JANUARY 18, 2006

FINANCIAL RESULTS

Fourth Quarter 2005

JPMorganChase

Agenda

- ***Firm results - 4Q***
- 2006 Outlook
- Appendix

Fourth Quarter 2005 Earnings

- Operating earnings per share of $0.73
- Card results reflect impact of new bankruptcy legislation
- Investment Bank – strong IB fees; weak trading results
- Retail Financial Services - good deposit and account growth
- Strong earnings growth in Commercial Banking, Treasury & Securities Services and Asset & Wealth Management
- Merger savings at $2.2bn annualized run rate
- Capital strength with Tier 1 estimate of 8.5%
  - Stock buyback: $1bn in 4Q05

4Q05 Earnings Comparison

($ in millions, except per share)	4Q05	3Q05	4Q04
Reported Net Income	$2,698	$2,527	$1,666
Non-Operating Charges (after-tax)	(81)	137	650
Operating Earnings	$2,617	$2,664	$2,316
Reported EPS	$0.76	$0.71	$0.46
Operating EPS	$0.73	$0.75	$0.64

Non-Operating Charges (After-Tax)

	4Q05	3Q05	4Q04
Merger Costs	$48	$137	$324
Litigation Expense	(129)	0	0
Card Decertification	0	0	447
Conforming Allowance	0	0	(121)
Total	($81)	$137	$650

4Q05 Significant Operating Items

($ in millions)	Pre-tax	After-Tax Per Share	Line of Business
Gain on sale of BrownCo	$1,254	$0.21	Corporate
Impact of bankruptcy law	(650)	(0.11)	Card Services
Capital losses:			
Treasury portfolio repositioning	(547)	(0.10)	Corporate
Hybrid ARMs mark to market	(120)	(0.02)	Retail Financial Services
Accelerated vesting of out-of-money options	(145)	(0.03)	Corporate
Reduction in wholesale allowance	132	0.02	IB/CB/TSS/AWM

4Q05 Operating Performance Comparison

($ in millions)	4Q05	$ O/(U) 3Q05	$ O/(U) 4Q04	% O/(U) 3Q05	% O/(U) 4Q04
Revenue (FTE)[1]	$14,955	($599)	$806	(4%)	6%
Credit Costs[1]	2,286	174	643	8%	39%
Expense	8,666	(577)	(197)	(6%)	(2%)
Earnings	$2,617	($47)	$301	(2%)	13%
EPS	$0.73	($0.02)	$0.09	(3%)	14%

Quarterly Results[2]	4Q05	3Q05	4Q04
Return on Equity	10%	10%	9%
Return on Equity-Net of GW	17%	17%	15%

[1] Operating basis excludes merger costs, litigation charges deemed non-operating, card decertification and accounting policy conformity adjustments incurred in 4Q05, 3Q05 and 4Q04 and presents revenues and credit costs without the effect of credit card securitizations. All references to credit costs refer to managed provision for credit losses

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

LOB Operating Earnings Comparison

		$ O/(U)		% O/(U)	
($ in millions)	4Q05	3Q05	4Q04	3Q05	4Q04
Investment Bank	$664	($399)	$4	(38%)	1%
Retail Financial Services	803	147	28	22%	4%
Card Services	302	(239)	(213)	(44%)	(41%)
Commercial Banking	289	(12)	35	(4%)	14%
Treasury & Securities Services	300	37	155	14%	107%
Asset & Wealth Management	342	27	79	9%	30%
Corporate	(83)	392	213	83%	72%
Total Firm	$2,617	($47)	$301	(2%)	13%

Investment Bank

($ in millions)	4Q05	$O/(U) 3Q05	$O/(U) 4Q04
Revenue	$3,187	($1,274)	($14)
Investment Bkg. Fees	1,161	176	81
Fixed Income Mkts	1,104	(1,327)	(426)
Equities Markets	458	(255)	215
Credit Portfolio	464	132	116
Credit Costs	(83)	(37)	90
Expense	2,161	(714)	(229)
Earnings	$664	($399)	$4
Key Statistics[1]			
ROE	13%	21%	13%
Overhead	68%	64%	75%
Comp./Rev.	34%	42%	43%
VAR ($mm)[2]	$95	$86	$79

[1] Actual numbers for all periods, not over/under
[2] Average Trading and Credit Portfolio VAR

- Earnings of $664mm flat YoY and down 38% from strong 3Q
- IB fees of $1.2 billion are highest since 1Q00, driven primarily by strong advisory and equity underwriting fees
- Fixed Income Markets reflect weak trading results primarily from poor positioning in U.S. interest rate and commodities markets
- Equities Markets reflect improvement from prior year trading loss, although lower than a strong 3Q
- Credit Portfolio reflects higher gains from loan workouts; credit costs continue to benefit from strong credit quality
- Q4 Compensation to Revenue ratio of 34% reflects year-end adjustments which resulted in a full year ratio of 40%

	2005 Rank	2005 Share	2004 Rank	2004 Share
Global Announced M&A	#3	24%	#3	24%
Global Syndicated Loans	#1	16%	#1	19%
Global Debt, Equity and Equity-Related	#4	6%	#3	7%
Global Long Term Debt	#4	6%	#2	7%
Global Equity and Equity-Related	#6	7%	#6	6%

Source: Thomson Financial

Retail Financial Services – Business Drivers

	4Q05	3Q05	4Q04
Consumer & Small Business			
Checking Accts (MM)[1]	8.8	8.7	8.1
# of Branches	2,641	2,549	2,508
# of ATMs	7,312	7,136	6,650
Avg Total Deposits ($B)	$177.4	$174.2	$171.8
Overhead	66%	66%	65%
Home Finance ($B)			
Mortgage loan originations	$31.9	$39.3	$32.4
3rd party mortgage loans serviced	$467.5	$450.3	$430.9
Home equity originations	$12.1	$14.3	$12.0
Avg mortgage loans retained	$46.6	$47.6	$44.6
Avg home equity & other loans owned	$73.0	$71.8	$70.1
Net charge-off rate	0.12%	0.13%	1.57%
Auto & Education Finance			
Avg loan & lease related assets ($B)	$50.8	$52.1	$62.6
Net charge-off rate	0.66%	0.56%	0.65%

[1] Prior period amounts have been restated to reflect inactive accounts that should have been closed during those periods

- Key metrics growth YoY
  - Checking accounts up 8%
  - Average total deposits up 3%
  - Branch sales of credit cards up 47%
  - Branch sales of mortgage loans up 107%
- Distribution growth this quarter
  - Opened 99 new branches
  - ATMs increased by 176
  - Personal bankers in the branches increased by 348
  - Retail mortgage salesforce up 121
- Credit trends remain good
  - Still reviewing exposures in Katrina-affected areas

Retail Financial Services

($ in millions)	4Q05	$ O/(U) 3Q05	$ O/(U) 4Q04
Revenue	$3,594	$4	$49
Credit Costs	158	(220)	80
Expense	2,141	(15)	(74)
Earnings	$803	$147	$28
ROE[1]	23%	19%	24%

($ in millions, after-tax)	*4Q05*	*$ O/(U) 3Q05*	*$ O/(U) 4Q04*
Earnings	*$803*	*$147*	*$28*
Less: Katrina provision	*- -*	*155*	*- -*
Less: Portfolio Repositioning[2]	*(74)*	*(47)*	*(101)*
Less: MSR risk mgmt results	*30*	*54*	*146*
Adjusted earnings	*$847*	*($15)*	*($17)*

($ in millions, after-tax)	*4Q05*	*$ O/(U) 3Q05*	*$ O/(U) 4Q04*
Adjusted Earnings	*$847*	*($15)*	*($17)*
Consumer & Small Bus.	*414*	*2*	*(16)*
Home Finance	*311*	*(35)*	*(17)*
Auto & Ed.Finance	*87*	*1*	*3*
Insurance	*35*	*17*	*13*

- Consumer & Small Business
  - Good deposit growth with some margin compression as expected
- Home Finance
  - Decline in Prime Mortgage QoQ due to seasonality and market
  - Decrease in Home Equity originations QoQ due to rate environment

[1] Actual numbers for all periods, not over/under
[2] Portfolio repositioning includes the following pre-tax items:
- 4Q05: Hybrid ARM mark-to-market of ($120)mm
- 3Q05: Loss on transfer of auto loans to held-for-sale of ($43)mm
- 4Q04: Gain on sale of Manufactured Housing of $95mm and Hybrid ARM mark-to-market of ($52)mm

Card Services (Managed)

($ in millions)	4Q05	$O/(U) 3Q05	$O/(U) 4Q04
Revenue	$3,721	($259)	($109)
Credit Costs	2,236	403	501
Expense	1,017	(269)	(265)
Earnings	$302	($239)	($213)
Key Statistics[1]			
ROE	10%	18%	17%
ROO (Pre-tax)	1.34%	2.48%	2.45%
Managed Margin	8.14%	8.55%	8.79%
Net Charge-Off Rate	6.39%	4.70%	5.24%
30 Day Delinquency Rate	2.79%	3.39%	3.70%
Avg Outstandings ($B)	$138.9	$137.8	$131.8
Charge Volume ($B)	$79.6	$76.4	$75.3
Net Accts Opened (MM)	12.5	3.0	2.7

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

- Earnings of $302mm down 41% YoY
- New bankruptcy legislation negatively impacted pre-tax earnings by $650 million, primarily through higher credit costs, but also through reversal of revenue
- New merchant services agreement results in deconsolidation of Paymentech driving decreases in revenue, expense and pre-tax earnings; no bottom line impact
- Purchased Sears Canada credit card operation adding 9.7 million new accounts and $1.2 billion in average outstandings

Card Services (Managed)

Adjusted for Paymentech deconsolidation and Bankruptcy

($ in millions)	4Q05	3Q05	4Q04	$ O/(U) 3Q05	$ O/(U) 4Q04
Revenue	$3,721	$3,980	$3,830	($259)	($109)
Bankruptcy estimate	*75*	- -	- -		
Paymentech deconsolidation	- -	*(151)*	*(146)*		
Adjusted Revenue	**$3,796**	**$3,829**	**$3,684**	**($33)**	**$112**
Adjusted Managed Margin	**8.36%**	**8.53%**	**8.78%**		
Credit Costs	$2,236	$1,833[1]	$1,735	$403	$501
Bankruptcy estimate	*(575)*	*(100)*	- -		
Adjusted Credit Costs	**$1,661**	**$1,733[1]**	**$1,735**	**($72)**	**($74)**
Expense	$1,017	$1,286	$1,282	($269)	($265)
Paymentech deconsolidation	- -	*(134)*	*(129)*		
Adjusted Expense	**$1,017**	**$1,152**	**$1,153**	**($135)**	**($136)**
Pretax Earnings	$468	$861	$813	($393)	($345)
Bankruptcy estimate	*650*	*100*	- -		
Paymentech deconsolidation	- -	*(17)*	*(17)*		
Adjusted Pretax Earnings	**$1,118**	**$944**	**$796**	**$174**	**$322**
Earnings	$302	$541	$515	($239)	($213)
Adjusted Earnings	**$715**	**$605**	**$515**	**$110**	**$200**
ROO	**1.34%**	**2.48%**	**2.45%**		
Adjusted ROO	**3.19%**	**2.72%**	**2.40%**		

[1] Includes $100mm of Katrina-related provision taken in 3Q05

- Revenue up YoY driven by higher loan balances and charge volume, partially offset by lower spread. Continued margin compression QoQ
- Credit Costs
  - $575mm management estimate of bankruptcy impact in 4Q05
  - Loan loss allowance unchanged
- Expense down YoY and QoQ due to merger savings. QoQ decline also driven by lower marketing expense

Commercial Banking

($ in millions)	4Q05	$O/(U) 3Q05	$O/(U) 4Q04
Revenue	$937	$28	$52
Middle Market	611	19	40
Mid-Corporate Banking	147	7	5
Real Estate	141	(2)	8
Other	38	4	(1)
Credit Costs	(17)	29	(38)
Expense	480	19	29
Earnings	$289	($12)	$35
Key Statistics[1]			
ROE	34%	35%	30%
Overhead	51%	51%	51%
Net Charge-Off Rate	0.15%	0.05%	0.35%
Avg Loans & Leases ($B)	$54.2	$51.8	$50.5
Avg Liability Balances[2] ($B)	$76.7	$72.7	$69.4

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

- Earnings of $289mm up 14% YoY
- Loans up 7% YoY and 5% QoQ
  - Solid growth across all segments
- Liability balances up 11% YoY as a result of continued growth in Middle Market sweeps and Real Estate
- Record revenue of $937mm up 6% YoY driven by wider spreads and higher volume related to liability balances and increased loans across all businesses, partially offset by narrower loan spreads

Treasury & Securities Services

($ in millions)	4Q05	$O/(U) 3Q05	$O/(U) 4Q04
Revenue	$1,615	$59	$202
Treasury Services	674	26	32
Investor Services	567	31	113
Institutional Trust Svcs	374	2	57
Expense	1,104	(3)	(42)
Earnings	$300	$37	$155
Key Statistics[1]			
ROE	63%	55%	30%
Pre-tax Margin	29%	26%	16%
TSS Firmwide Revenue	$2,308	$2,214	$2,009
TSS Firmwide OH Ratio	59%	62%	69%
TS Firmwide Revenue	$1,367	$1,306	$1,238
Avg. Liability Balances ($B)[2]	$171.5	$166.8	$147.8
Assets under Custody ($T)[3]	$11.2	$11.0	$9.3
Corp. Trust Securities under Admin ($T)	$6.8	$6.7	$6.7

[1] Actual numbers for all periods, not over/under
[2] Includes deposits and deposits swept to on-balance sheet liabilities
[3] Includes an estimated $400 billion of assets under custody from ITS as of 3/31/2005 and an additional estimated $130 billion as of 9/30/2005
[4] Excludes ITS assets under custody

- Record earnings of $300mm
  - Up 107% YoY and 14% QoQ
- Liability balances up 16% YoY; Assets under custody up 15% YoY[4]
- Revenue up 14% YoY primarily driven by increased product volume and market appreciation, wider liability balance spreads, higher liability balances and the impact of the Vastera acquisition
- Expense down 4% YoY
  - Pre-tax margin of 29%

Asset & Wealth Management

($ in millions)	4Q05	$O/(U) 3Q05	$O/(U) 4Q04
Revenue	$1,511	$62	$201
Credit Costs	(10)	9	11
Expense	1,033	57	114
Earnings	$342	$27	$79
Key Statistics[1]			
ROE	57%	52%	44%
Pre-tax Margin	32%	34%	31%
Assets under Supervision($B)	$1,149[2]	$1,153	$1,106
Assets under Mgmt($B)	$847	$828	$791
Average Loans ($B)	$26.7[3]	$26.9	$26.0
Average Deposits ($B)	$44.2[3]	$41.5	$43.4

[1] Actual numbers for all periods, not over/under
[2] Excludes BrownCo assets under supervision for 4Q05, while prior periods include them
[3] Includes two months of BrownCo

- Earnings of $342mm
  - Up 30% YoY and 9% QoQ
- Assets under management up 7% YoY; Net asset inflows driven by retail flows from third party distribution primarily in equity-related products, as well as institutional flows in liquidity products
- Closed sale of BrownCo on Nov. 30th

Corporate

($ in millions)	4Q05	$O/(U) 3Q05	4Q04
Earnings by Unit			
Private Equity	$121	($20)	($118)
Treasury ex sec. gains/(losses)	(235)	38	45
Other Corporate ex. BrownCo	(382)	(66)	(79)
Total ex. sec. g/(l) & BrownCo	($496)	($48)	($152)
Securities gains/(losses)	*(339)*	*(312)*	*(387)*
Gain on sale of BrownCo	*752*	*752*	*752*
Total	($83)	$392	$213
Balance sheet ($B)[1]			
Avg. Treasury Invst Portfolio	$37.8	$39.4	$63.4
EOP Private Equity Portfolio	$6.2	$5.9	$7.5

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

- Private Equity
  - Gains of $289mm
  - Portfolio of $6.2bn at year end
- Treasury excluding securities gains/(losses) shows modest improvement as expected
- Other Corporate includes:
  - $1.3bn pre-tax gain on sale of BrownCo
  - $145mm pre-tax impact of accelerated vesting of out-of-money options
  - $55mm tax benefit related to the American Jobs Creation Act

Capital Strength

	4Q05	3Q05	4Q04
Capital/Balance Sheet ($B)[1]			
Tier 1 capital	$72.5	$70.7	$68.6
Risk weighted assets	$849.9	$866.3	$791.4
Tier 1 capital ratio	8.5%	8.2%	8.7%
Total capital ratio	12.1%	11.3%	12.2%
Leverage ratio	6.3%	6.2%	6.2%
Common shareholders' equity less goodwill	$63.5	$62.4	$62.1
Tangible common equity	$55.1	$53.6	$51.7
TCE/Managed RWA	6.1%	5.9%	6.2%
Common Dividends ($MM)			
Dividends Paid	$1,198	$1,206	$1,223
Share Repurchase			
Shares Repurchased (MM)	26.3[2]	14.4	15.8
Purchase Cost ($MM)	$1,000[2]	$500	$600

1 Estimated for 4Q05

2 There is $1.9B remaining capacity from the $6B authorized by the Board in July 2004.

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  - ***Overview***
  - Lines of Business
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2006 Highlights and Observations

- Comments assume steady-state economy and implied rate curve
- Wholesale credit costs trend more toward normalized levels during 2006
- On track to achieve $3.0 billion in merger savings
- Business as usual expense management – ongoing waste-cutting & investing

Comments on Expense

($ in millions)	Proforma 2004	2005	% Change O/(U) 2005 vs. 2004
Total firm expense	$35,439	$35,549	0.3%
Expense (ex. IB total comp)	30,326	29,764	(1.9%)

- Expense excluding IB total compensation expected to be flat to 2005
- Merger savings will reach annualized run-rate of $2.8 billion in 4Q06
- Quality expense growth
  - Acquisitions (Sears Canada – 4Q05, Collegiate Funding Services- est. 1Q06)
  - New branches
  - Marketing

Selected Expense Components

($ in millions)	Proforma 2004	2005	$ Change O/(U) 2005 vs. 2004
Expense (ex. IB total comp)	$30,326	$29,764	($562)
Less: Merger savings	*(400)*	*(1,875)*	
Less: Acquisitions[1]	*0*	*800*	
Adjusted expense (ex. IB total comp)	$30,726	$30,839	$113

[1] Includes Highbridge, Cazenove, Vastera and Sears Canada.

Comments on Capital

- Continue to build fortress balance sheet
- Tier 1 capital target above 8%
  - 12/31/05 Tier 1 estimate of 8.5%
- Excess capital generation creates capital flexibility
  - Dividend payout target: 30-40%
  - Stock buyback: $3.4 bn in 2005
  - Investments in the business
- Modest increase in risk-weighted assets and risk profile

Allocated Capital by Line of Business

Allocated Capital[1] ($B)	4Q05	Estimated 1Q06	Key rationale[2]
Investment Bank	$20.0	$20.0	Net asset leverage
Retail Financial Services	13.7	13.5	Tier 1
Card	11.8	14.0	Managed receivables leverage
Commercial Banking	3.4	5.5	Tier 1
Treasury & Securities Services	1.9	2.5	Competitor comparison
Asset & Wealth Management	2.4	3.5	Competitor comparison/Tier 1
Corporate[3]	10.3	5.5	Unallocated & excess capital
Common shareholders' equity less goodwill	$63.5	$64.5	

[1] Businesses receive NII credit on allocated capital
[2] Represents principal factor for each LOB. Many other factors were taken into account to determine appropriate capital requirements
[3] Corporate includes capital allocated to private equity and unallocated capital

- LOB equity represents common shareholders' equity less goodwill
- Amount of capital for LOB's required to support standalone "A" rating
- Changes in LOB capital will be deliberate management decision

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Investment Bank

Performance Target

- 20% ROE on $20 billion in equity
  - Strive to achieve by 2007

2006 Outlook

- Strong IB fee pipeline entering 2006
- Better trading revenues in 2006 than 2005; reduced volatility
- Continued benefit from growth initiatives
- Decline in Credit Portfolio revenues and higher credit costs
- 43% compensation/revenue ratio is a reasonable expectation
  - Appropriate versus peers
- Expense excluding incentives reflect net investments

Retail Financial Services

Performance Targets

- Retail Financial Services
  - 28-30% ROE with volatility
    - Strive to achieve by 2007
  - 50% Overhead Ratio (ex.CDI)
    - Pressure from ramp-up in new builds

- Community Banking
  - New segment; comparable to peers
  - Will include branches, small business, loan portfolio and education
  - Managed against Overhead Ratio

- Mortgage – managed against ROE

- Auto – managed against ROE

2006 Outlook

- Revenue improvement
  - NII runs flat to 4Q05; deposit margin remains under pressure
  - Fee revenue up in branches and mortgage
  - No MSR risk management revenue planned

- Credit stable
  - Still monitoring Katrina-related exposure

- Expense up modestly from 2005 level
  - Continued investment in build-out of branches and mortgage business

Card Services

Performance Targets

- 3.5% +/- Pre-tax ROO
  - Min pay is a big 2006 swing factor
  - Substantial progress in 2006; strive to achieve in 2007
- 20% ROE through the cycle
- As nature of business changes, will convert more to ROE target

2006 Outlook

- Expect outstandings and charge volume growth
  - Depends on environment and competition
- Charge-offs improve in first half from bankruptcy benefit, partially offset by min pay impact in the second half
- Expense to increase modestly with full year impact of Sears Canada acquisition and continued marketing spend
- Full annual effect of Paymentech deconsolidation in 2006

Commercial Banking

Performance Target

- 50% Overhead Ratio
- Strive to achieve by end of 2006

2006 Outlook

- Continued growth in loan and liability balances; pressure on lending spreads
- Credit costs trend more toward normal
- Slight increase in expense

Treasury & Securities Services

Performance Target

- 35% Pre-tax Margin
- Substantial progress in 2006; strive to achieve in 2007

2006 Outlook

- Slower liability balance growth
- Continued growth in noninterest revenue
- Stable expense base - - continue to realize efficiencies

Asset & Wealth Management

Performance Target

- 35% Pre-tax Margin while investing for growth
- Strive to achieve by end of 2006

2006 Outlook

- Continued inflows expected to drive AUM growth
- Expense to increase due to ongoing investments in growth areas
- Credit costs trend to more normal levels
- 2006 does not include BrownCo

Corporate

2006 Outlook

- Private Equity
  - $300mm/qtr in private equity gains is a reasonable expectation ($1,691mm in 2005)
  - Hard to predict; market-driven; will be lumpy
- Treasury
  - Treasury NII of ($1.7)bn in 2005 improves by approximately $400mm
  - Lumpy but gradual improvement
  - 2006 NII exit rate of approximately ($1.0)bn
- Other Corporate
  - ($1.3)bn operating net loss excluding BrownCo in 2005
  - Improves by $500mm+ in 2006; very lumpy but gradual improvement
  - Includes central tech & ops retained expense, vacant excess real estate, other unallocated corporate expense, pension and other corporate assets and related accounting, etc.

2006 Tech & Ops Major Initiatives

Conversion

- Tri-state market integration (est. Consumer: 3Q06; Wholesale: mid 2007)
  - Lending platforms
  - Deposit systems
  - Check processing
  - Treasury platforms
  - Retail channels
- Insource core Card processing
- Commercial lending platform conversions
- Strategic Data Center migrations
- Network refresh of major processing centers and large corporate business hubs
- Domestic/Operational general ledger conversions
- Corporate Internet Group
  - BankOne.com customer migration
  - CardMemberServices.com customer migration
  - Insource Private Bank Morgan Online (MOL)
  - Customer portal for Treasury Services and Commercial Bank

Investments

- Investment Bank:
  - Credit infrastructure transformation
  - Global equities cash expansion
  - Prime brokerage initiatives
- Retail Financial Services:
  - Upgrade Loan Origination Systems
  - Implement new mortgage servicing system
- Treasury & Securities Services:
  - Global Client Access Stability/Scalability (TS)
  - International expansion – Mass Payments (TS)
  - Alternative Investment Platform (WSS)
  - Views Portfolio Reporting (WSS)
- Expand offshore staffing capabilities

Conclusions

- Balance sheet continues to strengthen
  - Better capital generation looking forward
  - Less legal uncertainty
- Good expense control while investing for growth
- Strong management team
- World-class franchises
- Tremendous progress on conversions, technology, branding
- Still a lot of work to do

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Comments on Revenue

- Higher NII in 2006
  - Reduced IB non-trading NII
  - NII in RFS flat on average to 4Q05; deposit margin remains under pressure
  - Growth in Card NII on higher outstandings
  - Improvement in Treasury margin
- Noninterest revenue growth across most LOBs
  - IB trading – expect to do better in 2006 than 2005; reduced volatility
  - Reduction in IB Credit Portfolio
- Private equity gains
  - $300mm/qtr is a reasonable expectation
  - Hard to predict; market-driven; will be lumpy
- Do not plan for MSR risk management or treasury securities gains or losses

Comments on Credit

Net Charge-off Rate (%)	Proforma 2004	2005	Approximate through the Cycle	2006 Comments
Investment Bank	0.06%	(0.29%)	1.00%	Moves to normal, but not in 2006
Commercial Banking	0.12%	0.05%	0.65%	Moves to normal, but not in 2006
Card Services[a]	5.28%	5.21%	5.25%	Improved 1H; 2H tbd – min pay
Retail Financial Services				
Home Finance	0.65%	0.13%	0.33%	Trends to more normal loss levels
Auto Finance (incl. Educ.)	0.61%	0.54%	0.75%	Trends to more normal loss levels
Consumer and Small Bus.	1.24%	0.98%	1.30%	Trends to more normal loss levels

Note: All ratios exclude impact of loans held for sale
(a) Card is shown on a managed basis (excludes impact of securitizations)

($ in millions)	2004[1]	2005
Net Charge-offs	$8,209	$7,595
Change in Allowance	($1,719)	($336)
Credit Costs	$6,490	$7,259

[1] *Proforma Basis*

Allowance for loan losses/loans	12/31/05
Wholesale	1.85%
Retail Financial Services	0.75%
Card	4.56%

Corporate

($ in millions)	Private Equity 2004[1]	Private Equity 2005	Treasury 2004[1]	Treasury 2005	Other Corporate 2004[1]	Other Corporate 2005	Total 2004[1]	Total 2005
Revenue (adjusted)								
Securities/Private Equity Gains (Losses)	$1,466	$1,691	- -	- -	$11	$11	$1,477	$1,702
Other Income	49	40	95	(95)	250	202	394	147
Noninterest Revenue	1,515	1,731	95	(95)	261	213	1,871	1,849
Net Interest Income	(370)	(209)	(748)	(1,674)	(652)	(853)	(1,770)	(2,736)
Revenue (adjusted)	1,145	1,522	(653)	(1,769)	(391)	(640)	101	(887)
Expense (adjusted)								
Gross Expense	251	218	141	35	7,366	7,105	7,758	7,358
Allocations	58	26	78	80	(5,894)	(5,449)	(5,758)	(5,343)
Net Expense (adjusted)	309	244	219	115	1,472	1,656	2,000	2,015
Operating Earnings (adjusted)	**546**	**821**	**(551)**	**(1,094)**	**(850)**	**(1,279)**	**(855)**	**(1,552)**
Treasury Portfolio Repositioning	- -	- -	222	(931)	- -	- -	222	(931)
BrownCo sale	- -	- -	- -	- -	- -	752	- -	752
Operating Earnings	**$546**	**$821**	**(329)**	**(2,025)**	**($850)**	**($527)**	**($633)**	**(1,731)**

[1] On a proforma basis

2005 Significant Items[1]

($ in millions)	Pre-tax	Line of Business
Private equity gains	$1,691	Corporate
Sale of BrownCo	$1,254	Corporate
Reduction in wholesale allowance[2]	$785	IB/CB/TSS/AWM
MSR risk management results	$283	Retail Financial Services
Joint venture dissolution charge	($40)	Retail Financial Services
Termination of client contract	($93)	Treasury & Securities Services
RFS Portfolio repositioning[3]	($207)	Retail Financial Services
Katrina impact on provision	($400)	RFS/Card/CB/AWM/Corporate
Impact of bankruptcy law	($750)	Card Services
Treasury portfolio repositioning	($1,502)	Corporate

[1] As previously disclosed
[2] Excludes Katrina impact on provision
[3] RFS Portfolio repositioning includes the following pre-tax items:
- 4Q05: Hybrid ARM's MTM of ($120mm)
- 3Q05: Loss on transfer of auto loans to held-for-sale of ($43mm)
- 1Q05: Loss on transfer of auto loans to held-for-sale of ($78mm) and gain on sale of RV portfolio of $34mm

Disclaimer

This earnings release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based upon the current beliefs and expectations of JPMorgan Chase's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. Factors that could cause JPMorgan Chase's results to differ materially from those described in the forward-looking statements can be found in the Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, and in the 2004 Annual Report on Form 10-K for the year ended December 31, 2004, of JPMorgan Chase, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's Internet site (http:///www.sec.gov).