

News release: IMMEDIATE RELEASE

**JPMORGAN CHASE REPORTS FULL-YEAR 2008 NET INCOME OF \$5.6 BILLION,
OR \$1.37 PER SHARE, ON REVENUE OF \$67.3 BILLION;
FOURTH-QUARTER 2008 NET INCOME OF \$702 MILLION, OR \$0.07 PER SHARE**

- **Reported the following significant items in the fourth-quarter:**
 - **\$4.1 billion (pretax) increase to loan loss reserves, resulting in coverage ratios of 4.24%¹ for consumer businesses and 2.64% for wholesale businesses**
 - **\$2.9 billion (pretax) net markdowns due to leveraged lending exposures and mortgage-related positions in the Investment Bank**
 - **\$1.1 billion (after tax) benefit from merger-related items**
 - **\$854 million (after tax) benefit from MSR risk management results**
 - **\$680 million (after tax) private equity write-downs**
 - **\$627 million (after tax) gain due to dissolution of Paymentech joint venture**
- **Maintained strong balance sheet, with Tier 1 capital of \$136.2 billion, or 10.8% (estimated), at year-end**
- **Grew the franchise in 2008, as demonstrated by the following accomplishments²:**
 - **More than one million new checking accounts opened in Retail Financial Services**
 - **Double-digit growth in loans and liability balances in Commercial Banking and in liability balances in Treasury & Securities Services**
 - **#1 rankings for Global Investment Banking Fees and Global Debt, Equity & Equity-related volumes for the fourth quarter and full-year 2008³**
- **Continued to focus on safe and sound lending activities, and launched significant enhancements to mortgage modification programs:**
 - **Extended more than \$100 billion in new credit during the fourth quarter alone to consumers, corporations, small businesses, municipalities, and non-profits (including more than five million card, home equity, mortgage, auto and education loans)**
 - **Announced plan to help 400,000 U.S. homeowners avoid foreclosure over the next two years through loan modifications**

New York, January 15, 2009 – JPMorgan Chase & Co. (NYSE: JPM) today reported fourth-quarter 2008 net income of \$702 million, compared with net income of \$3.0 billion in the fourth quarter of 2007. Earnings per share were \$0.07, compared with \$0.86 in the fourth quarter of 2007. For the full year 2008, net income was \$5.6 billion, or \$1.37 per share, down 64% from \$15.4 billion, or \$4.38 per share, in 2007.

¹ Excluding purchased credit impaired loans.

² Excluding impact of Washington Mutual.

³ Source: Dealogic for fees and Thomson Reuters for volumes.

