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EARNINGS RELEASE FINANCIAL SUPPLEMENT FOURTH QUARTER 2005

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EXPLANATORY NOTE

The unaudited pro forma combined historical financial information contained in this document is being furnished pursuant to Regulation FD in order to assist investors in understanding (i) how the financial information of JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") and Bank One Corporation ("Bank One") may have appeared on a combined basis had the two companies actually been merged as of the earliest date indicated and (ii) how the financial information of the lines of business of the company may have appeared had the two companies actually been merged as of the earliest date indicated and had such business segments existed in the combined company as of the earliest date indicated. The information presented is intended to be supplementary financial information only and is not intended to be incorporated by reference into registration statements or reports filed by JPMorgan Chase & Co. under the Securities Act of 1933 or the Securities Exchange Act of 1934, as the case may be.

The unaudited pro forma combined historical financial information has been derived from and should be read in conjunction with the historical financial statements and related notes of JPMorgan Chase and Bank One, as filed with the Securities and Exchange Commission.

The unaudited pro forma combined historical financial information includes (i) purchase price adjustments as of July 1, 2004, to reflect the merger as of such date of Bank One with JPMorgan Chase, (ii) estimated adjustments to record the assets and liabilities of Bank One at their respective fair values as of July 1, 2004, and (iii) adjustments for changes in management accounting policies as of July 1, 2004.

The unaudited pro forma combined historical financial information is presented for illustrative purposes only. This information does not include:

- (i) the impact of the sale of the Bank One corporate trust business to JPMorgan Chase;
- (ii) any cost savings obtained since July 1, 2004 or anticipated to be obtained in the future from the merger;
- (iii) any merger-related costs incurred since July 1, 2004 or anticipated to be incurred in the future in connection with the merger;
- (iv) the impact of any share repurchases since July 1, 2004;
- (v) any change in the allocation of the purchase price adjustments or of the fair value adjustments since July 1, 2004;
- (vi) any adjustments for changes in management accounting policies or the impact of any conformance of management accounting policies since July 1, 2004.

For the reasons stated above, the unaudited pro forma combined historical financial information included in this document does not necessarily indicate the combined results of operations or the combined financial position of the company that would have resulted had the merger actually been completed at the beginning of the applicable periods presented nor is it indicative of the actual results of operations or the financial position of the Firm since July 1, 2004 nor is it indicative of the results of operations or the financial position of the Firm in future periods.

QUARTERLY TRENDS FULL YEAR Pro Forma Combined (h) 4Q05 Change 2005 Change 4Q05 3Q05 2Q05 1Q05 4Q04 3Q05 4Q04 2005 2004 (g) 2004 2004 SELECTED INCOME STATEMENT DATA (5) \$ 52.541 Total Net Revenue \$ 13,678 \$ 14.465 \$ 12.743 \$ 13,647 \$ 12.950 % 6 % \$ 54,533 43.097 \$ 4 % 1,245 28 Provision for Credit Losses (a) 1.224 587 427 1,157 (2) 6 3,483 2.544 2,727 8.535 9.464 10.899 9.937 9.386 (10) (9) 38.835 34.359 40.504 (4) Noninterest Expense 2.698 2.527 994 2.264 1.666 62 8.483 6.544 30 Net Income 4 466 Per Common Share: Net Income Per Share - Diluted 0.63 \$ 0.46 7 65 2.38 \$ 1.55 0.76 \$ 0.71 0.28 \$ \$ \$ 1.81 31 \$ Cash Dividends Declared Per Share 0.34 0.34 0.34 0.34 0.34 1.36 1.36 1.36 Book Value Per Share 30.71 30.26 29.95 29.78 29.61 1 30.71 29.61 29.61 4 Closing Share Price 39 69 33.93 35.32 34 60 39.01 17 2 39.69 39.01 39.01 2 Common Shares Outstanding: 3.569.8 3.602.0 3.593.0 Weighted-Average Diluted Shares Outstanding 3.563.9 3.547.7 3.548.3 (1) 3.557.3 2.850.6 (1) Common Shares Outstanding at Period-end 3,486.7 3,503.4 3,514.0 3,525.3 3,556.2 (2)3,486.7 3,556.2 3,556.2 (2)SELECTED RATIOS: Return on Common Equity ("ROE") (b) 10 9/ 9 % 4 9 % 6 % 8 % 6 6 Return on Equity-Goodwill ("ROE-GW") (b) (c) 11 14 11 17 16 6 15 Return on Assets ("ROA") (b) (d) 0.89 0.34 0.79 0.57 0.72 0.58 0.84 0.46 Tier 1 Capital Ratio 8.5 (f) 8.2 8.2 8.6 8.7 Total Capital Ratio 12.1 (f) 11.3 11.3 11.9 12.2 SELECTED BALANCE SHEET DATA (Period-end) \$1,198,942 \$1,203,033 \$1,171,283 \$1,178,305 \$ 1,157,248 \$1.198.942 \$ 1,157,248 \$1,157,248 Total Assets 4 4 Wholesale Loans 150,111 151,591 149,588 137,401 135,067 (1) 11 150,111 135,067 135,067 11 Consumer Loans 269,037 268,913 266,437 265,268 267,047 269,037 267,047 267,047 535,123 534,640 521,456 521,456 Deposits 554,991 531,379 521,456 4 6 554,991 6 Common Stockholders' Equity 107,072 105,996 105,246 105.001 105,314 2 107,072 105,314 105,314 2 168,847 168,955 168,708 164,381 160,968 5 168,847 160,968 160,968 5 Headcount LINE OF BUSINESS EARNINGS Investment Bank 664 \$ 1,063 \$ 606 \$ 1,325 \$ 660 (38)\$ 3,658 \$ 2,948 \$ 3,654 Retail Financial Services 803 656 980 988 775 22 3.427 2.199 3.279 5 Card Services 302 541 542 522 515 (44)(41)1,907 1,274 1,681 13 301 Commercial Banking 289 174 243 254 (4) 14 1,007 608 992 2 245 Treasury & Securities Services 300 263 229 145 14 107 1.037 440 437 137 Asset & Wealth Management 342 315 283 276 263 9 30 1,216 681 879 38 Corporate (e) (83)(475)(486)(687)(296)83 72 (1.731)61 (633)(173)2,912 2,617 2.664 2.328 2,316 8,211 **Total Operating Earnings** (2)13 10,521 10,289 2 Reconciling Items (After-Tax): (48)(90) 65 85 (448) (47)(137)(173)(324)(846)(846) Merger Costs NM (1,590) (1,161)(558)NI/ (2,294)(31)Litigation Reserve Charge 129 (2,294)

(326)

1,666

NM

NM

62

8,483

(605)

4,466

(605)

6.544

Note: Effective July 1, 2004, Bank One Corporation ("Bank One") merged with and into JPMorgan Chase & Co. ("JPMorgan Chase"). Bank One's results of operations were included in JPMorgan Chase's results beginning July 1, 2004. In accordance with U.S. GAAP, the results of operations for the fourth, third, second and first quarters of 2005, and fourth quarter of 2004, each reflect three months of results of operations for the combined Firm.

2,264

The results of operations for full year 2005 reflect the results of operations for the combined Firm, while full year 2004 reflects six months of results of operations for heritage JPMorgan Chase

994

2,527

and six months of results of operations for the combined Firm.

- (a) Third quarter 2005 includes a \$400 million, Special provision related to Hurricane Katrina allocated as follows: Retail Financial Services \$250 million, Card Services \$100 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.
- (b) Based on annualized amounts.

Accounting Policy Conformity

- (c) 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 utilizes this measure to facilitate operating comparisons to other competitors.
- (d) Represents Net income divided by Total average assets.
- (e) Includes Private Equity, Treasury, and corporate staff and other centrally managed expenses.

Net Income

(g) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

2,698

(h) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion of the pro forma combined financial information, see the Explanatory Note on page 2.

NM

30

QUARTERLY TRENDS FULL YEAR

										Pro Forma	Combined (d)
						4Q05 Cha	nge				2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (c)	2004	2004
REVENUE											
Investment Banking Fees	\$ 1,145	\$ 989	\$ 961	\$ 993	\$ 1,073	16 %	7 %	\$ 4,088	\$ 3,537	\$ 3,635	12 %
Trading Revenue (a)	1,115	2,499	387	1,859	611	(55)	82	5,860	3,612	3,764	56
Lending & Deposit Related Fees	853	865	851	820	903	(1)	(6)	3,389	2,672	3,744	(9)
Asset Management, Administration and Commissions	2,723	2,628	2,541	2,498	2,330	4	17	10,390	8,165	9,177	13
Securities / Private Equity Gains (Losses)	(232)	343	407	(45)	569	NM	NM	473	1,874	1,972	(76)
Mortgage Fees and Related Income	155	201	336	362	85	(23)	82	1,054	806	827	27
Credit Card Income	1,402	1,855	1,763	1,734	1,822	(24)	(23)	6,754	4,840	6,846	(1)
Other Income	1,764	233	496	201	228	NM	NM	2,694	830	1,210	123
Noninterest Revenue	8,925	9,613	7,742	8,422	7,621	(7)	17	34,702	26,336	31,175	11
Interest Income	12,184	11,435	10,949	10,632	9,862	7	24	45,200	30,595	36,945	22
Interest Expense	7,431	6,583	5,948	5,407	4,533	13	64	25,369	13,834	15,579	63
Net Interest Income	4,753	4,852	5,001	5,225	5,329	(2)	(11)	19,831	16,761	21,366	(7)
TOTAL NET REVENUE	13,678	14,465	12,743	13,647	12,950	(5)	6	54,533	43,097	52,541	4
Provision for Credit Losses (b)	1,224	1,245	587	427	1,157	(2)	6	3,483	2,544	2,727	28
NONINTEREST EXPENSE											
Compensation Expense	4,286	5,001	4,266	4,702	4,211	(14)	2	18,255	14,506	17,055	7
Occupancy Expense	645	549	580	525	609	17	6	2,299	2,084	2,403	(4)
Technology and Communications Expense	909	899	896	920	1,051	1	(14)	3,624	3,702	4,046	(10)
Professional & Outside Services	1,002	1,018	1,130	1,074	1,191	(2)	(16)	4,224	3,862	4,597	(8)
Marketing	385	512	537	483	428	(25)	(10)	1,917	1,335	1,944	(1)
Other Expense	1,064	882	954	805	981	21	8	3,705	2,859	3,823	(3)
Amortization of Intangibles	375	382	385	383	392	(2)	(4)	1,525	946	1,571	(3)
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	8,666	9,243	8,748	8,892	8,863	(6)	(2)	35,549	29,294	35,439	-
Merger Costs	77	221	279	145	523	(65)	(85)	722	1,365	1,365	(47)
Litigation Reserve Charge	(208)	-	1,872	900	-	NM	NM	2,564	3,700	3,700	(31)
TOTAL NONINTEREST EXPENSE	8,535	9,464	10,899	9,937	9,386	(10)	(9)	38,835	34,359	40,504	(4)
Income before Income Tax Expense	3,919	3,756	1,257	3,283	2,407	4	63	12,215	6,194	9,310	31
Income Tax Expense	1,221	1,229	263	1,019	741	(1)	65	3,732	1,728	2,766	35
NET INCOME	\$ 2,698	\$ 2,527	\$ 994	\$ 2,264	\$ 1,666	7	62	\$ 8,483	\$ 4,466	\$ 6,544	30
NET INCOME APPLICABLE TO COMMON STOCK	\$ 2,696	\$ 2,524	\$ 991	\$ 2,259	\$ 1,653	7	63	\$ 8,470	\$ 4,414	\$ 6,492	30
NET INCOME PER COMMON SHARE											
Basic Earnings per Share	\$ 0.78	\$ 0.72	\$ 0.28	\$ 0.64	\$ 0.47	8	66	\$ 2.43	\$ 1.59	\$ 1.85	31
Diluted Earnings per Share	0.76	0.71	0.28	0.63	0.46	7	65	2.38	1.55	1.81	31
Weighted-Average Basic Shares Outstanding	3,472.1	3,485.0	3,493.0	3,517.5	3,514.7	-	(1)	3,491.7	2,779.9	3,510.4	(1)
Weighted-Average Diluted Shares Outstanding	3,563.9	3,547.7	3,548.3	3,569.8	3,602.0	-	(1)	3,557.3	2,850.6	3,593.0	(1)
FINANCIAL RATIOS											
ROE	10 %							8 %		6 %	
ROE-GW	17	16	6	15	11			14	9	11	
ROA	0.89	0.84	0.34	0.79	0.57			0.72	0.46	0.58	
Effective Income Tax Rate	31	33	21	31	31			31	28	30	
Overhead Ratio	62	65	86	73	72			71	80	77	
Headcount	168,847	168,955	168,708	164,381	160,968	-	5	168,847	160,968	160,968	5

⁽a) Trading NII is not included in Trading revenue. See page 10 for additional details.

⁽b) Third quarter 2005 includes a \$400 million special provision related to Hurricane Katrina allocated as follows: Retail Financial Services \$250 million, Card Services \$100 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.

⁽c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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(in millions)

						Dec 31, i Chang	
	Dec 31 2005	Sep 30 2005	Jun 30 2005	Mar 31 2005	Dec 31 2004	Sep 30 2005	Dec 31 2004
ASSETS							
Cash and Due from Banks	\$ 36,670	\$ 33,036	\$ 35,092	\$ 37,593	\$ 35,168	11 %	4 %
Deposits with Banks	21,661	14,337	9,080	14,331	21,680	51	-
Federal Funds Sold and Securities Purchased under Resale Agreements	133,981	122,876	130,785	132,751	101,354	9	32
Securities Borrowed	74,604	64,381	58,457	53,174	47,428	16	57
Trading Assets:							
Debt and Equity Instruments	248,590	250,171	235,803	230,725	222,832	(1)	12
Derivative Receivables	49,787	54,389	55,015	60,388	65,982	(8)	(25)
Securities	47,600	68,697	58,573	75,251	94,512	(31)	(50)
Interests in Purchased Receivables	29,740	28,766	27,887	28,484	31,722	3	(6)
Loans (Net of Allowance for Loan Losses)	412,058	413,284	409,231	395,734	394,794	-	4
Private Equity Investments	6,374	6,081	6,488	7,333	7,735	5	(18)
Accrued Interest and Accounts Receivable	22,421	28,872	24,245	21,098	21,409	(22)	5
Premises and Equipment	9,081	9,297	9,354	9,344	9,145	(2)	(1)
Goodwill	43,621	43,555	43,537	43,440	43,203	-	ĺ
Other Intangible Assets:	-,-	-,	-,	-, -	-,		
Mortgage Servicing Rights	6,452	6,057	5,026	5,663	5,080	7	27
Purchased Credit Card Relationships	3,275	3,352	3,528	3,703	3,878	(2)	(16)
All Other Intangibles	4,832	5,139	5,319	5,514	5,726	(6)	(16)
Other Assets	48,195	50,743	53,863	53,779	45,600	(5)	6
TOTAL ASSETS	\$1,198,942	\$1,203,033	\$1,171,283	\$ 1,178,305	\$ 1,157,248	(5)	4
TOTAL AGGLIG	ψ 1,130,34Z	ψ 1,203,033	Ψ 1,17 1,203	Ψ 1,170,303	ψ 1,137,240		7
Deposits: U.S. Offices: Noninterest-Bearing	\$ 135,599	\$ 134,129	\$ 138,025	\$ 130,533	\$ 129,257	1	5
Interest-Bearing	287,774	267,288	263,952	271,592	261,673	8	10
Non-U.S. Offices:							
Noninterest-Bearing	7,476	6,723	7,289	6,669	6,931	11	8
Interest-Bearing	124,142	126,983	125,374	122,585	123,595	(2)	-
Total Deposits	554,991	535,123	534,640	531,379	521,456	4	6
Federal Funds Purchased and Securities Sold under Repurchase Agreements	125,925	143,404	137,350	137,062	127,787	(12)	(1)
Commercial Paper	13,863	16,166	12,842	13,063	12,605	(14)	10
Other Borrowed Funds	10,479	15,400	12,716	10,124	9,039	(32)	16
Trading Liabilities:							
Debt and Equity Instruments	94,157	99,163	83,011	96,090	87,942	(5)	7
Derivative Payables	51,773	53,329	51,269	57,626	63,265	(3)	(18)
Accounts Payable, Accrued Expenses and Other Liabilities							
(including the Allowance for Lending-Related Commitments)	78,460	74,698	77,064	72,183	75,722	5	4
Beneficial Interests Issued by Consolidated VIEs	42,197	46,140	43,826	44,827	48,061	(9)	(12)
Long-Term Debt	108,357	101,853	101,182	99,329	95,422	6	14
Junior Subordinated Deferrable Interest Debentures Held by Trusts that Issued							
Guaranteed Capital Debt Securities	11,529	11,622	11,998	11,282	10,296	(1)	12
TOTAL LIABILITIES	1,091,731	1,096,898	1,065,898	1,072,965	1,051,595	-	4
STOCKHOLDERS' EQUITY							
Preferred Stock	139	139	139	339	339	-	(59)
Common Stock	3,618	3,608	3,604	3,598	3,585	-	1
Capital Surplus	74,994	74,396	73,911	73,394	72,801	1	3
Retained Earnings	33,848	32,350	31,032	31,253	30,209	5	12
Accumulated Other Comprehensive Income (Loss)	(626)	(602)	(61)	(623)	(208)	(4)	(201)
Treasury Stock, at Cost	(4,762)	(3,756)	(3,240)	(2,621)	(1,073)	(27)	(344)
TOTAL STOCKHOLDERS' EQUITY	107,211	106,135	105,385	105,340	105,653	1	1
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,198,942	\$ 1,203,033	\$1,171,283	\$ 1,178,305	\$ 1,157,248	-	4



QUARTERLY TRENDS FULL YEAR

										Pro Forma	Combined (c)
						4Q05 Ch	nange				2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (b)	2004	2004
AVERAGE BALANCES											
ASSETS											
Deposits with Banks	\$ 15.584	\$ 11,388	\$ 18,646	\$ 15.232	\$ 31,799	37 %	(51) %	\$ 15,203	\$ 28,625	\$ 30,389	(50) %
Federal Funds Sold and Securities Purchased	Ψ,	Ψ 11,000	Ψ .0,0.0	Ψ .0,202	V 01,700	0. 70	(0.) /0	Ψ .0,200	Ψ 20,020	ψ σσ,σσσ	(00) ,0
under Resale Agreements	152,324	146,048	139,864	121,189	104,038	4	46	139,957	93,979	97,496	44
Securities Borrowed	72,359	66,817	60,207	52,449	47,663	8	52	63,023	49,387	50,571	25
Trading Assets - Debt Instruments	181,178	189,198	193,660	187,669	186,013	(4)	(3)	187,912	169,203	173,287	8
Securities	60,670	65,192	67,705	93,438	92,294	(7)	(34)	71,644	78,869	119,036	(40)
Interests in Purchased Receivables	28,338	27,905	28,082	29,277	30,491	2	(7)	28,397	15,564	30,513	(7)
Loans	421,651	415,676	404,318	398,494	400,841	1	5	410,114	308,450	375,774	9
Total Interest-Earning Assets	932,104	922,224	912,482	897,748	893,139	1	4	916,250	744,077	877,066	4
	56,970	53,025	,	43,717	35,803	7	-	49,458	,		58
Trading Assets - Equity Instruments			43,935		,		59	,	31,263	31,263	
All Other Noninterest-Earning Assets	215,710	220,796	219,616	221,353	225,946	(2)	(5) 4	219,358	187,216	227,080	(3)
TOTAL ASSETS	\$ 1,204,784	\$ 1,196,045	\$ 1,176,033	\$ 1,162,818	\$ 1,154,888	1	4	\$ 1,185,066	\$ 962,556	\$1,135,409	4
LIABILITIES										1	
Interest-Bearing Deposits	\$ 401,531	\$ 398,059	\$ 394,455	\$ 388,355	\$ 377,368	1	6	\$ 395,643	\$ 309,020	\$ 369,033	7
Federal Funds Purchased and Securities Sold	Ψ -101,001	ψ 000,000	Ψ 00-1,-100	\$ 000,000	Ψ 0/1,000		•	↓ 000,040	Ψ 000,020	Ψ 000,000	'
under Repurchase Agreements	149,428	160,967	158,268	151,335	158,633	(7)	(6)	155,010	155,665	162,657	(5)
Commercial Paper	17,393	15,188	12,496	12,665	10,885	15	60	14,450	12,699	12,939	12
•	,		98,936	98,259	89,674	5	30	106,186	,		22
Other Borrowings (a)	116,284 45,284	111,010 44,381	98,936 43,743	98,259 45,294	89,674 46,366	2		44,675	83,721 26,817	86,872 45,550	(2)
Beneficial Interests Issued by Consolidated VIEs							(2)				
Long-Term Debt	117,597	111,921	111,858	108,004	104,599	5	12	112,370	79,193	100,974	11
Total Interest-Bearing Liabilities	847,517	841,526	819,756	803,912	787,525	1	8	828,334	667,115	778,025	6
Noninterest-Bearing Liabilities	251,203	248,899	250,792	253,222	261,487	1	(4)	251,018	218,793	251,677	-
TOTAL LIABILITIES	1,098,720	1,090,425	1,070,548	1,057,134	1,049,012	1	5	1,079,352	885,908	1,029,702	5
Preferred Stock	139	139	216	339	1,002	-	(86)	207	1,007	1,007	(79)
Common Stockholders' Equity	105,925	105,481	105,269	105,345	104,874	-	1	105,507	75,641	104,700	1
TOTAL STOCKHOLDERS' EQUITY	106,064	105,620	105,485	105,684	105,876	-	-	105,714	76,648	105,707	-
TOTAL LIABILITIES, PREFERRED STOCK											
AND STOCKHOLDERS' EQUITY	\$ 1,204,784	\$ 1,196,045	\$ 1,176,033	\$ 1,162,818	\$1,154,888	1	4	\$ 1,185,066	\$ 962,556	\$1,135,409	4
AVERAGE RATES											
INTEREST-EARNING ASSETS											
Deposits with Banks	5.29	% 4.48 %	4.08	% 4.11	% 2.60 %			4.48 %	6 1.88 %	1.90 %	5
Federal Funds Sold and Securities Purchased											
under Resale Agreements	3.55	2.97	2.70	2.43	2.03			2.95	1.73	1.70	
Securities Borrowed	1.75	1.78	2.08	1.71	1.34			1.83	0.94	0.94	
Trading Assets - Debt Instruments	5.07	4.79	5.06	4.89	4.44			4.96	4.45	4.44	
Securities	5.00	4.56	3.77	4.93	4.43			4.59	4.41	4.50	
Interests in Purchased Receivables	3.97	3.52	3.08	2.58	2.11			3.29	1.87	1.55	
Loans	6.57	6.39	6.24	6.11	5.66			6.33	5.40	5.49	
Total Interest-Earning Assets	5.21	4.95	4.85	4.83	4.40			4.96	4.11	4.20	
•											
INTEREST-BEARING LIABILITIES											
Interest-Bearing Deposits	3.19	2.71	2.39	2.09	1.76			2.60	1.50	1.47	
Federal Funds Purchased and Securities Sold										1	
under Repurchase Agreements	3.04	2.80	2.69	2.48	1.96			2.75	1.49	1.48	
Commercial Paper	3.40	3.13	2.42	2.00	1.65			2.81	1.03	1.02	
Other Borrowings (a)	4.44	4.33	4.56	5.06	4.13			4.58	4.56	4.55	
Beneficial Interests Issued by Consolidated VIEs	3.66	3.25	2.92	2.44	1.97			3.07	1.78	1.57	
Long-Term Debt	4.01	3.65	3.64	3.47	3.31			3.70	3.11	2.93	
Total Interest-Bearing Liabilities	3.48	3.10	2.91	2.73	2.29			3.06	2.07	2.00	
	4.700	4.0521	4.0	0.4551	0.440/			4.0001	0.0461	0.000	
INTEREST RATE SPREAD	1.73%	1.85%	1.94%	2.10%	2.11%			1.90%	2.04%	2.20%	
NET YIELD ON INTEREST-EARNING ASSETS	2.05%	2.12%	2.24%	2.39%	2.38%			2.19%	2.25%	2.43%	
NET YIELD ON INTEREST-EARNING ASSETS											
ADJUSTED FOR SECURITIZATIONS	2.50%	2.61%	2.76%	2.95%	2.95%			2.70%	2.77%	3.06%	

⁽a) Includes securities sold but not yet purchased.

⁽b) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽c) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

OPERATING BASIS

In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's and the lines of business results on an operating basis, which is a non-GAAP financial measure. The Firm's definition of operating basis starts with the reported U.S. GAAP results. Operating basis excludes: (i) merger costs, (ii) the non-operating litigation charges taken in the first and second quarters of 2005 and second quarter of 2004 and the non-operating insurance recovery taken in the fourth quarter of 2005 in respect of certain of the Firm's material litigation; and (iii) costs related to the conformance of certain accounting policies as a result of the merger. Management believes these items are not part of the Firm's normal daily business operations and, therefore, not indicative of trends, as they do not provide meaningful comparisons with other periods. In addition, the Firm manages its lines of business on an operating basis.

In the case of the Investment Bank, noninterest revenue on an operating basis includes in trading revenue net interest income related to trading activities. Trading activities generate revenues, which are recorded for U.S. GAAP purposes in two line items on the income statement: trading revenue, which includes the mark-to-market gains or losses on trading positions; and net interest income, which includes the interest income or expense related to those positions. Combining both the trading revenue and related net interest income enables management to evaluate the Investment Bank's trading activities, by considering all revenue related to these activities, and facilitates operating comparisons to other competitors.

In the case of Card Services, operating, or managed, basis excludes the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance and overall financial 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 loan receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed loan receivables, JPMorgan Chase 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.

Commencing with the first quarter of 2005, operating revenue (noninterest revenue and net interest income) for each of the segments and the Firm is presented on a tax-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits are presented in the operating results on a basis comparable to taxable securities and investments. This allows management to assess the comparability of revenues arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense. The Corporate sector's and the Firm's operating revenue and income tax expense for the periods prior to the first quarter of 2005 have been restated to be similarly presented on a tax-equivalent basis. This restatement had no impact on the Corporate sector's or the Firm's operating earnings.



JPMorgan Chase prepares its Consolidated financial statements using accounting principles generally accepted in the United States of America ("U.S. GAAP"), which is referred to as "reported basis." This presentation provides the reader with an understanding of the Firm's results that can be consistently tracked from year to year and enables comparisons to 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 and the lines of business' results on an "operating basis," which is a non-GAAP financial measure. The financial information that is presented on the following pages is presented on an operating basis; for additional information, see the previous page for a more detailed definition of operating basis and the Appendix.

			Q	UARTERLY TRE	NDS			FUL	L YEAR	
	4Q05	3Q05	2Q05	1Q05	4Q04	4Q05 Change 3Q05 4Q04	2005	2004 (a)	Pro Forma	Combined (b)
TOTAL NET REVENUE Total Net Revenue - Reported Impact of:	\$ 13,678	\$ 14,465	\$ 12,743	\$ 13,647	\$ 12,950	(5) % 6 %	\$ 54,533	\$ 43,097	\$ 52,541	4 %
Credit Card Securitizations Accounting Policy Conformity Adjustments	1,062	867 -	930 -	917 -	1,011 -	22 5 NM NM	3,776	2,898 118	4,621 118	(18) NM
Tax Equivalent Adjustments Total Net Revenue - Operating	\$ 14,955	\$ 15,554	\$ 13,900	176 \$ 14,740	188 \$ 14,149	(3) 14 (4) 6	\$ 59,149	323 \$ 46,436	\$ 57,760	75 2
PROVISION FOR CREDIT LOSSES Provision for Credit Losses - Reported Impact of:	\$ 1,224	\$ 1,245	\$ 587	\$ 427	\$ 1,157	(2) 6	\$ 3,483	\$ 2,544	\$ 2,727	28
Credit Card Securitizations Accounting Policy Conformity Adjustments Provision for Credit Losses - Operating	1,062 - \$ 2,286	867 - \$ 2,112	930 - \$ 1,517	917 - \$ 1,344	1,011 (525) \$ 1,643	22 5 NM NM 8 39	3,776 - \$ 7,259	2,898 (858) \$ 4,584	4,621 (858) \$ 6,490	(18) NM 12
TOTAL NONINTEREST EXPENSE					 _					
Total Noninterest Expense - Reported Impact of: Merger Costs	\$ 8,535 (77)	\$ 9,464 (221)	\$ 10,899 (279)	\$ 9,937 (145)	\$ 9,386 (523)	(10) (9) 65 85	\$ 38,835 (722)	\$ 34,359 (1,365)	\$ 40,504 (1,365)	(4) 47
Litigation Reserve Charges Total Noninterest Expense - Operating	\$ 8,666	\$ 9,243	(1,872) \$ 8,748	\$ 8,892	\$ 8,863	NM NM (6) (2)	(2,564) \$ 35,549	(3,700) \$ 29,294	(3,700) \$ 35,439	31
INCOME TAX EXPENSE Income Tax Expense - Reported Impact of:	\$ 1,221	\$ 1,229	\$ 263	\$ 1,019	\$ 741	(1) 65	\$ 3,732	\$ 1,728	\$ 2,766	35
Merger Costs Litigation Reserve Charges Accounting Policy Conformity Adjustments	29 (79)	84	106 711	55 342	199 - 199	(65) (85) NM NM NM NM	274 974	519 1,406 371	519 1,406 371	(47) (31) NM
Tax Equivalent Adjustments Income Tax Expense - Operating	215 \$ 1,386	222 \$ 1,535	\$ 1,307	176 \$ 1,592	188 \$ 1,327	(3) 14 (10) 4	\$ 5,820	323 \$ 4,347	480 \$ 5,542	75 5
NET INCOME Net Income - Reported Impact of:	\$ 2,698	\$ 2,527	\$ 994	\$ 2,264	\$ 1,666	7 62	\$ 8,483	\$ 4,466	\$ 6,544	30
Merger Costs Litigation Reserve Charges Accounting Policy Conformity Adjustments	48 (129)	137 -	173 1,161	90 558	324 - 326	(65) (85) NM NM NM NM	448 1,590	846 2,294 605	846 2,294 605	(47) (31) NM
Net Income - Operating	\$ 2,617	\$ 2,664	\$ 2,328	\$ 2,912	\$ 2,316	(2) 13	\$ 10,521	\$ 8,211	\$ 10,289	2

⁽a) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽b) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the proforma combined financial information, see the Explanatory Note on page 2.

JPMorganChase 🗘

(in millions, except per share and ratio data)

			Q	UARTERLY TRE	NDS			-	F	JLL YEAR	
										Pro Forma Co	mbined (c)
						4Q05 Cha	inge				2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (b)	2004	2004
REVENUE											
Investment Banking Fees	\$ 1,145	\$ 989	\$ 961	\$ 993	\$ 1,073	16 %	7 %	\$ 4,088	\$ 3,537	\$ 3,635	12 %
Trading-Related Revenue (Including Trading NII)	851	2,396	585	2,187	1,122	(64)	(24)	6,019	5,562	5,714	5
Lending & Deposit Related Fees	853 2,723	865 2,628	851 2,541	820 2.498	903 2,330	(1) 4	(6) 17	3,389 10,390	2,672 8,165	3,744 9,177	(9) 13
Asset Management, Administration and Commissions Securities / Private Equity Gains (Losses)	(232)	2,626	2,541 407	2,496 (45)	2,330 569	NM	NM	473	1,874	1,972	(76)
Mortgage Fees and Related Income	155	201	336	362	85	(23)	82	1,054	806	827	27
Credit Card Income	960	1,122	1,035	919	1,036	(14)	(7)	4,036	2,573	3,752	8
Other Income	1,922	388	639	316	407	395	372	3,265	1,179	1,814	80
Noninterest Revenue	8,377	8,932	7,355	8,050	7,525	(6)	11	32,714	26,368	30,635	7
Interest Income	14,744	13,848	13,054	12,592	11,233	6	31	54,238	34,166	43,272	25
Interest Expense	8,166	7,226	6,509	5,902	4,609	13	77	27,803	14,098	16,147	72
Net Interest Income	6,578	6,622	6,545	6,690	6,624	(1)	(1)	26,435	20,068	27,125	(3)
TOTAL NET REVENUE	14,955	15,554	13,900	14,740	14,149	(4)	6	59,149	46,436	57,760	2
Managed Provision for Credit Losses (a)	2,286	2,112	1,517	1,344	1,643	8	39	7,259	4,584	6,490	12
NONINTEREST EXPENSE											
Compensation Expense	4,286	5,001	4,266	4,702	4,211	(14)	2	18,255	14,506	17,055	7
Occupancy Expense	645	549	580	525	609	17	6	2,299	2,084	2,403	(4)
Technology and Communications Expense	909	899	896	920	1,051	1	(14)	3,624	3,702	4,046	(10)
Professional & Outside Services	1,002	1,018	1,130	1,074	1,191	(2)	(16)	4,224	3,862	4,597	(8)
Marketing	385	512	537	483	428	(25)	(10)	1,917	1,335	1,944	(1)
Other Expense	1,064	882	954	805	981	21	8	3,705	2,859	3,823	(3)
Amortization of Intangibles	375	382	385	383	392	(2)	(4)	1,525	946	1,571	(3)
TOTAL NONINTEREST EXPENSE	8,666	9,243	8,748	8,892	8,863	(6)	(2)	35,549	29,294	35,439	-
Operating Earnings before Income Tax Expense	4,003	4,199	3,635	4,504	3,643	(5)	10	16,341	12,558	15,831	3
Income Tax Expense	1,386	1,535	1,307	1,592	1,327	(10)	4	5,820	4,347	5,542	5
OPERATING EARNINGS	\$ 2,617	\$ 2,664	\$ 2,328	\$ 2,912	\$ 2,316	(2)	13	\$ 10,521	\$ 8,211	\$ 10,289	2
Operating Earnings Per Common Share						(2)					
Diluted EPS	\$ 0.73	\$ 0.75	\$ 0.66	\$ 0.81	\$ 0.64	(3)	14	\$ 2.95	\$ 2.86	\$ 2.85	4
Operating Financial Ratios ROE	40.6				, , ,			40.0		40.0/	
ROE-GW	10 9 17	% 10 % 17	% 9 9 15	% 11 % 19				10 9 17	% 11 % 16	10 % 17	
ROA	0.82	0.84	0.75	0.96	15 0.75			0.84	0.81	0.85	
Effective Income Tax Rate	35	37	36	35	36			36	35	35	
Overhead Ratio	58	59	63	60	63			60	63	61	
RECONCILIATION OF OPERATING EARNINGS PER SHARE											
TO NET INCOME PER SHARE - DILUTED											
Operating Earnings	\$ 0.73	\$ 0.75	\$ 0.66	\$ 0.81	\$ 0.64	(3)	14	\$ 2.95	\$ 2.86	\$ 2.85	4
Reconciling Items (Net of Taxes):	(0.64)	(0.01)	(0.05)	(0.00)	(0.00)	75	00	(0.40)	(0.00)	(0.04)	40
Merger Costs	(0.01)	(0.04)	(0.05)	(0.03)	(0.09)	75 NM	89	(0.13)	(0.30)	(0.24)	46
Litigation Reserve Charge Accounting Policy Conformity	0.04	-	(0.33)	(0.15)	(0.09)	NM NM	NM NM	(0.44)	(0.80) (0.21)	(0.63) (0.17)	30 NM
Net Income	\$ 0.76	\$ 0.71	\$ 0.28	\$ 0.63	\$ 0.46	NIVI 7	1NIVI 65	\$ 2.38	\$ 1.55	\$ 1.81	NM 31
not moone	ψ 0.70	ψ 0.71	Ψ 0.20	ψ 0.03	Ψ 0.40	,	00	Ψ 2.30	ψ 1.55	ψ 1.01	31

⁽a) Third quarter 2005 includes a \$400 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.

⁽b) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽c) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.



QUARTERLY TRENDS FULL YEAR Pro Forma Combined (d) 4Q05 Change 2005 Change 4Q05 3Q05 2Q05 1Q05 4Q04 3Q05 4Q04 2005 2004 (c) 2004 2004 REVENUE Investment Bank 3,187 \$ 4,461 \$ 2,750 \$ 4,180 \$ 3,201 (29) % \$ 14,578 \$ 12,605 \$ 13,506 8 Retail Financial Services 3,594 3,590 3,799 3,847 3,545 14,830 10,791 15,076 (2) Card Services 3,721 3,980 3.886 3.779 3.830 (7) (3) 15,366 10,745 15,001 2 Commercial Banking 937 909 900 850 885 3 6 3,596 2,374 3,417 5 Treasury & Securities Services 1,615 1,556 1,588 1,482 1,413 4 14 6,241 4,857 5,400 16 Asset & Wealth Management 1,511 1,449 1,343 1,361 1,310 4 15 5,664 4,179 4,901 16 NM NM NM Corporate 390 (391)(366)(759)(35)(1,126)885 459 TOTAL NET REVENUE 14,955 15,554 13,900 14,740 14,149 \$ 59,149 46,436 \$ 57,760 2 \$ \$ (4) 6 **OPERATING EARNINGS** Investment Bank 664 \$ 1,063 606 \$ 1,325 660 (38)3,658 \$ 2,948 \$ 3,654 Retail Financial Services 803 656 980 988 775 22 3.427 2.199 3.279 4 Card Services 302 541 542 522 515 (44)(41) 1,907 1,274 1,681 13 Commercial Banking 289 301 174 243 254 (4) 14 1,007 608 992 2 Treasury & Securities Services 300 263 229 245 145 14 107 1,037 440 437 137 342 283 276 9 30 681 Asset & Wealth Management 315 263 1.216 879 38 83 72 Corporate (83)(475)(486)(687)(296)(1.731)61 (633)(173)TOTAL OPERATING EARNINGS 2,664 2,912 (2) 13 \$ 8,211 \$ 10,289 2,617 2,328 2,316 10,521 \$ 2 **AVERAGE EQUITY (a)** Investment Bank 20,000 \$ 20,000 20,000 \$ 20,000 20.000 20,000 17,290 \$ 20,000 Retail Financial Services 13,700 13,475 13,250 13,100 13,050 2 5 13,383 9,092 13,050 3 **Card Services** 11,800 11,800 11,800 11,800 11,800 11,800 7,608 11,800 2,093 Commercial Banking 3,400 3,400 3,400 3,400 3,400 3,400 3,400 2.544 Treasury & Securities Services 1.900 1.900 1.900 1.900 1.900 1.900 1.900 Asset & Wealth Management 2,400 2,400 2,400 2,400 2,400 2,400 3,902 2,400 52,725 52,506 52,519 52,745 52,324 52,624 33,112 52,150 Corporate (b) TOTAL AVERAGE EQUITY \$ 105,925 \$ 105,481 \$ 105,269 \$ 105,345 \$ 104,874 \$ 105,507 75,641 \$ 104,700 \$ **RETURN ON EQUITY (a)** Investment Bank 13 21 % 12 27 13 18 17 % 18 Retail Financial Services 23 19 30 31 24 26 24 25 17 Card Services 10 18 18 18 16 17 14 21 30 Commercial Banking 34 35 29 30 29 29 Treasury & Securities Services 63 55 48 52 30 55 17 23 Asset & Wealth Management 57 52 47 47 44 51 17 37 JPMC ROE 10 10 9 11 9 10 11 10 JPMC ROE-GW 17 17 15 19 15 17 16

⁽a) As a result of the Merger, new capital allocation methodologies were implemented during the third quarter of 2004. The capital allocated to each line of business considers several factors: stand-alone peer comparables, economic risk measures and regulatory capital requirements. In addition, effective with the third quarter of 2004, goodwill, as well as the associated capital, is only allocated to the Corporate line of business. Prior periods have not been revised to reflect these new methodologies and also may not be comparable to the presentation beginning in the third quarter of 2004.

⁽b) Effective with the third quarter of 2004, all goodwill is allocated to the Corporate line of business. Prior to the third quarter of 2004, goodwill was allocated to the various lines of business.

⁽c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

			QU	ARTERLY TRENDS	S				F	FULL YEAR	
						4Q05 Ch					005 Change
INCOME STATEMENT	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (e)	2004	2004
REVENUE											
Investment Banking Fees:											
Advisory	\$ 341	\$ 300	\$ 359	\$ 263	\$ 250	14 %	36 %	\$ 1,263	\$ 938	\$ 939	35 %
Equity Underwriting	311	210	104	239	213	48	46	864	781	785	10
Debt Underwriting	509	475	502	483	617	7	(18)	1,969	1,853	1,947	1
Total Investment Banking Fees	1,161	985	965	985	1,080	18	8	4,096	3,572	3,671	12
Trading-Related Revenue:											
Fixed Income and Other	735	2,083	940	1,915	1,173	(65)	(37)	5,673	5,008	5,131	11
Equities	76	329	(280)	225	(42)	(77)	NM	350	427	423	(17)
Credit Portfolio	80	23	(46)	59	(44)	248	NM	116	6	30	287
Total Trading-Related Revenue (a)	891	2,435	614	2,199	1,087	(63)	(18)	6,139	5,441	5,584	10
Lending & Deposit Related Fees	143	148	146	157	176	(3)	(19)	594	539	658	(10)
Asset Management, Administration and Commissions	458	445	413	408	346	3	32	1,724	1,400	1,421	21
Other Income	124	94	270	127	178	32	(30)	615	328	502	23
Noninterest Revenue	2,777	4,107	2,408	3,876	2,867	(32)	(3)	13,168	11,280	11,836	11
Net Interest Income (a)	410	354	342	304	334	16	23	1,410	1,325	1,670	(16)
TOTAL NET REVENUE (b)	3,187	4,461	2,750	4,180	3,201	(29)	-	14,578	12,605	13,506	8
• • • • • • • • • • • • • • • • • • • •						, ,					
Provision for Credit Losses	(83)	(46)	(343)	(366)	(173)	(80)	52	(838)	(640)	(942)	11
Credit Reimbursement from TSS (c)	40	38	38	38	43	5	(7)	154	90	172	(10)
NONINTEREST EXPENSE											
Compensation Expense	1,094	1,883	1,192	1,616	1,389	(42)	(21)	5,785	4,893	5,113	13
Noncompensation Expense	1,067	992	986	909	1,001	8	7	3,954	3,803	3,804	4
TOTAL NONINTEREST EXPENSE	2,161	2,875	2,178	2,525	2,390	(25)	(10)	9,739	8,696	8,917	9
Operating Earnings Before Income Tax Expense	1,149	1,670	953	2,059	1,027	(31)	12	5,831	4,639	5,703	2
Income Tax Expense	485	607	347	734	367	(20)	32	2,173	1,691	2,049	6
OPERATING EARNINGS	\$ 664	\$ 1,063	\$ 606	\$ 1,325	\$ 660	(38)	1	\$ 3,658	\$ 2,948	\$ 3,654	-
	<u> </u>	- 1,000				()	•		7 -,5:5		
FINANCIAL RATIOS											
ROE	13 %				13 %			18 9		18 %	
ROA	0.43	0.68	0.41	0.95	0.49			0.61	0.62	0.72	
Overhead Ratio	68	64	79	60	75			67	69	66	
Compensation Expense as a % of Total Net Revenue	34	42	43	39	43			40	39	38	
REVENUE BY BUSINESS (d)											
Investment Banking Fees	\$ 1,161	\$ 985	\$ 965	\$ 985	\$ 1,080	18	8	\$ 4,096	\$ 3,572	\$ 3,671	12
Fixed Income Markets	1,104	2,431	1,418	2,289	1,530	(55)	(28)	7,242	6,314	6,790	7
Equities Markets	458	713	72	556	243	(36)	88	1,799	1,491	1,566	15
Credit Portfolio	464	332	295	350	348	40	33	1,441	1,228	1,479	(3)
Total Net Revenue	\$ 3,187	\$ 4,461	\$ 2,750	\$ 4,180	\$ 3,201	(29)	-	\$ 14,578	\$ 12,605	\$ 13,506	8
REVENUE BY REGION											
Americas	\$ 1,476	\$ 2,690	\$ 1,833	\$ 2,224	\$ 1,829	(45)	(19)	\$ 8,223	\$ 6,870	\$ 7,732	6
Europe/Middle East/Africa	1,266	1,272	554	1,535	1,013	-	25	4,627	4,082	4,103	13
Asia/Pacific	445	499	363	421	359	(11)	24	1,728	1,653	1,671	3
Total Net Revenue	\$ 3,187	\$ 4,461	\$ 2,750	\$ 4,180	\$ 3,201	(29)	-	\$ 14,578	\$ 12,605	\$ 13,506	8

⁽a) Trading revenue, on a reported basis, excludes the impact of Net interest income related to the IB's trading activities; this income is recorded in Net interest income. However, in this presentation, to assess the profitability of the IB's trading business, the Firm combines these revenues for segment reporting. The amount reclassified from Net interest income to Trading revenue was \$(262) million, \$(101) million, \$207 million, \$324 million and \$511 million, during the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005, and December 31, 2004, and \$168 million for the full year 2005 and \$1.9 billion for both full year 2004 and Pro forma full year 2004, respectively.

⁽b) Total net revenue includes tax-equivalent adjustments, primarily due to tax-exempt income from municipal bonds and income tax credits related to affordable housing investments, of \$191 million, \$206 million, \$206 million, \$155 million and \$167 million for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005, and December 31, 2004, respectively. The full year tax-equivalent adjustments were \$752 million and \$274 million for 2005 and 2004, respectively. The full year 2004 Pro forma tax-equivalent adjustment was \$391 million.

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

⁽d) See account details of Fixed Income Markets, Equities Markets and Credit Portfolio in the Composition of Revenues tables on page 12.

⁽e) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. INVESTMENT BANK

FINANCIAL HIGHLIGHTS, CONTINUED

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

QUARTERLY TRENDS FULL YEAR

																			Pro Forma	Combined (j)	
													4Q05 Char	nge						2005 Cha	nge
		4Q05		3Q05	_	2Q0	5		1Q05		4Q04		3Q05	4Q04		2005		2004 (i)	 2004	2004	
SELECTED BALANCE SHEETS DATA (Average)														<u>.</u>							
Total Assets	\$	616,678	\$	615,888		\$ 592			566,778	\$	533,898		- %	16 %	\$	598,118	\$	473,121	\$ 507,584		18 %
Trading Assets - Debt and Equity Instruments		232,032		234,722		232			225,367		219,466		(1)	6		231,303		173,086	177,028		31
Trading Assets - Derivative Receivables		48,741		52,399		56	436		63,574		65,417		(7)	(25)		55,239		58,735	60,935		(9)
Loans:																					
Loans Held until Maturity (a)		46,740		45,291			801		39,794		40,854		3	14		42,918		36,494	41,804		3
Loans Held-for-Sale (b)		15,581		13,045	_		601		7,674		6,820		19	128		12,014		6,124	6,124		96
Total Loans		62,321		58,336			402		47,468		47,674		7	31		54,932		42,618	47,928		15
Adjusted Assets (c)		459,532		462,056		453			445,840		432,085		(1)	6		455,277		393,646	407,353		12
Equity (d)		20,000		20,000		20	000		20,000		20,000		-	-		20,000		17,290	20,000		-
Headcount		19,769		19,526		19	269		17,993		17,478		1	13		19,769		17,478	17,478		13
CREDIT DATA AND QUALITY STATISTICS																					
Net Charge-offs (Recoveries)	\$	(5)	\$	(69)		\$	(47)	\$	(5)	\$	14		93	NM	\$	(126)	\$	47	\$ 25		NM
Nonperforming Assets:																					
- Nonperforming Loans (e)		594		702			711		814		954		(15)	(38)		594		954	954		(38)
- Other Nonperforming Assets		51		232			235		242		242		(78)	(79)		51		242	242		(79)
Allowance for Loan Losses		907		1,002			971		1,191		1,547		(9)	(41)		907		1,547	1,547		(41)
Allowance for Lending-Related Commitments		226		211			225		296		305		7	(26)		226		305	305		(26)
Net Charge-off (Recovery) Rate (b)		(0.04)	%	(0.60)	%	(0.47) %	5	(0.05)	%	0.14	%				(0.29) 9	%	0.13 %	0.06 %	6	
Allowance for Loan Losses to Average Loans (b)		1.94		2.21			2.44		2.99		3.79					2.11		4.24	3.70		
Allowance for Loan Losses to Nonperforming Loans (e)		187		168			137		147		163					187		163	163		
Nonperforming Loans to Average Loans		0.95		1.20			1.38		1.71		2.00					1.08		2.24	1.99		
MARKET RISK - AVERAGE TRADING AND CREDIT POR	RTFOL	LIO VAR (f)	(a)																		
Trading Activities:																					
Fixed Income (f)	\$	69	\$	57		\$	82	\$	57	\$	68		21	1	\$	67	\$	74	NA		NM
Foreign Exchange		23		24			21		23		18		(4)	28		23		17	NA		NM
Equities		30		41			45		18		20		(27)	50		34		28	NA		NM
Commodities and Other		35		24			15		10		9		46	289		21		9	NA		NM
Diversification		(64)		(62)			(61)		(43)		(42)		(3)	(52)		(59)		(43)	NA		NM
Total Trading VAR		93		84	_		102		65		73		11	27		86		85	NA		NM
Credit Portfolio VAR (q)		15		15			13		13		13		_	15		14		14	NA		NM
Diversification		(13)		(13)			(13)		(8)		(7)		_	(86)		(12)		(9)	NA		NM
Total Trading and Credit Portfolio VAR	\$	95	\$	86	-		102	\$	70	\$			10	20	\$	88	\$	90	NA		NM
	Ť				-	-		Ť		<u> </u>	.,,		.0	20	<u> </u>		<u> </u>				
		ull Year		Full Year																	

	Full Year 2005	Full Year 2004
MARKET SHARES AND RANKINGS (h)		
Global Debt, Equity and Equity-Related	6% / #4	7% / #3
Global Syndicated Loans	16% / #1	19% / #1
Global Long-Term Debt	6% / #4	7% / #2
Global Equity and Equity-Related	7% / #6	6% / #6
Global Announced M&A	24% / #3	24% / #3
U.S. Debt, Equity and Equity-Related	8% / #4	8% / #5
U.S. Syndicated Loans	28% / #1	32% / #1
U.S. Long-Term Debt	11% / #2	12% / #2
U.S. Equity and Equity-Related	9% / #5	8% / #6
U.S. Announced M&A	24% / #3	31% / #2

- (a) Loans held until maturity include Credit Portfolio, Conduit loans, Principal Investment Management leverage leases, Proprietary Positioning loans, bridge loans for underwriting and other accrual loans.
- (b) Loans held-for-sale, which include warehouse loans held as part of the IB's mortgage-backed, asset-backed and other securitization businesses as well as other held for sale loans, are excluded from total loans for the allowance coverage ratio and net charge-off rate.
- (c) Adjusted assets, a non-GAAP financial measure, equals total assets minus (i) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (ii) assets of variable interest entities (VIEs) consolidated under FIN 46R; (iii) cash and securities segregated and on deposit for regulatory and other purposes; and (iv) goodwill and intangibles. The amount of adjusted assets is presented to assist the reader in comparing the IB's 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. The IB believes an adjusted asset amount, which excludes certain assets considered to have a low-risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.
- (d) Equity includes \$15.8 billion, \$15.2 billion, \$15.2 billion, \$15.1 billion, \$15.1 billion and \$15.0 billion of economic risk capital assigned to the IB for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, and \$15.0 billion for the full year 2005 and \$15.6 billion for both full year 2004 and Pro forma full year 2004, respectively.
- (e) Nonperforming loans include loans held-for-sale of \$109 million, \$106 million, \$2 million and \$2 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.
- (f) Includes all mark-to-market trading activities, plus available-for-sale securities held for proprietary purposes.
- (g) Includes VAR on derivative credit valuation adjustments, credit valuation adjustments, credit valuation adjustment hedges and mark-to-market hedges of the accrual loan portfolio, which are all reported in Trading Revenue. This VAR does not include the accrual loan portfolio, which is not market to market
- (h) Source: Thomson Financial Securities data. Global announced M&A is based on 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%. The market share and rankings for the year ended December 31, 2004 are presented on a combined basis, as if the merger of JPMorgan Chase and Bank One had been in effect during the period.
- (i) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.
- (j) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.



FINANCIAL HIGHLIGHTS, CONTINUED (in millions)

			FOL	JRTH QUARTER 2005			
COMPOSITION OF REVENUES	Investment Banking Fees	Trading-Related Revenue	Lending & Deposit Related Fees	Asset Management, Administration and Commissions	Other Income	Net Interest Income	Total Net Revenue
Investment Banking Fees Fixed Income Markets Equities Markets Credit Portfolio Total Net Revenue	\$ 1,161 - - - \$ 1,161	\$ - 735 76 80 \$ 891	\$ - 62 - 81 143	\$ - 53 395 10 \$ 458	\$ - 29 (33) 128 \$ 124	\$ - 225 20 165 \$ 410	\$ 1,161 1,104 458 464 \$ 3,187
Investment Banking Fees Fixed Income Markets Equities Markets Credit Portfolio Total Net Revenue	Investment Banking Fees \$ 1,080 \$ 1,080	Trading-Related Revenue	Lending & Deposit Related Fees	Asset Management,	Other Income \$ - 89 (15) 104 \$ 178	Net Interest Income \$ - 135 33 166 \$ 334	Total Net Revenue \$ 1,080 1,530 243 348 \$ 3,201
Investment Banking Fees Fixed Income Markets Equities Markets Credit Portfolio Total Net Revenue	Investment Banking Fees \$ 4,096 \$ 4,096	Trading-Related Revenue \$ - 5,673 350 116 \$ 6,139	Lending & Deposit Related Fees \$ - 251 - 343 \$ 594	Asset Management, Administration and Commissions \$ - 219 1,462 43 \$ 1,724 ULL YEAR 2004 (a)	Other Income \$ - 365 (88) 338 \$ 615	Net Interest Income \$ - 734	Total Net Revenue \$ 4,096 7,242 1,799 1,441 \$ 14,578
Investment Banking Fees Fixed Income Markets Equities Markets Credit Portfolio Total Net Revenue	Investment Banking Fees \$ 3,572 \$ 3,572	Trading-Related Revenue \$ - 5,008 427 6 \$ 5,441	Lending & Deposit Related Fees \$ - 191 - 348 \$ 539	Asset Management, Administration and Commissions \$ - 287 1,076 37 \$ 1,400 RMA FULL YEAR 2004 (b)	Other Income \$ - 304 (95) 119 \$ 328	Net Interest Income \$ - 524 83 718 \$ 1,325	Total Net Revenue \$ 3,572 6,314 1,491 1,228 \$ 12,605
Investment Banking Fees Fixed Income Markets Equities Markets Credit Portfolio Total Net Revenue	Investment Banking Fees \$ 3,671 \$ 3,671	Trading-Related Revenue \$ - 5,131 423 30 \$ 5,584	Lending & Deposit Related Fees \$ - 266 - 392	Asset Management, Administration and Commissions \$ - 260 1,123 38 \$ 1,421	Other Income \$ - 419 (79) 162 \$ 502	Net Interest Income \$ - 714 99 857 \$ 1,670	Total Net Revenue \$ 3,671 6,790 1,566 1,479 \$ 13,506

⁽a) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(b) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

FINANCIAL HIGHLIGHTS

(in millions, except ratio and headcount data)

				QUARTERLY IR	ENDS				г	JLL YEAR	
										Pro Forma	Combined (i)
						4Q05 Change					2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05 4Q04	_	2005	2004 (h)	2004	2004
INCOME STATEMENT REVENUE											
Lending & Deposit Related Fees	\$ 374	\$ 380	\$ 358	\$ 340	\$ 373	(2) %	- % \$	1,452	\$ 1,013	\$ 1,501	(3) %
Asset Management, Administration and Commissions Securities / Private Equity Gains (Losses)	365 (1)	370	369	394 10	368 (89)	(1) (1 NM 99		1,498 9	1,020 (83)	1,520 (83)	(1) NM
Mortgage Fees and Related Income	183	212	341	368	117	(14) 56		1,104	866	905	22
Credit Card Income	118	109	105	94	97	8 22	!	426	230	350	22
Other Income	73 1,112	1,078	68 1,241	(12) 1,194	27 893	NM 170 3 25		136 4,625	31 3,077	4,307	19 7
Noninterest Revenue Net Interest Income	2,482	2,512	2,558	2,653	2,652	(1) (6		10,205	3,077 7,714	10,591	(4)
TOTAL NET REVENUE	3,594	3,590	3,799	3,847	3,545	- 1		14,830	10,791	14,898	-
Provision for Credit Losses (a)	158	378	94	94	78	(58) 103		724	449	689	5
NONINTEREST EXPENSE											
Compensation Expense	853	842	820	822	807	1 6		3,337	2,621	3,399	(2)
Noncompensation Expense Amortization of Intangibles	1,163 125	1,189 125	1,181 125	1,215 125	1,276 132	(2) (9		4,748 500	3,937 267	5,172 531	(8)
TOTAL NONINTEREST EXPENSE	2,141	2,156	2,126	2,162	2,215	(1) (3		8,585	6,825	9,102	(6) (6)
Operating Earnings Before Income Tax Expense						(*)	′ <u> </u>				(-)
and Non-Core Portfolio Actions	1,295	1,056	1,579	1,591	1,252	23 3		5,521	3,517	5,107	8
Income Tax Expense	492	400	599	603	477	23 3		2,094	1,318	1,927	9
Operating Earnings before Non-Core Portfolio Actions	803	656	980	988	775	22 4	_	3,427	2,199	3,180	8
Non-Core Portfolio Actions: (b)											
Impacts to: Other Income	_	_	_	_	_	NM NA	Л		_	178	NM
Provision for Credit Losses	-	-	-	-	-	NM NN		-	-	18	NM
Total Non-Core Portfolio Actions	-	-	-	-	-	NM NN		-	-	160	NM
Income Tax Expense Operating Earnings from Non-Core Portfolio Actions	<u>-</u>					NM NN				<u>61</u> 99	NM NM
OPERATING EARNINGS	\$ 803	\$ 656	\$ 980	\$ 988	\$ 775	22 4		3,427	\$ 2,199	\$ 3,279	5
FINANCIAL RATIOS											
ROE	23 %	6 19 %	6 30 %	6 31 %	24 %			26 9	% 24 %	25 %	ó
ROA	1.40	1.14	1.74	1.78	1.35			1.51	1.18	1.45	
Overhead Ratio	60	60	56	56	62			58	63	60	
SELECTED BALANCE SHEETS (Ending)											
Total Assets	\$ 224,801 197,299	\$ 230,698 200,434	\$ 223,391 197,927	\$ 224,562 199,215	\$ 226,560 202,473	(3) (1 (2) (3		224,801 197,299	\$ 226,560 202,473	\$ 226,560 202,473	(1)
Loans (c) Core Deposits (d)	161,666	160,592	159,702	162,241	156,885	(2) (3 1 3	;	161,666	156,885	156,885	(3)
Total Deposits	191,415	187,621	185,558	187,225	182,372	2 5		191,415	182,372	182,372	5
SELECTED BALANCE SHEETS (Average)											
Total Assets	\$ 226,866	\$ 227,875	\$ 225,574	\$ 225,120	\$ 228,647	- (1		226,368	\$ 185,928	\$ 225,758	-
Loans (e)	197,359	199,057	197,707	198,494	202,419	(1) (2		198,153	162,768	196,750	1 2
Core Deposits (d) Total Deposits	160,903 189,113	160,914 187,216	161,044 186,523	159,682 184,336	159,015 183,105	- 1 3		160,641 186,811	120,758 137,404	157,915 183,216	2 2
Equity	13,700	13,475	13,250	13,100	13,050	2 5		13,383	9,092	13,050	3
Headcount	60,998	60,375	59,631	59,322	59,632	1 2	!	60,998	59,632	59,632	2
CREDIT DATA AND QUALITY STATISTICS											
Net Charge-offs (f)	\$ 162	\$ 144	\$ 114	\$ 152	\$ 606	13 (73		572	\$ 990	\$ 1,237	(54)
Nonperforming Loans (g)	1,338	1,203	1,132	1,150	1,161	11 15		1,338	1,161	1,161	15
Nonperforming Assets Allowance for Loan Losses	1,518 1,363	1,387 1,375	1,319 1,135	1,351 1,168	1,385 1,228	9 10 (1) 11		1,518 1,363	1,385 1,228	1,385 1,228	10 11
						(1)					
Net Charge-off Rate (e) Allowance for Loan Losses to Ending Loans (c)	0.36 % 0.75	6 0.31 9 0.75	6 0.25 % 0.61	6 0.34 % 0.64	1.28 % 0.67			0.31 9 0.75	% 0.67 % 0.67	0.69 9 0.67	6
Allowance for Loan Losses to Prioring Loans (c) Allowance for Loan Losses to Nonperforming Loans (g)	104	115	103	104	107			104	107	107	
Nonperforming Loans to Total Loans	0.68	0.60	0.57	0.58	0.57			0.68	0.57	0.57	

QUARTERLY TRENDS

⁽a) Third quarter 2005 includes a \$250 million special provision related to Hurricane Katrina allocated as follows: \$140 million in Consumer Real Estate Lending, \$90 million in Consumer & Small Business Banking and \$20 million in Auto & Education Finance.

⁽b) Includes gains on loan sales, valuation adjustments and loan loss reserve increases on the Bank One brokered home equity portfolio.

⁽c) Includes loans held-for-sale of \$16,598 million, \$17,695 million, \$13,112 million, \$16,532 million and \$18,022 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.

⁽d) Includes demand and savings deposits.

⁽e) Average loans include loans held-for-sale of \$16,505 million, \$15,707 million, \$14,620 million, \$15,861 million and \$13,534 million for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. The full year average loans held-for-sale was \$17,231 million.
These amounts are not included in the net charge-off rate.

⁽f) Fourth quarter 2004 includes \$406 million of charge-offs related to the manufactured home loan portfolio.

⁽g) Nonperforming loans include loans held-for-sale of \$27 million, \$10 million, \$26 million, \$31 million and \$13 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.

⁽h) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽i) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. RETAIL FINANCIAL SERVICES FINANCIAL HIGHLIGHTS, CONTINUED

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

							QUA	RTERLY TE	RENDS							FUL	L YEAR	!	
										_	4Q05 Chai								Combined (g) 2005 Change
DETAIL DIJONESSES		4Q05	3	Q05		2Q05		1Q05		4Q04	3Q05	4Q04		2005	2	004 (f)		2004	2004
RETAIL BUSINESSES HOME FINANCE PRIME PRODUCTION AND SERVICING Production	\$	115	\$	214	\$	135	\$	228	\$	196	(46) %	(41) %	\$	692	\$	728	\$	795	(13) %
Servicing: Mortgage Servicing Revenue, Net of Amortization MSR Risk Management Results		186 49		161 (38)		142 166		146 106		169 (187)	16 NM	10 NM		635 283		651 113		632 114	- 148
Total Net Revenue Noninterest Expense Operating Earnings (Loss)		350 254 61		337 231 67		443 229 136		480 229 158		178 266 (56)	4 10 (9)	97 (5) NM		1,610 943 422		1,492 1,115 240		1,541 1,141 253	4 (17) 67
CONSUMER REAL ESTATE LENDING Total Net Revenue Provision for Credit Losses	\$	600 53	\$	684 177	\$	707 38	\$	713 30	\$	725 (20)	(12) (70)	(17) NM	\$	2,704 298	\$	2,376 74	\$	2,906 168	(7) 77
Noninterest Expense Operating Earnings		224 206		244 168		234 277		238 284		283 295	(8) 23	(21) (30)		940 935		922 881		1,114 1,038	(16) (10)
TOTAL HOME FINANCE Total Net Revenue Provision for Credit Losses Noninterest Expense	\$	950 53 478	\$	1,021 177 475	\$	1,150 38 463	\$	1,193 30 467	\$	903 (20) 549	(7) (70)	5 NM (13)	\$	4,314 298 1,883	\$	3,868 74 2,037	\$	4,447 168 2,255	(3) 77 (16)
Operating Earnings Origination Volume by Channel (in billions)		267		235		413		442		239	14	12		1,357		1,121		1,291	5
Retail Wholesale Correspondent	\$	19.1 11.9 3.0	\$	23.7 14.6 5.1	\$	22.8 13.2 3.6	\$	18.3 10.7 2.3	\$	18.5 11.7 4.2	(19) (18) (41)	3 2 (29)	\$	83.9 50.4 14.0	\$	74.2 48.5 22.8	\$	85.4 48.5 22.8	(2) 4 (39)
Correspondent Negotiated Transactions Total		10.0 44.0		10.2 53.6		7.1 46.7	_	7.2 38.5		10.0 44.4	(2) (18)	(1)		34.5 182.8		41.5 187.0		41.4 198.1	(17)
Origination Volume by Business (in billions) Mortgage Home Equity Total	\$	31.9 12.1 44.0	\$	39.3 14.3 53.6	\$	30.9 15.8 46.7	\$	26.6 11.9 38.5	\$	32.4 12.0 44.4	(19) (15) (18)	(2) 1 (1)	\$	128.7 54.1 182.8	\$	144.6 42.4 187.0	\$	145.9 52.2 198.1	(12) 4 (8)
Business Metrics (in billions) Third Party Mortgage Loans Serviced (Ending) (a) MSR Net Carrying Value (Ending) End of Period Loans Owned	\$	467.5 6.5	\$	450.3 6.1	\$	438.1 5.0	\$	435.5 5.7	\$	430.9 5.1	4 7	8 27	\$	467.5 6.5	\$	430.9 5.1	\$	430.9 5.1	8 27
Mortgage Loans Held-for-Sale Mortgage Loans Retained Home Equity and Other Loans Total End of Period Loans Owned		13.7 43.0 76.8 133.5		13.4 46.7 74.3 134.4	-	11.2 47.4 72.3 130.9		9.6 46.0 68.8 124.4		14.2 42.6 67.9	2 (8) 3 (1)	(4) 1 13 7		13.7 43.0 76.8 133.5		14.2 42.6 67.9 124.7		14.2 42.6 67.9 124.7	(4) 1 13 7
Average Loans Owned Mortgage Loans Held-for-Sale Mortgage Loans Retained Home Equity and Other Loans		13.1 46.6 73.0		13.5 47.6 71.8		10.5 47.0 69.1		11.4 44.3 66.5		10.1 44.6 70.1	(3) (2) 2	30 4 4		12.1 46.4 70.2		12.1 40.7 47.0		12.3 41.5 64.3	(2) 12 9
Total Average Loans Owned Overhead Ratio Credit Quality Statistics		132.7 50	%	132.9 47 9	%	126.6 40	%	122.2 39 9	%	124.8 61 %	-	6		128.7 44 %		99.8 53 %		118.1 51 %	9
30+ Day Delinquency Rate (b) Net Charge-offs Mortgage	\$	1.61	% \$	1.31 9	% \$	1.17	% \$	1.15 %	% \$	1.27 % 5	(17)	-	\$	1.61 % 25	6 \$	1.27 % 19	\$	1.27 % 20	25
Home Equity and Other Loans (c) Total Net Charge-offs Net Charge-off Rate	_	32 37		32 38		30 38	_	35 41		449 454	(3)	(93) (92)		129 154		554 573		669 689	(81) (78)
Mortgage Home Equity and Other Loans Total Net Charge-off Rate (d)	\$	0.04 0.17 0.12 998	% \$	0.05 9 0.18 0.13 846	% \$	0.07 0.17 0.13 799	% \$	0.05 9 0.21 0.15 841	% \$	0.04 % 2.55 1.57 844	18	18	\$	0.05 % 0.18 0.13 998	\$	0.05 % 1.18 0.65 844	\$	0.05 % 1.04 0.65 844	18
Nonperforming Assets (e)	φ	330	φ	040	φ	199	φ	041	φ	044	10	10	φ	330	φ	044	Ą	044	10

⁽a) Includes prime first mortgage loans and subprime loans.

⁽b) Excludes delinquencies related to loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by government agencies of \$0.9 billion, \$0.8 billion, \$0.7 billion, \$0.7 billion and \$0.9 billion, for December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are excluded as reimbursement is proceeding normally.

⁽c) Fourth quarter 2004 includes \$406 million of charge-offs related to the manufactured home loan portfolio.

⁽d) Excludes mortgage loans held for sale.

⁽e) Excludes nonperforming assets related to loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by government agencies of \$1.1 billion, \$1.0 billion, \$1.0 billion, \$1.1 billion and \$1.5 billion, for December 31, 2005, September 30, 2005, June 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are excluded as reimbursement is proceeding normally.

⁽f) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

QUARTERLY TRENDS FULL YEAR

																		Pro Forma (Combined (e)
		IQ05		3Q05		Q05	1Q05		40	004	4Q05 Cha 3Q05	nge 4Q04		2005	_	004 (4)		2004	2005 Change 2004
RETAIL BUSINESSES, CONTINUED		IQU5		5UU3		:QU5	1005		40	.04	3005	4Q04		2005		004 (d)	l —	2004	2004
CONSUMER & SMALL BUSINESS BANKING																			
Noninterest Revenue	\$	726	\$	733	\$	741	\$ 7:	29 9	\$	710	(1) %	2 %	\$	2,929	\$	1,864	\$	2,858	2 %
Net Interest Income	Ψ	1,348	Ψ	1,336	Ψ	1,364	1,4		Ψ	1,395	1	(3)	Ψ	5,476	Ψ	3,521	Ψ .	5,299	3
Total Net Revenue		2,074		2,069		2,105	2,1			2,105	-	(1)		8,405	_	5,385	l —	8,157	3
Provision for Credit Losses		34		119		25		36		39	(71)	(13)		214		165		212	1
Noninterest Expense		1,361		1,369		1,362	1,3			1,362	`(1)	-		5,431		3,981		5,652	(4)
Operating Earnings		414		356		437		77		430	16	(4)		1,684		760		1,405	20
Business Metrics (in billions)																			
End-of-Period Balances																			
Small Business Loans	\$	12.7	\$	12.6	\$.4	\$	12.5	1	2	\$	12.7	\$	12.5	\$	12.5	2
Consumer and Other Loans (a)		1.7		1.7		1.8		.2		2.2	-	(23)		1.7		2.2	l	2.2	(23)
Total Loans		14.4		14.3		14.3	14			14.7	1	(2)		14.4		14.7		14.7	(2)
Core Deposits (b)		152.3		149.0		147.9	150			146.3	2	4		152.3		146.3		146.3	4
Total Deposits		181.9		176.0		173.7	175	.7		171.8	3	6		181.9		171.8		171.8	6
Average Balances																			
Small Business Loans		12.6		12.5		12.4	12			12.4	1	2		12.4		7.3		12.4	-
Consumer and Other Loans (a)		1.7		1.8		1.9		.6_		2.2	(6)	(23)		2.0		2.1	l —	2.3	(13)
Total Loans		14.3		14.3		14.3	15			14.6	-	(2)		14.4		9.4		14.7	(2)
Core Deposits (b)		149.3		148.0		149.3	149			147.8	1	1		149.0		109.6		146.7	2
Total Deposits		177.4		174.2		174.8	173	.9		171.8	2	3		175.1		126.2		171.8	2
Number of:																			
Branches		2,641		2,549		2,539	2,5	17		2,508	92 #	133 #		2,641		2,508		2,508	133 #
ATMs		7,312		7,136		6,961	6,6	37		6,650	176	662		7,312		6,650		6,650	662
Personal Bankers		7,067		6,719		6,258	5,7			5,750	348	1,317		7,067		5,750		5,750	1,317
Personal Checking Accounts (in thousands) (c)		7,869		7,780		7,592	7,3			7,235	89	634		7,869		7,235		7,235	634
Business Checking Accounts (in thousands) (c)		924		922		912	9			889	2	35		924		889		889	35
Active Online Customers (in thousands)		4,231		4,099		4,053	3,6			3,359	132	872		4,231		3,359		3,359	872
Debit Cards Issued (in thousands)		9,266		9,102		8,834	8,5			8,392	164	874		9,266		8,392		8,392	874
Overhead Ratio		66	%	66 %	6	65 %	(62 %		65 %				65 %	Ď	74 %		69 %	6
Retail Brokerage Business Metrics																			
Investment Sales Volume	\$	2,622	\$	2,745	\$		\$ 2,8		\$	2,770	(4) %	(5) %	\$	11,144	\$	7,324	\$	10,811	3 %
Number of Dedicated Investment Sales Representatives		1,449		1,478		1,422	1,3	52		1,364	(2)	6		1,449		1,364		1,364	6
Credit Quality Statistics																			
Net Charge-offs													_				l .		
Small Business	\$	32	\$	25	\$		\$	19 \$	\$	32	28	-	\$	101	\$	77	\$	105	(4)
Consumer and Other Loans		16		11_		4 _		9		24	45	(33)		40		77	l —	78	(49)
Total Net Charge-Offs		48		36		29		28		56	33	(14)		141		154	l	183	(23)
Net Charge-off Rate																	l		
Small Business		1.01 9	6	0.79 %	Ď	0.81 %		62 %		1.03 %				0.81 %	D	1.05 %	l	0.85 %	
Consumer and Other Loans		3.73		2.42		0.84	1.			4.34				2.00		3.67	l	3.39	
Total Net Charge-Off Rate	•	1.33	•	1.00	•	0.81	0.		•	1.53	(0)	(=)	•	0.98	•	1.64	١ .	1.24	/
Nonperforming Assets	\$	283	\$	293	\$	284	\$ 2	93 \$	\$	299	(3)	(5)	\$	283	\$	299	\$	299	(5)

⁽a) Primarily community development loans.

⁽b) Includes demand and savings deposits.

⁽c) Prior period amounts have been restated to reflect inactive accounts that should have been closed during those periods.

⁽d) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. RETAIL FINANCIAL SERVICES FINANCIAL HIGHLIGHTS, CONTINUED

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

	_						UANII	ERLI IREN	DO									FU	LL TEA	N.	
																				Pro Form	a Combined (f)
												4Q05 C	hange								2005 Change
		1Q05		3Q05		2Q05		1Q05		4Q04		3Q05	4Q04			2005	2	004 (e)		2004	2004
RETAIL BUSINESSES																					
AUTO & EDUCATION FINANCE																					
Total Net Revenue	\$	406	\$	342	\$	395	\$	324	\$	364		19 %		%	\$	1,467	\$	1,145	\$	1,597	(8) %
Provision for Credit Losses		71		82		31		28		59		(13)	20			212		210		309	(31)
Noninterest Expense		192		184		170		205		166		4	16			751		490		648	16
Operating Earnings		87		47		118		55		84		85	4			307		270		390	(21)
Business Metrics (in billions)																					
End-of-Period Loans and Lease Related Assets																					
Loans Outstanding	\$	44.7	\$	46.2	\$	46.2	\$	52.8	\$	54.6		(3)	(18)		\$	44.7	\$	54.6	\$	54.6	(18)
Lease Related Assets (a)		5.2	_	5.8		6.5		7.2		8.0		(10)	(35)			5.2		8.0		8.0	(35)
Total End-of-Period Loans and Lease Related Assets		49.9		52.0		52.7		60.0		62.6		(4)	(20)			49.9		62.6		62.6	(20)
Average Loans and Lease Related Assets	\$	45.3	s	45.0	\$	49.8	\$	53.3	\$	540		(4)	(40)		•	48.5	\$	44.3	\$	53.9	(10)
Loans Outstanding (b) Lease Related Assets (c)	Þ	45.3 5.5	Þ	45.9 6.2	Э	49.8 6.9	Ф	53.3 7.7	Ф	54.2 8.4		(1) (11)	(16) (35)		\$	48.5 6.6	Э	9.0	Э	9.6	(31)
Total Average Loans and Lease Related Assets (b) (c)		50.8	_	52.1	-	56.7	_	61.0	_	62.6		(2)	(19)			55.1		53.3		63.5	(13)
Overhead Ratio		47 %	'	54 9	%		%		%		%	(2)	(13)				%	43 %		41	
		77 /	0	04	,,,	40	70	00	70	40	70					01	,0	40 70			70
Credit Quality Statistics		4.05.0	,	4.50	.,	4.40	0/	4.00	0/	4.55	0/					4.05	.,	4.55 0/		4.55	0/
30+ Day Delinquency Rate		1.65 %	o	1.59	%	1.46	%	1.33	%	1.55	%					1.65	%	1.55 %		1.55	%
Net Charge-offs Loans	\$	72	\$	66	\$	45	\$	74	\$	85		9	(4.5)		\$	257	\$	219	\$	310	(17)
Lease Receivables	Ф	5	Ф	66 4	Ф	45	Ф	9	Ф	11		25	(15) (55)		Ф	20	Ф	44	Ф	55	(64)
Total Net Charge-offs		77	_	70	_	47	_	83		96		10	(20)			277		263		365	(24)
Net Charge-off Rate		"		70		7,		05		30		10	(20)			211		203		303	(24)
Loans (b)		0.68 %	6	0.60	%	0.39	%	0.61	%	0.67	%					0.57	%	0.52 %		0.61	%
Lease Receivables (c)		0.42		0.28		0.12		0.48		0.52						0.32		0.49		0.57	, ,
Total Net Charge-off Rate (b) (c)		0.66		0.56		0.36		0.60		0.65						0.54		0.52		0.61	
Nonperforming Assets	\$	237	\$	248	\$	236	\$	217	\$	242		(4)	(2)		\$	237	\$	242	\$	242	(2)
INSURANCE																					
Total Net Revenue	\$	164	\$	158	\$	149	\$	173	\$	173		4	(5)		\$	644	\$	393	\$	697	(8)
Noninterest Expense		110		128		131		151		138		(14)	(20)			520		317		547	(5)
Operating Earnings		35		18		12		14		22		94	59			79		48		94	(16)
Memo: Consolidated Gross Insurance-Related Revenue (d)		413		409		404		416		421		1	(2)			1,642		1,191		1,687	(3)
Consolidated Gloss Insulance-Related Revenue (d)		413		409		404		410		421		'	(2)			1,042		1,191		1,007	(3)
Business Metrics - Ending Balances																					
Invested Assets	\$	7,767	\$	7,754	\$	7,641	\$	7,349	\$	7,368		-	5		\$	7,767	\$	7,368	\$	7,368	5
Policy Loans	•	388	•	391		394		394	•	397		(1)	(2)		•	388	•	397		397	(2)
Insurance Policy and Claims Reserves		7,774		7,672		7,562		7,337		7,279		Ĭ	7			7,774		7,279		7,279	7
Term Life Sales - First Year Annualized Premiums		15		15		16		14		13		-	15			60		28		56	7
Term Life Premium Revenues		126		119		122		110		119		6	6			477		234		455	5
Proprietary Annuity Sales		154		151		282		119		35		2	340			706		208		224	215
Number of Policies in Force - Direct / Assumed (in thousands)		2,441		2,195		2,454		2,540		2,611		11	(7)			2,441		2,611		2,611	(7)
Insurance in Force - Direct / Assumed	\$	282,903	\$	283,766	\$		\$	280,082	\$	277,827		-	2		\$	282,903	\$	277,827	\$	277,827	2
Insurance in Force - Retained		87,753		87,764		83,324		83,799		80,691		-	9			87,753		80,691		80,691	9
A.M. Best Rating		Α		Α		Α		Α		Α						Α		Α	<u> </u>	A	

QUARTERLY TRENDS

⁽a) Includes operating lease related assets of \$0.9 billion, \$0.7 billion, \$0.4 billion and \$0.2 billion for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005 and March 31, 2005, respectively. Balances prior to March 31, 2005 were insignificant.

⁽b) Average loans include loans held-for-sale of \$3.4 billion, \$2.2 billion, \$4.1 billion, \$4.5 billion and \$3.4 billion for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. The full year average loans held-for-sale were \$3.5 billion and \$2.3 billion for 2005 and 2004, respectively. Full year 2004 Pro forma average loans held-for-sale was \$3.2 billion. These are not included in the net charge-off rate.

⁽c) Includes operating lease related assets of \$0.8 billion, \$0.6 billion, \$0.3 billion and \$0.1 billion for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005 and March 31, 2005, respectively. The full year average operating lease related assets was \$0.4 billion for 2005. Balances prior to March 31, 2005 were insignificant. These are not included in the net charge-off rate.

⁽d) Includes revenue reported in the results of other businesses.

⁽e) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. CARD SERVICES - MANAGED BASIS FINANCIAL HIGHLIGHTS

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

				WILLIAM INCLINE							
										Pro Forma Con	nbined (f)
						4Q05 Cha	nne				2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (e)	2004	2004
INCOME STATEMENT	4000	3403	2005	1005	4004	3003	4004	2003	2004 (e)	2004	2004
REVENUE											
	•	•	•	•	•	N.I. 4	A 18.4	\$ -	. 75	\$ 77	N1N4
Asset Management, Administration and Commissions	\$ -	\$ -	\$ -	\$ -	\$ -	NM (10)	NM (40)		\$ 75		NM
Credit Card Income	772	950	868	761	886	(19) %	(13) %	3,351	2,179	3,171	6 %
Other Income	99	60	42	11_	31	65	219	212	117	173	23
Noninterest Revenue	871	1,010	910	772	917	(14)	(5)	3,563	2,371	3,421	4
Net Interest Income	2,850	2,970	2,976	3,007	2,913	(4)	(2)	11,803	8,374	11,580	2
TOTAL NET REVENUE	3,721	3,980	3,886	3,779	3,830	(7)	(3)	15,366	10,745	15,001	2
Provision for Credit Losses (a)	2,236	1,833	1,641	1,636	1,735	22	29	7,346	4,851	6,879	7
NONINTEREST EXPENSE											
Compensation Expense	221	284	291	285	270	(22)	(18)	1,081	893	1,225	(12)
Noncompensation Expense	614	813	904	839	825	(24)	(26)	3,170	2,485	3,468	(9)
Amortization of Intangibles	182	189	188	189	187	(4)	(3)	748	505	755	(1)
TOTAL NONINTEREST EXPENSE	1,017	1,286	1,383	1,313	1,282	(21)	(21)	4,999	3,883	5.448	(8)
TOTAL NORINTEREST EXPENSE	1,017	1,200	1,303	1,313	1,202	(21)	(21)	4,333	3,003	3,440	(6)
Operating Earnings Before Income Tax Expense	468	861	862	830	813	(46)	(42)	3,021	2,011	2,674	13
Income Tax Expense	166	320	320	308	298	(48)	(44)	1,114	737	993	12
OPERATING EARNINGS	\$ 302	\$ 541	\$ 542	\$ 522	\$ 515	(44)	(41)	\$ 1,907	\$ 1,274	\$ 1,681	13
Memo: Net Securitization Gains (Amortization)	\$ 28	\$ 25	\$ 15	\$ (12)	\$ -	12	NM	\$ 56	\$ (8)	\$ (2)	NM
FINANCIAL METRICS											
ROE	10 9	6 18 9	% 18 %	18 %	6 17 %			16 %	17 %	14 %	
Overhead Ratio	27	32	36	35	33			33	36	36	
% of Average Managed Outstandings:	21	32	30	33	33			33	30	30	
Net Interest Income	0.14	8.55	8.83	9.13	8.79			8.65	9.16	8.99	
Provision for Credit Losses	8.14 6.39	5.28	8.83 4.87	9.13 4.97	5.79 5.24			5.39	5.31	5.34	
Noninterest Revenue	2.49	2.91	2.70	2.34	2.77			2.61	2.59	2.66	
Risk Adjusted Margin (b)	4.24	6.18	6.66	6.51	6.32			5.88	6.45	6.30	
Noninterest Expense	2.91	3.70	4.10	3.99	3.87			3.67	4.25	4.23	
Pre-tax Income	1.34	2.48	2.56	2.52	2.45			2.21	2.20	2.08	
Operating Earnings	0.86	1.56	1.61	1.58	1.55			1.40	1.39	1.30	
BUSINESS METRICS											
Charge Volume (in billions)	\$ 79.6	\$ 76.4	\$ 75.6	\$ 70.3	\$ 75.3	4	6	\$ 301.9	\$ 193.6	\$ 282.7	7
Net Accounts Opened (in thousands)	12,501	3,022	2,789	2,744	2,729	314	358	21,056	7,523	17,764	19
Credit Cards Issued (in thousands)	110,439	98,236	95,465	94,367	94,285	12	17	110,439	94,285	94,285	17
Number of Registered Internet Customers (in millions)	14.6	14.6	12.0	10.9	13.6		7	14.6	13.6	13.6	7
Merchant Acquiring Business (c)											
Bank Card Volume (in billions)	\$ 153.4	\$ 143.4	\$ 141.2	\$ 125.1	\$ 135.9	7	13	\$ 563.1	\$ 396.2	\$ 488.8	15
Total Transactions (in millions) (d)	4,315	3,921	3,804	3,459	3,658	10	18	15,499	9,049	13,056	19
rotai riansactions (iii iiiiions) (u)	4,515	3,321	3,004	3,439	3,030	10	10	13,438	5,045	13,030	פו

QUARTERLY TRENDS

⁽a) Third quarter 2005 includes a \$100 million special provision related to Hurricane Katrina.

⁽b) Represents Total net revenue less Provision for credit losses.

⁽c) Represents 100% of the Chase Paymentech Solutions, LLC joint venture.

⁽d) Prior periods have been restated to conform methodologies following the integration of Chase Merchant Services and Paymentech merchant processing businesses.

⁽e) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

	-	<u>_</u>	WARTERLT TRENDS				ULL TEAR
SELECTED ENDING BALANCES	4Q05	3Q05 2Q05	1Q05 4	4Q05 Q04 3Q05	Change 4Q04	2005 2004 (c)	Pro Forma Combined (d) 2005 Change 2004 2004
Loans: Loans on Balance Sheets Securitized Loans Managed Loans	70,527	\$ 68,479 \$ 68,510 69,095 68,808 \$ 137,574 \$ 137,318	67,328	64,575 5 70,795 2 135,370 3	% 11 % - 5 =	\$ 71,738	\$ 64,575 11 % 70,795 - \$ 135,370 5
SELECTED AVERAGE BALANCES Managed Assets Loans: Loans on Balance Sheets Securitized Loans Seller's Interest and Accrued Interest Receivable (a) Managed Loans Equity	\$ 69,038 69,840	\$ 144,225 \$ 140,741 \$ 68,877 \$ 67,131 68,933 68,075 	\$ 64,218 \$ 69,370	138,013 - 61,317 - 70,505 1 - NM 131,822 1 11,800 -	•	\$ 141,933 \$ 94,741 \$ 67,334 \$ 38,842 69,055 52,590 \$ 136,389 \$ 91,432 11,800 7,608	\$ 135,685 5 \$ 45,065 49 69,892 (1) 13,882 NM \$ 128,839 6 11,800 -
Headcount	18,629	19,463 20,647	20,137	19,598 (4)	(5)	18,629 19,598	19,598 (5)
CREDIT QUALITY STATISTICS Net Charge-offs Net Charge-off Rate 12 Month Lagged Loss Ratio (b)	\$ 2,236 6.39 % 6.73	\$ 1,633 \$ 1,641 4.70 % 4.87 4.97 5.19	\$ 1,590 \$ % 4.83 % 5.11	1,735 37 5.24 % 5.49	29	\$ 7,100 \$ 4,821 5.21 % 5.27 % 5.51 NA	\$ 6,809 4 5.28 % 5.46
Delinquency ratios 30+ days 90+ days	2.79 % 1.27	3.39 % 3.34 1.55 1.54	% 3.54 % 1.71	3.70 % 1.72		2.79 % 3.70 % 1.27 1.72	3.70 % 1.72
Allowance for Loan Losses Allowance for Loan Losses to Period-end Loans	\$ 3,274 4.56 %	\$ 3,255 \$ 3,055 4.75 % 4.46	\$ 3,040 \$ % 4.60 %	2,994 1 4.64 %	9	\$ 3,274 \$ 2,994 4.56 % 4.64 %	\$ 2,994 9 4.64 %

QUARTERI Y TRENDS

⁽a) Due to the decertification of seller's interest effective July 1, 2004, seller's interest is reported in Loans on the Consolidated balance sheets for all periods subsequent to June 30, 2004.

⁽b) For further information on this business metric, see the Form 8-K/A furnished by JPMorgan Chase to the Securities and Exchange Commission on July 20, 2005. (c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.



QUARTERLY TRENDS FULL YEAR Pro Forma Combined (e) 4Q05 Change 2005 Change 4Q05 3Q05 2Q05 1Q05 4Q04 3Q05 4Q04 2005 2004 (d) 2004 2004 **INCOME STATEMENT DATA (a)** Credit Card Income Reported Data for the period \$ 1.214 1.683 1.596 1.576 1.672 (28) (27) % 6.069 \$ 4.446 \$ 6.265 (3) % \$ \$ \$ Securitization Adjustments 40 44 (2,267)(3,094)12 (442)(728)(815)(786)(2,718)772 Managed Credit Card Income 950 868 761 886 (19)(13)3,351 2,179 3,171 6 Other Income Reported Data for the Period 99 42 30 65 230 212 203 259 \$ 60 \$ \$ 11 \$ (18)Securitization Adjustments NM NM (86)(86)NM Managed Other Income 65 219 99 60 42 11 31 212 117 173 23 Net Interest Income 21 Reported Data for the Period \$ 1.346 1.370 1.318 1.275 1.117 (2) 5.309 3.123 3.779 40 Securitization Adjustments 1,504 1,600 1,658 1,732 1,796 (6) (16)6,494 5,251 7,801 (17)Managed Net Interest Income 2.850 2.970 2.976 3.007 2.913 (4) (2) 11.803 8.374 11.580 Total Net Revenue (b) Reported Data for the Period \$ 2.659 3.113 2.956 2.862 2.819 (15) (6) 11,590 7.847 10.380 12 \$ \$ \$ Securitization Adjustments 1,062 867 930 917 1,011 22 5 3,776 2,898 4,621 (18)Managed Total Net Revenue 3,721 3,980 3,886 3,779 3,830 (7) (3) 15,366 10,745 15,001 Provision for Credit Losses Reported Data for the Period (c) 1,174 \$ 966 \$ 711 \$ 719 724 22 62 \$ 3,570 \$ 1,953 2,258 58 Securitization Adjustments 1,062 867 930 917 1,011 22 5 3,776 2,898 (18)4.621 Managed Provision for Credit Losses (c) 29 2.236 1.833 1,641 1,636 1,735 22 7,346 4,851 6,879 **BALANCE SHEETS - AVERAGE BALANCES** Total Average Assets Reported Data for the Period 76,207 10 74,753 43,657 66,780 12 77,204 \$ 74,515 \$ 71,003 69,485 (1) 67 959 Securitization Adjustments 67 021 66.226 67 509 68.528 (1) 67 180 51 084 68.905 (3) Managed Average Assets 144,166 144,225 140,741 141,933 94,741 135,685 138,512 138,013 **CREDIT QUALITY STATISTICS** Net Charge-offs 53 62 1.923 Reported Net Charge-offs Data for the period 1.174 766 711 673 724 3.324 2.188 52 Securitization Adjustments 1,062 867 930 917 1,011 22 5 3,776 2.898 4,621 (18)Managed Net Charge-offs 2,236 1,633 1,641 1.590 1,735 37 29 7,100 4 821 6,809 4

⁽a) JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance and overall financial 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 loan receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed loan receivables, JPMorgan Chase 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. Operating 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 operating earnings; however, it does affect the classification of items on the Consolidated statements of income.

⁽b) Includes Credit Card Income, Other Income and Net Interest Income.

⁽c) Third quarter 2005 includes a \$100 million special provision related to Hurricane Katrina.

⁽d) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. COMMERCIAL BANKING

FINANCIAL HIGHLIGHTS

(in millions, except ratio and headcount data)

Pro Forma Combined (e) 4Q05 Change 2005 Change 4Q05 3Q05 2Q05 1Q05 4Q04 3Q05 4Q04 2005 2004 (d) 2004 2004 INCOME STATEMENT REVENUE Lending & Deposit Related Fees \$ 144 \$ 146 \$ 143 142 147 (1) % (2) 575 441 \$ 639 (10)Asset Management, Administration and Commissions 14 16 15 15 12 60 32 45 (13)17 33 Other Income (a) 96 93 94 68 103 3 (7) 351 209 326 8 Noninterest Revenue 254 255 252 225 262 (3) 986 682 1,010 (2) Net Interest Income 683 654 648 625 623 10 2,610 1,692 2,407 8 TOTAL NET REVENUE 900 850 885 6 937 909 -3 3,596 2.374 3.417 5 Provision for Credit Losses (b) (17) (46) 142 (6) 21 63 NM 73 41 (33)NM NONINTEREST EXPENSE 173 165 160 163 153 13 661 465 654 Compensation Expense 5 Noncompensation Expense 291 281 296 278 281 4 1,146 843 1,127 2 (6) Amortization of Intangibles 16 15 17 17 17 65 35 71 (8) TOTAL NONINTEREST EXPENSE 480 461 473 458 451 6 1,872 1,343 1,852 Operating Earnings Before Income Tax Expense 474 101 285 398 413 (4) 15 1,651 990 3 1.598 Income Tax Expense 185 193 111 155 159 (4) 16 644 382 606 6 **OPERATING EARNINGS** 254 \$ \$ 289 \$ 301 \$ 174 243 (4)14 1.007 \$ 608 992 2 MEMO: Revenue by Product: Lending \$ 257 \$ 265 \$ 285 269 \$ 280 (3) (8) \$ 1,076 764 \$ 1,220 (12)17 Treasury Services 617 582 558 542 528 2,299 1,467 1,988 16 Investment Banking 58 53 62 40 61 (5) 213 120 179 19 (44)Other (69) 23 (73)Total Commercial Banking Revenue \$ 937 909 900 850 885 3,596 2,374 \$ 3,417 6 Revenue by Business: Middle Market \$ 611 \$ 592 594 572 571 3 \$ 2 369 1.499 \$ 2.227 6 Mid-Corporate Banking 147 140 138 123 142 4 548 367 513 Real Estate 141 143 131 119 133 (1) 6 534 368 510 39 12 (3) 145 140 167 (13)Total Commercial Banking Revenue 937 900 850 885 3,596 2.374 3,417 909 6 **FINANCIAL RATIOS** 34 35 21 29 30 % 30 29 29 ROE ROA 1 95 2 12 1 25 1 79 1.81 1 78 1 67 1 79 Overhead Ratio 51 51 53 54 51 52 57 54 SELECTED BALANCE SHEETS DATA (Average) Total Assets 58,897 56,265 55,963 55.837 56,561 36,435 55.338 2 55.080 5 54.235 51.756 51,184 49.969 50.469 51.797 32.417 49.848 Loans and Leases 4 72,498 Liability Balances (c) 76,720 72,699 71,613 69,360 11 73,395 52,824 68.187 8 6 3,400 3,400 3.400 3,400 3.400 2.093 3.400 Equity 3,400 мемо: Loans by Business: Middle Market \$ 31,972 \$ 31,362 \$ 31,051 30,216 \$ 29,997 2 31,156 \$ 17,471 \$ 29,115 \$ Mid-Corporate Banking 7.040 6,421 6,239 5,788 6,109 10 15 6,375 4.348 5.999 6 Real Estate 11,600 10,433 10,169 10,345 10,679 11 9 10,639 7,586 11,112 (4) Other 3.623 3.540 3.725 3.620 3.684 2 (2) 3.627 3.012 3.622 Total Commercial Banking Loans 54,235 51,756 51,184 50,469 51,797 32,417 49,848 4 Headcount 4,456 4.478 4.474 4.495 4.555 (2) 4.456 4.555 4.555 (2) CREDIT DATA AND QUALITY STATISTICS \$ 21 (3) 45 250 Net Charge-offs (Recoveries) \$ 6 \$ \$ 2 \$ (53)\$ 26 \$ 61 \$ 62 (58)Nonperforming Loans 272 369 434 433 527 (26)(48) 272 527 527 (48) Allowance for Loan Losses 1,392 1,423 1,431 1,312 1,322 (2) 1,392 1,322 1,322 Allowance for Lending-Related Commitments 154 161 196 170 169 (9) 154 169 169 (9) Net Charge-off (Recovery) Rate 0.15 0.05 % (0.02)0.02 0.35 % 0.05 0.19 0.12 Allowance for Loan Losses to Average Loans 2.57 2.75 2.80 2.63 2.62 2.69 4.08 2.65 Allowance for Loan Losses to Nonperforming Loans 386 330 303 251 512 251 251 1.04 0.53 1.63 1.06 Nonperforming Loans to Average Loans 0.71 0.85 0.87

QUARTERLY TRENDS

⁽a) IB-related and commercial card revenues are included in Other Income.

⁽b) Third quarter 2005 includes a \$35 million special provision related to Hurricane Katrina.

⁽c) Liability balances include deposits and deposits that are swept to on-balance sheet liabilities.

⁽d) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. TREASURY & SECURITIES SERVICES

Treasury Services Firmwide Overhead Ratio (k)

Treasury Services Firmwide Liability Balances (I)

Treasury & Securities Services Firmwide Overhead Ratio (k)

Treasury & Securities Services Firmwide Liability Balances (I)

53

59

\$ 140,079

\$ 146,266

248,182

56

62

239.535

\$ 138,058

54

66

236.534

\$ 133,770

56

63

226.286

\$ 130,505

61 %

69

217,149

4

12

14

55

62

237.699

\$

\$ 139,579

62

74

102,785

178,536

FINANCIAL HIGHLIGHTS

(in millions, except ratios, headcount data and where otherwise noted)

QUARTERLY TRENDS FULL YEAR Pro Forma Combined (n) 4Q05 Change 2005 Change 4Q05 3Q05 2Q05 1Q05 4Q04 3Q05 4Q04 2005 2004 (m) 2004 2004 INCOME STATEMENT REVENUE Lending & Deposit Related Fees \$ 183 \$ 178 197 \$ 170 \$ 200 3 (9) \$ 728 \$ 647 \$ 906 (20) % Asset Management, Administration and Commissions 747 733 736 692 630 19 2,908 2,445 2,476 17 2 24 33 Other Income 139 135 145 124 112 3 543 382 409 1.046 1.078 986 942 13 4.179 3.474 3.791 Noninterest Revenue 1.069 2 10 Net Interest Income 510 496 471 16 1,383 1,609 28 2,062 TOTAL NET REVENUE 1,615 1,556 1,588 1,482 1,413 14 4,857 5,400 16 4 6.241 Provision for Credit Losses 2 (1) 2 (3) 3 NM (33)7 NM Credit Reimbursement to IB (a) (40)(38) (38)(38) (43)(154)(90)(172)10 (5) 7 NONINTEREST EXPENSE 502 533 522 504 471 (6) 7 2.061 1.629 1.879 10 Compensation Expense Noncompensation Expense 573 546 642 532 643 5 (11)2,293 2,391 2,574 (11) Amortization of Intangibles 29 28 30 29 32 (9) 116 93 125 (7)TOTAL NONINTEREST EXPENSE 1,104 1,107 1,194 1,065 1,146 (4) 4,470 4,113 4,578 (2) Operating Earnings before Income Tax Expense 469 412 354 382 221 14 112 1.617 647 643 151 Income Tax Expense 169 149 125 137 76 13 122 580 207 206 182 **OPERATING EARNINGS** 300 263 229 245 145 14 107 \$ 1,037 440 \$ 437 137 **REVENUE BY BUSINESS** Treasury Services 674 648 682 618 642 4 5 \$ 2,622 1,994 2,421 8 Investor Services 567 536 544 508 454 6 25 2,155 1,709 1.741 24 Institutional Trust Services 374 372 362 356 317 18 1,464 1,154 1,238 18 TOTAL NET REVENUE \$ 1,615 \$ 1.556 \$ 1.588 \$ 1,482 \$ 1.413 14 \$ 6,241 4,857 \$ 5.400 16 FINANCIAL RATIOS ROE 63 55 48 % 52 30 % 55 17 23 % Overhead Ratio 68 71 75 72 81 72 85 85 Pre-tax Margin Ratio (b) 29 26 22 26 16 26 13 12 **BUSINESS METRICS** Assets under Custody (in billions) (c) \$ 11,249 \$ 10,991 \$ 10,190 \$ 10,154 \$ 9,300 2 21 \$ 11,249 9,300 \$ 9,300 21 Corporate Trust Securities under Administration (in billions) (d) 6,818 6,706 6,704 6,745 6,676 2 2 6,818 6,676 6,676 2 Number of: US\$ ACH transactions originated (in millions) 787 753 727 699 693 5 14 2.966 1.994 2.509 18 95,713 Total US\$ Clearing Volume (in thousands) 24,902 24 906 24,200 21 705 22 590 87,361 10 81.162 10 15,743 30 46,640 International Electronic Funds Transfer Volume (in thousands) (e) (f) 29,641 22,723 20,014 17,159 88 89,537 45,654 92 Wholesale Check Volume (in millions) (f) 903 952 1,023 978 NA (5) NM 3,856 NA NA NM Wholesale Cards Issued (in thousands) (g) 13.206 12.810 12.075 11.834 11.787 12 13.206 11,787 11.787 12 3 SELECTED BALANCE SHEETS (Average) 27,517 26,798 26,437 27,033 28,538 3 (4) 26,947 26,316 2 **Total Assets** \$ \$ 23,430 Loans 11,335 10,328 9,956 10,091 9,988 10 13 10,430 7,849 8,564 22 Liability Balances (h) 171.462 166.836 164.036 154.673 147.789 16 164.305 125.712 134.981 22 3 Equity 1,900 1,900 1,900 1,900 1,900 1,900 2,544 1,900 8 22,612 8 Headcount (i) 24,484 24,176 24,118 23,073 22,612 24,484 22,612 **TSS FIRMWIDE METRICS** 1,238 10 4,738 Treasury Services Firmwide Revenue (j) 1,367 \$ 1,306 \$ 1.314 \$ 1,237 \$ 5 \$ 5,224 \$ 3.665 \$ 10 Treasury & Securities Services Firmwide Revenue (j) 2,101 2,009 15 15 2,308 2,214 2,220 8,843 6,528 7,717

10 17

63 %

71

127,272

203.168

JPMORGAN CHASE & CO. TREASURY & SECURITIES SERVICES FINANCIAL HIGHLIGHTS, CONTINUED (in millions)

JPMorganChase 🗘

FOOTNOTES

- (a) Treasury & Securities Services ("TSS") is charged a credit reimbursement related to certain exposures managed within the IB credit portfolio on behalf of clients shared with TSS.
- (b) Pre-tax margin represents Operating Earnings before Income Taxes divided by Total Net Revenue, which is a comprehensive measure of pre-tax performance and is another basis by which TSS management evaluates its performance and that of its competitors. Pre-tax margin is an effective measure of TSS' earnings after all operating costs are taken into consideration.
- (c) Beginning March 31, 2005, assets under custody ("AUC") include an estimated \$400 billion of Institutional Trust Services ("ITS") AUC that have not been included previously. At September 30, 2005, an additional estimate of \$130 billion of ITS-related AUC were included in the amount. Approximately 5% of total assets under custody were trust related.
- (d) Corporate Trust Securities under Administration include debt held in trust on behalf of third parties and debt serviced as agent.
- (e) International Electronic Funds Transfer includes non-US\$ ACH and clearing volume.
- (f) Prior periods have been restated to conform to current period presentation.
- (g) Wholesale cards issued include domestic commercial card, stored value card, prepaid card, and government electronic benefit card products.
- (h) Liability balances include deposits and deposits swept to on-balance sheet liabilities.
- (i) Second quarter 2005 headcount has been restated to reflect the inclusion of international staff of Vastera.

TSS FIRMWIDE METRICS

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

- (j) Firmwide revenue includes TS revenue recorded in the Commercial Banking, Consumer & Small Business Banking and Asset & Wealth Management businesses (see below) and exclude FX revenues recorded in the IB for TSS-related FX activity. TSS firmwide FX revenue, which include FX revenue recorded in TSS and FX revenue associated with TSS customers who are FX customers of the IB, was \$100 million for the quarter ended December 31, 2005 and \$382 million for the full year ended 2005.
- (k) Overhead ratios have been calculated based on firmwide revenues and TSS and TS expenses, respectively, including those allocated to certain other lines of business. FX revenues and expenses recorded in the IB for TSS-related FX activity are not included in this ratio.
- (I) Firmwide liability balances include TS' liability balances recorded in certain lines of business. Liability balances associated with TS customers who are also customers of the Commercial Banking line of business are not included in TS liability balances.

					QU	ARTE	RLY TREN	DS						FU	LL YEA	AR .	
																Pro Forma	Combined (n)
										4Q05 Cha	ange						2005 Change
	4	Q05	3Q05	2	2Q05		1Q05	4	1Q04	3Q05	4Q04	2005	20	004 (m)		2004	2004
Treasury Services Revenue Reported in Commercial Banking	\$	617	\$ 582	\$	558	\$	542	\$	528	6 %	17 %	\$ 2,299	\$	1,467	\$	1,988	16 %
Treasury Services Revenue Reported in Other Lines of Business		76	76		74		77		68	-	12	303		204		329	(8)

- (m) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.
- (n) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. ASSET & WEALTH MANAGEMENT

FINANCIAL HIGHLIGHTS

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

			QU	ARTERLY TRENDS				F	ULL YEAR	
									Pro Forma C	
	4Q05	3Q05	2Q05	1Q05	4Q04	4Q05 Change 3Q05 4Q04	2005	2004 (f)	2004	2005 Change 2004
INCOME STATEMENT REVENUE	4403	3003	2003	1403	4404	3003 4004	2003	2004 (1)	2004	2004
Asset Management, Administration and Commissions Other Income	\$ 1,155 98	\$ 1,065 117	\$ 994 75	\$ 975 104	\$ 952 70	8 % 21 % (16) 40	\$ 4,189 394	\$ 3,140 243	\$ 3,608 255	16 % 55
Noninterest Revenue	1,253	1,182	1,069	1,079	1,022	6 23	4,583	3,383	3,863	19
Net Interest Income TOTAL NET REVENUE	258 1, 511	267 1,449	274 1,343	282 1,361	288 1,310	(3) (10) 4 15	1,081 5,664	796 4,179	1,038 4,901	4 16
Provision for Credit Losses (a)	(10)	(19)	(20)	(7)	(21)	47 52	(56)	(14)	(16)	(250)
NONINTEREST EXPENSE										
Compensation Expense Noncompensation Expense	578 431	554 397	509 383	538 371	459 436	4 26 9 (1)	2,179 1,582	1,579 1,502	1,787 1,662	22 (5)
Amortization of Intangibles	24	25	25	25	24	(4) -	99	52	93	6
TOTAL NONINTEREST EXPENSE	1,033	976	917	934	919_	6 12	3,860	3,133	3,542	9
Operating Earnings before Income Tax Expense Income Tax Expense	488 146	492 177	446 163	434 158	412 149	(1) 18 (18) (2)	1,860 644	1,060 379	1,375 496	35 30
OPERATING EARNINGS	\$ 342	\$ 315	\$ 283	\$ 276	\$ 263	9 30	\$ 1,216	\$ 681	\$ 879	38
REVENUE BY CLIENT SEGMENT Private Bank	\$ 437	\$ 421	\$ 409	\$ 422	\$ 427	4 2	\$ 1,689	\$ 1,554	\$ 1,592	6
Retail	420	415	363	346	358	1 17	1,544	1,184	1,273	21
Institutional Private Client Services	402 252	358 255	313 258	322 271	265 260	12 52 (1) (3)	1,395 1,036	891 550	1,030 1,006	35 3
Total Net Revenue	\$ 1,511	\$ 1,449	\$ 1,343		\$ 1,310	4 15	\$ 5,664	\$ 4,179	\$ 4,901	16
FINANCIAL RATIOS	57. 0	, 50.0/	47.0		44.07		54	% 17 %	07.04	
ROE Overhead Ratio	57 % 68	6 52 % 67	47 9 68	69 47 %	44 % 70		51 68	% 17 % 75	37 % 72	
Pre-tax Margin Ratio (b)	32	34	33	32	31		33	25	28	
BUSINESS METRICS Number of:										
Client Advisors	1,430	1,417	1,409	1,390	1,333	1 7	1,430	1,333	1,333	7
Retirement Planning Services Participants	1,299,000	1,293,000	1,210,000	1,181,000	918,000	- 42	1,299,000	918,000	918,000	42
% of Customer Assets in 4 & 5 Star Funds (c)	46 %	6 44 %	50 %	% 48 %	48 %	5 (4)	46	% 48 %	48 %	(4)
% of AUM in 1st and 2nd Quartiles: (d) 1 Year	69 %	62 %	75	% 71 %	66 %	11 5	69	% 66 %	66 %	5
3 Years	68 %	6 72 %	72 9		71 %	(6) (4)	68	% 71 %	71 %	
5 Years	74 %	6 72 %	73 %	% 71 %	68 %	3 9	74	% 68 %	68 %	9
SELECTED BALANCE SHEETS DATA (Average) Total Assets	\$ 42,213	\$ 42,427	\$ 42,001	\$ 39,716	\$ 40,689	(1) 4	\$ 41,599	\$ 37,751	\$ 40,241	3
Loans	26,657	26,850	26,572	26,357	25,966	(1) 3	26,610	21,545	25,115	6
Deposits (e) Equity	44,205 2,400	41,453 2,400	40,774 2,400	42,043 2,400	43,415 2,400	7 2	42,123 2,400	32,431 3,902	38,628 2,400	9 -
Headcount	12,127	12,531	12,455	12,378	12,287	(3) (1)	12,127	12,287	12,287	(1)
CREDIT DATA AND QUALITY STATISTICS	_									
Net Charge-offs (Recoveries) Nonperforming Loans	\$ 8 104	\$ 23 118	\$ (2) 100	\$ (6) 78	\$ 5 79	(65) 60 (12) 32	\$ 23 104	\$ 72 79	\$ 70 79	(67) 32
Allowance for Loan Losses	132	148	195	214	216	(11) (39)	132	216	216	(39)
Allowance for Lending Related Commitments	4	6	3	5	5	(33) (20)	4	5	5	(20)
Net Charge-off (Recovery) Rate	0.12 %		(0.03) 9		0.08 %			% 0.33 %	0.28 %	
Allowance for Loan Losses to Average Loans Allowance for Loan Losses to Nonperforming Loans	0.50 127	0.55 125	0.73 195	0.81 274	0.83 273		0.50 127	1.00 273	0.86 273	
Nonperforming Loans to Average Loans	0.39	0.44	0.38	0.30	0.30		0.39	0.37	0.31	

⁽a) Third quarter 2005 includes a \$3 million special provision related to Hurricane Katrina.

⁽b) Pre-tax margin represents Operating Earnings before Income Tax Expense divided by Total Net Revenue, which is a comprehensive measure of pre-tax performance and is another basis by which AWM management evaluates its performance and that of its competitors. Pre-tax margin is an effective measure of AWM's earnings, after all costs are taken into consideration.

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

⁽d) Quartile ranking sourced from Lipper for the United States and Taiwan; Micropal for the United Kingdom, Luxembourg and Hong Kong; and Nomura for Japan.

⁽e) Reflects the transfer of certain consumer deposits from Retail Financial Services to Asset & Wealth Management.

⁽f) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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



Dec 31, 2005

											Chang	je	
		ec 31 2005		ep 30 2005	_	un 30 2005		1ar 31 2005		ec 31 2004	Sep 30 2005	Dec 31 2004	
Assets by Asset Class					·								
Liquidity	\$	238	\$	239	\$	223	\$	228	\$	232	- %	~	%
Fixed Income		165		166		171		171		171	(1)	(4)	
Equities & Balanced		370		351		323		326		326	5	13	
Alternatives		74		72		66		65		62	3	19	
TOTAL ASSETS UNDER MANAGEMENT		847		828		783		790		791	2	7	
Custody / Brokerage / Administration / Deposits		302		325		310		302		315	(7)	(4)	
TOTAL ASSETS UNDER SUPERVISION		1,149	\$	1,153	\$	1,093	\$	1,092	\$	1,106	-	4	
Assets by Client Segment													
Institutional	\$	481	\$	479	\$	455	\$	462	\$	466	-	3	
Private Bank	•	145	*	142	*	135	•	138	,	139	2	4	
Retail		169		155		141		138		133	9	27	
Private Client Services		52		52		52		52		53	-	(2)	
TOTAL ASSETS UNDER MANAGEMENT	\$	847	\$	828	\$	783	\$	790	\$	791	2	7	
Institutional	\$	484	\$	483	\$	458	\$	467	\$	487	-	(1)	
Private Bank		318		309		300		299		304	3	5	
Retail		245		261		238		232		221	(6)	11	
Private Client Services		102		100		97		94		94	2	9	
TOTAL ASSETS UNDER SUPERVISION	<u>\$</u>	1,149	\$	1,153	\$	1,093	\$	1,092	\$	1,106	-	4	
Assets by Geographic Region													
U.S. / Canada	\$	562	\$	548	\$	527	\$	550	\$	554	3	1	
International	•	285	•	280	•	256	,	240	•	237	2	20	
TOTAL ASSETS UNDER MANAGEMENT	\$	847	\$	828	\$	783	\$	790	\$	791	2	7	
U.S. / Canada		805		815		776		792		815	(1)	(1)	
International		344		338		317		300		291	2	18	
TOTAL ASSETS UNDER SUPERVISION		1,149	\$	1,153	\$	1,093	\$	1,092	\$	1,106	-	4	
Mutual Funds Assets by Asset Class													
Liquidity	\$	182	\$	188	\$	174	\$	175	\$	183	(3)	(1)	
Fixed Income	*	45	*	39	*	41	*	45	*	41	15	10	
Equities, Balanced & Alternatives		150		137		114		106		104	9	44	
TOTAL MUTUAL FUND ASSETS	\$	377	\$	364	\$	329	\$	326	\$	328	4	15	



			Q	UART	ERLY TRE	NDS			_			Fl	JLL YEAR		
	 1Q05	;	3Q05		2Q05		1Q05	 4Q04		:	2005	20	004 (c)	Com	b Forma bined (d) 2004
Assets Under Management Rollforward															
Beginning Balance	\$ 828	\$	783	\$	790	\$	791	\$ 735		\$	791	\$	561	\$	744
Flows:															
Liquidity	-		19		(5)		(6)	16			8		3		(4)
Fixed Income	2		(4)		(2)		4	(2)			-		(8)		(6)
Equities, Balanced & Alternatives	11		4		8		1	6			24		14		14
Acquisitions / Divestitures (a)	-		-		-		-	7			-		183		7
Market / Performance / Other Impacts (b)	 6		26		(8)		-	 29			24		38		36
TOTAL ASSETS UNDER MANAGEMENT	\$ 847	\$	828	\$	783	\$	790	\$ 791		\$	847	\$	791	\$	791
Assets Under Supervision Rollforward															
Beginning Balance	\$ 1,153	\$	1,093	\$	1,092	\$	1,106	\$ 1,003		\$	1,106	\$	764	\$	981
Net Asset Flows	15		28		-		6	32			49		42		38
Acquisitions / Divestitures (a)	(33)		-		-		-	7			(33)		221		7
Market / Performance / Other Impacts (b)	14		32		1		(20)	64			27		79		80
TOTAL ASSETS UNDER SUPERVISION	\$ 1,149	\$	1,153	\$	1,093	\$	1,092	\$ 1,106		\$	1,149	\$	1,106	\$	1,106

⁽a) Reflects the Merger with Bank One (\$214 billion) in the third quarter of 2004, the acquisition of a majority interest in Highbridge Capital Management in the fourth quarter of 2004 (\$7 billion) and the sale of BrownCo in the fourth quarter of 2005 (\$33 billion).

⁽b) Includes AWM's strategic decision to exit the Institutional Fiduciary business in the second quarter of 2005 (\$12 billion).

⁽c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. CORPORATE

FINANCIAL HIGHLIGHTS

(in millions, except headcount data)

			QU.	AKIEKLI IKENL	,,,				FU	LL TEAR	
										Pro Forma (Combined (h)
	4Q05	3Q05	2Q05	1Q05	4Q04	4Q05 Chan 3Q05	nge 4Q04	2005	2004 (g)	2004	2005 Change 2004
INCOME STATEMENT Revenue											
Securities / Private Equity Gains (Losses) Other Income (a)	\$ (254) 1,295	\$ 274 (20)	\$ 310 87	\$ (130) 48	\$ 584 38	NM % NM	NM % NM	\$ 200 1,410	\$ 1,786 315	\$ 1,835 394	(89) % 258
Noninterest Revenue	1,295	254	397	(82)	622	310	67	1,410	2,101	2,229	(28)
Net Interest Income	(651)	(645)	(763)	(677)	(657)	(1)	1	(2,736)	(1,216)	(1,770)	(55)
TOTAL NET REVENUE	390	(391)	(366)	(759)	(35)	NM	NM	(1,126)	885	459	NM
Provision for Credit Losses (b)	-	13	1	(4)	-	NM	NM	10	(110)	(112)	NM
Noninterest Expense											
Compensation Expense	865	740	772	774	662	17	31	3,151	2,426	2,998	5
Noncompensation Expense Subtotal	1,191 2,056	987 1.727	1,042 1,814	996 1,770	1,215 1,877	21 19	(2) 10	4,216 7,367	4,088 6,514	4,760 7,758	(11)
Net Expenses Allocated to Other Businesses	(1,326)	(1,345)	(1,337)	(1,335)	(1,417)	19	6	(5,343)	(5,213)	(5,758)	(5)
TOTAL NONINTEREST EXPENSE	730	382	477	435	460	91	59	2,024	1,301	2,000	1
Operating Earnings before Income Tax Expense	(340)	(786)	(844)	(1,190)	(495)	57	31	(3,160)	(306)	(1,429)	(121)
Income Tax Expense (Benefit)	(257)	(311)	(358)	(503)	(199)	17	(29)	(1,429)	(367)	(796)	(80)
OPERATING EARNINGS (LOSS)	\$ (83)	\$ (475)	\$ (486)	\$ (687)	\$ (296)	83	72	\$ (1,731)	<u>\$ 61</u>	\$ (633)	(173)
SELECTED AVERAGE BALANCE SHEETS											
Short-term Investments (c)	\$ 21,671	\$ 15,538	\$ 16,779	\$ 13,164	\$ 19,252	39	13	\$ 16,808	\$ 14,590	\$ 16,593	1
Investment Portfolio (d)	45,469	47,311	50,751	74,795	72,583 42.980	(4)	(37)	54,481	65,985	85,553 42,978	(36)
Goodwill (e) Total Assets	43,535 156,406	43,535 149,589	43,524 159,160	43,306 178,089	42,980 197,794	- 5	(21)	43,475 160,720	21,773 162,234	42,978 212,871	(24)
	,	,		•		3	. ,	·	·	·	` '
Headcount	28,384	28,406	28,114	26,983	24,806	-	14	28,384	24,806	24,806	14
TREASURY	(F.47)	(40)	Φ 0	(0.4.0)		NA	NIN 4	(4 F00)	6 047	, oso	
Securities Gains (Losses) (f)	\$ (547)	\$ (43)	\$ 6	\$ (918)	\$ 77	NM (4)	NM (40)	\$ (1,502)	\$ 347 \$ 57.776	\$ 358	NM (20)
Investment Portfolio (Average)	\$ 37,814	\$ 39,351	\$ 43,652	\$ 65,646	\$ 63,362	(4)	(40)	\$ 46,520 \$ 32,253		\$ 75,832	(39)
Investment Portfolio (Ending)	\$ 32,253	\$ 42,754	\$ 34,319	\$ 46,943	\$ 64,949	(25)	(50)		\$ 64,949	\$ 64,949	(50)

QUARTERLY TRENDS

⁽a) Includes the gain on the sale of BrownCo in the fourth quarter of 2005.

⁽b) Third quarter 2005 includes a \$12 million special provision related to Hurricane Katrina.

⁽c) Represents Federal funds sold, Securities borrowed, Trading assets - debt and equity instruments and Trading assets - derivative receivables.

⁽d) Represents investment securities and private equity investments.

⁽e) Effective with the third quarter of 2004, all goodwill is allocated to the Corporate line of business. Prior to the third quarter of 2004, goodwill was allocated to the various lines of business.

⁽f) Losses in the fourth quarter of 2005 reflect repositioning of the Treasury investment securities portfolio. Losses in the first quarter of 2005 were primarily due to the sale of \$20 billion of investment securities during the month of March 2005. Excludes gains/losses on securities used to manage risk associated with MSRs.

⁽g) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽h) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

FINANCIAL HIGHLIGHTS, CONTINUED (in millions)

						QU	ARTE	RLY TRENI	os						Fl	ULL YEA	.R	
	4	IQ05	9	Q05	2	2Q05		1Q05		4Q04	4Q05 Cha	inge 4Q04	2005	20	004 (a)		Pro Forma	Combined (b)
PRIVATE EQUITY		-		400		-400		1400		1401	0400	1401	 		70+ (u)		2004	
Private Equity Gains (Losses)																		
Direct Investments																		
Realized Gains	\$	351	\$	430	\$	555	\$	633	\$	442	(18) %	(21) %	\$ 1,969	\$	1,423	\$	1,470	34 %
Write-ups / (Write-downs)		(74)		(71)		(133)		206		(111)	(4)	33	(72)		(192)		(265)	73
Mark-to-Market Gains (Losses)		(32)		(64)		(153)		(89)		`167 [′]	50	NM	(338)		164		192	NM
Total Direct Investments		245		295		269		750		498	(17)	(51)	 1,559		1,395		1,397	12
Third-Party Fund Investments		44		18		31		39		8	144	450	132		34		69	91
Total Private Equity Gains		289		313		300		789		506	(8)	(43)	 1,691		1,429	-	1,466	15
Other Income		14		10		11		5		16	40	(13)	40		53		49	(18)
Net Interest Income		(52)		(51)		(56)		(50)		(70)	(2)	26	(209)		(271)		(370)	44
Total Net Revenue		251		272		255		744		452	(8)	(44)	 1,522		1,211	-	1,145	33
Total Noninterest Expense		63		53		66		62		79	19	(20)	244		288		309	(21)
Operating Earnings before Income Tax Expense		188		219		189		682		373	(14)	(50)	 1,278		923	-	836	53
Income Tax Expense		67		78		67		245		134	(14)	(50)	457		321		290	58
OPERATING EARNINGS	\$	121	\$	141	\$	122	\$	437	\$	239	(14)	(49)	\$ 821	\$	602	\$	546	50
Private Equity Portfolio Information																		
Direct Investments																		
Publicly-Held Securities																		
Carrying Value	\$	479	\$	563	\$	761	\$	1,149	\$	1,170	(15)	(59)						
Cost		403		451		580		808		744	(11)	(46)						
Quoted Public Value		683		795		1,082		1,713		1,758	(14)	(61)						
Privately-Held Direct Securities																		
Carrying Value		5,028		4,793		5,037		5,490		5,686	5	(12)						
Cost		6,463		6,187		6,362		6,689		7,178	4	(10)						
Third-Party Fund Investments																		
Carrying Value		669		561		552		550		641	19	4						
Cost		1,003		920		921		934		1,042	9	(4)						
Total Private Equity Portfolio - Carrying Value	\$	6,176	\$	5,917	\$	6,350	\$	7,189	\$	7,497	4	(18)						
Total Private Equity Portfolio - Cost	\$	7,869	\$	7,558	\$	7,863	\$	8,431	\$	8,964	4	(12)						

⁽a) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(b) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the proforma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase 🗘

Dec 31, 2005 Change

CREDIT EXPOSURE VINCIPATION VINCIPATIO							Chang	
MYOLESALE (a) Loans - Non-U.S \$112,065 \$113,048 \$110,096 \$101,261 \$98,868 (1) % 12 % Loans - Non-U.S 38,046 38,543 39,492 36,140 36,199 (1) 11 11 11 151,007 (1) 11 11 11 151,007 (1) 11 11 12 149,588 137,401 135,067 (1) 11 11 11 11 12 149,588 137,401 135,067 (1) 11 11 11 12 149,588 137,401 135,067 (1) 11 11 11 12 149,588 137,401 135,067 (1) 11 11 11 12 149,588 137,401 135,067 (1) 11 11 12 149,588 137,401 135,067 (1) 11 11 12 149,588 137,401 135,067 (1) 11 11 12 149,588 137,401 135,067 (1) 11 11 12 149,588 137,401 135,067 (1) 11 12 14 14 14 14 14 14			•				•	
Note	CREDIT EVROCURE	2005	2005	2005	2005	2004	2005	2004
Lans - U.S.								
Loans - Non-U.S. 38,046 38,543 39,492 36,140 35,199 (1) 8 TOTAL WHOLESALE LOANS - REPORTED 150,111 151,591 149,588 137,401 135,067 (1) 11 11 151,591 149,588 137,401 135,067 (1) 11 11 12 12 12 12 12	• •	Ф 440.00F	6 440.040	6 440.000	ft 404 004	6 00 000	(4) 0/	40.00
TOTAL WHOLESALE LOANS - REPORTED 150,111 151,591 149,588 137,401 135,067 (1) 11								
CONSUMER (b)								
Home Equity and Other	TOTAL WHOLESALE LOANS - REPORTED	150,111	151,591	149,588	137,401	135,067	(1)	11
Home Equity and Other	. ,							
Montgage								
Total Home Finance	Home Equity and Other	76,727				67,837		13
Auto & Education Finance	Mortgage	56,726	60,076	58,594	55,588	56,816	(6)	-
Consumer & Small Business and Other 14,799 14,740 14,678 15,011 15,107 - (2)	Total Home Finance	133,453	134,385	130,940	124,367	124,653	(1)	7
Credit Card Receivables - Reported 71,738 68,479 68,510 66,053 64,575 5 11	Auto & Education Finance	49,047	51,309	52,309	59,837	62,712	(4)	(22)
Credit Card Receivables - Reported 71,738 68,479 68,510 66,053 64,575 5 11	Consumer & Small Business and Other	14,799	14,740	14,678	15,011	15,107	-	(2)
TOTAL CONSUMER LOANS - REPORTED 269,037 268,913 266,437 265,268 267,047 - 1	Credit Card Receivables - Reported	71,738	68,479	68,510	66,053	64,575	5	
Credit Card Securitizations		269,037	268,913	266,437	265,268	267,047	-	1
TOTAL LOANS - MANAGED	TOTAL LOANS - REPORTED	419,148	420,504	416,025	402,669	402,114	-	4
TOTAL LOANS - MANAGED	Credit Card Securitizations	70.527	69.095	68.808	67.328	70.795	2	_
Derivative Receivables							-	4
Interests in Purchased Receivables (c) 29,740 28,766 27,887 28,484 31,722 3 (6) TOTAL CREDIT-RELATED ASSETS 569,202 572,754 567,735 558,869 570,613 (1) - Wholesale Lending-Related Commitments 323,764 316,984 314,034 316,282 309,399 2 5 TOTAL 8892,966 889,738 881,769 875,151 880,012 - 1 Memo: Total by Category Total Wholesale Exposure (d) \$553,402 \$551,730 \$546,524 \$542,555 \$542,170 - 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 Total Consumer Menaged Loans (e) 892,966 889,738 881,769 \$875,151 \$800,012 - 1 Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 Noninvestment-Grade: (f) Noncriticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Performing (g) 9,950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$100,547 \$104,574 \$106,371 \$106,292 \$98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans (h) 341 1,4339 \$15,962 \$4,977 \$6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 1,3459 \$15,962 \$4,977 \$6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 1,752 14,697 \$16,340 \$5,296 \$6,440 19 173			,	,	,	,	(8)	
TOTAL CREDIT-RELATED ASSETS 569,202 572,754 567,735 558,869 570,613 (1) 1 1 1 1 1 1 1 1 1		,	,	,	,	,		, ,
Wholesale Lending-Related Commitments 323,764 316,984 314,034 316,282 309,399 2 5 TOTAL \$892,966 \$889,738 \$881,769 \$875,151 \$880,012 - 1 Memo: Total by Category Total Wholesale Exposure (d) \$553,402 \$551,730 \$546,524 \$542,555 \$542,170 - 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 Total Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 - Noncriticized Credit Exposure: Investment-Grade: (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 - Noncriticized Performing (g) \$4,222 \$4,857 \$4,492 \$4,798 \$6,469 (13) (35) Criticized Nonperforming (g) \$950 \$1,337 \$1,502 \$1,588 \$1,813 (29) (48) Total Noninvestment-Gra	. ,						-	(0)
Memo: Total by Category Total Wholesale Exposure (d) \$553,402 \$551,730 \$546,524 \$542,555 \$542,170 - 2 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 1 Total Wholesale Exposure (d) \$553,402 \$551,730 \$546,524 \$542,555 \$542,170 - 2 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 1 Total \$892,966 \$889,738 \$881,769 \$875,151 \$880,012 - 1 1 Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 -						·	, ,	5
Memo: Total by Category Total Wholesale Exposure (d) \$ 553,402 \$ 551,730 \$ 546,524 \$ 542,555 \$ 542,170 - 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 Total Profile of Wholesale Credit Exposure: Investment-Grade (f) \$ 435,303 \$ 432,459 \$ 423,813 \$ 430,967 \$ 437,480 1 - Noninvestment-Grade: (f) Noncriticized 95,375 98,380 100,377 99,906 89,968 (3) 6 Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased H							2	
Total Wholesale Exposure (d) \$553,402 \$551,730 \$546,524 \$542,555 \$542,170 - 2 Total Consumer Managed Loans (e) 339,564 338,008 335,245 332,596 337,842 - 1 Total \$892,966 \$889,738 \$881,769 \$875,151 \$880,012 - 1 Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 - Noninvestment-Grade: (f) Noncriticized 9erforming (g) \$4,222 \$4,857 \$4,492 \$4,798 \$6,469 \$(13) \$(35) \$Criticized Nonperforming (g) \$95,075 \$104,574 \$106,371 \$106,292 \$98,250 \$(4) \$2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$17,211 \$14,339 \$15,962 \$4,977 \$6,089 \$20 183 Purchased Held-for-Sale Wholesale Loans (h) \$341 \$358 \$378 \$319 \$351 (5) (3) Total Held-for-Sale Wholesale Loans (h) \$417,552 \$14,697 \$16,340 \$5,296 \$6,440 19 173		\$ 692,900	\$ 669,736	\$ 661,769	\$ 675,151	\$ 660,012	-	
Total Consumer Managed Loans (e) 339,564 889,738 338,008 335,245 332,596 337,842 - 1 Total 8892,966 889,738 881,769 875,151 880,012 - 1 Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 - Noninvestment-Grade: (f) Noncriticized 95,375 98,380 100,377 99,906 89,968 (3) 6 Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$100,547 \$104,574 \$106,371 \$106,292 \$98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$17,211 \$14,339 \$15,962 \$4,977 \$6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$17,552 \$14,697 \$16,340 \$5,296 \$6,440 19 173								
Total \$892,966 \$889,738 \$881,769 \$875,151 \$880,012 - 1 Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$435,303 \$432,459 \$423,813 \$430,967 \$437,480 1 - Noninvestment-Grade: (f) Noncriticized 9erforming (g) \$95,375 \$98,380 \$100,377 \$99,906 \$89,968 (3) 6 Criticized Performing (g) \$4,222 \$4,857 \$4,492 \$4,798 \$6,469 (13) (35) Criticized Nonperforming (g) \$950 \$1,337 \$1,502 \$1,588 \$1,813 (29) (48) Total Noninvestment-Grade \$100,547 \$104,574 \$106,371 \$106,292 \$98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$17,211 \$14,339 \$15,962 \$4,977 \$6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) \$341 \$358 378 319 351 (5) (3) Total Held-for-Sale \$17,552 \$14,697 \$16,340 \$5,296 \$6,440 19 173			,				-	
Risk Profile of Wholesale Credit Exposure: Investment-Grade (f) \$ 435,303 \$ 432,459 \$ 423,813 \$ 430,967 \$ 437,480 1 - Noninvestment-Grade: (f) Noncriticized 95,375 98,380 100,377 99,906 89,968 (3) 6 Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	• ,						=	•
Investment-Grade (f)	Total	\$ 892,966	\$ 889,738	\$ 881,769	\$ 875,151	\$ 880,012	-	1
Noninvestment-Grade: (f) Noncriticized 95,375 98,380 100,377 99,906 89,968 (3) 6 Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Risk Profile of Wholesale Credit Exposure:							
Noncriticized 95,375 98,380 100,377 99,906 89,968 (3) 6 Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Investment-Grade (f)	\$ 435,303	\$ 432,459	\$ 423,813	\$ 430,967	\$ 437,480	1	-
Criticized Performing (g) 4,222 4,857 4,492 4,798 6,469 (13) (35) Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173								
Criticized Nonperforming (g) 950 1,337 1,502 1,588 1,813 (29) (48) Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Noncriticized	95,375				89,968	(3)	
Total Noninvestment-Grade \$ 100,547 \$ 104,574 \$ 106,371 \$ 106,292 \$ 98,250 (4) 2 Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Criticized Performing (g)	4,222	4,857	4,492	4,798	6,469	(13)	(35)
Held-for-Sale: Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Criticized Nonperforming (g)	950	1,337	1,502	1,588	1,813	(29)	(48)
Originated Held-for-Sale Wholesale Loans \$ 17,211 \$ 14,339 \$ 15,962 \$ 4,977 \$ 6,089 20 183 Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Total Noninvestment-Grade	\$ 100,547	\$ 104,574	\$ 106,371	\$ 106,292	\$ 98,250	(4)	2
Purchased Held-for-Sale Wholesale Loans (h) 341 358 378 319 351 (5) (3) Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Held-for-Sale:							
Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Originated Held-for-Sale Wholesale Loans	\$ 17,211	\$ 14,339	\$ 15,962	\$ 4,977	\$ 6,089	20	183
Total Held-for-Sale \$ 17,552 \$ 14,697 \$ 16,340 \$ 5,296 \$ 6,440 19 173	Purchased Held-for-Sale Wholesale Loans (h)	341	358	378	319	351	(5)	(3)
Total Wholesale Exposure \$ 553,402 \$ 551,730 \$ 542,555 \$ 542,170 - 2	Total Held-for-Sale		\$ 14,697	\$ 16,340		\$ 6,440	19	173
	Total Wholesale Exposure	\$ 553,402	\$ 551,730	\$ 546,524	\$ 542,555	\$ 542,170	-	2

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

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

⁽b) Includes Retail Financial Services and Card Services.

⁽c) These represent undivided interests in pools of receivables and similar types of assets.

⁽d) Represents Total Wholesale Loans, Derivative Receivables, Interests in Purchased Receivables and Wholesale Lending-Related Commitments.

⁽e) Represents Total Consumer Loans plus Credit Card Securitizations, excluding consumer lending-related commitments.

⁽f) Excludes held-for-sale.

⁽g) For the quarter ended March 31, 2005, the Firm conformed its methodology for reporting Criticized exposure. Excluding this change in methodology, Criticized exposure would have been \$7,632 million in the first quarter of 2005.

⁽h) Represents distressed wholesale loans purchased as part of IB's proprietary activities.

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

JPMorganChase 🗘

Dec 31, 2005 Change Sep 30 Dec 31 Dec 31 Sep 30 Jun 30 Mar 31 Dec 31 2005 2005 2005 2005 2004 2005 2004 NONPERFORMING ASSETS AND RATIOS WHOLESALE LOANS Loans - U.S. \$ 819 \$ 914 \$ 959 \$ 1,005 \$ 1,228 (10) % (33) % Loans - Non-U.S. 173 278 292 324 346 (38)(50)**TOTAL WHOLESALE LOANS-REPORTED (a)** 992 1.192 1.251 1.329 1.574 (17)(37)**CONSUMER LOANS** Home Finance 863 710 662 691 673 22 28 Auto & Education Finance 195 204 190 171 193 (4) 1 289 280 Consumer & Small Business and Other 280 288 295 (3)(5) Credit Card Receivables - Reported 13 9 9 8 44 63 1,212 1,158 **TOTAL CONSUMER LOANS-REPORTED** 1,351 1,141 1,169 11 16 **TOTAL LOANS REPORTED (a)** 2,343 2,404 2,392 2,487 2,743 (15)(3)**Derivative Receivables** 50 231 234 241 241 (78)(79)Assets Acquired in Loan Satisfactions 197 204 206 221 247 (3)(20)**TOTAL NONPERFORMING ASSETS (a)** 2,590 2,839 2,832 2,949 3,231 (9)(20)PURCHASED HELD-FOR-SALE WHOLESALE LOANS (b) 341 \$ 358 378 319 (3) \$ \$ 351 (5) TOTAL NONPERFORMING LOANS TO TOTAL LOANS 0.56 % 0.57 % 0.57 % 0.62 % 0.68 % NONPERFORMING ASSETS BY LOB Investment Bank \$ 645 \$ 934 \$ 946 \$ 1,056 \$ 1,196 (31)(46)Retail Financial Services 1,518 1,387 9 10 1,319 1,351 1,385 **Card Services** 13 9 9 8 44 63 Commercial Banking 288 388 452 452 547 (26)(47)Treasury & Securities Services 22 NM 57 3 6 4 14 Asset and Wealth Management 104 118 100 78 81 (12)28 **TOTAL** 2,590 2,839 2,832 2,949 3,231 (20)(9)

⁽a) Excludes purchased held-for-sale ("HFS") wholesale loans.

⁽b) Represents distressed wholesale loans purchased as part of IB's proprietary activities and are excluded from nonperforming assets.

JPMorganChase

(in millions, except ratio data)

	-		QUAF	RTERLY TRENI	os				FUL	L YEAR	
										Pro Forma C	ombined (d)
						4Q05 Chan	ge				2005 Change
	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (c)	2004	2004
GROSS CHARGE-OFFS											
Wholesale Loans	\$ 123	\$ 40 \$	31 \$	§ 61	\$ 123	208 %	- %	\$ 255	\$ 543	\$ 619	(59) %
Consumer (Excluding Card)	216	193	167	219	658	12	(67)	795	1,143	1,485	(46)
Credit Card Receivables - Reported	1,374	881	811	753	784	56	75	3,819	2,119	2,415	58
Total Loans - Reported	1,713	1,114	1,009	1,033	1,565	54	9	4,869	3,805	4,519	8
Credit Card Securitizations	1,243	999	1,060	1,034	1,126	24	10	4,336	3,232	5,151	(16)
Total Loans - Managed	2,956	2,113	2,069	2,067	2,691	40	10	9,205	7,037	9,670	(5)
RECOVERIES											
Wholesale Loans	99	80	83	70	55	24	80	332	357	456	(27)
Consumer (Excluding Card)	54	49	53	67	52	10	4	223	153	248	(10)
Credit Card Receivables - Reported	200	115	100	80	60	74	233	495	196	227	118
Total Loans - Reported	353	244	236	217	167	45	111	1,050	706	931	13
Credit Card Securitizations	181	132	130	117	115	37	57	560	334	530	6
Total Loans - Managed	534	376	366	334	282	42	89	1,610	1,040	1,461	10
NET CHARGE-OFFS											
Wholesale Loans	24	(40)	(52)	(9)	68	NM	(65)	(77)	186	163	NM
Consumer (Excluding Card)	162	144	114	152	606	13	(73)	572	990	1,237	(54)
Credit Card Receivables - Reported	1,174	766	711	673	724	53	62	3,324	1,923	2,188	52
Total Loans - Reported	1,360	870	773	816	1,398	56	(3)	3,819	3,099	3,588	6
Credit Card Securitizations	1,062	867	930	917	1,011	22	5	3,776	2,898	4,621	(18)
Total Loans - Managed	\$ 2,422	\$ 1,737 \$	1,703	1,733	\$ 2,409	39	1	\$ 7,595	\$ 5,997	\$ 8,209	(7)
NET CHARGE-OFF RATES - ANNUALIZED											
Wholesale Loans (a)	0.07 %	(0.12) %	(0.16) %	(0.03) %	0.21 %			(0.06) %	0.18 %	0.13 %	
Consumer (Excluding Card) (b)	0.36	0.31	0.25	0.34	1.28			0.31	0.67	0.69	
Credit Card Receivables - Reported	6.75	4.41	4.25	4.25	4.70			4.94	4.95	4.86	
Total Loans - Reported (a) (b)	1.39	0.89	0.82	0.88	1.46			1.00	1.08	1.02	
Credit Card Securitizations	6.03	4.99	5.48	5.36	5.70			5.47	5.51	5.52	
Total Loans - Managed (a) (b)	2.09	1.51	1.53	1.58	2.13			1.68	1.76	1.88	
Memo: Credit Card - Managed	6.39	4.70	4.87	4.83	5.24			5.21	5.27	5.28	

⁽a) Average wholesale loans held-for-sale were \$15,581 million, \$13,045 million, \$11,601 million, \$7,674 million and \$6,820 million for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. The full year average loans held-for-sale was \$12,014 million for 2005 and \$6,124 million for both full year 2004 and Pro Forma full year 2004, respectively. These amounts are not included in the net charge-off rates.

⁽b) Average consumer loans (excluding Card) held-for-sale were \$16,505 million, \$15,707 million, \$15,861 million and \$13,534 million for the quarters ended December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. The full year average loans held-for-sale were \$15,675 million and \$14,736 million for 2005 and 2004, respectively. Full year 2004 Pro forma average loans held-for-sale was \$17,231 million. These amounts are not included in the net charge-off rates.

⁽c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the proforma combined financial information, see the Explanatory Note on page 2.



Part				Ql	JARTERLY TREND	S				FU	LL YEAR	
MIMARY OF CHANGES IN THE ALLOWANCE FOR LOAN 1											Pro Forma C	ombined (g)
Summary Or CHANGES IN THE ALLOWANCE FOR LOAN LOSSING 1,500												
Segment Balance Segment Ba	STIMMADY OF CHANGES IN THE ALLOWANCE FOR LOAN LOSSES	4Q05	3Q05	2Q05	1Q05	4Q04	3Q05	4Q04	2005	2004 (e)	2004	2004
Not Charge-Order 1,1369 1,279		\$ 7,220	\$ 6,794	\$ 6,935	\$ 7,320	\$ 7,493	6 %	(4) %	\$ 7,320	\$ 4,523	\$ 7,995	(8) %
Provision Factor Losses:		- (4.000)	- (070)	- (770)	- (0.1.0)	- (4.000)			- (0.040)		- (0.500)	
Provision Encluding Accounting Paticy Conforminy 1,219 1,289 1		(1,360)	(870)	(773)	(816)	(1,398)	(56)	3	(3,819)	(3,099)	(3,588)	(6)
Total Provision for Loan Losses	Provision Excluding Accounting Policy Conformity	1,219	1,289	636	431				3,575			
Chief Chie		1 210	1 280	- 636	- 431				3 575			
Summary or CHANCES N THE ALLOWANCE FOR					-					,		
Page	Ending Balance	\$ 7,090	\$ 7,220	\$ 6,794	\$ 6,935	\$ 7,320	(2)		\$ 7,090	\$ 7,320		(3)
Provision Excluding from the Bank One Mergers, July 1, 2004 140 14												
Provision for Lending-Rollated Commitments:		\$ 395	\$ 439	\$ 488	\$ 492				\$ 492		\$ 814	
Provision Excluding Accounting Policy Conformity S		-	-	-	-	-	INIVI	INIVI	-	508	-	INIVI
Total Provision for Lending-Related Commitments 5		5	(44)	(49)	(4)	(49)			(92)			
Cher Statistical Calculation Statistic		- 5	(44)	(49)	- (4)	(49)			(92)			
ALLOWANCE COMPONENTS AND RATIOS. ALLOWANCE FOR LOAN LOSSES Wholesale Asset Specific S 203 \$ 341 \$ 314 \$ 385 \$ 469 (40) (57) Formula- Based (a) Adjustments to the Statistical Calculation Adjustments to the Statistical Calculation Consumer Formula- Based Statistical Calculation Total Wholesale Total Wholesale Total Canciumer Formula- Based Statistical Calculation 3,422 3,453 3,064 3,113 3,169 - 8 Adjustments to the Statistical Calculation 3,422 3,432 3,064 3,113 3,169 - 8 Adjustments to the Statistical Calculation 1,215 1,198 1,126 1,195 1,105 1		-	-	-	- (4)	-			- (32)			
ALLOMANCE FOR LOAN LOSSES Wholesale Asset Specific \$ 203 3 41 \$ 314 \$ 385 \$ 469 (40) (57) Formula - Based (a) Statistical Calculation 1,629 1,590 1,604 1,448 1,639 2 (1) Adjustments to the Statistical Calculation 621 659 686 894 990 (6) (37) Total Wholesale 2,453 2,590 2,604 2,727 3,098 (5) (21) Consumer Formula - Based Statistical Calculation 3,422 3,432 3,064 3,113 3,169 - 8 Adjustments to the Statistical Calculation 1,215 1,198 1,126 1,095 1,053 1 15 Total Consumer 4,637 4,630 4,190 4,202 - 10 Total Allowance for Loan Cosses 7,990 7,220 6,794 6,935 7,320 (2) (3) Allowance for Loan Loase	Ending Balance	\$ 400	\$ 395	\$ 439	\$ 488	\$ 492	1	(19)	\$ 400	\$ 492	\$ 492	(19)
Formula - Based Statistical Calculation 3,422 3,432 3,064 3,113 3,169 - 8 8 8 1,216 1,055 1,053 1 15 1,050 1,053 1 15 1,050 1,053 1 15 1,050	ALLOWANCE FOR LOAN LOSSES Wholesale Asset Specific Formula - Based (a) Statistical Calculation Adjustments to the Statistical Calculation	1,629 621	1,590 659	1,604 686	1,448 894	1,639 990	2 (6)	(1) (37)				
Statistical Calculation 3,422 3,432 3,064 3,113 3,169 - 8 Adjustments to the Statistical Calculation 1,215 1,198 1,126 1,095 1,053 1 15 Total Allowance for Loan Losses 7,990 7,220 6,794 6,935 7,320 (2) (3) Allowance for Leading-Related Commitments 400 395 439 488 492 1 (19) Total Allowance for Cedit Losses 7,490 7,615 5,7233 7,723 7,812 (2) (4) Wholesale Allowance for Loan Losses to Total Wholesale Loans (b) 1.85 7,815 5,7233 7,7220 (2) (4) Wholesale Allowance for Loan Losses to Total Wholesale Loans (b) 1.85 1.89 1.95 2.06 2.41 % Consumer Allowance for Loan Losses to Total Consumer Loans (c) 1.84 1.84 1.65 1.69 1.70 Allowance for Loan Losses to Total Consumer Loans (d) 321 316 287 283 268 Allowance for Loan Losses to To												
Adjustments to the Statistical Calculation 1.215 1.198 1.126 1.095 1.053 1 15 Total Consumer 4.637 4.630 4.190 4.208 4.222 - 10 Total Allowance for Loan Losses		3 422	3 432	3 064	3 113	3 169	_	8				
Total Allowance for Loan Losses 7,090 7,220 6,794 6,935 7,320 (2) (3)	Adjustments to the Statistical Calculation	1,215	1,198	1,126	1,095	1,053	1	15				
Allowance for Lending-Related Commitments 400 395 439 488 492 1 (19) Total Allowance for Credit Losses 7,490 \$ 7,615 \$ 7,615 \$ 7,233 \$ 7,423 \$ 7,812 (2) (4) Wholesale Allowance for Loan Losses to Total Wholesale Loans (b) 1.85 8 1.89 8 1.95 8 2.06 8 2.41 8 Consumer Allowance for Loan Losses to Total Consumer Loans (c) 1.84 1.84 1.85 1.65 1.69 1.70 Allowance for Loan Losses to Total Loans (b) (c) 1.84 1.86 1.76 1.82 1.94 Allowance for Loan Losses to Total Nonperforming Loans (d) 321 316 287 283 268 ALLOWANCE FOR LOAN LOSSES BY LOB Investment Bank \$ 907 \$ 1.002 \$ 971 \$ 1,191 \$ 1,547 (9) (41) Retail Financial Services 1,363 1,375 1,135 1,168 1,228 (1) 11 Card Services 3,274 3,255 3,055 3,040 2,994 1 9 Commercial Banking 1,392 1,423 1,431 1,312 1,322 (2) 5 Treasury & Securities Services 11 6 7 5 9 83 22 Asset and Wealth Management 132 148 195 214 216 (11) (39)	Total Consumer	4,637	4,630	4,190	4,208	4,222	-	10				
Total Allowance for Credit Losses \$7,490 \$7,615 \$7,233 \$7,423 \$7,812 (2) (4)												
Wholesale Allowance for Loan Losses to Total Wholesale Loans (b) 1.85 1.89 1.95 2.06 2.41 % Consumer Allowance for Loan Losses to Total Consumer Loans (c) 1.84 1.84 1.65 1.69 1.70 Allowance for Loan Losses to Total Loans (b) (c) 1.84 1.86 1.76 1.82 1.94 Allowance for Loan Losses to Total Nonperforming Loans (d) 321 316 287 283 268 ALLOWANCE FOR LOAN LOSSES BY LOB Investment Bank \$ 907 \$ 1,002 \$ 971 \$ 1,191 \$ 1,547 (9) (41) Retail Financial Services 1,363 1,375 1,135 1,168 1,228 (1) 11 Card Services 3,274 3,255 3,055 3,040 2,994 1 9 Commercial Banking 1,392 1,423 1,431 1,312 1,322 (2) 5 Treasury & Securities Services 11 6 7 5 9 83 22 Asset and Wealth Management 132												
Consumer Allowance for Loan Losses to Total Consumer Loans (c) Allowance for Loan Losses to Total Loans (b) (c) 1.84 1.84 1.86 1.76 1.82 1.94 Allowance for Loan Losses to Total Nonperforming Loans (d) 321 316 287 283 268 ALLOWANCE FOR LOAN LOSSES BY LOB Investment Bank \$ 907 \$ 1,002 \$ 971 \$ 1,191 \$ 1,547 (9) (41) Retail Financial Services 1,363 1,375 1,135 1,186 1,228 (1) 11 Card Services 3,274 3,255 3,055 3,040 2,994 1 9 Commercial Banking 1,392 1,423 1,423 1,431 1,312 1,322 (2) 5 Treasury & Securities Services 11 6 7 5 9 83 22 Asset and Wealth Management 132 148 195 214 216 (11) (39)							(-)	(-)				
Allowance for Loan Losses to Total Loans (b) (c) 1.84 1.86 1.76 1.82 1.94 Allowance for Loan Losses to Total Nonperforming Loans (d) 321 316 287 283 268 ALLOWANCE FOR LOAN LOSSES BY LOB Investment Bank \$ 907 \$ 1,002 \$ 971 \$ 1,191 \$ 1,547 \$ (9) \$ (41) Retail Financial Services 1,363 1,375 1,135 1,135 1,168 1,228 (1) 11 Card Services 3,274 3,255 3,055 3,040 2,994 1 9 Commercial Banking 1,392 1,493 1,491 1,312 1,312 1,322 (2) 5 Treasury & Securities Services 11 6 7 5 9 83 22 Asset and Wealth Management 132 148 195 214 216 (11) (39)												
ALLOWANCE FOR LOAN LOSSES BY LOB Investment Bank \$ 907 \$ 1,002 \$ 971 \$ 1,191 \$ 1,547 (9) (41) Retail Financial Services 1,363 1,375 1,135 1,168 1,228 (1) 11 Card Services 3,274 3,255 3,055 3,055 3,040 2,994 1 9 Commercial Banking 1,392 1,423 1,431 1,312 1,322 (2) 5 Treasury & Securities Services 11 6 7 5 9 83 22 Asset and Wealth Management 132 148 195 214 216 (11) (39)	Allowance for Loan Losses to Total Loans (b) (c)	1.84	1.86	1.76	1.82							
Investment Bank	Allowance for Loan Losses to Total Nonperforming Loans (d)	321	316	287	283	268						
	Investment Bank Retail Financial Services Card Services Commercial Banking Treasury & Securities Services Asset and Wealth Management	1,363 3,274 1,392 11 132	1,375 3,255 1,423 6 148	1,135 3,055 1,431 7	1,168 3,040 1,312 5 214	1,228 2,994 1,322 9 216	(1) 1 (2) 83	11 9 5 22 (39)				
Total \$ 7,090 \$ 7,220 \$ 6,794 \$ 6,935 \$ 7,320 (2) (3)				\$ 6,794			(2)					

⁽a) During the second quarter 2005, the Firm refined its historical and market based inputs used for estimating the Formula Based component of the allowance. These refinements resulted in an increase to the Statistical Calculation and a decrease to the Adjustments to the Statistical Calculation, the component of the allowance that covers estimate imprecision.

⁽b) Loans held-for-sale were \$17,552 million, \$14,697 million, \$16,340 million, \$16,340 million, \$5,296 million and \$6,440 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.

⁽c) Loans held-for-sale were \$16,598 million, \$17,695 million, \$13,112 million, \$16,532 million and \$18,022 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.

⁽d) Nonperforming loans held-for-sale were \$136 million, \$116 million, \$28 million, \$33 million and \$15 million at December 31, 2005, September 30, 2005, June 30, 2005, March 31, 2005 and December 31, 2004, respectively. These amounts are not included in the allowance coverage ratios.

⁽e) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽f) Related to the transfer of the allowance for accrued interest and fees on reported and securitized credit card loans.

⁽g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.



QUARTERLY TRENDS **FULL YEAR** Pro Forma Combined (e) 2005 Change 4Q05 Change 3Q05 4Q04 2004 4Q05 3Q05 2Q05 1Q05 4Q04 2005 2004 (d) 2004 PROVISION FOR CREDIT LOSSES LOANS Investment Bank (271)(356) (120)(206) % (525)\$ (848) (98)\$ (32)\$ \$ 18 (757)\$ 11 Commercial Banking (10)(11)116 (8) 17 9 NM 87 35 (29)NM Treasury & Securities Services 3 (1) 2 (5) 3 NM (1) 7 7 NM Asset & Wealth Management (8) (22)(18)(7) (21)64 62 (55)(12)(16)(244)Corporate 13 (4) NM NM 10 (110)(111)NM Total Wholesale (113) (53) (170)(380) (121)(113)7 (716)(605) (997)28 Retail Financial Services 158 376 95 92 78 (58)103 721 450 702 3 22 Card Services 1,174 966 711 719 724 62 3,570 1,953 2,258 58 **Total Consumer** 1,332 1,342 806 811 802 66 4,291 2.403 2.960 45 (1) 1,085 Accounting Policy Conformity (a) 525 NM NM 1,085 NM **Total Provision for Loan Losses** 1.219 1,289 636 431 1,206 3.575 2.883 3.048 17 (5) LENDING-RELATED COMMITMENTS Investment Bank 15 \$ (14)\$ (72)(10)\$ (53)NM NM \$ (81)\$ (115)\$ (94)14 Commercial Banking (7) (35)26 2 80 NM (14)6 (4) (250)Treasury & Securities Services (1) 2 NM NM NM Asset & Wealth Management (2) 3 (2) NM NM (1) (2) NM Corporate NM NM NM (1) Total Wholesale (46)(48) (6) (49)NM NM (95)(111)(99)4 Retail Financial Services NM NM 2 (1) 2 3 (1) 5 (40)Card Services NM NM NM **Total Consumer** 2 (1) NM NM 3 (1) 5 (40)Accounting Policy Conformity (b) NM NM (227)(227)NM **Total Provision for Lending-Related Commitments** (44)(49) (4) (49) NM NM (92) (339) (321) 71 TOTAL PROVISION FOR CREDIT LOSSES Investment Bank \$ (83) (46) (343)(366) \$ (173)(80) 52 (838)(640)\$ (942)11 \$ \$ \$ \$ \$ NM Commercial Banking (c) (17)(46)142 (6) 21 63 73 41 (33)NM Treasury & Securities Services 2 (1) 2 (3) 3 NM (33) 7 NM Asset & Wealth Management (c) (10)(19)(20)(7) (21)47 52 (56)(14)(16)(250)NM Corporate (c) 13 (4) NM 10 (110)(112)NM (218)Total Wholesale (108)(99)(386)(170)(9) 36 (811) (716) (1,096)26 Retail Financial Services (c) 158 378 94 94 78 (58)103 724 449 707 2 Card Services (c) 1.174 966 711 719 724 22 62 3.570 1.953 2.258 58 **Total Consumer** 1,332 1,344 805 813 802 4,294 2,402 2,965 45 (1) 66 Accounting Policy Conformity 525 NM NM 858 858 NM **Total Provision for Credit Losses** 1,224 1,245 587 427 2,727 28 1,157 (2) 6 3,483 2,544 Securitized Credit Losses 1.062 867 930 917 1.011 22 5 3.776 2.898 4.621 (18) Accounting Policy Conformity (525)NM NM (858)(858)NM Managed Provision for Credit Losses 2,286 2,112 1,517 1,344 1,643 8 39 7,259 4,584 6,490 12

⁽a) Reflects an increase of \$721 million for the fourth quarter of 2004 and \$1.4 billion for the full year 2004, as a result of the decertification of heritage Bank One seller's interest in credit card securitizations, partially offset by reductions of \$196 million and \$357 million in the allowance to conform methodologies in the fourth quarter of 2004 and the full year 2004, respectively.

⁽b) Reflects a reduction of \$227 million for the third quarter of 2004 to conform methodologies in the wholesale portfolio.

⁽c) Third quarter 2005 includes a \$400 million, Special provision related to Hurricane Katrina allocated as follows: Retail Financial Services \$250 million, Card Services \$100 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.

⁽d) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

(in millions, except ratio and per share data)

	_							CAIL		- 1 1111											LILAN		
																					Pro Form	a Combi	ned (d)
															4Q05 Cha	nge							Change
		4Q05			3Q05		2Q05		1	1Q05		4Q04		_	3Q05	4Q04	2005		2004 (c)		2004	_	2004
	_		•	_	0400					. 400	-			_					200: (0)				
COMMON SHARES OUTSTANDING																							
Weighted-Average Basic Shares Outstanding		3,472.1			3,485.0		3,493.0			3,517.5		3,51			- %	(1) %	3,491.7		2,779.9		3,510.4		(1) %
Weighted-Average Diluted Shares Outstanding		3,563.9			3,547.7		3,548.3			3,569.8		3,60			-	(1)	3,557.3		2,850.6		3,593.0		(1)
Common Shares Outstanding - at Period End		3,486.7			3,503.4		3,514.0			3,525.3		3,55	5.2		-	(2)	3,486.7		3,556.2		3,556.2		(2)
Cash Dividends Declared per Share	\$	0.34		\$	0.34	\$	0.34		\$	0.34		\$ 0	34		-	_	\$ 1.36	\$	1.36		\$ 1.36		_
Book Value per Share		30.71			30.26		29.95			29.78		29			1	4	30.71		29.61		29.61		4
Dividend Payout		44	%		48	%	122			54	%		74 %	,			57	%		%	75 %	%	
,																							
SHARE PRICE	_			_					_														
High	\$	40.56		\$		\$	36.50		\$	39.69		\$ 40			13	-	\$ 40.56	\$			\$ 43.84		(7) %
Low		32.92			33.31		33.35			34.32		36			(1)	(9)	32.92		34.62		34.62		(5)
Close		39.69			33.93		35.32			34.60		39	01		17	2	39.69		39.01		39.01		2
STOCK REPURCHASE PROGRAM (a)																							
Aggregate Repurchases	\$	1,000.0		\$	500.0	\$	593.7		\$	1,315.6		\$ 59	9.8				\$ 3,409.3	\$	737.7		\$ 737.7		
Common Shares Repurchased		26.3			14.4		16.8			36.0		1	5.8				93.5		19.3		19.3		
Average Purchase Price	\$	38.05		\$	34.61	\$	35.32		\$	36.57		\$ 38	01				\$ 36.46	\$	38.27		\$ 38.27		
CARITAL RATIOS																							
CAPITAL RATIOS Tier 1 Capital	•	72,474		/L\	70,745	\$	69,782		\$	69,435		\$ 68,6	04		2	6							
Total Capital	Ф	102,474		(b) \$	98,254	ф	96,089		Ф	96,378		э 66,6 96,8			2	6							
Risk-Weighted Assets		849,939		(b) (b)	866,289		850,241			811,822		791,3			(2)	7							
Adjusted Average Assets		1,152,546		(b)	1,143,449		1,123,609			110,058		1,102,4			(2)	, 5							
Tier 1 Capital Ratio		8.5		(b)	8.2	0/		%	١,	8.6	0/		30 3.7 %		1	(2)							
Total Capital Ratio		12.1		(b)	11.3	70	11.3			11.9	70		2.2	•	7	(1)							
Tier 1 Leverage Ratio		6.3		(b)	6.2		6.2			6.3			2.2 3.2		2	2							
Her i Leverage Natio		0.5		(D)	0.2		0.2			0.5).∠		2	2							
INTANGIBLE ASSETS																							
Goodwill	\$	43,621		\$		\$,		\$	43,440		\$ 43,2			-	1							
Mortgage Servicing Rights		6,452			6,057		5,026			5,663		5,0			7	27							
Purchased Credit Card Relationships		3,275			3,352		3,528			3,703		3,8			(2)	(16)							
All Other Intangibles		4,832	_		5,139		5,319			5,514		5,7			(6)	(16)							
Total Intangibles	\$	58,180	_	\$	58,103	\$	57,410		\$	58,320		\$ 57,8	87		-	1							

⁽a) Excludes commission costs.

QUARTERLY TRENDS

⁽b) Estimated

⁽c) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

JPMORGAN CHASE & CO. Glossary of Terms

JPMorganChase 🗘

ACH: Automated Clearing House

Assets Under Management: Represent assets actively managed by Asset & Wealth Management on behalf of institutional, private banking, private client services and retail clients. Excludes assets managed by American Century Companies, Inc., in which the Firm has a 43% ownership interest.

Assets Under Supervision: Represent assets under management as well as custody, brokerage, administration and deposit accounts.

Average Managed Assets: Refers to total assets on the Firm's balance sheet plus credit card receivables that have been securitized.

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 filling of bankruptcy, whichever is earlier.

Core Deposits: U.S. deposits insured by the Federal Deposit Insurance Corporation, up to the legal limit of \$100,000 per depositor.

Corporate: Includes Private Equity, Treasury, and corporate staff and other centrally managed expenses.

Managed Credit Card Receivables or Managed Basis: Refers to credit card receivables on the Firm's balance sheet plus credit card receivables that have been securitized.

NA: Data is not applicable for the period presented.

NM: Not meaningful

Operating Basis or Operating Earnings: Reported results excluding the impact of merger costs, other special items and credit card securitizations.

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

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 merger costs, other special items and credit card securitizations.

Segment Results: All periods are on a comparable basis, although restatements may occur in future periods to reflect further alignment of management accounting policies or changes in organizational structures between businesses.

Special Items: Includes merger costs, litigation reserve charges deemed nonoperating and accounting policy conformity adjustments.

Unaudited: The financial statements and information included throughout this document are unaudited and have not been subjected to auditing procedures sufficient to permit an independent certified public accountant to express an opinion.

Value-at-Risk ("VAR"): A measure of the dollar amount of potential loss from adverse market moves in an ordinary market environment.

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Investment Banking

IB's revenues are comprised of the following:

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

Retail Financial Services

Description of selected business metrics within Home Finance:

1. Secondary marketing involves the sale of mortgage loans into the secondary market and risk management of this activity from the point of loan commitment to customers through loan closing and subsequent sale.

Home Finance's origination channels are comprised of the following:

- 1. Retail A mortgage banker employed by the Firm directly contacts borrowers who are buying or refinancing a home through a branch office, through 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 loans 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 loans.
- 3. Correspondent Banks, thrifts, other mortgage banks and other financial institutions sell closed loans to the Firm.
- 4. Correspondent negotiated transactions ("CNT") Mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis. These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in stable and rising-rate periods.

Description of selected business metrics within Consumer & Small Business 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.
- Investment sales representatives Licensed retail branch sales personnel, assigned to support several branches, who assist with the sale of investment products including college planning accounts, mutual funds, annuities and retirement accounts.

Description of selected business metrics within Insurance:

- Proprietary annuity sales represent annuity contracts marketed through and issued by subsidiaries
 of the Firm.
- Insurance in force direct/assumed includes the aggregate face amount of insurance policies directly underwritten and assumed through reinsurance.
- 3. Insurance in force retained includes the aggregate face amounts of insurance policies directly underwritten and assumed through reinsurance, after reduction for face amounts ceded to reinsurers.

Card Services

Description of selected business metrics within Card Services:

- Charge volume Represents the dollar amount of cardmember purchases, balance transfers and cash advance activity.
- 2. Net accounts opened Includes originations, portfolio purchases and sales.
- 3. Merchant acquiring business Represents an entity that processes payments for merchants. JPMorgan Chase is a partner in Chase Paymentech Solutions, LLC.
- 4. Bank card volume Represents the dollar amount of transactions processed for the merchants.
- 5. Total transactions Represents the number of transactions and authorizations processed for the merchants.
- 6. 12 Month Lagged Loss Ratio Represents the current period net charge-offs annualized divided by the average pro forma managed loans for the same period in the prior year.

Commercial Banking

Commercial Banking revenues are comprised of the following:

- 1. Lending incorporates a variety of financing alternatives, such as term loans, revolving lines of credit and asset-based structures and leases, which are often secured by receivables, inventory, equipment or real estate.
- 2. Treasury services incorporates a broad range of products and services to help clients manage short-term liquidity through deposits and sweeps, and longer-term investment needs through money market accounts, certificates of deposit and mutual funds; manage working capital through lockbox, global trade, global clearing and commercial card products; and have ready access to information to manage their business through on-line reporting tools.
- 3. Investment banking products provide clients with more sophisticated capital-raising alternatives, through loan syndications, investment-grade debt, asset-backed securities, private placements, high-yield bonds and equity underwriting, and balance sheet and risk management tools through foreign exchange, derivatives, M&A and advisory services.

Description of selected business metrics within Commercial Banking:

Liability balances include deposits and deposits that are swept to on-balance sheet liabilities (e.g., commercial paper, fed funds purchases, and repurchase agreements).

Treasury & Securities Services

Treasury & Securities Services **firmwide metrics** include certain TSS product revenues and liability balances reported in other lines of business for customers who are also customers of those lines of business. In order to capture the firmwide impact of TS and TSS products and revenues, management reviews firmwide metrics such as liability balances, revenues and overhead ratios in assessing financial performance for TSS. Firmwide metrics are necessary 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 (e.g., commercial paper, fed funds purchases, and repurchase agreements).

Asset & Wealth Management

AWM's client segments are comprised of the following:

- 1. 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.
- Retail provides more than 2 million customers worldwide with investment management, retirement planning and administration, and brokerage services through third-party and direct distribution channels.
- 3. Institutional serves more than 3,000 large and mid-size corporate and public institutions, endowments and foundations, and governments globally. AWM offers institutions comprehensive global investment services, including investment management across asset classes, pension analytics, asset-liability management, active risk budgeting and overlay strategies.
- 4. Private client services offers high-net-worth individuals, families and business owners comprehensive wealth management solutions that include financial planning, personal trust, investment and banking products and services.

APPENDIX

FOURTH QUARTER 2005

					Consid Marine	(2)		
	Reported	Trading	Credit	Merger	Special Items Litigation	Accounting	Tax Equivalent	Operating
	Results	Reclass (a)) <u>Card</u> (b)	Costs	Reserves	Policy Conformity	Adjustments (d)	Basis
REVENUE		_	_	_	_		_	
Investment Banking Fees	\$ 1,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,145
Trading Revenue	1,115	(264)	-	-	-	-	-	851
Lending & Deposit Related Fees	853	-	-	-	-	-	-	853
Asset Management, Administration and Commissions	2,723	-	-	-	-	-	-	2,723
Securities / Private Equity Gains (Losses)	(232)	-	-	-	-	-	-	(232)
Mortgage Fees and Related Income	155	-	-	-	-	-	-	155
Credit Card Income	1,402	-	(442)	-	-	-	-	960
Other Income	1,764						158	1,922
Noninterest Revenue	8,925	(264)	(442)	-	-	-	158	8,377
Net Interest Income	4,753	264	1,504				57	6,578
TOTAL NET REVENUE	13,678		1,062			<u> </u>	215	14,955
Provision for Credit Losses	1,224	-	1,062	-	-	-	-	2,286
NONINTEREST EXPENSE								
Compensation Expense	4,286	-	-	-	-	-	-	4,286
Occupancy Expense	645	-	-	-	-	-	-	645
Technology and Communications Expense	909	-	-	-	-	-	-	909
Professional & Outside Services	1,002	-	-	-	-	-	-	1,002
Marketing	385	-	-	-	-	-	-	385
Other Expense	1,064	-	-	-	-	-	-	1,064
Amortization of Intangibles	375	-	-	-	-	-	-	375
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	8,666	-	-	-	-	-	-	8,666
Merger Costs	77	_	_	(77)	_	_	-	-
Litigation Reserve Charge	(208)	-	-	-	208	-	-	-
TOTAL NONINTEREST EXPENSE	8,535			(77)	208	-	-	8,666
Income (Loss) before Income Tax Expense	3,919	-	-	77	(208)	-	215	4,003
Income Tax Expense (Benefit)	1,221	_	-	29	`(79)	-	215	1,386
NET INCOME (LOSS)	\$ 2,698	\$ -	\$ -	\$ 48	\$ (129)	\$ -	\$ -	\$ 2,617
FINANCIAL RATIOS								
Diluted Earnings per Share	\$ 0.76	\$ -	\$ -	\$ 0.01	\$ (0.04)	\$ -	\$ -	\$ 0.73
ROE	·	ψ - % - %	*	•	+ ()	-	,	
ROE-GW	17	- /0	- 70	- /	-	-	- /0	17
ROA	0.89	NM	- NM	- NM	- NM	- NM	- NM	0.82
Overhead Ratio	62	NM	NM	NM	NM	NM	NM	58
Effective Income Tax Rate	31	NM	NM	38	NM	NM	100	35
Enective income Tax Rate	31	INIVI	INIVI	36	INIVI	NIVI	100	ან

⁽a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽b) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$77 million reflects costs associated with the merger; nonoperating litigation recoveries of \$208 million were recorded in the fourth quarter of 2005.

⁽d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.



TH	IRD	OI	IΔR.	ΓFR	200

REVENUE Regults Regults Credits Condits Condits Accounting Accounting Tax Equipment Question REVENUE Investment Banking Fees \$ 98 \$ 0. \$							Special Items	s (d)		
Revenue							•	•		
Treating Review		Results	Reclass (b)	Card	(c) <u>Co</u>	sts	Reserves	Policy Conformity	Adjustments (e) Basis
Tanding Revenue										
Lending A Deposit Related Fees	•		*	\$ -	\$	-	\$ -	\$ -	\$ -	7
Asset Management, Administration and Commissions 2,628 1			(103)	-		-	-	-	-	
Securities / Private Equity Gains (Losses)		865	-	-		-	-	-	-	
Mortgage Fases and Realized Income		2,628	-	-		-	-	-	-	,
Professional Revenue			-	-		-	-	-	-	
Noninterest Revenue			-	-		-	-	-	-	
Not interest Income			-	(733)		-	-	-	-	
Net Interest Income						-		_		
TOTAL NET REVENUE 14,465 - 867 - - - 222 15,554 Provision for Credit Losses (a) 1,245 - 867 - - - 2,112 NONINTEREST EXPENSE - - - - - - 5,49 Coccupancy Expense 549 - - - - - 5,49 Technology and Communications Expense 899 - - - - - - 5,49 Technology and Communications Expense 899 - - - - - - 5,49 Technology and Communications Expense 899 - - - - - - - 5,49 Technology and Communications Expense 899 -	Noninterest Revenue	9,613	(103)	(733)		-	-	-	155	8,932
Noninterest Expense	Net Interest Income	4,852	103	1,600					67	6,622
NONINTEREST EXPENSE	TOTAL NET REVENUE	14,465		867		-			222	15,554
Compensation Expense	Provision for Credit Losses (a)	1,245	-	867		-	-	-	-	2,112
Occupancy Expense 549 - - - - - 549 Technology and Communications Expense 899 - - - - - - 1,018 - - - - - 1,018 - - - - - - - 1,018 -	NONINTEREST EXPENSE									
Technology and Communications Expense		5,001	-	-		-	-	-	-	
Professional & Outside Services	Occupancy Expense	549	-	-		-	-	-	-	549
Marketing 512 - - - - 512 - 512 - - 512 - 512 - 512 - 512 - 512 - 512 - 512 - 882 - - 882 - - - - 882 - - - - 882 -			-	-		-	-	-	-	
Other Expense 882 - - - - - - 882 Amortization of Intangibles 382 - - - - - - 382 Total Noninterest Expense before Merger Costs and Litigation Reserve Charge - </td <td></td> <td></td> <td>-</td> <td>-</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td>			-	-		-	-	-	-	
Amortization of Intangibles 382 - - - - - - 382 382 - 1014 Noninterest Expense before Merger Costs and Litigation Reserve Charge			-	-		-	-	-	-	
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge Service Cha			-	-		-	-	-	-	
Nerger Costs 221 - - (221) - - - - - - - - -						-				
Merger Costs		9,243	-	-		-	-	-	-	9,243
Litigation Reserve Charge		221	-	-		(221)	-	-	-	_
TOTAL NONINTEREST EXPENSE 9,464 - - (221) - - - 9,243			-	-		, ,	-	-	-	_
Income Tax Expense (Benefit) 1,229 - - 84 - - 222 1,535 NET INCOME (LOSS) \$ 2,527 \$ - \$ - \$ 137 \$ - \$ - \$ - \$ 222 1,535 PINANCIAL RATIOS		9,464				(221)		-	-	9,243
Income Tax Expense (Benefit) 1,229 - - 84 - - 222 1,535 NET INCOME (LOSS) 2,527 3 - 3 137 3 - 3 - 3 2,664 FINANCIAL RATIOS	Income (Loss) before Income Tax Expense	3,756	-	-		221	-	-	222	4,199
FINANCIAL RATIOS \$ 0.71 \$ - \$ - \$ 0.04 \$ - \$ - \$ 0.75 ROE 9 % - % -		1,229	-	-		84	-	-	222	1,535
Diluted Earnings per Share \$ 0.71 \$ - \$ - \$ 0.04 \$ - \$ - \$ 0.75 ROE 9 % - % -			\$ -	\$ -	\$		\$ -	\$ -		
Diluted Earnings per Share \$ 0.71 \$ - \$ - \$ 0.04 \$ - \$ - \$ 0.75 ROE 9 % - % -	FINANCIAL RATIOS									
ROE-GW 16 - - 1 - - - 17 ROA 0.84 NM NM NM NM NM NM NM NM 0.84 Overhead Ratio 65 NM NM NM NM NM NM NM NM 59	Diluted Earnings per Share	\$ 0.71	\$ -	\$ -	\$	0.04	\$ -	\$ -	\$ -	\$ 0.75
ROE-GW 16 - - 1 - - - 17 ROA 0.84 NM NM NM NM NM NM NM NM 0.84 Overhead Ratio 65 NM NM NM NM NM NM NM NM 59			% - %	-	%				% - 9	
Overhead Ratio 65 NM NM NM NM NM NM 59			-	-				-	-	
	ROA	0.84	NM	NM		NM	NM	NM	NM	0.84
	Overhead Ratio	65	NM	NM		NM	NM	NM	NM	59
	Effective Income Tax Rate	33	NM	NM		38	NM	NM	100	

⁽a) Includes a \$400 million special provision related to Hurricane Katrina allocated as follows: Retail Financial Services \$250 million, Card Services \$100 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.

%

⁽b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽c) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$221 million reflects costs associated with the merger.

⁽e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

SECOND QUARTER 2005

					Special Items	(c)		
	Reported	Trading	Credit	Merger	Litigation	Accounting	Tax Equivalent	Operating
	Results	Reclass (a)	Card (b)	Costs	Reserves	Policy Conformity	Adjustments (d)	Basis
<u>REVENUE</u>								
Investment Banking Fees	\$ 961	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 961
Trading Revenue	387	198	-	-	-	-	-	585
Lending & Deposit Related Fees	851	-	-	-	=	-	-	851
Asset Management, Administration and Commissions	2,541	-	-	-	-	-	-	2,541
Securities / Private Equity Gains (Losses)	407	-	-	-	-	-	-	407
Mortgage Fees and Related Income	336	-	-	-	-	-	-	336
Credit Card Income	1,763	-	(728)	-	-	-	-	1,035
Other Income	496						143	639
Noninterest Revenue	7,742	198	(728)	-	-	-	143	7,355
Net Interest Income	5,001	(198)	1,658				84	6,545
TOTAL NET REVENUE	12,743		930				227_	13,900
Provision for Credit Losses	587	-	930	-	-	-	-	1,517
NONINTEREST EXPENSE								
Compensation Expense	4,266	-	-	-	-	-	-	4,266
Occupancy Expense	580	-	-	-	-	-	-	580
Technology and Communications Expense	896	-	-	-	-	-	-	896
Professional & Outside Services	1,130	-	-	-	-	-	-	1,130
Marketing	537	-	-	-	-	-	-	537
Other Expense	954	-	-	-	-	-	-	954
Amortization of Intangibles	385							385
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	8,748	-	-	-	-	-	-	8,748
Merger Costs	279	-	-	(279)	-	-	-	-
Litigation Reserve Charge	1,872	-	-	`- ′	(1,872)	-	-	-
TOTAL NONINTEREST EXPENSE	10,899			(279)	(1,872)			8,748
Income (Loss) before Income Tax Expense	1,257	-	-	279	1,872	-	227	3,635
Income Tax Expense (Benefit)	263			106	711	<u> </u>	227	1,307
NET INCOME (LOSS)	\$ 994	\$ -	\$ -	\$ 173	\$ 1,161	\$ -	\$ -	\$ 2,328
FINANCIAL RATIOS								
Diluted Earnings per Share	\$ 0.28	\$ -	\$ -	\$ 0.05	\$ 0.33	\$ -	\$ -	\$ 0.66
ROE	4 9	6 - %	- %	1 9	% 4 9	% - %	- %	9 %
ROE-GW	6	-	-	1	8	-	-	15
ROA	0.34	NM	NM	NM	NM	NM	NM	0.75
Overhead Ratio	86	NM	NM	NM	NM	NM	NM	63
Effective Income Tax Rate	21	NM	NM	38	38	NM	100	36

⁽a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽b) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$279 million reflects costs associated with the merger; nonoperating litigation charges of \$1.9 billion were taken in the second quarter of 2005.

⁽d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

FIRST QUARTER 2005

Part					Special Items	(c)		
Part					•			
Security Security		Results	Reclass (a) Card	(b) <u>Costs</u>	Reserves	Policy Conformity	Adjustments (d)	Basis
Tading Revenue								
Landing & Deposit Related Fees		·	T T	\$ -	\$ -	\$ -	\$ -	•
Asset Management, Administration and Commissions 2,488 1			328 -	-	-	-	-	
Securities Private Equity Gains (Losses) 45				-	-	-	-	
Mortgage Fees and Related Income				-	-	-	-	
Professional Common				-	-	-	-	
Noninterest Revenue				-	-	-	-	
Net Interest Income 1,225 328 1,732		,	- (81	5) -	-	-		
Net Interest Income								
TOTAL NET REVENUE	Noninterest Revenue	8,422	328 (81	5) -	-	•	115	8,050
NONINTEREST EXPENSE	Net Interest Income	5,225	(328) 1,73				61	6,690
NONINTEREST EXPENSE	TOTAL NET REVENUE	13,647		7			176_	14,740
Compensation Expense	Provision for Credit Losses	427	- 91	7 -	-	-	-	1,344
Cocupancy Expense								
Pechsology and Communications Expense				-	-	-	-	
Professional & Outside Services				-	-	-	-	
Marketing 483 - - - - - - 483 - - - - - 483 - - - - - 483 - - - - 805 - 805 - - - - 805 - 805 - - - - 805 - 805 - - - - 805 - - 805 - - - - 805 -				-	-	-	-	
Other Expense 805 -				-	-	-	-	
Amortization of Intangibles 383 - - - - - - - 383 - - - - - - 383 - - - - - - 383 - - - - - - - - -				-	=	-	-	
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge Segret Charge				-	-	-	-	
Merger Costs						<u> </u>	<u> </u>	
Merger Costs 145 - - (145) -	•	8,892		-	-	-	-	8,892
Litigation Reserve Charge 900 - - (900) - - - - - - -								
TOTAL NONINTEREST EXPENSE 9,937 - - (145) (900) - - - 8,892				(145)	- ()	-	-	-
Income (Loss) before Income Tax Expense 3,283 - - 145 900 - 176 4,504 1,609 1,019 - 55 342 - 176 1,592 1,609 1,6							-	
Income Tax Expense (Benefit) 1,019 -	TOTAL NONINTEREST EXPENSE	9,937		(145)	(900)	-	<u> </u>	8,892
Income Tax Expense (Benefit) 1,019 -	Income (Loss) before Income Tax Expense	3,283		145	900	-	176	4,504
FINANCIAL RATIOS Diluted Earnings per Share \$ 0.63 \$ - \$ - \$ 0.03 \$ 0.15 \$ - \$ - \$ 0.81 ROE 9 % - % </td <td>Income Tax Expense (Benefit)</td> <td>1,019</td> <td></td> <td>55</td> <td>342</td> <td>-</td> <td>176</td> <td>1,592</td>	Income Tax Expense (Benefit)	1,019		55	342	-	176	1,592
Diluted Earnings per Share \$ 0.63 \$ - \$ - \$ 0.03 \$ 0.15 \$ - \$ - \$ 0.81 ROE 9 % - % - % 2 % - % 11 % ROE-GW 15 - - - 1 3 - - - 19 - 19 - - 19 - - 10 -	NET INCOME (LOSS)	\$ 2,264	\$ -	\$ 90	\$ 558	\$ -	\$ -	\$ 2,912
ROE 9 % - % - % - % 2 % - % - % - % 11 % ROE-GW 15 - 1 3 - 19 ROA 0.79 NM NM NM NM NM NM NM NM NM 0.96 Overhead Ratio 73 NM NM NM NM NM NM NM NM NM								
ROE-GW 15 - - 1 3 - - - 19 ROA 0.79 NM NM NM NM NM NM NM NM NM 0.96 Overhead Ratio 73 NM NM NM NM NM NM NM NM NM 60	Diluted Earnings per Share		•					
ROA 0.79 NM NM NM NM NM NM NM 0.96 Overhead Ratio 73 NM 60			% - % -	% -		% - %	% - %	
Overhead Ratio 73 NM NM NM NM NM NM NM 60				•		-	-	
		0.79						
Effective Income Tax Rate 31 NM NM 38 38 NM 100 35								
	Effective Income Tax Rate	31	NM N	M 38	38	NM	100	35

⁽a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽b) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$145 million reflects costs associated with the merger; nonoperating litigation charges of \$900 million were taken in the first quarter of 2005.

⁽d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

FOURTH QUARTER 2004

						Special Item	s (c)					
	Reported	Trading	Credit		rger	Litigation	Acc	ounting	Tax Equiva		Operating	
	Results	Reclass (a) <u>Card</u>	(b) <u>Co</u>	osts	Reserves	Policy	Conformity	Adjustme	nts (c	Basis	_
<u>REVENUE</u>												
Investment Banking Fees	\$ 1,073	\$ -	\$ -	\$	-	\$ -	\$	-	\$	-	\$ 1,073	
Trading Revenue	611	511	-		-	-		-		-	1,122	
Lending & Deposit Related Fees	903	-	-		-	-		-		-	903	
Asset Management, Administration and Commissions	2,330	-	-		-	-		-		-	2,330	
Securities / Private Equity Gains (Losses)	569	-	-		-	-		-		-	569	
Mortgage Fees and Related Income	85	-	-		-	-		-		-	85	
Credit Card Income	1,822	-	(786)		-	-		-		-	1,036	
Other Income	228		1		-			-		178	407	_
Noninterest Revenue	7,621	511	(785)		-	-		-		178	7,525	
Net Interest Income	5,329	(511)	1,796					-		10	6,624	_
TOTAL NET REVENUE	12,950		1,011		-			<u>-</u>		188	14,149	-
Provision for Credit Losses	1,157	-	1,011		-	-		(525)		-	1,643	
NONINTEREST EXPENSE												
Compensation Expense	4,211	-	-		-	-		-		-	4,211	
Occupancy Expense	609	-	-		-	-		-		-	609	
Technology and Communications Expense	1,051	-	-		-	-		-		-	1,051	
Professional & Outside Services	1,191	-	-		-	-		-		-	1,191	
Marketing	428	-	-		-	-		-		-	428	
Other Expense	981	-	-		-	-		-		-	981	
Amortization of Intangibles	392				-			-			392	_
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	8,863	-	-		-	-		-		-	8,863	
Merger Costs	523	-	_		(523)	_		-		_	_	
Litigation Reserve Charge	-	-	_		-	_		_		_	_	
TOTAL NONINTEREST EXPENSE	9,386	-			(523)	-		-		-	8,863	-
Income (Loss) before Income Tax Expense	2,407	-	-		523	-		525		188	3,643	
Income Tax Expense (Benefit)	741	-	-		199	-		199		188	1,327	
NET INCOME (LOSS)	\$ 1,666	\$ -	\$ -	\$	324	\$ -	\$	326	\$		\$ 2,316	=
FINANCIAL RATIOS												
Diluted Earnings per Share	\$ 0.46	\$ -	\$ -	\$	0.09	\$ -	\$	0.09	\$	-	\$ 0.64	
ROE	6	% - %	-	%	1 9	6 -	%	2 %	%	- %	6 9	9
ROE-GW	11	-	-		2	-		2		-	15	
ROA	0.57	NM	NM		NM	NM		NM		NM	0.75	
Overhead Ratio	72	NM	NM		NM	NM		NM		NM	63	
Effective Income Tax Rate	31	NM	NM		38	NM		38		100	36	

⁽a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽b) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$523 million reflects costs associated with the merger.

⁽d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

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						Special Items ('d)			
	Reported Results	Trading Reclass (b)	Credit Card	(c)	Merger Costs	Litigation Reserves	Accounting Policy Conformity	Tax Equivalent Adjustments	(e)	Operating Basis
REVENUE		` ,	· ·	`					_ ` ′ .	
Investment Banking Fees	\$ 4,088	\$ -	\$ -	\$; <u>-</u>	\$ -	\$ -	\$ -		\$ 4,088
Trading Revenue	5,860	159	-		-	- ·	· -	-		6,019
Lending & Deposit Related Fees	3,389	-	-		-	-	-	-		3,389
Asset Management, Administration and Commissions	10,390	-	-		-	-	-	-		10,390
Securities / Private Equity Gains (Losses)	473	-	-		-	-	-	-		473
Mortgage Fees and Related Income	1,054	-	-		-	-	-	-		1,054
Credit Card Income	6,754	-	(2,718)		-	-	-	-		4,036
Other Income	2,694	-	-		-	-	-	571		3,265
Noninterest Revenue	34,702	159	(2,718)		-	-	-	571	-	32,714
Net Interest Income	19,831	(159)	6,494	_	-			269	_	26,435
TOTAL NET REVENUE	54,533		3,776	_			<u> </u>	840	_	59,149
Provision for Credit Losses (a)	3,483	-	3,776		-	-	-	-		7,259
NONINTEREST EXPENSE										
Compensation Expense	18,255	-	-		-	_	-	_		18,255
Occupancy Expense	2,299	-	-		-	-	-	-		2,299
Technology and Communications Expense	3,624	-	-		-	-	-	-		3,624
Professional & Outside Services	4,224	-	-		-	-	-	-		4,224
Marketing	1,917	-	-		-	-	-	-		1,917
Other Expense	3,705	-	-		-	-	-	-		3,705
Amortization of Intangibles	1,525	-	-		-	-	-	-		1,525
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	35,549	-	-		-	-	-	-	-	35,549
Merger Costs	722	-	_		(722)	_	_	_		_
Litigation Reserve Charge	2,564	_	_		-	(2,564)	_	_		_
TOTAL NONINTEREST EXPENSE	38,835			_	(722)	(2,564)				35,549
				_	(/	(=,==)		-		
Income (Loss) before Income Tax Expense	12,215	-	-		722	2,564	-	840		16,341
Income Tax Expense (Benefit)	3,732	-	-		274	974	-	840		5,820
NET INCOME (LOSS)	\$ 8,483	\$ -	\$ -	\$	448	\$ 1,590	\$ -	\$ -	- ·	\$ 10,521
FINANCIAL RATIOS										
Diluted Earnings per Share	\$ 2.38	\$ -	\$ -	\$	0.13	\$ 0.44	\$ -	\$ -		\$ 2.95
ROE	8 %	T	T	%	- %			Ψ -	%	10 %
ROE-GW	14		_		1	2		-	,,	17
ROA	0.72	NM	NM		NM	NM	NM	NM		0.84
Overhead Ratio	71	NM	NM		NM	NM	NM	NM		60
Effective Income Tax Rate	31	NM	NM		38	38	NM	100		36
	J.									

⁽a) Full year 2005 includes a \$400 million special provision related to Hurricane Katrina allocated as follows: Retail Financial Services \$250 million, Card Services \$100 million, Commercial Banking \$35 million, Asset & Wealth Management \$3 million and Corporate \$12 million.

⁽b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽c) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$722 million reflects costs associated with the merger; nonoperating litigation charges of \$2.6 billion were taken for the full year 2005.

⁽e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.



FULL YEAR 2004 (a)

						Special Items	(d)						
	Reported	Trading	Credit		Merger	Litigation	Accounting		Tax Equivale			perating	
	Results	Reclass (b	o) <u>Card</u> ((c)	Costs	Reserves	Policy Conform	ity	Adjustment	<u> </u>	;)	Basis	
REVENUE													
Investment Banking Fees	\$ 3,537	\$ -	\$ -	\$	-	\$ -	\$ -		\$ -		\$	3,537	
Trading Revenue	3,612	1,950	-		-	-	-		•			5,562	
Lending & Deposit Related Fees	2,672	-	-		-	-	-		-			2,672	
Asset Management, Administration and Commissions	8,165	-	-		-	-	-		•			8,165	
Securities / Private Equity Gains (Losses)	1,874	-	-		-	-	-		-			1,874	
Mortgage Fees and Related Income	806	-	-		-	-	-		•			806	
Credit Card Income	4,840	-	(2,267)		-	-	-		-			2,573	
Other Income	830		(86)		-			18		17		1,179	
Noninterest Revenue	26,336	1,950	(2,353)		-	-	1	18	3	17		26,368	
Net Interest Income	16,761	(1,950)	5,251							6		20,068	
TOTAL NET REVENUE	43,097		2,898				1	18_	3	23_		46,436	
Provision for Credit Losses	2,544	-	2,898		-	-	(8	58)				4,584	
NONINTEREST EXPENSE													
Compensation Expense	14,506	-	-		-	-	-		-			14,506	
Occupancy Expense	2,084	-	-		-	-	-		-			2,084	
Technology and Communications Expense	3,702	-	-		-	-	-					3,702	
Professional & Outside Services	3,862	-	-		-	-	-		-			3,862	
Marketing	1,335	-	-		-	-	-					1,335	
Other Expense	2,859	-	-		-	-	-					2,859	
Amortization of Intangibles	946				<u> </u>		-					946	
Total Noninterest Expense before Merger Costs and Litigation Reserve Charge	29,294	-	-		-	-	-					29,294	
Merger Costs	1,365	-	_		(1,365)	-	-					-	
Litigation Reserve Charge	3,700	-	_		-	(3,700)	_		-			-	
TOTAL NONINTEREST EXPENSE	34,359	-			(1,365)	(3,700)	-			_		29,294	
Income (Loss) before Income Tax Expense	6,194	-	-		1,365	3,700	9	76	3	23		12,558	
Income Tax Expense (Benefit)	1,728	-	_		519	1,406	3	71	3	23		4,347	
NET INCOME (LOSS)	\$ 4,466	\$ -	\$ -	\$	846	\$ 2,294		05			\$	8,211	
FINANCIAL RATIOS													
Diluted Earnings per Share	\$ 1.55	\$ -	\$ -	\$	0.30	\$ 0.80	\$ 0.	21	\$ -		\$	2.86	
ROE		% - %	6 - 9	%	1 9		%	1 %		. %	ó		%
ROE-GW	9	-	-		2	4		1				16	
ROA	0.46	NM	NM		NM	NM	N	M	1	M		0.81	
Overhead Ratio	80	NM	NM		NM	NM	N	М	1	M		63	
Effective Income Tax Rate	28	NM	NM		38	38		38	1	00		35	

⁽a) Includes six months of the combined Firm's results and six months of heritage JPMorgan Chase results.

⁽b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽c) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$1.4 billion reflects costs associated with the merger; nonoperating litigation charges of \$3.7 billion were taken for the full year 2004.

⁽e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

PRO FORMA FULL YEAR 2004 (a)

					Special Items	(d)		
	Reported Results	Trading Reclass (t	Credit	Merger c) Costs	Litigation Reserves	Accounting Policy Conformity	Tax Equivalent Adjustments (e	Operating) Basis
REVENUE			, \	· ——				·
Investment Banking Fees	\$ 3,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,635
Trading Revenue	3,764	1,950	-	-	-	-	-	5,714
Lending & Deposit Related Fees	3,744	-	-	-	-	-	-	3,744
Asset Management, Administration and Commissions	9,177	-	-	-	-	-	-	9,177
Securities / Private Equity Gains (Losses)	1,972	-	-	-	-	-	-	1,972
Mortgage Fees and Related Income	827	-	-	-	-	-	-	827
Credit Card Income	6,846	-	(3,094)	-	-	-	-	3,752
Other Income	1,210		(86)			118_	572	1,814
Noninterest Revenue	31,175	1,950	(3,180)	-	-	118	572	30,635
Net Interest Income	21,366	(1,950)	7,801			<u> </u>	(92)	27,125
TOTAL NET REVENUE	52,541		4,621			118	480	57,760
Provision for Credit Losses	2,727	-	4,621	-	-	(858)	-	6,490
NONINTEREST EXPENSE								
Compensation Expense	17,055	-	-	-	-	-	-	17,055
Occupancy Expense	2,403	-	-	-	-	-	-	2,403
Technology and Communications Expense	4,046	-	-	-	-	-	-	4,046
Professional & Outside Services	4,597	-	-	-	-	-	-	4,597
Marketing	1,944	-	-	-	-	-	-	1,944
Other Expense	3,823	-	-	-	-	-	-	3,823
Amortization of Intangibles	1,571							1,571
Total Noninterest Expense before Merger Costs and	35,439	-	-	-	-	-	-	35,439
Litigation Reserve Charge								
Merger Costs	1,365	-	-	(1,365)		-	-	-
Litigation Reserve Charge	3,700				(3,700)			
TOTAL NONINTEREST EXPENSE	40,504			(1,365)	(3,700)			35,439
Income (Loss) before Income Tax Expense	9,310	-	-	1,365	3,700	976	480	15,831
Income Tax Expense (Benefit)	2,766			519	1,406	371	480	5,542
NET INCOME (LOSS)	\$ 6,544	<u>\$ -</u>	<u>\$ -</u>	\$ 846	\$ 2,294	\$ 605	\$ -	\$ 10,289
FINANCIAL RATIOS								
Diluted Earnings per Share	\$ 1.81	\$ -	\$ -	\$ 0.24	\$ 0.63	\$ 0.17	\$ -	\$ 2.85
ROE	6 %	6 - 9	% - 9	% 1	% 2 9	% 1 9	· - %	10 %
ROE-GW	11	-	-	1	4	1	-	17
ROA	0.58	NM	NM	NM	NM	NM	NM	0.85
Overhead Ratio	77	NM	NM	NM	NM	NM	NM	61
Effective Income Tax Rate	30	NM	NM	38	38	38	100	35

⁽a) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

⁽b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.

⁽c) The impact of credit card securitizations affects Card Services. See page 19 for further information.

⁽d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of \$1.4 billion reflects costs associated with the merger; nonoperating litigation charges of \$3.7 billion were taken for the full year 2004.

⁽e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.