J P MORGAN CHASE & CO

FORM 8-K
(Unscheduled Material Events)

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report:	Commission file number
July 17, 2002	1-5805

J.P. MORGAN CHASE & CO.

(Exact name of registrant as specified in its charter)

Delaware	13-2624428
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
270 Park Avenue, New York, NY	10017
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (212) 270-6000

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Item 5. Other Events

On July 17, 2002, J.P. Morgan Chase & Co. (NYSE: JPM) announced 2002 second quarter reported earnings per share of $0.50, compared with $0.48 in the first quarter of 2002 and $0.18 in the second quarter of 2001. Reported net income was $1,028 million in the second quarter compared to $982 million in the first quarter and $378 million one year ago.

Operating earnings per share, which exclude merger and restructuring charges associated with programs announced prior to 2002, were $0.58 compared with $0.57 in the first quarter of 2002 and $0.38 in the second quarter of 2001. Operating earnings were $1,179 million in the second quarter compared to $1,150 million in the first quarter and $786 million one year ago. Operating earnings for 2001 have been increased by adding back amortization of goodwill to present 2001 results on a basis comparable to the results for 2002 which include the impact of the implementation on January 1, 2002 of SFAS 142. For a reconciliation between Operating and Reported earnings see the table on page 7 of the press release attached as an exhibit hereto.

A copy of J.P. Morgan Chase & Co.'s press release is attached as an exhibit hereto. That press release contains statements that are forward-looking 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. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Such risks and uncertainties are described in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 and in the 2001 Annual Report on Form 10-K, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (http://www.sec.gov), to which reference is hereby made.

Item 7. Financial Statements, Pro forma Financial Information and Exhibits

Exhibit Number	Description
12 (a)	Computation of Ratio of Earnings to Fixed Charges
12 (b)	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements
99.1	Press Release – 2002 Second Quarter Earnings
99.2	2002 Second Quarter Financial Supplement

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

J.P. MORGAN CHASE & CO.
(Registrant)

By: /s/ Joseph L. Sclafani
Joseph L. Sclafani

Executive Vice President
and Controller
[Principal Accounting Officer]

Dated: July 19, 2002

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EXHIBIT 12(a)

J.P. MORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges
(in millions, except ratios)

	Six Months Ended June 30, 2002
Excluding Interest on Deposits	
Income before income taxes	$ 3,046
Fixed charges:	
Interest expense	4,320
One-third of rents, net of income from subleases *(a)*	126
Total fixed charges	4,446
Less: Equity in undistributed income of affiliates	(50)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 7,442
Fixed charges, as above	$ 4,446
Ratio of earnings to fixed charges	1.67
Including Interest on Deposits	
Fixed charges, as above	$ 4,446
Add: Interest on deposits	2,655
Total fixed charges and interest on deposits	$ 7,101
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 7,442
Add: Interest on deposits	2,655
Total earnings before taxes, fixed charges and interest on deposits	$10,097
Ratio of earnings to fixed charges	1.42

(a) The proportion deemed representative of the interest factor.

EXHIBIT 12(b)

J.P. MORGAN CHASE & CO.

Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements (in millions, except ratios)

	Six Months Ended June 30, 2002
Excluding Interest on Deposits	
Income before income taxes	$ 3,046
Fixed charges:	
Interest expense	4,320
One-third of rents, net of income from subleases *(a)*	126
Total fixed charges	4,446
Less: Equity in undistributed income of affiliates	(50)
Earnings before taxes and fixed charges, excluding capitalized interest	$ 7,442
Fixed charges, as above	$ 4,446
Preferred stock dividends	26
Fixed charges including preferred stock dividends	$ 4,472
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.66
Including Interest on Deposits	
Fixed charges including preferred stock dividends, as above	$ 4,472
Add: Interest on deposits	2,655
Total fixed charges including preferred stock dividends and interest on deposits	$ 7,127
Earnings before taxes and fixed charges, excluding capitalized interest, as above	$ 7,442
Add: Interest on deposits	2,655
Total earnings before taxes, fixed charges and interest on deposits	$10,097
Ratio of earnings to fixed charges and preferred stock dividend requirements	1.42

(a) *The proportion deemed representative of the interest factor.*

J.P. Morgan Chase & Co.
270 Park Avenue, New York, NY 10017-2070
NYSE symbol: JPM
www.jpmorganchase.com

News release: IMMEDIATE RELEASE

JPMORGAN CHASE REPORTS 2002 SECOND QUARTER RESULTS

New York, July 17, 2002 – J.P. Morgan Chase & Co. (NYSE: JPM) today announced 2002 second quarter **reported** earnings per share, inclusive of all restructuring charges, of $0.50, compared with $0.48 in the first quarter of 2002 and $0.18 in the second quarter of 2001. Reported net income was $1,028 million in the second quarter compared to $982 million in the first quarter and $378 million one year ago.

Operating earnings per share, which exclude previously announced merger and restructuring charges, were $0.58 compared with $0.57 in the first quarter of 2002 and $0.38 in the second quarter of 2001. Operating earnings were $1,179 million in the second quarter compared to $1,150 million in the first quarter and $786 million one year ago. Operating earnings for 2001 have been increased by adding back amortization of goodwill to present 2001 results on a basis comparable to the results for 2002 which include the impact of the implementation on January 1, 2002 of SFAS 142. For a reconciliation between Operating and Reported earnings see the table on page 7.

Operating ROE for the second quarter was 11% and excluding JPMorgan Partners was 15%. The contribution of JPMorgan Partners to operating earnings per share was a loss of $0.08 in the second quarter compared to a $0.12 loss in the first quarter of 2002 and a $0.30 loss in the second quarter of 2001.

"Second quarter earnings continued to be affected by weak capital markets and remain well below the potential of this franchise," said William B. Harrison, Jr., Chairman and Chief Executive Officer. "We are pleased with the strong results in our consumer and services businesses and the significant gains this quarter in market share across virtually all investment banking products. Our focus today is on financial discipline and delivering superior service and products to clients."

Highlights for the second quarter of 2002

- Retail & Middle Market Financial Services reported record operating earnings of $686 million, up 29% from the first quarter of 2002 and up 60% from the second quarter of 2001.
- Trading revenues were down approximately 30% from both the first quarter of 2002 and the second quarter of 2001.
- Investment banking fees increased from the first quarter reflecting market share gains, particularly in equity underwriting.
- Treasury & Securities Services reported record operating earnings of $177 million, up 22% from the first quarter of 2002 and up 16% from the second quarter of 2001.
- Credit costs remained high but stable, while nonperforming assets were marginally higher than the first quarter of this year.

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Business segment results

Retail & Middle Market Financial Services had a second consecutive quarter of record revenues and operating earnings. Operating earnings of $686 million were up 29% from the first quarter and up 60% from the second quarter of 2001 driven by strong performances across the consumer credit businesses and middle market. ROE for the second quarter was 26%, compared to 21% last quarter and 19% for the second quarter of 2001.

Operating revenues of $3.50 billion were up 11% from the first quarter and 27% from the second quarter of 2001 driven by continued high production volumes across all consumer businesses and low interest rates. Home Finance revenues were driven by an increase in customer servicing balances and higher mortgage origination and servicing margins impacted by business mix and a strong housing environment as well as better than expected servicing risk management performance resulting from wider spreads. Managed credit card outstandings increased 29% from June 30, 2001 to $49.5 billion due to the Providian acquisition in the first quarter of 2002 and organic growth. There were close to 900,000 new accounts originated during the quarter, the seventh consecutive quarter of additions at this level. Total deposits grew 2% from the first quarter and 12% from the second quarter of 2001.

Operating expenses of $1.67 billion increased by 7% from the first quarter and by 16% from the second quarter of 2001. The increases reflected the impact of higher expenses related to higher volumes. Savings generated by Six Sigma productivity programs continued to partially offset the growth in expenses.

Managed credit costs of $736 million were 1% higher than the first quarter and were 17% higher than the second quarter of 2001, primarily due to increased charge-offs related to the full quarter impact of the Providian credit card portfolio.

The Investment Bank had operating earnings of $485 million in the second quarter, a decline of 35% from the first quarter and 38% lower than the second quarter of 2001. Operating ROE was 10% for the quarter compared to 16% last quarter and 17% for the second quarter of 2001.

Operating revenues of $3.09 billion in the second quarter of 2002 were 14% lower than last quarter and down 17% from the second quarter of 2001.

Trading revenues (including related net interest income) and brokerage commissions of $1.41 billion decreased 28% from the first quarter and were down 23% from the second quarter of 2001. The decline from the first quarter was driven largely by fixed income results, particularly in interest-rate markets and emerging markets. The decline from the second quarter of 2001 was primarily due to lower equity derivatives revenues driven by difficult market conditions.

Investment banking fees totaled $783 million in the second quarter, an increase of 6% from the first quarter but 15% lower than the second quarter of 2001. The increase from the first quarter reflects a 33% increase in equity underwriting fees and flat M&A fees and debt underwriting revenues. Market

share gains in the second quarter included global announced M&A (#1), U.S. and global equity and equity-related (#6), U.S. investment grade bonds (#2) and global loan syndications (#1). [1]

Operating expenses for the second quarter of $2.02 billion decreased by 4% from the first quarter and by 11% from the second quarter of 2001. Operating expenses in the second quarter included $123 million in severance and other costs associated with restructuring programs announced in 2002. This compared to $47 million of such costs in the first quarter. The overhead ratio for the second quarter was 65% compared to 58% in the first quarter and 61% in the second quarter of 2001.

Investment Management & Private Banking had operating earnings of $118 million, down 6% from the first quarter and 2% higher than the second quarter of 2001. Pre-tax margin in the second quarter was 21% compared with 22% last quarter and 19% in the second quarter of 2001.

Operating revenues of $691 million in the second quarter were 5% below the first quarter and 12% lower than the second quarter of 2001. Continued declines in global equity markets valuations and eroding investor activity levels accounted for most of the decreases. Operating expenses of $520 million for the quarter were 5% lower than the first quarter and down 18% from the second quarter of 2001 as a result of continued reductions in compensation and other expenses. Private Banking credit costs were unchanged from the first quarter but increased from the prior year.

Total assets under management at quarter-end of $541 billion were 7% lower than the first quarter and down 11% from the second quarter of 2001. Falling equity prices accounted for most of the year on year declines; outflows from institutional cash management products accounted for the balance. These effects outweighed continued positive flows and a year-over-year increase in assets under management for the retail mutual funds.

Treasury & Securities Services had record operating earnings of $177 million, an increase of 22% from the first quarter and 16% from the second quarter of 2001. Operating ROE for the quarter was 23% compared to 20% in each of the last quarter and the second quarter of 2001.

Operating revenues were $985 million in the second quarter of 2002, up 5% from the first quarter and up 2% from the second quarter of 2001. Revenues in Investor Services were up 9% from the first quarter and were virtually flat compared to the second quarter of 2001. The increase from the first quarter was due to higher custody fees, foreign exchange revenue and securities lending fees. Institutional Trust revenues increased 9% from the first quarter of 2002 due to higher American Depositary Receipt revenues and new business. The 12% increase in Institutional Trust revenues from the second quarter of 2001 reflected the impact of acquisitions and new business wins partially offset by the effect of slower fixed income activity. The impact of lower interest rates on Treasury & Securities Services revenues was largely offset by higher deposits resulting from increased business volumes.

Operating expenses were virtually unchanged from the first quarter and declined 2% from the second quarter of 2001. The business continues to focus on cost containment and improving its overhead ratio, while selectively investing in acquisitions for future growth. The overhead ratio for the second quarter was 72% compared to 76% in each of the first quarter of 2002 and the second quarter of 2001.

[1] Derived from Thomson Financial Securities Data, based on proceeds

JPMorgan Partners had an operating loss of $165 million for the quarter compared to an operating loss of $248 million in the first quarter and an operating loss of $610 million in the second quarter of 2001.

Total net private equity gains were negative $125 million, as compared to negative $255 million in the first quarter and negative $823 million in the second quarter of 2001. The second quarter 2002 results were driven by writedowns and write-offs on private holdings of $216 million and net mark-to-market losses on public securities of $20 million, partially offset by net realized gains of $111 million. Losses were concentrated in telecommunications and technology investments. The private equity market continues to be unsettled, with limited exit opportunities and constrained financing.

Expenses

Operating expenses were $4.97 billion, a 3% decline from the first quarter of this year and a 5% reduction from the second quarter of 2001. Second quarter operating expenses included $162 million in costs related to headcount reductions and other costs associated with restructuring programs announced in 2002. This compared with $106 million of these expenses in the first quarter.

Credit

Commercial net charge-offs in the second quarter of 2002 were $293 million, compared to $320 million in the previous quarter and $212 million in the second quarter of 2001. The charge-off ratio was 1.17% for the second quarter of 2002, 1.27% for the first quarter of 2002 and 0.77% for the second quarter of 2001.

Consumer net charge-offs on a managed basis were $862 million, up from $754 million in the prior quarter and $586 million in the second quarter of 2001. On a managed basis, the credit card net charge-off ratio was 6.42%, compared to 5.87% for the first quarter and 5.54% for the second quarter of 2001. The increase was primarily due to the inclusion of the Providian portfolio for the full quarter. Consumer credit trends continued to improve with positive trends in 30-, 60- and 90-day delinquencies in credit cards and lower delinquencies and low loss ratios in auto and home financing.

Provision for Loan Losses equaled net charge-offs this quarter. The provision for loan losses also equaled net charge-offs in the first quarter of 2002 and the second quarter of 2001.

Total Nonperforming Assets were $4.38 billion at June 30, 2002, which includes $1.13 billion related to the Enron surety receivables and letter of credit. Excluding this amount, which is the subject of litigation with creditworthy entities, nonperforming assets totaled $3.25 billion. This compares to $3.18 billion last quarter and $2.50 billion as of June 30, 2001. The increase from the first quarter of 2002 related primarily to nonperforming telecommunications loans.

Total assets and capital

Total assets as of June 30, 2002 were $741 billion, compared with $713 billion as of both March 31, 2002 and June 30, 2001. The increase from March 31, 2002 was largely driven by growth in trading assets. Commercial loans increased 3%, or $2.9 billion, from the first quarter but fell 7%, or $8.1 billion, from the second quarter of 2001. Managed consumer loans declined by 1% from the first quarter and increased 8% from the second quarter of 2001. The Tier 1 capital ratio was 8.7% at June 30, compared to 8.6% at March 31, 2002 and 8.7% at June 30, 2001.

Other financial information

Special Items in the second quarter of 2002 included $229 million (pre-tax) in merger and restructuring costs, compared to $255 million (pre-tax) in the first quarter of 2002. Special items in the second quarter of 2001 included merger and restructuring costs (pre-tax) of $478 million.

J.P. Morgan Chase & Co. is a leading global financial services firm with assets of $741 billion and operations in more than 50 countries. With relationships with over 99% of the *Fortune* 1000 companies, the firm is a leader in investment banking, asset management, private banking, private equity, custody and transaction services and retail and middle market financial services. A component of the Dow Jones Industrial Average, JPMorgan Chase is headquartered in New York and serves more than 30 million consumer customers and the world's most prominent corporate, institutional and government clients. Information about JPMorgan Chase is available on the internet at www.jpmorganchase.com.

JPMorgan Chase will hold a presentation for the investment community on Wednesday, July 17, 2002 at 11:00 a.m. (Eastern Daylight Time) to review second quarter 2002 financial results. A live audio webcast of the presentation will be available on www.jpmorganchase.com. In addition, persons interested in listening to the presentation by telephone may dial in at (973) 872-3100. A telephone replay of the presentation will be available beginning at 1:00 p.m. (EDT) on July 17, 2002 and continuing through 6:00 p.m. (EDT) on July 23, 2002 at (973) 341-3080 pin #3335966. The replay also will be available on www.jpmorganchase.com. Additional detailed financial, statistical and business-related information is included in a financial supplement. The earnings release and the financial supplement are available on the JPMorgan Chase web site (www.jpmorganchase.com).

This press release contains statements that are forward-looking 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. These risks and uncertainties could cause our results to differ materially from those set forth in such forward-looking statements. Such risks and uncertainties are described in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2002 and in the 2001 Annual Report on Form 10-K, each filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's internet site (http://www.sec.gov), to which reference is hereby made.

J.P. MORGAN CHASE & CO.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT(a)(b)								
OPERATING REVENUE:								
Investment Banking Fees	$ 785	$ 755	$ 929	4%	(16)%	$ 1,540	$ 1,870	(18)%
Trading-Related Revenue (Incl. Trading NII)	1,136	1,720	1,594	(34)	(29)	2,856	3,761	(24)
Fees and Commissions	2,745	2,493	2,422	10	13	5,238	4,504	16
Private Equity — Realized Gains (Losses)	(10)	(10)	(46)	—	78	(20)	366	NM
Private Equity — Unrealized Gains (Losses)	(115)	(228)	(783)	50	85	(343)	(1,068)	68
Securities Gains	124	114	67	9	85	238	522	(54)
Other Revenue	273	137	280	99	(3)	410	537	(24)
Net Interest Income (Excl. Trading NII)	2,970	2,938	2,759	1	8	5,908	5,296	12
TOTAL OPERATING REVENUE	**7,908**	**7,919**	**7,222**	—	9	**15,827**	**15,788**	—
OPERATING EXPENSE:								
Compensation Expense	2,761	2,823	3,026	(2)	(9)	5,584	6,362	(12)
Noncompensation Expense	2,204	2,280	2,188	(3)	1	4,484	4,381	2
TOTAL OPERATING EXPENSE	**4,965**	**5,103**	**5,214**	(3)	(5)	**10,068**	**10,743**	(6)
Credit Costs	1,155	1,074	798	8	45	2,229	1,486	50
Operating Income before Taxes	1,788	1,742	1,210	3	48	3,530	3,559	(1)
Income Taxes	609	592	424	3	44	1,201	1,246	(4)
OPERATING EARNINGS	**$ 1,179**	**$ 1,150**	**$ 786**	3	50	**$ 2,329**	**$ 2,313**	1
Special Items & Change in Acctng Principle	(151)	(168)	(312)	10	52	(319)	(549)	42
Amortization of Goodwill, Net of Taxes(c)	—	—	(96)	NM	NM	—	(187)	NM
NET INCOME	**$ 1,028**	**$ 982**	**$ 378**	5	172	**$ 2,010**	**$ 1,577**	27
OPERATING BASIS								
Diluted Earnings per Share	$ 0.58	$ 0.57	$ 0.38	2	53	$ 1.15	$ 1.12	3
Shareholder Value Added	(57)	(59)	(481)	3	88	(116)	(196)	41
Return on Managed Assets	0.62%	0.63%	0.42%	(1)bp	20bp	0.63%	0.62%	1bp
Return on Common Equity	11.4	11.4	7.4	—	400	11.4	11.0	40
Overhead Ratio	63	64	72	(100)	(900)	64	68	(400)
Common Dividend Payout Ratio	59	60	89	(100)	(3,000)	60	60	—
Compensation Exp. as a % of Revenue	35	36	42	(100)	(700)	35	40	(500)
Noncompensation Exp. as a % of Revenue	28	29	30	(100)	(200)	28	28	—
NET INCOME PER COMMON SHARE								
Basic	$ 0.51	$ 0.49	$ 0.18	4%	183%	$ 1.00	$ 0.78	28%
Diluted	0.50	0.48	0.18	4	178	0.99	0.76	30
COMMON SHARES OUTSTANDING								
Basic Average Shares Outstanding	1,982.6	1,978.2	1,978.4	—	—	1,980.4	1,972.6	—
Diluted Average Shares Outstanding	2,016.0	2,005.8	2,033.6	1	(1)	2,011.0	2,033.0	(1)
Common Shares Outstanding — Period End	1,993.4	1,990.2	1,989.2	—	—	1,993.4	1,989.2	—
CASH DIVIDENDS DECLARED PER SHARE	$ 0.34	$ 0.34	$ 0.34	—	—	$ 0.68	$ 0.68	—

BOOK VALUE PER SHARE	20.93	20.16	20.81	4	1
CAPITAL RATIOS					
Tier I Capital Ratio	8.7%(d)	8.6%	8.7%	10bp	—bp
Total Capital Ratio	12.6(d)	12.5	12.2	10	40
Tier I Leverage	5.4(d)	5.4	5.4	—	—

Note: Prior periods have been restated to conform with current methodologies.

(a) See page 10 for a reconciliation between reported results and operating results.

(b) In the first quarter of 2002, the Firm implemented EITF 01-14, “Income Statement Characterization of Reimbursements Received for ‘Out-of-Pocket’ Expenses Incurred (Formerly EITF Abstracts, Topic D-103).” Consequently, prior period amounts have been restated.

(c) Reported net income for 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Previously reported operating earnings for 2001 have been adjusted by adding back amortization of goodwill to make 2001 results comparable to 2002.

(d) Estimated

bp — Denotes basis points; 100 bp equals 1%

NM — Not meaningful

J.P. MORGAN CHASE & CO
LINES OF BUSINESS FINANCIAL HIGHLIGHTS SUMMARY
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING REVENUE								
Investment Bank	$3,093	$3,608	$3,711	(14)%	(17)%	$ 6,701	$ 8,034	(17)%
Treasury & Securities Services	985	934	962	5	2	1,919	1,915	—
Investment Management & Private Banking	691	729	789	(5)	(12)	1,420	1,592	(11)
Retail & Middle Market Financial Services	3,504	3,154	2,769	11	27	6,658	5,448	22
Corporate (a)	(186)	(203)	(123)	8	(51)	(389)	(402)	3
OPERATING REVENUE EXCL. JPMP	**8,087**	**8,222**	**8,108**	(2)	—	**16,309**	**16,587**	(2)
JPMorgan Partners	(179)	(303)	(886)	41	80	(482)	(799)	40
OPERATING REVENUE (b)	**$7,908**	**$7,919**	**$7,222**	—	9	**$15,827**	**$15,788**	—
EARNINGS								
Investment Bank	$ 485	$ 750	$ 785	(35)	(38)	$ 1,235	$ 1,812	(32)
Treasury & Securities Services	177	145	152	22	16	322	314	3
Investment Management & Private Banking	118	125	116	(6)	2	243	217	12
Retail & Middle Market Financial Services	686	533	428	29	60	1,219	854	43
Corporate (a)	(122)	(155)	(85)	21	(44)	(277)	(270)	(3)
OPERATING EARNINGS EXCL. JPMP	**1,344**	**1,398**	**1,396**	(4)	(4)	**2,742**	**2,927**	(6)
JPMorgan Partners	(165)	(248)	(610)	33	73	(413)	(614)	33
OPERATING EARNINGS (b)	**1,179**	**1,150**	**786**	3	50	**2,329**	**2,313**	1
Special Items & Change in Acctng Principle	(151)	(168)	(312)	10	52	(319)	(549)	42
Amortization of Goodwill, Net of Taxes	—	—	(96)	NM	NM	—	(187)	NM
NET INCOME (b)	**$1,028**	**$ 982**	**$ 378**	5	172	**$ 2,010**	**$ 1,577**	27
EARNINGS PER SHARE — DILUTED								
OPERATING EARNINGS EXCL. JPMP	**$ 0.66**	**$ 0.69**	**$ 0.68**	(4)	(3)	**$ 1.35**	**$ 1.42**	(5)
Impact of JPMP	(0.08)	(0.12)	(0.30)	33	73	(0.20)	(0.30)	33
OPERATING EARNINGS (b)	**0.58**	**0.57**	**0.38**	2	53	**1.15**	**1.12**	3
Special Items & Change in Acctng Principle	(0.08)	(0.09)	(0.15)	11	47	(0.16)	(0.27)	41
Amortization of Goodwill, Net of Taxes	—	—	(0.05)	NM	NM	—	(0.09)	NM
NET INCOME (b)	**$ 0.50**	**$ 0.48**	**$ 0.18**	4	178	**$ 0.99**	**$ 0.76**	30
OPERATING RETURN ON COMMON EQUITY								
Investment Bank	10.4%	15.9%	16.7%	(550)bp	(630)bp	13.2%	18.7%	(550)bp
Treasury & Securities Services	22.9	19.8	19.8	310	310	21.4	21.2	20
Investment Management & Private Banking	7.8	8.4	7.3	(60)	50	8.1	6.7	140
Retail & Middle Market Financial Services	26.0	20.9	18.5	510	750	23.5	18.9	460
OPERATING RETURN ON COMMON EQUITY (b)	**11.4**	**11.4**	**7.4**	—	400	**11.4**	**11.0**	40

(a) Includes Support Units and the effects remaining at the corporate level after the implementation of management accounting policies.

(b) Represents consolidated JPMorgan Chase.

J.P. MORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEET
(in millions)

	Jun 30th 2002	Mar 31st 2002	Jun 30th 2001	Jun 30, 2002 Over (Under) Mar 31, 02	Jun 30, 2002 Over (Under) Jun 30, 01
ASSETS					
Cash and Due from Banks	$ 21,878	$ 22,637	$ 24,219	(3)%	(10)%
Deposits with Banks	10,517	9,691	11,903	9	(12)
Federal Funds Sold and Securities Purchased under Resale Agreements	71,740	76,719	61,308	(6)	17
Securities Borrowed	48,429	40,880	38,296	18	26
Trading Assets:					
Debt and Equity Instruments	159,746	144,992	139,135	10	15
Derivative Receivables	69,858	63,224	68,910	10	1
Securities	64,526	61,225	68,488	5	(6)
Loans (Net of Allowance for Loan Losses)	207,080	209,541	216,245	(1)	(4)
Goodwill	8,089	8,055	8,640	—	(6)
Other Intangibles:					
Mortgage Servicing Rights	5,689	6,918	7,073	(18)	(20)
Purchased Credit Card Relationships	1,426	1,508	568	(5)	151
All Other Intangibles	313	327	74	(4)	NM
Private Equity Investments	8,229	8,553	9,855	(4)	(16)
Other Assets	63,026	58,238	57,988	8	9
TOTAL ASSETS	**$740,546**	**$712,508**	**$712,702**	4	4
LIABILITIES					
Deposits	$293,829	$282,037	$276,804	4	6
Federal Funds Purchased and Securities Sold under Repurchase Agreements	162,656	152,837	155,062	6	5
Commercial Paper	14,561	23,726	19,985	(39)	(27)
Other Borrowed Funds	17,352	16,968	18,418	2	(6)
Trading Liabilities:					
Debt and Equity Instruments	67,952	71,141	53,571	(4)	27
Derivative Payables	55,575	44,997	62,373	24	(11)
Accounts Payable and Other Liabilities (Including the Allowance for Credit Losses)	38,083	36,910	38,157	3	—
Long-Term Debt	42,363	37,322	40,917	14	4
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	5,439	5,439	4,439	—	23
TOTAL LIABILITIES	**697,810**	**671,377**	**669,726**	4	4
PREFERRED STOCK OF SUBSIDIARY	**—**	**—**	**550**	NM	NM
STOCKHOLDERS' EQUITY					
Preferred Stock	1,009	1,009	1,025	—	(2)
Common Stock	2,020	2,016	1,990	—	2
Capital Surplus	13,111	12,783	12,000	3	9
Retained Earnings	27,605	27,278	28,265	1	(2)

Accumulated Other Comprehensive Income (Loss)	79	(909)	(834)	NM	NM
Treasury Stock, at Cost	(1,088)	(1,046)	(20)	(4)	NM
TOTAL STOCKHOLDERS' EQUITY	**42,736**	**41,131**	**42,426**	4	1
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	**$740,546**	**$712,508**	**$712,702**	4	4

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions, except ratios)

	Jun 30th 2002	Mar 31st 2002	Jun 30th 2001	Jun 30, 2002 Over (Under) Mar 31, 02	Jun 30, 2002 Over (Under) Jun 30, 01
CREDIT-RELATED ASSETS:					
Commercial Loans	$104,701	$101,752	$112,790	3%	(7)%
Derivative and FX Contracts	69,858	63,224	68,910	10	1
Total Commercial Credit-Related Assets (a)	174,559	164,976	181,700	6	(4)
Managed Consumer Loans (b)	134,884	136,019	124,881	(1)	8
Total Managed Credit-Related Assets	**$309,443**	**$300,995**	**$306,581**	3	1
NET CHARGE-OFFS: (c)					
Commercial Loans	$ 293	$ 320	$ 212	(8)	38
Credit Card — Managed (b)	767	658	507	17	51
All Other Consumer	95	96	79	(1)	20
Managed Consumer Loans	862	754	586	14	47
Total Managed Net Charge-offs	**$ 1,155**	**$ 1,074**	**$ 798**	8	45
NET CHARGE-OFF RATES — ANNUALIZED:					
Total Commercial Loans	1.17%	1.27%	0.77%	(10)bp	40bp
Credit Card — Managed	6.42	5.87	5.54	55	88
Total Managed Loans	1.96	1.82	1.37	14	59
NONPERFORMING ASSETS:					
Commercial Loans	$ 2,512	$ 2,359	$ 1,890	6%	33%
Derivative and FX Contracts	144	155	88	(7)	64
Consumer Loans	450	534	401	(16)	12
Assets Acquired in Loan Satisfactions	142	130	119	9	19
Total	3,248	3,178	2,498	2	30
Other Receivables (d)	1,130	1,130	—	—	NM
Total Nonperforming Assets	**$ 4,378**(e)	**$ 4,308**	**$ 2,498**	2	75
SELECTED COUNTRY TOTAL EXPOSURE (in billions)					
Argentina	$ 0.4(f)	$ 0.5	$ 1.4	(20)	(71)
Brazil	2.1(f)	2.7	2.8	(22)	(25)
Turkey	0.1(f)	0.1	0.2	—	(50)
Venezuela	0.3(f)	0.2	0.5	50	(40)

(a) Excludes unfunded commercial lending-related commitments totaling $241 billion at June 30, 2002, $243 billion at March 31, 2002 and $257 billion at June 30, 2001. Unused advised lines of credit totaling $18 billion at June 30, 2002, $19 billion at March 31, 2002 and $21 billion at June 30, 2001 are included within these unfunded commitments.

(b) Includes credit card receivables that have been securitized.

(c) Net charge-offs are presented for the quarter ended as of the date indicated.

(d) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities. These receivables are classified in Other Assets at June 30, 2002.

(e) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) aggregating $37 million related to nonperforming counterparties. Nonperforming assets exclude nonaccrual loans held for sale ("HFS") of $126 million, including $44 million of nonaccrual residential mortgages transferred to the HFS portfolio after recording charge-offs of $15 million during the second quarter of 2002. HFS loans are carried at lower of cost or market and declines in value are recorded in Other Revenue.

(f) Estimated

J.P. MORGAN CHASE & CO.
RECONCILIATION OF REPORTED TO OPERATING RESULTS
(in millions, except per share data)

	SECOND QUARTER 2002				SECOND QUARTER 2001				
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	AMORTIZATION OF GOODWILL (d)	OPERATING BASIS
INCOME STATEMENT									
Revenue	$7,574	$334	$ —	$7,908	$6,949	$273	$ —	$ —	$7,222
Expense	4,873	—	—	4,873	5,178	—	—	—	5,178
Amortization of Intangibles	92	—	—	92	183	—	—	(147)	36
Operating Margin	2,609	334	—	2,943	1,588	273	—	147	2,008
Credit Costs	821	334	—	1,155	525	273	—	—	798
Income before Merger and Restructuring Costs	1,788	—	—	1,788	1,063	—	—	147	1,210
Merger and Restructuring Costs	229	—	(229)	—	478	—	(478)	—	—
Income before Tax Expense	1,559	—	229	1,788	585	—	478	147	1,210
Tax Expense	531	—	78	609	207	—	166	51	424
Net Income	$1,028	$ —	$ 151	$1,179	$ 378	$ —	$ 312	$ 96	$ 786
NET INCOME PER SHARE									
Basic	$ 0.51			$ 0.59	$ 0.18				$ 0.39
Diluted	0.50			0.58	0.18				0.38

	YEAR TO DATE 2002				YEAR TO DATE 2001				
	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	OPERATING BASIS	REPORTED RESULTS (a)	CREDIT CARD (b)	SPECIAL ITEMS (c)	AMORTIZATION OF GOODWILL (d)	OPERATING BASIS
INCOME STATEMENT									
Revenue	$15,172	$655	$ —	$15,827	$15,274	$514	$ —	$ —	$15,788
Expense	9,907	—	—	9,907	10,671	—	—	—	10,671
Amortization of Intangibles	161	—	—	161	360	—	—	(288)	72
Operating Margin	5,104	655	—	5,759	4,243	514	—	288	5,045
Credit Costs	1,574	655	—	2,229	972	514	—	—	1,486
Income before Merger and Restructuring Costs	3,530	—	—	3,530	3,271	—	—	288	3,559
Merger and Restructuring Costs	484	—	(484)	—	806	—	(806)	—	—
Income before Tax Expense	3,046	—	484	3,530	2,465	—	806	288	3,559
Tax Expense	1,036	—	165	1,201	863	—	282	101	1,246
Income before Effect of Acctng Change	2,010	—	319	2,329	1,602	—	524	187	2,313
Net Effect of Change in Acctng Principle	—	—	—	—	(25)	—	25	—	—
Net Income	$ 2,010	$ —	$ 319	$ 2,329	$ 1,577	$ —	$ 549	$ 187	$ 2,313
NET INCOME PER SHARE									
Basic	$ 1.00			$ 1.16	$ 0.78(e)				$ 1.15
Diluted	0.99			1.15	0.76(e)				1.12

(a) Represents condensed results as reported in JPMorgan Chase's financial statements.

(b) This column excludes the impact of credit card securitizations. For receivables that have been securitized, amounts that would have been reported as net interest income and as provision for loan losses are instead reported as components of noninterest revenue.

(c) Includes merger and restructuring costs and special items. The 2002 second quarter and year to date includes $229 million and $484 million, respectively, in merger and restructuring expenses. The 2001 second quarter and year to date includes $478 million and $806 million, respectively, in merger and restructuring expenses.

(d) Reported net income for 2002 reflects the adoption of SFAS 142 and, accordingly, the Firm ceased amortizing goodwill effective January 1, 2002. There was no impairment of goodwill upon adoption of SFAS 142. Previously reported operating earnings for 2001 have been adjusted by adding back amortization of goodwill to make 2001 results comparable to 2002.

(e) Includes the effect of the accounting change. Excluding the accounting change, basic and diluted net income per share were $0.79 and $0.77, respectively.

JPMorganChase

PRESS RELEASE FINANCIAL SUPPLEMENT

SECOND QUARTER 2002

J.P. MORGAN CHASE & CO.
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JPMorganChase

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J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — REPORTED BASIS
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
REVENUE										
Investment Banking Fees	$ 785	$ 755	$ 931	$ 811	$ 929	4%	(16)%	$ 1,540	$ 1,870	(18)%
Trading Revenue	731	1,299	355	1,301	1,261	(44)	(42)	2,030	3,262	(38)
Fees and Commissions	2,885	2,584	2,493	2,397	2,460	12	17	5,469	4,591	19
Private Equity — Realized Gains (Losses)	(10)	(10)	81	204	(46)	—	78	(20)	366	NM
Private Equity — Unrealized Gains (Losses)	(115)	(228)	(505)	(311)	(783)	50	85	(343)	(1,068)	68
Securities Gains	124	114	202	142	67	9	85	238	522	(54)
Other Revenue	292	157	151	218	280	86	4	449	532	(16)
Total Noninterest Revenue	**4,692**	**4,671**	**3,708**	**4,762**	**4,168**	—	13	**9,363**	**10,075**	(7)
Interest Income	6,498	6,286	6,823	7,709	8,469	3	(23)	12,784	17,649	(28)
Interest Expense	3,616	3,359	3,879	5,050	5,688	8	(36)	6,975	12,450	(44)
Net Interest Income	**2,882**	**2,927**	**2,944**	**2,659**	**2,781**	(2)	4	**5,809**	**5,199**	12
Revenue before Provision for Loan Losses	7,574	7,598	6,652	7,421	6,949	—	9	15,172	15,274	(1)
Provision for Loan Losses	821	753	1,468	745	525	9	56	1,574	972	62
TOTAL NET REVENUE	**6,753**	**6,845**	**5,184**	**6,676**	**6,424**	(1)	5	**13,598**	**14,302**	(5)
EXPENSE										
Compensation Expense	2,761	2,823	2,622	2,860	3,026	(2)	(9)	5,584	6,362	(12)
Occupancy Expense	365	338	334	339	327	8	12	703	675	4
Technology and Communications Expense	629	665	640	663	674	(5)	(7)	1,294	1,328	(3)
Merger and Restructuring Costs	229	255	841	876	478	(10)	(52)	484	806	(40)
Amortization of Intangibles	92	69	187	182	183	33	(50)	161	360	(55)
Other Expense	1,118	1,208	1,128	1,087	1,151	(7)	(3)	2,326	2,306	1
TOTAL NONINTEREST EXPENSE	**5,194**	**5,358**	**5,752**	**6,007**	**5,839**	(3)	(11)	**10,552**	**11,837**	(11)
Income (Loss) before Income Tax Expense and Effect of Accounting Change	1,559	1,487	(568)	669	585	5	166	3,046	2,465	24
Income Tax Expense (Benefit)	531	505	(236)	220	207	5	157	1,036	863	20
INCOME BEFORE EFFECT OF ACCOUNTING CHANGE	**1,028**	**982**	**(332)**	**449**	**378**	5	172	**2,010**	**1,602**	25
Net Effect of Change in Accounting Principle	—	—	—	—	—	NM	NM	—	(25)	NM
NET INCOME (LOSS)	**$ 1,028**	**$ 982**	**$ (332)**	**$ 449**	**$ 378**	5	172	**$ 2,010**	**$ 1,577**	27
NET INCOME (LOSS) PER SHARE (a)										
Basic	$ 0.51	$ 0.49	$ (0.18)	$ 0.22	$ 0.18	4	183	$ 1.00	$ 0.78	28
Diluted	0.50	0.48	(0.18)	0.22	0.18	4	178	0.99	0.76	30
PERFORMANCE RATIOS										
Return on Average Assets	0.56%	0.55%	NM	0.24%	0.21%	1bp	35bp	0.56%	0.43%	13bp
Return on Average Common Equity	10.0	9.7	NM	4.2	3.5	30	650	9.8	7.5	230
FULL-TIME EQUIVALENT EMPLOYEES (b)	95,878	96,938	95,812	96,633	97,224	(1)%	(1)%			

Note: Prior periods have been restated to conform with current methodologies.

(a) Basic and diluted earnings per share have been reduced by $0.01 in the first six months of 2001 due to the impact of the adoption of SFAS 133 relating to the accounting for derivative instruments and hedging activities.

(b) Represents actual period end amount for each respective quarter.

J.P. MORGAN CHASE & CO.
LINES OF BUSINESS FINANCIAL HIGHLIGHTS SUMMARY
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING REVENUE										
Investment Bank	$3,093	$3,608	$3,080	$3,542	$3,711	(14)%	(17)%	$ 6,701	$ 8,034	(17)%
Treasury & Securities Services	985	934	937	973	962	5	2	1,919	1,915	—
Investment Management & Private Banking	691	729	719	726	789	(5)	(12)	1,420	1,592	(11)
Retail & Middle Market Financial Services	3,504	3,154	2,953	2,877	2,769	11	27	6,658	5,448	22
Corporate (a)	(186)	(203)	(321)	(250)	(123)	8	(51)	(389)	(402)	3
OPERATING REVENUE EXCLUDING JPMP	**8,087**	**8,222**	**7,368**	**7,868**	**8,108**	(2)	—	**16,309**	**16,587**	(2)
JPMorgan Partners	(179)	(303)	(452)	(177)	(886)	41	80	(482)	(799)	40
OPERATING REVENUE (b)	**$7,908**	**$7,919**	**$6,916**	**$7,691**	**$7,222**	—	9	**$15,827**	**$15,788**	—
EARNINGS										
Investment Bank	$ 485	$ 750	$ 372	$ 706	$ 785	(35)	(38)	$ 1,235	$ 1,812	(32)
Treasury & Securities Services	177	145	157	172	152	22	16	322	314	3
Investment Management & Private Banking	118	125	95	118	116	(6)	2	243	217	12
Retail & Middle Market Financial Services	686	533	335	427	428	29	60	1,219	854	43
Corporate (a)	(122)	(155)	(258)	(136)	(85)	21	(44)	(277)	(270)	(3)
OPERATING EARNINGS EXCLUDING JPMP	**1,344**	**1,398**	**701**	**1,287**	**1,396**	(4)	(4)	**2,742**	**2,927**	(6)
JPMorgan Partners	(165)	(248)	(345)	(154)	(610)	33	73	(413)	(614)	33
OPERATING EARNINGS (b)	**1,179**	**1,150**	**356**	**1,133**	**786**	3	50	**2,329**	**2,313**	1
Special Items & Net Effect of Change in Acctng Principle	(151)	(168)	(579)	(587)	(312)	10	52	(319)	(549)	42
Amortization of Goodwill, Net of Taxes	—	—	(109)	(97)	(96)	NM	NM	—	(187)	NM
NET INCOME (LOSS) (b)	**$1,028**	**$ 982**	**$ (332)**	**$ 449**	**$ 378**	5	172	**$ 2,010**	**$ 1,577**	27
EARNINGS PER SHARE — DILUTED										
OPERATING EARNINGS EXCLUDING JPMP	**$ 0.66**	**$ 0.69**	**$ 0.34**	**$ 0.63**	**$ 0.68**	(4)	(3)	**$ 1.35**	**$ 1.42**	(5)
Impact of JPMP	(0.08)	(0.12)	(0.17)	(0.08)	(0.30)	33	73	(0.20)	(0.30)	33
OPERATING EARNINGS (b)	**0.58**	**0.57**	**0.17**	**0.55**	**0.38**	2	53	**1.15**	**1.12**	3
Special Items & Net Effect of Change in Acctng Principle	(0.08)	(0.09)	(0.29)	(0.29)	(0.15)	11	47	(0.16)	(0.27)	41
Amortization of Goodwill, Net of Taxes	—	—	(0.05)	(0.04)	(0.05)	NM	NM	—	(0.09)	NM
NET INCOME (LOSS) (b)	**$ 0.50**	**$ 0.48**	**$ (0.18)(c)**	**$ 0.22**	**$ 0.18**	4	178	**$ 0.99**	**$ 0.76**	30
OPERATING RETURN ON COMMON EQUITY										
Investment Bank	10.4%	15.9%	7.7%	15.2%	16.7%	(550)bp	(630)bp	13.2%	18.7%	(550)bp
Treasury & Securities Services	22.9	19.8	21.5	23.3	19.8	310	310	21.4	21.2	20
Investment Management & Private Banking	7.8	8.4	6.1	7.6	7.3	(60)	50	8.1	6.7	140
Retail & Middle Market Financial Services	26.0	20.9	13.7	17.8	18.5	510	750	23.5	18.9	460
OPERATING RETURN ON COMMON EQUITY (b)	**11.4**	**11.4**	**3.3**	**10.7**	**7.4**	—	400	**11.4**	**11.0**	40

(a) Includes Support Units and the effects remaining at the corporate level after the implementation of management accounting policies.

(b) Represents consolidated JPMorgan Chase.

(c) Diluted EPS is reported as $(0.18) which is the same as basic EPS, instead of $(0.17), since using diluted average shares outstanding would cause antidilution. As a result, the net loss earnings per share does not foot by $(0.01).

J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — OPERATING BASIS EXCLUDING JPMORGAN PARTNERS
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING REVENUE										
Investment Banking Fees	$ 785	$ 755	$ 932	$ 812	$ 928	4%	(15)%	$ 1,540	$ 1,870	(18)%
Trading-Related Revenue (Including Trading NII)	1,123	1,710	896	1,608	1,587	(34)	(29)	2,833	3,735	(24)
Fees and Commissions	2,725	2,466	2,297	2,289	2,403	11	13	5,191	4,472	16
Private Equity — Realized Gains (Losses)	1	3	(26)	—	10	(67)	(90)	4	2	100
Private Equity — Unrealized Gains (Losses)	(1)	14	—	(5)	(16)	NM	94	13	(20)	NM
Securities Gains	124	114	202	142	67	9	85	238	522	(54)
Other Revenue	277	134	158	206	284	107	(2)	411	533	(23)
Net Interest Income (Excluding Trading NII)	3,053	3,026	2,909	2,816	2,845	1	7	6,079	5,473	11
TOTAL OPERATING REVENUE	**8,087**	**8,222**	**7,368**	**7,868**	**8,108**	(2)	—	**16,309**	**16,587**	(2)
OPERATING EXPENSE										
Compensation Expense	2,723	2,782	2,583	2,826	2,993	(2)	(9)	5,505	6,286	(12)
Noncompensation Expense	2,158	2,232	2,085	2,092	2,150	(3)	—	4,390	4,288	2
TOTAL OPERATING EXPENSE	**4,881**	**5,014**	**4,668**	**4,918**	**5,143**	(3)	(5)	**9,895**	**10,574**	(6)
Credit Costs	1,155	1,074	1,732	1,015	798	8	45	2,229	1,486	50
Operating Income before Taxes	2,051	2,134	968	1,935	2,167	(4)	(5)	4,185	4,527	(8)
Income Taxes	707	736	267	648	771	(4)	(8)	1,443	1,600	(10)
OPERATING EARNINGS	**$1,344**	**$1,398**	**$ 701**	**$1,287**	**$1,396**	(4)	(4)	**$ 2,742**	**$ 2,927**	(6)
OPERATING BASIS										
Diluted Earnings per Share	$ 0.66	$ 0.69	$ 0.34	$ 0.63	$ 0.68	(4)	(3)	$ 1.35	$ 1.42	(5)
Return on Common Equity	15.1%	16.2%	7.7%	14.3%	15.8%	(110)bp	(70)bp	15.6%	16.8%	(120)bp
Overhead Ratio	60	61	63	63	63	(100)	(300)	61	64	(300)
Compensation Expense as a % of Operating Revenue	34	34	35	36	37	—	(300)	34	38	(400)
Noncompensation Expense as a % of Operating Revenue	27	27	28	27	27	—	—	27	26	100

J.P. MORGAN CHASE & CO.
STATEMENT OF INCOME — OPERATING BASIS
(in millions, except per share and ratio data)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING REVENUE										
Investment Banking Fees	$ 785	$ 755	$ 931	$ 811	$ 929	4%	(16)%	$ 1,540	$ 1,870	(18)%
Trading-Related Revenue (Including Trading NII)	1,136	1,720	904	1,614	1,594	(34)	(29)	2,856	3,761	(24)
Fees and Commissions	2,745	2,493	2,340	2,297	2,422	10	13	5,238	4,504	16
Private Equity — Realized Gains (Losses)	(10)	(10)	81	204	(46)	—	78	(20)	366	NM
Private Equity — Unrealized Gains (Losses)	(115)	(228)	(505)	(311)	(783)	50	85	(343)	(1,068)	68
Securities Gains	124	114	202	142	67	9	85	238	522	(54)
Other Revenue	273	137	138	209	280	99	(3)	410	537	(24)
Net Interest Income (Excluding Trading NII)	2,970	2,938	2,825	2,725	2,759	1	8	5,908	5,296	12
TOTAL OPERATING REVENUE	**7,908**	**7,919**	**6,916**	**7,691**	**7,222**	—	9	**15,827**	**15,788**	—
OPERATING EXPENSE										
Compensation Expense	2,761	2,823	2,622	2,860	3,026	(2)	(9)	5,584	6,362	(12)
Noncompensation Expense	2,204	2,280	2,138	2,125	2,188	(3)	1	4,484	4,381	2
TOTAL OPERATING EXPENSE	**4,965**	**5,103**	**4,760**	**4,985**	**5,214**	(3)	(5)	**10,068**	**10,743**	(6)
Credit Costs	1,155	1,074	1,732	1,015	798	8	45	2,229	1,486	50
Operating Income before Taxes	1,788	1,742	424	1,691	1,210	3	48	3,530	3,559	(1)
Income Taxes	609	592	68	558	424	3	44	1,201	1,246	(4)
OPERATING EARNINGS	**$1,179**	**$1,150**	**$ 356**	**$1,133**	**$ 786**	3	50	**$ 2,329**	**$ 2,313**	1
OPERATING BASIS										
Diluted Earnings per Share	$ 0.58	$ 0.57	$ 0.17	$ 0.55	$ 0.38	2	53	$ 1.15	$ 1.12	3
SVA	(57)	(59)	(915)	(136)	(481)	3	88	(116)	(196)	41
Return on Managed Assets	0.62%	0.63%	0.19%	0.59%	0.42%	(1)bp	20bp	0.63%	0.62%	1bp
Return on Common Equity	11.4	11.4	3.3	10.7	7.4	—	400	11.4	11.0	40
Overhead Ratio	63	64	69	65	72	(100)	(900)	64	68	(400)
Common Dividend Payout Ratio	59	60	199	61	89	(100)	(3,000)	60	60	—
Effective Tax Rate	34	34	16	33	35	—	(100)	34	35	(100)
Compensation Expense as a % of Operating Revenue	35	36	38	37	42	(100)	(700)	35	40	(500)
Noncompensation Expense as a % of Operating Revenue	28	29	31	28	30	(100)	(200)	28	28	—

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
RECONCILIATION FROM REPORTED TO OPERATING BASIS
(in millions)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
REVENUE										
TRADING REVENUE										
Reported	$ 731	$1,299	$ 355	$1,301	$1,261	(44)%	(42)%	$ 2,030	$ 3,262	(38)%
Trading-Related NII	405	421	549	313	333	(4)	22	826	499	66
Operating	**$1,136**	**$1,720**	**$ 904**	**$1,614**	**$1,594**	(34)	(29)	**$ 2,856**	**$ 3,761**	(24)
CREDIT CARD REVENUE (a)										
Reported	$ 669	$ 587	$ 662	$ 548	$ 465	14	44	$ 1,256	$ 898	40
Credit Card Securitizations	(140)	(91)	(153)	(100)	(38)	54	NM	(231)	(87)	166
Operating	**$ 529**	**$ 496**	**$ 509**	**$ 448**	**$ 427**	7	24	**$ 1,025**	**$ 811**	26
OTHER REVENUE										
Reported	$ 292	$ 157	$ 151	$ 218	$ 280	86	4	$ 449	$ 532	(16)
Credit Card Securitizations	(19)	(20)	(13)	(9)	—	(5)	NM	(39)	5	NM
Operating	**$ 273**	**$ 137**	**$ 138**	**$ 209**	**$ 280**	99	(3)	**$ 410**	**$ 537**	(24)
NET INTEREST INCOME										
Reported	$2,882	$2,927	$2,944	$2,659	$2,781	(2)	4	$ 5,809	$ 5,199	12
Credit Card Securitizations	493	432	430	379	311	14	59	925	596	55
Trading-Related NII	(405)	(421)	(549)	(313)	(333)	(4)	22	(826)	(499)	66
Operating	**$2,970**	**$2,938**	**$2,825**	**$2,725**	**$2,759**	1	8	**$ 5,908**	**$ 5,296**	12
TOTAL REVENUE										
Reported	$7,574	$7,598	$6,652	$7,421	$6,949	—	9	$15,172	$15,274	(1)
Credit Card Securitizations	334	321	264	270	273	4	22	655	514	27
Total Operating Revenue	**$7,908**	**$7,919**	**$6,916**	**$7,691**	**$7,222**	—	9	**$15,827**	**$15,788**	—
EXPENSE										
Reported	$5,194	$5,358	$5,752	$6,007	$5,839	(3)	(11)	$10,552	$11,837	(11)
Merger and Restructuring Costs	(229)	(255)	(841)	(876)	(478)	(10)	(52)	(484)	(806)	(40)
Amortization of Goodwill	—	—	(151)	(146)	(147)	NM	NM	—	(288)	NM
Operating Expense	**$4,965**	**$5,103**	**$4,760**	**$4,985**	**$5,214**	(3)	(5)	**$10,068**	**$10,743**	(6)
CREDIT COSTS										
Provision for Loan Losses — Reported	$ 821	$ 753	$1,468	$ 745	$ 525	9	56	$ 1,574	$ 972	62
Credit Card Securitizations	334	321	264	270	273	4	22	655	514	27
Credit Costs — Operating	**$1,155**	**$1,074**	**$1,732**	**$1,015**	**$ 798**	8	45	**$ 2,229**	**$ 1,486**	50

(a) Included in Fees and Commissions.

JPMorganChase

SEGMENT DETAIL

J.P. MORGAN CHASE & CO.
INVESTMENT BANK
FINANCIAL HIGHLIGHTS
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT										
REVENUE:										
Trading Revenue (Including Trading NII)	$ 1,105	$ 1,694	$ 1,020	$ 1,500	$ 1,551	(35)%	(29)%	$ 2,799	$ 3,646	(23)%
Investment Banking Fees	783	741	933	806	920	6	(15)	1,524	1,859	(18)
Net Interest Income	638	715	786	758	707	(11)	(10)	1,353	1,389	(3)
Fees and Commissions	419	380	363	349	357	10	17	799	778	3
All Other Revenue	148	78	(22)	129	176	90	(16)	226	362	(38)
TOTAL OPERATING REVENUE	**3,093**	**3,608**	**3,080**	**3,542**	**3,711**	(14)	(17)	**6,701**	**8,034**	(17)
EXPENSE:										
Compensation Expense	1,157	1,181	1,136	1,256	1,349	(2)	(14)	2,338	2,952	(21)
Noncompensation Expense	859	929	741	891	925	(8)	(7)	1,788	1,884	(5)
TOTAL OPERATING EXPENSE	**2,016**	**2,110**	**1,877**	**2,147**	**2,274**	(4)	(11)	**4,126**	**4,836**	(15)
Operating Margin	1,077	1,498	1,203	1,395	1,437	(28)	(25)	2,575	3,198	(19)
Credit Costs	306	282	617	268	167	9	83	588	262	124
Operating Income Before Taxes	771	1,216	586	1,127	1,270	(37)	(39)	1,987	2,936	(32)
Income Taxes	286	466	214	421	485	(39)	(41)	752	1,124	(33)
OPERATING EARNINGS	**$ 485**	**$ 750**	**$ 372**	**$ 706**	**$ 785**	(35)	(38)	**$ 1,235**	**$ 1,812**	(32)
Average Common Equity	$ 18,564	$ 19,018	$ 18,812	$ 18,309	$ 18,711	(2)	(1)	$ 18,790	$ 19,355	(3)
Average Assets	503,526	467,117	510,573	513,143	506,204	8	(1)	485,422	508,469	(5)
SVA	(75)	182	(202)	147	217	NM	NM	107	643	(83)
Return on Common Equity	10.4%	15.9%	7.7%	15.2%	16.7%	(550)bp	(630)bp	13.2%	18.7%	(550)bp
Overhead Ratio	65	58	61	61	61	700	400	62	60	200
Compensation Expense as a % of Operating Revenue	37	33	37	35	36	400	100	35	37	(200)
TRADING-RELATED REVENUE AND COMMISSIONS (a)										
Equities	$ 355	$ 419	$ 290	$ 425	$ 645	(15)%	(45)%	$ 774	$ 1,390	(44)%
Fixed Income and Other	1,051	1,538	995	1,308	1,177	(32)	(11)	2,589	2,834	(9)
Total	**$ 1,406**	**$ 1,957**	**$ 1,285**	**$ 1,733**	**$ 1,822**	(28)	(23)	**$ 3,363**	**$ 4,224**	(20)
INVESTMENT BANKING FEES										
Advisory	$ 192	$ 191	$ 268	$ 330	$ 303	1	(37)	$ 383	$ 647	(41)%
Underwriting and Other Fees	591	550	665	476	617	7	(4)	1,141	1,212	(6)
Total	**$ 783**	**$ 741**	**$ 933**	**$ 806**	**$ 920**	6	(15)	**$ 1,524**	**$ 1,859**	(18)
MARKET SHARE/ RANKINGS: (b)										
Global Syndicated Loans	28.8%/#1	21.9%/#1	24.5%/#1	21.8%/#1	30.9%/#1			25.9%/#1	29.2%/#1	
U.S. Investment Grade Bonds	17.7%/#2	15.9%/#2	13.2%/#2	14.7%/#2	13.5%/#2			16.7%/#2	14.5%/#2	
Euro-Denominated Corporate International Bonds	5.4%/#7	5.8%/#4	6.1%/#7	9.5%/#1	8.3%/#2			5.6%/#5	6.8%/#2	
Global Equity and Equity-Related	6.1%/#6	4.9%/#6	5.0%/#8	5.0%/#7	1.7%/#9			5.5%/#7	2.1%/#10	
U.S. Equity and Equity-Related	8.4%/#6	4.5%/#7	7.8%/#5	5.5%/#7	1.8%/#8			6.2%/#6	1.5%/#9	
Global Announced M&A	19.5%/#1	11.6%/#8	26.2%/#4	30.9%/#5	12.2%/#8			16.0%/#5	15.6%/#6	

Note: Prior periods have been restated to conform with current methodologies.

(a) Includes Trading Revenue (including trading NII), and brokerage commissions which are primarily reported within Fees and Commissions.

(b) Derived from Thomson Financial Securities Data. Global announced M&A based on rank value; all others based on proceeds, with full credit to each book manager/equal if joint.

J.P. MORGAN CHASE & CO.
TREASURY & SECURITIES SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT										
REVENUE:										
Fees and Commissions	$ 609	$ 587	$ 565	$ 556	$ 568	4%	7%	$ 1,196	$ 1,116	7%
Net Interest Income	323	313	327	354	337	3	(4)	636	693	(8)
All Other Revenue	53	34	45	63	57	56	(7)	87	106	(18)
TOTAL OPERATING REVENUE	**985**	**934**	**937**	**973**	**962**	5	2	**1,919**	**1,915**	—
EXPENSE:										
Compensation Expense	301	304	275	288	289	(1)	4	605	588	3
Noncompensation Expense	411	405	419	419	438	1	(6)	816	840	(3)
TOTAL OPERATING EXPENSE	**712**	**709**	**694**	**707**	**727**	—	(2)	**1,421**	**1,428**	—
Operating Margin	273	225	243	266	235	21	16	498	487	2
Credit Costs	(1)	1	4	1	2	NM	NM	—	2	NM
Operating Income Before Taxes	274	224	239	265	233	22	18	498	485	3
Income Taxes	97	79	82	93	81	23	20	176	171	3
OPERATING EARNINGS	**$ 177**	**$ 145**	**$ 157**	**$ 172**	**$ 152**	22	16	**$ 322**	**$ 314**	3
Average Common Equity	$ 3,081	$ 2,960	$ 2,877	$ 2,910	$ 3,054	4	1	$ 3,021	$ 2,969	2
Average Assets	18,321	16,373	17,823	18,378	18,558	12	(1)	17,352	17,831	(3)
SVA	84	56	69	83	60	50	40	140	135	4
Return on Common Equity	22.9%	19.8%	21.5%	23.3%	19.8%	310bp	310bp	21.4%	21.2%	20bp
Overhead Ratio	72	76	74	73	76	(400)	(400)	74	75	(100)
OPERATING REVENUE BY BUSINESS:										
Treasury Services	$ 331	$ 334	$ 350	$ 345	$ 333	(1)%	(1)%	$ 665	$ 655	2%
Investor Services	428	392	392	434	427	9	—	820	862	(5)
Institutional Trust Services	221	203	190	189	197	9	12	424	388	9
Other	5	5	5	5	5	—	—	10	10	—
Total Treasury & Securities Services	$ 985	$ 934	$ 937	$ 973	$ 962	5	2	$ 1,919	$ 1,915	—

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
INVESTMENT MANAGEMENT & PRIVATE BANKING
FINANCIAL HIGHLIGHTS
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT										
REVENUE:										
Fees and Commissions	$ 532	$ 561	$ 552	$ 554	$ 586	(5)%	(9)%	$ 1,093	$ 1,176	(7)%
Net Interest Income	106	105	131	122	132	1	(20)	211	266	(21)
All Other Revenue	53	63	36	50	71	(16)	(25)	116	150	(23)
TOTAL OPERATING REVENUE	**691**	**729**	**719**	**726**	**789**	(5)	(12)	**1,420**	**1,592**	(11)
EXPENSE:										
Compensation Expense	239	271	279	292	328	(12)	(27)	510	695	(27)
Noncompensation Expense	281	275	296	279	310	2	(9)	556	621	(10)
TOTAL OPERATING EXPENSE	**520**	**546**	**575**	**571**	**638**	(5)	(18)	**1,066**	**1,316**	(19)
Operating Margin	171	183	144	155	151	(7)	13	354	276	28
Credit Costs	23	23	30	3	2	—	NM	46	2	NM
Operating Income Before Taxes	148	160	114	152	149	(8)	(1)	308	274	12
Income Taxes	30	35	19	34	33	(14)	(9)	65	57	14
OPERATING EARNINGS	**$ 118**	**$ 125**	**$ 95**	**$ 118**	**$ 116**	(6)	2	**$ 243**	**$ 217**	12
Average Common Equity	$ 6,012	$ 5,975	$ 6,013	$ 6,070	$ 6,227	1	(3)	$ 5,993	$ 6,333	(5)
Average Assets	32,989	34,690	33,602	33,951	33,329	(5)	(1)	33,835	34,038	(1)
SVA	(64)	(53)	(89)	(67)	(73)	(21)	12	(117)	(165)	29
Return on Common Equity	7.8%	8.4%	6.1%	7.6%	7.3%	(60)bp	50bp	8.1%	6.7%	140bp
Overhead Ratio	75	75	80	79	81	—	(600)	75	83	(800)
(in billions)										
ASSETS UNDER MANAGEMENT (a)(b)	**$ 541**(c)	**$ 581**	**$ 602**	**$ 582**	**$ 609**	(7)%	(11)%			
Private Banking	132(c)	139	138	135	142	(5)	(7)			
Institutional	341(c)	373	404	390	406	(9)	(16)			
Retail	68(c)	69	60	57	61	(1)	11			
ASSETS UNDER MANAGEMENT	**$ 541**(c)	**$ 581**	**$ 602**	**$ 582**	**$ 609**	(7)	(11)			
Americas	375(c)	417	438	421	431	(10)	(13)			
Europe and Asia	166(c)	164	164	161	178	1	(7)			
ASSETS UNDER MANAGEMENT	**$ 541**(c)	**$ 581**	**$ 602**	**$ 582**	**$ 609**	(7)	(11)			
Fixed Income and Cash	293(c)	312	328	313	312	(6)	(6)			
Equities and Other	248(c)	269	274	269	297	(8)	(16)			
CLIENT POSITIONS (b)(d)										
Private Banking	**$ 277**(c)	**$ 276**	**$ 299**	**$ 300**	**$ 314**	—	(12)			

Note: Prior periods have been restated to conform with current methodologies.

(a) Assets under management represent assets actively managed by Investment Management & Private Banking on behalf of institutional and Private Banking clients. Excludes assets managed at American Century Companies Inc.

(b) Assets under management and client positions restated for transfer of certain clients to RMMFS.

(c) Estimated

(d) Client Positions represent assets under management as well as custody, restricted stock, deposit, brokerage and loan accounts.

J.P. MORGAN CHASE & CO.
JPMORGAN PARTNERS
FINANCIAL HIGHLIGHTS
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT										
REVENUE:										
Private Equity:										
Realized Gains (Losses)	$ (11)	$ (13)	$ 107	$ 204	$ (56)	15%	80%	$ (24)	$ 364	NM
Unrealized Gains (Losses)	(114)	(242)	(505)	(306)	(767)	53	85	(356)	(1,048)	66%
Total Private Equity Gains (Losses)	(125)	(255)	(398)	(102)	(823)	51	85	(380)	(684)	44
Net Interest Income (Loss)	(83)	(88)	(84)	(91)	(86)	6	3	(171)	(177)	3
Fees and Other Revenue	29	40	30	16	23	(28)	26	69	62	11
TOTAL OPERATING REVENUE	**(179)**	**(303)**	**(452)**	**(177)**	**(886)**	41	80	**(482)**	**(799)**	40
EXPENSE:										
Compensation Expense	38	41	39	34	33	(7)	15	79	76	4
Noncompensation Expense	46	48	53	33	38	(4)	21	94	93	1
TOTAL OPERATING EXPENSE	**84**	**89**	**92**	**67**	**71**	(6)	18	**173**	**169**	2
Operating Income (Loss) Before Taxes	(263)	(392)	(544)	(244)	(957)	33	73	(655)	(968)	32
Income Taxes (Benefit)	(98)	(144)	(199)	(90)	(347)	(32)	(72)	(242)	(354)	(32)
OPERATING EARNINGS (LOSS)	**$ (165)**	**$ (248)**	**$ (345)**	**$ (154)**	**$ (610)**	33	73	**$ (413)**	**$ (614)**	33
Average Common Equity	$ 5,493	$ 5,708	$ 6,131	$ 6,120	$ 6,601	(4)	(17)	$ 5,600	$ 6,868	(18)
Average Assets	10,153	10,599	11,717	11,357	12,235	(4)	(17)	10,375	12,940	(20)
SVA	(372)	(461)	(579)	(387)	(860)	19	57	(833)	(1,131)	26

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
JPMORGAN PARTNERS
INVESTMENT PORTFOLIO — PRIVATE AND PUBLIC SECURITIES
(in millions, except ratios)

	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	Jun 30, 2002 Over (Under) Mar 31, 02	Jun 30, 2002 Over (Under) Jun 30, 01
PORTFOLIO INFORMATION							
Public Securities (133 companies)(a)(b)							
Carrying Value	$ 695	$ 705	$ 998	$ 1,149	$ 1,680	(1)%	(59)%
Cost	860	809	802	829	974	6	(12)
Private Direct Securities (949 companies)(b)							
Carrying Value	5,707	6,054	6,289	6,371	6,089	(6)	(6)
Cost	7,066	7,317	7,544	7,322	6,998	(3)	1
Private Fund Investments (319 funds)(b)							
Carrying Value	1,827	1,794	1,910	2,108	2,086	2	(12)
Cost	2,164	2,119	2,182	2,217	2,201	2	(2)
Total Investment Portfolio - Carrying Value	$ 8,229	$ 8,553	$ 9,197	$ 9,628	$ 9,855	(4)	(16)
Total Investment Portfolio - Cost	$10,090	$10,245	$10,528	$10,368	$10,173	(2)	(1)

Public Securities Investments at June 30, 2002
(dollars and shares in millions)

	Symbol	Shares	Quoted Public Value	Cost
JetBlue Airways Corporation	JBLU	3.4	$ 157	$ 20
Encore Acquisition Company	EAC	4.9	85	34
Guitar Center Inc.	GTRC	3.6	67	39
Fisher Scientific International, Inc.	FSH	2.4	66	21
Triton PCS Holdings, Inc.	TPC	16.0	62	70
dj Orthopedics, Inc.	DJO	5.9	48	54
1-800-FLOWERS.COM, Inc.	FLWS	3.9	44	14
United Auto Group, Inc.	UAG	2.0	42	24
AT&T Wireless Services, Inc. (c)	AWE	7.0	41	5
Wild Oats Markets, Inc.	OATS	2.3	38	19
Top Ten Public Securities			$ 650	$300
Other Public Securities (123 companies)			356	560
Total Public Securities (133 companies)			$1,006	$860

(a) Publicly traded positions only.

(b) Represents the number of companies and funds at June 30, 2002.

(c) Does not include 3.3 million shares held directly by the holding company, received upon a distribution from JPMP.

J.P. MORGAN CHASE & CO.
RETAIL & MIDDLE MARKET FINANCIAL SERVICES
FINANCIAL HIGHLIGHTS
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
OPERATING INCOME STATEMENT										
REVENUE:										
Net Interest Income	$ 2,141	$ 2,049	$ 1,859	$ 1,823	$ 1,761	4%	22%	$ 4,190	$ 3,439	22%
Fees and Commissions	1,169	931	809	820	879	26	33	2,100	1,384	52
Securities Gains	19	(13)	61	1	—	NM	NM	6	316	(98)
All Other Revenue	175	187	224	233	129	(6)	36	362	309	17
TOTAL OPERATING REVENUE	**3,504**	**3,154**	**2,953**	**2,877**	**2,769**	11	27	**6,658**	**5,448**	22
EXPENSE:										
Compensation Expense	689	656	608	623	603	5	14	1,345	1,176	14
Noncompensation Expense	981	911	896	847	842	8	17	1,892	1,662	14
TOTAL OPERATING EXPENSE	**1,670**	**1,567**	**1,504**	**1,470**	**1,445**	7	16	**3,237**	**2,838**	14
Operating Margin	1,834	1,587	1,449	1,407	1,324	16	39	3,421	2,610	31
Credit Costs	736	726	925	722	629	1	17	1,462	1,226	19
Operating Income Before Taxes	1,098	861	524	685	695	28	58	1,959	1,384	42
Income Taxes	412	328	189	258	267	26	54	740	530	40
OPERATING EARNINGS	**$ 686**	**$ 533**	**$ 335**	**$ 427**	**$ 428**	29	60	**$ 1,219**	**$ 854**	43
Average Common Equity	$ 10,558	$ 10,261	$ 9,596	$ 9,449	$ 9,215	3	15	$ 10,410	$ 9,002	16
Average Managed Assets(a)	179,483	179,535	169,828	167,961	168,023	—	7	179,509	164,534	9
SVA	368	225	42	139	148	64	149	593	310	91
Return on Common Equity	26.0%	20.9%	13.7%	17.8%	18.5%	510bp	750bp	23.5%	18.9%	460 bp
Overhead Ratio	48	50	51	51	52	(200)	(400)	49	52	(300)
RETAIL & MIDDLE MARKET FINANCIAL SERVICES' BUSINESSES										
CARDMEMBER SERVICES:										
Operating Revenues	$ 1,492	$ 1,359	$ 1,261	$ 1,149	$ 1,072	10%	39%	$ 2,851	$ 2,072	38%
Operating Earnings	178	151	176	129	113	18	58	329	208	58
HOME FINANCE:										
Operating Revenues	$ 772	$ 527	$ 441	$ 467	$ 413	46	87	$ 1,299	$ 774	68
Operating Earnings	268	132	89	122	99	103	171	400	189	112
REGIONAL BANKING GROUP:										
Operating Revenues	$ 726	$ 743	$ 754	$ 789	$ 809	(2)	(10)	$ 1,469	$ 1,630	(10)
Operating Earnings	90	126	108	126	131	(29)	(31)	216	273	(21)
MIDDLE MARKETS:										

Operating Revenues	$ 329	$ 335	$ 313	$ 322	$ 321	(2)	2	$ 664	$ 650	2
Operating Earnings	94	84	66	76	62	12	52	178	131	36
AUTO FINANCE:										
Operating Revenues	$ 167	$ 171	$ 164	$ 140	$ 136	(2)	23	$ 338	$ 248	36
Operating Earnings	82	33	36	33	36	148	128	115	58	98

Note: Prior periods have been restated to conform with current methodologies.

(a) Excludes the impact of credit card securitizations.

J.P. MORGAN CHASE & CO.
RETAIL & MIDDLE MARKET FINANCIAL SERVICES
BUSINESS-RELATED METRICS

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
Cardmember Services - Managed Basis										
End-of-Period Outstandings (in billions)	$ 49.5	$ 48.9	$ 41.6	$ 38.9	$ 38.3	1%	29%	$ 49.5	$ 38.3	29%
Total Purchases & Cash Advances (a) (in billions)	20.9	18.9	20.3	17.9	17.8	11	17	39.8	34.0	17
Total Accounts (in millions)	28.1	27.7	23.9	23.4	22.4	1	25	28.1	22.4	25
Net Charge-Off Ratio	6.41%	5.82%	5.56%	5.74%	5.57%	59bp	84bp	6.13%	5.49%	64bp
Overhead Ratio	34	34	34	34	34	—	—	34	36	(200)
Regional Banking Group										
Total Average Deposits (in billions)	$ 71.4	$ 70.5	$ 67.1	$ 66.5	$ 66.6	1%	7%	$ 70.9	$ 66.6	6%
Total Average Assets Under Management(b) (in billions)	103.5	103.1	101.2	100.3	100.0	—	4	103.3	100.1	3
Number of Branches	533	538	531	533	537	(1)	(1)	533	537	(1)
Number of ATMs	1,878	1,895	1,907	1,875	1,904	(1)	(1)	1,878	1,904	(1)
Number of Online Customers (in thousands)	1,066	1,003	937	876	811	6	31	1,066	811	31
Overhead Ratio	78%	74%	73%	70%	69%	400bp	900bp	76%	68%	800bp
Home Finance										
Originations (in billions)	$ 26.5	$ 32.7	$ 50.4	$ 47.4	$ 54.4	(19)%	(51)%	$ 59.2	$ 86.4	(31)%
Loans Serviced (in billions)	436(c)	426	430	427	409	2	7	436	409	7
Total Average Loans Owned (in billions)	54.1	56.9	57.3	57.0	55.8	(5)	(3)	55.5	53.8	3
Number of Customers (in millions)	4.0(c)	4.0	4.0	4.1	4.0	—	—	4.0	4.0	—
Net Charge-Off Ratio	0.30%	0.21%	0.21%	0.20%	0.14%	9bp	16bp	0.25%	0.15%	10bp
Overhead Ratio	39	55	64	55	60	(1,600)	(2,100)	46	59	(1,300)
Middle Markets										
Total Average Loans (in billions)	$ 13.7	$ 13.9	$ 14.5	$ 14.6	$ 14.7	(1)%	(7)%	$ 13.8	$ 14.8	(7)%
Total Average Deposits (in billions)	25.2	23.6	20.9	18.9	18.8	7	34	24.4	18.7	30
Nonperforming Average Loans as a % of Total Average Loans	1.88%	2.16%	2.16%	2.15%	2.28%	(28)bp	(40)bp	2.02%	2.42%	(40)bp
Overhead Ratio	53	51	58	53	56	200	(300)	52	54	(200)
Auto Finance										
Loan and Lease Receivables (in billions)	$ 29.3	$ 28.8	$ 28.4	$ 27.2	$ 26.2	2%	12%	$ 29.3	$ 26.2	12%
Origination Volume (in billions)	5.2	5.8	5.6	5.2	4.8	(10)	8	10.9	9.1	20
Market Share	4.2%(c)	5.2%	5.2%	4.2%	3.9%	(100)bp	30bp	5.0%	3.9%	110bp
Net Charge-Off Ratio	0.38	0.55	0.71	0.50	0.42	(17)	(4)	0.46	0.46	—
Overhead Ratio	35	34	33	37	37	100	(200)	34	38	(400)

(a) Sum of total customer purchases, cash advances and balance transfers.

(b) Assets under management includes deposits.

(c) Estimated

SUPPLEMENTAL DETAIL

J.P. MORGAN CHASE & CO.
NONINTEREST REVENUE AND NONINTEREST EXPENSE DETAIL ON A REPORTED BASIS
(in millions)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
NONINTEREST REVENUE										
Investment Banking Fees:										
Advisory	$ 189	$ 191	$ 271	$ 329	$ 308	(1)%	(39)%	$ 380	$ 648	(41)%
Underwriting and Other Fees	596	564	660	482	621	6	(4)	1,160	1,222	(5)
Total	**$ 785**	**$ 755**	**$ 931**	**$ 811**	**$ 929**	4	(16)	**$1,540**	**$1,870**	(18)
Trading-Related Revenue:(a)										
Equities	$ 120	$ 223	$ 101	$ 251	$ 450	(46)	(73)	$ 343	$ 955	(64)
Fixed Income and Other	1,016	1,497	803	1,363	1,144	(32)	(11)	2,513	2,806	(10)
Total	**$1,136**	**$1,720**	**$ 904**	**$1,614**	**$1,594**	(34)	(29)	**$2,856**	**$3,761**	(24)
Fees and Commissions:										
Investment Management, Custody and Processing Services	$ 981	$ 992	$ 987	$ 960	$ 988	(1)	(1)	$1,973	$2,004	(2)
Credit Card Revenue	669	587	662	548	465	14	44	1,256	898	40
Brokerage and Investment Services	333	304	305	268	308	10	8	637	671	(5)
Mortgage Servicing Fees, Net of Amortization and Writedowns	257	48	(81)	9	75	NM	NM	305	(158)	NM
Other Lending-Related Service Fees	128	130	118	125	122	(2)	5	258	252	2
Deposit Service Charges	273	290	277	262	258	(6)	6	563	484	16
Other Fees	244	233	225	225	244	5	—	477	440	8
Total	**$2,885**	**$2,584**	**$2,493**	**$2,397**	**$2,460**	12	17	**$5,469**	**$4,591**	19
Other Revenue:										
Residential Mortgage Origination/Sales Activities	$ 146	$ 100	$ 162	$ 157	$ 152	46	(4)	$ 246	$ 257	(4)
All Other Revenue	146	57	(11)	61	128	156	14	203	275	(26)
Total	**$ 292**	**$ 157**	**$ 151**	**$ 218**	**$ 280**	86	4	**$ 449**	**$ 532**	(16)
NONINTEREST EXPENSE										
Other Expense:										
Professional Services	$ 311	$ 307	$ 289	$ 267	$ 288	1	8	$ 618	$ 583	6
Outside Services	240	249	213	232	220	(4)	9	489	443	10
Marketing	144	146	179	137	144	(1)	—	290	285	2
Travel and Entertainment	112	101	78	116	137	11	(18)	213	259	(18)
All Other	311	405	369	335	362	(23)	(14)	716	736	(3)
Total	**$1,118**	**$1,208**	**$1,128**	**$1,087**	**$1,151**	(7)	(3)	**$2,326**	**$2,306**	1

Note: Prior periods have been restated to conform with current methodologies.

(a) Includes trading-related net interest income.

J.P. MORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEET
(in millions)

	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	Jun 30, 2002 Over (Under) Mar 31, 02	Jun 30, 2002 Over (Under) Jun 30, 01
ASSETS							
Cash and Due from Banks	$ 21,878	$ 22,637	$ 22,600	$ 22,299	$ 24,219	(3)%	(10)%
Deposits with Banks	10,517	9,691	12,743	9,341	11,903	9	(12)
Federal Funds Sold and Securities Purchased under Resale Agreements	71,740	76,719	63,727	78,997	61,308	(6)	17
Securities Borrowed	48,429	40,880	36,580	37,499	38,296	18	26
Trading Assets:							
Debt and Equity Instruments	159,746	144,992	118,248	165,143	139,135	10	15
Derivative Receivables	69,858	63,224	71,157	85,407	68,910	10	1
Securities	64,526	61,225	59,760	66,468	68,488	5	(6)
Loans (Net of Allowance for Loan Losses)	207,080	209,541	212,920	219,411	216,245	(1)	(4)
Goodwill	8,089	8,055	8,336	8,477	8,640	—	(6)
Other Intangibles:							
Mortgage Servicing Rights	5,689	6,918	6,579	5,731	7,073	(18)	(20)
Purchased Credit Card Relationships	1,426	1,508	519	542	568	(5)	151
All Other Intangibles	313	327	44	64	74	(4)	NM
Private Equity Investments	8,229	8,553	9,197	9,628	9,855	(4)	(16)
Other Assets	63,026	58,238	71,165	90,293	57,988	8	9
TOTAL ASSETS	**$740,546**	**$712,508**	**$693,575**	**$799,300**	**$712,702**	4	4
LIABILITIES							
Deposits:							
Noninterest-Bearing	$ 73,529	$ 72,659	$ 76,974	$ 72,734	$ 64,231	1	14
Interest-Bearing	220,300	209,378	216,676	208,870	212,573	5	4
Total Deposits	293,829	282,037	293,650	281,604	276,804	4	6
Federal Funds Purchased and Securities Sold under Repurchase Agreements	162,656	152,837	128,445	181,775	155,062	6	5
Commercial Paper	14,561	23,726	18,510	19,299	19,985	(39)	(27)
Other Borrowed Funds	17,352	16,968	10,835	21,941	18,418	2	(6)
Trading Liabilities:							
Debt and Equity Instruments	67,952	71,141	52,988	58,594	53,571	(4)	27
Derivative Payables	55,575	44,997	56,063	70,817	62,373	24	(11)
Accounts Payable, Accrued Expenses and Other Liabilities (Including the Allowance for Credit Losses)	38,083	36,910	47,813	75,231	38,157	3	—
Long-Term Debt	42,363	37,322	39,183	42,315	40,917	14	4
Guaranteed Preferred Beneficial Interests in the Firm's Junior Subordinated Deferrable Interest Debentures	5,439	5,439	4,439	4,439	4,439	—	23
TOTAL LIABILITIES	**697,810**	**671,377**	**651,926**	**756,015**	**669,726**	4	4
PREFERRED STOCK OF SUBSIDIARY	**—**	**—**	**550**	**550**	**550**	NM	NM
STOCKHOLDERS' EQUITY							
Preferred Stock	1,009	1,009	1,009	1,009	1,025	—	(2)
Common Stock	2,020	2,016	1,997	1,993	1,990	—	2
Capital Surplus	13,111	12,783	12,495	12,244	12,000	3	9
Retained Earnings	27,605	27,278	26,993	28,021	28,265	1	(2)
Accumulated Other Comprehensive Income (Loss)	79	(909)	(442)	267	(834)	NM	NM
Treasury Stock, at Cost	(1,088)	(1,046)	(953)	(799)	(20)	(4)	NM
TOTAL STOCKHOLDERS' EQUITY	**42,736**	**41,131**	**41,099**	**42,735**	**42,426**	4	1
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	**$740,546**	**$712,508**	**$693,575**	**$799,300**	**$712,702**	4	4

Note: Prior periods have been restated to conform with current methodologies.

J.P. MORGAN CHASE & CO.
CONDENSED AVERAGE BALANCE SHEET AND ANNUALIZED YIELDS
(in millions, except rates)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
AVERAGE BALANCES										
ASSETS										
Deposits with Banks	$ 9,287	$ 12,326	$ 10,810	$ 8,583	$ 9,535	(25)%	(3)%	$ 10,798	$ 8,531	27%
Federal Funds Sold and Securities Purchased under Resale Agreements	83,317	81,004	85,582	80,396	86,556	3	(4)	82,166	84,706	(3)
Securities and Trading Assets	201,512	180,951	188,988	200,161	194,736	11	3	191,288	197,789	(3)
Securities Borrowed	46,537	41,739	39,213	38,122	38,006	11	22	44,152	37,635	17
Loans	211,495	217,847	218,625	224,125	217,447	(3)	(3)	214,654	218,285	(2)
Total Interest- Earning Assets	552,148	533,867	543,218	551,387	546,280	3	1	543,058	546,946	(1)
Noninterest- Earning Assets	182,798	184,779	196,557	185,891	189,488	(1)	(4)	183,783	186,430	(1)
TOTAL ASSETS	**$734,946**	**$718,646**	**$739,775**	**$737,278**	**$735,768**	2	—	**$726,841**	**$733,376**	(1)
LIABILITIES										
Interest-Bearing Deposits	$221,687	$218,049	$223,314	$207,430	$215,987	2	3	$219,879	$216,366	2
Federal Funds Purchased and Securities Sold under Repurchase Agreements	166,919	153,662	164,714	170,708	167,126	9	—	160,327	159,940	—
Commercial Paper	18,514	18,901	17,134	21,307	17,818	(2)	4	18,706	17,890	5
Other Borrowings(a)	78,614	67,408	55,388	67,218	63,038	17	25	73,042	66,801	9
Long-Term Debt	42,482	43,046	44,964	44,788	45,173	(1)	(6)	42,762	46,303	(8)
Total Interest- Bearing Liabilities	528,216	501,066	505,514	511,451	509,142	5	4	514,716	507,300	1
Noninterest- Bearing Liabilities	164,832	175,800	191,098	182,757	183,118	(6)	(10)	170,285	182,670	(7)
TOTAL LIABILITIES	**693,048**	**676,866**	**696,612**	**694,208**	**692,260**	2	—	**685,001**	**689,970**	(1)
PREFERRED STOCK OF SUBSIDIARY	**—**	**354**	**550**	**550**	**550**	NM	NM	**176**	**550**	(68)
Preferred Stock	1,009	1,009	1,009	1,017	1,239	—	(19)	1,009	1,362	(26)
Common Stockholders' Equity	40,889	40,417	41,604	41,503	41,719	1	(2)	40,655	41,494	(2)
TOTAL STOCKHOLDERS' EQUITY	**41,898**	**41,426**	**42,613**	**42,520**	**42,958**	1	(2)	**41,664**	**42,856**	(3)
TOTAL LIABILITIES, PREFERRED STOCK OF SUBSIDIARY AND STOCKHOLDERS' EQUITY	**$734,946**	**$718,646**	**$739,775**	**$737,278**	**$735,768**	2	—	**$726,841**	**$733,376**	(1)
AVERAGE RATES										
INTEREST- EARNING ASSETS										
Deposits with Banks	3.31%	2.96%	3.76%	4.64%	4.65%	35bp	(134)bp	3.11%	5.90%	(279)bp
Federal Funds Sold and Securities Purchased under Resale Agreements	2.58	2.45	3.18	4.19	4.98	13	(240)	2.52	5.41	(289)

Securities and Trading Assets	5.18	5.35	5.40	5.51	5.90	(17)	(72)	5.26	5.88	(62)
Securities Borrowed	1.49	1.77	2.00	3.17	3.66	(28)	(217)	1.63	4.50	(287)
Loans	5.95	5.87	5.97	6.54	7.55	8	(160)	5.91	7.91	(200)
Total Interest- Earning Assets	**4.74**	**4.79**	**5.00**	**5.56**	**6.23**	(5)	(149)	**4.76**	**6.52**	(176)
INTEREST- BEARING LIABILITIES										
Interest-Bearing Deposits	2.38	2.49	2.52	3.48	3.94	(11)	(156)	2.44	4.43	(199)
Federal Funds Purchased and Securities Sold under Repurchase Agreements	2.06	2.07	2.63	3.81	4.29	(1)	(223)	2.07	4.95	(288)
Commercial Paper	1.84	1.76	2.30	3.53	4.39	8	(255)	1.80	5.18	(338)
Other Borrowings	5.24	4.81	6.17	5.31	6.04	43	(80)	5.04	5.83	(79)
Long-Term Debt	3.10	3.35	3.58	4.43	5.63	(25)	(253)	3.22	6.00	(278)
Total Interest- Bearing Liabilities	**2.75**	**2.72**	**3.04**	**3.92**	**4.48**	3	(173)	**2.73**	**4.95**	(222)
TOTAL INVESTABLE FUNDS	**2.63**	**2.55**	**2.83**	**3.63**	**4.17**	8	(154)	**2.59**	**4.59**	(200)
INTEREST RATE SPREAD	1.99%	2.07%	1.96%	1.64%	1.75%	(8)	24	2.03%	1.57%	46
NET INTEREST MARGIN	2.11%	2.24%	2.17%	1.93%	2.06%	(13)	5	2.17%	1.93%	24
NET INTEREST MARGIN ADJUSTED FOR SECURITIZATIONS	2.36%	2.47%	2.39%	2.13%	2.22%	(11)	14	2.41%	2.09%	32

(a) Includes securities sold but not yet purchased.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION
(in millions, except ratios)

JPMorganChase

	Jun 30th 2002	Mar 31st 2002	Dec 31st 2001	Sep 30th 2001	Jun 30th 2001	June 30, 2002 Over (Under) Mar 31, 02	June 30, 2002 Over (Under) Jun 30, 01
CREDIT-RELATED ASSETS							
COMMERCIAL LOANS							
Domestic Commercial	$ 67,124	$ 64,068	$ 66,436	$ 77,712	$ 74,563	5%	(10)%
Foreign Commercial	37,577	37,684	38,428	38,866	38,227	—	(2)
Total Commercial Loans	104,701	101,752	104,864	116,578	112,790	3	(7)
Derivative and FX Contracts	69,858	63,224	71,157	85,407	68,910	10	1
TOTAL COMMERCIAL CREDIT-RELATED	**174,559**	**164,976**	**176,021**	**201,985**	**181,700**	6	(4)
CONSUMER LOANS							
Credit Card - Reported	21,036	24,746	19,387	19,255	19,531	(15)	8
Credit Card - Securitizations	27,499	23,225	21,424	18,724	17,753	18	55
Credit Card - Managed	48,535	47,971	40,811	37,979	37,284	1	30
1-4 Family Residential Mortgages	52,669	54,460	59,430	55,160	56,743	(3)	(7)
Auto Financings	26,666	26,002	25,667	24,448	23,322	3	14
Other Consumer(a)	7,014	7,586	8,096	7,844	7,532	(8)	(7)
TOTAL MANAGED CONSUMER LOANS	**134,884**	**136,019**	**134,004**	**125,431**	**124,881**	(1)	8
TOTAL MANAGED CREDIT- RELATED ASSETS	**$309,443**	**$300,995**	**$310,025**	**$327,416**	**$306,581**	3	1
NONPERFORMING ASSETS AND RATIOS							
COMMERCIAL LOANS							
Domestic Commercial	$ 1,402	$ 1,399	$ 1,275	$ 1,438	$ 1,528	—	(8)
Foreign Commercial	1,110	960	722	580	362	16	207
Total Commercial Loans	2,512	2,359	1,997	2,018	1,890	6	33
Derivative and FX Contracts	144	155	170	46	88	(7)	64
TOTAL	**2,656**	**2,514**	**2,167**	**2,064**	**1,978**	6	34
CONSUMER LOANS							
Credit Card - Reported	18	19	22	23	25	(5)	(28)
Credit Card - Securitizations	—	—	—	—	—	NM	NM
Credit Card - Managed	18	19	22	23	25	(5)	(28)
1-4 Family Residential Mortgages	275	351	280	273	263	(22)	5
Auto Financings	103	98	118	110	97	5	6
Other Consumer (a)	54	66	79	53	16	(18)	238
Total Consumer Loans	450	534	499	459	401	(16)	12
TOTAL	**3,106**	**3,048**	**2,666**	**2,523**	**2,379**	2	31
Assets Acquired in Loan Satisfactions	142	130	124	123	119	9	19
TOTAL	**3,248**	**3,178**	**2,790**	**2,646**	**2,498**	2	30
Other Receivables (b)	1,130	1,130	1,130	—	—	—	NM
TOTAL NONPERFORMING ASSETS	**$ 4,378(c)**	**$ 4,308**	**$ 3,920**	**$ 2,646**	**$ 2,498**	2	75
TOTAL NONPERFORMING ASSETS TO							

TOTAL ASSETS	**0.59%**	**0.60%**	**0.57%**	**0.33%**	**0.35%**	(1)bp	24bp
PAST DUE 90 DAYS AND OVER AND ACCRUING							
COMMERCIAL LOANS							
Domestic Commercial	$ 29	$ 42	$ 30	$ 19	$ 48	(31)%	(40)%
Foreign Commercial	2	10	5	44	34	(80)	(94)
TOTAL COMMERCIAL CREDIT-RELATED	**31**	**52**	**35**	**63**	**82**	(40)	(62)
CONSUMER LOANS							
Credit Card - Reported	505	619	449	394	326	(18)	55
Credit Card - Securitizations	457	478	457	348	374	(4)	22
Credit Card - Managed	962	1,097	906	742	700	(12)	37
1-4 Family Residential Mortgages	—	—	—	—	—	NM	NM
Auto Financings	—	—	1	1	1	NM	NM
Other Consumer (a)	37	45	36	28	66	(18)	(44)
TOTAL CONSUMER LOANS	**999**	**1,142**	**943**	**771**	**767**	(13)	30
TOTAL CR.-REL. ACCRUING ASSETS PAST DUE 90 DAYS	**$ 1,030**	**$ 1,194**	**$ 978**	**$ 834**	**$ 849**	(14)	21

(a) Consists of installment loans (direct and indirect types of consumer finance), student loans, unsecured revolving lines of credit and foreign consumer loans.

(b) This amount relates to the Enron-related surety receivables and letter of credit, which are the subject of litigation with credit-worthy entities. These receivables are classified in Other Assets at June 30, 2002.

(c) Nonperforming assets have not been reduced for credit protection (single name credit default swaps and collateralized loan obligations) aggregating $37 million related to nonperforming counterparties. Nonperforming assets exclude nonaccrual loans held for sale (“HFS”) of $126 million, including $44 million of nonaccrual residential mortgages transferred to the HFS portfolio after recording charge-offs of $15 million during the second quarter of 2002. HFS loans are carried at lower of cost or market and declines in value are recorded in Other Revenue.

J.P. MORGAN CHASE & CO.
CREDIT-RELATED INFORMATION (CONT.)
(in millions, except ratios)

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
NET CHARGE-OFFS										
COMMERCIAL LOANS										
Domestic Commercial	$ 181	$ 207	$ 388	$ 126	$ 177	(13)%	2%	$ 388	$ 303	28%
Foreign Commercial	112	113	45	63	35	(1)	220	225	57	295
TOTAL COMMERCIAL LOANS	**293**	**320**	**433**	**189**	**212**	(8)	38	**613**	**360**	70
CONSUMER LOANS										
Credit Card - Reported	433	337	274	264	234	28	85	770	452	70
Credit Card - Securitizations	334	321	264	270	273	4	22	655	514	27
Credit Card - Managed	767	658	538	534	507	17	51	1,425	966	48
1-4 Family Residential Mortgages	21	13	18	15	7	62	200	34	17	100
Auto Financings	29	38	50	32	26	(24)	12	67	55	22
Other Consumer	45	45	43	45	46	—	(2)	90	88	2
TOTAL CONSUMER LOANS	**862**	**754**	**649**	**626**	**586**	14	47	**1,616**	**1,126**	44
TOTAL MANAGED NET CHARGE-OFFS	**$1,155**	**$1,074**	**$1,082**	**$ 815**	**$ 798**	8	45	**$2,229**	**$1,486**	50
NET CHARGE-OFF RATES - ANNUALIZED										
COMMERCIAL LOANS										
Domestic Commercial	1.13%	1.24%	2.04%	0.59%	0.90%	(11)bp	23bp	1.18%	0.76%	42bp
Foreign Commercial	1.24	1.34	0.53	0.79	0.46	(10)	78	1.29	0.35	94
TOTAL COMMERCIAL LOANS	**1.17**	**1.27**	**1.58**	**0.65**	**0.77**	(10)	40	**1.22**	**0.64**	58
CONSUMER LOANS										
Credit Card - Reported	7.67	5.78	5.74	5.47	4.69	189	298	6.71	4.59	212
Credit Card - Securitizations	5.30	5.98	5.23	5.82	6.55	(68)	(125)	5.61	6.20	(59)
Credit Card - Managed	6.42	5.87	5.48	5.64	5.54	55	88	6.15	5.33	82
1-4 Family Residential Mortgages	0.16	0.09	0.12	0.10	0.05	7	11	0.12	0.06	6
Auto Financings	0.43	0.58	0.79	0.53	0.46	(15)	(3)	0.50	0.51	(1)
Other Consumer	2.35	2.16	2.12	2.33	2.30	19	5	2.25	2.11	14
TOTAL CONSUMER LOANS	**2.53**	**2.22**	**1.98**	**1.96**	**1.89**	31	64	**2.38**	**1.87**	51
TOTAL MANAGED NET CHARGE-OFF RATES	**1.96**	**1.82**	**1.80**	**1.33**	**1.37**	14	59	**1.89**	**1.28**	61
ALLOWANCE FOR LOAN LOSSES AND RATIOS										
Allowance for Loan Losses (a)	$5,006	$5,005	$4,524	$3,874	$3,673	—%	36%			
To Total Loans	2.36%	2.33%	2.08%	1.74%	1.67%	3bp	69bp			
To Total Nonperforming Loans	169	173	181	156	160	(400)	900			
To Total Nonperforming Assets	114	116	115	146	147	(200)	(3,300)			
ALLOWANCE COMPONENTS (a)										
Commercial Specific and Expected	$1,806	$1,798	$1,724	$1,768	$1,650	—%	9%			
Consumer Expected	2,387	2,518	2,105	1,694	1,637	(5)	46			
Total Specific and Expected	**4,193**	**4,316**	**3,829**	**3,462**	**3,287**	(3)	28			
Residual Component	813	689	695	412	386	18	111			
Total	$5,006	$5,005	$4,524	$3,874	$3,673	—	36			

(a) Represents period end balances for each respective quarter.

J.P. MORGAN CHASE & CO.
CAPITAL

	2QTR 2002	1QTR 2002	4QTR 2001	3QTR 2001	2QTR 2001	2QTR 2002 Over (Under) 1Q 2002	2QTR 2002 Over (Under) 2Q 2001	YEAR TO DATE 2002	YEAR TO DATE 2001	YTD 2002 Over (Under) 2001
SOURCES AND USES OF TIER 1 CAPITAL (in billions)										
Sources of Free Cash Flow										
Operating Earnings Less Dividends	$ 0.5(a)	$ 0.5	$ (0.3)	$ 0.4	$ 0.1	—%	NM	$ 1.0(a)	$ 0.9	11%
Plus: Preferred Stock and Equivalents/Other Items	(0.6)(a)	0.2	(0.7)	(0.4)	(0.6)	NM	—%	(0.4)(a)	(0.4)	—
Less: Capital for Internal Asset Growth	0.4(a)	0.5	1.4	(1.3)	(0.5)	(20)	NM	0.9(a)	(1.0)	NM
Total Sources of Free Cash Flow	**$ 0.3**	**$ 1.2**	**$ 0.4**	**$ (1.3)**	**$ (1.0)**	(75)	NM	**$ 1.5**	**$ (0.5)**	NM
Uses of Free Cash Flow										
Increases (Decreases) in Capital Ratios	$ 0.6(a)	$ 1.4	$ 0.5	$ (1.8)	$ (0.7)	(57)	NM	$ 2.0(a)	$ 0.4	NM
Acquisitions	—(a)	—	—	—	—	NM	NM	—(a)	0.1	NM
Repurchases Net of Stock Issuances	(0.3)(a)	(0.2)	(0.1)	0.5	(0.3)	(50)	—	(0.5)(a)	(1.0)	50
Total Uses of Free Cash Flow	**$ 0.3**	**$ 1.2**	**$ 0.4**	**$ (1.3)**	**$ (1.0)**	(75)	NM	**$ 1.5**	**$ (0.5)**	NM
COMMON SHARES OUTSTANDING (in millions)										
Basic Weighted- Average Shares Outstanding	1,982.6	1,978.2	1,969.6	1,975.3	1,978.4	—	—	1,980.4	1,972.6	—
Diluted Weighted-Average Shares Outstanding	2,016.0	2,005.8	2,007.4	2,020.9	2,033.6	1	(1)	2,011.0	2,033.0	(1)
Common Shares Outstanding - at Period End	1,993.4	1,990.2	1,973.4	1,972.9	1,989.2	—	—	1,993.4	1,989.2	—
CASH DIVIDENDS DECLARED PER SHARE	$ 0.34	$ 0.34	$ 0.34	$ 0.34	$ 0.34	—	—	$ 0.68	$ 0.68	—
BOOK VALUE PER SHARE	20.93	20.16	20.32	21.15	20.81	4	1			
SHARE PRICE										
High	$ 38.75	$ 39.68	$ 40.95	$ 46.01	$ 50.60	(2)	(23)	$ 39.68	$ 59.19	(33)
Low	30.15	26.70	31.30	29.04	39.21	13	(23)	26.70	37.58	(29)
Close	33.92	35.65	36.35	34.15	44.60	(5)	(24)	33.92	44.60	(24)
CAPITAL RATIOS										
Tier I Capital Ratio	8.7%(a)	8.6%	8.3%	8.2%	8.7%	10bp	—bp			
Total Capital Ratio	12.6(a)	12.5	11.9	11.6	12.2	10	40			
Tier I Leverage	5.4(a)	5.4	5.2	5.3	5.4	—	—			

Note: Prior periods have been restated to conform with current methodologies.

(a) Estimated

Average Managed Assets: Excludes the impact of credit card securitizations.

bp: Denotes basis points; 100 bp equals 1%.

Corporate: Includes Support Units and the effects remaining at the corporate level after the implementation of management accounting policies.

JPMorgan Partners ("JPMP"): JPMorgan Chase's private equity business. Public securities held by JPMP are marked-to-market at the quoted public value less liquidity discounts, with the resulting unrealized gains/losses included in the income statement. JPMP's valuation policy for public securities incorporates the use of liquidity discounts and price averaging methodologies in certain circumstances to take into account the fact that JPMP cannot immediately realize the quoted public values as a result of the regulatory, corporate, or other contractual sales restrictions generally imposed on these holdings. Private investments are initially carried at cost, which is viewed as an approximation of fair value. The carrying value of private investments is adjusted to reflect valuation changes resulting from unaffiliated party transactions and for evidence of a decline in value.

Managed Credit Card Receivables or Managed Basis: JPMorgan Chase uses this terminology to refer to its credit card receivables on the balance sheet plus securitized credit card receivables.

NM: Not meaningful

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

Other Consumer Loans: Consists of installment loans (direct and indirect types of consumer finance), student loans, unsecured lines of credit and foreign consumer.

Overhead Ratio: Operating expense (excluding merger and restructuring costs and special items) as a percentage of the operating revenues.

Reported Basis: Financial statements prepared under generally accepted accounting principles. The reported basis includes the impact of credit card securitizations, merger and restructuring costs, special items, and the net effect of the change in accounting principle.

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.

SFAS 133: As a result of the adoption of Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities", net income for the first half of 2001 includes the cumulative effect of a transition adjustment of $(25) million, net of taxes. The impact on each of basic and diluted earnings per share was $(0.01).

SFAS 142: Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets."

Shareholder Value Added ("SVA"): Represents operating earnings minus preferred dividends and an explicit charge for capital.

Special Items: Includes merger and restructuring costs and special items.

Trading-Related Revenue: Includes net interest income ("NII") attributable to trading activities.

Unaudited: The financial statements and information included throughout this document are unaudited.

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