**UNITED STATES**
**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 (date of earliest event reported): **October 19, 2005**

**JPMORGAN CHASE & CO.**
(Exact name of registrant as specified in its charter)

| | | |
|---|---|---|
| **Delaware** | **1-5805** | **13-2624428** |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS 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**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition

On October 19, 2005, JPMorgan Chase & Co. ("JPMorgan Chase") reported 2005 third quarter net income of $2.5 billion, or $0.71 per share, compared to net income of $1.4 billion, or $0.39 per share, for the third quarter of 2004. A copy of the 2005 third quarter earnings release is attached hereto as Exhibit 99.1, and a copy of the earnings release financial supplement is attached hereto as Exhibit 99.2.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

| Exhibit Number | Description of Exhibit |
|---|---|
| 12.1 | JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges |
| 12.2 | JPMorgan Chase & Co. Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements |
| 99.1 | JPMorgan Chase & Co. Earnings Release –Third Quarter 2005 Results |
| 99.2 | JPMorgan Chase & Co. Earnings Release Financial Supplement – Third Quarter 2005 |

*The 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 quarters ended June 30, 2005 and March 31, 2005, and in the 2004 Annual Report on Form 10-K for the year ended December 31, 2004, of JPMorgan Chase filed with the Securities and Exchange Commission and available at the Securities and Exchange Commission's Internet site (http://www.sec.gov).*

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.

JPMORGAN CHASE & CO.
(Registrant)

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

Executive Vice President and Controller
[Principal Accounting Officer]

Dated: October 19, 2005

EXHIBIT INDEX

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**EXHIBIT 12.1**

**JPMORGAN CHASE & CO.**

**Computation of Ratio of Earnings to Fixed Charges**

| Nine Months Ended September 30, (in millions, except ratios) | 2005 |
|---|---|
| **Excluding Interest on Deposits** | |
| Income before income taxes | $ 8,296 |
| Fixed charges: | |
| Interest expense | 10,869 |
| One-third of rents, net of income from subleases *(a)* | 264 |
| Total fixed charges | 11,133 |
| Add: Equity in undistributed loss of affiliates | 96 |
| Earnings before taxes and fixed charges, excluding capitalized interest | $ 19,525 |
| Fixed charges, as above | $ 11,133 |
| Ratio of earnings to fixed charges | 1.75 |
| **Including Interest on Deposits** | |
| Fixed charges, as above | $ 11,133 |
| Add: Interest on deposits | 7,069 |
| Total fixed charges and interest on deposits | $ 18,202 |
| Earnings before taxes and fixed charges, excluding capitalized interest, as above | $ 19,525 |
| Add: Interest on deposits | 7,069 |
| Total earnings before taxes, fixed charges and interest on deposits | $ 26,594 |
| Ratio of earnings to fixed charges | 1.46 |

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

**EXHIBIT 12.2**

**JPMORGAN CHASE & CO.**

**Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividend Requirements**

| Nine Months Ended September 30, (in millions, except ratios) | 2005 |
|---|---|
| **Excluding Interest on Deposits** | |
| Income before income taxes | $ 8,296 |
| Fixed charges: | |
| Interest expense | 10,869 |
| One-third of rents, net of income from subleases *(a)* | 264 |
| Total fixed charges | 11,133 |
| Add: Equity in undistributed loss of affiliates | 96 |
| Earnings before taxes and fixed charges, excluding capitalized interest | $ 19,525 |
| Fixed charges, as above | $ 11,133 |
| Preferred stock dividends (pre-tax) | 16 |
| Fixed charges including preferred stock dividends | $ 11,149 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | 1.75 |
| **Including Interest on Deposits** | |
| Fixed charges including preferred stock dividends, as above | $ 11,149 |
| Add: Interest on deposits | 7,069 |
| Total fixed charges including preferred stock dividends and interest on deposits | $ 18,218 |
| Earnings before taxes and fixed charges, excluding capitalized interest, as above | $ 19,525 |
| Add: Interest on deposits | 7,069 |
| Total earnings before taxes, fixed charges and interest on deposits | $ 26,594 |
| Ratio of earnings to fixed charges and preferred stock dividend requirements | 1.46 |

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

JPMorgan Chase & Co.
270 Park Avenue, New York, NY 10017-2070
NYSE symbol: JPM

www.jpmorganchase.com

JPMorganChase

News release: IMMEDIATE RELEASE

# JPMORGAN CHASE REPORTS 2005 THIRD-QUARTER NET INCOME OF $2.5 BILLION

- **Reported earnings per share of $0.71 and operating earnings per share of $0.75[(1)]**
- **Hurricane Katrina-related credit charge of $248 million (after-tax), or $0.07 per share**
- **Investment Bank – earnings of $1.1 billion on record trading revenue**
- **Strong results in most other business lines**
- **Texas and credit card systems conversions completed successfully**

**New York, October 19, 2005** – JPMorgan Chase & Co. (NYSE: JPM) today reported 2005 third-quarter net income of $2.5 billion, or $0.71 per share, compared with net income of $1.4 billion, or $0.39 per share, for the third quarter of 2004. Current period results include $221 million (pre-tax) of merger charges, or $0.04 per share, reflecting the merger with Bank One Corporation completed on July 1, 2004. Excluding these charges, operating earnings were $2.7 billion, or $0.75 per share. Prior-year reported results included $752 million (pre-tax) of merger charges and $451 million (pre-tax) to conform accounting policies, or $0.21 per share. Excluding these charges, operating earnings were $2.2 billion, or $0.60 per share. Refer to the "Merger and other financial information" section of this press release for additional information concerning the merger.

William B. Harrison, Jr., Chairman and Chief Executive Officer, commented, "Results for the quarter were strong across most of our businesses. Trading revenue improved significantly, and investment banking fees remained strong." Commenting on the financial impact of Hurricane Katrina to the firm, Mr. Harrison added, "While we continue to assess our exposure and potential losses, our consumer and wholesale businesses have taken charges related to the hurricane. As a member of the communities affected by Hurricane Katrina, we are committed to helping their leaders and citizens and our employees in the ongoing clean-up and rebuilding efforts."

Jamie Dimon, President and Chief Operating Officer, said, "We are pleased both with the improved financial and operating results for the quarter and with a number of key merger-related accomplishments. In addition to completing the conversion of our credit card portfolio to a new state-of-the-art processing system, we also successfully executed our massive Texas conversion, which entailed uniting the Chase and Bank One franchises in Texas with common systems and branding. These accomplishments set the stage for the New York tri-state conversion. We remain intensely focused on harvesting further efficiencies from our merger, while strategically investing for growth and building a best-in-class franchise."

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(212) 270-7438

***In the discussion of the business segments below, information is presented on an operating basis. Operating basis excludes the after-tax impact of merger costs and costs related to the conformance of accounting policies. In addition, for the Investment Bank, operating basis includes in trading revenue net interest income related to trading activities; and for Card Services, operating basis excludes the impact of credit card securitizations. Further, in the discussion below, revenues are shown on a tax-equivalent basis. For more information about operating basis, as well as other non-GAAP financial measures used by management, see Notes 1 and 2. The following discussion compares the third quarter of 2005 with the third quarter of 2004 unless otherwise noted.***

## *INVESTMENT BANK (IB)*

| Operating Results –IB | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $4,461 | $2,750 | $2,701 | $1,711 | 62% | $1,760 | 65% |
| Provision for Credit Losses | (46) | (343) | (151) | 297 | 87 | 105 | 70 |
| Noninterest Expense | 2,875 | 2,178 | 1,924 | 697 | 32 | 951 | 49 |
| Operating Earnings | $1,063 | $606 | $627 | $457 | 75% | $436 | 70% |

### *Discussion of Results:*

Operating earnings of $1.1 billion were strong, up $436 million, or 70%, from the prior year and 75% from the prior quarter. The increases were driven primarily by record trading revenues of $2.4 billion, up $1.6 billion from the prior year and $1.8 billion from the prior quarter. Trading results were strong across all trading areas. In addition, results benefited from continued strength in investment banking fees. Partially offsetting the improved revenues were higher performance-based incentive compensation and a reduced benefit from the loan loss provision.

Net revenue of $4.5 billion was a quarterly record, up $1.8 billion, or 65%, from the prior year and up 62% from the prior quarter. Investment banking fees of $985 million were up 8% from the prior year showing continued strength. Europe was a strong contributor to these results, benefiting from the joint venture with Cazenove. Advisory fees of $300 million were up 10% over the prior year. Debt underwriting fees of $475 million were roughly flat to the prior year, while equity underwriting fees of $210 million were up 24% over the prior year and more than doubled versus last quarter. Fixed Income Markets revenue of $2.4 billion represented a record quarter, more than double the prior year and up 71%, or $1.0 billion, from the prior quarter. The increase over both periods was driven by strong trading results in all areas, with particular strength in energy, an area of significant investment. Client-related and proprietary trading were very strong across all asset classes. Equity Markets revenue of $713 million increased by $258 million, or 57%, over the prior year and $641 million over the prior quarter. This performance was driven primarily by improved trading results across regions and by higher commissions.

The provision for credit losses was a benefit of $46 million, compared with a benefit of $151 million in the prior year and a $343 million benefit in the prior quarter. The benefit reflects the continued strong quality of the credit portfolio.

Noninterest expense was $2.9 billion, up $951 million, or 49%, from the prior year and up $697 million, or 32%, from the prior quarter. The increase in both periods was primarily driven by higher performance-based incentive compensation. The comparison to the prior year was also affected by the joint venture with Cazenove, which closed in the first quarter of 2005.

***Other Highlights Include:***

- Return on equity was 21% for the quarter.
- Ranked #2 in Investment Banking Fees generated for the first nine months of 2005, according to Dealogic.
- Ranked #1 in Global Syndicated Loans, #3 in Global Announced M&A, #4 in Global Long Term Debt and #6 in Global Equity and Equity-Related, according to Thomson Financial, for the first nine months of 2005.
- Completed the acquisition of Neovest, a provider of high-performance trading technology and direct market access.
- Average loans of $58.3 billion were up $6.9 billion from the prior quarter, reflecting an 11% increase in Credit Portfolio loans.
- Allowance for loan losses to average loans was 2.45%; nonperforming assets were $934 million, down 29% from the prior year.

## *RETAIL FINANCIAL SERVICES (RFS)*

| Operating Results – RFS | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $3,590 | $3,799 | $3,800 | $(209) | (6%) | $(210) | (6%) |
| Provision for Credit Losses[(1)] | 378 | 94 | 239 | 284 | 302 | 139 | 58 |
| Noninterest Expense | 2,156 | 2,126 | 2,238 | 30 | 1 | (82) | (4) |
| Operating Earnings | $656 | $980 | $822 | $(324) | (33%) | $(166) | (20%) |

(1) 3Q05 provision includes $250 million related to Hurricane Katrina, allocated as follows: $140 million in Consumer Real Estate Lending, $90 million in Consumer & Small Business and $20 million in Auto Finance.

***Discussion of Results:***

Operating earnings of $656 million were down $166 million, or 20%, from the prior year. Results reflected a special provision for credit losses of $250 million attributable to Hurricane Katrina. Excluding the impact of the special provision, operating earnings would have been $811 million, down $11 million, or 1%. Performance reflected lower MSR risk management results, a net loss associated with the transfer of auto loans to held-for-sale, and narrower spreads on consumer real estate loans. Earnings benefited from favorable credit trends and lower expenses due to merger-related expense savings and other efficiencies. Production results were strong across most product offerings and included year-over-year increases of 8% in checking accounts, 15% in mortgage originations and 8% in average home equity balances.

Net revenue was down 6%, or $210 million, from the prior year, to $3.6 billion. Net interest income of $2.5 billion declined by $194 million, primarily due to both narrower spreads on consumer real estate loans and the absence of loan portfolios sold in late 2004 and early 2005. These decreases were partially offset by higher mortgage and home equity balances. Noninterest revenue of $1.1 billion was down $16 million, or 1%, driven by a reduction of $191 million in MSR risk management revenue and a $48 million write-down on auto loans transferred to held-for-sale. Higher prime mortgage production revenue provided a favorable offset.

The provision for credit losses was $378 million, up $139 million, or 58%, from the prior year. Excluding the special provision for Hurricane Katrina, the provision for credit losses was $128 million, down $111 million, or 46%. Results reflected lower net charge-offs, continued good credit quality trends across all business segments and the benefit of certain portfolios in run-off.

Noninterest expense was $2.2 billion, down $82 million, or 4%, from the prior year. The reduction reflected increased operating efficiencies in nearly all businesses, partially offset by

ongoing investments in retail banking distribution and sales and increased depreciation expense on owned automobiles subject to operating leases.

**Home Finance** operating earnings were $235 million, down $105 million from the prior year. Excluding the special provision for credit losses associated with Hurricane Katrina, operating earnings would have been $322 million, down $18 million from the prior year.

Operating earnings for the Prime Production & Servicing segment totaled $67 million, down $36 million. The decline in performance was the result of MSR risk management losses of $38 million, a decrease of $191 million. Earnings benefited from higher production-related revenue attributable to increased margins and volume and lower expenses. Improvement during the quarter reflected a better mix of loan production from more profitable origination channels and reduced cost to originate. Mortgage servicing revenue was $161 million, up $27 million, benefiting from a 5% increase in third-party loans serviced.

Operating earnings for the Consumer Real Estate Lending segment totaled $168 million, down $69 million. Excluding the special provision for credit losses related to Hurricane Katrina, operating earnings totaled $255 million, up $18 million. Improvement reflected increased loan balances and the absence of prior-year write-downs attributable to subprime mortgage loans held-for-sale. These benefits were offset by narrower spreads on the home equity loan portfolio, largely due to accelerated loan payoffs.

***Other Highlights Include:***

- Mortgage loan originations of $39.3 billion were up 15% from the prior year and up 27% from the prior quarter.
- Home equity loan originations of $14.3 billion were up 3% from the prior year and down 9% from the prior quarter.
- Third-party mortgage loans serviced of $450 billion increased by $23.0 billion, or 5%.
- Average mortgage loans retained of $47.6 billion increased by 8%; period-end mortgage loans were $46.7 billion.
- Average home equity loans retained of $71.8 billion increased by 8%; period-end home equity loans were $74.3 billion.
- Nonperforming assets of $846 million declined $151 million, or 15%.
- Net charge-off rate was 0.13%, down from 0.23%.

**Consumer & Small Business** operating earnings were $356 million, down $21 million from the prior year. Excluding the special provision for credit losses related to Hurricane Katrina, operating earnings would have been $412 million, up $35 million. Net revenue was essentially unchanged from the prior year. Higher deposit balances and increased debit and credit card fees were offset by declines in deposit spreads and service charges and by lower investment sales revenue related to a shift in the product sales mix. Earnings benefited from a lower provision and a decline in expenses as a result of merger efficiencies, despite continued investment in retail banking distribution and sales.

***Other Highlights Include:***

- Successfully completed Texas systems conversion, moving 400 branches and 850 ATMs to common operating systems.
- Checking accounts grew by 216,000, to 8.8 million during the quarter. Heritage Chase branches added 48,000 accounts, compared with an increase of 34,000 accounts in the prior year.
- Branch sales of credit cards increased 55% from the prior year.
- Branch sales of mortgage loans increased 154% from the prior year and 19% from the prior quarter.
- Number of branches increased to 2,549, up 82 from the prior year and up 10 from the prior quarter.
- Overhead ratio of 66% was flat to the prior year.

**Auto & Education Finance** operating earnings were $47 million, down $38 million from the prior year. Excluding the special provision for credit losses related to Hurricane Katrina, operating earnings would have been $59 million, down $26 million. This decline in performance reflected a net loss of $43 million, associated with the transfer of $1.5 billion of auto loans to held-for-sale as well as lower loan and lease-related assets. Favorable credit trends and lower credit costs continued to provide an offset to reduced operating revenue. Excluding the impact of increased depreciation expense on owned automobiles subject to operating leases, expenses declined as the cost structure was aligned with reduced production volumes.

***Other Highlights Include:***

- Average loan receivables were $45.9 billion, down $7.0 billion, or 13%, from the prior year, and down $3.9 billion, or 8%, from the prior quarter.
- Average lease-related assets were $6.2 billion, down $700 million, or 10%, from the prior quarter.
- The net charge-off rate dropped to 0.56% from 0.64%.

**Insurance** operating earnings were $18 million, down $2 million from the prior year, on net revenue of $158 million. The decline was primarily due to increased proprietary annuity sales commissions, partially offset by increased net interest spread earned on proprietary annuity activity.

***Other Highlights Include:***

- Gross insurance-related revenue was $409 million, down $20 million, or 5%.
- Proprietary annuity sales were $151 million, up from $39 million.
- Term life premiums were $119 million, up 3%.

## *CARD SERVICES (CS)*

| Operating Results – CS ($ millions) | 3Q05 | 2Q05 | 3Q04 | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| | | | | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $3,980 | $3,886 | $3,771 | $94 | 2% | $209 | 6% |
| Provision for Credit Losses[(1)] | 1,833 | 1,641 | 1,662 | 192 | 12 | 171 | 10 |
| Noninterest Expense | 1,286 | 1,383 | 1,437 | (97) | (7) | (151) | (11) |
| Operating Earnings | $541 | $542 | $421 | ($1) | --% | $120 | 29% |

(1) 3Q05 provision includes $100 million related to Hurricane Katrina.

***Discussion of Results:***

Operating earnings of $541 million were up $120 million, or 29%, from the prior year. Results reflected a special provision for credit losses of $100 million attributable to Hurricane Katrina. Excluding the impact of the special provision, operating earnings would have been $603 million, up $182 million, or 43%. Results benefited from higher revenue and lower expenses. Lower expenses were driven by merger savings, including lower compensation and processing costs. Partially offsetting these benefits was a higher provision for credit losses related to increased bankruptcies.

Net revenue was $4.0 billion, up $209 million, or 6%, from the prior year. Net interest income was $3.0 billion, up $53 million, or 2%, due to higher loan balances, partially offset by an increase in loan balances in their introductory rate period. Noninterest revenue of $1.0 billion was up $156 million, or 18%. This increase was driven by higher charge volume resulting in increased interchange income, partially offset by higher volume-driven payments to partners and by rewards expense.

The provision for credit losses was $1.8 billion, up $171 million, or 10%. This increase was driven by three factors. First, there were higher bankruptcy-related net charge-offs, which were partially offset by lower contractual net charge-offs. Second, the provision was increased by $100 million, related to significantly higher bankruptcy filings due to the pending change in legislation. The final factor was the special provision for credit losses of $100 million, related to Hurricane Katrina. Despite a record level of bankruptcy losses, the net charge-off rate improved, and the delinquency rate continued to be low. The managed net charge-off rate for the quarter declined to 4.70%, down from 4.88% in the prior year and 4.87% in the prior quarter. The 30-day managed delinquency rate was 3.39%, down from 3.81% in the prior year but up seasonally from 3.34% in the prior quarter.

Noninterest expense of $1.3 billion decreased by $151 million, or 11%. The decrease was driven primarily by lower processing and compensation costs. Both of these reductions were primarily related to merger savings, reduced vendor cost, the TSYS conversion and headcount reductions.

***Other Highlights Include:***

- Successfully completed the conversion to the TSYS processing system.
- Merger savings of $650 million remain on track.
- Pre-tax income to average managed loans (ROO) was 2.48%; excluding the special charge related to Hurricane Katrina, ROO would have been 2.77%.
- Entered into an agreement to purchase the Sears Canada Inc. credit card operation, including the private-label and co-branded Sears MasterCard® portfolios.
- Announced agreement with First Data Corporation to integrate Chase Merchant Services and Paymentech merchant processing businesses.

- Net interest income as a percentage of average managed loans was 8.55%, down from 8.90% in the prior year and 8.83% in the prior quarter.
- Average managed loans of $137.8 billion increased by $7.4 billion, or 6%, from the prior year and by $2.6 billion, or 2%, from the prior quarter.
- Net accounts opened were 3.0 million, driven by increased marketing effectiveness and investment.
- Charge volume of $76.4 billion increased by $3.1 billion, or 4%.
- Merchant processing volume of $143.4 billion increased by $19.9 billion, or 16%, and total transactions of 4.9 billion increased by 900 million, or 23%.
- Renewed co-brand relationships with Borders Group, Inc. and Reader's Digest.

***COMMERCIAL BANKING (CB)***

| Operating Results – CB | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $909 | $900 | $833 | $9 | 1% | $76 | 9% |
| Provision for Credit Losses(1) | (46) | 142 | 14 | (188) | NM | (60) | NM |
| Noninterest Expenses | 461 | 473 | 480 | (12) | (3) | (19) | (4) |
| Operating Earnings | $301 | $174 | $215 | $127 | 73% | $86 | 40% |

(1) 3Q05 provision includes $35 million related to Hurricane Katrina.

***Discussion of Results:***

Operating earnings were $301 million, up $86 million, or 40%, from the prior year. Results reflected a special provision for credit losses of $35 million, attributable to Hurricane Katrina. Excluding the impact of the special provision, earnings would have been $323 million, up $108 million, or 50%. This increase was due to a lower provision for credit losses, growth in revenue and a decline in expenses.

Net revenue was $909 million, up $76 million, or 9%, from the prior year. Net interest income was $654 million, up $46 million, or 8%, due to higher spreads and volume related to liability balances and increased loan balances, partially offset by lower loan spreads. Noninterest revenue was $255 million, up $30 million, or 13%, primarily reflecting growth in investment banking revenue, partially offset by lower service charges on deposits.

Each business within Commercial Banking showed revenue growth over the prior year. Middle Market revenue was $592 million, an increase of $41 million, or 7%, driven by increased liability spreads and higher liability and loan balances. Corporate Banking revenue of $140 million increased by $31 million, or 28%, due to growth in investment banking revenue and wider spreads on higher liability balances. Real Estate revenue was $143 million, up $20 million, or 16%, primarily reflecting increased liability balances and wider spreads.

Provision for credit losses was a net benefit of $46 million, an improvement from both the prior year and prior quarter of $60 million and $188 million, respectively. Excluding the special provision of $35 million related to Hurricane Katrina, the provision for credit losses would have been a net benefit of $81 million, compared with a provision of $14 million in the prior year and $142 million in the prior quarter. The positive variance from the prior periods was the result of improved underlying credit quality, particularly in Middle Market. In addition, continued management of the portfolio led to a decline in nonperforming loans of $210 million, or 36%, from the prior year and $65 million, or 15%, from the prior quarter.

Noninterest expense was $461 million, down $19 million, or 4%, from the prior year, primarily due to lower compensation costs. Partially offsetting this benefit were increased unit costs for Treasury Services products.

***Other Highlights Include:***

- Average loan balances of $51.8 billion were up $1.4 billion, or 3%, from the prior year, driven by 7% growth in Middle Market and 5% growth in Corporate Banking. Real Estate loans declined 10% from the prior year, due to continued competitive market conditions.
- Revenue from Treasury Services products was $582 million, an increase of $83 million, or 17%, from the prior year, driven by wider spreads and higher liability balances across all businesses.
- Overhead ratio of 51% declined from 58% in the prior year and 53% in the prior quarter.

***TREASURY & SECURITIES SERVICES (TSS)***

| Operating Results – TSS | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $1,556 | $1,588 | $1,339 | $(32) | (2%) | $217 | 16% |
| Noninterest Expense | 1,107 | 1,194 | 1,156 | (87) | (7) | (49) | (4) |
| Operating Earnings | $263 | $229 | $96 | $34 | 15% | $167 | 174% |

***Discussion of Results:***

Operating earnings were $263 million, up $167 million from the prior year. Earnings benefited from higher revenues, due to wider spreads on liability balances, business growth, and increased liability balances, and lower expenses. Prior-year results included a software-impairment charge of $53 million (after-tax).

Net revenue of $1.6 billion was up $217 million, or 16%, from the prior year. Noninterest revenue was $1.0 billion, up $125 million, or 14%. The improvement was due to an increase in assets under custody to $11.0 trillion, primarily driven by market value appreciation and new business; the acquisition of Vastera, and growth in foreign exchange, securities lending and wholesale card revenues, driven primarily by broader product usage by existing customers. Partially offsetting this growth in noninterest revenue were lower service charges on deposits. Net interest income was $510 million, up $92 million from the prior year, primarily resulting from wider spreads on liability balances and an increase of 22% in average liability balances, to $167 billion.

Treasury Services net revenue of $648 million grew by $19 million, or 3%, from the prior year. Investor Services net revenue of $536 million grew by $132 million, or 33%, and Institutional Trust Services net revenue of $372 million grew by $66 million, or 22%. TSS firmwide net revenue, which includes Treasury Services net revenue recorded in other lines of business, grew to $2.2 billion, up $299 million, or 16%. In the aggregate, Treasury Services firmwide net revenue grew to $1.3 billion, up $101 million, or 8%.

Credit reimbursement to the Investment Bank was $38 million, a decrease of $5 million from the prior year. TSS is charged with a credit reimbursement related to certain exposures managed within the Investment Bank credit portfolio on behalf of clients shared with TSS.

Noninterest expense was $1.1 billion, down $49 million from the prior year. The reduction was primarily due to a significant software-impairment charge of $85 million in the prior year, lower allocations of Corporate segment expenses and increased product unit costs charged to other lines of business, primarily Commercial Banking. Partially offsetting these decreases was higher compensation expense, primarily related to new business growth and the Vastera acquisition.

***Other Highlights Include:***

- Pre-tax margin[(2)] was 26%, up from 10% in the prior year.
- Average liability balances were $167 billion, an increase of 22%.
- Assets under custody increased to $11.0 trillion, up 24% (excluding assets under custody added from Institutional Trust Services in 2005).
- Corporate Trust Securities under administration were $6.7 trillion, an increase of 2%.
- U.S. dollar ACH transactions originated increased 16%, and U.S. dollar clearing volumes increased 14%.
- Wholesale cards issued increased 14%, to 12.8 million.

## *ASSET & WEALTH MANAGEMENT (AWM)*

| Operating Results – AWM | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $1,449 | $1,343 | $1,193 | $106 | 8% | $256 | 21% |
| Provision for Credit Losses[(1)] | (19) | (20) | 1 | 1 | 5 | (20) | NM |
| Noninterest Expense | 976 | 917 | 884 | 59 | 6 | 92 | 10 |
| Operating Earnings | $315 | $283 | $197 | $32 | 11% | $118 | 60% |

(1) 3Q05 provision includes $3 million related to Hurricane Katrina.

***Discussion of Results:***

Operating earnings were a record $315 million, up $118 million, or 60%, from the prior year. Performance was driven by increased revenues, partially offset by higher compensation expense.

Net revenue was $1.4 billion, up $256 million, or 21%, from the prior year. Noninterest revenue of $1.2 billion was up $258 million, or 28%. This increase was primarily due to the acquisition of a majority interest in Highbridge Capital Management in the fourth quarter of 2004 and net asset inflows, mainly in equity-related and liquidity products. Also contributing to the increase were global equity market appreciation and increased brokerage activity. Net interest income was $267 million, essentially unchanged from the prior year, as higher deposit and loan balances and wider loan spreads were offset by lower deposit spreads.

Private Bank client segment revenue grew 10% from the prior year, to $421 million, and Retail client segment revenue grew 42%, to $415 million. Institutional client segment revenue grew 34%, to $358 million, primarily due to the consolidation impact of Highbridge. Private Client Services client segment revenue grew 2%, to $255 million.

Assets under Supervision were $1.2 trillion, up 15% from the prior year, and Assets under Management were a record $828 billion, up 13%. The increases were primarily the result of market appreciation; net asset inflows primarily in equities and liquidity products; and the acquisition of a majority interest in Highbridge Capital Management. Custody, brokerage, administration and deposits were $325 billion, up 21%, primarily due to market appreciation and net inflows.

Provision for credit losses was a $19 million benefit, compared with a $1 million provision in the prior year.

Noninterest expense of $976 million was up $92 million, or 10%, from the prior year. This increase was primarily the result of the acquisition of Highbridge and higher performance-based incentives, partially offset by the benefit of expense efficiencies.

***Other Highlights Include:***

- Pre-tax margin[(2)] was 34%, up from 26% in the prior year.
- Announced the sale of BrownCo, a deep-discount brokerage business, to E*Trade for $1.6 billion, with expected closing by the end of 2005.
- Assets under Management were a record $828 billion, an increase of 13% from the prior year and 6% from the prior quarter.
- Assets under Supervision were $1.2 trillion, an increase of 15% from the prior year and 5% from the prior quarter.
- Average loans of $26.9 billion were up 6% from the prior year and up 1% from the prior quarter.
- Average deposits of $41.5 billion were up 6% from the prior year and up 2% from the prior quarter.

***CORPORATE***

| Operating Results – Corporate | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $(391) | $(366) | $(58) | $(25) | (7)% | $(333) | NM |
| Provision for Credit Losses[(1)] | 13 | 1 | (1) | 12 | NM | 14 | NM |
| Noninterest Expense | 382 | 477 | 506 | (95) | (20) | (124) | (25) |
| Operating Earnings (Loss) | $(475) | $(486) | $(219) | $11 | 2% | $(256) | (117)% |

(1) 3Q05 provision includes $12 million related to Hurricane Katrina.

***Discussion of Results:***

Operating loss was $475 million, compared with a loss of $219 million in the prior year.

Net revenue was negative $391 million, compared with negative $58 million in the prior year. Net interest income was negative $645 million, compared with negative $536 million. The decline was driven primarily by repositioning of the treasury portfolio in prior periods. Noninterest revenue of $254 million declined by $224 million, primarily due to the absence of a one-time gain on the sale of an investment, and treasury portfolio losses of $43 million versus gains of $109 million in the prior year. This was partially offset by private equity gains of $313 million, an increase of $78 million from the prior year.

Noninterest expense was $382 million, down $124 million, or 25%, from the prior year. The expense decline was primarily due to lower compensation, merger-related savings and other efficiencies.

***Other Highlights Include:***

- Private Equity portfolio was $5.9 billion, down from $8.1 billion in the prior year and $6.4 billion in the prior quarter.

## *JPMORGAN CHASE (JPMC)*

| Operating Results – JPMC | | | | 2Q05 | | 3Q04 | |
|---|---|---|---|---|---|---|---|
| ($ millions) | 3Q05 | 2Q05 | 3Q04 | $ O/(U) | % O/(U) | $ O/(U) | % O/(U) |
| Net Revenue | $15,554 | $13,900 | $13,579 | $1,654 | 12% | $1,975 | 15% |
| Provision for Credit Losses[1] | 2,112 | 1,517 | 1,764 | 595 | 39 | 348 | 20 |
| Noninterest Expense | 9,243 | 8,748 | 8,625 | 495 | 6 | 618 | 7 |
| Operating Earnings[2] | $2,664 | $2,328 | $2,159 | $336 | 14% | $505 | 23% |

(1) 3Q05 provision includes $400 million related to Hurricane Katrina.

(2) Excludes non-operating items; see page 7 of the earnings release financial supplement for a reconciliation of reported to operating basis.

Third-quarter financial results for JPMC included the following:

| ($ millions) | Pre-tax | After-tax |
|---|---|---|
| Provision for Hurricane Katrina | $(400) | $(248) |
| Auto loans transferred to held-for-sale | (43) | (27) |
| Treasury portfolio gains / (losses) | (43) | (27) |
| MSR risk management results | (38) | (24) |
| Reduction in wholesale allowance [1] | $110 | $68 |

(1) Excludes the affect of the Hurricane Katrina provisions in Commercial Banking, Asset & Wealth Management and Corporate.

***Discussion of Results:***

Operating earnings were $2.7 billion, up $505 million, or 23%, from the prior year. The increase in earnings was driven by revenue growth, partially offset by higher expenses and provision for loan losses.

During the third quarter, a special provision for credit losses of $400 million was taken to cover probable credit losses due to Hurricane Katrina. This provision is related to expected credit losses for businesses and individuals who are located in the affected areas of the Gulf Coast region. The special provision was established based upon management's current estimate of probable loss and may be updated as the quality of data and full access to the impacted areas improve. In developing the estimate of probable credit losses, management considered factors such as the areas most severely affected, level and type of insurance coverage, collateral and lien position, direct communication with customers, financial condition of the borrower, environmental impact and other factors.

Net revenue was $15.6 billion, up $2.0 billion, or 15%, from the prior year. Noninterest revenue of $8.9 billion was up $2.1 billion, or 31%, primarily due to record trading revenues of $2.4 billion. Noninterest revenue also benefited from higher asset management, administration and commissions revenues, and increased credit card revenue. Partially offsetting this growth were securities losses on the treasury portfolio compared with gains in the prior year and lower deposit-related fees. Net interest income was $6.6 billion, down $149 million, or 2%, primarily due to narrower spreads on consumer and wholesale loans and the reduced level of the treasury portfolio. These declines were partially offset by higher consumer and wholesale loan balances.

The provision for credit losses was $2.1 billion, up $348 million from the prior year. The increase was due to a $400 million special provision related to Hurricane Katrina. Excluding the impact of the special provision, wholesale provision for credit losses was a benefit of $149 million for the quarter, compared with a benefit of $137 million in the prior year, reflecting continued strength in credit quality. The wholesale loan net recovery rate was 0.12% for the quarter, a slight improvement compared with a net recovery rate of 0.08% in the prior year. Excluding the impact of the special provision related to Hurricane Katrina, total consumer

managed provision for credit losses was $1.9 billion, slightly lower than the prior year, reflecting lower net charge-offs and positive seasonal delinquency trends in Retail Financial Services. Partially offsetting the reduction was a higher provision in Card Services, primarily related to accelerated bankruptcy filings due to the pending change in bankruptcy legislation. The managed net charge-off rate for Card Services declined to 4.70% from 4.88%. Retail Financial Services net charge-off rate was 0.31%, compared with 0.47%. The firm had total nonperforming assets of $2.8 billion at September 30, 2005, down $798 million, or 22%, from the prior-year level of $3.6 billion.

Noninterest expense was $9.2 billion, up $618 million, or 7%, from the prior year, driven primarily by higher performance-based incentive compensation. Salary and benefit expenses also increased, reflecting acquisitions and business growth. Noncompensation expenses decreased in most categories, reflecting merger-related savings, other efficiencies and lower software-impairment charges.

***Other Corporate Items***

- Tier 1 capital ratio was 8.2% at September 30, 2005 (estimated), 8.2% at June 30, 2005, and 8.6% at September 30, 2004.
- During the quarter, $500 million of common stock was repurchased, reflecting 14.4 million shares at an average price of $34.61 per share. As of September 30, 2005, a total of $3.1 billion, or 86.5 million shares, have been repurchased under the $6.0 billion share repurchase program.
- Headcount of 168,955 increased by 247 since June 30, 2005, primarily due to business growth.

## Merger and other financial information

- ***Merger savings and cost:*** For the quarter ended September 30, 2005, approximately $500 million of merger savings have been realized, which is an annualized rate of $2.0 billion. Management continues to estimate annual merger savings of approximately $3.0 billion. Approximately two-thirds of the savings are anticipated to be realized by the end of 2005. Merger cost of $221 million was expensed during the third quarter of 2005, bringing the total amount expensed year-to-date to $645 million and $2.0 billion cumulative since the merger announcement. Management continues to estimate remaining merger costs of $1.0 billion to $1.5 billion, which are expected to be expensed over the next two years.
- ***Common stock repurchase program:*** The firm has determined that it may, from time to time, enter into written trading plans under Rule 10b5-1 of the Securities Exchange Act of 1934 to facilitate the repurchase of its common stock in accordance with the $6.0 billion share repurchase program authorized by its Board of Directors on July 20, 2004. A Rule 10b5-1 repurchase plan would allow the firm to repurchase its shares during its internal trading black out periods when it would normally not be repurchasing its common stock. There is no assurance that the firm will, in fact, enter into any Rule 10b5-1 program in respect of any "black out period." Irrespective of entering into any Rule 10b5-1 program, the firm intends to continue to purchase shares, without further announcement, pursuant to its authorized repurchase program.

## Notes:

1. In addition to analyzing the firm's results on a reported basis, management analyzes the firm's and the lines of business results on an operating basis, which is a non-GAAP financial measure. The definition of operating basis starts with the reported U.S. GAAP results. In the case of the Investment Bank, noninterest revenue on an operating basis includes in trading revenue net interest income related to trading activities. Trading activities generate revenues, which are recorded for U.S. GAAP purposes in two line items on the income statement: trading revenue, which includes the mark-to-market gains or losses on trading positions; and net interest income, which includes the interest income or expense related to those positions. Combining both the trading revenue and related net interest income enables management to evaluate the Investment Bank's trading activities, by considering all revenue related to these activities, and facilitates operating comparisons to other competitors. In the case of Card Services, operating, or managed, basis excludes the impact of credit card securitizations on total net revenue, the provision for credit losses, net charge-offs and loan receivables. JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance and overall financial performance of the underlying credit card loans, both sold and not sold: as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will impact both the loan receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio. Commencing with the first quarter of 2005, operating revenue (noninterest revenue and net interest income) for each of the segments and the firm is presented on a tax-equivalent basis. Accordingly, revenue from tax-exempt securities and investments that receive tax credits are presented in the operating results on a basis comparable to taxable securities and investments. This allows management to assess the comparability of revenues arising from both taxable and tax-exempt sources. The corresponding income tax impact related to these items is recorded within income tax expense. The Corporate sector's and the firm's operating revenue and income tax expense for the periods prior to the first quarter of 2005 have been restated to be similarly presented on a tax-equivalent basis. The restatement had no impact on the Corporate sector's or the firm's operating results. Finally, operating basis excludes the non-operating litigation charges taken in the second and first quarters of 2005 and second quarter of 2004, merger costs and costs related to the conformance of certain accounting policies as a result of the merger, as management believes these items are not part of the firm's normal daily business operations and, therefore, not indicative of trends, nor do they provide meaningful comparisons with other periods. See page 7 of JPMorgan Chase's Earnings Release Financial Supplement (third quarter 2005) for a reconciliation of JPMorgan Chase's income statement from a reported to operating basis.
2. Pre-tax margin represents operating earnings before income taxes divided by total net revenue, which is, in management's view, a comprehensive measure of pre-tax performance derived by measuring earnings after all costs are taken into consideration. It is, therefore, another basis by which management evaluates TSS' and AWM's performance and that of competitors.

JPMorgan Chase & Co. (NYSE: JPM) is a leading global financial services firm with assets of $1.2 trillion and operations in more than 50 countries. The firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, asset and wealth management, and private equity. A component of the Dow Jones Industrial Average, JPMorgan Chase has its corporate headquarters in New York and its U.S. consumer and commercial banking headquarters in Chicago. Under the JPMorgan, Chase and Bank One brands, the firm serves millions of consumers in the United States and many of the world's most prominent corporate, institutional and government clients. Information about the firm is available at www.jpmorganchase.com.

JPMorgan Chase will host a conference call today at 9:00 a.m. (Eastern time) to review third-quarter financial results. Investors can call (800) 810-0924 (domestic) / (913) 981-4900 (international), or participate via live audio webcast. The live audio webcast and presentation slides will be available on www.jpmorganchase.com. A replay of the conference call will be available beginning at 12:00 p.m. (Eastern time) on October 19, 2005, through midnight, Friday October 28, 2005 (Eastern time), at (888) 203-1112 (domestic) or (719) 457-0820 (international); access code 4236619. 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 Internet site (www.jpmorganchase.com).

*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 quarters ended June 30, 2005 and March 31, 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).*

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

JPMorganChase

| | QUARTERLY TRENDS | | | | |
|---|---|---|---|---|---|
| | | | | 3Q05 Change | |
| | 3Q05 | 2Q05 | 3Q04 | 2Q05 | 3Q04 |
| **SELECTED INCOME STATEMENT DATA** | | | | | |
| Total Net Revenue | $ 14,465 | $ 12,743 | $ 12,505 | 14 % | 16 % |
| Provision for Credit Losses (a) | 1,245 | 587 | 1,169 | 112 | 7 |
| Noninterest Expense | 9,464 | 10,899 | 9,377 | (13) | 1 |
| Net Income | 2,527 | 994 | 1,418 | 154 | 78 |
| **Per Common Share:** | | | | | |
| Net Income Per Share - Diluted | $ 0.71 | $ 0.28 | $ 0.39 | 154 | 82 |
| Cash Dividends Declared Per Share | 0.34 | 0.34 | 0.34 | - | - |
| Book Value Per Share | 30.26 | 29.95 | 29.42 | 1 | 3 |
| Closing Share Price | 33.93 | 35.32 | 39.73 | (4) | (15) |
| **Common Shares Outstanding:** | | | | | |
| Weighted-Average Diluted Shares Outstanding | 3,547.7 | 3,548.3 | 3,592.0 | - | (1) |
| Common Shares Outstanding at Period-end | 3,503.4 | 3,514.0 | 3,564.1 | - | (2) |
| **SELECTED RATIOS:** | | | | | |
| Return on Common Equity ("ROE") (b) | 9 % | 4 % | 5 % | | |
| Return on Equity-Goodwill ("ROE-GW") (b) (c) | 16 | 6 | 9 | | |
| Return on Assets ("ROA") (b) (d) | 0.84 | 0.34 | 0.50 | | |
| Tier 1 Capital Ratio | 8.2 (f) | 8.2 | 8.6 | | |
| Total Capital Ratio | 11.3 (f) | 11.3 | 12.0 | | |
| **SELECTED BALANCE SHEET DATA (Period-end)** | | | | | |
| Total Assets | $ 1,203,033 | $ 1,171,283 | $ 1,138,469 | 3 | 6 |
| Wholesale Loans | 151,591 | 149,588 | 132,344 | 1 | 15 |
| Consumer Loans | 268,913 | 266,437 | 261,357 | 1 | 3 |
| Deposits | 535,123 | 534,640 | 496,454 | - | 8 |
| Common Stockholders' Equity | 105,996 | 105,246 | 104,844 | 1 | 1 |
| **Headcount** | 168,955 | 168,708 | 162,275 | - | 4 |
| **LINE OF BUSINESS EARNINGS** | | | | | |
| Investment Bank | $ 1,063 | $ 606 | $ 627 | 75 | 70 |
| Retail Financial Services | 656 | 980 | 822 | (33) | (20) |
| Card Services | 541 | 542 | 421 | - | 29 |
| Commercial Banking | 301 | 174 | 215 | 73 | 40 |
| Treasury & Securities Services | 263 | 229 | 96 | 15 | 174 |
| Asset & Wealth Management | 315 | 283 | 197 | 11 | 60 |
| Corporate (e) | (475) | (486) | (219) | 2 | (117) |
| **Total Operating Earnings** | **2,664** | **2,328** | **2,159** | 14 | 23 |
| Reconciling Items (After-Tax): | | | | | |
| Merger Costs | (137) | (173) | (462) | (21) | (70) |
| Litigation Reserve Charge | - | (1,161) | - | NM | NM |
| Accounting Policy Conformity | - | - | (279) | NM | NM |
| **Net Income** | **$ 2,527** | **$ 994** | **$ 1,418** | 154 | 78 |

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

(a) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(b) Based on annualized amounts.
(c) Net income applicable to common stock divided by Total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm utilizes this measure to facilitate operating comparisons to other competitors.
(d) Represents Net income divided by Total average assets.
(e) Includes Private Equity, Treasury, and corporate staff and other centrally managed expenses.
(f) Estimated.

JPMorganChase

# EARNINGS RELEASE FINANCIAL SUPPLEMENT

# THIRD QUARTER 2005

# JPMORGAN CHASE & CO.
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## EXPLANATORY NOTE

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

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

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

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

(i) the impact of the sale of the Bank One corporate trust business to JPMorgan Chase;

(ii) any cost savings obtained since July 1, 2004 or anticipated to be obtained in the future from the merger;

(iii) any merger-related costs incurred since July 1, 2004 or anticipated to be incurred in the future in connection with the merger;

(iv) the impact of any share repurchases since July 1, 2004;

(v) any change in the allocation of the purchase price adjustments or of the fair value adjustments since July 1, 2004;

(vi) any adjustments for changes in management accounting policies or the impact of any conformance of management accounting policies since July 1, 2004.

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

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (h) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[g] | 2004 | 2005 Change 2004 |
| **SELECTED INCOME STATEMENT DATA** | | | | | | | | | | | |
| Total Net Revenue | $ 14,465 | $ 12,743 | $ 13,647 | $ 12,950 | $ 12,505 | 14 % | 16 % | $ 40,855 | $ 30,147 | $ 39,591 | 3 % |
| Provision for Credit Losses (a) | 1,245 | 587 | 427 | 1,157 | 1,169 | 112 | 7 | 2,259 | 1,387 | 1,570 | 44 |
| Noninterest Expense | 9,464 | 10,899 | 9,937 | 9,386 | 9,377 | (13) | 1 | 30,300 | 24,973 | 31,118 | (3) |
| Net Income | 2,527 | 994 | 2,264 | 1,666 | 1,418 | 154 | 78 | 5,785 | 2,800 | 4,878 | 19 |
| **Per Common Share:** | | | | | | | | | | | |
| Net Income Per Share - Diluted | $ 0.71 | $ 0.28 | $ 0.63 | $ 0.46 | $ 0.39 | 154 | 82 | $ 1.62 | $ 1.06 | $ 1.35 | 20 |
| Cash Dividends Declared Per Share | 0.34 | 0.34 | 0.34 | 0.34 | 0.34 | - | - | 1.02 | 1.02 | 1.02 | - |
| Book Value Per Share | 30.26 | 29.95 | 29.78 | 29.61 | 29.42 | 1 | 3 | 30.26 | 29.42 | 29.42 | 3 |
| Closing Share Price | 33.93 | 35.32 | 34.60 | 39.01 | 39.73 | (4) | (15) | 33.93 | 39.73 | 39.73 | (15) |
| **Common Shares Outstanding:** | | | | | | | | | | | |
| Weighted-Average Diluted Shares Outstanding | 3,547.7 | 3,548.3 | 3,569.8 | 3,602.0 | 3,592.0 | - | (1) | 3,555.1 | 2,598.5 | 3,590.0 | (1) |
| Common Shares Outstanding at Period-end | 3,503.4 | 3,514.0 | 3,525.3 | 3,556.2 | 3,564.1 | - | (2) | 3,503.4 | 3,564.1 | 3,564.1 | (2) |
| **SELECTED RATIOS:** | | | | | | | | | | | |
| Return on Common Equity ("ROE") (b) | 9 % | 4 % | 9 % | 6 % | 5 % | | | 7 % | 6 % | 6 % | |
| Return on Equity-Goodwill ("ROE-GW") (b) (c) | 16 | 6 | 15 | 11 | 9 | | | 12 | 8 | 10 | |
| Return on Assets ("ROA") (b) (d) | 0.84 | 0.34 | 0.79 | 0.57 | 0.50 | | | 0.66 | 0.42 | 0.58 | |
| Tier 1 Capital Ratio | 8.2 (f) | 8.2 | 8.6 | 8.7 | 8.6 | | | | | | |
| Total Capital Ratio | 11.3 (f) | 11.3 | 11.9 | 12.2 | 12.0 | | | | | | |
| **SELECTED BALANCE SHEET DATA (Period-end)** | | | | | | | | | | | |
| Total Assets | $ 1,203,033 | $ 1,171,283 | $ 1,178,305 | $ 1,157,248 | $ 1,138,469 | 3 | 6 | $ 1,203,033 | $ 1,138,469 | $ 1,138,469 | 6 |
| Wholesale Loans | 151,591 | 149,588 | 137,401 | 135,067 | 132,344 | 1 | 15 | 151,591 | 132,344 | 132,344 | 15 |
| Consumer Loans | 268,913 | 266,437 | 265,268 | 267,047 | 261,357 | 1 | 3 | 268,913 | 261,357 | 261,357 | 3 |
| Deposits | 535,123 | 534,640 | 531,379 | 521,456 | 496,454 | - | 8 | 535,123 | 496,454 | 496,454 | 8 |
| Common Stockholders' Equity | 105,996 | 105,246 | 105,001 | 105,314 | 104,844 | 1 | 1 | 105,996 | 104,844 | 104,844 | 1 |
| **Headcount** | 168,955 | 168,708 | 164,381 | 160,968 | 162,275 | - | 4 | 168,955 | 162,275 | 162,275 | 4 |
| **LINE OF BUSINESS EARNINGS** | | | | | | | | | | | |
| Investment Bank | $ 1,063 | $ 606 | $ 1,325 | $ 660 | $ 627 | 75 | 70 | $ 2,994 | $ 2,288 | $ 2,994 | - |
| Retail Financial Services | 656 | 980 | 988 | 775 | 822 | (33) | (20) | 2,624 | 1,424 | 2,504 | 5 |
| Card Services | 541 | 542 | 522 | 515 | 421 | - | 29 | 1,605 | 759 | 1,166 | 38 |
| Commercial Banking | 301 | 174 | 243 | 254 | 215 | 73 | 40 | 718 | 354 | 738 | (3) |
| Treasury & Securities Services | 263 | 229 | 245 | 145 | 96 | 15 | 174 | 737 | 295 | 292 | 152 |
| Asset & Wealth Management | 315 | 283 | 276 | 263 | 197 | 11 | 60 | 874 | 418 | 616 | 42 |
| Corporate (e) | (475) | (486) | (687) | (296) | (219) | 2 | (117) | (1,648) | 357 | (337) | (389) |
| **Total Operating Earnings** | **2,664** | **2,328** | **2,912** | **2,316** | **2,159** | 14 | 23 | **7,904** | **5,895** | **7,973** | (1) |
| Reconciling Items (After-Tax): | | | | | | | | | | | |
| Merger Costs | (137) | (173) | (90) | (324) | (462) | (21) | (70) | (400) | (522) | (522) | (23) |
| Litigation Reserve Charge | - | (1,161) | (558) | - | - | NM | NM | (1,719) | (2,294) | (2,294) | (25) |
| Accounting Policy Conformity | - | - | - | (326) | (279) | NM | NM | - | (279) | (279) | NM |
| **Net Income** | **$ 2,527** | **$ 994** | **$ 2,264** | **$ 1,666** | **$ 1,418** | 154 | 78 | **$ 5,785** | **$ 2,800** | **$ 4,878** | 19 |

Note: Effective July 1, 2004, Bank One Corporation ("Bank One") merged with and into JPMorgan Chase & Co. ("JPMorgan Chase"). Bank One's results of operations are included in JPMorgan Chase's results beginning July 1, 2004.
In accordance with U.S. GAAP, the results of operations for the third, second and first quarters of 2005, and fourth and third quarters of 2004, each reflect three months of results of operations for the combined Firm.
The results of operations for year-to-date 2005 reflect nine months of results of operations for the combined Firm, while year-to-date 2004 reflects six months of results of operations for heritage JPMorgan Chase and three months of results of operations for the combined Firm.

(a) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(b) Based on annualized amounts.
(c) Net income applicable to common stock divided by Total average common equity (net of goodwill). The Firm uses return on equity less goodwill, a non-GAAP financial measure, to evaluate the operating performance of the Firm. The Firm utilizes this measure to facilitate operating comparisons to other competitors.
(d) Represents Net income divided by Total average assets.
(e) Includes Private Equity, Treasury, and corporate staff and other centrally managed expenses.
(f) Estimated.
(g) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(h) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**STATEMENTS OF INCOME - REPORTED BASIS**
**(in millions, except per share, ratio and headcount data)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2005 Change 2004 |
| **REVENUE** | | | | | | | | | | | |
| Investment Banking Fees | $ 989 | $ 961 | $ 993 | $ 1,073 | $ 879 | 3 % | 13 % | $ 2,943 | $ 2,464 | $ 2,562 | 15 % |
| Trading Revenue (a) | 2,499 | 387 | 1,859 | 611 | 408 | NM | NM | 4,745 | 3,001 | 3,153 | 50 |
| Lending & Deposit Related Fees | 865 | 851 | 820 | 903 | 943 | 2 | (8) | 2,536 | 1,769 | 2,841 | (11) |
| Asset Management, Administration and Commissions | 2,628 | 2,541 | 2,498 | 2,330 | 2,185 | 3 | 20 | 7,667 | 5,835 | 6,847 | 12 |
| Securities / Private Equity Gains (Losses) | 343 | 407 | (45) | 569 | 413 | (16) | (17) | 705 | 1,305 | 1,403 | (50) |
| Mortgage Fees and Related Income | 201 | 336 | 362 | 85 | 233 | (40) | (14) | 899 | 721 | 742 | 21 |
| Credit Card Income | 1,855 | 1,763 | 1,734 | 1,822 | 1,782 | 5 | 4 | 5,352 | 3,018 | 5,024 | 7 |
| Other Income | 233 | 496 | 201 | 228 | 210 | (53) | 11 | 930 | 602 | 982 | (5) |
| **Noninterest Revenue** | **9,613** | **7,742** | **8,422** | **7,621** | **7,053** | 24 | 36 | **25,777** | **18,715** | **23,554** | 9 |
| Interest Income | 11,435 | 10,949 | 10,632 | 9,862 | 9,493 | 4 | 20 | 33,016 | 20,733 | 27,083 | 22 |
| Interest Expense | 6,583 | 5,948 | 5,407 | 4,533 | 4,041 | 11 | 63 | 17,938 | 9,301 | 11,046 | 62 |
| **Net Interest Income** | **4,852** | **5,001** | **5,225** | **5,329** | **5,452** | (3) | (11) | **15,078** | **11,432** | **16,037** | (6) |
| **TOTAL NET REVENUE** | **14,465** | **12,743** | **13,647** | **12,950** | **12,505** | 14 | 16 | **40,855** | **30,147** | **39,591** | 3 |
| Provision for Credit Losses (b) | 1,245 | 587 | 427 | 1,157 | 1,169 | 112 | 7 | 2,259 | 1,387 | 1,570 | 44 |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 5,001 | 4,266 | 4,702 | 4,211 | 4,050 | 17 | 23 | 13,969 | 10,295 | 12,844 | 9 |
| Occupancy Expense | 549 | 580 | 525 | 609 | 604 | (5) | (9) | 1,654 | 1,475 | 1,794 | (8) |
| Technology and Communications Expense | 899 | 896 | 920 | 1,051 | 1,046 | - | (14) | 2,715 | 2,651 | 2,995 | (9) |
| Professional & Outside Services | 1,018 | 1,130 | 1,074 | 1,191 | 1,103 | (10) | (8) | 3,222 | 2,671 | 3,406 | (5) |
| Marketing | 512 | 537 | 483 | 428 | 506 | (5) | 1 | 1,532 | 907 | 1,516 | 1 |
| Other Expense | 882 | 954 | 805 | 981 | 920 | (8) | (4) | 2,641 | 1,878 | 2,842 | (7) |
| Amortization of Intangibles | 382 | 385 | 383 | 392 | 396 | (1) | (4) | 1,150 | 554 | 1,179 | (2) |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 9,243 | 8,748 | 8,892 | 8,863 | 8,625 | 6 | 7 | 26,883 | 20,431 | 26,576 | 1 |
| Merger Costs | 221 | 279 | 145 | 523 | 752 | (21) | (71) | 645 | 842 | 842 | (23) |
| Litigation Reserve Charge | - | 1,872 | 900 | - | - | NM | NM | 2,772 | 3,700 | 3,700 | (25) |
| **TOTAL NONINTEREST EXPENSE** | **9,464** | **10,899** | **9,937** | **9,386** | **9,377** | (13) | 1 | **30,300** | **24,973** | **31,118** | (3) |
| Income before Income Tax Expense | 3,756 | 1,257 | 3,283 | 2,407 | 1,959 | 199 | 92 | 8,296 | 3,787 | 6,903 | 20 |
| Income Tax Expense | 1,229 | 263 | 1,019 | 741 | 541 | 367 | 127 | 2,511 | 987 | 2,025 | 24 |
| **NET INCOME** | **$ 2,527** | **$ 994** | **$ 2,264** | **$ 1,666** | **$ 1,418** | 154 | 78 | **$ 5,785** | **$ 2,800** | **$ 4,878** | 19 |
| **NET INCOME APPLICABLE TO COMMON STOCK** | **$ 2,524** | **$ 991** | **$ 2,259** | **$ 1,653** | **$ 1,405** | 155 | 80 | **$ 5,774** | **$ 2,761** | **$ 4,839** | 19 |
| **NET INCOME PER COMMON SHARE** | | | | | | | | | | | |
| Basic Earnings per Share | $ 0.72 | $ 0.28 | $ 0.64 | $ 0.47 | $ 0.40 | 157 | 80 | $ 1.65 | $ 1.09 | $ 1.38 | 20 |
| Diluted Earnings per Share | 0.71 | 0.28 | 0.63 | 0.46 | 0.39 | 154 | 82 | 1.62 | 1.06 | 1.35 | 20 |
| Weighted-Average Basic Shares Outstanding | 3,485.0 | 3,493.0 | 3,517.5 | 3,514.7 | 3,513.5 | - | (1) | 3,498.4 | 2,533.1 | 3,508.9 | - |
| Weighted-Average Diluted Shares Outstanding | 3,547.7 | 3,548.3 | 3,569.8 | 3,602.0 | 3,592.0 | - | (1) | 3,555.1 | 2,598.5 | 3,590.0 | (1) |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 9 % | 4 % | 9 % | 6 % | 5 % | | | 7 % | 6 % | 6 % | |
| ROE-GW | 16 | 6 | 15 | 11 | 9 | | | 12 | 8 | 10 | |
| ROA | 0.84 | 0.34 | 0.79 | 0.57 | 0.50 | | | 0.66 | 0.42 | 0.58 | |
| Effective Income Tax Rate | 33 | 21 | 31 | 31 | 28 | | | 30 | 26 | 29 | |
| Overhead Ratio | 65 | 86 | 73 | 72 | 75 | | | 74 | 83 | 79 | |
| **Headcount** | 168,955 | 168,708 | 164,381 | 160,968 | 162,275 | - | 4 | 168,955 | 162,275 | 162,275 | 4 |

(a) Trading NII is not included in Trading revenue. See page 10 for additional details.
(b) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | Sep 30 2005 | Jun 30 2005 | Mar 31 2005 | Dec 31 2004 | Sep 30 2004 | Sep 30, 2005 Change Jun 30 2005 | Sep 30, 2005 Change Sep 30 2004 |
|---|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | | |
| Cash and Due from Banks | $ 33,036 | $ 35,092 | $ 37,593 | $ 35,168 | $ 30,815 | (6) % | 7 % |
| Deposits with Banks | 14,337 | 9,080 | 14,331 | 21,680 | 33,082 | 58 | (57) |
| Federal Funds Sold and Securities Purchased under Resale Agreements | 122,876 | 130,785 | 132,751 | 101,354 | 96,031 | (6) | 28 |
| Securities Borrowed | 64,381 | 58,457 | 53,174 | 47,428 | 50,546 | 10 | 27 |
| Trading Assets: | | | | | | | |
| Debt and Equity Instruments | 250,171 | 235,803 | 230,725 | 222,832 | 214,852 | 6 | 16 |
| Derivative Receivables | 54,389 | 55,015 | 60,388 | 65,982 | 57,795 | (1) | (6) |
| Securities | 68,697 | 58,573 | 75,251 | 94,512 | 92,816 | 17 | (26) |
| Interests in Purchased Receivables | 28,766 | 27,887 | 28,484 | 31,722 | 30,479 | 3 | (6) |
| Loans (Net of Allowance for Loan Losses) | 413,284 | 409,231 | 395,734 | 394,794 | 386,208 | 1 | 7 |
| Private Equity Investments | 6,081 | 6,488 | 7,333 | 7,735 | 8,547 | (6) | (29) |
| Accrued Interest and Accounts Receivable | 28,872 | 24,245 | 21,098 | 21,409 | 19,876 | 19 | 45 |
| Premises and Equipment | 9,297 | 9,354 | 9,344 | 9,145 | 8,880 | (1) | 5 |
| Goodwill | 43,555 | 43,537 | 43,440 | 43,203 | 42,947 | - | 1 |
| Other Intangible Assets: | | | | | | | |
| Mortgage Servicing Rights | 6,057 | 5,026 | 5,663 | 5,080 | 5,168 | 21 | 17 |
| Purchased Credit Card Relationships | 3,352 | 3,528 | 3,703 | 3,878 | 4,055 | (5) | (17) |
| All Other Intangibles | 5,139 | 5,319 | 5,514 | 5,726 | 5,945 | (3) | (14) |
| Other Assets | 50,743 | 53,863 | 53,779 | 45,600 | 50,427 | (6) | 1 |
| **TOTAL ASSETS** | **$ 1,203,033** | **$ 1,171,283** | **$ 1,178,305** | **$ 1,157,248** | **$ 1,138,469** | 3 | 6 |
| **LIABILITIES** | | | | | | | |
| Deposits: | | | | | | | |
| U.S. Offices: | | | | | | | |
| Noninterest-Bearing | $ 134,129 | $ 138,025 | $ 130,533 | $ 129,257 | $ 122,054 | (3) | 10 |
| Interest-Bearing | 267,288 | 263,952 | 271,592 | 261,673 | 254,611 | 1 | 5 |
| Non-U.S. Offices: | | | | | | | |
| Noninterest-Bearing | 6,723 | 7,289 | 6,669 | 6,931 | 7,259 | (8) | (7) |
| Interest-Bearing | 126,983 | 125,374 | 122,585 | 123,595 | 112,530 | 1 | 13 |
| Total Deposits | 535,123 | 534,640 | 531,379 | 521,456 | 496,454 | - | 8 |
| Federal Funds Purchased and Securities Sold under Repurchase Agreements | 143,404 | 137,350 | 137,062 | 127,787 | 167,313 | 4 | (14) |
| Commercial Paper | 16,166 | 12,842 | 13,063 | 12,605 | 10,307 | 26 | 57 |
| Other Borrowed Funds | 15,400 | 12,716 | 10,124 | 9,039 | 9,454 | 21 | 63 |
| Trading Liabilities: | | | | | | | |
| Debt and Equity Instruments | 99,163 | 83,011 | 96,090 | 87,942 | 78,767 | 19 | 26 |
| Derivative Payables | 53,329 | 51,269 | 57,626 | 63,265 | 52,307 | 4 | 2 |
| Accounts Payable, Accrued Expenses and Other Liabilities (including the Allowance for Lending-Related Commitments) | 74,698 | 77,064 | 72,183 | 75,722 | 68,675 | (3) | 9 |
| Beneficial Interests Issued by Consolidated VIEs | 46,140 | 43,826 | 44,827 | 48,061 | 45,840 | 5 | 1 |
| Long-Term Debt | 101,853 | 101,182 | 99,329 | 95,422 | 91,754 | 1 | 11 |
| Junior Subordinated Deferrable Interest Debentures Held by Trusts that Issued Guaranteed Capital Debt Securities | 11,622 | 11,998 | 11,282 | 10,296 | 11,745 | (3) | (1) |
| **TOTAL LIABILITIES** | **1,096,898** | **1,065,898** | **1,072,965** | **1,051,595** | **1,032,616** | 3 | 6 |
| **STOCKHOLDERS' EQUITY** | | | | | | | |
| Preferred Stock | 139 | 139 | 339 | 339 | 1,009 | - | (86) |
| Common Stock | 3,608 | 3,604 | 3,598 | 3,585 | 3,576 | - | 1 |
| Capital Surplus | 74,396 | 73,911 | 73,394 | 72,801 | 72,183 | 1 | 3 |
| Retained Earnings | 32,350 | 31,032 | 31,253 | 30,209 | 29,779 | 4 | 9 |
| Accumulated Other Comprehensive Income (Loss) | (602) | (61) | (623) | (208) | (242) | NM | (149) |
| Treasury Stock, at Cost | (3,756) | (3,240) | (2,621) | (1,073) | (452) | (16) | NM |
| **TOTAL STOCKHOLDERS' EQUITY** | **106,135** | **105,385** | **105,340** | **105,653** | **105,853** | 1 | - |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | **$ 1,203,033** | **$ 1,171,283** | **$ 1,178,305** | **$ 1,157,248** | **$ 1,138,469** | 3 | 6 |

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (c) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[b] | 2004 | 2004 |
| **AVERAGE BALANCES** | | | | | | | | | | | |
| **ASSETS** | | | | | | | | | | | |
| Deposits with Banks | $ 11,388 | $ 18,646 | $ 15,232 | $ 31,799 | $ 34,166 | (39) % | (67) % | $ 15,075 | $ 27,560 | $ 29,915 | (50) % |
| Federal Funds Sold and Securities Purchased under Resale Agreements | 146,048 | 139,864 | 121,189 | 104,038 | 102,042 | 4 | 43 | 135,792 | 90,601 | 95,299 | 42 |
| Securities Borrowed | 66,817 | 60,207 | 52,449 | 47,663 | 47,087 | 11 | 42 | 59,877 | 49,966 | 51,548 | 16 |
| Trading Assets - Debt Instruments | 189,198 | 193,660 | 187,669 | 186,013 | 170,663 | (2) | 11 | 190,181 | 163,559 | 169,013 | 13 |
| Securities | 65,192 | 67,705 | 93,438 | 92,294 | 94,720 | (4) | (31) | 75,341 | 74,362 | 128,015 | (41) |
| Interests in Purchased Receivables | 27,905 | 28,082 | 29,277 | 30,491 | 28,917 | (1) | (3) | 28,416 | 10,552 | 30,521 | (7) |
| Loans | 415,676 | 404,318 | 398,494 | 400,841 | 390,753 | 3 | 6 | 406,226 | 277,428 | 367,357 | 11 |
| Total Interest-Earning Assets | 922,224 | 912,482 | 897,748 | 893,139 | 868,348 | 1 | 6 | 910,908 | 694,028 | 871,668 | 5 |
| Trading Assets - Equity Instruments | 53,025 | 43,935 | 43,717 | 35,803 | 30,275 | 21 | 75 | 46,926 | 29,739 | 29,739 | 58 |
| All Other Noninterest-Earning Assets | 220,796 | 219,616 | 221,353 | 225,946 | 218,712 | 1 | 1 | 220,586 | 174,211 | 227,462 | (3) |
| **TOTAL ASSETS** | **$ 1,196,045** | **$ 1,176,033** | **$ 1,162,818** | **$ 1,154,888** | **$ 1,117,335** | 2 | 7 | **$ 1,178,420** | **$ 897,978** | **$ 1,128,869** | 4 |
| **LIABILITIES** | | | | | | | | | | | |
| Interest-Bearing Deposits | $ 398,059 | $ 394,455 | $ 388,355 | $ 377,368 | $ 365,104 | 1 | 9 | $ 393,659 | $ 286,071 | $ 366,235 | 7 |
| Federal Funds Purchased and Securities Sold under Repurchase Agreements | 160,967 | 158,268 | 151,335 | 158,633 | 163,206 | 2 | (1) | 156,892 | 154,669 | 164,008 | (4) |
| Commercial Paper | 15,188 | 12,496 | 12,665 | 10,885 | 12,497 | 22 | 22 | 13,459 | 13,308 | 13,629 | (1) |
| Other Borrowings (a) | 111,010 | 98,936 | 98,259 | 89,674 | 84,387 | 12 | 32 | 102,782 | 81,722 | 85,931 | 20 |
| Beneficial Interests Issued by Consolidated VIEs | 44,381 | 43,743 | 45,294 | 46,366 | 43,308 | 1 | 2 | 44,469 | 20,253 | 45,276 | (2) |
| Long-Term Debt | 111,921 | 111,858 | 108,004 | 104,599 | 101,061 | - | 11 | 110,608 | 70,663 | 99,757 | 11 |
| Total Interest-Bearing Liabilities | 841,526 | 819,756 | 803,912 | 787,525 | 769,563 | 3 | 9 | 821,869 | 626,686 | 774,836 | 6 |
| Noninterest-Bearing Liabilities | 248,899 | 250,792 | 253,222 | 261,487 | 242,394 | (1) | 3 | 250,955 | 204,458 | 248,381 | 1 |
| **TOTAL LIABILITIES** | **1,090,425** | **1,070,548** | **1,057,134** | **1,049,012** | **1,011,957** | 2 | 8 | **1,072,824** | **831,144** | **1,023,217** | 5 |
| Preferred Stock | 139 | 216 | 339 | 1,002 | 1,009 | (36) | (86) | 230 | 1,009 | 1,009 | (77) |
| Common Stockholders' Equity | 105,481 | 105,269 | 105,345 | 104,874 | 104,369 | - | 1 | 105,366 | 65,825 | 104,643 | 1 |
| **TOTAL STOCKHOLDERS' EQUITY** | **105,620** | **105,485** | **105,684** | **105,876** | **105,378** | - | - | **105,596** | **66,834** | **105,652** | - |
| **TOTAL LIABILITIES, PREFERRED STOCK AND STOCKHOLDERS' EQUITY** | **$ 1,196,045** | **$ 1,176,033** | **$ 1,162,818** | **$ 1,154,888** | **$ 1,117,335** | 2 | 7 | **$ 1,178,420** | **$ 897,978** | **$ 1,128,869** | 4 |
| **AVERAGE RATES** | | | | | | | | | | | |
| **INTEREST-EARNING ASSETS** | | | | | | | | | | | |
| Deposits with Banks | 4.48 % | 4.08 % | 4.11 % | 2.60 % | 1.53 % | | | 4.19 % | 1.60 % | 1.65 % | |
| Federal Funds Sold and Securities Purchased under Resale Agreements | 2.97 | 2.70 | 2.43 | 2.03 | 1.85 | | | 2.72 | 1.61 | 1.58 | |
| Securities Borrowed | 1.78 | 2.08 | 1.71 | 1.34 | 1.01 | | | 1.86 | 0.81 | 0.82 | |
| Trading Assets - Debt Instruments | 4.79 | 5.06 | 4.89 | 4.44 | 4.64 | | | 4.92 | 4.46 | 4.44 | |
| Securities | 4.56 | 3.77 | 4.93 | 4.43 | 4.42 | | | 4.47 | 4.40 | 4.52 | |
| Interests in Purchased Receivables | 3.52 | 3.08 | 2.58 | 2.11 | 1.63 | | | 3.06 | 1.64 | 1.37 | |
| Loans | 6.39 | 6.24 | 6.11 | 5.66 | 5.67 | | | 6.25 | 5.28 | 5.42 | |
| **Total Interest-Earning Assets** | **4.95** | **4.85** | **4.83** | **4.40** | **4.33** | | | **4.88** | **3.99** | **4.13** | |
| **INTEREST-BEARING LIABILITIES** | | | | | | | | | | | |
| Interest-Bearing Deposits | 2.71 | 2.39 | 2.09 | 1.76 | 1.44 | | | 2.40 | 1.38 | 1.37 | |
| Federal Funds Purchased and Securities Sold under Repurchase Agreements | 2.80 | 2.69 | 2.48 | 1.96 | 1.53 | | | 2.66 | 1.32 | 1.32 | |
| Commercial Paper | 3.13 | 2.42 | 2.00 | 1.65 | 1.08 | | | 2.56 | 0.86 | 0.85 | |
| Other Borrowings (a) | 4.33 | 4.56 | 5.06 | 4.13 | 5.16 | | | 4.64 | 4.72 | 4.70 | |
| Beneficial Interests Issued by Consolidated VIEs | 3.25 | 2.92 | 2.44 | 1.97 | 1.58 | | | 2.87 | 1.64 | 1.42 | |
| Long-Term Debt | 3.65 | 3.64 | 3.47 | 3.31 | 3.10 | | | 3.59 | 3.02 | 2.79 | |
| **Total Interest-Bearing Liabilities** | **3.10** | **2.91** | **2.73** | **2.29** | **2.09** | | | **2.92** | **1.98** | **1.90** | |
| **INTEREST RATE SPREAD** | 1.85% | 1.94% | 2.10% | 2.11% | 2.24% | | | 1.96% | 2.01% | 2.23% | |
| **NET YIELD ON INTEREST-EARNING ASSETS** | 2.12% | 2.24% | 2.39% | 2.38% | 2.48% | | | 2.24% | 2.20% | 2.44% | |
| **NET YIELD ON INTEREST-EARNING ASSETS ADJUSTED FOR SECURITIZATIONS** | 2.61% | 2.76% | 2.95% | 2.95% | 3.05% | | | 2.77% | 2.69% | 3.10% | |

(a) Includes securities sold but not yet purchased.
(b) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(c) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

# OPERATING BASIS

In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's and the lines of business' results on an "operating basis," which is a non-GAAP financial measure. The definition of operating basis starts with the reported U.S. GAAP results. In the case of the IB, noninterest revenue on an operating basis includes, in Trading revenue, Net interest income related to trading activities. Trading activities generate revenues, which are recorded for U.S. GAAP purposes in two line items on the income statement: Trading revenue, which includes the mark-to-market gains or losses on trading positions; and Net interest income, which includes the interest income or expense related to those positions. Combining both the Trading revenue and related Net interest income enables management to evaluate IB's trading activities, by considering all revenue related to these activities, and facilitates operating comparisons to other competitors.

In the case of Card Services, operating, or managed, basis excludes the impact of credit card securitizations on total net revenue, the Provision for credit losses, net charge-offs and loan receivables. JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance and overall financial performance of its underlying credit card loans, both sold and not sold: as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will affect both the loan receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed loan receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio.

Operating basis also excludes Merger costs, litigation reserve charges deemed nonoperating and accounting policy conformity adjustments, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends) and do not provide meaningful comparisons with other periods.

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

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS SUMMARY**
**(in millions)**

JPMorganChase

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

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (b) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[a] | 2004 | 2004 |
| **TOTAL NET REVENUE** | | | | | | | | | | | |
| **Total Net Revenue - Reported** | $ 14,465 | $ 12,743 | $ 13,647 | $ 12,950 | $ 12,505 | 14 % | 16 % | $ 40,855 | $ 30,147 | $ 39,591 | 3 % |
| Impact of: | | | | | | | | | | | |
| Credit Card Securitizations | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Accounting Policy Conformity Adjustments | - | - | - | - | 118 | NM | NM | - | 118 | 118 | NM |
| Tax Equivalent Adjustments | 222 | 227 | 176 | 188 | 28 | (2) | NM | 625 | 135 | 292 | 114 |
| **Total Net Revenue - Operating** | $ 15,554 | $ 13,900 | $ 14,740 | $ 14,149 | $ 13,579 | 12 | 15 | $ 44,194 | $ 32,287 | $ 43,611 | 1 |
| **PROVISION FOR CREDIT LOSSES** | | | | | | | | | | | |
| **Provision for Credit Losses - Reported** | $ 1,245 | $ 587 | $ 427 | $ 1,157 | $ 1,169 | 112 | 7 | $ 2,259 | $ 1,387 | $ 1,570 | 44 |
| Impact of: | | | | | | | | | | | |
| Credit Card Securitizations | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Accounting Policy Conformity Adjustments | - | - | - | (525) | (333) | NM | NM | - | (333) | (333) | NM |
| **Provision for Credit Losses - Operating** | $ 2,112 | $ 1,517 | $ 1,344 | $ 1,643 | $ 1,764 | 39 | 20 | $ 4,973 | $ 2,941 | $ 4,847 | 3 |
| **TOTAL NONINTEREST EXPENSE** | | | | | | | | | | | |
| **Total Noninterest Expense - Reported** | $ 9,464 | $ 10,899 | $ 9,937 | $ 9,386 | $ 9,377 | (13) | 1 | $ 30,300 | $ 24,973 | $ 31,118 | (3) |
| Impact of: | | | | | | | | | | | |
| Merger Costs | (221) | (279) | (145) | (523) | (752) | 21 | 71 | (645) | (842) | (842) | 23 |
| Litigation Reserve Charges | - | (1,872) | (900) | - | - | NM | NM | (2,772) | (3,700) | (3,700) | 25 |
| **Total Noninterest Expense - Operating** | $ 9,243 | $ 8,748 | $ 8,892 | $ 8,863 | $ 8,625 | 6 | 7 | $ 26,883 | $ 20,431 | $ 26,576 | 1 |
| **INCOME TAX EXPENSE** | | | | | | | | | | | |
| **Income Tax Expense - Reported** | $ 1,229 | $ 263 | $ 1,019 | $ 741 | $ 541 | 367 | 127 | $ 2,511 | $ 987 | $ 2,025 | 24 |
| Impact of: | | | | | | | | | | | |
| Merger Costs | 84 | 106 | 55 | 199 | 290 | (21) | (71) | 245 | 320 | 320 | (23) |
| Litigation Reserve Charges | - | 711 | 342 | - | - | NM | NM | 1,053 | 1,406 | 1,406 | (25) |
| Accounting Policy Conformity Adjustments | - | - | - | 199 | 172 | NM | NM | - | 172 | 172 | NM |
| Tax Equivalent Adjustments | 222 | 227 | 176 | 188 | 28 | (2) | NM | 625 | 135 | 292 | 114 |
| **Income Tax Expense - Operating** | $ 1,535 | $ 1,307 | $ 1,592 | $ 1,327 | $ 1,031 | 17 | 49 | $ 4,434 | $ 3,020 | $ 4,215 | 5 |
| **NET INCOME** | | | | | | | | | | | |
| **Net Income - Reported** | $ 2,527 | $ 994 | $ 2,264 | $ 1,666 | $ 1,418 | 154 | 78 | $ 5,785 | $ 2,800 | $ 4,878 | 19 |
| Impact of: | | | | | | | | | | | |
| Merger Costs | 137 | 173 | 90 | 324 | 462 | (21) | (70) | 400 | 522 | 522 | (23) |
| Litigation Reserve Charges | - | 1,161 | 558 | - | - | NM | NM | 1,719 | 2,294 | 2,294 | (25) |
| Accounting Policy Conformity Adjustments | - | - | - | 326 | 279 | NM | NM | - | 279 | 279 | NM |
| **Net Income - Operating** | $ 2,664 | $ 2,328 | $ 2,912 | $ 2,316 | $ 2,159 | 14 | 23 | $ 7,904 | $ 5,895 | $ 7,973 | (1) |

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

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (c) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[b] | 2004 | 2004 |
| **REVENUE** | | | | | | | | | | | |
| Investment Banking Fees | $ 989 | $ 961 | $ 993 | $ 1,073 | $ 879 | 3 % | 13 % | $ 2,943 | $ 2,464 | $ 2,562 | 15 % |
| Trading-Related Revenue (Including Trading NII) | 2,396 | 585 | 2,187 | 1,122 | 832 | 310 | 188 | 5,168 | 4,440 | 4,592 | 13 |
| Lending & Deposit Related Fees | 865 | 851 | 820 | 903 | 943 | 2 | (8) | 2,536 | 1,769 | 2,841 | (11) |
| Asset Management, Administration and Commissions | 2,628 | 2,541 | 2,498 | 2,330 | 2,185 | 3 | 20 | 7,667 | 5,835 | 6,847 | 12 |
| Securities / Private Equity Gains (Losses) | 343 | 407 | (45) | 569 | 413 | (16) | (17) | 705 | 1,305 | 1,403 | (50) |
| Mortgage Fees and Related Income | 201 | 336 | 362 | 85 | 233 | (40) | (14) | 899 | 721 | 742 | 21 |
| Credit Card Income | 1,122 | 1,035 | 919 | 1,036 | 934 | 8 | 20 | 3,076 | 1,537 | 2,716 | 13 |
| Other Income | 388 | 639 | 316 | 407 | 389 | (39) | - | 1,343 | 772 | 1,407 | (5) |
| **Noninterest Revenue** | **8,932** | **7,355** | **8,050** | **7,525** | **6,808** | 21 | 31 | **24,337** | **18,843** | **23,110** | 5 |
| Interest Income | 13,848 | 13,054 | 12,592 | 11,233 | 11,000 | 6 | 26 | 39,494 | 22,933 | 32,039 | 23 |
| Interest Expense | 7,226 | 6,509 | 5,902 | 4,609 | 4,229 | 11 | 71 | 19,637 | 9,489 | 11,538 | 70 |
| **Net Interest Income** | **6,622** | **6,545** | **6,690** | **6,624** | **6,771** | 1 | (2) | **19,857** | **13,444** | **20,501** | (3) |
| **TOTAL NET REVENUE** | **15,554** | **13,900** | **14,740** | **14,149** | **13,579** | 12 | 15 | **44,194** | **32,287** | **43,611** | 1 |
| Managed Provision for Credit Losses (a) | 2,112 | 1,517 | 1,344 | 1,643 | 1,764 | 39 | 20 | 4,973 | 2,941 | 4,847 | 3 |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 5,001 | 4,266 | 4,702 | 4,211 | 4,050 | 17 | 23 | 13,969 | 10,295 | 12,844 | 9 |
| Occupancy Expense | 549 | 580 | 525 | 609 | 604 | (5) | (9) | 1,654 | 1,475 | 1,794 | (8) |
| Technology and Communications Expense | 899 | 896 | 920 | 1,051 | 1,046 | - | (14) | 2,715 | 2,651 | 2,995 | (9) |
| Professional & Outside Services | 1,018 | 1,130 | 1,074 | 1,191 | 1,103 | (10) | (8) | 3,222 | 2,671 | 3,406 | (5) |
| Marketing | 512 | 537 | 483 | 428 | 506 | (5) | 1 | 1,532 | 907 | 1,516 | 1 |
| Other Expense | 882 | 954 | 805 | 981 | 920 | (8) | (4) | 2,641 | 1,878 | 2,842 | (7) |
| Amortization of Intangibles | 382 | 385 | 383 | 392 | 396 | (1) | (4) | 1,150 | 554 | 1,179 | (2) |
| **TOTAL NONINTEREST EXPENSE** | **9,243** | **8,748** | **8,892** | **8,863** | **8,625** | 6 | 7 | **26,883** | **20,431** | **26,576** | 1 |
| Operating Earnings before Income Tax Expense | 4,199 | 3,635 | 4,504 | 3,643 | 3,190 | 16 | 32 | 12,338 | 8,915 | 12,188 | 1 |
| Income Tax Expense | 1,535 | 1,307 | 1,592 | 1,327 | 1,031 | 17 | 49 | 4,434 | 3,020 | 4,215 | 5 |
| **OPERATING EARNINGS** | **$ 2,664** | **$ 2,328** | **$ 2,912** | **$ 2,316** | **$ 2,159** | 14 | 23 | **$ 7,904** | **$ 5,895** | **$ 7,973** | (1) |
| **Operating Earnings Per Common Share** | | | | | | | | | | | |
| Diluted EPS | $ 0.75 | $ 0.66 | $ 0.81 | $ 0.64 | $ 0.60 | 14 | 25 | $ 2.22 | $ 2.25 | $ 2.21 | - |
| **Operating Financial Ratios** | | | | | | | | | | | |
| ROE | 10 % | 9 % | 11 % | 9 % | 8 % | | | 10 % | 12 % | 10 % | |
| ROE-GW | 17 | 15 | 19 | 15 | 14 | | | 17 | 17 | 17 | |
| ROA | 0.84 | 0.75 | 0.96 | 0.75 | 0.72 | | | 0.85 | 0.83 | 0.89 | |
| Effective Income Tax Rate | 37 | 36 | 35 | 36 | 32 | | | 36 | 34 | 35 | |
| Overhead Ratio | 59 | 63 | 60 | 63 | 64 | | | 61 | 63 | 61 | |
| **RECONCILIATION OF OPERATING EARNINGS PER SHARE TO NET INCOME PER SHARE - DILUTED** | | | | | | | | | | | |
| **Operating Earnings** | $ 0.75 | $ 0.66 | $ 0.81 | $ 0.64 | $ 0.60 | 14 | 25 | $ 2.22 | $ 2.25 | $ 2.21 | - |
| Reconciling Items (Net of Taxes): | | | | | | | | | | | |
| Merger Costs | (0.04) | (0.05) | (0.03) | (0.09) | (0.13) | 20 | 69 | (0.12) | (0.20) | (0.15) | 20 |
| Litigation Reserve Charge | - | (0.33) | (0.15) | - | - | NM | NM | (0.48) | (0.88) | (0.63) | 24 |
| Accounting Policy Conformity | - | - | - | (0.09) | (0.08) | NM | NM | - | (0.11) | (0.08) | NM |
| **Net Income** | $ 0.71 | $ 0.28 | $ 0.63 | $ 0.46 | $ 0.39 | 154 | 82 | $ 1.62 | $ 1.06 | $ 1.35 | 20 |

(a) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(b) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(c) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**LINE OF BUSINESS FINANCIAL HIGHLIGHTS - OPERATING BASIS**
**(in millions, except ratio data)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2005 Change 2004 |
| **REVENUE** | | | | | | | | | | | |
| Investment Bank | $ 4,461 | $ 2,750 | $ 4,180 | $ 3,201 | $ 2,701 | 62 % | 65 % | $ 11,391 | $ 9,404 | $ 10,305 | 11 % |
| Retail Financial Services | 3,590 | 3,799 | 3,847 | 3,545 | 3,800 | (6) | (6) | 11,236 | 7,246 | 11,531 | (3) |
| Card Services | 3,980 | 3,886 | 3,779 | 3,830 | 3,771 | 2 | 6 | 11,645 | 6,915 | 11,171 | 4 |
| Commercial Banking | 909 | 900 | 850 | 885 | 833 | 1 | 9 | 2,659 | 1,489 | 2,532 | 5 |
| Treasury & Securities Services | 1,556 | 1,588 | 1,482 | 1,413 | 1,339 | (2) | 16 | 4,626 | 3,444 | 3,987 | 16 |
| Asset & Wealth Management | 1,449 | 1,343 | 1,361 | 1,310 | 1,193 | 8 | 21 | 4,153 | 2,869 | 3,591 | 16 |
| Corporate | (391) | (366) | (759) | (35) | (58) | (7) | NM | (1,516) | 920 | 494 | NM |
| **TOTAL NET REVENUE** | **$ 15,554** | **$ 13,900** | **$ 14,740** | **$ 14,149** | **$ 13,579** | 12 | 15 | **$ 44,194** | **$ 32,287** | **$ 43,611** | 1 |
| **OPERATING EARNINGS** | | | | | | | | | | | |
| Investment Bank | $ 1,063 | $ 606 | $ 1,325 | $ 660 | $ 627 | 75 | 70 | $ 2,994 | $ 2,288 | $ 2,994 | - |
| Retail Financial Services | 656 | 980 | 988 | 775 | 822 | (33) | (20) | 2,624 | 1,424 | 2,504 | 5 |
| Card Services | 541 | 542 | 522 | 515 | 421 | - | 29 | 1,605 | 759 | 1,166 | 38 |
| Commercial Banking | 301 | 174 | 243 | 254 | 215 | 73 | 40 | 718 | 354 | 738 | (3) |
| Treasury & Securities Services | 263 | 229 | 245 | 145 | 96 | 15 | 174 | 737 | 295 | 292 | 152 |
| Asset & Wealth Management | 315 | 283 | 276 | 263 | 197 | 11 | 60 | 874 | 418 | 616 | 42 |
| Corporate | (475) | (486) | (687) | (296) | (219) | 2 | (117) | (1,648) | 357 | (337) | (389) |
| **TOTAL OPERATING EARNINGS** | **$ 2,664** | **$ 2,328** | **$ 2,912** | **$ 2,316** | **$ 2,159** | 14 | 23 | **$ 7,904** | **$ 5,895** | **$ 7,973** | (1) |
| **AVERAGE EQUITY (a)** | | | | | | | | | | | |
| Investment Bank | $ 20,000 | $ 20,000 | $ 20,000 | $ 20,000 | $ 20,000 | - | - | $ 20,000 | $ 16,380 | $ 20,000 | - |
| Retail Financial Services | 13,475 | 13,250 | 13,100 | 13,050 | 13,050 | 2 | 3 | 13,276 | 7,764 | 13,050 | 2 |
| Card Services | 11,800 | 11,800 | 11,800 | 11,800 | 11,800 | - | - | 11,800 | 6,200 | 11,800 | - |
| Commercial Banking | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | - | - | 3,400 | 1,654 | 3,400 | - |
| Treasury & Securities Services | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | - | - | 1,900 | 2,761 | 1,900 | - |
| Asset & Wealth Management | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | - | - | 2,400 | 4,406 | 2,400 | - |
| Corporate (b) | 52,506 | 52,519 | 52,745 | 52,324 | 51,819 | - | 1 | 52,590 | 26,660 | 52,093 | 1 |
| **TOTAL AVERAGE EQUITY** | **$ 105,481** | **$ 105,269** | **$ 105,345** | **$ 104,874** | **$ 104,369** | - | 1 | **$ 105,366** | **$ 65,825** | **$ 104,643** | 1 |
| **RETURN ON EQUITY (a)** | | | | | | | | | | | |
| Investment Bank | 21 % | 12 % | 27 % | 13 % | 12 % | | | 20 % | 19 % | 20 % | |
| Retail Financial Services | 19 | 30 | 31 | 24 | 25 | | | 26 | 24 | 26 | |
| Card Services | 18 | 18 | 18 | 17 | 14 | | | 18 | 16 | 13 | |
| Commercial Banking | 35 | 21 | 29 | 30 | 25 | | | 28 | 29 | 29 | |
| Treasury & Securities Services | 55 | 48 | 52 | 30 | 20 | | | 52 | 14 | 21 | |
| Asset & Wealth Management | 52 | 47 | 47 | 44 | 33 | | | 49 | 13 | 34 | |
| **JPMC ROE** | 10 | 9 | 11 | 9 | 8 | | | 10 | 12 | 10 | |
| **JPMC ROE-GW** | 17 | 15 | 19 | 15 | 14 | | | 17 | 17 | 17 | |

(a) As a result of the Merger, new capital allocation methodologies were implemented during the third quarter of 2004. The capital allocated to each line of business considers several factors: stand-alone peer comparables, economic risk measures and regulatory capital requirements. In addition, effective with the third quarter of 2004, goodwill, as well as the associated capital, is only allocated to the Corporate line of business. Prior periods have not been revised to reflect these new methodologies and also may not be comparable to the presentation beginning in the third quarter of 2004.
(b) Effective with the third quarter of 2004, all goodwill is allocated to the Corporate line of business. Prior to the third quarter of 2004, goodwill was allocated to the various lines of business.
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (f) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[e] | 2004 | 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Investment Banking Fees: | | | | | | | | | | | |
| Advisory | $ 300 | $ 359 | $ 263 | $ 250 | $ 273 | (16) % | 10 % | $ 922 | $ 688 | $ 689 | 34 % |
| Equity Underwriting | 210 | 104 | 239 | 213 | 170 | 102 | 24 | 553 | 568 | 572 | (3) |
| Debt Underwriting | 475 | 502 | 483 | 617 | 468 | (5) | 1 | 1,460 | 1,236 | 1,330 | 10 |
| **Total Investment Banking Fees** | **985** | **965** | **985** | **1,080** | **911** | 2 | 8 | **2,935** | **2,492** | **2,591** | 13 |
| Trading-Related Revenue: | | | | | | | | | | | |
| Fixed Income and Other | 2,083 | 940 | 1,915 | 1,173 | 657 | 122 | 217 | 4,938 | 3,835 | 3,958 | 25 |
| Equities | 329 | (280) | 225 | (42) | 220 | NM | 50 | 274 | 469 | 465 | (41) |
| Credit Portfolio | 23 | (46) | 59 | (44) | (35) | NM | NM | 36 | 50 | 74 | (51) |
| **Total Trading-Related Revenue (a)** | **2,435** | **614** | **2,199** | **1,087** | **842** | 297 | 189 | **5,248** | **4,354** | **4,497** | 17 |
| Lending & Deposit Related Fees | 148 | 146 | 157 | 176 | 155 | 1 | (5) | 451 | 363 | 482 | (6) |
| Asset Management, Administration and Commissions | 445 | 413 | 408 | 346 | 313 | 8 | 42 | 1,266 | 1,054 | 1,075 | 18 |
| Other Income | 94 | 270 | 127 | 178 | 91 | (65) | 3 | 491 | 150 | 324 | 52 |
| **Noninterest Revenue** | **4,107** | **2,408** | **3,876** | **2,867** | **2,312** | 71 | 78 | **10,391** | **8,413** | **8,969** | 16 |
| Net Interest Income (a) | 354 | 342 | 304 | 334 | 389 | 4 | (9) | 1,000 | 991 | 1,336 | (25) |
| **TOTAL NET REVENUE (b)** | **4,461** | **2,750** | **4,180** | **3,201** | **2,701** | 62 | 65 | **11,391** | **9,404** | **10,305** | 11 |
| Provision for Credit Losses | (46) | (343) | (366) | (173) | (151) | 87 | 70 | (755) | (467) | (769) | 2 |
| Credit Reimbursement from TSS (c) | 38 | 38 | 38 | 43 | 43 | - | (12) | 114 | 47 | 129 | (12) |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 1,883 | 1,192 | 1,616 | 1,389 | 992 | 58 | 90 | 4,691 | 3,504 | 3,724 | 26 |
| Noncompensation Expense | 992 | 986 | 909 | 1,001 | 932 | 1 | 6 | 2,887 | 2,802 | 2,803 | 3 |
| **TOTAL NONINTEREST EXPENSE** | **2,875** | **2,178** | **2,525** | **2,390** | **1,924** | 32 | 49 | **7,578** | **6,306** | **6,527** | 16 |
| Operating Earnings Before Income Tax Expense | 1,670 | 953 | 2,059 | 1,027 | 971 | 75 | 72 | 4,682 | 3,612 | 4,676 | - |
| Income Tax Expense | 607 | 347 | 734 | 367 | 344 | 75 | 76 | 1,688 | 1,324 | 1,682 | - |
| **OPERATING EARNINGS** | **$ 1,063** | **$ 606** | **$ 1,325** | **$ 660** | **$ 627** | 75 | 70 | **$ 2,994** | **$ 2,288** | **$ 2,994** | - |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 21 % | 12 % | 27 % | 13 % | 12 % | | | 20 % | 19 % | 20 % | |
| ROA | 0.68 | 0.41 | 0.95 | 0.49 | 0.50 | | | 0.68 | 0.68 | 0.80 | |
| Overhead Ratio | 64 | 79 | 60 | 75 | 71 | | | 67 | 67 | 63 | |
| Compensation Expense as a % of Total Net Revenue | 42 | 43 | 39 | 43 | 37 | | | 41 | 37 | 36 | |
| **REVENUE BY BUSINESS (d)** | | | | | | | | | | | |
| Investment Banking Fees | $ 985 | $ 965 | $ 985 | $ 1,080 | $ 911 | 2 | 8 | $ 2,935 | $ 2,492 | $ 2,591 | 13 |
| Fixed Income Markets | 2,431 | 1,418 | 2,289 | 1,530 | 1,115 | 71 | 118 | 6,138 | 4,784 | 5,260 | 17 |
| Equities Markets | 713 | 72 | 556 | 243 | 455 | NM | 57 | 1,341 | 1,248 | 1,323 | 1 |
| Credit Portfolio | 332 | 295 | 350 | 348 | 220 | 13 | 51 | 977 | 880 | 1,131 | (14) |
| **Total Net Revenue** | **$ 4,461** | **$ 2,750** | **$ 4,180** | **$ 3,201** | **$ 2,701** | 62 | 65 | **$ 11,391** | **$ 9,404** | **$ 10,305** | 11 |
| **REVENUE BY REGION** | | | | | | | | | | | |
| Americas | $ 2,690 | $ 1,833 | $ 2,224 | $ 1,829 | $ 1,591 | 47 | 69 | $ 6,747 | $ 5,041 | $ 5,903 | 14 |
| Europe/Middle East/Africa | 1,272 | 554 | 1,535 | 1,013 | 741 | 130 | 72 | 3,361 | 3,069 | 3,090 | 9 |
| Asia/Pacific | 499 | 363 | 421 | 359 | 369 | 37 | 35 | 1,283 | 1,294 | 1,312 | (2) |
| **Total Net Revenue** | **$ 4,461** | **$ 2,750** | **$ 4,180** | **$ 3,201** | **$ 2,701** | 62 | 65 | **$ 11,391** | **$ 9,404** | **$ 10,305** | 11 |

(a) Trading revenue, on a reported basis, excludes the impact of Net interest income related to the IB's trading activities; this income is recorded in Net interest income. However, in this presentation, to assess the profitability of the IB's trading business, the Firm combines these revenues for segment reporting. The amount reclassified from Net interest income to Trading revenue was $(101) million, $207 million, $324 million, $511 million and $430 million, during the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, and $430 million for year-to-date 2005 and $1.4 billion for both year-to-date 2004 and Pro forma year-to-date 2004, respectively.
(b) Total net revenue includes tax-equivalent adjustments, primarily due to tax-exempt income from municipal bonds and income tax credits related to affordable housing investments, of $200 million, $206 million, $155 million, $167 million and $9 million for the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, respectively. The year-to-date tax-equivalent adjustments were $561 million and $107 million for 2005 and 2004, respectively. The Pro forma year-to-date 2004 tax-equivalent adjustment was $224 million.
(c) TSS is charged a credit reimbursement related to certain exposures managed within the IB credit portfolio on behalf of clients shared with TSS.
(d) See account details of Fixed Income Markets, Equities Markets and Credit Portfolio in the Composition of Revenues tables on page 12.
(e) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (j) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[i] | 2004 | 2005 Change 2004 |
| **SELECTED BALANCE SHEETS DATA (Average)** | | | | | | | | | | | |
| Total Assets | $ 615,888 | $ 592,383 | $ 566,778 | $ 533,898 | $ 496,347 | 4 % | 24 % | $ 591,863 | $ 452,714 | $ 498,749 | 19 % |
| Trading Assets - Debt and Equity Instruments | 234,722 | 232,980 | 225,367 | 219,466 | 197,150 | 1 | 19 | 231,057 | 187,008 | 192,274 | 20 |
| Trading Assets - Derivative Receivables | 52,399 | 56,436 | 63,574 | 65,417 | 60,465 | (7) | (13) | 57,429 | 56,492 | 59,430 | (3) |
| Loans: | | | | | | | | | | | |
| Credit Portfolio | 33,819 | 30,435 | 29,236 | 31,289 | 31,129 | 11 | 9 | 31,180 | 28,357 | 33,788 | (8) |
| Other Loans (a) | 24,517 | 20,967 | 18,232 | 16,385 | 14,650 | 17 | 67 | 21,262 | 12,563 | 14,226 | 49 |
| Total Loans (b) | 58,336 | 51,402 | 47,468 | 47,674 | 45,779 | 13 | 27 | 52,442 | 40,920 | 48,014 | 9 |
| Adjusted Assets (c) | 462,056 | 453,895 | 445,840 | 432,085 | 401,010 | 2 | 15 | 453,990 | 380,740 | 399,049 | 14 |
| Equity (d) | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | - | - | 20,000 | 16,380 | 20,000 | - |
| **Headcount** | 19,526 | 19,269 | 17,993 | 17,478 | 17,420 | 1 | 12 | 19,526 | 17,420 | 17,420 | 12 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs (Recoveries) | $ (69) | $ (47) | $ (5) | $ 14 | $ (16) | (47) | (331) | $ (121) | $ 33 | $ 11 | NM |
| Nonperforming Assets | | | | | | | | | | | |
| - Nonperforming Loans (e) | 702 | 711 | 814 | 954 | 1,075 | (1) | (35) | 702 | 1,075 | 1,075 | (35) |
| - Other Nonperforming Assets | 232 | 235 | 242 | 242 | 246 | (1) | (6) | 232 | 246 | 246 | (6) |
| Allowance for Loan Losses | 1,002 | 971 | 1,191 | 1,547 | 1,841 | 3 | (46) | 1,002 | 1,841 | 1,841 | (46) |
| Allowance for Lending-Related Commitments | 211 | 225 | 296 | 305 | 358 | (6) | (41) | 211 | 358 | 358 | (41) |
| Net Charge-off (Recovery) Rate (b) | (0.67) % | (0.56) % | (0.05) % | 0.14 % | (0.17) % | | | (0.43) % | 0.13 % | 0.04 % | |
| Allowance for Loan Losses to Average Loans (b) | 2.45 | 2.90 | 3.03 | 3.87 | 4.78 | | | 2.65 | 5.26 | 4.39 | |
| Allowance for Loan Losses to Nonperforming Loans (e) | 143 | 137 | 147 | 163 | 172 | | | 143 | 172 | 172 | |
| Nonperforming Loans to Average Loans | 1.20 | 1.38 | 1.71 | 2.00 | 2.35 | | | 1.34 | 2.63 | 2.24 | |
| **MARKET RISK - AVERAGE TRADING AND CREDIT PORTFOLIO VAR (f) (g)** | | | | | | | | | | | |
| Trading Activities: | | | | | | | | | | | |
| Fixed Income (f) | $ 57 | $ 82 | $ 57 | $ 68 | $ 80 | (30) | (29) | $ 66 | $ 77 | NA | NM |
| Foreign Exchange | 24 | 21 | 23 | 18 | 13 | 14 | 85 | 23 | 17 | NA | NM |
| Equities | 41 | 45 | 18 | 20 | 25 | (9) | 64 | 35 | 31 | NA | NM |
| Commodities and Other | 24 | 15 | 10 | 9 | 10 | 60 | 140 | 16 | 9 | NA | NM |
| Diversification | (62) | (61) | (43) | (42) | (43) | (2) | (44) | (56) | (45) | NA | NM |
| **Total Trading VAR** | **84** | **102** | **65** | **73** | **85** | (18) | (1) | **84** | **89** | NA | NM |
| Credit Portfolio VAR (g) | 15 | 13 | 13 | 13 | 13 | 15 | 15 | 14 | 14 | NA | NM |
| Diversification | (13) | (13) | (8) | (7) | (9) | - | (44) | (12) | (8) | NA | NM |
| **Total Trading and Credit Portfolio VAR** | **$ 86** | **$ 102** | **$ 70** | **$ 79** | **$ 89** | (16) | (3) | **$ 86** | **$ 95** | NA | NM |

| | YTD 2005 | Full Year 2004 |
|---|---|---|
| **MARKET SHARES AND RANKINGS (h)** | | |
| Global Debt, Equity and Equity-Related | 6% / #4 | 7% / #3 |
| Global Syndicated Loans | 16% / #1 | 19% / #1 |
| Global Long-Term Debt | 6% / #4 | 7% / #2 |
| Global Equity and Equity-Related | 7% / #6 | 6% / #6 |
| Global Announced M&A | 22% / #3 | 25% / #2 |
| U.S. Debt, Equity and Equity-Related | 7% / #4 | 8% / #5 |
| U.S. Syndicated Loans | 29% / #1 | 32% / #1 |
| U.S. Long-Term Debt | 11% / #2 | 12% / #2 |
| U.S. Equity and Equity-Related | 8% / #6 | 8% / #6 |
| U.S. Announced M&A | 16% / #8 | 33% / #1 |

(a) Other Loans include warehouse loans held as part of the IB's mortgage-backed, asset-backed and other securitization businesses, loans held for proprietary investing purposes, and certain other loans.
(b) Total Loans include loans held-for-sale, which are excluded from Total Loans for the allowance coverage ratio and net charge-off rate. Average third quarter 2005 loans held-for-sale were $17,357 million. Prior end-of-period loans held-for-sale were $17,871 million, $8,154 million, $7,684 million and $7,281 million for the quarters ended June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively.
(c) Adjusted assets, a non-GAAP financial measure, equals total assets minus (i) securities purchased under resale agreements and securities borrowed less securities sold, not yet purchased; (ii) assets of variable interest entities (VIEs) consolidated under FIN 46R; (iii) cash and securities segregated and on deposit for regulatory and other purposes; and (iv) goodwill and intangibles. The amount of adjusted assets is presented to assist the reader in comparing the IB's asset and capital levels to other investment banks in the securities industry. Asset-to-equity leverage ratios are commonly used as one measure to assess a company's capital adequacy. The IB believes an adjusted asset amount, which excludes certain assets considered to have a low-risk profile, provides a more meaningful measure of balance sheet leverage in the securities industry.
(d) Equity includes $15.2 billion, $15.1 billion, $13.8 billion, $15.0 billion and $15.7 billion of economic risk capital assigned to the IB for the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively.
(e) Nonperforming loans include loans held-for-sale of $1 million, $2 million, $2 million, $2 million and $4 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(f) Includes all mark-to-market trading activities, plus available-for-sale securities held for proprietary purposes.
(g) Includes VAR on derivative credit valuation adjustments, credit valuation adjustment hedges and mark-to-market loan hedges, which are reported in Trading Revenue. This VAR does not include the accrual loan portfolio, which is not marked to market.
(h) Source: Thomson Financial Securities data. Global announced M&A is based on rank value; all other rankings are based on proceeds, with full credit to each book manager/equal if joint. Because of joint assignments, market share of all participants will add up to more than 100%. The market share and rankings for the year ended December 31, 2004 are presented on a combined basis, as if the merger of JPMorgan Chase and Bank One had been in effect during the period.
(i) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(j) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**INVESTMENT BANK**
**FINANCIAL HIGHLIGHTS, CONTINUED**
**(in millions)**

JPMorganChase

**COMPOSITION OF REVENUES**

**THIRD QUARTER 2005**

| | Investment Banking Fees | Trading-Related Revenue | Lending & Deposit Related Fees | Asset Management, Administration and Commissions | Other Income | Net Interest Income | Total Net Revenue |
|---|---|---|---|---|---|---|---|
| Investment Banking Fees | $ 985 | $ - | $ - | $ - | $ - | $ - | $ 985 |
| Fixed Income Markets | - | 2,083 | 64 | 52 | 40 | 192 | 2,431 |
| Equities Markets | - | 329 | - | 384 | (18) | 18 | 713 |
| Credit Portfolio | - | 23 | 84 | 9 | 72 | 144 | 332 |
| **Total Net Revenue** | **$ 985** | **$ 2,435** | **$ 148** | **$ 445** | **$ 94** | **$ 354** | **$ 4,461** |

**THIRD QUARTER 2004**

| | Investment Banking Fees | Trading-Related Revenue | Lending & Deposit Related Fees | Asset Management, Administration and Commissions | Other Income | Net Interest Income | Total Net Revenue |
|---|---|---|---|---|---|---|---|
| Investment Banking Fees | $ 911 | $ - | $ - | $ - | $ - | $ - | $ 911 |
| Fixed Income Markets | - | 657 | 69 | 54 | 154 | 181 | 1,115 |
| Equities Markets | - | 220 | - | 252 | (29) | 12 | 455 |
| Credit Portfolio | - | (35) | 86 | 7 | (34) | 196 | 220 |
| **Total Net Revenue** | **$ 911** | **$ 842** | **$ 155** | **$ 313** | **$ 91** | **$ 389** | **$ 2,701** |

**YEAR-TO-DATE 2005**

| | Investment Banking Fees | Trading-Related Revenue | Lending & Deposit Related Fees | Asset Management, Administration and Commissions | Other Income | Net Interest Income | Total Net Revenue |
|---|---|---|---|---|---|---|---|
| Investment Banking Fees | $ 2,935 | $ - | $ - | $ - | $ - | $ - | $ 2,935 |
| Fixed Income Markets | - | 4,938 | 189 | 166 | 336 | 509 | 6,138 |
| Equities Markets | - | 274 | - | 1,067 | (55) | 55 | 1,341 |
| Credit Portfolio | - | 36 | 262 | 33 | 210 | 436 | 977 |
| **Total Net Revenue** | **$ 2,935** | **$ 5,248** | **$ 451** | **$ 1,266** | **$ 491** | **$ 1,000** | **$ 11,391** |

**YEAR-TO-DATE 2004 (a)**

| | Investment Banking Fees | Trading-Related Revenue | Lending & Deposit Related Fees | Asset Management, Administration and Commissions | Other Income | Net Interest Income | Total Net Revenue |
|---|---|---|---|---|---|---|---|
| Investment Banking Fees | $ 2,492 | $ - | $ - | $ - | $ - | $ - | $ 2,492 |
| Fixed Income Markets | - | 3,835 | 123 | 222 | 215 | 389 | 4,784 |
| Equities Markets | - | 469 | - | 809 | (80) | 50 | 1,248 |
| Credit Portfolio | - | 50 | 240 | 23 | 15 | 552 | 880 |
| **Total Net Revenue** | **$ 2,492** | **$ 4,354** | **$ 363** | **$ 1,054** | **$ 150** | **$ 991** | **$ 9,404** |

**PRO FORMA YEAR-TO-DATE 2004 (b)**

| | Investment Banking Fees | Trading-Related Revenue | Lending & Deposit Related Fees | Asset Management, Administration and Commissions | Other Income | Net Interest Income | Total Net Revenue |
|---|---|---|---|---|---|---|---|
| Investment Banking Fees | $ 2,591 | $ - | $ - | $ - | $ - | $ - | $ 2,591 |
| Fixed Income Markets | - | 3,958 | 198 | 195 | 330 | 579 | 5,260 |
| Equities Markets | - | 465 | - | 856 | (64) | 66 | 1,323 |
| Credit Portfolio | - | 74 | 284 | 24 | 58 | 691 | 1,131 |
| **Total Net Revenue** | **$ 2,591** | **$ 4,497** | **$ 482** | **$ 1,075** | **$ 324** | **$ 1,336** | **$ 10,305** |

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

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (h) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[g] | 2004 | 2005 Change 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Lending & Deposit Related Fees | $ 380 | $ 358 | $ 340 | $ 373 | $ 395 | 6 % | (4) % | $ 1,078 | $ 640 | $ 1,128 | (4) % |
| Asset Management, Administration and Commissions | 370 | 369 | 394 | 368 | 375 | - | (1) | 1,133 | 652 | 1,152 | (2) |
| Securities / Private Equity Gains (Losses) | - | - | 10 | (89) | 6 | NM | NM | 10 | 6 | 6 | 67 |
| Mortgage Fees and Related Income | 212 | 341 | 368 | 117 | 211 | (38) | - | 921 | 749 | 788 | 17 |
| Credit Card Income | 109 | 105 | 94 | 97 | 89 | 4 | 22 | 308 | 133 | 253 | 22 |
| Other Income | 7 | 68 | (12) | 27 | 18 | (90) | (61) | 63 | 4 | 87 | (28) |
| **Noninterest Revenue** | **1,078** | **1,241** | **1,194** | **893** | **1,094** | (13) | (1) | **3,513** | **2,184** | **3,414** | 3 |
| Net Interest Income | 2,512 | 2,558 | 2,653 | 2,652 | 2,706 | (2) | (7) | 7,723 | 5,062 | 7,939 | (3) |
| **TOTAL NET REVENUE** | **3,590** | **3,799** | **3,847** | **3,545** | **3,800** | (6) | (6) | **11,236** | **7,246** | **11,353** | (1) |
| Provision for Credit Losses (a) | 378 | 94 | 94 | 78 | 239 | 302 | 58 | 566 | 371 | 611 | (7) |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 842 | 820 | 822 | 807 | 855 | 3 | (2) | 2,484 | 1,814 | 2,592 | (4) |
| Noncompensation Expense | 1,189 | 1,181 | 1,215 | 1,276 | 1,250 | 1 | (5) | 3,585 | 2,661 | 3,896 | (8) |
| Amortization of Intangibles | 125 | 125 | 125 | 132 | 133 | - | (6) | 375 | 135 | 399 | (6) |
| **TOTAL NONINTEREST EXPENSE** | **2,156** | **2,126** | **2,162** | **2,215** | **2,238** | 1 | (4) | **6,444** | **4,610** | **6,887** | (6) |
| Operating Earnings Before Income Tax Expense and Non-Core Portfolio Actions | 1,056 | 1,579 | 1,591 | 1,252 | 1,323 | (33) | (20) | 4,226 | 2,265 | 3,855 | 10 |
| Income Tax Expense | 400 | 599 | 603 | 477 | 501 | (33) | (20) | 1,602 | 841 | 1,450 | 10 |
| **Operating Earnings before Non-Core Portfolio Actions** | **656** | **980** | **988** | **775** | **822** | (33) | (20) | **2,624** | **1,424** | **2,405** | 9 |
| Non-Core Portfolio Actions: (b) | | | | | | | | | | | |
| Impacts to: | | | | | | | | | | | |
| Other Income | - | - | - | - | - | NM | NM | - | - | 178 | NM |
| Provision for Credit Losses | - | - | - | - | - | NM | NM | - | - | 18 | NM |
| Total Non-Core Portfolio Actions | - | - | - | - | - | NM | NM | - | - | 160 | NM |
| Income Tax Expense | - | - | - | - | - | NM | NM | - | - | 61 | NM |
| **Operating Earnings from Non-Core Portfolio Actions** | - | - | - | - | - | NM | NM | - | - | 99 | NM |
| **OPERATING EARNINGS** | **$ 656** | **$ 980** | **$ 988** | **$ 775** | **$ 822** | (33) | (20) | **$ 2,624** | **$ 1,424** | **$ 2,504** | 5 |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 19 % | 30 % | 31 % | 24 % | 25 % | | | 26 % | 24 % | 26 % | |
| ROA | 1.14 | 1.74 | 1.78 | 1.35 | 1.44 | | | 1.55 | 1.11 | 1.49 | |
| Overhead Ratio | 60 | 56 | 56 | 62 | 59 | | | 57 | 64 | 60 | |
| **SELECTED BALANCE SHEETS (Ending)** | | | | | | | | | | | |
| Total Assets | $ 230,698 | $ 223,391 | $ 224,562 | $ 226,560 | $ 227,952 | 3 | 1 | $ 230,698 | $ 227,952 | $ 227,952 | 1 |
| Loans (c) | 200,434 | 197,927 | 199,215 | 202,473 | 201,116 | 1 | - | 200,434 | 201,116 | 201,116 | - |
| Core Deposits (d) | 160,592 | 159,702 | 162,241 | 156,885 | 154,589 | 1 | 4 | 160,592 | 154,589 | 154,589 | 4 |
| Total Deposits | 187,621 | 185,558 | 187,225 | 182,372 | 180,307 | 1 | 4 | 187,621 | 180,307 | 180,307 | 4 |
| **SELECTED BALANCE SHEETS (Average)** | | | | | | | | | | | |
| Total Assets | $ 227,875 | $ 225,574 | $ 225,120 | $ 228,647 | $ 227,716 | 1 | - | $ 226,200 | $ 171,585 | $ 224,788 | 1 |
| Loans (e) | 199,057 | 197,707 | 198,494 | 202,419 | 198,244 | 1 | - | 198,421 | 149,454 | 194,848 | 2 |
| Core Deposits (d) | 160,914 | 161,044 | 159,682 | 159,015 | 158,800 | - | 1 | 160,552 | 107,912 | 157,546 | 2 |
| Total Deposits | 187,216 | 186,523 | 184,336 | 183,105 | 183,501 | - | 2 | 186,035 | 122,059 | 183,254 | 2 |
| Equity | 13,475 | 13,250 | 13,100 | 13,050 | 13,050 | 2 | 3 | 13,276 | 7,764 | 13,050 | 2 |
| **Headcount** | 60,375 | 59,631 | 59,322 | 59,632 | 60,691 | 1 | (1) | 60,375 | 60,691 | 60,691 | (1) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs | $ 144 | $ 114 | $ 152 | $ 606 | $ 219 | 26 | (34) | $ 410 | $ 384 | $ 631 | (35) |
| Nonperforming Loans (f) | 1,203 | 1,132 | 1,150 | 1,161 | 1,308 | 6 | (8) | 1,203 | 1,308 | 1,308 | (8) |
| Nonperforming Assets | 1,387 | 1,319 | 1,351 | 1,385 | 1,557 | 5 | (11) | 1,387 | 1,557 | 1,557 | (11) |
| Allowance for Loan Losses | 1,375 | 1,135 | 1,168 | 1,228 | 1,764 | 21 | (22) | 1,375 | 1,764 | 1,764 | (22) |
| Net Charge-off Rate (e) | 0.31 % | 0.25 % | 0.34 % | 1.28 % | 0.47 % | | | 0.30 % | 0.38 % | 0.48 % | |
| Allowance for Loan Losses to Ending Loans (c) | 0.75 | 0.61 | 0.64 | 0.67 | 0.94 | | | 0.75 | 0.94 | 0.94 | |
| Allowance for Loan Losses to Nonperforming Loans (f) | 115 | 103 | 104 | 107 | 143 | | | 115 | 143 | 143 | |
| Nonperforming Loans to Total Loans | 0.60 | 0.57 | 0.58 | 0.57 | 0.65 | | | 0.60 | 0.65 | 0.65 | |

(a) Third quarter 2005 includes a $250 million special provision related to Hurricane Katrina allocated as follows: $140 million in Consumer Real Estate Lending, $90 million in Consumer & Small Business and $20 million in Auto Finance.
(b) Includes gains on loan sales, valuation adjustments and loan loss reserve increases on the Bank One brokered home equity portfolio.
(c) Includes loans held-for-sale of $17,695 million, $13,112 million, $16,532 million, $18,022 million and $12,816 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(d) Includes demand and savings deposits.
(e) Average loans include loans held-for-sale of $15,707 million, $14,620 million, $15,861 million, $13,534 million and $14,479 million for the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, respectively. The year-to-date average loans held-for-sale were $15,395 million and $15,140 million for 2005 and 2004, respectively. Pro forma year-to-date 2004 average loans held-for-sale was $18,473 million. These amounts are not included in the net charge-off rate.
(f) Nonperforming loans include loans held-for-sale of $10 million, $26 million, $31 million, $13 million and $74 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(g) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(h) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (f) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[e] | 2004 | 2005 Change 2004 |
| **RETAIL BUSINESSES** | | | | | | | | | | | |
| **HOME FINANCE** | | | | | | | | | | | |
| **PRIME PRODUCTION AND SERVICING** | | | | | | | | | | | |
| Production | $ 214 | $ 135 | $ 228 | $ 196 | $ 168 | 59 % | 27 % | $ 577 | $ 532 | $ 599 | (4) % |
| Servicing: | | | | | | | | | | | |
| Mortgage Servicing Revenue, Net of Amortization | 161 | 142 | 146 | 169 | 134 | 13 | 20 | 449 | 482 | 463 | (3) |
| MSR Risk Management Results | (38) | 166 | 106 | (187) | 153 | NM | NM | 234 | 300 | 301 | (22) |
| Total Net Revenue | 337 | 443 | 480 | 178 | 455 | (24) | (26) | 1,260 | 1,314 | 1,363 | (8) |
| Noninterest Expense | 231 | 229 | 229 | 266 | 296 | 1 | (22) | 689 | 849 | 875 | (21) |
| Operating Earnings (Loss) | 67 | 136 | 158 | (56) | 103 | (51) | (35) | 361 | 296 | 309 | 17 |
| **CONSUMER REAL ESTATE LENDING** | | | | | | | | | | | |
| Total Net Revenue | $ 684 | $ 707 | $ 713 | $ 725 | $ 704 | (3) | (3) | $ 2,104 | $ 1,651 | $ 2,181 | (4) |
| Provision for Credit Losses | 177 | 38 | 30 | (20) | 65 | 366 | 172 | 245 | 94 | 188 | 30 |
| Noninterest Expense | 244 | 234 | 238 | 283 | 264 | 4 | (8) | 716 | 639 | 831 | (14) |
| Operating Earnings | 168 | 277 | 284 | 295 | 237 | (39) | (29) | 729 | 586 | 743 | (2) |
| **TOTAL HOME FINANCE** | | | | | | | | | | | |
| Total Net Revenue | $ 1,021 | $ 1,150 | $ 1,193 | $ 903 | $ 1,159 | (11) | (12) | $ 3,364 | $ 2,965 | $ 3,544 | (5) |
| Provision for Credit Losses | 177 | 38 | 30 | (20) | 65 | 366 | 172 | 245 | 94 | 188 | 30 |
| Noninterest Expense | 475 | 463 | 467 | 549 | 560 | 3 | (15) | 1,405 | 1,488 | 1,706 | (18) |
| Operating Earnings | 235 | 413 | 442 | 239 | 340 | (43) | (31) | 1,090 | 882 | 1,052 | 4 |
| **Origination Volume by Channel (in billions)** | | | | | | | | | | | |
| Retail | $ 23.7 | $ 22.8 | $ 18.3 | $ 18.5 | $ 19.7 | 4 | 20 | $ 64.8 | $ 55.7 | $ 66.9 | (3) |
| Wholesale | 14.6 | 13.2 | 10.7 | 11.7 | 11.6 | 11 | 26 | 38.5 | 36.8 | 36.8 | 5 |
| Correspondent | 5.1 | 3.6 | 2.3 | 4.2 | 5.4 | 42 | (6) | 11.0 | 18.6 | 18.6 | (41) |
| Correspondent Negotiated Transactions | 10.2 | 7.1 | 7.2 | 10.0 | 11.3 | 44 | (10) | 24.5 | 31.5 | 31.4 | (22) |
| Total | 53.6 | 46.7 | 38.5 | 44.4 | 48.0 | 15 | 12 | 138.8 | 142.6 | 153.7 | (10) |
| **Origination Volume by Business (in billions)** | | | | | | | | | | | |
| Mortgage | $ 39.3 | $ 30.9 | $ 26.6 | $ 32.4 | $ 34.1 | 27 | 15 | $ 96.8 | $ 112.2 | $ 113.5 | (15) |
| Home Equity | 14.3 | 15.8 | 11.9 | 12.0 | 13.9 | (9) | 3 | 42.0 | 30.4 | 40.2 | 4 |
| Total | 53.6 | 46.7 | 38.5 | 44.4 | 48.0 | 15 | 12 | 138.8 | 142.6 | 153.7 | (10) |
| **Business Metrics (in billions)** | | | | | | | | | | | |
| Third Party Mortgage Loans Serviced (Ending) (a) | $ 450.3 | $ 438.1 | $ 435.5 | $ 430.9 | $ 427.3 | 3 | 5 | $ 450.3 | $ 427.3 | $ 427.3 | 5 |
| MSR Net Carrying Value (Ending) | 6.1 | 5.0 | 5.7 | 5.1 | 5.2 | 22 | 17 | 6.1 | 5.2 | 5.2 | 17 |
| End of Period Loans Owned | | | | | | | | | | | |
| Mortgage Loans Held-for-Sale | 13.4 | 11.2 | 9.6 | 14.2 | 9.5 | 20 | 41 | 13.4 | 9.5 | 9.5 | 41 |
| Mortgage Loans Retained | 46.7 | 47.4 | 46.0 | 42.6 | 46.5 | (1) | - | 46.7 | 46.5 | 46.5 | - |
| Home Equity and Other Loans | 74.3 | 72.3 | 68.8 | 67.9 | 67.3 | 3 | 10 | 74.3 | 67.3 | 67.3 | 10 |
| Total End of Period Loans Owned | 134.4 | 130.9 | 124.4 | 124.7 | 123.3 | 3 | 9 | 134.4 | 123.3 | 123.3 | 9 |
| Average Loans Owned | | | | | | | | | | | |
| Mortgage Loans Held-for-Sale | 13.5 | 10.5 | 11.4 | 10.1 | 10.9 | 29 | 24 | 11.8 | 12.8 | 13.1 | (10) |
| Mortgage Loans Retained | 47.6 | 47.0 | 44.3 | 44.6 | 44.0 | 1 | 8 | 46.3 | 39.4 | 40.4 | 15 |
| Home Equity and Other Loans | 71.8 | 69.1 | 66.5 | 70.1 | 66.2 | 4 | 8 | 69.2 | 39.2 | 62.7 | 10 |
| Total Average Loans Owned | 132.9 | 126.6 | 122.2 | 124.8 | 121.1 | 5 | 10 | 127.3 | 91.4 | 116.2 | 10 |
| Overhead Ratio | 47 % | 40 % | 39 % | 61 % | 48 % | | | 42 % | 50 % | 48 % | |
| **Credit Quality Statistics** | | | | | | | | | | | |
| 30+ Day Delinquency Rate (b) | 1.31 % | 1.17 % | 1.15 % | 1.27 % | 1.50 % | | | 1.31 % | 1.50 % | 1.50 % | |
| Net Charge-offs | | | | | | | | | | | |
| Mortgage | $ 6 | $ 8 | $ 6 | $ 5 | $ 6 | (25) | - | $ 20 | $ 14 | $ 15 | 33 |
| Home Equity and Other Loans | 32 | 30 | 35 | 449 | 57 | 7 | (44) | 97 | 105 | 220 | (56) |
| Total Net Charge-offs | 38 | 38 | 41 | 454 | 63 | - | (40) | 117 | 119 | 235 | (50) |
| Net Charge-off Rate | | | | | | | | | | | |
| Mortgage | 0.05 % | 0.07 % | 0.05 % | 0.04 % | 0.05 % | | | 0.06 % | 0.05 % | 0.05 % | |
| Home Equity and Other Loans | 0.18 | 0.17 | 0.21 | 2.55 | 0.34 | | | 0.19 | 0.36 | 0.47 | |
| Total Net Charge-off Rate (c) | 0.13 | 0.13 | 0.15 | 1.57 | 0.23 | | | 0.14 | 0.20 | 0.30 | |
| Nonperforming Assets (d) | $ 846 | $ 799 | $ 841 | $ 844 | $ 997 | 6 | (15) | $ 846 | $ 997 | $ 997 | (15) |

(a) Includes prime first mortgage loans and subprime loans.
(b) Excludes delinquencies related to loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by government agencies of $0.8 billion, $0.7 billion, $0.7 billion, $0.9 billion and $0.9 billion, for September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are excluded as reimbursement is proceeding normally.
(c) Excludes mortgage loans held for sale.
(d) Excludes nonperforming assets related to loans eligible for repurchase as well as loans repurchased from GNMA pools that are insured by government agencies of $1.0 billion, $1.0 billion, $1.1 billion, $1.5 billion, and $1.3 billion for September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are excluded as reimbursement is proceeding normally.
(e) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | |
| | | | | | | | | | | | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2004 |
| **RETAIL BUSINESSES, CONTINUED** | | | | | | | | | | | |
| **CONSUMER & SMALL BUSINESS BANKING** | | | | | | | | | | | |
| Noninterest Revenue | $ 733 | $ 741 | $ 729 | $ 710 | $ 734 | (1) % | - % | $ 2,203 | $ 1,154 | $ 2,148 | 3 % |
| Net Interest Income | 1,336 | 1,364 | 1,428 | 1,395 | 1,342 | (2) | - | 4,128 | 2,126 | 3,904 | 6 |
| Total Net Revenue | 2,069 | 2,105 | 2,157 | 2,105 | 2,076 | (2) | - | 6,331 | 3,280 | 6,052 | 5 |
| Provision for Credit Losses | 119 | 25 | 36 | 39 | 79 | 376 | 51 | 180 | 126 | 173 | 4 |
| Noninterest Expense | 1,369 | 1,362 | 1,339 | 1,362 | 1,379 | 1 | (1) | 4,070 | 2,619 | 4,290 | (5) |
| Operating Earnings | 356 | 437 | 477 | 430 | 377 | (19) | (6) | 1,270 | 330 | 975 | 30 |
| **Business Metrics (in billions)** | | | | | | | | | | | |
| End-of-Period Balances | | | | | | | | | | | |
| Small Business Loans | $ 12.6 | $ 12.5 | $ 12.4 | $ 12.5 | $ 12.4 | 1 | 2 | $ 12.6 | $ 12.4 | $ 12.4 | 2 |
| Consumer and Other Loans (a) | 1.7 | 1.8 | 2.2 | 2.2 | 2.3 | (6) | (26) | 1.7 | 2.3 | 2.3 | (26) |
| Total Loans | 14.3 | 14.3 | 14.6 | 14.7 | 14.7 | - | (3) | 14.3 | 14.7 | 14.7 | (3) |
| Core Deposits (b) | 149.0 | 147.9 | 150.8 | 146.3 | 144.5 | 1 | 3 | 149.0 | 144.5 | 144.5 | 3 |
| Total Deposits | 176.0 | 173.7 | 175.7 | 171.8 | 170.2 | 1 | 3 | 176.0 | 170.2 | 170.2 | 3 |
| Average Balances | | | | | | | | | | | |
| Small Business Loans | 12.5 | 12.4 | 12.4 | 12.4 | 12.4 | 1 | 1 | 12.4 | 5.6 | 12.3 | 1 |
| Consumer and Other Loans (a) | 1.8 | 1.9 | 2.6 | 2.2 | 2.3 | (5) | (22) | 2.1 | 2.1 | 2.4 | (13) |
| Total Loans | 14.3 | 14.3 | 15.0 | 14.6 | 14.7 | - | (3) | 14.5 | 7.7 | 14.7 | (1) |
| Core Deposits (b) | 148.0 | 149.3 | 149.3 | 147.8 | 147.8 | (1) | - | 148.9 | 96.8 | 146.3 | 2 |
| Total Deposits | 174.2 | 174.8 | 173.9 | 171.8 | 172.5 | - | 1 | 174.3 | 110.9 | 171.8 | 1 |
| Number of: | | | | | | | | | | | |
| Branches | 2,549 | 2,539 | 2,517 | 2,508 | 2,467 | 10 # | 82 # | 2,549 | 2,467 | 2,467 | 82 # |
| ATMs | 7,136 | 6,961 | 6,687 | 6,650 | 6,587 | 175 | 549 | 7,136 | 6,587 | 6,587 | 549 |
| Personal Bankers | 6,719 | 6,258 | 5,798 | 5,750 | 5,744 | 461 | 975 | 6,719 | 5,744 | 5,744 | 975 |
| Personal Checking Accounts (in thousands) | 7,866 | 7,662 | 7,445 | 7,286 | 7,222 | 204 | 644 | 7,866 | 7,222 | 7,222 | 644 |
| Business Checking Accounts (in thousands) | 930 | 918 | 905 | 894 | 891 | 12 | 39 | 930 | 891 | 891 | 39 |
| Active Online Customers (in thousands) | 4,099 | 4,053 | 3,671 | 3,359 | 3,152 | 46 | 947 | 4,099 | 3,152 | 3,152 | 947 |
| Debit Cards Issued (in thousands) | 9,102 | 8,834 | 8,596 | 8,392 | 8,282 | 268 | 820 | 9,102 | 8,282 | 8,282 | 820 |
| Overhead Ratio | 66 % | 65 % | 62 % | 65 % | 66 % | | | 64 % | 80 % | 71 % | |
| **Retail Brokerage Business Metrics** | | | | | | | | | | | |
| Investment Sales Volume | $ 2,745 | $ 2,907 | $ 2,870 | $ 2,770 | $ 2,563 | (6) % | 7 % | $ 8,522 | $ 4,554 | $ 8,041 | 6 % |
| Number of Dedicated Investment Sales Representatives | 1,478 | 1,422 | 1,352 | 1,364 | 1,393 | 4 | 6 | 1,478 | 1,393 | 1,393 | 6 |
| **Credit Quality Statistics** | | | | | | | | | | | |
| Net Charge-offs | | | | | | | | | | | |
| Small Business | $ 25 | $ 25 | $ 19 | $ 32 | $ 24 | - | 4 | $ 69 | $ 45 | $ 73 | (5) |
| Consumer and Other Loans | 11 | 4 | 9 | 24 | 36 | 175 | (69) | 24 | 53 | 54 | (56) |
| Total Net Charge-Offs | 36 | 29 | 28 | 56 | 60 | 24 | (40) | 93 | 98 | 127 | (27) |
| Net Charge-off Rate | | | | | | | | | | | |
| Small Business | 0.79 % | 0.81 % | 0.62 % | 1.03 % | 0.77 % | | | 0.74 % | 1.07 % | 0.79 % | |
| Consumer and Other Loans | 2.42 | 0.84 | 1.40 | 4.34 | 6.23 | | | 1.53 | 3.37 | 3.01 | |
| Total Net Charge-Off Rate | 1.00 | 0.81 | 0.76 | 1.53 | 1.62 | | | 0.86 | 1.70 | 1.15 | |
| Nonperforming Assets | $ 293 | $ 284 | $ 293 | $ 299 | $ 313 | 3 | (6) | $ 293 | $ 313 | $ 313 | (6) |

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

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (f) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[e] | 2004 | 2005 Change 2004 |
| **RETAIL BUSINESSES** | | | | | | | | | | | |
| **AUTO & EDUCATION FINANCE** | | | | | | | | | | | |
| Total Net Revenue | $ 342 | $ 395 | $ 324 | $ 364 | $ 397 | (13) % | (14) % | $ 1,061 | $ 781 | $ 1,233 | (14) % |
| Provision for Credit Losses | 82 | 31 | 28 | 59 | 95 | 165 | (14) | 141 | 151 | 250 | (44) |
| Noninterest Expense | 184 | 170 | 205 | 166 | 163 | 8 | 13 | 559 | 324 | 482 | 16 |
| Operating Earnings | 47 | 118 | 55 | 84 | 85 | (60) | (45) | 220 | 186 | 306 | (28) |
| **Business Metrics (in billions)** | | | | | | | | | | | |
| End-of-Period Loans and Lease Related Assets | | | | | | | | | | | |
| Loans Outstanding | $ 46.2 | $ 46.2 | $ 52.8 | $ 54.6 | $ 53.7 | - | (14) | $ 46.2 | $ 53.7 | $ 53.7 | (14) |
| Lease Related Assets (a) | 5.8 | 6.5 | 7.2 | 8.0 | 8.9 | (11) | (35) | 5.8 | 8.9 | 8.9 | (35) |
| Total End-of-Period Loans and Lease Related Assets (a) | 52.0 | 52.7 | 60.0 | 62.6 | 62.6 | (1) | (17) | 52.0 | 62.6 | 62.6 | (17) |
| Average Loans and Lease Related Assets | | | | | | | | | | | |
| Loans Outstanding (Average) (b) | $ 45.9 | $ 49.8 | $ 53.3 | $ 54.2 | $ 52.9 | (8) | (13) | $ 49.6 | $ 41.1 | $ 53.8 | (8) |
| Lease Related Assets (Average) (c) | 6.2 | 6.9 | 7.7 | 8.4 | 9.2 | (10) | (33) | 6.9 | 9.1 | 10.0 | (31) |
| Total Average Loans and Lease Related Assets (b) (c) | 52.1 | 56.7 | 61.0 | 62.6 | 62.1 | (8) | (16) | 56.5 | 50.2 | 63.8 | (11) |
| Overhead Ratio | 54 % | 43 % | 63 % | 46 % | 41 % | | | 53 % | 41 % | 39 % | |
| **Credit Quality Statistics** | | | | | | | | | | | |
| 30+ Day Delinquency Rate | 1.59 % | 1.46 % | 1.33 % | 1.55 % | 1.38 % | | | 1.59 % | 1.38 % | 1.38 % | |
| Net Charge-offs | | | | | | | | | | | |
| Loans | $ 66 | $ 45 | $ 74 | $ 85 | $ 83 | 47 | (20) | $ 185 | $ 134 | $ 225 | (18) |
| Lease Receivables | 4 | 2 | 9 | 11 | 13 | 100 | (69) | 15 | 33 | 44 | (66) |
| Total Net Charge-offs | 70 | 47 | 83 | 96 | 96 | 49 | (27) | 200 | 167 | 269 | (26) |
| Net Charge-off Rate | | | | | | | | | | | |
| Loans (b) | 0.60 % | 0.39 % | 0.61 % | 0.67 % | 0.65 % | | | 0.54 % | 0.46 % | 0.59 % | |
| Lease Receivables (c) | 0.28 | 0.12 | 0.48 | 0.52 | 0.56 | | | 0.30 | 0.48 | 0.59 | |
| Total Net Charge-off Rate (b) (c) | 0.56 | 0.36 | 0.60 | 0.65 | 0.64 | | | 0.51 | 0.46 | 0.59 | |
| Nonperforming Assets | $ 248 | $ 236 | $ 217 | $ 242 | $ 247 | 5 | - | $ 248 | $ 247 | $ 247 | - |
| **INSURANCE** | | | | | | | | | | | |
| Total Net Revenue | $ 158 | $ 149 | $ 173 | $ 173 | $ 168 | 6 | (6) | $ 480 | $ 220 | $ 524 | (8) |
| Noninterest Expense | 128 | 131 | 151 | 138 | 136 | (2) | (6) | 410 | 179 | 409 | - |
| Operating Earnings | 18 | 12 | 14 | 22 | 20 | 50 | (10) | 44 | 26 | 72 | (39) |
| *Memo:* | | | | | | | | | | | |
| Consolidated Gross Insurance-Related Revenue (d) | 409 | 404 | 416 | 421 | 429 | 1 | (5) | 1,229 | 770 | 1,266 | (3) |
| **Business Metrics - Ending Balances** | | | | | | | | | | | |
| Invested Assets | $ 7,754 | $ 7,641 | $ 7,349 | $ 7,368 | $ 7,489 | 1 | 4 | $ 7,754 | $ 7,489 | $ 7,489 | 4 |
| Policy Loans | 391 | 394 | 394 | 397 | 398 | (1) | (2) | 391 | 398 | 398 | (2) |
| Insurance Policy and Claims Reserves | 7,672 | 7,562 | 7,337 | 7,279 | 7,477 | 1 | 3 | 7,672 | 7,477 | 7,477 | 3 |
| Term Life Sales - 1st. Year Annualized Premiums | 15 | 16 | 14 | 13 | 15 | (6) | - | 45 | 15 | 43 | 5 |
| Term Life Premium Revenues | 119 | 122 | 110 | 119 | 115 | (2) | 3 | 351 | 115 | 336 | 4 |
| Proprietary Annuity Sales | 151 | 282 | 119 | 35 | 39 | (46) | 287 | 552 | 173 | 189 | 192 |
| Number of Policies in Force - Direct / Assumed (in thousands) | 2,195 | 2,454 | 2,540 | 2,611 | 2,633 | (11) | (17) | 2,195 | 2,633 | 2,633 | (17) |
| Insurance in Force - Direct / Assumed | 283,766 | 280,176 | 280,082 | 277,827 | 274,390 | 1 | 3 | 283,766 | 274,390 | 274,390 | 3 |
| Insurance in Force - Retained | 87,764 | 83,324 | 83,799 | 80,691 | 76,727 | 5 | 14 | 87,764 | 76,727 | 76,727 | 14 |
| A.M. Best Rating | A | A | A | A | A | | | A | A | A | |

(a) Includes operating lease related assets of $0.7 billion, $0.4 billion and $0.2 billion for the quarters ended September 30, 2005, June 30, 2005 and March 31, 2005, respectively. Balances prior to March 31, 2005 were insignificant.
(b) Average loans include loans held-for-sale of $2.2 billion, $4.1 billion, $4.5 billion, $3.4 billion and $2.2 billion for the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. The year-to-date average loans held-for-sale were $3.6 billion and $1.9 billion for 2005 and 2004, respectively. Pro forma year-to-date 2004 average loans held-for-sale was $3.2 billion. These are not included in the net charge-off rate.
(c) Includes operating lease related assets of $0.6 billion, $0.3 billion and $0.1 billion for the quarters ended September 30, 2005, June 30, 2005 and March 31, 2005, respectively. The year-to-date average operating lease related assets were $0.3 billion for 2005. Balances prior to March 31, 2005 were insignificant. These are not included in the net charge-off rate.
(d) Includes revenue reported in the results of other businesses.
(e) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(f) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**CARD SERVICES - MANAGED BASIS**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio data and where otherwise noted)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Asset Management, Administration and Commissions | $ - | $ - | $ - | $ - | $ 26 | NM | NM | $ - | $ 75 | $ 77 | NM |
| Credit Card Income | 950 | 868 | 761 | 886 | 784 | 9 % | 21 % | 2,579 | 1,293 | 2,285 | 13 % |
| Other Income | 60 | 42 | 11 | 31 | 44 | 43 | 36 | 113 | 86 | 142 | (20) |
| **Noninterest Revenue** | 1,010 | 910 | 772 | 917 | 854 | 11 | 18 | 2,692 | 1,454 | 2,504 | 8 |
| Net Interest Income | 2,970 | 2,976 | 3,007 | 2,913 | 2,917 | - | 2 | 8,953 | 5,461 | 8,667 | 3 |
| **TOTAL NET REVENUE** | **3,980** | **3,886** | **3,779** | **3,830** | **3,771** | 2 | 6 | **11,645** | **6,915** | **11,171** | 4 |
| Provision for Credit Losses (a) | 1,833 | 1,641 | 1,636 | 1,735 | 1,662 | 12 | 10 | 5,110 | 3,116 | 5,144 | (1) |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 284 | 291 | 285 | 270 | 317 | (2) | (10) | 860 | 623 | 955 | (10) |
| Noncompensation Expense | 813 | 904 | 839 | 825 | 926 | (10) | (12) | 2,556 | 1,660 | 2,643 | (3) |
| Amortization of Intangibles | 189 | 188 | 189 | 187 | 194 | 1 | (3) | 566 | 318 | 568 | - |
| **TOTAL NONINTEREST EXPENSE** | **1,286** | **1,383** | **1,313** | **1,282** | **1,437** | (7) | (11) | **3,982** | **2,601** | **4,166** | (4) |
| **Operating Earnings Before Income Tax Expense** | 861 | 862 | 830 | 813 | 672 | - | 28 | 2,553 | 1,198 | 1,861 | 37 |
| Income Tax Expense | 320 | 320 | 308 | 298 | 251 | - | 27 | 948 | 439 | 695 | 36 |
| **OPERATING EARNINGS** | **$ 541** | **$ 542** | **$ 522** | **$ 515** | **$ 421** | - | 29 | **$ 1,605** | **$ 759** | **$ 1,166** | 38 |
| Memo: Net Securitization Gains (Amortization) | **$ 25** | **$ 15** | **$ (12)** | **$ -** | **$ (2)** | 67 | NM | **$ 28** | **$ (8)** | **$ (2)** | NM |
| **FINANCIAL METRICS** | | | | | | | | | | | |
| ROE | 18 % | 18 % | 18 % | 17 % | 14 % | | | 18 % | 16 % | 13 % | |
| Overhead Ratio | 32 | 36 | 35 | 33 | 38 | | | 34 | 38 | 37 | |
| % of Average Managed Outstandings: | | | | | | | | | | | |
| Net Interest Income | 8.55 | 8.83 | 9.13 | 8.79 | 8.90 | | | 8.83 | 9.37 | 9.06 | |
| Provision for Credit Losses | 5.28 | 4.87 | 4.97 | 5.24 | 5.07 | | | 5.04 | 5.35 | 5.37 | |
| Noninterest Revenue | 2.91 | 2.70 | 2.34 | 2.77 | 2.61 | | | 2.66 | 2.49 | 2.62 | |
| Risk Adjusted Margin (b) | 6.18 | 6.66 | 6.51 | 6.32 | 6.44 | | | 6.45 | 6.52 | 6.30 | |
| Noninterest Expense | 3.70 | 4.10 | 3.99 | 3.87 | 4.39 | | | 3.93 | 4.46 | 4.35 | |
| Pre-tax Income | 2.48 | 2.56 | 2.52 | 2.45 | 2.05 | | | 2.52 | 2.05 | 1.94 | |
| Operating Earnings | 1.56 | 1.61 | 1.58 | 1.55 | 1.28 | | | 1.58 | 1.30 | 1.22 | |
| **BUSINESS METRICS** | | | | | | | | | | | |
| Charge Volume (in billions) | $ 76.4 | $ 75.6 | $ 70.3 | $ 75.3 | $ 73.3 | 1 | 4 | $ 222.3 | $ 118.3 | $ 207.4 | 7 |
| Net Accounts Opened (in thousands) | 3,022 | 2,789 | 2,744 | 2,729 | 2,755 | 8 | 10 | 8,555 | 4,794 | 15,035 | (43) |
| Credit Cards Issued (in thousands) | 98,236 | 95,465 | 94,367 | 94,285 | 95,946 | 3 | 2 | 98,236 | 95,946 | 95,946 | 2 |
| Number of Registered Internet Customers (in millions) | 14.6 | 12.0 | 10.9 | 13.6 | 12.4 | 22 | 18 | 14.6 | 12.4 | 12.4 | 18 |
| Merchant Acquiring Business | | | | | | | | | | | |
| Bank Card Volume (in billions) | $ 143.4 | $ 141.2 | $ 125.1 | $ 135.9 | $ 123.5 | 2 | 16 | $ 409.7 | $ 260.3 | $ 352.9 | 16 |
| Total Transactions (in millions) | 4,872 | 4,735 | 4,285 | 4,462 | 3,972 | 3 | 23 | 13,892 | 7,604 | 11,612 | 20 |

(a) Third quarter 2005 includes a $100 million special provision related to Hurricane Katrina.
(b) Represents Total net revenue less Provision for credit losses.
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2004 |
| **SELECTED ENDING BALANCES** | | | | | | | | | | | |
| Loans: | | | | | | | | | | | |
| Loans on Balance Sheets | $ 68,479 | $ 68,510 | $ 66,053 | $ 64,575 | $ 60,241 | - % | 14 % | $ 68,479 | $ 60,241 | $ 60,241 | 14 % |
| Securitized Loans | 69,095 | 68,808 | 67,328 | 70,795 | 71,256 | - | (3) | 69,095 | 71,256 | 71,256 | (3) |
| Managed Loans | $ 137,574 | $ 137,318 | $ 133,381 | $ 135,370 | $ 131,497 | - | 5 | $ 137,574 | $ 131,497 | $ 131,497 | 5 |
| **SELECTED AVERAGE BALANCES** | | | | | | | | | | | |
| Managed Assets | $ 144,225 | $ 140,741 | $ 138,512 | $ 138,013 | $ 136,753 | 2 | 5 | $ 141,180 | $ 80,211 | $ 134,904 | 5 |
| Loans: | | | | | | | | | | | |
| Loans on Balance Sheets | $ 68,877 | $ 67,131 | $ 64,218 | $ 61,317 | $ 59,386 | 3 | 16 | $ 66,759 | $ 31,296 | $ 39,608 | 69 |
| Securitized Loans | 68,933 | 68,075 | 69,370 | 70,505 | 70,980 | 1 | (3) | 68,791 | 46,575 | 69,686 | (1) |
| Seller's Interest and Accrued Interest Receivable (a) | - | - | - | - | - | NM | NM | - | - | 18,543 | NM |
| Managed Loans | $ 137,810 | $ 135,206 | $ 133,588 | $ 131,822 | $ 130,366 | 2 | 6 | $ 135,550 | $ 77,871 | $ 127,837 | 6 |
| Equity | 11,800 | 11,800 | 11,800 | 11,800 | 11,800 | - | - | 11,800 | 6,200 | 11,800 | - |
| **Headcount** | 19,463 | 20,647 | 20,137 | 19,598 | 20,473 | (6) | (5) | 19,463 | 20,473 | 20,473 | (5) |
| **CREDIT QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs | $ 1,633 | $ 1,641 | $ 1,590 | $ 1,735 | $ 1,598 | - | 2 | $ 4,864 | $ 3,086 | $ 5,074 | (4) |
| Net Charge-off Rate | 4.70 % | 4.87 % | 4.83 % | 5.24 % | 4.88 % | | | 4.80 % | 5.29 % | 5.30 % | |
| 12 Month Lagged Loss Ratio (b) | 4.97 | 5.19 | 5.11 | 5.49 | 5.08 | | | 5.09 | NA | 5.45 | |
| **Delinquency ratios** | | | | | | | | | | | |
| 30+ days | 3.39 % | 3.34 % | 3.54 % | 3.70 % | 3.81 % | | | 3.39 % | 3.81 % | 3.81 % | |
| 90+ days | 1.55 | 1.54 | 1.71 | 1.72 | 1.75 | | | 1.55 | 1.75 | 1.75 | |
| Allowance for Loan Losses | $ 3,255 | $ 3,055 | $ 3,040 | $ 2,994 | $ 2,273 | 7 | 43 | $ 3,255 | $ 2,273 | $ 2,273 | 43 |
| Allowance for Loan Losses to Period-end Loans | 4.75 % | 4.46 % | 4.60 % | 4.64 % | 3.77 % | | | 4.75 % | 3.77 % | 3.77 % | |

(a) Due to the decertification of seller's interest effective July 1, 2004, seller's interest is reported in Loans on the Consolidated balance sheet for all periods subsequent to June 30, 2004.
(b) For further information on this business metric, see the Form 8-K/A filed by JPMorgan Chase with the Securities and Exchange Commission on July 20, 2005.
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**CARD RECONCILIATION OF REPORTED AND MANAGED DATA**
**(in millions)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | Pro Forma Combined (e) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[d] | 2004 | 2004 |
| **INCOME STATEMENT DATA (a)** | | | | | | | | | | | |
| Credit Card Income | | | | | | | | | | | |
| Reported Data for the period | $ 1,683 | $ 1,596 | $ 1,576 | $ 1,672 | $ 1,632 | 5 % | 3 % | $ 4,855 | $ 2,774 | $ 4,593 | 6 % |
| Securitization Adjustments | (733) | (728) | (815) | (786) | (848) | (1) | 14 | (2,276) | (1,481) | (2,308) | 1 |
| Managed Credit Card Income | $ 950 | $ 868 | $ 761 | $ 886 | $ 784 | 9 | 21 | $ 2,579 | $ 1,293 | $ 2,285 | 13 |
| Other Income | | | | | | | | | | | |
| Reported Data for the Period | $ 60 | $ 42 | $ 11 | $ 30 | $ 47 | 43 | 28 | $ 113 | $ 173 | $ 229 | (51) |
| Securitization Adjustments | - | - | - | 1 | (3) | NM | NM | - | (87) | (87) | NM |
| Managed Other Income | $ 60 | $ 42 | $ 11 | $ 31 | $ 44 | 43 | 36 | $ 113 | $ 86 | $ 142 | (20) |
| Net Interest Income | | | | | | | | | | | |
| Reported Data for the Period | $ 1,370 | $ 1,318 | $ 1,275 | $ 1,117 | $ 1,138 | 4 | 20 | $ 3,963 | $ 2,006 | $ 2,662 | 49 |
| Securitization Adjustments | 1,600 | 1,658 | 1,732 | 1,796 | 1,779 | (3) | (10) | 4,990 | 3,455 | 6,005 | (17) |
| Managed Net Interest Income | $ 2,970 | $ 2,976 | $ 3,007 | $ 2,913 | $ 2,917 | - | 2 | $ 8,953 | $ 5,461 | $ 8,667 | 3 |
| Total Net Revenue (b) | | | | | | | | | | | |
| Reported Data for the Period | $ 3,113 | $ 2,956 | $ 2,862 | $ 2,819 | $ 2,843 | 5 | 9 | $ 8,931 | $ 5,028 | $ 7,561 | 18 |
| Securitization Adjustments | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Managed Total Net Revenue | $ 3,980 | $ 3,886 | $ 3,779 | $ 3,830 | $ 3,771 | 2 | 6 | $ 11,645 | $ 6,915 | $ 11,171 | 4 |
| Provision for Credit Losses (c) | | | | | | | | | | | |
| Reported Data for the Period | $ 966 | $ 711 | $ 719 | $ 724 | $ 734 | 36 | 32 | $ 2,396 | $ 1,229 | $ 1,534 | 56 |
| Securitization Adjustments | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Managed Provision for Credit Losses | $ 1,833 | $ 1,641 | $ 1,636 | $ 1,735 | $ 1,662 | 12 | 10 | $ 5,110 | $ 3,116 | $ 5,144 | (1) |
| **BALANCE SHEETS - AVERAGE BALANCES** | | | | | | | | | | | |
| Total Average Assets | | | | | | | | | | | |
| Reported Data for the Period | $ 77,204 | $ 74,515 | $ 71,003 | $ 69,485 | $ 67,718 | 4 | 14 | $ 74,263 | $ 34,984 | $ 65,871 | 13 |
| Securitization Adjustments | 67,021 | 66,226 | 67,509 | 68,528 | 69,035 | 1 | (3) | 66,917 | 45,227 | 69,033 | (3) |
| Managed Average Assets | $ 144,225 | $ 140,741 | $ 138,512 | $ 138,013 | $ 136,753 | 2 | 5 | $ 141,180 | $ 80,211 | $ 134,904 | 5 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs (Recoveries) | | | | | | | | | | | |
| Reported Net Charge-offs Data for the period | $ 766 | $ 711 | $ 673 | $ 724 | $ 670 | 8 | 14 | $ 2,150 | $ 1,199 | $ 1,464 | 47 |
| Securitization Adjustments | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Managed Net Charge-offs | $ 1,633 | $ 1,641 | $ 1,590 | $ 1,735 | $ 1,598 | - | 2 | $ 4,864 | $ 3,086 | $ 5,074 | (4) |

(a) JPMorgan Chase uses the concept of "managed receivables" to evaluate the credit performance and overall financial performance of the underlying credit card loans, both sold and not sold: as the same borrower is continuing to use the credit card for ongoing charges, a borrower's credit performance will affect both the loan receivables sold under SFAS 140 and those not sold. Thus, in its disclosures regarding managed loan receivables, JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in order to disclose the credit performance (such as net charge-off rates) of the entire managed credit card portfolio. Operating results exclude the impact of credit card securitizations on Total net revenue, the Provision for credit losses, net charge-offs and loan receivables. Securitization does not change reported net income versus operating earnings; however, it does affect the classification of items on the Consolidated statements of income.
(b) Includes Credit Card Income, Other Income and Net Interest Income.
(c) Third quarter 2005 includes a $100 million special provision related to Hurricane Katrina.
(d) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (e) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[d] | 2004 | 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Lending & Deposit Related Fees | $ 146 | $ 143 | $ 142 | $ 147 | $ 162 | 2 % | (10) % | $ 431 | $ 294 | $ 492 | (12) % |
| Asset Management, Administration and Commissions | 16 | 15 | 15 | 12 | 12 | 7 | 33 | 46 | 20 | 33 | 39 |
| Other Income (a) | 93 | 94 | 68 | 103 | 51 | (1) | 82 | 255 | 106 | 223 | 14 |
| **Noninterest Revenue** | **255** | **252** | **225** | **262** | **225** | 1 | 13 | **732** | **420** | **748** | (2) |
| Net Interest Income | 654 | 648 | 625 | 623 | 608 | 1 | 8 | 1,927 | 1,069 | 1,784 | 8 |
| **TOTAL NET REVENUE** | **909** | **900** | **850** | **885** | **833** | 1 | 9 | **2,659** | **1,489** | **2,532** | 5 |
| Provision for Credit Losses (b) | (46) | 142 | (6) | 21 | 14 | NM | NM | 90 | 20 | (54) | NM |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 165 | 160 | 163 | 153 | 176 | 3 | (6) | 488 | 312 | 501 | (3) |
| Noncompensation Expense | 281 | 296 | 278 | 281 | 286 | (5) | (2) | 855 | 562 | 846 | 1 |
| Amortization of Intangibles | 15 | 17 | 17 | 17 | 18 | (12) | (17) | 49 | 18 | 54 | (9) |
| **TOTAL NONINTEREST EXPENSE** | **461** | **473** | **458** | **451** | **480** | (3) | (4) | **1,392** | **892** | **1,401** | (1) |
| Operating Earnings Before Income Tax Expense | 494 | 285 | 398 | 413 | 339 | 73 | 46 | 1,177 | 577 | 1,185 | (1) |
| Income Tax Expense | 193 | 111 | 155 | 159 | 124 | 74 | 56 | 459 | 223 | 447 | 3 |
| **OPERATING EARNINGS** | **$ 301** | **$ 174** | **$ 243** | **$ 254** | **$ 215** | 73 | 40 | **$ 718** | **$ 354** | **$ 738** | (3) |
| **MEMO:** | | | | | | | | | | | |
| Revenue by Product: | | | | | | | | | | | |
| Lending | $ 265 | $ 285 | $ 269 | $ 280 | $ 314 | (7) | (16) | $ 819 | $ 484 | $ 940 | (13) |
| Treasury Services | 582 | 558 | 542 | 528 | 499 | 4 | 17 | 1,682 | 939 | 1,460 | 15 |
| Investment Banking | 53 | 62 | 40 | 61 | 24 | (15) | 121 | 155 | 59 | 118 | 31 |
| Other | 9 | (5) | (1) | 16 | (4) | NM | NM | 3 | 7 | 14 | (79) |
| Total Commercial Banking Revenue | **$ 909** | **$ 900** | **$ 850** | **$ 885** | **$ 833** | 1 | 9 | **$ 2,659** | **$ 1,489** | **$ 2,532** | 5 |
| Revenue by Business: | | | | | | | | | | | |
| Middle Market | $ 592 | $ 594 | $ 572 | $ 571 | $ 551 | - | 7 | $ 1,758 | $ 928 | $ 1,656 | 6 |
| Corporate Banking | 140 | 138 | 123 | 142 | 109 | 1 | 28 | 401 | 225 | 371 | 8 |
| Real Estate | 143 | 131 | 119 | 133 | 123 | 9 | 16 | 393 | 235 | 377 | 4 |
| Other | 34 | 37 | 36 | 39 | 50 | (8) | (32) | 107 | 101 | 128 | (16) |
| Total Commercial Banking Revenue | **$ 909** | **$ 900** | **$ 850** | **$ 885** | **$ 833** | 1 | 9 | **$ 2,659** | **$ 1,489** | **$ 2,532** | 5 |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 35 % | 21 % | 29 % | 30 % | 25 % | | | 28 % | 29 % | 29 % | |
| ROA | 2.12 | 1.25 | 1.79 | 1.81 | 1.53 | | | 1.72 | 1.58 | 1.79 | |
| Overhead Ratio | 51 | 53 | 54 | 51 | 58 | | | 52 | 60 | 55 | |
| **SELECTED BALANCE SHEETS DATA (Average)** | | | | | | | | | | | |
| Total Assets | $ 56,265 | $ 55,963 | $ 55,080 | $ 55,837 | $ 55,957 | 1 | 1 | $ 55,774 | $ 29,921 | $ 55,171 | 1 |
| Loans and Leases | 51,756 | 51,184 | 49,969 | 50,469 | 50,324 | 1 | 3 | 50,976 | 26,356 | 49,639 | 3 |
| Liability Balances (c) | 72,699 | 72,498 | 71,613 | 69,360 | 66,944 | - | 9 | 72,274 | 47,271 | 67,793 | 7 |
| Equity | 3,400 | 3,400 | 3,400 | 3,400 | 3,400 | - | - | 3,400 | 1,654 | 3,400 | - |
| **MEMO:** | | | | | | | | | | | |
| Loans by Business: | | | | | | | | | | | |
| Middle Market | $ 31,362 | $ 31,051 | $ 30,216 | $ 29,997 | $ 29,307 | 1 | 7 | $ 30,880 | $ 13,265 | $ 28,818 | 7 |
| Corporate Banking | 6,421 | 6,239 | 5,788 | 6,109 | 6,087 | 3 | 5 | 6,152 | 3,757 | 5,962 | 3 |
| Real Estate | 10,433 | 10,169 | 10,345 | 10,679 | 11,646 | 3 | (10) | 10,316 | 6,547 | 11,257 | (8) |
| Other | 3,540 | 3,725 | 3,620 | 3,684 | 3,284 | (5) | 8 | 3,628 | 2,787 | 3,602 | 1 |
| Total Commercial Banking Loans | $ 51,756 | $ 51,184 | $ 49,969 | $ 50,469 | $ 50,324 | 1 | 3 | $ 50,976 | $ 26,356 | $ 49,639 | 3 |
| **Headcount** | 4,478 | 4,474 | 4,495 | 4,555 | 4,595 | - | (3) | 4,478 | 4,595 | 4,595 | (3) |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs (Recoveries) | $ 6 | $ (3) | $ 2 | $ 45 | $ (13) | NM | NM | $ 5 | $ 16 | $ 17 | (71) |
| Nonperforming Loans | 369 | 434 | 433 | 527 | 579 | (15) | (36) | 369 | 579 | 579 | (36) |
| Allowance for Loan Losses | 1,423 | 1,431 | 1,312 | 1,322 | 1,350 | (1) | 5 | 1,423 | 1,350 | 1,350 | 5 |
| Allowance for Lending-Related Commitments | 161 | 196 | 170 | 169 | 164 | (18) | (2) | 161 | 164 | 164 | (2) |
| Net Charge-off (Recovery) Rate | 0.05 % | (0.02) % | 0.02 % | 0.35 % | (0.10) % | | | 0.01 % | 0.08 % | 0.05 % | |
| Allowance for Loan Losses to Average Loans | 2.75 | 2.80 | 2.63 | 2.62 | 2.68 | | | 2.79 | 5.12 | 2.72 | |
| Allowance for Loan Losses to Nonperforming Loans | 386 | 330 | 303 | 251 | 233 | | | 386 | 233 | 233 | |
| Nonperforming Loans to Average Loans | 0.71 | 0.85 | 0.87 | 1.04 | 1.15 | | | 0.72 | 2.20 | 1.17 | |

(a) IB-related and commercial card revenues are included in Other Income.
(b) Third quarter 2005 includes a $35 million special provision related to Hurricane Katrina.
(c) Liability balances include deposits and deposits that are swept to on-balance sheet liabilities.
(d) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**TREASURY & SECURITIES SERVICES**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratios, headcount data and where otherwise noted)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (n) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[m] | 2004 | 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Lending & Deposit Related Fees | $ 178 | $ 197 | $ 170 | $ 200 | $ 218 | (10) % | (18) % | $ 545 | $ 447 | $ 706 | (23) % |
| Asset Management, Administration and Commissions | 733 | 736 | 692 | 630 | 600 | - | 22 | 2,161 | 1,815 | 1,846 | 17 |
| Other Income | 135 | 145 | 124 | 112 | 103 | (7) | 31 | 404 | 270 | 297 | 36 |
| **Noninterest Revenue** | **1,046** | **1,078** | **986** | **942** | **921** | (3) | 14 | **3,110** | **2,532** | **2,849** | 9 |
| Net Interest Income | 510 | 510 | 496 | 471 | 418 | - | 22 | 1,516 | 912 | 1,138 | 33 |
| **TOTAL NET REVENUE** | **1,556** | **1,588** | **1,482** | **1,413** | **1,339** | (2) | 16 | **4,626** | **3,444** | **3,987** | 16 |
| Provision for Credit Losses | (1) | 2 | (3) | 3 | - | NM | NM | (2) | 4 | 4 | NM |
| Credit Reimbursement to IB (a) | (38) | (38) | (38) | (43) | (43) | - | 12 | (114) | (47) | (129) | 12 |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 533 | 522 | 504 | 471 | 472 | 2 | 13 | 1,559 | 1,158 | 1,408 | 11 |
| Noncompensation Expense | 546 | 642 | 532 | 643 | 654 | (15) | (17) | 1,720 | 1,748 | 1,931 | (11) |
| Amortization of Intangibles | 28 | 30 | 29 | 32 | 30 | (7) | (7) | 87 | 61 | 93 | (6) |
| **TOTAL NONINTEREST EXPENSE** | **1,107** | **1,194** | **1,065** | **1,146** | **1,156** | (7) | (4) | **3,366** | **2,967** | **3,432** | (2) |
| Operating Earnings before Income Tax Expense | 412 | 354 | 382 | 221 | 140 | 16 | 194 | 1,148 | 426 | 422 | 172 |
| Income Tax Expense | 149 | 125 | 137 | 76 | 44 | 19 | 239 | 411 | 131 | 130 | 216 |
| **OPERATING EARNINGS** | **$ 263** | **$ 229** | **$ 245** | **$ 145** | **$ 96** | 15 | 174 | **$ 737** | **$ 295** | **$ 292** | 152 |
| **REVENUE BY BUSINESS** | | | | | | | | | | | |
| Treasury Services | $ 648 | $ 682 | $ 618 | $ 642 | $ 629 | (5) | 3 | $ 1,948 | $ 1,352 | $ 1,779 | 9 |
| Investor Services | 536 | 544 | 508 | 454 | 404 | (1) | 33 | 1,588 | 1,255 | 1,287 | 23 |
| Institutional Trust Services | 372 | 362 | 356 | 317 | 306 | 3 | 22 | 1,090 | 837 | 921 | 18 |
| **TOTAL NET REVENUE** | **$ 1,556** | **$ 1,588** | **$ 1,482** | **$ 1,413** | **$ 1,339** | (2) | 16 | **$ 4,626** | **$ 3,444** | **$ 3,987** | 16 |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 55 % | 48 % | 52 % | 30 % | 20 % | | | 52 % | 14 % | 21 % | |
| Overhead Ratio | 71 | 75 | 72 | 81 | 86 | | | 73 | 86 | 86 | |
| Pre-tax Margin Ratio (b) | 26 | 22 | 26 | 16 | 10 | | | 25 | 12 | 11 | |
| **BUSINESS METRICS** | | | | | | | | | | | |
| Assets under Custody (in billions) (c) | $ 10,991 | $ 10,190 | $ 10,154 | $ 9,300 | $ 8,427 | 8 | 30 | $ 10,991 | $ 8,427 | $ 8,427 | 30 |
| Corporate Trust Securities under Administration (in billions) (d) | 6,706 | 6,704 | 6,745 | 6,676 | 6,569 | - | 2 | 6,706 | 6,569 | 6,569 | 2 |
| Number of: | | | | | | | | | | | |
| US$ ACH transactions originated (in millions) | 753 | 727 | 699 | 693 | 651 | 4 | 16 | 2,179 | 1,301 | 1,816 | 20 |
| Total US$ Clearing Volume (in thousands) | 24,906 | 24,200 | 21,705 | 22,590 | 21,781 | 3 | 14 | 70,811 | 58,572 | 64,771 | 9 |
| International Electronic Funds Transfer Volume (in thousands) (e) (f) | 22,723 | 20,014 | 17,159 | 15,743 | 11,794 | 14 | 93 | 59,896 | 29,911 | 30,897 | 94 |
| Wholesale Check Volume (in millions) (f) | 952 | 1,023 | 978 | NA | NA | (7) | NM | 2,953 | NA | NA | NM |
| Wholesale Cards Issued (in thousands) (g) | 12,810 | 12,075 | 11,834 | 11,787 | 11,260 | 6 | 14 | 12,810 | 11,260 | 11,260 | 14 |
| **SELECTED BALANCE SHEETS (Average)** | | | | | | | | | | | |
| Total Assets | $ 26,798 | $ 26,437 | $ 27,033 | $ 28,538 | $ 24,831 | 1 | 8 | $ 26,755 | $ 21,715 | $ 25,570 | 5 |
| Loans | 10,328 | 9,956 | 10,091 | 9,988 | 8,457 | 4 | 22 | 10,126 | 7,131 | 8,086 | 25 |
| Liability Balances (h) | 166,836 | 164,036 | 154,673 | 147,789 | 136,606 | 2 | 22 | 161,893 | 118,299 | 130,681 | 24 |
| Equity | 1,900 | 1,900 | 1,900 | 1,900 | 1,900 | - | - | 1,900 | 2,761 | 1,900 | - |
| **Headcount (i)** | 24,176 | 24,118 | 23,073 | 22,612 | 22,246 | - | 9 | 24,176 | 22,246 | 22,246 | 9 |
| **FIRMWIDE DISCLOSURES** | | | | | | | | | | | |
| Treasury Services Firmwide Revenue (j) | $ 1,306 | $ 1,314 | $ 1,237 | $ 1,238 | $ 1,205 | (1) | 8 | $ 3,857 | $ 2,427 | $ 3,500 | 10 |
| Treasury & Securities Services Firmwide Revenue (j) | 2,214 | 2,220 | 2,101 | 2,009 | 1,915 | - | 16 | 6,535 | 4,519 | 5,708 | 14 |
| Treasury Services Firmwide Overhead Ratio (k) | 56 % | 54 % | 56 % | 61 % | 59 % | | | 55 % | 63 % | 63 % | |
| Treasury & Securities Services Firmwide Overhead Ratio (k) | 62 | 66 | 63 | 69 | 72 | | | 63 | 76 | 72 | |
| Treasury Services Firmwide Liability Balances (l) | $ 140,079 | $ 138,058 | $ 133,770 | $ 130,505 | $ 125,813 | 1 | 11 | $ 137,325 | $ 93,478 | $ 126,187 | 9 |
| Treasury & Securities Services Firmwide Liability Balances (l) | 239,535 | 236,534 | 226,286 | 217,149 | 203,550 | 1 | 18 | 234,167 | 165,571 | 198,474 | 18 |

JPMorganChase

**FOOTNOTES**

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

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

(c) Beginning March 31, 2005, assets under custody (AUC) include an estimated $400 billion of Institutional Trust Services ("ITS") AUC that have not been included previously. At September 30, 2005, an additional estimate of $130 billion of ITS related AUC were included in the amount. Approximately 6% of total assets under custody were trust related.

(d) Corporate Trust Securities under Administration include debt held in trust on behalf of third parties and debt serviced as agent.

(e) International Electronic Funds Transfer includes Non US$ ACH and Clearing volume.

(f) Prior periods have been restated to conform to current period presentation.

(g) Wholesale cards issued include domestic commercial card, stored value card, prepaid card, and government electronic benefit card products.

(h) Liability balances include deposits and deposits swept to on-balance sheet liabilities.

(i) Second quarter 2005 headcount has been restated to reflect the inclusion of international staff of Vastera.

**FIRMWIDE DISCLOSURES**

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

(j) Firmwide revenues includes TS revenue recorded in the Commercial Banking, Consumer & Small Business Banking and Asset & Wealth Management lines of business (see below) and exclude FX revenues recorded in the IB for TSS-related FX activity. TSS firmwide FX revenue, which include FX revenue recorded in TSS and FX revenue associated with TSS customers who are FX customers of the IB, was $96 million for the quarter ended September 30, 2005 and $282 million for the nine months ended September 30, 2005.

(k) Overhead ratios have been calculated based on firmwide revenues and TSS and TS expenses, respectively, including those allocated to certain other lines of business. FX revenues and expenses recorded in the IB for TSS-related FX activity are not included in this ratio.

(l) Firmwide liability balances include TS' liability balances recorded in certain lines of business. Liability balances associated with TS customers who are also customers of the Commercial Banking line of business are not included in TS liability balances.

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (n) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[m] | 2004 | 2005 Change 2004 |
| Treasury Services Revenue Reported in Commercial Banking | $ 582 | $ 558 | $ 542 | $ 528 | $ 499 | 4 % | 17 % | $ 1,682 | $ 939 | $ 1,460 | 15 % |
| Treasury Services Revenue Reported in Other Lines of Business | 76 | 74 | 77 | 68 | 77 | 3 | (1) | 227 | 136 | 261 | (13) |

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

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

**JPMORGAN CHASE & CO.**
**ASSET & WEALTH MANAGEMENT**
**FINANCIAL HIGHLIGHTS**
**(in millions, except ratio, headcount and ranking data, and where otherwise noted)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (g) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[f] | 2004 | 2005 Change 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **REVENUE** | | | | | | | | | | | |
| Lending & Deposit Related Fees | $ 7 | $ 6 | $ 9 | $ 10 | $ 10 | 17 % | (30) % | $ 22 | $ 18 | $ 29 | (24) % |
| Asset Management, Administration and Commissions | 1,065 | 994 | 975 | 952 | 859 | 7 | 24 | 3,034 | 2,188 | 2,656 | 14 |
| Other Income | 110 | 69 | 95 | 60 | 55 | 59 | 100 | 274 | 155 | 156 | 76 |
| **Noninterest Revenue** | **1,182** | **1,069** | **1,079** | **1,022** | **924** | 11 | 28 | **3,330** | **2,361** | **2,841** | 17 |
| Net Interest Income | 267 | 274 | 282 | 288 | 269 | (3) | (1) | 823 | 508 | 750 | 10 |
| **TOTAL NET REVENUE** | **1,449** | **1,343** | **1,361** | **1,310** | **1,193** | 8 | 21 | **4,153** | **2,869** | **3,591** | 16 |
| Provision for Credit Losses (a) | (19) | (20) | (7) | (21) | 1 | 5 | NM | (46) | 7 | 5 | NM |
| **NONINTEREST EXPENSE** | | | | | | | | | | | |
| Compensation Expense | 554 | 509 | 538 | 459 | 452 | 9 | 23 | 1,601 | 1,120 | 1,328 | 21 |
| Noncompensation Expense | 397 | 383 | 371 | 436 | 409 | 4 | (3) | 1,151 | 1,066 | 1,226 | (6) |
| Amortization of Intangibles | 25 | 25 | 25 | 24 | 23 | - | 9 | 75 | 28 | 69 | 9 |
| **TOTAL NONINTEREST EXPENSE** | **976** | **917** | **934** | **919** | **884** | 6 | 10 | **2,827** | **2,214** | **2,623** | 8 |
| Operating Earnings before Income Tax Expense | 492 | 446 | 434 | 412 | 308 | 10 | 60 | 1,372 | 648 | 963 | 42 |
| Income Tax Expense | 177 | 163 | 158 | 149 | 111 | 9 | 59 | 498 | 230 | 347 | 44 |
| **OPERATING EARNINGS** | **$ 315** | **$ 283** | **$ 276** | **$ 263** | **$ 197** | 11 | 60 | **$ 874** | **$ 418** | **$ 616** | 42 |
| **FINANCIAL RATIOS** | | | | | | | | | | | |
| ROE | 52 % | 47 % | 47 % | 44 % | 33 % | | | 49 % | 13 % | 34 % | |
| Overhead Ratio | 67 | 68 | 69 | 70 | 74 | | | 68 | 77 | 73 | |
| Pre-tax Margin Ratio (b) | 34 | 33 | 32 | 31 | 26 | | | 33 | 23 | 27 | |
| **BUSINESS METRICS** | | | | | | | | | | | |
| Number of: | | | | | | | | | | | |
| Client Advisors | 1,417 | 1,409 | 1,390 | 1,333 | 1,334 | 1 | 6 | 1,417 | 1,334 | 1,334 | 6 |
| Brown Co Average Daily Trades | 28,357 | 26,267 | 29,753 | 30,521 | 23,969 | 8 | 18 | 28,126 | 29,714 | 29,714 | (5) |
| Retirement Planning Services Participants | 1,293,000 | 1,210,000 | 1,181,000 | 918,000 | 874,000 | 7 | 48 | 1,293,000 | 874,000 | 874,000 | 48 |
| Star Rankings: (c) | | | | | | | | | | | |
| % of Customer Assets in Funds Ranked 4 or Better | 44 % | 50 % | 48 % | 48 % | 56 % | (12) | (21) | 44 % | 56 % | 56 % | (21) |
| % of Customer Assets in Funds Ranked 3 or Better | 77 % | 80 % | 79 % | 81 % | 80 % | (4) | (4) | 77 % | 80 % | 80 % | (4) |
| Funds Quartile Ranking (1YR) : (d) | | | | | | | | | | | |
| % of AUM in 1st and 2nd Quartiles | 62 % | 75 % | 71 % | 66 % | 63 % | (17) | (2) | 62 % | 63 % | 63 % | (2) |
| **REVENUE BY CLIENT SEGMENT** | | | | | | | | | | | |
| Private Bank | $ 421 | $ 409 | $ 422 | $ 427 | $ 383 | 3 | 10 | $ 1,252 | $ 1,127 | $ 1,165 | 7 |
| Retail | 415 | 363 | 346 | 358 | 292 | 14 | 42 | 1,124 | 826 | 915 | 23 |
| Institutional | 358 | 313 | 322 | 265 | 267 | 14 | 34 | 993 | 626 | 765 | 30 |
| Private Client Services | 255 | 258 | 271 | 260 | 251 | (1) | 2 | 784 | 290 | 746 | 5 |
| **Total Net Revenue** | **$ 1,449** | **$ 1,343** | **$ 1,361** | **$ 1,310** | **$ 1,193** | 8 | 21 | **$ 4,153** | **$ 2,869** | **$ 3,591** | 16 |
| **SELECTED BALANCE SHEETS DATA (Average)** | | | | | | | | | | | |
| Total Assets | $ 42,427 | $ 42,001 | $ 39,716 | $ 40,689 | $ 39,882 | 1 | 6 | $ 41,391 | $ 36,765 | $ 40,091 | 3 |
| Loans | 26,850 | 26,572 | 26,357 | 25,966 | 25,408 | 1 | 6 | 26,595 | 20,061 | 24,829 | 7 |
| Deposits (e) | 41,453 | 40,774 | 42,043 | 43,415 | 38,940 | 2 | 6 | 41,421 | 28,743 | 37,020 | 12 |
| Equity | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | - | - | 2,400 | 4,406 | 2,400 | - |
| **Headcount** | 12,531 | 12,455 | 12,378 | 12,287 | 12,368 | 1 | 1 | 12,531 | 12,368 | 12,368 | 1 |
| **CREDIT DATA AND QUALITY STATISTICS** | | | | | | | | | | | |
| Net Charge-offs (Recoveries) | $ 23 | $ (2) | $ (6) | $ 5 | $ 6 | NM | 283 | $ 15 | $ 67 | $ 65 | (77) |
| Nonperforming Loans | 118 | 100 | 78 | 79 | 125 | 18 | (6) | 118 | 125 | 125 | (6) |
| Allowance for Loan Losses | 148 | 195 | 214 | 216 | 241 | (24) | (39) | 148 | 241 | 241 | (39) |
| Allowance for Lending Related Commitments | 6 | 3 | 5 | 5 | 5 | 100 | 20 | 6 | 5 | 5 | 20 |
| Net Charge-off (Recovery) Rate | 0.34 % | (0.03) % | (0.09) % | 0.08 % | 0.09 % | | | 0.08 % | 0.45 % | 0.35 % | |
| Allowance for Loan Losses to Average Loans | 0.55 | 0.73 | 0.81 | 0.83 | 0.95 | | | 0.56 | 1.20 | 0.97 | |
| Allowance for Loan Losses to Nonperforming Loans | 125 | 195 | 274 | 273 | 193 | | | 125 | 193 | 193 | |
| Nonperforming Loans to Average Loans | 0.44 | 0.38 | 0.30 | 0.30 | 0.49 | | | 0.44 | 0.62 | 0.50 | |

(a) Third quarter 2005 includes a $3 million special provision related to Hurricane Katrina.
(b) Pre-tax margin represents Operating Earnings before Income Tax Expense divided by Total Net Revenue, which is a comprehensive measure of pre-tax performance and is another basis by which AWM management evaluates its performance and that of its competitors. Pre-tax margin is an effective measure of AWM's earnings, after all costs are taken into consideration.
(c) Derived from Morningstar for the United States; Micropal for the United Kingdom, Luxembourg, Hong Kong and Taiwan; and Nomura for Japan.
(d) Quartile ranking sourced from Lipper for the United States and Taiwan; Micropal for the United Kingdom, Luxembourg and Hong Kong; and Nomura for Japan.
(e) Reflects the transfer of certain consumer deposits from Retail Financial Services to Asset & Wealth Management.
(f) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | Sep 30 2005 | Jun 30 2005 | Mar 31 2005 | Dec 31 2004 | Sep 30 2004 | Sep 30, 2005 Change Jun 30 2005 | Sep 30, 2005 Change Sep 30 2004 |
|---|---|---|---|---|---|---|---|
| **Asset Class** | | | | | | | |
| Liquidity | $ 239 | $ 223 | $ 228 | $ 232 | $ 210 | 7 % | 14 % |
| Fixed Income | 166 | 171 | 171 | 171 | 174 | (3) | (5) |
| Equities & Balanced | 351 | 323 | 326 | 326 | 298 | 9 | 18 |
| Alternatives | 72 | 66 | 65 | 62 | 53 | 9 | 36 |
| Assets under Management | 828 | 783 | 790 | 791 | 735 | 6 | 13 |
| Custody / Brokerage / Administration / Deposits | 325 | 310 | 302 | 315 | 268 | 5 | 21 |
| **Total Assets under Supervision** | **$ 1,153** | **$ 1,093** | **$ 1,092** | **$ 1,106** | **$ 1,003** | 5 | 15 |
| **Client Segment** | | | | | | | |
| Institutional | | | | | | | |
| Assets under Management | $ 479 | $ 455 | $ 462 | $ 466 | $ 426 | 5 | 12 |
| Custody / Brokerage / Administration / Deposits | 4 | 3 | 5 | 21 | 4 | 33 | - |
| Assets under Supervision | 483 | 458 | 467 | 487 | 430 | 5 | 12 |
| Private Bank | | | | | | | |
| Assets under Management | 142 | 135 | 138 | 139 | 136 | 5 | 4 |
| Custody / Brokerage / Administration / Deposits | 167 | 165 | 161 | 165 | 143 | 1 | 17 |
| Assets under Supervision | 309 | 300 | 299 | 304 | 279 | 3 | 11 |
| Retail | | | | | | | |
| Assets under Management | 155 | 141 | 138 | 133 | 122 | 10 | 27 |
| Custody / Brokerage / Administration / Deposits | 106 | 97 | 94 | 88 | 81 | 9 | 31 |
| Assets under Supervision | 261 | 238 | 232 | 221 | 203 | 10 | 29 |
| Private Client Services | | | | | | | |
| Assets under Management | 52 | 52 | 52 | 53 | 51 | - | 2 |
| Custody / Brokerage / Administration / Deposits | 48 | 45 | 42 | 41 | 40 | 7 | 20 |
| Assets under Supervision | 100 | 97 | 94 | 94 | 91 | 3 | 10 |
| **Total Assets under Supervision** | **$ 1,153** | **$ 1,093** | **$ 1,092** | **$ 1,106** | **$ 1,003** | 5 | 15 |
| **Geographic Region** | | | | | | | |
| Americas | | | | | | | |
| Assets under Management | $ 557 | $ 535 | $ 558 | $ 562 | $ 531 | 4 | 5 |
| Custody / Brokerage / Administration / Deposits | 287 | 270 | 263 | 281 | 238 | 6 | 21 |
| Assets under Supervision | 844 | 805 | 821 | 843 | 769 | 5 | 10 |
| International | | | | | | | |
| Assets under Management | 271 | 248 | 232 | 229 | 204 | 9 | 33 |
| Custody / Brokerage / Administration / Deposits | 38 | 40 | 39 | 34 | 30 | (5) | 27 |
| Assets under Supervision | 309 | 288 | 271 | 263 | 234 | 7 | 32 |
| **Total Assets under Supervision** | **$ 1,153** | **$ 1,093** | **$ 1,092** | **$ 1,106** | **$ 1,003** | 5 | 15 |
| **Memo:** | | | | | | | |
| Mutual Funds Assets: | | | | | | | |
| Liquidity | $ 188 | $ 174 | $ 175 | $ 183 | $ 163 | 8 | 15 |
| Fixed Income | 39 | 41 | 45 | 41 | 48 | (5) | (19) |
| Equities, Balanced & Alternatives | 137 | 114 | 106 | 104 | 97 | 20 | 41 |
| Total Mutual Funds Assets | $ 364 | $ 329 | $ 326 | $ 328 | $ 308 | 11 | 18 |

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

JPMorganChase

| | Quarterly Trends | | | | | Year-to-date | | |
|---|---|---|---|---|---|---|---|---|
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2005 | 2004[c] | Pro Forma Combined (d) 2004 |
| **Assets Under Management Rollforward** | | | | | | | | |
| Beginning Balance | $ 783 | $ 790 | $ 791 | $ 735 | $ 575 | $ 791 | $ 561 | $ 744 |
| Liquidity Net Asset Flows | 19 | (5) | (6) | 16 | (9) | 8 | (13) | (20) |
| Fixed Income Net Asset Flows | (4) | (2) | 4 | (2) | (5) | (2) | (6) | (4) |
| Equities, Balanced & Alternatives Net Asset Flows | 4 | 8 | 1 | 6 | (2) | 13 | 8 | 8 |
| Acquisitions (a) | - | - | - | 7 | 176 | - | 176 | - |
| Market / Performance / Other Impacts (b) | 26 | (8) | - | 29 | - | 18 | 9 | 7 |
| **Ending Balance** | $ 828 | $ 783 | $ 790 | $ 791 | $ 735 | $ 828 | $ 735 | $ 735 |
| **Custody / Brokerage / Administration / Deposits Rollforward** | | | | | | | | |
| Beginning Balance | $ 310 | $ 302 | $ 315 | $ 268 | $ 221 | $ 315 | $ 203 | $ 237 |
| Custody / Brokerage / Administration / Deposits Net Asset Flows | 9 | (1) | 7 | 12 | 12 | 15 | 21 | 22 |
| Acquisitions (a) | - | - | - | - | 38 | - | 38 | - |
| Market / Performance / Other Impacts (b) | 6 | 9 | (20) | 35 | (3) | (5) | 6 | 9 |
| **Ending Balance** | $ 325 | $ 310 | $ 302 | $ 315 | $ 268 | $ 325 | $ 268 | $ 268 |
| **Assets Under Supervision Rollforward** | | | | | | | | |
| Beginning Balance | $ 1,093 | $ 1,092 | $ 1,106 | $ 1,003 | $ 796 | $ 1,106 | $ 764 | $ 981 |
| Net Asset Flows | 28 | - | 6 | 32 | (4) | 34 | 10 | 6 |
| Acquisitions (a) | - | - | - | 7 | 214 | - | 214 | - |
| Market / Performance / Other Impacts (b) | 32 | 1 | (20) | 64 | (3) | 13 | 15 | 16 |
| **Ending Balance** | $ 1,153 | $ 1,093 | $ 1,092 | $ 1,106 | $ 1,003 | $ 1,153 | $ 1,003 | $ 1,003 |

(a) Reflects the Merger with Bank One ($214 billion) in the third quarter of 2004 and the acquisition of a majority interest in Highbridge Capital Management in the fourth quarter of 2004 ($7 billion).
(b) Includes AWM's strategic decision to exit the Institutional Fiduciary business in the second quarter of 2005 ($12 billion).
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (g) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[f] | 2004 | 2004 |
| **INCOME STATEMENT** | | | | | | | | | | | |
| **Revenue** | | | | | | | | | | | |
| Securities / Private Equity Gains (Losses) | $ 274 | $ 310 | $ (130) | $ 584 | $ 347 | (12) % | (21) % | $ 454 | $ 1,202 | $ 1,251 | (64) % |
| Other Income | (20) | 87 | 48 | 38 | 131 | NM | NM | 115 | 277 | 356 | (68) |
| **Noninterest Revenue** | **254** | **397** | **(82)** | **622** | **478** | (36) | (47) | **569** | **1,479** | **1,607** | (65) |
| Net Interest Income | (645) | (763) | (677) | (657) | (536) | 15 | (20) | (2,085) | (559) | (1,113) | (87) |
| **TOTAL NET REVENUE** | **(391)** | **(366)** | **(759)** | **(35)** | **(58)** | (7) | NM | **(1,516)** | **920** | **494** | NM |
| Provision for Credit Losses (a) | 13 | 1 | (4) | - | (1) | NM | NM | 10 | (110) | (112) | NM |
| **Noninterest Expense** | | | | | | | | | | | |
| Compensation Expense | 740 | 772 | 774 | 662 | 786 | (4) | (6) | 2,286 | 1,764 | 2,336 | (2) |
| Noncompensation Expense | 987 | 1,042 | 996 | 1,215 | 1,146 | (5) | (14) | 3,025 | 2,873 | 3,545 | (15) |
| Subtotal | 1,727 | 1,814 | 1,770 | 1,877 | 1,932 | (5) | (11) | 5,311 | 4,637 | 5,881 | (10) |
| Net Expenses Allocated to Other Businesses | (1,345) | (1,337) | (1,335) | (1,417) | (1,426) | (1) | 6 | (4,017) | (3,796) | (4,341) | 7 |
| **TOTAL NONINTEREST EXPENSE** | **382** | **477** | **435** | **460** | **506** | (20) | (25) | **1,294** | **841** | **1,540** | (16) |
| Operating Earnings before Income Tax Expense | (786) | (844) | (1,190) | (495) | (563) | 7 | (40) | (2,820) | 189 | (934) | (202) |
| Income Tax Expense (Benefit) | (311) | (358) | (503) | (199) | (344) | 13 | 10 | (1,172) | (168) | (597) | (96) |
| **OPERATING EARNINGS** | **$ (475)** | **$ (486)** | **$ (687)** | **$ (296)** | **$ (219)** | 2 | (117) | **$ (1,648)** | **$ 357** | **$ (337)** | (389) |
| **SELECTED AVERAGE BALANCE SHEETS** | | | | | | | | | | | |
| Short-term Investments (b) | $ 15,538 | $ 16,779 | $ 13,164 | $ 19,252 | $ 26,432 | (7) | (41) | $ 15,169 | $ 13,025 | $ 15,699 | (3) |
| Investment Portfolio (c) | 47,311 | 50,751 | 74,795 | 72,583 | 74,708 | (7) | (37) | 57,518 | 63,769 | 89,908 | (36) |
| Goodwill (d) | 43,535 | 43,524 | 43,306 | 42,980 | 42,958 | - | 1 | 43,456 | 14,652 | 42,977 | 1 |
| Total Assets | 149,589 | 159,160 | 178,089 | 197,794 | 204,884 | (6) | (27) | 162,175 | 150,293 | 217,934 | (26) |
| **Headcount** | 28,406 | 28,114 | 26,983 | 24,806 | 24,482 | 1 | 16 | 28,406 | 24,482 | 24,482 | 16 |
| **TREASURY** | | | | | | | | | | | |
| Securities Gains (Losses) (e) | $ (43) | $ 6 | $ (918) | $ 77 | $ 109 | NM | NM | $ (955) | $ 270 | $ 281 | NM |
| Investment Portfolio (Average) | $ 39,351 | $ 43,652 | $ 65,646 | $ 63,362 | $ 65,508 | (10) | (40) | $ 49,453 | $ 55,901 | $ 80,019 | (38) |
| Investment Portfolio (Ending) | $ 42,754 | $ 34,319 | $ 46,943 | $ 64,949 | $ 61,331 | 25 | (30) | $ 42,754 | $ 61,331 | $ 61,331 | (30) |

(a) Third quarter 2005 includes a $12 million special provision related to Hurricane Katrina.
(b) Represents Federal funds sold, Securities borrowed, Trading assets - debt and equity instruments and Trading assets - derivative receivables.
(c) Represents investment securities and private equity investments.
(d) Effective with the third quarter of 2004, all goodwill is allocated to the Corporate line of business. Prior to the third quarter of 2004, goodwill was allocated to the various lines of business.
(e) Losses in the first quarter of 2005 were primarily due to the sale of $20 billion of investment securities during the month of March 2005. Excludes gains/losses on securities used to manage risk associated with MSRs.
(f) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**CORPORATE**
**FINANCIAL HIGHLIGHTS, CONTINUED**
**(in millions)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (b) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[a] | 2004 | 2004 |
| **PRIVATE EQUITY** | | | | | | | | | | | |
| **Private Equity Gains (Losses)** | | | | | | | | | | | |
| Direct Investments | | | | | | | | | | | |
| Realized Gains | $ 430 | $ 555 | $ 633 | $ 442 | $ 277 | (23) % | 55 % | $ 1,618 | $ 981 | $ 1,028 | 57 % |
| Write-ups / (Write-downs) | (71) | (133) | 206 | (111) | (31) | 47 | (129) | 2 | (81) | (154) | NM |
| Mark-to-Market Gains (Losses) | (64) | (153) | (89) | 167 | (27) | 58 | (137) | (306) | (3) | 25 | NM |
| Total Direct Investments | 295 | 269 | 750 | 498 | 219 | 10 | 35 | 1,314 | 897 | 899 | 46 |
| Third-Party Fund Investments | 18 | 31 | 39 | 8 | 16 | (42) | 13 | 88 | 26 | 61 | 44 |
| **Total Private Equity Gains** | **313** | **300** | **789** | **506** | **235** | 4 | 33 | **1,402** | **923** | **960** | 46 |
| Other Income | 10 | 11 | 5 | 16 | 14 | (9) | (29) | 26 | 37 | 33 | (21) |
| Net Interest Income | (51) | (56) | (50) | (70) | (89) | 9 | 43 | (157) | (201) | (300) | 48 |
| Total Net Revenue | 272 | 255 | 744 | 452 | 160 | 7 | 70 | 1,271 | 759 | 693 | 83 |
| Total Noninterest Expense | 53 | 66 | 62 | 79 | 73 | (20) | (27) | 181 | 209 | 230 | (21) |
| Operating Earnings before Income Tax Expense | 219 | 189 | 682 | 373 | 87 | 16 | 152 | 1,090 | 550 | 463 | 135 |
| Income Tax Expense | 78 | 67 | 245 | 134 | 27 | 16 | 189 | 390 | 187 | 156 | 150 |
| **OPERATING EARNINGS** | **$ 141** | **$ 122** | **$ 437** | **$ 239** | **$ 60** | 16 | 135 | **$ 700** | **$ 363** | **$ 307** | 128 |
| **Private Equity Portfolio Information** | | | | | | | | | | | |
| **Direct Investments** | | | | | | | | | | | |
| **Publicly-Held Securities** | | | | | | | | | | | |
| Carrying Value | $ 563 | $ 761 | $ 1,149 | $ 1,170 | $ 958 | (26) | (41) | | | | |
| Cost | 451 | 580 | 808 | 744 | 675 | (22) | (33) | | | | |
| Quoted Public Value | 795 | 1,082 | 1,713 | 1,758 | 1,415 | (27) | (44) | | | | |
| **Privately-Held Direct Securities** | | | | | | | | | | | |
| Carrying Value | 4,793 | 5,037 | 5,490 | 5,686 | 6,011 | (5) | (20) | | | | |
| Cost | 6,187 | 6,362 | 6,689 | 7,178 | 7,551 | (3) | (18) | | | | |
| **Third-Party Fund Investments** | | | | | | | | | | | |
| Carrying Value | 561 | 552 | 550 | 641 | 1,138 | 2 | (51) | | | | |
| Cost | 920 | 921 | 934 | 1,042 | 1,761 | - | (48) | | | | |
| **Total Private Equity Portfolio - Carrying Value** | $ 5,917 | $ 6,350 | $ 7,189 | $ 7,497 | $ 8,107 | (7) | (27) | | | | |
| **Total Private Equity Portfolio - Cost** | $ 7,558 | $ 7,863 | $ 8,431 | $ 8,964 | $ 9,987 | (4) | (24) | | | | |

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

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

JPMorganChase

| | Sep 30 2005 | Jun 30 2005 | Mar 31 2005 | Dec 31 2004 | Sep 30 2004 | Sep 30, 2005 Change Jun 30 2005 | Sep 30, 2005 Change Sep 30 2004 |
|---|---|---|---|---|---|---|---|
| **CREDIT EXPOSURE** | | | | | | | |
| **WHOLESALE (a)** | | | | | | | |
| Loans - U.S. | $ 113,048 | $ 110,096 | $ 101,261 | $ 99,868 | $ 99,451 | 3 % | 14 % |
| Loans - Non-U.S. | 38,543 | 39,492 | 36,140 | 35,199 | 32,893 | (2) | 17 |
| **TOTAL WHOLESALE LOANS - REPORTED** | **151,591** | **149,588** | **137,401** | **135,067** | **132,344** | 1 | 15 |
| **CONSUMER (b)** | | | | | | | |
| Home Finance | | | | | | | |
| Home Equity and Other | 74,309 | 72,346 | 68,779 | 67,837 | 67,368 | 3 | 10 |
| Mortgage | 60,076 | 58,594 | 55,588 | 56,816 | 56,035 | 3 | 7 |
| Total Home Finance | 134,385 | 130,940 | 124,367 | 124,653 | 123,403 | 3 | 9 |
| Auto & Education Finance | 51,309 | 52,309 | 59,837 | 62,712 | 62,587 | (2) | (18) |
| Consumer & Small Business and Other | 14,740 | 14,678 | 15,011 | 15,107 | 15,126 | - | (3) |
| Credit Card Receivables - Reported | 68,479 | 68,510 | 66,053 | 64,575 | 60,241 | - | 14 |
| **TOTAL CONSUMER LOANS - REPORTED** | **268,913** | **266,437** | **265,268** | **267,047** | **261,357** | 1 | 3 |
| **TOTAL LOANS - REPORTED** | **420,504** | **416,025** | **402,669** | **402,114** | **393,701** | 1 | 7 |
| Credit Card Securitizations | 69,095 | 68,808 | 67,328 | 70,795 | 71,256 | - | (3) |
| **TOTAL LOANS - MANAGED** | **489,599** | **484,833** | **469,997** | **472,909** | **464,957** | 1 | 5 |
| Derivative Receivables | 54,389 | 55,015 | 60,388 | 65,982 | 57,795 | (1) | (6) |
| Interests in Purchased Receivables (c) | 28,766 | 27,887 | 28,484 | 31,722 | 30,479 | 3 | (6) |
| **TOTAL CREDIT-RELATED ASSETS** | **572,754** | **567,735** | **558,869** | **570,613** | **553,231** | 1 | 4 |
| Wholesale Lending-Related Commitments | 316,984 | 314,034 | 316,282 | 309,399 | 315,946 | 1 | - |
| **TOTAL** | **$ 889,738** | **$ 881,769** | **$ 875,151** | **$ 880,012** | **$ 869,177** | 1 | 2 |
| **Memo: Total by Category** | | | | | | | |
| Total Wholesale Exposure (d) | $ 551,730 | $ 546,524 | $ 542,555 | $ 542,170 | $ 536,564 | 1 | 3 |
| Total Consumer Managed Loans (e) | 338,008 | 335,245 | 332,596 | 337,842 | 332,613 | 1 | 2 |
| Total | $ 889,738 | $ 881,769 | $ 875,151 | $ 880,012 | $ 869,177 | 1 | 2 |
| **Risk Profile of Wholesale Credit Exposure:** | | | | | | | |
| Investment-Grade | $ 433,986 | $ 427,966 | $ 433,928 | $ 441,930 | $ 429,198 | 1 | 1 |
| Noninvestment-Grade: | | | | | | | |
| Noncriticized | 110,477 | 112,140 | 101,859 | 91,605 | 97,126 | (1) | 14 |
| Criticized Performing (f) | 5,466 | 4,536 | 4,859 | 6,263 | 8,113 | 21 | (33) |
| Criticized Nonperforming (f) | 1,443 | 1,504 | 1,590 | 2,021 | 1,772 | (4) | (19) |
| Total Noninvestment-Grade | $ 117,386 | $ 118,180 | $ 108,308 | $ 99,889 | $ 107,011 | (1) | 10 |
| Purchased Held-for-Sale Wholesale Loans (g) | $ 358 | $ 378 | $ 319 | $ 351 | $ 355 | (5) | 1 |

(a) Includes Investment Bank, Commercial Banking, Treasury & Securities Services and Asset & Wealth Management.
(b) Includes Retail Financial Services and Card Services.
(c) These represent undivided interests in pools of receivables and similar types of assets.
(d) Represents Total Wholesale Loans, Derivative Receivables, Interests in Purchased Receivables and Wholesale Lending-Related Commitments.
(e) Represents Total Consumer Loans plus Credit Card Securitizations, excluding consumer lending-related commitments.
(f) For the quarter ended March 31, 2005, the Firm conformed its methodology for reporting Criticized exposure. Excluding this change in methodology, Criticized exposure would have been $7,632 million in the first quarter of 2005.
(g) Represents distressed wholesale loans purchased as part of IB's proprietary investing activities.

Note: The risk profile is based on JPMorgan Chase's internal risk ratings, which generally correspond to the following ratings as defined by Standard & Poor's / Moody's:
Investment-Grade: AAA / Aaa to BBB- / Baa3
Noninvestment-Grade: BB+ / Ba1 and below

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

JPMorganChase

| | Sep 30 2005 | Jun 30 2005 | Mar 31 2005 | Dec 31 2004 | Sep 30 2004 | Sep 30, 2005 Change Jun 30 2005 | Sep 30, 2005 Change Sep 30 2004 |
|---|---|---|---|---|---|---|---|
| **NONPERFORMING ASSETS AND RATIOS** | | | | | | | |
| **WHOLESALE LOANS** | | | | | | | |
| Loans - U.S. | $ 914 | $ 959 | $ 1,005 | $ 1,228 | $ 1,405 | (5) % | (35) % |
| Loans - Non-U.S. | 278 | 292 | 324 | 346 | 378 | (5) | (26) |
| **TOTAL WHOLESALE LOANS-REPORTED (a)** | 1,192 | 1,251 | 1,329 | 1,574 | 1,783 | (5) | (33) |
| **CONSUMER LOANS** | | | | | | | |
| Home Finance | 710 | 662 | 691 | 673 | 789 | 7 | (10) |
| Auto & Education Finance | 204 | 190 | 171 | 193 | 211 | 7 | (3) |
| Consumer & Small Business and Other | 289 | 280 | 288 | 295 | 308 | 3 | (6) |
| Credit Card Receivables - Reported | 9 | 9 | 8 | 8 | 9 | - | - |
| **TOTAL CONSUMER LOANS-REPORTED** | 1,212 | 1,141 | 1,158 | 1,169 | 1,317 | 6 | (8) |
| **TOTAL LOANS REPORTED (a)** | **2,404** | **2,392** | **2,487** | **2,743** | **3,100** | 1 | (22) |
| Derivative Receivables | 231 | 234 | 241 | 241 | 238 | (1) | (3) |
| Assets Acquired in Loan Satisfactions | 204 | 206 | 221 | 247 | 299 | (1) | (32) |
| **TOTAL NONPERFORMING ASSETS (a)** | **$ 2,839** | **$ 2,832** | **$ 2,949** | **$ 3,231** | **$ 3,637** | - | (22) |
| **PURCHASED HELD-FOR-SALE WHOLESALE LOANS (b)** | **$ 358** | **$ 378** | **$ 319** | **$ 351** | **$ 355** | (5) | 1 |
| **TOTAL NONPERFORMING LOANS TO TOTAL LOANS** | **0.57 %** | **0.57 %** | **0.62 %** | **0.68 %** | **0.79 %** | | |
| **NONPERFORMING ASSETS BY LOB** | | | | | | | |
| Investment Bank | $ 934 | $ 946 | $ 1,056 | $ 1,196 | $ 1,321 | (1) | (29) |
| Retail Financial Services | 1,387 | 1,319 | 1,351 | 1,385 | 1,557 | 5 | (11) |
| Card Services | 9 | 9 | 8 | 8 | 9 | - | - |
| Commercial Banking | 388 | 452 | 452 | 547 | 606 | (14) | (36) |
| Treasury & Securities Services | 3 | 6 | 4 | 14 | 4 | (50) | (25) |
| Asset and Wealth Management | 118 | 100 | 78 | 81 | 140 | 18 | (16) |
| **TOTAL** | **$ 2,839** | **$ 2,832** | **$ 2,949** | **$ 3,231** | **$ 3,637** | - | (22) |

(a) Excludes purchased held-for-sale ("HFS") wholesale loans.
(b) Represents distressed wholesale loans purchased as part of IB's proprietary investing activities.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | |
| | | | | | | | | | | | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2004 |
| **GROSS CHARGE-OFFS** | | | | | | | | | | | |
| Wholesale Loans | $ 40 | $ 31 | $ 61 | $ 123 | $ 80 | 29 % | (50) % | $ 132 | $ 420 | $ 496 | (73) % |
| Consumer (Excluding Card) | 193 | 167 | 219 | 658 | 269 | 16 | (28) | 579 | 485 | 827 | (30) |
| Credit Card Receivables - Reported | 881 | 811 | 753 | 784 | 760 | 9 | 16 | 2,445 | 1,335 | 1,631 | 50 |
| **Total Loans - Reported** | **1,114** | **1,009** | **1,033** | **1,565** | **1,109** | 10 | - | **3,156** | **2,240** | **2,954** | 7 |
| Credit Card Securitizations | 999 | 1,060 | 1,034 | 1,126 | 1,039 | (6) | (4) | 3,093 | 2,106 | 4,025 | (23) |
| **Total Loans - Managed** | **2,113** | **2,069** | **2,067** | **2,691** | **2,148** | 2 | (2) | **6,249** | **4,346** | **6,979** | (10) |
| **RECOVERIES** | | | | | | | | | | | |
| Wholesale Loans | 80 | 83 | 70 | 55 | 104 | (4) | (23) | 233 | 302 | 401 | (42) |
| Consumer (Excluding Card) | 49 | 53 | 67 | 52 | 50 | (8) | (2) | 169 | 101 | 196 | (14) |
| Credit Card Receivables - Reported | 115 | 100 | 80 | 60 | 90 | 15 | 28 | 295 | 136 | 167 | 77 |
| **Total Loans - Reported** | **244** | **236** | **217** | **167** | **244** | 3 | - | **697** | **539** | **764** | (9) |
| Credit Card Securitizations | 132 | 130 | 117 | 115 | 111 | 2 | 19 | 379 | 219 | 415 | (9) |
| **Total Loans - Managed** | **376** | **366** | **334** | **282** | **355** | 3 | 6 | **1,076** | **758** | **1,179** | (9) |
| **NET CHARGE-OFFS** | | | | | | | | | | | |
| Wholesale Loans | (40) | (52) | (9) | 68 | (24) | 23 | (67) | (101) | 118 | 95 | NM |
| Consumer (Excluding Card) | 144 | 114 | 152 | 606 | 219 | 26 | (34) | 410 | 384 | 631 | (35) |
| Credit Card Receivables - Reported | 766 | 711 | 673 | 724 | 670 | 8 | 14 | 2,150 | 1,199 | 1,464 | 47 |
| **Total Loans - Reported** | **870** | **773** | **816** | **1,398** | **865** | 13 | 1 | 2,459 | 1,701 | 2,190 | 12 |
| Credit Card Securitizations | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| **Total Loans - Managed** | **$ 1,737** | **$ 1,703** | **$ 1,733** | **$ 2,409** | **$ 1,793** | 2 | (3) | **$ 5,173** | **$ 3,588** | **$ 5,800** | (11) |
| **NET CHARGE-OFF RATES - ANNUALIZED** | | | | | | | | | | | |
| Wholesale Loans (a) | (0.12) % | (0.17) % | (0.03) % | 0.21 % | (0.08) % | | | (0.11) % | 0.17 % | 0.10 % | |
| Consumer (Excluding Card) (b) | 0.31 | 0.25 | 0.34 | 1.28 | 0.47 | | | 0.30 | 0.38 | 0.48 | |
| Credit Card Receivables - Reported | 4.41 | 4.25 | 4.25 | 4.70 | 4.49 | | | 4.31 | 5.12 | 4.94 | |
| **Total Loans - Reported (a) (b)** | 0.90 | 0.83 | 0.88 | 1.47 | 0.93 | | | 0.87 | 0.89 | 0.85 | |
| Credit Card Securitizations | 4.99 | 5.48 | 5.36 | 5.70 | 5.20 | | | 5.27 | 5.41 | 5.47 | |
| **Total Loans - Managed (a) (b)** | 1.53 | 1.55 | 1.58 | 2.13 | 1.62 | | | 1.55 | 1.58 | 1.80 | |
| **Memo: Credit Card - Managed** | 4.70 | 4.87 | 4.83 | 5.24 | 4.88 | | | 4.80 | 5.29 | 5.30 | |

(a) Total Loans include loans held-for-sale, which are excluded from Total Loans for the allowance coverage ratio and net charge-off rate. Average third quarter 2005 loans held-for-sale were $17,357 million. Prior end-of-period loans held-for-sale were $17,871 million, $8,154 million, $7,684 million and $7,281 million for the quarters ended June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively.
(b) Average consumer loans (excluding Card) held-for-sale were $15,707 million, $14,620 million, $15,861 million, $13,534 million and $14,479 million for the quarters ended September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004, and September 30, 2004, respectively. The year-to-date average loans held-for-sale were $15,395 million and $15,140 million for 2005 and 2004, respectively. Pro forma year-to-date 2004 average loans held-for-sale was $18,473 million. These amounts are not included in the net charge-off rates.
(c) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(d) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (g) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[f] | 2004 | 2004 |
| **SUMMARY OF CHANGES IN THE ALLOWANCE FOR LOAN LOSSES** | | | | | | | | | | | |
| Beginning Balance | $ 6,794 | $ 6,935 | $ 7,320 | $ 7,493 | $ 3,967 | (2) % | 71 % | $ 7,320 | $ 4,523 | $ 7,995 | (8) % |
| Addition Resulting from the Bank One Merger, July 1, 2004 | - | - | - | - | 3,123 | NM | NM | - | 3,123 | - | NM |
| Net Charge-Offs | (870) | (773) | (816) | (1,398) | (865) | (13) | (1) | (2,459) | (1,701) | (2,190) | (12) |
| Provision for Loan Losses: | | | | | | | | | | | |
| Provision Excluding Accounting Policy Conformity | 1,289 | 636 | 431 | 681 | 835 | 103 | 54 | 2,356 | 1,117 | 1,282 | 84 |
| Accounting Policy Conformity | - | - | - | 525 | 560 | NM | NM | - | 560 | 560 | NM |
| Total Provision for Loan Losses | 1,289 | 636 | 431 | 1,206 | 1,395 | 103 | (8) | 2,356 | 1,677 | 1,842 | 28 |
| Other | 7 | (4) | - | 19 | (127) (a) | NM | NM | 3 | (129) | (154) | NM |
| **Ending Balance** | **$ 7,220** | **$ 6,794** | **$ 6,935** | **$ 7,320** | **$ 7,493** | 6 | (4) | **$ 7,220** | **$ 7,493** | **$ 7,493** | (4) |
| **SUMMARY OF CHANGES IN THE ALLOWANCE FOR LENDING-RELATED COMMITMENTS** | | | | | | | | | | | |
| Beginning Balance | $ 439 | $ 488 | $ 492 | $ 541 | $ 260 | (10) | 69 | $ 492 | $ 324 | $ 814 | (40) |
| Addition Resulting from the Bank One Merger, July 1, 2004 | - | - | - | - | 508 | NM | NM | - | 508 | - | NM |
| Provision for Lending-Related Commitments: | | | | | | | | | | | |
| Provision Excluding Accounting Policy Conformity | (44) | (49) | (4) | (49) | 1 | 10 | NM | (97) | (63) | (45) | (116) |
| Accounting Policy Conformity | - | - | - | - | (227) | NM | NM | - | (227) | (227) | NM |
| Total Provision for Lending-Related Commitments | (44) | (49) | (4) | (49) | (226) | 10 | 81 | (97) | (290) | (272) | 64 |
| Other | - | - | - | - | (1) | NM | NM | - | (1) | (1) | NM |
| **Ending Balance** | **$ 395** | **$ 439** | **$ 488** | **$ 492** | **$ 541** | (10) | (27) | **$ 395** | **$ 541** | **$ 541** | (27) |
| **ALLOWANCE COMPONENTS AND RATIOS** | | | | | | | | | | | |
| **ALLOWANCE FOR LOAN LOSSES** | | | | | | | | | | | |
| Wholesale | | | | | | | | | | | |
| Asset Specific | $ 341 | $ 314 | $ 385 | $ 469 | $ 498 | 9 | (32) | | | | |
| Formula - Based (b) | | | | | | | | | | | |
| Statistical Calculation | 1,590 | 1,604 | 1,448 | 1,639 | 1,832 | (1) | (13) | | | | |
| Adjustments to the Statistical Calculation | 659 | 686 | 894 | 990 | 1,126 | (4) | (41) | | | | |
| Total Wholesale | 2,590 | 2,604 | 2,727 | 3,098 | 3,456 | (1) | (25) | | | | |
| Consumer | | | | | | | | | | | |
| Formula - Based | | | | | | | | | | | |
| Statistical Calculation | 3,432 | 3,064 | 3,113 | 3,169 | 3,159 | 12 | 9 | | | | |
| Adjustments to the Statistical Calculation | 1,198 | 1,126 | 1,095 | 1,053 | 878 | 6 | 36 | | | | |
| Total Consumer | 4,630 | 4,190 | 4,208 | 4,222 | 4,037 | 11 | 15 | | | | |
| **Total Allowance for Loan Losses** | **7,220** | **6,794** | **6,935** | **7,320** | **7,493** | 6 | (4) | | | | |
| Allowance for Lending-Related Commitments | 395 | 439 | 488 | 492 | 541 | (10) | (27) | | | | |
| **Total Allowance for Credit Losses** | **$ 7,615** | **$ 7,233** | **$ 7,423** | **$ 7,812** | **$ 8,034** | 5 | (5) | | | | |
| Wholesale Allowance for Loan Losses to Total Wholesale Loans (c) | 1.94 % | 1.98 % | 2.11 % | 2.43 % | 2.76 % | | | | | | |
| Consumer Allowance for Loan Losses to Total Consumer Loans (d) | 1.84 | 1.65 | 1.69 | 1.70 | 1.62 | | | | | | |
| Allowance for Loan Losses to Total Loans (c) (d) | 1.88 | 1.76 | 1.83 | 1.94 | 2.01 | | | | | | |
| Allowance for Loan Losses to Total Nonperforming Loans (e) | 302 | 287 | 283 | 268 | 248 | | | | | | |
| **ALLOWANCE FOR LOAN LOSSES BY LOB** | | | | | | | | | | | |
| Investment Bank | $ 1,002 | $ 971 | $ 1,191 | $ 1,547 | $ 1,841 | 3 | (46) | | | | |
| Retail Financial Services | 1,375 | 1,135 | 1,168 | 1,228 | 1,764 | 21 | (22) | | | | |
| Card Services | 3,255 | 3,055 | 3,040 | 2,994 | 2,273 | 7 | 43 | | | | |
| Commercial Banking | 1,423 | 1,431 | 1,312 | 1,322 | 1,350 | (1) | 5 | | | | |
| Treasury & Securities Services | 6 | 7 | 5 | 9 | 9 | (14) | (33) | | | | |
| Asset and Wealth Management | 148 | 195 | 214 | 216 | 241 | (24) | (39) | | | | |
| Corporate | 11 | - | 5 | 4 | 15 | NM | (27) | | | | |
| Total | **$ 7,220** | **$ 6,794** | **$ 6,935** | **$ 7,320** | **$ 7,493** | 6 | (4) | | | | |

(a) Related to the transfer of the allowance for accrued interest and fees on reported and securitized credit card loans.
(b) During the second quarter 2005, the Firm refined its historical and market based inputs used for estimating the Formula Based component of the allowance. These refinements resulted in an increase to the Statistical Calculation and a decrease to the Adjustments to the Statistical Calculation, the component of the allowance that covers estimate imprecision.
(c) Loans held-for-sale were $17,945 million, $17,871 million, $8,154 million, $7,684 million and $7,281 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(d) Loans held-for-sale were $17,695 million, $13,112 million, $16,532 million, $18,022 million and $12,816 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(e) Nonperforming loans held-for-sale were $11 million, $28 million, $33 million, $15 million and $78 million at September 30, 2005, June 30, 2005, March 31, 2005, December 31, 2004 and September 30, 2004, respectively. These amounts are not included in the allowance coverage ratios.
(f) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(g) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

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

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (e) | 2005 Change |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[d] | 2004 | 2004 |
| **PROVISION FOR CREDIT LOSSES** | | | | | | | | | | | |
| **LOANS** | | | | | | | | | | | |
| Investment Bank | $ (32) | $ (271) | $ (356) | $ (120) | $ (148) | 88 % | 78 % | $ (659) | $ (405) | $ (728) | 9 % |
| Commercial Banking | (11) | 116 | (8) | 17 | 10 | NM | NM | 97 | 18 | (46) | NM |
| Treasury & Securities Services | (1) | 2 | (5) | 3 | - | NM | NM | (4) | 4 | 4 | NM |
| Asset & Wealth Management | (22) | (18) | (7) | (21) | 1 | (22) | NM | (47) | 9 | 5 | NM |
| Corporate | 13 | 1 | (4) | - | (1) | NM | NM | 10 | (110) | (111) | NM |
| Total Wholesale | (53) | (170) | (380) | (121) | (138) | 69 | 62 | (603) | (484) | (876) | 31 |
| Retail Financial Services | 376 | 95 | 92 | 78 | 239 | 296 | 57 | 563 | 372 | 624 | (10) |
| Card Services | 966 | 711 | 719 | 724 | 734 | 36 | 32 | 2,396 | 1,229 | 1,534 | 56 |
| Total Consumer | 1,342 | 806 | 811 | 802 | 973 | 67 | 38 | 2,959 | 1,601 | 2,158 | 37 |
| Accounting Policy Conformity (a) | - | - | - | 525 | 560 | NM | NM | - | 560 | 560 | NM |
| **Total Provision for Loan Losses** | **1,289** | **636** | **431** | **1,206** | **1,395** | 103 | (8) | **2,356** | **1,677** | **1,842** | 28 |
| **LENDING-RELATED COMMITMENTS** | | | | | | | | | | | |
| Investment Bank | $ (14) | $ (72) | $ (10) | $ (53) | $ (3) | 81 | (367) | $ (96) | $ (62) | $ (41) | (134) |
| Commercial Banking | (35) | 26 | 2 | 4 | 4 | NM | NM | (7) | 2 | (8) | 13 |
| Treasury & Securities Services | - | - | 2 | - | - | NM | NM | 2 | - | - | NM |
| Asset & Wealth Management | 3 | (2) | - | - | - | NM | NM | 1 | (2) | - | NM |
| Corporate | - | - | - | - | - | NM | NM | - | - | (1) | NM |
| Total Wholesale | (46) | (48) | (6) | (49) | 1 | 4 | NM | (100) | (62) | (50) | (100) |
| Retail Financial Services | 2 | (1) | 2 | - | - | NM | NM | 3 | (1) | 5 | (40) |
| Card Services | - | - | - | - | - | NM | NM | - | - | - | NM |
| Total Consumer | 2 | (1) | 2 | - | - | NM | NM | 3 | (1) | 5 | (40) |
| Accounting Policy Conformity (b) | - | - | - | - | (227) | NM | NM | - | (227) | (227) | NM |
| **Total Provision for Lending-Related Commitments** | **(44)** | **(49)** | **(4)** | **(49)** | **(226)** | 10 | 81 | **(97)** | **(290)** | **(272)** | 64 |
| **TOTAL PROVISION FOR CREDIT LOSSES** | | | | | | | | | | | |
| Investment Bank | $ (46) | $ (343) | $ (366) | $ (173) | $ (151) | 87 | 70 | $ (755) | $ (467) | $ (769) | 2 |
| Commercial Banking (c) | (46) | 142 | (6) | 21 | 14 | NM | NM | 90 | 20 | (54) | NM |
| Treasury & Securities Services | (1) | 2 | (3) | 3 | - | NM | NM | (2) | 4 | 4 | NM |
| Asset & Wealth Management (c) | (19) | (20) | (7) | (21) | 1 | 5 | NM | (46) | 7 | 5 | NM |
| Corporate (c) | 13 | 1 | (4) | - | (1) | NM | NM | 10 | (110) | (112) | NM |
| Total Wholesale | (99) | (218) | (386) | (170) | (137) | 55 | 28 | (703) | (546) | (926) | 24 |
| Retail Financial Services (c) | 378 | 94 | 94 | 78 | 239 | 302 | 58 | 566 | 371 | 629 | (10) |
| Card Services (c) | 966 | 711 | 719 | 724 | 734 | 36 | 32 | 2,396 | 1,229 | 1,534 | 56 |
| Total Consumer | 1,344 | 805 | 813 | 802 | 973 | 67 | 38 | 2,962 | 1,600 | 2,163 | 37 |
| Accounting Policy Conformity | - | - | - | 525 | 333 | NM | NM | - | 333 | 333 | NM |
| **Total Provision for Credit Losses** | **1,245** | **587** | **427** | **1,157** | **1,169** | 112 | 7 | **2,259** | **1,387** | **1,570** | 44 |
| Securitized Credit Losses | 867 | 930 | 917 | 1,011 | 928 | (7) | (7) | 2,714 | 1,887 | 3,610 | (25) |
| Accounting Policy Conformity | - | - | - | (525) | (333) | NM | NM | - | (333) | (333) | NM |
| **Managed Provision for Credit Losses** | **$ 2,112** | **$ 1,517** | **$ 1,344** | **$ 1,643** | **$ 1,764** | 39 | 20 | **$ 4,973** | **$ 2,941** | **$ 4,847** | 3 |

(a) Reflects an increase of $721 million for both the fourth quarter and third quarter of 2004, as a result of the decertification of heritage Bank One seller's interest in credit card securitizations, partially offset by reductions of $196 million and $161 million to conform methodologies in the fourth and third quarters of 2004, respectively.
(b) Reflects a reduction of $227 million for the third quarter of 2004 to conform methodologies in the wholesale portfolio.
(c) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(d) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(e) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.

**JPMORGAN CHASE & CO.**
**CAPITAL**
**(in millions, except ratio and per share data)**

JPMorganChase

| | QUARTERLY TRENDS | | | | | | | YEAR-TO-DATE | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | 3Q05 Change | | | | Pro Forma Combined (d) | |
| | 3Q05 | 2Q05 | 1Q05 | 4Q04 | 3Q04 | 2Q05 | 3Q04 | 2005 | 2004[c] | 2004 | 2005 Change 2004 |
| **COMMON SHARES OUTSTANDING** | | | | | | | | | | | |
| Weighted-Average Basic Shares Outstanding | 3,485.0 | 3,493.0 | 3,517.5 | 3,514.7 | 3,513.5 | - % | (1) % | 3,498.4 | 2,533.1 | 3,508.9 | - % |
| Weighted-Average Diluted Shares Outstanding | 3,547.7 | 3,548.3 | 3,569.8 | 3,602.0 | 3,592.0 | - | (1) | 3,555.1 | 2,598.5 | 3,590.0 | (1) |
| Common Shares Outstanding - at Period End | 3,503.4 | 3,514.0 | 3,525.3 | 3,556.2 | 3,564.1 | - | (2) | 3,503.4 | 3,564.1 | 3,564.1 | (2) |
| Cash Dividends Declared per Share | $ 0.34 | $ 0.34 | $ 0.34 | $ 0.34 | $ 0.34 | - | - | $ 1.02 | $ 1.02 | 1.02 | - |
| Book Value per Share | 30.26 | 29.95 | 29.78 | 29.61 | 29.42 | 1 | 3 | 30.26 | 29.42 | 29.42 | 3 |
| Dividend Payout | 48 % | 122 % | 54 % | 74 % | 87 % | | | 63 % | 96 % | 76 % | |
| **SHARE PRICE** | | | | | | | | | | | |
| High | $ 35.95 | $ 36.50 | $ 39.69 | $ 40.45 | $ 40.25 | (2) | (11) | $ 39.69 | $ 43.84 | $ 43.84 | (9) % |
| Low | 33.31 | 33.35 | 34.32 | 36.32 | 35.50 | - | (6) | 33.31 | 34.62 | 34.62 | (4) |
| Close | 33.93 | 35.32 | 34.60 | 39.01 | 39.73 | (4) | (15) | 33.93 | 39.73 | 39.73 | (15) |
| **STOCK REPURCHASE PROGRAM (a)** | | | | | | | | | | | |
| Aggregate Repurchases | $ 500.0 | $ 593.7 | $ 1,315.6 | $ 599.8 | $ 137.9 | | | $ 2,409.3 | $ 137.9 | $ 137.9 | |
| Common Shares Repurchased | 14.4 | 16.8 | 36.0 | 15.8 | 3.5 | | | 67.2 | 3.5 | 3.5 | |
| Average Purchase Price | $ 34.61 | $ 35.32 | $ 36.57 | $ 38.01 | $ 39.42 | | | $ 35.50 | $ 39.42 | $ 39.42 | |
| **CAPITAL RATIOS** | | | | | | | | | | | |
| Tier 1 Capital | $ 70,745 (b) | $ 69,782 | $ 69,435 | $ 68,621 | $ 69,309 | 1 | 2 | | | | |
| Total Capital | 98,254 (b) | 96,089 | 96,378 | 96,807 | 96,666 | 2 | 2 | | | | |
| Risk-Weighted Assets | 865,742 (b) | 850,241 | 811,822 | 791,373 | 803,464 | 2 | 8 | | | | |
| Adjusted Average Assets | 1,143,449 (b) | 1,123,609 | 1,110,058 | 1,102,456 | 1,065,244 | 2 | 7 | | | | |
| Tier 1 Capital Ratio | 8.2 % (b) | 8.2 % | 8.6 % | 8.7 % | 8.6 % | | | | | | |
| Total Capital Ratio | 11.3 (b) | 11.3 | 11.9 | 12.2 | 12.0 | | | | | | |
| Tier 1 Leverage Ratio | 6.2 (b) | 6.2 | 6.3 | 6.2 | 6.5 | | | | | | |
| **INTANGIBLE ASSETS** | | | | | | | | | | | |
| Goodwill | $ 43,555 | $ 43,537 | $ 43,440 | $ 43,203 | $ 42,947 | - | 1 | | | | |
| Mortgage Servicing Rights | 6,057 | 5,026 | 5,663 | 5,080 | 5,168 | 21 | 17 | | | | |
| Purchased Credit Card Relationships | 3,352 | 3,528 | 3,703 | 3,878 | 4,055 | (5) | (17) | | | | |
| All Other Intangibles | 5,139 | 5,319 | 5,514 | 5,726 | 5,945 | (3) | (14) | | | | |
| **Total Intangibles** | $ 58,103 | $ 57,410 | $ 58,320 | $ 57,887 | $ 58,115 | 1 | - | | | | |

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

# JPMORGAN CHASE & CO.
## Glossary of Terms

**ACH:** Automated Clearing House

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

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

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

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

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

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

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

**NA:** Data is not applicable for the period presented.

**NM:** Not meaningful

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

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

**Reported Basis:** Financial statements prepared under accounting principles generally accepted in the United States of America ("U.S. GAAP"). The reported basis includes the impact of merger costs, other special items and credit card securitizations.

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

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

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

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

## Investment Banking

**IB's revenues are comprised of the following:**

**1. Investment banking fees** includes advisory, equity underwriting, bond underwriting and loan syndication fees.

**2. Fixed income markets** includes client and portfolio management revenue related to both market-making and proprietary risk-taking across global fixed income markets, including government and corporate debt, foreign exchange, interest rate and commodities markets.

**3. Equities markets** includes client and portfolio management revenue related to market-making and proprietary risk-taking across global equity products, including cash instruments, derivatives and convertibles.

**4. Credit portfolio revenue** includes Net interest income, fees and loan sale activity for IB's credit portfolio. Credit portfolio revenue also includes gains or losses on securities received as part of a loan restructuring, and changes in the credit valuation adjustment ("CVA"), which is the component of the fair value of a derivative that reflects the credit quality of the counterparty. Credit portfolio revenue also includes the results of risk management related to the Firm's lending and derivative activities.

## Retail Financial Services

**Description of selected business metrics within Home Finance:**

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

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

**1. Retail** – A mortgage banker employed by the Firm directly contacts borrowers who are buying or refinancing a home through a branch office, through the Internet or by phone. Borrowers are frequently referred to a mortgage banker by real estate brokers, home builders or other third parties.

**2. Wholesale** – A third-party mortgage broker refers loans to a mortgage banker at the Firm. Brokers are independent loan originators that specialize in finding and counseling borrowers but do not provide funding for loans.

**3. Correspondent** – Banks, thrifts, other mortgage banks and other financial institutions sell closed loans to the Firm.

**4. Correspondent negotiated transactions ("CNT")** – Mid- to large-sized mortgage lenders, banks and bank-owned mortgage companies sell servicing to the Firm on an as-originated basis. These transactions supplement traditional production channels and provide growth opportunities in the servicing portfolio in stable and rising-rate periods.

**Description of selected business metrics within Consumer & Small Business Banking:**

**1. Personal bankers** – Retail branch office personnel who acquire, retain and expand new and existing customer relationships by assessing customer needs and recommending and selling appropriate banking products and services.

**2. Investment sales representatives** – Licensed retail branch sales personnel, assigned to support several branches, who assist with the sale of investment products including college planning accounts, mutual funds, annuities and retirement accounts.

**Description of selected business metrics within Insurance:**

**1. Proprietary annuity sales** represent annuity contracts marketed through and issued by subsidiaries of the Firm.

**2. Insurance in force – direct/assumed** includes the aggregate face amount of insurance policies directly underwritten and assumed through reinsurance.

**3. Insurance in force – retained** includes the aggregate face amounts of insurance policies directly underwritten and assumed through reinsurance, after reduction for face amounts ceded to reinsurers.

## Card Services

**Description of selected business metrics within Card Services:**

**1. Charge volume** – Represents the dollar amount of card member purchases, balance transfers and cash advance activity.

**2. Net accounts opened** – Includes originations, purchases and sales.

**3. Merchant acquiring business** – Represents an entity that processes payments for merchants. JPMorgan Chase is a majority owner of Paymentech, Inc. and a 50% owner of Chase Merchant Services.

**4. Bank card volume** – Represents the dollar amount of transactions processed for the merchants.

**5. Total transactions** – Represents the number of transactions and authorizations processed for the merchants.

**6. 12 Month Lagged Loss Ratio -** Represents the current period net charge-offs annualized divided by the average pro forma managed loans for the same period in the prior year.

## Commercial Banking

**Commercial Banking revenues are comprised of the following:**

**1. Lending** incorporates a variety of financing alternatives, such as term loans, revolving lines of credit and asset-based structures and leases, which are often secured by receivables, inventory, equipment or real estate.

**2. Treasury services** incorporates a broad range of products and services to help clients manage short-term liquidity through deposits and sweeps, and longer-term investment needs through money market accounts, certificates of deposit and mutual funds; manage working capital through lockbox, global trade, global clearing and commercial card products; and have ready access to information to manage their business through on-line reporting tools.

**3. Investment banking** products provide clients with more sophisticated capital-raising alternatives, through loan syndications, investment-grade debt, asset-backed securities, private placements, high-yield bonds and equity underwriting, and balance sheet and risk management tools through foreign exchange, derivatives, M&A and advisory services.

**Description of selected business metrics within Commercial Banking:**

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

## Treasury & Securities Services

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

**Description of selected business metrics within Treasury & Securities Services:**

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

## Asset & Wealth Management

**AWM's client segments are comprised of the following:**

**1.** The **Private bank** addresses every facet of wealth management for ultra-high-net-worth individuals and families worldwide, including investment management, capital markets and risk management, tax and estate planning, banking, capital raising and specialty wealth advisory services.

**2. Retail** provides more than 2 million customers worldwide with investment management, retirement planning and administration, and brokerage services through third-party and direct distribution channels.

**3. Institutional** serves more than 3,000 large and mid-size corporate and public institutions, endowments and foundations, and governments globally. AWM offers institutions comprehensive global investment services, including investment management across asset classes, pension analytics, asset-liability management, active risk budgeting and overlay strategies.

**4. Private client services** offers high-net-worth individuals, families and business owners comprehensive wealth management solutions that include financial planning, personal trust, investment and banking products and services.

# APPENDIX

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | THIRD QUARTER 2005 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (d) | | | | |
| | Reported Results | Trading Reclass (b) | Credit Card (c) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (e) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 989 | $ - | $ - | $ - | $ - | $ - | $ - | $ 989 |
| Trading Revenue | 2,499 | (103) | - | - | - | - | - | 2,396 |
| Lending & Deposit Related Fees | 865 | - | - | - | - | - | - | 865 |
| Asset Management, Administration and Commissions | 2,628 | - | - | - | - | - | - | 2,628 |
| Securities / Private Equity Gains (Losses) | 343 | - | - | - | - | - | - | 343 |
| Mortgage Fees and Related Income | 201 | - | - | - | - | - | - | 201 |
| Credit Card Income | 1,855 | - | (733) | - | - | - | - | 1,122 |
| Other Income | 233 | - | - | - | - | - | 155 | 388 |
| **Noninterest Revenue** | **9,613** | **(103)** | **(733)** | **-** | **-** | **-** | **155** | **8,932** |
| **Net Interest Income** | **4,852** | **103** | **1,600** | **-** | **-** | **-** | **67** | **6,622** |
| **TOTAL NET REVENUE** | **14,465** | **-** | **867** | **-** | **-** | **-** | **222** | **15,554** |
| Provision for Credit Losses (a) | 1,245 | - | 867 | - | - | - | - | 2,112 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 5,001 | - | - | - | - | - | - | 5,001 |
| Occupancy Expense | 549 | - | - | - | - | - | - | 549 |
| Technology and Communications Expense | 899 | - | - | - | - | - | - | 899 |
| Professional & Outside Services | 1,018 | - | - | - | - | - | - | 1,018 |
| Marketing | 512 | - | - | - | - | - | - | 512 |
| Other Expense | 882 | - | - | - | - | - | - | 882 |
| Amortization of Intangibles | 382 | - | - | - | - | - | - | 382 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 9,243 | - | - | - | - | - | - | 9,243 |
| Merger Costs | 221 | - | - | (221) | - | - | - | - |
| Litigation Reserve Charge | - | - | - | - | - | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **9,464** | **-** | **-** | **(221)** | **-** | **-** | **-** | **9,243** |
| Income (Loss) before Income Tax Expense | 3,756 | - | - | 221 | - | - | 222 | 4,199 |
| Income Tax Expense (Benefit) | 1,229 | - | - | 84 | - | - | 222 | 1,535 |
| **NET INCOME (LOSS)** | **$ 2,527** | **$ -** | **$ -** | **$ 137** | **$ -** | **$ -** | **$ -** | **$ 2,664** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 0.71 | $ - | $ - | $ 0.04 | $ - | $ - | $ - | $ 0.75 |
| ROE | 9 % | - % | - % | 1 % | - % | - % | - % | 10 % |
| ROE-GW | 16 | - | - | 1 | - | - | - | 17 |
| ROA | 0.84 | NM | NM | NM | NM | NM | NM | 0.84 |
| Overhead Ratio | 65 | NM | NM | NM | NM | NM | NM | 59 |
| Effective Income Tax Rate | 33 | NM | NM | 38 | NM | NM | 100 | 37 |

(a) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(c) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $221 million reflects costs associated with the merger.
(e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | SECOND QUARTER 2005 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (c) | | | | |
| | Reported Results | Trading Reclass (a) | Credit Card (b) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (d) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 961 | $ - | $ - | $ - | $ - | $ - | $ - | $ 961 |
| Trading Revenue | 387 | 198 | - | - | - | - | - | 585 |
| Lending & Deposit Related Fees | 851 | - | - | - | - | - | - | 851 |
| Asset Management, Administration and Commissions | 2,541 | - | - | - | - | - | - | 2,541 |
| Securities / Private Equity Gains (Losses) | 407 | - | - | - | - | - | - | 407 |
| Mortgage Fees and Related Income | 336 | - | - | - | - | - | - | 336 |
| Credit Card Income | 1,763 | - | (728) | - | - | - | - | 1,035 |
| Other Income | 496 | - | - | - | - | - | 143 | 639 |
| **Noninterest Revenue** | **7,742** | **198** | **(728)** | **-** | **-** | **-** | **143** | **7,355** |
| **Net Interest Income** | **5,001** | **(198)** | **1,658** | **-** | **-** | **-** | **84** | **6,545** |
| **TOTAL NET REVENUE** | **12,743** | **-** | **930** | **-** | **-** | **-** | **227** | **13,900** |
| Provision for Credit Losses | 587 | - | 930 | - | - | - | - | 1,517 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 4,266 | - | - | - | - | - | - | 4,266 |
| Occupancy Expense | 580 | - | - | - | - | - | - | 580 |
| Technology and Communications Expense | 896 | - | - | - | - | - | - | 896 |
| Professional & Outside Services | 1,130 | - | - | - | - | - | - | 1,130 |
| Marketing | 537 | - | - | - | - | - | - | 537 |
| Other Expense | 954 | - | - | - | - | - | - | 954 |
| Amortization of Intangibles | 385 | - | - | - | - | - | - | 385 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 8,748 | - | - | - | - | - | - | 8,748 |
| Merger Costs | 279 | - | - | (279) | - | - | - | - |
| Litigation Reserve Charge | 1,872 | - | - | - | (1,872) | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **10,899** | **-** | **-** | **(279)** | **(1,872)** | **-** | **-** | **8,748** |
| Income (Loss) before Income Tax Expense | 1,257 | - | - | 279 | 1,872 | - | 227 | 3,635 |
| Income Tax Expense (Benefit) | 263 | - | - | 106 | 711 | - | 227 | 1,307 |
| **NET INCOME (LOSS)** | **$ 994** | **$ -** | **$ -** | **$ 173** | **$ 1,161** | **$ -** | **$ -** | **$ 2,328** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 0.28 | $ - | $ - | $ 0.05 | $ 0.33 | $ - | $ - | $ 0.66 |
| ROE | 4 % | - % | - % | 1 % | 4 % | - % | - % | 9 % |
| ROE-GW | 6 | - | - | 1 | 8 | - | - | 15 |
| ROA | 0.34 | NM | NM | NM | NM | NM | NM | 0.75 |
| Overhead Ratio | 86 | NM | NM | NM | NM | NM | NM | 63 |
| Effective Income Tax Rate | 21 | NM | NM | 38 | 38 | NM | 100 | 36 |

(a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(b) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $279 million reflects costs associated with the merger; nonoperating litigation charges of $1.9 billion were taken in the second quarter of 2005.
(d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | FIRST QUARTER 2005 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (c) | | | | |
| | Reported Results | Trading Reclass (a) | Credit Card (b) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (d) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 993 | $ - | $ - | $ - | $ - | $ - | $ - | $ 993 |
| Trading Revenue | 1,859 | 328 | - | - | - | - | - | 2,187 |
| Lending & Deposit Related Fees | 820 | - | - | - | - | - | - | 820 |
| Asset Management, Administration and Commissions | 2,498 | - | - | - | - | - | - | 2,498 |
| Securities / Private Equity Gains (Losses) | (45) | - | - | - | - | - | - | (45) |
| Mortgage Fees and Related Income | 362 | - | - | - | - | - | - | 362 |
| Credit Card Income | 1,734 | - | (815) | - | - | - | - | 919 |
| Other Income | 201 | - | - | - | - | - | 115 | 316 |
| **Noninterest Revenue** | **8,422** | **328** | **(815)** | **-** | **-** | **-** | **115** | **8,050** |
| **Net Interest Income** | **5,225** | **(328)** | **1,732** | **-** | **-** | **-** | **61** | **6,690** |
| **TOTAL NET REVENUE** | **13,647** | **-** | **917** | **-** | **-** | **-** | **176** | **14,740** |
| Provision for Credit Losses | 427 | - | 917 | - | - | - | - | 1,344 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 4,702 | - | - | - | - | - | - | 4,702 |
| Occupancy Expense | 525 | - | - | - | - | - | - | 525 |
| Technology and Communications Expense | 920 | - | - | - | - | - | - | 920 |
| Professional & Outside Services | 1,074 | - | - | - | - | - | - | 1,074 |
| Marketing | 483 | - | - | - | - | - | - | 483 |
| Other Expense | 805 | - | - | - | - | - | - | 805 |
| Amortization of Intangibles | 383 | - | - | - | - | - | - | 383 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 8,892 | - | - | - | - | - | - | 8,892 |
| Merger Costs | 145 | - | - | (145) | - | - | - | - |
| Litigation Reserve Charge | 900 | - | - | - | (900) | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **9,937** | **-** | **-** | **(145)** | **(900)** | **-** | **-** | **8,892** |
| Income (Loss) before Income Tax Expense | 3,283 | - | - | 145 | 900 | - | 176 | 4,504 |
| Income Tax Expense (Benefit) | 1,019 | - | - | 55 | 342 | - | 176 | 1,592 |
| **NET INCOME (LOSS)** | **$ 2,264** | **$ -** | **$ -** | **$ 90** | **$ 558** | **$ -** | **$ -** | **$ 2,912** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 0.63 | $ - | $ - | $ 0.03 | $ 0.15 | $ - | $ - | $ 0.81 |
| ROE | 9 % | - % | - % | - % | 2 % | - % | - % | 11 % |
| ROE-GW | 15 | - | - | 1 | 3 | - | - | 19 |
| ROA | 0.79 | NM | NM | NM | NM | NM | NM | 0.96 |
| Overhead Ratio | 73 | NM | NM | NM | NM | NM | NM | 60 |
| Effective Income Tax Rate | 31 | NM | NM | 38 | 38 | NM | 100 | 35 |

(a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(b) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $145 million reflects costs associated with the merger; nonoperating litigation charges of $900 million were taken in the first quarter of 2005.
(d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | FOURTH QUARTER 2004 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (c) | | | | |
| | Reported Results | Trading Reclass (a) | Credit Card (b) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (d) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 1,073 | $ - | $ - | $ - | $ - | $ - | $ - | $ 1,073 |
| Trading Revenue | 611 | 511 | - | - | - | - | - | 1,122 |
| Lending & Deposit Related Fees | 903 | - | - | - | - | - | - | 903 |
| Asset Management, Administration and Commissions | 2,330 | - | - | - | - | - | - | 2,330 |
| Securities / Private Equity Gains (Losses) | 569 | - | - | - | - | - | - | 569 |
| Mortgage Fees and Related Income | 85 | - | - | - | - | - | - | 85 |
| Credit Card Income | 1,822 | - | (786) | - | - | - | - | 1,036 |
| Other Income | 228 | - | 1 | - | - | - | 178 | 407 |
| **Noninterest Revenue** | **7,621** | **511** | **(785)** | **-** | **-** | **-** | **178** | **7,525** |
| **Net Interest Income** | **5,329** | **(511)** | **1,796** | **-** | **-** | **-** | **10** | **6,624** |
| **TOTAL NET REVENUE** | **12,950** | **-** | **1,011** | **-** | **-** | **-** | **188** | **14,149** |
| Provision for Credit Losses | 1,157 | - | 1,011 | - | - | (525) | - | 1,643 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 4,211 | - | - | - | - | - | - | 4,211 |
| Occupancy Expense | 609 | - | - | - | - | - | - | 609 |
| Technology and Communications Expense | 1,051 | - | - | - | - | - | - | 1,051 |
| Professional & Outside Services | 1,191 | - | - | - | - | - | - | 1,191 |
| Marketing | 428 | - | - | - | - | - | - | 428 |
| Other Expense | 981 | - | - | - | - | - | - | 981 |
| Amortization of Intangibles | 392 | - | - | - | - | - | - | 392 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 8,863 | - | - | - | - | - | - | 8,863 |
| Merger Costs | 523 | - | - | (523) | - | - | - | - |
| Litigation Reserve Charge | - | - | - | - | - | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **9,386** | **-** | **-** | **(523)** | **-** | **-** | **-** | **8,863** |
| Income (Loss) before Income Tax Expense | 2,407 | - | - | 523 | - | 525 | 188 | 3,643 |
| Income Tax Expense (Benefit) | 741 | - | - | 199 | - | 199 | 188 | 1,327 |
| **NET INCOME (LOSS)** | **$ 1,666** | **$ -** | **$ -** | **$ 324** | **$ -** | **$ 326** | **$ -** | **$ 2,316** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 0.46 | $ - | $ - | $ 0.09 | $ - | $ 0.09 | $ - | $ 0.64 |
| ROE | 6 % | - % | - % | 1 % | - % | 2 % | - % | 9 % |
| ROE-GW | 11 | - | - | 2 | - | 2 | - | 15 |
| ROA | 0.57 | NM | NM | NM | NM | NM | NM | 0.75 |
| Overhead Ratio | 72 | NM | NM | NM | NM | NM | NM | 63 |
| Effective Income Tax Rate | 31 | NM | NM | 38 | NM | 38 | 100 | 36 |

(a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(b) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $523 million reflects costs associated with the merger.
(d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | THIRD QUARTER 2004 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (c) | | | | |
| | Reported Results | Trading Reclass (a) | Credit Card (b) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (d) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 879 | $ - | $ - | $ - | $ - | $ - | $ - | $ 879 |
| Trading Revenue | 408 | 424 | - | - | - | - | - | 832 |
| Lending & Deposit Related Fees | 943 | - | - | - | - | - | - | 943 |
| Asset Management, Administration and Commissions | 2,185 | - | - | - | - | - | - | 2,185 |
| Securities / Private Equity Gains (Losses) | 413 | - | - | - | - | - | - | 413 |
| Mortgage Fees and Related Income | 233 | - | - | - | - | - | - | 233 |
| Credit Card Income | 1,782 | - | (848) | - | - | - | - | 934 |
| Other Income | 210 | - | (3) | - | - | 118 | 64 | 389 |
| **Noninterest Revenue** | **7,053** | **424** | **(851)** | **-** | **-** | **118** | **64** | **6,808** |
| **Net Interest Income** | **5,452** | **(424)** | **1,779** | **-** | **-** | **-** | **(36)** | **6,771** |
| **TOTAL NET REVENUE** | **12,505** | **-** | **928** | **-** | **-** | **118** | **28** | **13,579** |
| Provision for Credit Losses | 1,169 | - | 928 | - | - | (333) | - | 1,764 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 4,050 | - | - | - | - | - | - | 4,050 |
| Occupancy Expense | 604 | - | - | - | - | - | - | 604 |
| Technology and Communications Expense | 1,046 | - | - | - | - | - | - | 1,046 |
| Professional & Outside Services | 1,103 | - | - | - | - | - | - | 1,103 |
| Marketing | 506 | - | - | - | - | - | - | 506 |
| Other Expense | 920 | - | - | - | - | - | - | 920 |
| Amortization of Intangibles | 396 | - | - | - | - | - | - | 396 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 8,625 | - | - | - | - | - | - | 8,625 |
| Merger Costs | 752 | - | - | (752) | - | - | - | - |
| Litigation Reserve Charge | - | - | - | - | - | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **9,377** | **-** | **-** | **(752)** | **-** | **-** | **-** | **8,625** |
| Income (Loss) before Income Tax Expense | 1,959 | - | - | 752 | - | 451 | 28 | 3,190 |
| Income Tax Expense (Benefit) | 541 | - | - | 290 | - | 172 | 28 | 1,031 |
| **NET INCOME (LOSS)** | **$ 1,418** | **$ -** | **$ -** | **$ 462** | **$ -** | **$ 279** | **$ -** | **$ 2,159** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 0.39 | $ - | $ - | $ 0.13 | $ - | $ 0.08 | $ - | $ 0.60 |
| ROE | 5 % | - % | - % | 2 % | - % | 1 % | - % | 8 % |
| ROE-GW | 9 | - | - | 3 | - | 2 | - | 14 |
| ROA | 0.50 | NM | NM | NM | NM | NM | NM | 0.72 |
| Overhead Ratio | 75 | NM | NM | NM | NM | NM | NM | 64 |
| Effective Income Tax Rate | 28 | NM | NM | 39 | NM | 38 | 100 | 32 |

(a) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(b) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(c) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $752 million reflects costs associated with the merger.
(d) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | YEAR-TO-DATE 2005 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (d) | | | | |
| | Reported Results | Trading Reclass (b) | Credit Card (c) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (e) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 2,943 | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,943 |
| Trading Revenue | 4,745 | 423 | - | - | - | - | - | 5,168 |
| Lending & Deposit Related Fees | 2,536 | - | - | - | - | - | - | 2,536 |
| Asset Management, Administration and Commissions | 7,667 | - | - | - | - | - | - | 7,667 |
| Securities / Private Equity Gains (Losses) | 705 | - | - | - | - | - | - | 705 |
| Mortgage Fees and Related Income | 899 | - | - | - | - | - | - | 899 |
| Credit Card Income | 5,352 | - | (2,276) | - | - | - | - | 3,076 |
| Other Income | 930 | - | - | - | - | - | 413 | 1,343 |
| **Noninterest Revenue** | **25,777** | **423** | **(2,276)** | **-** | **-** | **-** | **413** | **24,337** |
| **Net Interest Income** | **15,078** | **(423)** | **4,990** | **-** | **-** | **-** | **212** | **19,857** |
| **TOTAL NET REVENUE** | **40,855** | **-** | **2,714** | **-** | **-** | **-** | **625** | **44,194** |
| Provision for Credit Losses (a) | 2,259 | - | 2,714 | - | - | - | - | 4,973 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 13,969 | - | - | - | - | - | - | 13,969 |
| Occupancy Expense | 1,654 | - | - | - | - | - | - | 1,654 |
| Technology and Communications Expense | 2,715 | - | - | - | - | - | - | 2,715 |
| Professional & Outside Services | 3,222 | - | - | - | - | - | - | 3,222 |
| Marketing | 1,532 | - | - | - | - | - | - | 1,532 |
| Other Expense | 2,641 | - | - | - | - | - | - | 2,641 |
| Amortization of Intangibles | 1,150 | - | - | - | - | - | - | 1,150 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 26,883 | - | - | - | - | - | - | 26,883 |
| Merger Costs | 645 | - | - | (645) | - | - | - | - |
| Litigation Reserve Charge | 2,772 | - | - | - | (2,772) | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **30,300** | **-** | **-** | **(645)** | **(2,772)** | **-** | **-** | **26,883** |
| Income (Loss) before Income Tax Expense | 8,296 | - | - | 645 | 2,772 | - | 625 | 12,338 |
| Income Tax Expense (Benefit) | 2,511 | - | - | 245 | 1,053 | - | 625 | 4,434 |
| **NET INCOME (LOSS)** | **$ 5,785** | **$ -** | **$ -** | **$ 400** | **$ 1,719** | **$ -** | **$ -** | **$ 7,904** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 1.62 | $ - | $ - | $ 0.12 | $ 0.48 | $ - | $ - | $ 2.22 |
| ROE | 7 % | - % | - % | 1 % | 2 % | - % | - % | 10 % |
| ROE-GW | 12 | - | - | 1 | 4 | - | - | 17 |
| ROA | 0.66 | NM | NM | NM | NM | NM | NM | 0.85 |
| Overhead Ratio | 74 | NM | NM | NM | NM | NM | NM | 61 |
| Effective Income Tax Rate | 30 | NM | NM | 38 | 38 | NM | 100 | 36 |

(a) Third quarter 2005 includes a special provision related to Hurricane Katrina: Retail Financial Services $250 million, Card Services $100 million, Commercial Banking $35 million, Asset & Wealth Management $3 million and Corporate $12 million.
(b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(c) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $645 million reflects costs associated with the merger; nonoperating litigation charges of $2.8 billion were taken in the first nine months of 2005.
(e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | YEAR-TO-DATE 2004 (a) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (d) | | | | |
| | Reported Results | Trading Reclass (b) | Credit Card (c) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (e) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 2,464 | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,464 |
| Trading Revenue | 3,001 | 1,439 | - | - | - | - | - | 4,440 |
| Lending & Deposit Related Fees | 1,769 | - | - | - | - | - | - | 1,769 |
| Asset Management, Administration and Commissions | 5,835 | - | - | - | - | - | - | 5,835 |
| Securities / Private Equity Gains (Losses) | 1,305 | - | - | - | - | - | - | 1,305 |
| Mortgage Fees and Related Income | 721 | - | - | - | - | - | - | 721 |
| Credit Card Income | 3,018 | - | (1,481) | - | - | - | - | 1,537 |
| Other Income | 602 | - | (87) | - | - | 118 | 139 | 772 |
| **Noninterest Revenue** | **18,715** | **1,439** | **(1,568)** | **-** | **-** | **118** | **139** | **18,843** |
| **Net Interest Income** | **11,432** | **(1,439)** | **3,455** | **-** | **-** | **-** | **(4)** | **13,444** |
| **TOTAL NET REVENUE** | **30,147** | **-** | **1,887** | **-** | **-** | **118** | **135** | **32,287** |
| Provision for Credit Losses | 1,387 | - | 1,887 | - | - | (333) | - | 2,941 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 10,295 | - | - | - | - | - | - | 10,295 |
| Occupancy Expense | 1,475 | - | - | - | - | - | - | 1,475 |
| Technology and Communications Expense | 2,651 | - | - | - | - | - | - | 2,651 |
| Professional & Outside Services | 2,671 | - | - | - | - | - | - | 2,671 |
| Marketing | 907 | - | - | - | - | - | - | 907 |
| Other Expense | 1,878 | - | - | - | - | - | - | 1,878 |
| Amortization of Intangibles | 554 | - | - | - | - | - | - | 554 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 20,431 | - | - | - | - | - | - | 20,431 |
| Merger Costs | 842 | - | - | (842) | - | - | - | - |
| Litigation Reserve Charge | 3,700 | - | - | - | (3,700) | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **24,973** | **-** | **-** | **(842)** | **(3,700)** | **-** | **-** | **20,431** |
| Income (Loss) before Income Tax Expense | 3,787 | - | - | 842 | 3,700 | 451 | 135 | 8,915 |
| Income Tax Expense (Benefit) | 987 | - | - | 320 | 1,406 | 172 | 135 | 3,020 |
| **NET INCOME (LOSS)** | **$ 2,800** | **$ -** | **$ -** | **$ 522** | **$ 2,294** | **$ 279** | **$ -** | **$ 5,895** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 1.06 | $ - | $ - | $ 0.20 | $ 0.88 | $ 0.11 | $ - | $ 2.25 |
| ROE | 6 % | - % | - % | 1 % | 5 % | - % | - % | 12 % |
| ROE-GW | 8 | - | - | 2 | 6 | 1 | - | 17 |
| ROA | 0.42 | NM | NM | NM | NM | NM | NM | 0.83 |
| Overhead Ratio | 83 | NM | NM | NM | NM | NM | NM | 63 |
| Effective Income Tax Rate | 26 | NM | NM | 38 | 38 | 38 | 100 | 34 |

(a) Includes three months of the combined Firm's results and six months of heritage JPMorgan Chase results.
(b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(c) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $842 million reflects costs associated with the merger; nonoperating litigation charges of $3.7 billion were taken in the first nine months of 2004.
(e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.

**JPMORGAN CHASE & CO.**
**RECONCILIATION FROM REPORTED TO OPERATING BASIS**
**(in millions, except per share and ratio data)**

JPMorganChase

| | PRO FORMA COMBINED YEAR-TO-DATE 2004 (a) | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Special Items (d) | | | | |
| | Reported Results | Trading Reclass (b) | Credit Card (c) | Merger Costs | Litigation Reserves | Accounting Policy Conformity | Tax Equivalent Adjustments (e) | Operating Basis |
| **REVENUE** | | | | | | | | |
| Investment Banking Fees | $ 2,562 | $ - | $ - | $ - | $ - | $ - | $ - | $ 2,562 |
| Trading Revenue | 3,153 | 1,439 | - | - | - | - | - | 4,592 |
| Lending & Deposit Related Fees | 2,841 | - | - | - | - | - | - | 2,841 |
| Asset Management, Administration and Commissions | 6,847 | - | - | - | - | - | - | 6,847 |
| Securities / Private Equity Gains (Losses) | 1,403 | - | - | - | - | - | - | 1,403 |
| Mortgage Fees and Related Income | 742 | - | - | - | - | - | - | 742 |
| Credit Card Income | 5,024 | - | (2,308) | - | - | - | - | 2,716 |
| Other Income | 982 | - | (87) | - | - | 118 | 394 | 1,407 |
| **Noninterest Revenue** | **23,554** | **1,439** | **(2,395)** | **-** | **-** | **118** | **394** | **23,110** |
| **Net Interest Income** | **16,037** | **(1,439)** | **6,005** | **-** | **-** | **-** | **(102)** | **20,501** |
| **TOTAL NET REVENUE** | **39,591** | **-** | **3,610** | **-** | **-** | **118** | **292** | **43,611** |
| Provision for Credit Losses | 1,570 | - | 3,610 | - | - | (333) | - | 4,847 |
| **NONINTEREST EXPENSE** | | | | | | | | |
| Compensation Expense | 12,844 | - | - | - | - | - | - | 12,844 |
| Occupancy Expense | 1,794 | - | - | - | - | - | - | 1,794 |
| Technology and Communications Expense | 2,995 | - | - | - | - | - | - | 2,995 |
| Professional & Outside Services | 3,406 | - | - | - | - | - | - | 3,406 |
| Marketing | 1,516 | - | - | - | - | - | - | 1,516 |
| Other Expense | 2,842 | - | - | - | - | - | - | 2,842 |
| Amortization of Intangibles | 1,179 | - | - | - | - | - | - | 1,179 |
| **Total Noninterest Expense before Merger Costs and Litigation Reserve Charge** | 26,576 | - | - | - | - | - | - | 26,576 |
| Merger Costs | 842 | - | - | (842) | - | - | - | - |
| Litigation Reserve Charge | 3,700 | - | - | - | (3,700) | - | - | - |
| **TOTAL NONINTEREST EXPENSE** | **31,118** | **-** | **-** | **(842)** | **(3,700)** | **-** | **-** | **26,576** |
| Income (Loss) before Income Tax Expense | 6,903 | - | - | 842 | 3,700 | 451 | 292 | 12,188 |
| Income Tax Expense (Benefit) | 2,025 | - | - | 320 | 1,406 | 172 | 292 | 4,215 |
| **NET INCOME (LOSS)** | **$ 4,878** | **$ -** | **$ -** | **$ 522** | **$ 2,294** | **$ 279** | **$ -** | **$ 7,973** |
| **FINANCIAL RATIOS** | | | | | | | | |
| Diluted Earnings per Share | $ 1.35 | $ - | $ - | $ 0.15 | $ 0.63 | $ 0.08 | $ - | $ 2.21 |
| ROE | 6 % | - % | - % | 1 % | 3 % | - % | - % | 10 % |
| ROE-GW | 10 | - | - | 1 | 5 | 1 | - | 17 |
| ROA | 0.58 | NM | NM | NM | NM | NM | NM | 0.89 |
| Overhead Ratio | 79 | NM | NM | NM | NM | NM | NM | 61 |
| Effective Income Tax Rate | 29 | NM | NM | 38 | 38 | 38 | 100 | 35 |

(a) Represents the combined financial information of JPMorgan Chase and Bank One had the two companies actually been merged as of the earliest date indicated. For a further discussion on the pro forma combined financial information, see the Explanatory Note on page 2.
(b) The reclassification of trading-related net interest income from Net Interest Income to Trading Revenue primarily impacts the Investment Bank segment results.
(c) The impact of credit card securitizations affects Card Services. See page 19 for further information.
(d) Special items are excluded from Operating earnings, as management believes these items are not part of the Firm's normal daily business operations (and, therefore, are not indicative of trends), and do not provide meaningful comparisons with other periods. These items include Merger costs, litigation charges deemed nonoperating, charges to conform accounting policies and other items. Merger costs of $842 million reflects costs associated with the merger; nonoperating litigation charges of $3.7 billion were taken in the first nine months of 2004.
(e) For a description of the tax-equivalent adjustments, see the Operating Basis cover page.