1,530 | 1,113 | 962 | 505 | 747 | 37 | 105 |
| Retail Financial Services | 3,877 | 3,576 | 2,056 | 1,585 | 2,688 | 8 | 44 |
| Card Services - reported | 3,189 | 2,747 | 1,356 | 1,364 | 989 | 16 | 222 |
| Corporate/Private Equity (a) | - | (123) | 1,413 | 1 | - | NM | - |
| Total consumer | 7,066 | 6,200 | 4,825 | 2,950 | 3,677 | 14 | 92 |
| Total provision for credit losses | 8,596 | 7,313 | 5,787 | 3,455 | 4,424 | 18 | 94 |
| Credit card - securitized | 1,464 | 1,228 | 873 | 830 | 681 | 19 | 115 |
| Managed provision for credit losses | \$ 10,060 | \$ 8,541 | \$ 6,660 | \$ 4,285 | \$ 5,105 | 18 | 97 |

(a) Includes accounting conformity provisions related to the Washington Mutual transaction in the third quarter of 2008.

(b) Includes provision expense related to loans acquired in the Bear Stearns transaction in the second quarter of 2008.

JPMORGAN CHASE & CO.
MARKET RISK-RELATED INFORMATION
(in millions)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|--|------------------|---------------|---------------|---------------|---------------|-------------|-------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| AVERAGE IB TRADING VAR AND CREDIT | | | | | | | |
| PORTFOLIO VAR - 99% CONFIDENCE LEVEL | | | | | | | |
| IB VaR by risk type: | | | | | | | |
| Fixed income | \$ 218 | \$ 276 | \$ 183 | \$ 155 | \$ 120 | (21) % | 82 % |
| Foreign exchange | 40 | 55 | 20 | 26 | 35 | (27) | 14 |
| Equities | 162 | 87 | 80 | 30 | 31 | 86 | 423 |
| Commodities and other | 28 | 30 | 41 | 31 | 28 | (7) | - |
| Diversification benefit to IB trading VaR (a) | (159) | (146) | (104) | (92) | (92) | (9) | (73) |
| 99% IB Trading VaR (b) | 289 | 302 | 220 | 150 | 122 | (4) | 137 |
| Credit portfolio VaR (c) | 182 | 165 | 47 | 35 | 30 | 10 | NM |
| Diversification benefit to IB trading and credit portfolio VaR (a) | (135) | (140) | (49) | (36) | (30) | 4 | (350) |
| 99% Total IB trading and credit portfolio VaR | \$ 336 | \$ 327 | \$ 218 | \$ 149 | \$ 122 | 3 | 175 |
| AVERAGE IB TRADING VAR , CREDIT PORTFOLIO | | | | | | | |
| VAR AND OTHER VAR - 95% CONFIDENCE LEVEL (d) | | | | | | | |
| IB VaR by risk type: | | | | | | | |
| Fixed income | \$ 158 | \$ 194 | \$ 130 | | | (19) | |
| Foreign exchange | 23 | 32 | 13 | | | (28) | |
| Equities | 97 | 47 | 46 | | | 106 | |
| Commodities and other | 20 | 21 | 24 | | | (5) | |
| Diversification benefit to IB trading VaR (a) | (108) | (103) | (69) | | | (5) | |
| 95% IB Trading VaR (b) | 190 | 191 | 144 | | | (1) | |
| Credit portfolio VaR (c) | 86 | 66 | 25 | | | 30 | |
| Diversification benefit to IB trading and credit portfolio VaR (a) | (63) | (50) | (22) | | | (26) | |
| 95% Total IB trading and credit portfolio VaR | 213 | 207 | 147 | | | 3 | |
| Consumer Lending VaR (e) | 108 | 56 | 19 | | | 93 | |
| Corporate Risk Management VaR (f) | 121 | 76 | 22 | | | 59 | |
| Diversification benefit to total other VaR (a) | (61) | (31) | (10) | | | (97) | |
| Total other VaR | 168 | 101 | 31 | | | 66 | |
| Diversification benefit to total IB and other VaR (a) | (93) | (56) | (24) | | | (66) | |
| Total IB and other VaR | \$ 288 | \$ 252 | \$ 154 | | | 14 | |

- (a) Average VaRs were less than the sum of the VaRs of their market risk components, which was due to risk offsets resulting from portfolio diversification. The diversification effect reflected the fact that the risks were not perfectly correlated. The risk of a portfolio of positions is usually less than the sum of the risks of the positions themselves.
- (b) IB Trading VaR includes predominantly all trading activities in IB; however, particular risk parameters of certain products are not fully captured, for example, correlation risk. The 95% IB Trading VaR includes syndicated lending facilities that the Firm intends to distribute, and the credit spread sensitivities of certain mortgage products. The 99% IB Trading VaR includes the credit spread sensitivities of certain mortgage products but does not include syndicated lending facilities that the Firm intends to distribute. Both the 95% and 99% IB Trading VaR do not include the debit valuation adjustments ("DVA") taken on derivative and structured liabilities to reflect the credit quality of the Firm.
- (c) Includes VaR on derivative credit valuation adjustments ("CVA"), hedges of the CVA and mark-to-market hedges of the retained loan portfolio, which are all reported in principal transactions revenue. This VaR does not include the retained loan portfolio.
- (d) In the third quarter of 2008, the Firm revised the VaR measurement to create a more comprehensive view of its market risks by adding syndicated lending facilities that the Firm intends to distribute, and the credit spread sensitivities of certain mortgage products. In addition, certain actively managed positions utilized as part of the Firm's risk management function within Corporate and in RFS' mortgage banking businesses have been added to IB VaR to provide a Total IB and other VaR measure. Finally, the Firm moved from using a 99% confidence level to a 95% confidence level since the 95% level provides a more stable measure of the VaR for day-to-day risk management. This section presents the results of the Firm's VaR measure under the revised measurement using a 95% confidence level. The Firm intends to only present the VaR at this confidence level once information for five quarters and two comparative year-to-date periods is available.
- (e) Consumer Lending VaR includes the Firm's mortgage pipeline and warehouse, MSR and all related hedges.
- (f) Corporate Risk Management VaR includes certain actively managed positions utilized as part of the Firm's risk management function within Corporate. It does not include certain nontrading activity such as Private Equity, principal investing (e.g., mezzanine financing, tax-oriented investments, etc.) and Corporate Treasury balance sheet and capital management positions as well as longer-term corporate investments.

JPMORGAN CHASE & CO.
CAPITAL, INTANGIBLE ASSETS AND DEPOSITS
(in millions, except ratio data)

JPMORGAN CHASE & CO.

| | QUARTERLY TRENDS | | | | | | |
|--|-------------------|---------------------|-------------------|-------------------|-------------------|-------------|------|
| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | |
| | | | | | | 4Q08 | 1Q08 |
| CAPITAL RATIOS (a) | | | | | | | |
| Tier 1 capital | \$ 137,224 | (d) \$ 136,104 | \$ 111,630 | \$ 98,775 | \$ 89,646 | 1 % | 53 % |
| Total capital | 183,262 | (d) 184,720 | 159,175 | 145,012 | 134,948 | (1) | 36 |
| Risk-weighted assets | 1,213,583 | (d) 1,244,659 | 1,261,034 | 1,079,199 | 1,075,697 | (2) | 13 |
| Adjusted average assets | 1,923,265 | (d) 1,966,895 | 1,555,297 | 1,536,439 | 1,507,724 | (2) | 28 |
| Tier 1 capital ratio | 11.3 % | (d) 10.9 % | 8.9 % | 9.2 % | 8.3 % | | |
| Total capital ratio | 15.1 | (d) 14.8 | 12.6 | 13.4 | 12.5 | | |
| Tier 1 leverage ratio | 7.1 | (d) 6.9 | 7.2 | 6.4 | 5.9 | | |
| TANGIBLE COMMON EQUITY (PERIOD-END) (b) | | | | | | | |
| Common stockholders' equity | \$ 138,201 | \$ 134,945 | \$ 137,691 | \$ 127,176 | \$ 125,627 | 2 | 10 |
| Less : Goodwill | 48,201 | 48,027 | 46,121 | 45,993 | 45,695 | - | 5 |
| Less : Other intangibles assets | 5,349 | 5,581 | 5,480 | 5,659 | 5,955 | (4) | (10) |
| Add : Deferred tax liabilities (c) | 2,581 | 2,717 | 2,377 | 2,379 | 2,308 | (5) | 12 |
| Total tangible common equity | \$ 87,232 | \$ 84,054 | \$ 88,467 | \$ 77,903 | \$ 76,285 | 4 | 14 |
| INTANGIBLE ASSETS (PERIOD-END) | | | | | | | |
| Goodwill | \$ 48,201 | \$ 48,027 | \$ 46,121 | \$ 45,993 | \$ 45,695 | - | 5 |
| Mortgage servicing rights | 10,634 | 9,403 | 17,048 | 11,617 | 8,419 | 13 | 26 |
| Purchased credit card relationships | 1,528 | 1,649 | 1,827 | 1,984 | 2,140 | (7) | (29) |
| All other intangibles | 3,821 | 3,932 | 3,653 | 3,675 | 3,815 | (3) | - |
| Total intangibles | \$ 64,184 | \$ 63,011 | \$ 68,649 | \$ 63,269 | \$ 60,069 | 2 | 7 |
| DEPOSITS (PERIOD-END) | | | | | | | |
| U.S. offices: | | | | | | | |
| Noninterest-bearing | \$ 197,027 | \$ 210,899 | \$ 193,253 | \$ 125,606 | \$ 132,072 | (7) | 49 |
| Interest-bearing | 463,913 | 511,077 | 506,974 | 362,150 | 394,613 | (9) | 18 |
| Non-U.S. offices: | | | | | | | |
| Noninterest-bearing | 7,073 | 7,697 | 9,747 | 7,827 | 7,232 | (8) | (2) |
| Interest-bearing | 238,956 | 279,604 | 259,809 | 227,322 | 227,709 | (15) | 5 |
| Total deposits | \$ 906,969 | \$ 1,009,277 | \$ 969,783 | \$ 722,905 | \$ 761,626 | (10) | 19 |

(a) The Federal Reserve has granted the Firm, for a period of 18 months following the merger with Bear Stearns, relief up to a certain specified amount and subject to certain conditions from the Federal Reserve's risk-based and leverage capital guidelines with respect to the Bear Stearns risk-weighted assets and other exposures acquired. The amount of such relief is subject to reduction by one-sixth each quarter subsequent to the merger and expires on October 1, 2009.

(b) Tangible common equity ("TCE") represents common stockholders' equity (i.e., total stockholders' equity less preferred stock) less identifiable intangible assets (other than MSRs) and goodwill, net of related deferred tax liabilities. The Firm views TCE, a non-GAAP financial measure, as a meaningful measure of capital quality.

(c) Represents deferred tax liabilities related to tax-deductible goodwill and to identifiable intangibles created in non-taxable transactions, which are netted with goodwill and other intangibles when calculating tangible common equity.

(d) Estimated.

JPMORGAN CHASE & CO.
PER SHARE-RELATED INFORMATION
(in millions, except per share and ratio data)

QUARTERLY TRENDS

| | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 1Q09 Change | | |
|--|-----------------|----------------|----------------|-----------------|-----------------|-------------|------|--------|
| | | | | | | 4Q08 | 1Q08 | |
| <u>EARNINGS PER SHARE DATA (a)</u> | | | | | | | | |
| <u>Basic earnings per share:</u> | | | | | | | | |
| Income (loss) before extraordinary gain | \$ 2,141 | \$ (623) | \$ (54) | \$ 2,003 | \$ 2,373 | NM | % | (10) % |
| Extraordinary gain | - | 1,325 | 581 | - | - | NM | | - |
| Net income | 2,141 | 702 | 527 | 2,003 | 2,373 | 205 | | (10) |
| Less: Preferred stock dividends | 529 | 423 | 161 | 90 | - | 25 | | NM |
| Net income applicable to common stock | 1,612 | 279 | 366 | 1,913 | 2,373 | 478 | | (32) |
| Less: Dividends and undistributed earnings allocated to participating securities | 93 | 47 | 48 | 70 | 84 | 98 | | 11 |
| Earnings allocated to common stockholders | \$ 1,519 | \$ 232 | \$ 318 | \$ 1,843 | \$ 2,289 | NM | | (34) |
| Total weighted-average basic shares and participating securities outstanding | 3,996.5 | 3,882.1 | 3,590.8 | 3,561.4 | 3,531.3 | 3 | | 13 |
| Less: weighted-average participating securities outstanding | 240.8 | 144.6 | 146.2 | 135.2 | 135.3 | 67 | | 78 |
| Total weighted-average basic shares outstanding | 3,755.7 | 3,737.5 | 3,444.6 | 3,426.2 | 3,396.0 | - | | 11 |
| Income (loss) before extraordinary gain per share | \$ 0.40 | \$ (0.29) | \$ (0.08) | \$ 0.54 | \$ 0.67 | NM | | (40) |
| Extraordinary gain per share | - | 0.35 | 0.17 | - | - | NM | | - |
| Net income per share | \$ 0.40 | \$ 0.06 | \$ 0.09 | \$ 0.54 | \$ 0.67 | NM | | (40) |
| <u>Diluted earnings per share:</u> | | | | | | | | |
| Earnings allocated to common stockholders (b) | \$ 1,519 | \$ 232 | \$ 318 | \$ 1,843 | \$ 2,290 | NM | | (34) |
| Total weighted-average basic shares and participating securities outstanding | 3,996.5 | 3,882.1 | 3,590.8 | 3,561.4 | 3,531.3 | 3 | | 13 |
| Add: Employee stock options and SARs (c) | 3.0 | - | (f) | 26.9 | 27.3 | NM | | (89) |
| Total weighted-average diluted shares and participating securities outstanding | 3,999.5 | 3,882.1 | 3,590.8 | 3,588.3 | 3,558.6 | 3 | | 12 |
| Less: Weighted-average participating securities outstanding (d) | 240.8 | 144.6 | 146.2 | 135.2 | 135.3 | 67 | | 78 |
| Weighted-average diluted shares outstanding | 3,758.7 | 3,737.5 | 3,444.6 | 3,453.1 | 3,423.3 | 1 | | 10 |
| Income (loss) before extraordinary gain per share | \$ 0.40 | \$ (0.29) | \$ (0.08) | \$ 0.53 | \$ 0.67 | NM | | (40) |
| Extraordinary gain per share | - | 0.35 | 0.17 | - | - | NM | | - |
| Net income per share | \$ 0.40 | \$ 0.06 | \$ 0.09 | \$ 0.53 | \$ 0.67 | NM | | (40) |
| <u>COMMON SHARES OUTSTANDING</u> | | | | | | | | |
| Common shares outstanding - at period end (e) | 3,757.7 | 3,732.8 | 3,726.9 | 3,435.7 | 3,400.8 | 1 | | 10 |
| Cash dividends declared per share | \$ 0.05 | \$ 0.38 | \$ 0.38 | \$ 0.38 | \$ 0.38 | (87) | | (87) |
| Book value per share | 36.78 | 36.15 | 36.95 | 37.02 | 36.94 | 2 | | - |
| Dividend payout | 15 % | 532 % | 399 % | 71 % | 56 % | | | |
| <u>SHARE PRICE</u> | | | | | | | | |
| High | \$ 31.64 | \$ 50.63 | \$ 49.00 | \$ 49.95 | \$ 49.29 | (38) | | (36) |
| Low | 14.96 | 19.69 | 29.24 | 33.96 | 36.01 | (24) | | (58) |
| Close | 26.58 | 31.53 | 46.70 | 34.31 | 42.95 | (16) | | (38) |
| Market capitalization | 99,881 | 117,695 | 174,048 | 117,881 | 146,066 | (15) | | (32) |
| <u>STOCK REPURCHASE PROGRAM</u> | | | | | | | | |
| Common shares repurchased | - | - | - | - | - | - | | - |

- (a) Effective January 1, 2009, the Firm adopted FSP EITF 03-6-1, which clarifies that unvested stock-based compensation awards containing nonforfeitable rights to dividends or dividend equivalents (collectively, "dividends"), are considered participating securities and therefore are included in the two-class method calculation of earnings per share ("EPS"). Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. Earnings per common share are calculated by dividing earnings allocated to common stockholders by the weighted-average number of common shares outstanding during the period. JPMorgan Chase has a single class of common stock. The Firm grants restricted stock and RSUs to certain employees under its stock-based compensation programs. Recipients receive cash dividends during the vesting periods of these awards. Since these dividends are nonforfeitable, the unvested awards are considered participating securities and will have earnings allocated to them. EPS data for all prior periods has been revised to reflect the retrospective adoption of the FSP.
- (b) Earnings allocated to common stockholders for diluted and basic EPS may differ under the two-class method as a result of adding common stock equivalents for options and SARs and warrants to dilutive shares outstanding, which alters the ratio used to allocate earnings to common stockholders and participating securities for the purposes of calculating diluted EPS.
- (c) Options issued under employee benefit plans and, subsequent to the third quarter of 2008, the warrant issued under the U.S. Treasury's Capital Purchase Program to purchase an aggregate 363 million, 299 million, 194 million, 169 million, and 173 million shares of common stock were outstanding for the quarters ended March 31, 2009, December 31, 2008, September 30, 2008, June 30, 2008, and March 31, 2008, respectively, but were not included in the computation of diluted EPS because the options were antidilutive.
- (d) Participating securities were included in the calculation of diluted EPS using the two-class method as this computation was more dilutive than the calculation using the treasury-stock method.
- (e) On September 30, 2008, the Firm issued \$11.5 billion, or 284 million shares, of its common stock at \$40.50 per share.
- (f) Common equivalent shares have been excluded from the computation of diluted loss per share for the fourth and third quarters of 2008, as the effect would have been antidilutive.

JPMORGAN CHASE & CO. Glossary of Terms

ACH: Automated Clearing House.

Average managed assets: Refers to total assets on the Firm's Consolidated Balance Sheets plus credit card receivables that have been securitized.

Beneficial interest issued by consolidated VIEs: Represents the interest of third-party holders of debt/equity securities, or other obligations, issued by VIEs that JPMorgan Chase & Co. consolidates under FIN 46R. The underlying obligations of the VIEs consist of short-term borrowings, commercial paper and long-term debt. The related assets consist of trading assets, available-for-sale securities, loans and other assets.

Contractual credit card charge-off: In accordance with the Federal Financial Institutions Examination Council policy, credit card loans are charged off by the end of the month in which the account becomes 180 days past due or within 60 days from receiving notification of the filing of bankruptcy, whichever is earlier.

Corporate/Private Equity: Includes Private Equity, Treasury and Corporate Other, which includes other centrally managed expense and discontinued operations.

Credit card securitizations: Card Services' managed results excludes the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. Through securitization, the Firm transforms a portion of its credit card receivables into securities, which are sold to investors. The credit card receivables are removed from the Consolidated Balance Sheets through the transfer of the receivables to a trust and the sale of undivided interests to investors that entitle the investors to specific cash flows generated from the credit card receivables. The Firm retains the remaining undivided interests as seller's interests, which are recorded in loans on the Consolidated Balance Sheets. A gain or loss on the sale of credit card receivables to investors is recorded in other income. Securitization also affects the Firm's Consolidated Statements of Income as the aggregate amount of interest income, certain fee revenue and recoveries that is in excess of the aggregate amount of interest paid to the investors, gross credit losses and other trust expense related to the securitized receivables are reclassified into credit card income in the Consolidated Statements of Income.

FASB: Financial Accounting Standards Board.

FIN 46(R): FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51."

FSP EITF 03-6-1: FASB Staff Position No. EITF 03-6-1 "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities."

Investment-grade: An indication of credit quality based upon JPMorgan Chase & Co.'s internal risk assessment system. "Investment-grade" generally represents a risk profile similar to a rating of a "BBB-"/"Baa3" or better, as defined by independent rating agencies.

Managed basis: A non-GAAP presentation of financial results that includes reclassifications related to credit card securitizations and to present revenue on a fully taxable-equivalent basis. Management uses this non-GAAP financial measure at the segment level because it believes this provides information to enable investors to understand the underlying operational performance and trends of the particular business segment and facilitates a comparison of the business segment with the performance of competitors.

Managed credit card receivables: Refers to credit card receivables on the Firm's Consolidated Balance Sheets plus credit card receivables that have been securitized.

Mark-to-market exposure: A measure, at a point in time, of the value of a derivative or foreign exchange contract in the open market. When the mark-to-market value is positive, it indicates the counterparty owes JPMorgan Chase & Co. and, therefore, creates a repayment risk for the Firm. When the mark-to-market value is negative, JPMorgan Chase & Co. owes the counterparty. In this situation, the Firm does not have repayment risk.

Merger costs: Reflects costs associated with the Washington Mutual and Bear Stearns mergers in 2008, costs associated with The Bank of New York, Inc. transaction ("The Bank of New York") in 2007, and costs associated with the 2004 merger with Bank One Corporation.

MSR risk management revenue: Includes changes in MSR asset fair value due to inputs or assumptions in model and derivative valuation adjustments and other.

Net yield on interest-earning assets: The average rate for interest-earning assets less the average rate paid for all sources of funds.

NM: Not meaningful.

Overhead ratio: Noninterest expense as a percentage of total net revenue.

Principal transactions (revenue): Realized and unrealized gains and losses from trading activities (including physical commodities inventories that are accounted for at the lower of cost or fair value) and changes in fair value associated with financial instruments held by the Investment Bank for which the SFAS 159 fair value option was elected. Principal transactions revenue also include private equity gains and losses.

Reported basis: Financial statements prepared under accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reported basis includes the impact of credit card securitizations, but excludes the impact of taxable equivalent adjustments.

SFAS: Statement of Financial Accounting Standards.

SFAS 140: "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities - a replacement of FASB Statement No. 125."

SFAS 141: "Business Combinations."

SOP 03-3: "Accounting for Certain Loans of Debt Securities Acquired in a Transfer."

Taxable-equivalent basis: Total net revenue for each of the business segments and the Firm is presented on a tax-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits is presented in the managed results on a basis comparable to fully taxable securities and investments. This non-GAAP financial measure allows management to assess the comparability of revenue arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense.

Unaudited: Financial statements and information that have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

U.S. GAAP: Accounting principles generally accepted in the United States of America.

Value-at-risk: A measure of the dollar amount of potential loss from adverse market moves in an ordinary market environment.

Investment Banking

IB'S REVENUE COMPRISES THE FOLLOWING:

- 1. Investment banking fees** include advisory, equity underwriting, bond underwriting and loan syndication fees.
- 2. Fixed income markets** include client and portfolio management revenue related to both market-making and proprietary risk-taking across global fixed income markets, including foreign exchange, interest rate, credit and commodities markets.
- 3. Equities markets** include client and portfolio management revenue related to market-making and proprietary risk-taking across global equity products, including cash instruments, derivatives and convertibles.
- 4. Credit portfolio revenue** includes net interest income, fees and loan sale activity, as well as gains or losses on securities received as part of a loan restructuring, for the IB's credit portfolio. Credit portfolio revenue also includes the results of risk management related to the Firm's lending and derivative activities, and changes in the credit valuation adjustment, which is the component of the fair value of a derivative that reflects the credit quality of the counterparty.

Retail Financial Services

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN RETAIL BANKING:

- 1. Personal bankers** - Retail branch office personnel who acquire, retain and expand new and existing customer relationships by assessing customer needs and recommending and selling appropriate banking products and services.
- 2. Sales specialists** - Retail branch office personnel who specialize in the marketing of a single product, including mortgages, investments, and business banking, by partnering with the personal bankers.

MORTGAGE FEES AND RELATED INCOME COMPRISE THE FOLLOWING:

- 1. Production revenue** includes net gains or losses on originations and sales of prime and subprime mortgage loans and other production-related fees.
- 2. Net mortgage servicing revenue**
 - a) Servicing revenue** represents all gross income earned from servicing third-party mortgage loans including stated service fees, excess service fees, late fees and other ancillary fees.
 - b) Changes in MSR asset fair value due to:**
 - **market-based inputs** such as interest rates and volatility, as well as updates to assumptions used in the MSR valuation model.
 - **modeled servicing portfolio runoff (or time decay)**
 - c) Derivative valuation adjustments and other**, which represents changes in the fair value of derivative instruments used to offset the impact of changes in the market-based inputs to the MSR valuation model.
- 3. MSR risk management results** include changes in the MSR asset fair value due to inputs or assumptions and derivative valuation adjustments and other.

Retail Financial Services (continued)

MORTGAGE ORIGATION CHANNELS COMPRISE THE FOLLOWING:

- 1. Retail** - Borrowers who are buying or refinancing a home through direct contact with a mortgage banker employed by the Firm using a branch office, the Internet or by phone. Borrowers are frequently referred to a mortgage banker by real estate brokers, home builders or other third parties.
- 2. Wholesale** - A third-party mortgage broker refers loan applications to a mortgage banker at the Firm. Brokers are independent loan originators that specialize in finding and counseling borrowers but do not provide funding for and do not underwrite the loans.
- 3. Correspondent** - Correspondents are banks, thrifts, other mortgage banks and other financial institutions that sell closed loans to the Firm.
- 4. Correspondent negotiated transactions ("CNT")** - These transactions occur when mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis, and exclude purchased bulk servicing transactions. These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in stable and rising-rate periods.

Card Services

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN CARD SERVICES:

- 1. Charge volume** - Represents the dollar amount of cardmember purchases, balance transfers and cash advance activity.
- 2. Net accounts opened** - Includes originations, purchases and sales.
- 3. Merchant acquiring business** - Represents a business that processes bank card transactions for merchants.
- 4. Bank card volume** - Represents the dollar amount of transactions processed for merchants.
- 5. Total transactions** - Represents the number of transactions and authorizations processed for merchants.

Commercial Banking

COMMERCIAL BANKING REVENUE COMPRISES THE FOLLOWING:

- 1. Lending** includes a variety of financing alternatives, which are primarily provided on a basis secured by receivables, inventory, equipment, real estate or other assets. Products include term loans, revolving lines of credit, bridge financing, asset-based structures and leases.
- 2. Treasury services** includes a broad range of products and services enabling clients to transfer, invest and manage the receipt and disbursement of funds, while providing the related information reporting. These products and services include U.S. dollar and multi-currency clearing, ACH, lockbox, disbursement and reconciliation services, check deposits, other check and currency-related services, trade finance and logistics solutions, commercial card, and deposit products, sweeps and money market mutual funds.
- 3. Investment banking** products provide clients with sophisticated capital-raising alternatives, as well as balance sheet and risk management tools through loan syndications, investment-grade debt, asset-backed securities, private placements, high-yield bonds, equity underwriting, advisory, interest rate derivatives, foreign exchange hedges and securities sales.

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN COMMERCIAL BANKING:

- 1. Liability balances** include deposits and deposits that are swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities sold under repurchase agreements.
- 2. IB revenue, gross** - Represents total revenue related to investment banking products sold to CB clients.

Treasury & Securities Services

Treasury & Securities Services **firmwide metrics** include certain TSS product revenue and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of TS and TSS products and revenue, management reviews firmwide metrics such as liability balances, revenue and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary, in management's view, in order to understand the aggregate TSS business.

DESCRIPTION OF SELECTED BUSINESS METRICS WITHIN TREASURY & SECURITIES SERVICES:

Liability balances include deposits and deposits that are swept to on-balance sheet liabilities such as commercial paper, federal funds purchased and securities loaned or sold under repurchase agreements.

Asset Management

Assets under management: Represent assets actively managed by Asset Management on behalf of Institutional, Retail, Private Banking, Private Wealth Management and Bear Stearns Brokerage clients. Excludes assets managed by American Century Companies, Inc., in which the Firm has a 42% ownership interest as of March 31, 2009.

Assets under supervision: Represents assets under management as well as custody, brokerage, administration and deposit accounts.

Alternative assets: The following types of assets constitute alternative investments - hedge funds, currency, real estate and private equity.

AM's CLIENT SEGMENTS COMPRISE THE FOLLOWING:

- 1. Institutional** brings comprehensive global investment services - including asset management, pension analytics, asset/liability management and active risk budgeting strategies - to corporate and public institutions, endowments, foundations, not-for-profit organizations and governments worldwide.
- 2. Retail** provides worldwide investment management services and retirement planning and administration through third-party and direct distribution of a full range of investment vehicles.
- 3. The Private Bank** addresses every facet of wealth management for ultra-high-net-worth individuals and families worldwide, including investment management, capital markets and risk management, tax and estate planning, banking, capital raising and specialty-wealth advisory services.
- 4. Private Wealth Management** offers high-net-worth individuals, families and business owners in the United States comprehensive wealth management solutions, including investment management, capital markets and risk management, tax and estate planning, banking, and specialty-wealth advisory services.
- 5. Bear Stearns Brokerage** provides investment advice and wealth management services to high-net-worth individuals, money managers, and small corporations.