

## FIRM OVERVIEW

Mike Cavanagh, Chief Financial Officer

**February 25, 2010**

## JPM's fundamentals remain extremely strong

### Excellent Franchises

- Each standalone business has a top 1, 2 or 3 position
- Unparalleled client relationships in 100+ countries
- Culture of innovation; new products and programs launched during crisis (e.g., Sapphire, Ultimate Rewards, Deposit-Friendly ATMs, Secondary Private Equity Fund)
- Robust technology infrastructure to serve clients

### Significant Earnings Power

- Significant earnings power; never experienced quarterly loss through crisis
- Continued investment across LOBs driving organic growth
- Margin improvement across all businesses since 2004 JPM / BankOne merger to onset of financial crisis
- Consistent record of operating efficiency and delivering merger saves
- Businesses stronger together than apart; additional revenue streams generated

### Fortress Balance Sheet

- Tier 1 Capital of \$133B, resulting in 11.1% Tier 1 Capital ratio and 8.8% Tier 1 Common ratio<sup>1</sup>; never breached old management target of 8.0 - 8.5% Tier 1 Capital ratio during financial crisis
- High quality capital and very high level of reserves (\$32.5B)<sup>1</sup>
- Strong funding and liquidity profile: \$900B deposits, 1.5x loan coverage<sup>1</sup>
- Risk management culture embedded in Firm's DNA
- Benefits from diversification – funding, capital, lower volatility

### Strong Management Team

- Strong and stable management team
  - Significant combined years of experience at Firm
- Deep bench of talent; thoughtful succession planning

# Excellent franchises position JPM well for the future

## Investment Bank

- #1 ranking in Global IB Fees with 9.2% market share<sup>1</sup>
  - Leadership across all capital raising categories<sup>2</sup>
  - Ranked #1 for FY2009 in: Debt, Equity & Equity Related, Equity & Equity-related, Debt, Long-term Debt and Loan Syndications<sup>2</sup>
  - Strong international franchise with #1 fee rankings in EMEA and Latin America<sup>1</sup>
- Achieved leadership positions in markets businesses with estimated 12% share of industry<sup>3</sup>

## Retail Financial Services

- #3 in deposit market share<sup>4</sup>
- #3 in Branch network<sup>5</sup>
- #3 in Mortgage Servicing<sup>6</sup>
- #3 in Mortgage Originations<sup>6</sup>
- #3 in Home Equity Originations<sup>7</sup>
- 9.2% market share in Mortgage Originations<sup>6</sup>
- #1 in Auto Finance<sup>8</sup>

## Card Services

- 20% market share of General Purpose Credit Card outstandings<sup>9</sup>
- 17.3% market share of sales volume<sup>9</sup>
- #1 co-brand card issuer in the U.S.<sup>3</sup>
- #1 merchant acquirer in e-commerce payment processing<sup>3</sup>

## Commercial Banking

- Maintained middle market top 3 leadership position nationally in market penetration and lead share<sup>10</sup>
  - #1 in lead share and market penetration in 3 of the top 4 MSAs<sup>10</sup>
  - Top 2 leading provider of Treasury Services products and international services to middle market clients<sup>10</sup>
- Top 3 asset-based lending lead arranger in the U.S.<sup>2</sup>
- #1 multi-family lender in the U.S.<sup>11</sup>

## Treasury & Securities Services

### Treasury Services

- #1 in ACH originations<sup>12</sup>
- #1 in US Dollar Clearing with > 20% in market share<sup>12</sup>
- #1 in Purchasing Cards<sup>13</sup>
- #1 in Liquidity<sup>12</sup>

### Worldwide Securities Services

- #2 in global assets under custody<sup>5</sup>
- #2 Global Fund Services for registered investment pools<sup>5</sup>
- #1 Depository Receipts (by market capitalization)<sup>3</sup>

## Asset Management

- #1 global money market fund manager<sup>14</sup>
- #2 US-based global hedge fund manager<sup>15</sup>
- #1 global provider for UHNW clients<sup>16</sup>
- #4 US mutual fund family<sup>17</sup>
- Gold Standard Award for Funds Management (UK); only firm ever to win seven Gold Standard awards<sup>18</sup>
- Asset Management Company of the Year for Asia, Hong Kong<sup>19</sup>
- Best overall performing foreign asset manager operating in China<sup>20</sup>
- #1 Private Bank in Asia<sup>21</sup>

Note: Please see footnotes on slide 25

## Significant earnings power helps to counter the impact of the economic environment

Pretax pre-provision profit (\$ in billions)			
	2004	2009	2004-2009 CAGR
Investment Bank <sup>1</sup>	\$4.8	\$12.7	22%
Retail Financial Services	6.0	15.9	22%
Card Services	9.6	14.9	9%
Commercial Banking	1.5	3.5	19%
Treasury & Securities Services	0.5	2.1	30%
Asset Management	1.4	2.5	13%
Corporate <sup>1</sup>	(2.0)	4.7	NM
<b>Total Pretax Pre-Provision</b>	<b>\$21.8</b>	<b>\$56.3</b>	<b>21%</b>
Adjustments for WaMu/BSC & Normalizing 2009 (IB/CIO)	-	15.0 +/-	-
<b>Adjusted Pretax Pre-Provision</b>	<b>\$21.8</b>	<b>\$41.3</b>	<b>14%</b>

<sup>1</sup> IB revenue includes annual payment from TSS, which is offset in Corporate

Note: 2004 data is presented on an unaudited pro forma combined basis that represents how the financial information of JPMorgan Chase & Co. and Bank One Corporation may have appeared had the two companies been merged for the full year. Pretax preprovision profit excludes the impact of merger costs and litigation reserve charge

# Earnings improvement achieved through continual investment in growth opportunities

*Good underlying momentum in core business drivers propelling growth across businesses*

Growth drivers (\$ in billions)					
		2004	2009	2008-2009 % O/(U)	2004-2009 CAGR
<b>Investment Bank</b>	IB Fees (\$mm)	\$3,671	\$7,169	21%	14%
	Advisory (\$mm)	939	1,867	(7)%	15%
	Equity and Debt Underwriting (\$mm)	2,732	5,302	36%	14%
	Non-US IB Fees(\$mm)	1,073	2,471	31%	18%
	Equity Markets (\$mm)	1,704	4,393	22%	21%
	International Revenue (\$mm) <sup>1</sup>	5,985	12,953	33%	17%
<b>Retail Financial Services</b>	Retail Banking Average Deposits	\$171.8	\$340.8	39%	15%
	# of ATMs	6,650	15,406	6%	18%
	# of Branches	2,508	5,154	(6)%	15%
	# of Branch Bankers & Sales Specialists	8,388	23,903	11%	23%
	Credit Cards Originated in Branches	408,794	1,752,895	3%	34%
<b>Card Services</b>	Average Outstandings	\$128.8	\$172.4	6%	6%
	Charge Volume	\$282.7	\$328.3	(11)%	3%
	# of Net new accts opened (000's)	9,697	10,226	(31)% <sup>2</sup>	1%

Note: 2004 data is presented on an unaudited pro forma combined basis that represents how the financial information of JPMorgan Chase & Co. and Bank One Corporation may have appeared had the two companies been merged for the full year

<sup>1</sup> Represents EMEA and Asia region revenue

<sup>2</sup> Excludes approximately 13 million credit card accounts acquired in the WaMu transaction

# Earnings improvement achieved through continual investment in growth opportunities

*Good underlying momentum in core business drivers propelling growth across businesses*

Growth drivers (\$ in billions)					
		2004	2009	2008-2009 % O/(U)	2004-2009 CAGR
<b>Commercial Banking</b>	IB Revenue, Gross <sup>1</sup> (\$mm)	NA	\$1,163	20%	20%
	Average Liability Balances <sup>2</sup>	62.6	113.2	10%	13%
	Average Loans	46.3	106.7	30%	18%
<b>Treasury &amp; Securities Services</b>	Average Liability Balances <sup>2</sup>	\$137.1	\$248.1	(11)%	13%
	Average USD Liability Balances <sup>2</sup>	89.2	117.5	(22)%	6%
	Average Foreign Liability Balances <sup>2</sup>	47.9	130.6	1%	22%
	Global Assets under Custody (\$T)	9.3	14.9	13%	10%
<b>Asset Management</b>	Assets under Management	\$791	\$1,249	10%	10%
	U.S. / Canada	554	837	5%	9%
	International	237	412	23%	12%
	Average Loans <sup>3</sup>	25.1	35.0	(8)%	7%
	Average Deposits	38.6	77.0	10%	15%

Note: 2004 data is presented on an unaudited pro forma combined basis that represents how the financial information of JPMorgan Chase & Co. and Bank One Corporation may have appeared had the two companies been merged for the full year

<sup>1</sup> Represents total revenue related to investment banking products sold to Commercial Banking clients. CAGR is calculated for the period 2005-2009

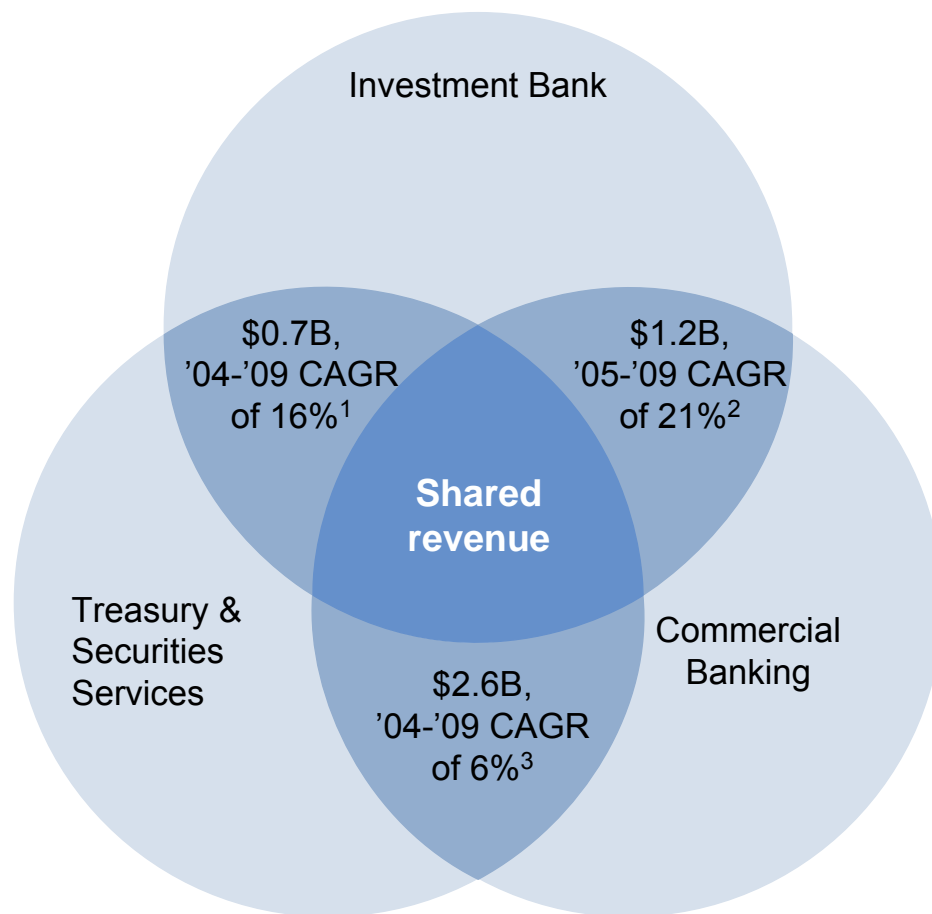
<sup>2</sup> Includes deposits and deposits swept to on-balance sheet liabilities

<sup>3</sup> Reflects the transfer in 2007 of held-for-investment prime mortgage loans from AM to Corporate within the Corporate/Private Equity segment

# Our businesses operate more strongly together than apart

## Wholesale business synergies

### Significant collaboration between IB/CB/TSS (FY 2009)



- Significant growth of collaboration between businesses
  - Surpassed \$1B revenue target for IB revenue generated by CB clients in FY2009
  - IB client referrals to Private Bank/Private Wealth Management represented estimated total client net worth of \$22B
  - IB and CB referrals resulted in \$6.7B or 29% of 2009 Institutional Management/Retirement Planning Service new AUS mandates

Great opportunities remain for further collaboration between businesses

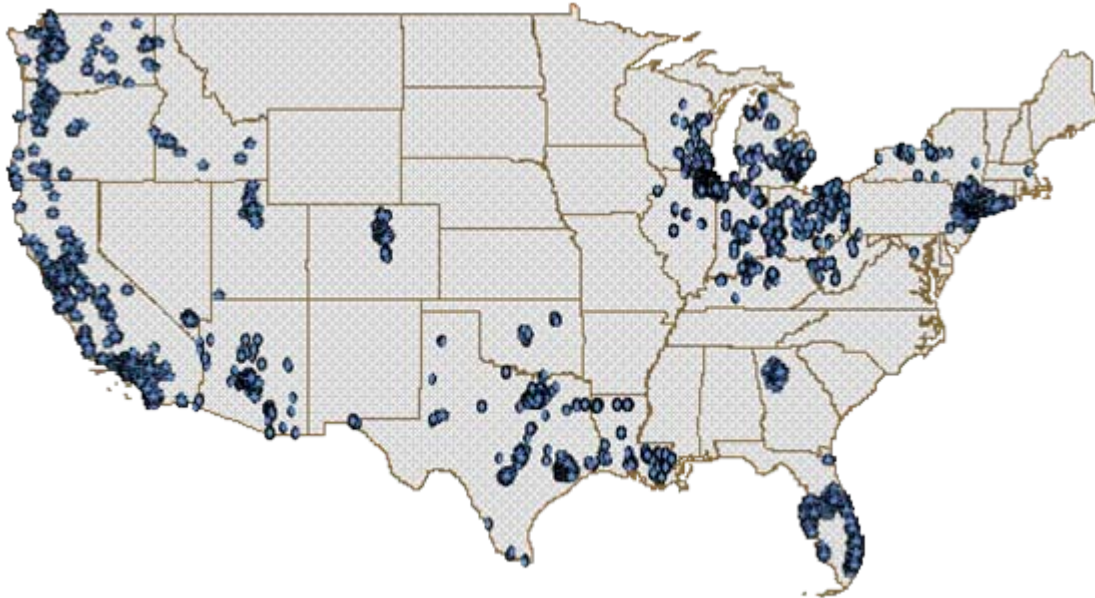
<sup>1</sup> Represents revenue from FX products being sold to TSS clients

<sup>2</sup> Represents gross IB revenue to CB clients; includes advisory, ECM and DCM products fees

<sup>3</sup> Represents revenue from TS products being sold to CB clients

Our businesses operate more strongly together than apart  
*Benefits of retail branch network to the rest of the Firm*

**Current branch footprint**



**Retail Financial Services (FY2009)**

- Business Banking loan originations of \$2.3B
- Home lending products sold in branches of \$23.1B

**Card Services (FY2009)**

- ~1.8mm credit cards originated in the branches
- ~8.9mm retail households have a credit card

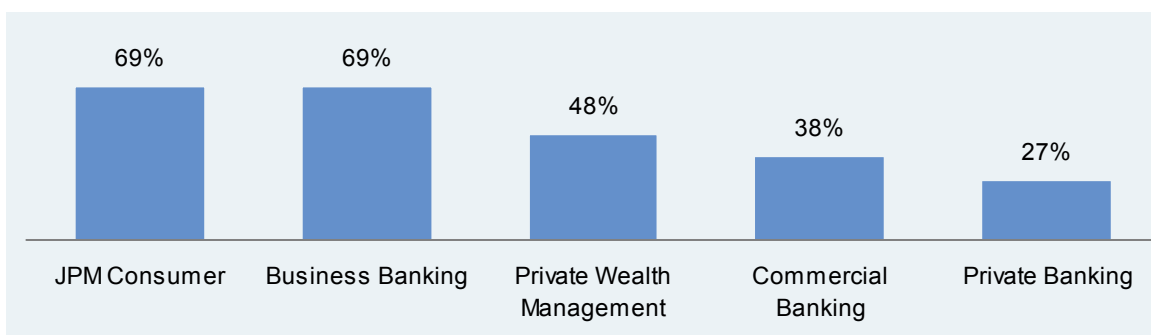
**Commercial Banking (FY2009)**

- CB clients completed 25 million retail channel transactions

**Asset Management (FY2009)**

- Investment sales in branches of \$21.8B

**Customers who used a branch teller in 4Q09**



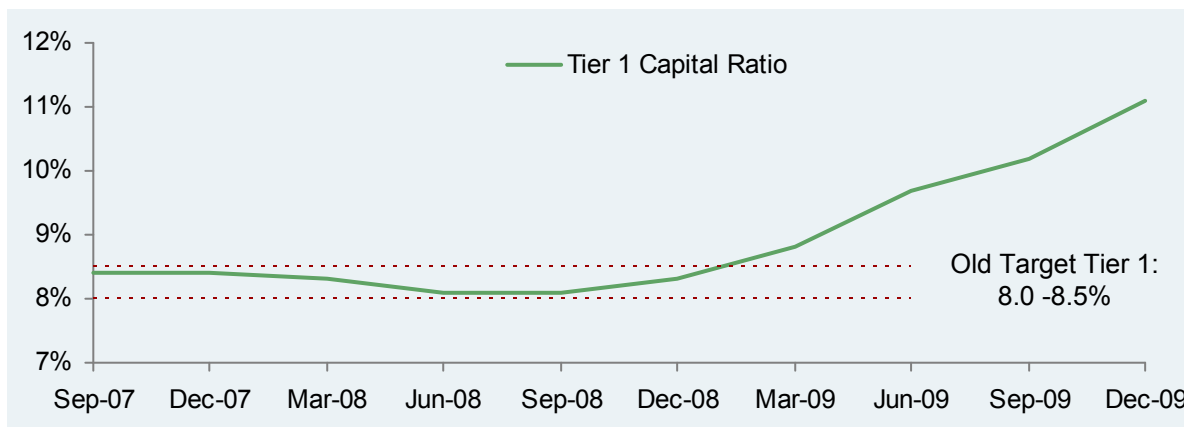
**WaMu acquisition drives significant future growth across the Firm — RFS, Card, CB and AM**

## JPM has maintained a fortress balance sheet throughout the crisis

### Capital position summary<sup>1</sup> – Basel I (\$ in billions)

	12/31/07	12/31/08	12/31/09
Tier 1 Common	\$73.7	\$86.9	\$105.3
Risk Weighted Assets	\$1,052	\$1,245	\$1,198
Tier 1 Capital Ratio	8.4%	10.9%	11.1%
Tier 1 Common Ratio	7.0%	7.0%	8.8%
Tier 1 Leverage Ratio	6.0%	6.9%	6.9%

### Capital position excluding government assistance (TARP and Bear Stearns Relief)



**Never breached old management targets of 8.0% to 8.5% Tier 1 even without TARP and Bear Stearns RWA relief**

## Fortress balance sheet extends to balance sheet funding

### Strong Funding and Liquidity Profile

- Very high capital levels
- \$900B+ of customer deposits covers loans 1.5x
- IB markets businesses funded with long-term debt to meet cash needs
- Liquid investment portfolio and large available collateral pools provide significant contingency funding sources
- Limited reliance on short-term, unsecured funding

### Robust Central Treasury Practices

- All wholesale funding financing executed centrally to manage maturity profile, etc.
- Funds transfer pricing process is controlled centrally to ensure proper and consistent arms-length crediting/charging for liquidity across all LOBs

JPM is positioned well for any environment, but execution against key challenges will be critical

Select challenges we face:

- Continued high levels of credit costs in 2010 (at least)
- Economic conditions including high levels of uncertainty
- Legislative and regulatory changes for financial services
- Heightened competition from domestic and foreign banks and non-banks
- Delivering against and beyond growth plans

## Refinement of standalone business capital requirements validates strong firmwide capital position

New vs. current LOB equity (\$ in billions)			
	Current <sup>1</sup>	New	O/(U)
Investment Bank	\$33.0	\$40.0	\$7.0
Retail Financial Svcs.	25.0	28.0	3.0
Card Services	15.0	15.0	-
Commercial Banking	8.0	8.0	-
Treasury & Sec. Svcs.	5.0	6.5	1.5
Asset Management	7.0	6.5	(0.5)
Corporate / Other	NA	49.0	-
<b>Total LOB Common Equity</b>	<b>NA</b>	<b>\$153.0</b>	<b>-</b>
Excess Common Equity <sup>2</sup>	NA	4.2	-
<b>Total Firm Common Equity</b>	<b>\$157.2</b>	<b>\$157.2</b>	<b>-</b>

- Standalone capital levels, unique to each LOB, refined to incorporate Tier 1 Common expectations
- Standalone capital levels based on consideration of a number of different factors including:
  - Comparison to peer capital levels by business
  - Level of loan loss reserves
  - LOB earnings power and ability to generate capital over time
  - Economic risk capital

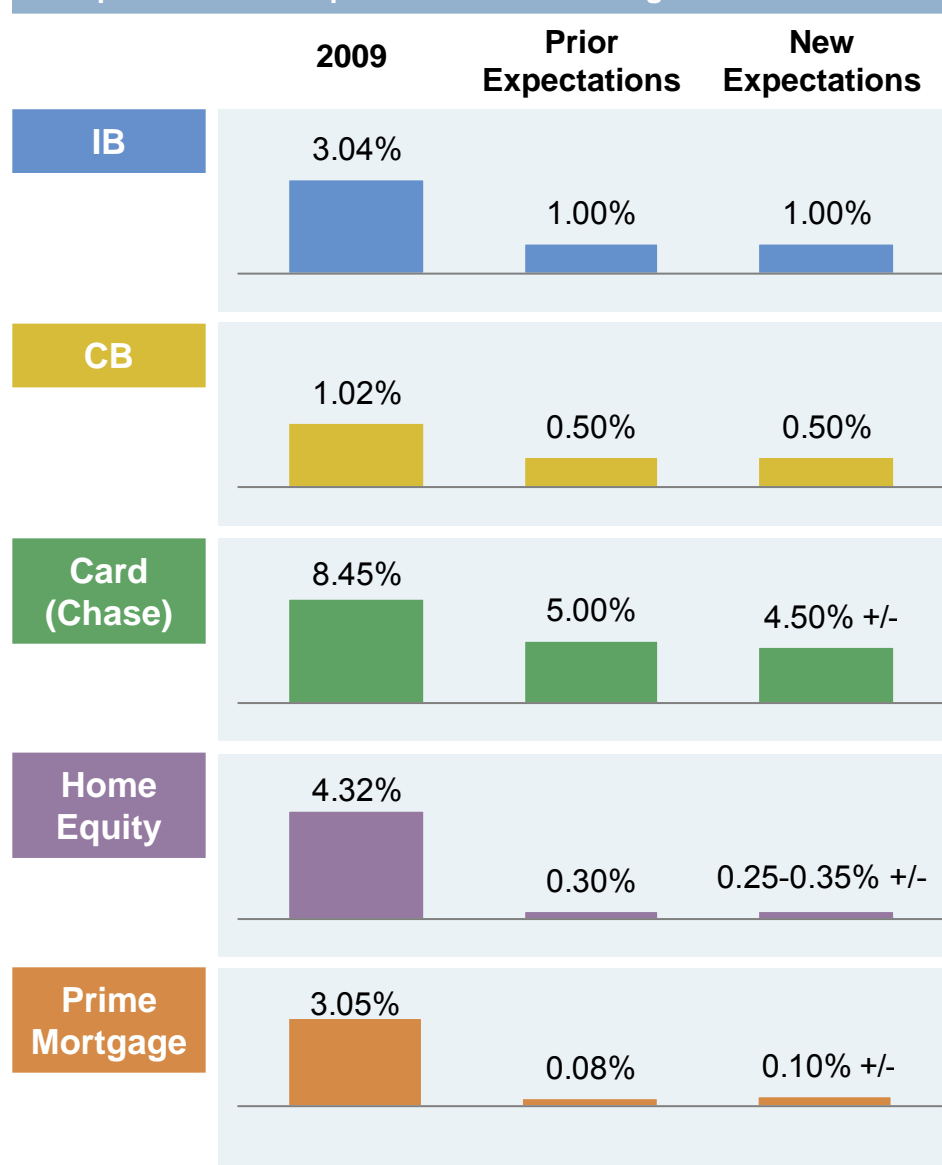
**Strong capital position today will be further strengthened by significant earnings and need for lower reserve levels over time**

<sup>1</sup> Pro forma Year-end 2009 updated for elements of the new methodology

<sup>2</sup> Calculated based on Tier 1 Common

# Credit performance improvement is a key driver to improved earnings outlook

2009 prior and new expectations for net charge-off rates



Reserves—pro forma 4Q09 for credit card trust consolidation

(\$ in billions)	Pro forma 12/31/09	
	Allowance for Loan Losses <sup>1</sup>	Loan Loss Coverage Ratio <sup>1</sup>
Wholesale	\$7.1	3.6%
Consumer	31.5	6.6%
<b>Firmwide</b>	<b>\$38.6</b>	<b>5.5%</b>
<i>Memo: Credit card consolidation<sup>2</sup> (included in Consumer)</i>	\$7.0	

Reserve levels will adjust as underlying credit improves and certain portfolios run off

<sup>1</sup> See note C on slide 25

<sup>2</sup> Represents the establishment of an allowance for loan losses for the receivables of credit card securitization trusts being consolidated due to the implementation of FAS 166/167

## Tremendous growth opportunities position us well for the future

### Capitalizing on our retail platform

- Open 120+ new branches and hire an additional 2,100 personal bankers and 450 investment sales reps in 2010
- Expand Small Business; hire 300+ additional small business bankers, adding to the existing 1,900 small business bankers
- Maximize value of existing Chase and former WaMu branches
  - Increase penetration of products through cross-sell
- Leverage heritage WaMu footprint for expanded Small Business, Middle Market and Private Banking

### Repositioning our Card business

- New Card products to better serve our growing share of the affluent segment and further increase share of spend market
- Use Ultimate Rewards and Blueprint to improve engagement with Chase products

### Accelerating international wholesale businesses

- Expand reach of Global Corporate Bank
  - Broaden network coverage and TS product capabilities across regions
  - Focused on 3,000 shared IB/TS Multinational and International Large Corporate Clients
- Continued expansion of IB Emerging Markets franchise (e.g., BRIC)
- IM growth in Emerging Markets (e.g., China, India, Korea, Brazil); further capitalize on cross-border investment flows
- Commodities expansion (including acquired RBS Sempra assets)
- International Equities and Prime Services expansion (e.g., Prime Brokerage EMEA development, Asia build-out)
- Mid-Corporate and Middle Market international revenue expansion

## Performance targets reflect LOB equity, normalized credit and growth

Performance targets (through the cycle)				
Line of Business	Target Metric	Performance Targets		ROE at Targets <sup>1</sup>
		Old Targets	New Targets	
Investment Bank	ROE	20%	17%+/-	17%+/-
Retail Financial Services	ROE	28-30%	30% +/-	30% +/-
Card Services	ROE	23-25%	20% +/-	20% +/-
Commercial Banking	Overhead	45%	< 40%	
	ROE	-	20%+/-	20%+/-
Treasury & Securities Services	Pretax margin	35%	35% +/-	30% +/- <sup>1</sup>
Asset Management	Pretax margin	35%	35% +/-	35% +/- <sup>1</sup>

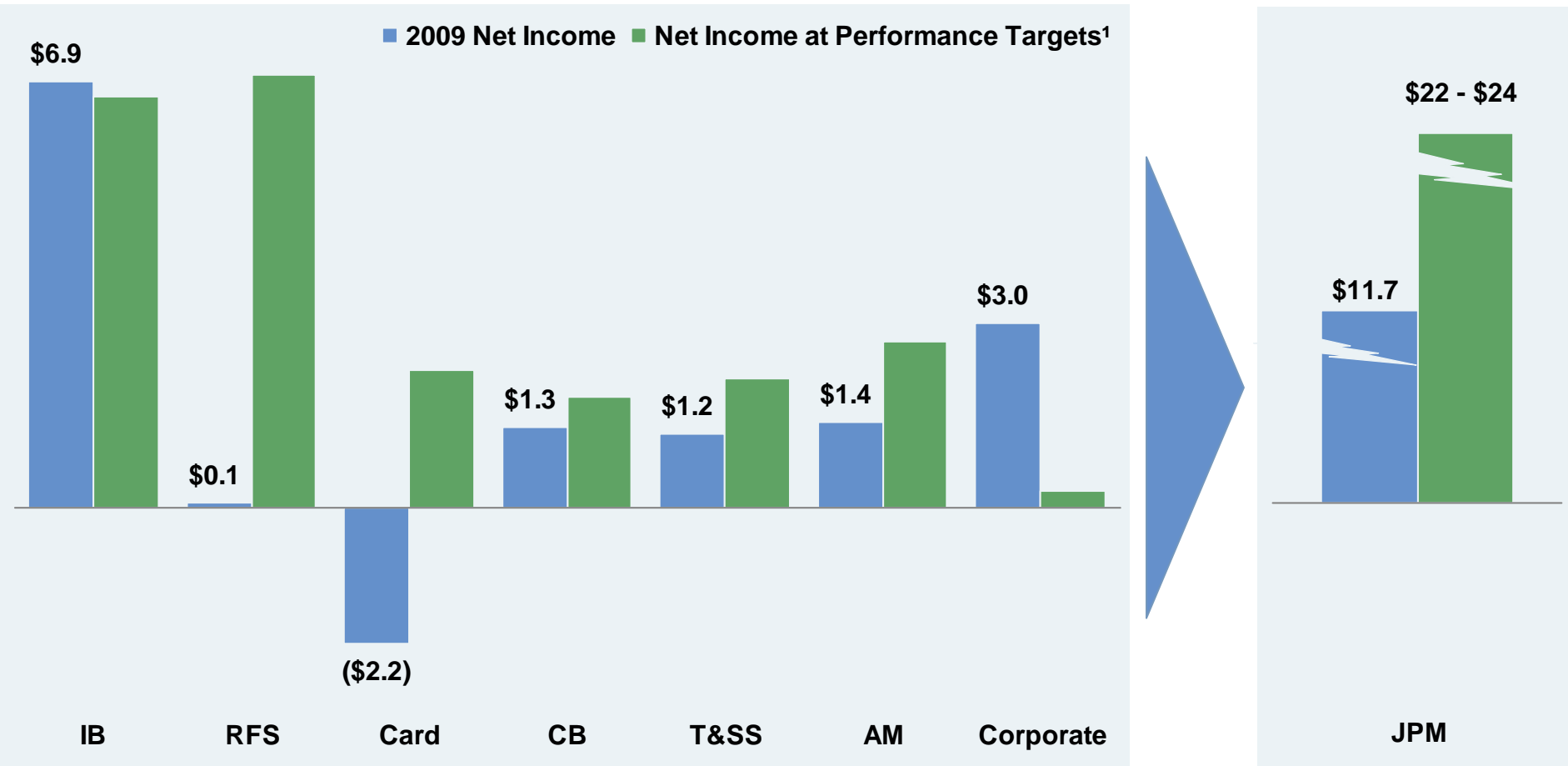
**We expect to deliver strong returns across all businesses**

<sup>1</sup> ROE at Performance Target calculated using target metric and Steady State assumptions. Steady State reflects fully normalized credit and the completion of the run-off in the loan portfolios

# Significant earnings upside if the Firm reaches performance targets

*Steady State reflects normalized credit and stable loan portfolios*

Net income by LOB (\$ in billions)



- Earnings growth will result in significant capital generation
- Excess capital provides flexibility for dividend increases, share buybacks, new investments & acquisitions

<sup>1</sup> Net income projections based on performance target and steady state assumptions; additional assumptions were made for TSS and AM ROE targets including Steady State revenue and tax rate

# Agenda

Page

Appendix	16
----------	----

## Investment Bank

\$ in millions			
	2007	2008	2009
Revenue	\$18,291	\$12,335	\$28,109
IB Fees	6,616	5,907	7,169
Fixed Income Markets	6,339	1,957	17,564
Equity Markets	3,903	3,611	4,393
Credit Portfolio	1,433	860	(1,017)
Expense	13,074	13,844	15,401
Credit Costs	654	2,015	2,279
Net Income	\$3,139	(\$1,175)	\$6,899
<b>Key Statistics (\$B)</b>			
Overhead Ratio	71%	112%	55%
Comp/Revenue	44%	62%	33%
EOP Loans	\$89.8	\$85.0	\$49.1
Allow. for Loan Losses	\$1.3	\$3.4	\$3.8
Net Charge-off Rate <sup>1</sup>	0.06%	0.14%	3.04%
ALL / EOP Loans <sup>1</sup>	1.97%	4.83%	8.25%
ROE <sup>2</sup>	15%	(5%)	21%
VAR (\$mm) <sup>3</sup>	\$106	\$202	\$248
EOP Equity	\$21.0	\$33.0	\$33.0

<sup>1</sup> Loans held-for-sale and loans at fair value were excluded when calculating the loan loss coverage ratio and net charge-off rate

<sup>2</sup> Calculated based on average equity

<sup>3</sup> Average Trading and Credit Portfolio VAR at 99% confidence interval

<sup>4</sup> Source: Dealogic

<sup>5</sup> Source: Thomson Reuters, FY2009

<sup>6</sup> Source: Based on internal JPM estimates

### Leadership positions

- #1 ranking in Global IB Fees with 9.2% market share<sup>4</sup>
  - Leadership across all capital raising categories<sup>5</sup>
  - Ranked #1 for FY2009 in: Debt, Equity & Equity Related, Equity & Equity-related, Debt, Long-term Debt and Loan Syndications<sup>5</sup>
  - Strong international franchise with #1 fee rankings in EMEA and Latin America<sup>4</sup>
- Achieved leadership positions in markets businesses with estimated 12% share of industry<sup>6</sup>

### Growth initiatives

- Build-out Commodities platform
- Continue international growth through base business and Global Corporate Bank, particularly in Emerging Markets
- \$1B investment in technology to build next generation platforms

### Outlook

- Expect Fixed Income and Equity Markets revenue to normalize over time as conditions stabilize

## Retail Financial Services – Drivers

### Retail Banking (\$ in billions)

	2007	2008	2009
<u>Key Statistics</u>			
Average Deposits	\$206.7	\$244.6	\$340.8
Deposit Margin	2.72%	2.89%	2.96%
Checking Accounts (mm)	10.8	24.5	25.7
# of Branches	3,152	5,474	5,154
# of ATMs	9,186	14,568	15,406
Investment Sales (\$mm)	\$18,360	\$17,640	\$21,784

- Average deposits of \$340.8B up 39% YoY
  - YoY increase largely due to the impact of the WaMu transaction
  - Deposit margin expansion reflects disciplined pricing strategy and a portfolio shift to wider spread deposit products
- Branch production statistics:
  - Checking accounts up 5% YoY
  - Credit card sales up 3% YoY
  - Mortgage originations up 84% YoY
  - Investment sales up 23% YoY

### Consumer Lending (\$ in billions)

	2007	2008	2009
<u>Credit Metrics</u>			
NCO Rate (excl. credit-impaired)	0.67%	2.08%	3.68%
ALL/Loans (excl. credit-impaired)	1.24%	3.16%	5.04%
<u>Key Statistics</u>			
Home Equity Originations	\$48.3	\$16.3	\$2.4
Avg Home Equity Loans Owned <sup>1</sup>	\$90.4	\$107.0	\$135.9
Mortgage Loan Originations	\$159.4	\$169.0	\$150.7
Avg Mortgage Loans Owned <sup>1,2</sup>	\$36.2	\$77.4	\$142.2
3rd Party Mtg Loans Svc'd (EOP)	\$615	\$1,173	\$1,082
Auto Originations	\$21.3	\$19.4	\$23.7
Avg Auto Loans	\$41.1	\$43.8	\$43.6

- Total Consumer Lending originations of \$181.0B:
  - Mortgage loan originations down 11% YoY
  - Auto originations up 22% YoY:
    - YoY increase driven by market share gains in Prime segments and new manufacturing relationships
- 3rd party mortgage loans serviced down 8% YoY

<sup>1</sup> Includes purchased credit-impaired loans acquired as part of the WaMu transaction

<sup>2</sup> Does not include held-for-sale loans

## Retail Financial Services

\$ in millions			
	2007	2008	2009
<b>Retail Financial Services</b>			
Net Income	\$2,925	\$880	\$97
ROE <sup>1</sup>	18%	5%	0%
EOP Equity (\$B)	\$16.0	\$25.0	\$25.0
<b>Retail Banking</b>			
Net Interest Income	6,193	7,659	10,781
Noninterest Revenue	3,763	4,951	7,169
Revenue	\$9,956	\$12,610	\$17,950
Expense	6,166	7,232	10,357
Credit Costs	79	449	1,142
Net Income	\$2,245	\$2,982	\$3,903
<b>Consumer Lending</b>			
Net Interest Income	4,333	6,506	9,711
Noninterest Revenue	3,016	4,404	5,031
Revenue	\$7,349	\$10,910	\$14,742
Expense	3,739	4,845	6,391
Credit Costs	2,531	9,456	14,798
Net Income	\$680	(\$2,102)	(\$3,806)

<sup>1</sup> Calculated based on average equity

<sup>2</sup> Source: SNL Corporation; market share data as of June 2009, updated for subsequent acquisitions for all banks through Sept 2009; includes deposits in domestic offices (50 states and D.C.), Puerto Rico and U.S. Territories only and non-retail branches are not included

<sup>3</sup> Source: 4Q09 Company reports

<sup>4</sup> Source: Inside Mortgage Finance, 4Q09

<sup>5</sup> Source: National Mortgage News, 3Q09

<sup>6</sup> Source: Autocount (including captives), YTD December 2009

### Leadership positions

- #3 in deposit market share<sup>2</sup>
- #3 in Mortgage Originations<sup>4</sup>
- #3 in Branch network<sup>3</sup>
- #3 in Home Equity Originations<sup>5</sup>
- #3 in Mortgage Servicing<sup>4</sup>
- 9.2% market share in Mortgage Originations<sup>4</sup>

### Growth initiatives

- #1 in Auto Finance<sup>6</sup>
- Build-out WaMu footprint
  - Create a consistent customer experience
  - Build and train sales force
  - Expand product breadth and service capabilities (i.e., investments sales, small business lending)
- Ramping up new build capacity; 120+ new builds in 2010
- Continue to focus on attractive segments (e.g., increase share of affluent investments, small business lending)
- Drive customer engagement through products and service innovation (e.g., mobile banking, credit and debit rewards)

### Outlook

- NSF/OD policy changes estimated to reduce annualized net income by \$500mm +/-
- Home Lending portfolio expected to decline by 10-15%, reducing net interest income by \$1B +/-
- Credit environment remains uncertain
  - Signs of stability ≠ improvement
  - Over next several quarters, quarterly losses could reach:
    - \$1.4B for Home Equity
    - \$600mm for Prime Mortgage
    - \$500mm for Subprime Mortgage
- Continued elevation in credit-related expense
- Expense remains modestly above 2009 levels, reflecting investments in branch new builds and sales force hires

## Card Services

\$ in millions			
	2007	2008	2009
Revenue	\$15,235	\$16,474	\$20,304
Expense	4,914	5,140	5,381
Credit Costs	5,711	10,059	18,462
Net Income	\$2,919	\$780	(\$2,225)
<u>Key Statistics Incl WaMu (\$B)</u>			
ROO (Pretax)	3.09%	0.78%	(2.05)%
ROE <sup>1</sup>	21%	5%	(15)%
EOP Equity	\$14.1	\$15.0	\$15.0
<u>Key Statistics Excl WaMu (\$B)</u>			
Avg Outstandings	\$149.3	\$155.9	\$148.8
EOP Outstandings	\$157.1	\$162.1	\$143.8
Charge Volume	\$354.6	\$361.1	\$312.2
Net Accts Opened (mm)	16.4	14.4	10.2
Managed Margin	8.16%	8.16%	8.97%
Net Charge-Off Rate	3.68%	4.92%	8.45%
30+ Day Delinquency Rate	3.48%	4.36%	5.52%

<sup>1</sup> Calculated based on average equity

<sup>2</sup> Excludes WaMu

<sup>3</sup> Source: Based on internal JPM estimates

### Leadership positions

- 20% market share of General Purpose Credit Card outstandings<sup>2</sup>
- 17.3% market share of sales volume<sup>2</sup>
- #1 co-brand card issuer in the U.S.<sup>3</sup>
- #1 merchant acquirer in e-commerce payment processing<sup>3</sup>

### Growth initiatives

- Continue to focus on increasing customer engagement
  - Capture benefits from recent product launches
  - Increase penetration of Retail channel including newly converted WaMu branches
- Establish Ultimate Rewards as a core relationship tool
- Leverage co-brand partnerships to enhance the brand and drive engagement of affluent customers

### Outlook

- Chase losses could approach 11% in 1Q10, including the adverse timing effect of payment holiday of approx. 60bps, with improving trend in 2Q10; 2H10 dependent on environment
- WaMu losses could approach 24% +/- over the next several quarters
- Anticipate net income reduction from legislative changes of \$500-\$750mm
- Estimated full year average outstandings expected to decline 10-15% in 2010 due to run-off of WaMu portfolio and lower yielding promotional balances
- Expect \$1B +/- net loss in 1Q10 with improving trend in 2Q10, before potential reserve actions; 2H10 dependent on the environment and reserve actions
- Continue to invest in the business

## Commercial Banking

\$ in millions			
	2007	2008	2009
Revenue	\$4,103	\$4,777	\$5,720
Middle Market	2,689	2,939	3,055
Comm. Term Lending	-	243	875
Mid-Corp. Banking	815	921	1,102
Real Estate	421	413	461
Other	178	261	227
Expense	1,958	1,946	2,176
Credit Costs	279	464	1,454
Net Income	\$1,134	\$1,439	\$1,271
<b>Key Statistics (\$B)</b>			
Avg Loans	\$61.1	\$82.3	\$106.7
EOP Loans	\$66.2	\$115.4	\$97.4
Avg Liability Balances <sup>1</sup>	\$87.7	\$103.1	\$113.2
Allow. for Loan Losses	\$1.7	\$2.8	\$3.0
NPLs	\$0.1	\$1.0	\$2.8
Net Charge-Off Rate <sup>2</sup>	0.07%	0.35%	1.02%
ALL/Loans <sup>2</sup>	2.81%	2.45%	3.12%
ROE <sup>3</sup>	17.0%	20%	16%
Overhead Ratio	48%	41%	38%
EOP Equity	\$6.7	\$8.0	\$8.0

<sup>1</sup> Includes deposits and deposits swept to on-balance sheet liabilities

<sup>2</sup> Loans held-for-sale and loans at fair value were excluded when calculating the loan loss coverage ratio and net charge-off rate

<sup>3</sup> Calculated based on average equity

<sup>4</sup> Source: Greenwich Market Study, FY2009

<sup>5</sup> Source: Thomson Reuters, FY2009

<sup>6</sup> Source: FDIC as of September 30, 2009

### Leadership positions

- Maintained middle market top 3 leadership position nationally in market penetration and lead share<sup>4</sup>
  - #1 in lead share and market penetration in 3 of the top 4 MSAs<sup>4</sup>
  - Top 2 leading provider of Treasury Services products and international services to middle market clients<sup>4</sup>
- Top 3 asset-based lending lead arranger in the U.S.<sup>5</sup>
- #1 multi-family lender in the U.S.<sup>6</sup>

### Growth initiatives

- Build out Middle Market business in the expanded WaMu branch network and grow sales force
  - Targeting growth in distinct geographies within California, Florida, Georgia, Oregon and Washington
- Continue to grow Mid-Corporate segment: focus on prospect conversions, expand international revenue and capitalize on opportunities to cross-sell IB products
- Invest in commercial real estate recovery: prepare business to capitalize on opportunities

### Outlook

- Strong reserves, but credit expected to remain at elevated levels

## Treasury & Securities Services

\$ in millions			
	2007	2008	2009
Revenue	\$6,945	\$8,134	\$7,344
Treasury Services	3,190	3,779	3,702
Worldwide Securities Svcs.	3,755	4,355	3,642
Expense	4,580	5,223	5,278
Credit Costs	19	82	55
Net Income	\$1,397	\$1,767	\$1,226

### Key Statistics

Avg Liability Balances (\$B) <sup>1</sup>	\$228.9	\$279.8	\$248.1
Assets Under Custody (\$T)	\$15.9	\$13.2	\$14.9
Pretax Margin	32%	33%	26%
ROE <sup>2</sup>	47%	47%	25%
TSS Firmwide Revenue	\$9,565	\$11,081	\$10,231
TS Firmwide Revenue	\$5,810	\$6,726	\$6,589
TSS Firmwide Avg Liab Bal (\$B) <sup>1</sup>	\$316.7	\$382.9	\$361.2
EOP Equity (\$B)	\$3.0	\$4.5	\$5.0

<sup>1</sup> Includes deposits and deposits swept to on-balance sheet liabilities

<sup>2</sup> Calculated based on average equity

<sup>3</sup> Source: Ernst & Young & Federal Reserve (Based on # of sweep accounts and average daily balances)

<sup>4</sup> Source: Nilson

<sup>5</sup> Source: 4Q09 company reports

<sup>6</sup> Source: Based on internal JPM estimates

### Leadership positions

#### Treasury Services

- #1 in ACH originations<sup>3</sup>
- #1 in US Dollar Clearing with > 20% in market share<sup>3</sup>
- #1 in Purchasing Cards<sup>4</sup>
- #1 in Liquidity<sup>3</sup>

#### Worldwide Securities Services

- #2 in global assets under custody<sup>5</sup>
- #2 Global Fund Services for registered investment pools<sup>5</sup>
- #1 Depository Receipts (by market capitalization)<sup>6</sup>

### Growth initiatives

- Continue to expand global footprint through Global Corporate Bank
  - Expand branch footprint and local cash capabilities (BRIC+) to support our largest global clients
- Strengthen and expand product capabilities, particularly in:
  - Integrated, global liquidity solutions
  - Global Commercial Card solutions
  - International Funds Services
- Invest in platforms to improve efficiency and provide market leading integrated client solutions
- Differentiate client service and increase penetration of priority segments

### Outlook

- Performance will be affected by market levels and liability balance flows

# Asset Management

\$ in millions			
	2007	2008	2009
Revenue	\$8,635	\$7,584	\$7,965
Private Bank	2,362	2,565	2,585
Institutional	2,525	1,775	2,065
Retail	2,408	1,620	1,580
Private Wealth Management	1,340	1,387	1,316
J.P. Morgan Securities	-	237	419
Expense	5,515	5,298	5,473
Credit Costs	(18)	85	188
Net Income	\$1,966	\$1,357	\$1,430

## Key Statistics (\$B)

Assets Under Management	\$1,193	\$1,133	\$1,249
Assets Under Supervision	\$1,572	\$1,496	\$1,701
Average Loans	\$29.5	\$38.1	\$35.0
EOP Loans	\$36.1	\$36.2	\$37.8
Average Deposits	\$58.9	\$70.2	\$77.0
Pretax Margin	36%	29%	29%
ROE <sup>1</sup>	51%	24%	20%
EOP Equity	\$4.0	\$7.0	\$7.0

<sup>1</sup> Calculated based on average equity

<sup>2</sup> Source: iMoneynet, December 31, 2009

<sup>3</sup> Source: Absolute Return

<sup>4</sup> Source: Euromoney magazine

<sup>5</sup> Source: Barron's

<sup>6</sup> Source: Incisive media (UK)

<sup>7</sup> Source: The Asset Magazine, September 2009

<sup>8</sup> Source: PriceWaterhouseCoopers survey

<sup>9</sup> Source: Risk magazine

## Leadership positions

- Largest global money market fund manager<sup>2</sup>
- #2 US-based global hedge fund manager<sup>3</sup>
- #1 global provider for ultra-high-net-worth clients<sup>4</sup>
- #4 US mutual fund family<sup>5</sup>
- Gold Standard Award for Funds Management (UK); only firm ever to win seven Gold Standard awards<sup>6</sup>
- Asset Management Company of the Year for Asia, Hong Kong<sup>7</sup>
- Best overall performing foreign asset manager operating in China<sup>8</sup>
- #1 Private Bank in Asia<sup>9</sup>

## Growth initiatives

- Increasing the number of Private Banking client advisors and leverage WaMu footprint to increase Private Banking business in the U.S. and internationally
- Continue Investment Management growth, including onshore investing capabilities in Emerging Markets
- U.S. Retail fund distribution expansion
- Improve investment performance — Intense focus on generating strong risk-adjusted returns
- Enhance alternatives product capabilities across all asset classes and geographies

## Outlook

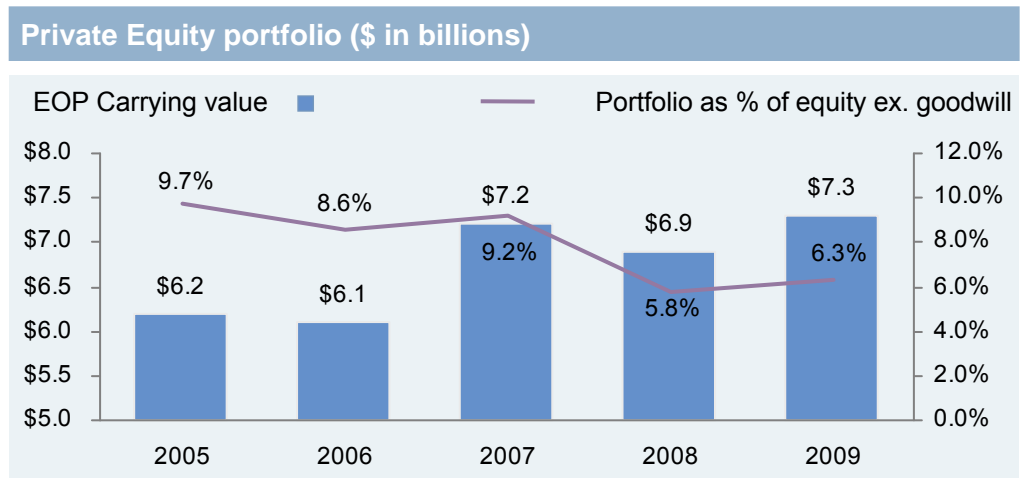
- Management and performance fees will be affected by market levels

## Corporate/Private Equity

Net Income (\$ in millions)			
	2007	2008	2009
Private Equity	2,165	(690)	(78)
Corporate	(150)	1,458	3,743
Merger Related	(130)	(211)	(635)
<b>Net Income</b>	<b>\$1,885</b>	<b>\$557</b>	<b>\$3,030</b>

### Outlook

- Private Equity
  - Results will be volatile
- Corporate
  - Net interest income and securities gains will generally trend with the size of the investment portfolio
  - Quarterly net income expected to decline to approximately \$300mm, subject to the size and duration of the investment securities portfolio



## Footnotes and notes on non-GAAP financial measures

<sup>1</sup> Source: Dealogic

<sup>2</sup> Source: Thomson Reuters, FY2009

<sup>3</sup> Source: Based on internal JPM estimates

<sup>4</sup> Source: SNL Corporation; market share data as of June 2009, updated for subsequent acquisitions for all banks through Sept 2009; includes deposits in domestic offices (50 states and D.C.), Puerto Rico and U.S. Territories only and non-retail branches are not included

<sup>5</sup> Source: 4Q09 Company reports

<sup>6</sup> Source: Inside Mortgage Finance, 4Q09

<sup>7</sup> Source: National Mortgage News, 3Q09

<sup>8</sup> Source: Autocount (including captives), YTD December 2009

<sup>9</sup> Excludes WaMu

<sup>10</sup> Source: Greenwich Market Study, FY2009

<sup>11</sup> Source: FDIC as of September 30, 2009

<sup>12</sup> Source: Ernst & Young & Federal Reserve (Based on # of sweep accounts and average daily balances)

<sup>13</sup> Source: Nilson

<sup>14</sup> Source: iMoney.net, December 31, 2009

<sup>15</sup> Source: Absolute Return

<sup>16</sup> Source: Euromoney magazine

<sup>17</sup> Source: Barron's

<sup>18</sup> Source: Incisive media (UK)

<sup>19</sup> Source: The Asset Magazine, September 2009

<sup>20</sup> Source: PriceWaterhouseCoopers survey

<sup>21</sup> Source: Risk magazine

### **Non-GAAP financial measures**

- A. *Financial results are presented on a managed basis, as such basis is described in the Firm's Annual Report on Form 10-K for the year ended December 31, 2009.*
- B. *All non-GAAP financial measures included in this presentation are provided to assist readers in understanding certain trend information. Additional information concerning such non-GAAP financial measures can be found herein, to which reference is hereby made.*
- C. *The ratio for the allowance for loan losses to end-of-period loans excludes the following: loans accounted for at fair value and loans held-for-sale; purchased credit-impaired loans; the allowance for loan losses related to purchased credit-impaired loans; and, loans from the Washington Mutual Master Trust, which were consolidated on the firm's balance sheet at fair value during the second quarter of 2009. Additionally, Consumer Lending net charge-off rates exclude the impact of purchased credit-impaired loans. The allowance related to the purchased credit-impaired portfolio was \$1.6 billion at December 31, 2009.*
- D. *Tier 1 Common Capital ("Tier 1 Common") is defined as Tier 1 capital less elements of capital not in the form of common equity – such as qualifying perpetual preferred stock, qualifying noncontrolling interest in subsidiaries and qualifying trust preferred capital debt securities. Tier 1 common capital, a non-GAAP financial measure, is used by banking regulators, investors and analysts to assess and compare the quality and composition of the Firm's capital with the capital of other financial services companies. The Firm uses Tier 1 common capital along with the other capital measures to assess and monitor its capital position.*