J.P. Morgan is one of the world’s leading investment banks with one of the most extensive client franchises in the world. Our scale and global footprint enable us to help our clients address their full range of financial needs.

We offer clients a complete platform of financial services, including strategic advice, capital raising, restructuring, risk management, market-making and research. We cover clients in more than 100 countries and have global leadership positions in every key product. J.P. Morgan also selectively commits our own capital to principal investing and trading activities.

Throughout the global credit crisis, J.P. Morgan’s Investment Bank has actively supported our clients’ financing and liquidity needs. In 2008, we provided more than $300 billion in loans to companies and over $11 billion in credit to states, municipalities, hospitals and higher education institutions. We also helped our clients raise billions more in the capital markets.

2008 Highlights and Accomplishments

• First investment bank in history to be ranked #1 in global investment banking fees (a); debt, equity and equity-related (b); announced M&A (a); equity and equity-related (b); debt (b), as well as loans. (b)

• Led the market with more than $300 billion in corporate loans to over 630 companies; the firm’s average loan size was roughly $475 million, significantly higher than the market’s average size of $400 million. (b)

• Renewed, restructured or developed new credit facilities totaling over $11 billion for states, municipalities, hospitals and higher education institutions. The firm also led or participated in the issuance of more than $700 billion in bonds for municipal clients. (c)

• The only bank ever to win six top International Financing Review awards in one year: Bank of the Year, Bond House of the Year, Equity House of the Year, Derivatives House of the Year, Securitisation House of the Year and Leveraged Finance House of the Year. (a)

• Risk magazine’s Bank Risk Manager of the Year and Derivatives House of the Year, and Financial News’ European Investment Bank of the Year.

• Received 15 Greenwich Associates’ 2008 Quality Leader distinctions, more than any other firm.

• Client revenue across J.P. Morgan’s Markets businesses increased 40% year-over-year:
  – Record performance in Rates and Currencies, Commodities and Emerging Markets.

• Prime Services acquired from Bear Stearns more than doubled the number of $1 billion+ relationships from June to December.

• Reduced legacy leveraged lending funded and unfunded commitments by 52% and mortgage-related exposures by 69% since year-end 2007, while integrating the Bear Stearns portfolio.

• Gross investment banking revenue from Commercial Banking clients of $1 billion, up 9% from 2007.

(a) Dealogic
(b) Thomson Reuters
(c) Internal reporting
Retail Financial Services serves consumers and businesses through personal service at bank branches and through ATMs, online banking and telephone banking as well as through retail mortgage correspondents, auto dealerships and school financial aid offices.

Customers can use more than 5,000 bank branches (third largest nationally) and 14,500 ATMs (second largest nationally) as well as online and mobile banking around the clock. More than 21,400 branch salespeople assist customers with checking and savings accounts, mortgages, home equity and business loans, and investments across the 23-state footprint from New York and Florida to California. Consumers also can obtain loans through more than 16,000 auto dealerships and 4,800 schools and universities nationwide.

2008 Highlights and Accomplishments

- Expanded branch network to more than 5,000 with addition of Washington Mutual branches in new Chase markets such as California and Florida as well as strengthening our network in New York Tri-State, Texas, Illinois and Arizona.
- Increased deposits to more than $360 billion.
- Generated retail banking net revenue of $4.5 billion in the fourth quarter — the first quarter that included WaMu.
- Made key decisions about systems, facilities and people in first three months after WaMu acquisition — and began to implement them.
- Added more than 7,700 personal bankers, business bankers, investment representatives and mortgage officers, including 7,000 from WaMu, to the branches.
- Increased in-branch sales of credit cards 14% excluding WaMu or 20% including WaMu.
- Increased Chase checking accounts 9% — or 1.1 million — and added 12.6 million checking accounts from WaMu for a total of 24.5 million.
- Opened 126 new Chase and WaMu branches and added more than 5,300 ATMs, including 5,000 from the WaMu acquisition.
- Increased third-party mortgage servicing portfolio 91%, including the addition of the WaMu and EMC portfolios.
- Launched extensive efforts to keep families in their homes whenever possible in leading The Way Forward. Efforts included adding hundreds of loan counselors, making proactive loan modification offers, developing robust financial modeling tools and working with government agencies on streamlined modification programs.
- Opened in early 2009 a total of 24 Homeownership Centers in areas with high mortgage delinquencies so counselors can work face to face with struggling homeowners.

As consumers faced financial uncertainty and challenging mortgage payments, Chase honored 100% of Washington Mutual’s deposits — including uninsured deposits — and seeks to help avert more than 650,000 foreclosures, keeping families in their homes whenever possible.
Chase Card Services is one of the nation’s largest credit card issuers with more than 168 million credit cards in circulation and over $190 billion in managed loans. Customers used Chase cards to meet more than $368 billion worth of their spending needs in 2008.

Chase has a market leadership position in building loyalty and rewards programs with many of the world’s most respected brands and through its proprietary products, which include the Chase Freedom program. Through its merchant acquiring business, Chase Paymentech, Chase is one of the leading processors of MasterCard and Visa payments.

2008 Highlights and Accomplishments

• Became the nation’s leading MasterCard and Visa issuer with the acquisition of WaMu.

• Added 14.9 million new Visa, MasterCard and private label credit card accounts (excluding WaMu).

• Renewed relationships with several top card partners, including AARP, Continental Airlines, The Walt Disney Company, Marriott International and United Airlines.

• Continued to drive improvements in acquisitions through the retail bank network, resulting in a 14% year-over-year increase of credit cards sold.

• Increased year-over-year charge volume by more than $14 billion in extremely challenging economic environment for U.S. consumers.

• Increased net revenue by 8% and grew managed loans by 3% (excluding WaMu) while investing in activities to attract new customers and further engage current cardmembers.

• Acquired complementary merchant acquiring business through the termination of the Chase Paymentech Solutions joint venture.

• Expanded non-U.S. presence by launching partner card programs in Canada and establishing a joint venture with Ixe Banco in Mexico.

• Continued improvements in risk management, customer satisfaction, and systems and infrastructure.

Card Services offers customers clear and simple tools, resources and business practices designed to help customers avoid fees, maintain their best interest rates and more effectively manage their credit card accounts.
Commercial Banking

Commercial Banking (CB) serves more than 26,000 clients nationally, including corporations, municipalities, financial institutions and not-for-profit entities with annual revenue generally ranging from $10 million to $2 billion, and nearly 30,000 real estate investors/owners. CB ranks among the Top 3 commercial banks nationally in market penetration and lead share.\(^{(a)}\)

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

2008 Highlights and Accomplishments

- Increased net income 27% to a record $1.4 billion and net revenue 16% to a record $4.8 billion.
- Achieved record results in gross investment banking revenue of $966 million, treasury services revenue of $2.6 billion, loan balances of $82.3 billion and liability balances of $103.1 billion.
- Top 3 commercial bank nationally in market penetration and lead share.\(^{(a)}\)
- #2 large middle market lender in the United States.\(^{(b)}\)
- Added in excess of 1,800 new relationships and expanded nearly 10,000 existing relationships through targeted calling and strategic marketing efforts.
- Maintained favorable market position relative to our peers in the key areas of risk management, profitable growth, expense discipline and deposit growth.
- Acquired WaMu’s Commercial Term Lending, Commercial Real Estate Lending and Community Lending & Investment businesses representing $44.5 billion in loans, and expect to complete the integration by early 2010.
- Aligned the domestic middle market banking and treasury services sales forces, providing more effective client coverage while improving efficiency.

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(a) TNS Study, 3Q08 YTD
(b) Loan Pricing Corporation, 4Q08 YTD
J.P. Morgan’s Treasury & Securities Services division is a global leader in transaction, investment and information services. We are one of the world’s largest cash management providers, processing a market-leading average of $3.7 trillion in U.S. dollar transfers daily as well as a leading global custodian with $13.2 trillion in assets under custody. We operate through two divisions:

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

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

During the financial crisis, Treasury & Securities Services (TSS) has actively worked with our clients to fully optimize their working capital, manage their collateral and help mitigate their risk effectively. Most recently, TSS was proud to be selected by the Federal Reserve as custodian for its program to purchase up to $500 billion in mortgage-backed securities aimed at supporting mortgage and housing markets and fostering improved conditions in financial markets.

### 2008 Highlights and Accomplishments

- **Named top Global Custodian** *(AsianInvestor, Global Pensions, The Asset, International Custody and Fund Administration)*; received more than 110 best-in-class recognitions *(Global Custodian)*; named European Cash Management Provider of the Year *(International Custody and Fund Administration)*; awarded Best Cash Management Specialist *(The Asset)*.

- #1 in Automated Clearing House Originations *(a)* and in U.S. Dollar Treasury Clearing and Commercial Payments Globally *(b)*.

- Increased net income 26% year-over-year to a record $1.8 billion and net revenue 17% to a record $8.1 billion.

- Remained #1 clearer of U.S. dollars globally, averaging $3.7 trillion in U.S. dollar transfers daily. Broke single-day clearing volume record by clearing $5.05 trillion, 59% over the bank’s average.

- Announced global investment initiative to enhance cash management and global treasury liquidity capabilities, expand global footprint and reinvest in technology solutions to make it easier for clients to move, concentrate, invest and manage their cash worldwide.

- Completed acquisition of the institutional global custody portfolio of Nordea; J.P. Morgan is the region’s leading non-Nordic global custodian.

- Major new business included a deal to provide asset pooling services for Royal Dutch Shell and to provide SmartPay Charge card services to the U.S. General Services Administration covering nearly 35 federal agencies and organizations with a projected annual spend of more than $4.5 billion.

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(a) Ernst & Young  
(b) Fimetrix
2008 Highlights and Accomplishments

- J.P. Morgan Asset Management liquidity balances grew more than 50% in 2008 to $613 billion, retaining its position as the largest manager of Triple A-rated global liquidity funds. Global Institutional market share grew to 17%, almost twice that of the next competitor.\(^{(a)}\)

- Private Banking achieved record net new asset flows of approximately $80 billion throughout the course of the year as high-net-worth individuals around the world chose J.P. Morgan as their wealth manager. Private Banking benefited from a record year of net new clients and net new assets and achieved a 7% revenue growth year-on-year.

- J.P. Morgan Asset Management retained its position as one of the largest managers of hedge funds with $32.9 billion in assets under management.\(^{(b)}\)

- Through our Global Real Assets group, J.P. Morgan Asset Management invests client capital in infrastructure projects that are vital to the economic health of communities around the world. Over the past few years, we have invested client capital in projects that include airports, hospitals, drinking and wastewater facilities, and renewable energy (such as wind farms, electricity transmission, and natural gas generation and transmission facilities) valued in excess of $4 billion. The Global Real Assets group recently expanded its footprint with the addition of the Asia infrastructure team and now manages $51 billion of real estate and infrastructure across the United States, Europe and Asia.

- Despite the challenging market environment throughout the year, maintained strong three- and five-year investment performance. Globally, the ranking of long-term mutual fund assets in the first or second quartiles was 76% for the five years and 65% for the three years ended December 31, 2008.\(^{(c)}\)

Throughout the credit crisis, considerable strain on short-term debt markets threatened the viability of money market funds – critical to the day-to-day functioning of the global economy. J.P. Morgan worked closely with industry groups and regulators around the world to help protect these funds and stabilize the industry.
At JPMorgan Chase, corporate responsibility is about what we do every day in our businesses and how we do it. We are committed to managing our businesses to create value for our consumer and corporate clients as well as our shareholders, communities and employees and to being a responsible corporate citizen.

2008 Highlights and Accomplishments

• Took numerous steps to help stabilize the U.S. financial system, including significantly enhancing mortgage modification and home foreclosure prevention efforts and ongoing lending to consumers, businesses, municipalities and not-for-profits as well as acquiring Bear Stearns and Washington Mutual.

• Invested more than $450 billion in low- and moderate-income communities in the first five years of our 10-year, $800 billion public commitment and also earned the highest possible rating of "Outstanding" in our latest Community Reinvestment Act examination.

• Brought financial services to microfinance enterprises via advisory services and principal investing. Sponsored Grameen Foundation’s Bankers without Borders, a new program linking private sector talent with the microfinance sector.

• Spent over $1 billion with diverse suppliers for the first time in our history.

• Committed to reducing our greenhouse gas emissions 20% by 2012. Began program that will purchase carbon credits to offset 100% of the carbon dioxide resulting from employee global air travel.

• Have $2.4 billion invested in renewable energy projects and raised another $3.4 billion from other institutions for investment. Portfolio includes interests in 54 wind farms as well as several solar projects that together can power close to 1.5 million U.S. homes annually.

• Adopted and published the JPMorgan Chase Human Rights Statement in support of the fundamental principles of human rights.

• Strategically invested more than $100 million and contributed thousands of employee volunteer hours in high-need neighborhoods across the U.S. while supporting hundreds of not-for-profits that are strengthening communities we serve in 28 other countries.

Our commitment to corporate responsibility extends to every facet of our business – in both good economic times and bad. We are proactively assisting customers and clients as well as supporting efforts to achieve financial market stability throughout these unprecedented economic times. As we look to the future, we remain committed to doing business in a responsible way, to being responsible stewards of shareholder capital and to being a good corporate partner to our communities across the globe.