

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): January 15, 2010

JPMORGAN CHASE & CO.

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

1-5805
(Commission File Number)

13-2624428
(IRS Employer
Identification No.)

270 Park Avenue, New York, NY
(Address of Principal Executive Offices)

10017
(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))

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Item 7.01 Regulation FD Disclosure

On January 15, 2010, JPMorgan Chase & Co. (“JPMorgan Chase” or the “Firm”) held an investor presentation to review fourth quarter 2009 earnings.

Exhibit 99.1 is a copy of slides furnished at, and posted on the Firm’s website in connection with, the presentation. The slides are being furnished pursuant to Item 7.01, and the information contained therein shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities under that Section. Furthermore, the information contained in Exhibit 99.1 shall not be deemed to be incorporated by reference into the filings of the Firm under the Securities Act of 1933.

This current report on Form 8-K (including the Exhibits hereto) 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 actual results to differ materially from those described in the forward-looking statements can be found in the Firm’s Quarterly Reports on Form 10-Q for the quarters ended September 30, 2009, June 30, 2009 and March 31, 2009, and its Annual Report on Form 10-K for the year ended December 31, 2008, each of which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase’s website (www.jpmorganchase.com) and on the Securities and Exchange Commission’s website (www.sec.gov). JPMorgan Chase does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	JPMorgan Chase & Co. Analyst Presentation Slides — Fourth Quarter 2009 Financial Results

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/ Louis Rauchenberger
Louis Rauchenberger

Managing Director and Controller
[Principal Accounting Officer]

Dated: January 19, 2010

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	JPMorgan Chase & Co. Analyst Presentation Slides — Fourth Quarter 2009 Financial Results

FINANCIAL RESULTS

4Q09

January 15, 2010

JPMORGAN CHASE & CO.

2009 Full year and 4Q09 financial highlights

- FY09 Net income of \$11.7B; EPS of \$2.26; record revenue of \$108.6B¹
- 4Q09 Net income of \$3.3B; EPS of \$0.74; revenue of \$25.2B¹
- Ranked #1 in Global Investment Banking Fees for full-year 2009
- Completed Washington Mutual integration and maintained solid growth in Retail Banking, opening more than 6mm new checking accounts in 2009
- Delivered solid fourth-quarter results in other businesses, including Asset Management and Commercial Banking
- Credit costs remained high: added \$1.9B to consumer loan loss reserves, resulting in firmwide credit reserves of \$32.5B and loan loss coverage ratio of 5.5%²
- Balance sheet strengthened further: Tier 1 Capital of \$133.0B, or 11.1%, and Tier 1 Common of \$105.3B, or 8.8%³ (estimated), at year-end

¹ Revenue is on a managed basis. See notes 1 and 2 on slide 20

² See note 3 on slide 20

³ See note 4 on slide 20

2009 Full year managed results¹

\$ in millions			
			\$ O/(U)
	2009	2008	2008
Results excl. Merger-related items ²			
Revenue (FTE) ¹	\$109,166	\$73,402	\$35,764
Credit Costs ¹	38,465	22,647	15,818
Expense	51,716	42,915	8,801
Merger-related items (after-tax) ²	(635)	(211)	(424)
Reported Net Income	\$11,728	\$5,605	\$6,123
Net Income Applicable to Common	\$8,774	4,742	4,032
Reported EPS	\$2.26	\$1.35	\$0.91
ROE ³	7%	4%	
ROE Net of GW ³	11%	6%	
ROTCE ^{3,4}	11%	6%	

¹ Managed basis presents revenue and credit costs without the effect of credit card securitizations. Revenue is on a fully taxable-equivalent (FTE) basis. All references to credit costs refer to managed provision for credit losses. See notes 1 and 2 on slide 20

² Merger-related items relate to the Bear Stearns and WaMu transactions

³ Actual numbers for all periods, not over/under. Net income applicable used to calculate ratios excludes the one-time, noncash negative adjustment of \$1.1B resulting from repayment of TARP preferred capital in 2009

⁴ See note 5 on slide 20

4Q09 Managed results¹

\$ in millions			
	\$ O/(U)		
	4Q09	3Q09	4Q08
Results excl. Merger-related items²			
Revenue (FTE) ¹	\$25,427	(\$3,459)	\$6,105
Credit Costs ¹	8,901	(908)	318
Expense	11,915	(1,405)	908
Merger-related items ² (after-tax)	(173)	(103)	(1,237)
Reported Net Income	\$3,278	(\$310)	\$2,576
Net Income Applicable to Common	\$2,952	(\$288)	\$2,720
Reported EPS	\$0.74	(\$0.08)	\$0.68
ROE ³	8%	9%	1%
ROE Net of GW ³	11%	13%	1%
ROTCE ^{3,4}	12%	14%	1%

¹ Managed basis presents revenue and credit costs without the effect of credit card securitizations. Revenue is on a fully taxable-equivalent (FTE) basis. All references to credit costs refer to managed provision for credit losses. See notes 1 and 2 on slide 20

² Merger-related items relate to the Bear Stearns and WaMu transactions

³ Actual numbers for all periods, not over/under

⁴ See note 5 on slide 20

Investment Bank

\$ in millions			
	\$ O/(U)		
	4Q09	3Q09	4Q08
Revenue	\$4,929	(\$2,579)	\$5,201
Investment Banking Fees	1,892	234	519
Fixed Income Markets	2,735	(2,276)	4,406
Equity Markets	971	30	1,065
Credit Portfolio	(669)	(567)	(789)
Credit Costs	(181)	(560)	(946)
Expense	2,286	(1,988)	(455)
Net Income	\$1,901	(\$20)	\$4,265
Key Statistics (\$B) ¹			
Overhead Ratio	46%	57%	NM
Comp/Revenue	11%	37%	NM
EOP Loans	\$49.1	\$60.3	\$85.0
Allowance for Loan Losses	\$3.8	\$4.7	\$3.4
NPLs	\$3.5	\$4.9	\$1.2
Net Charge-off Rate ²	5.27%	4.86%	0.47%
ALL / Loans ²	8.25%	8.44%	4.83%
ROE ³	23%	23%	(28)%
VAR (\$mm) ⁴	\$184	\$206	\$327
EOP Equity	\$33.0	\$33.0	\$33.0

¹ Actual numbers for all periods, not over/under

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

³ Calculated based on average equity; 4Q09, 3Q09 and 4Q08 average equity was \$33B

⁴ Average Trading and Credit Portfolio VAR at 99% confidence interval

⁵ See note 6 on slide 20

- Net income of \$1.9B on revenue of \$4.9B
 - ROE of 23%
- IB fees of \$1.9B up 38% YoY
 - Maintained #1 year-to-date rankings for Global Debt, Equity and Equity-related, and Global Investment Banking Fees
- Fixed Income Markets revenue of \$2.7B down from record results in 3Q09, reflecting lower overall volumes and tighter spreads across products
- Equity Markets revenue of \$971mm, reflecting:
 - Solid client revenue across products and strong trading results
- Credit Portfolio revenue of (\$669mm), reflecting the negative impact of credit valuation adjustments on derivative assets and liabilities and mark-to-market losses on hedges of retained loans, partially offset by net interest income on loans
- Credit cost benefit of \$181mm reflects lower loan balances driven by loan sales and repayments; net charge-offs of \$685mm
- Expense down 17% YoY due to lower performance-based compensation and headcount-related expense⁵

IB league tables

League table results				
	2009		2008 ¹	
	Rank	Share	Rank	Share
<i>Based on fees (per Dealogic):</i>				
Global IB fees	#1	9.2%	#2	8.5%
<i>Based on volumes (per Thomson Reuters):</i>				
Global Debt, Equity & Equity-related	#1	9.5%	#1	9.4%
US Debt, Equity & Equity-related	#1	14.0%	#2	15.0%
Global Equity & Equity-related²	#1	12.6%	#1	10.3%
US Equity & Equity-related	#1	13.2%	#1	11.1%
Global Debt³	#1	9.2%	#1	9.3%
Global Long-term Debt³	#1	8.5%	#3	8.8%
US Long-term Debt ³	#1	13.8%	#2	15.2%
Global M&A Announced⁴	#3	23.6%	#2	27.6%
US M&A Announced ⁵	#3	35.0%	#2	35.4%
Global Loan Syndications	#1	9.6%	#1	11.3%
US Loan Syndications	#1	22.8%	#1	24.3%

¹ Source: 2008 data is pro forma for merger with Bear Stearns

² Global Equity & Equity-related includes rights offerings

³ Debt & Long-term Debt tables include ABS, MBS and taxable municipal securities

⁴ Global M&A for 2008 for Thomson Reuters includes transactions withdrawn since 12/31/08

⁵ US M&A for Thomson Reuters represents any US involvement; 2008 includes transactions withdrawn since 12/31/08

- Ranked #1 in Global Fees for FY2009, with 9.2% market share per Dealogic
- Ranked #1 for FY2009 per Thomson Reuters in:
 - Global Debt, Equity & Equity-related
 - Global Equity & Equity-related
 - Global Debt
 - Global Long-term Debt
 - Global Loan Syndications
- Ranked #3 in FY2009 in Global M&A Announced per Thomson and Dealogic

Retail Financial Services—drivers

Retail Banking (\$ in billions)

	4Q09	3Q09	4Q08
<u>Key Statistics</u>			
Average Deposits	\$329.8	\$339.6	\$339.8
Deposit Margin	3.06%	2.99%	2.94%
Checking Accts (mm)	25.7	25.5	24.5
# of Branches	5,154	5,126	5,474
# of ATMs	15,406	15,038	14,568
Investment Sales (\$mm)	\$5,851	\$6,243	\$3,956

- Average deposits of \$329.8B down 3% YoY and QoQ:
 - QoQ decline largely due to the maturation of high rate WaMu CDs during the quarter
 - Deposit margin expansion reflects disciplined pricing strategy and a portfolio shift to wider spread deposit products
- Branch production statistics:
 - Checking accounts up 5% YoY and 1% QoQ
 - Credit card sales down 31% YoY and 6% QoQ
 - Mortgage originations up 161% YoY and 2% QoQ
 - Investment sales up 48% YoY and down 6% QoQ

Consumer Lending (\$ in billions)

	4Q09	3Q09	4Q08
<u>Credit Metrics:</u>			
Net Charge-off Rate (excl. credit-impaired)	4.05%	3.75%	2.32%
ALL / Loans (excl. credit-impaired)	5.04%	4.56%	3.16%
<u>Key Statistics</u>			
Home Equity Originations	\$0.4	\$0.5	\$1.7
Avg Home Equity Loans Owned ¹	\$130.0	\$134.0	\$142.8
Mortgage Loan Originations	\$34.8	\$37.1	\$28.1
Avg Mortgage Loans Owned ^{1,2}	\$136.1	\$139.7	\$149.8
3rd Party Mortgage Loans Svc'd	\$1,082	\$1,099	\$1,173
Auto Originations	\$5.9	\$6.9	\$2.8
Avg Auto Loans	\$45.3	\$43.3	\$42.9

¹ Includes purchased credit-impaired loans acquired as part of the WaMu transaction
² Does not include held-for-sale loans

- Total Consumer Lending originations of \$41.7B:
 - Mortgage loan originations up 24% YoY and down 6% QoQ
 - Auto originations up 111% YoY and down 14% QoQ:
 - YoY increase driven by market share gains in Prime segments and new manufacturing relationships
 - QoQ decrease due to seasonality and impact of CARS program in 3Q09
- 3rd party mortgage loans serviced down 8% YoY

Retail Financial Services

\$ in millions			
	\$ Q/(U)		
	4Q09	3Q09	4Q08
Retail Financial Services			
Net income	(\$399)	(\$406)	(\$1,023)
ROE ^{1,2}	(6)%	-	10%
EOP Equity (\$B) ¹	\$25	\$25	\$25
Retail Banking			
Net Interest Income	2,716	(16)	29
Noninterest Revenue	1,804	(40)	(30)
Total Revenue	\$4,520	(\$56)	(\$1)
Credit Costs	248	40	(20)
Expense	2,574	(72)	41
Net Income	\$1,027	(\$16)	(\$13)
Consumer Lending			
Net Interest Income	2,354	(68)	331
Noninterest Revenue	795	(425)	(1,345)
Total Revenue	\$3,149	(\$493)	(\$1,014)
Credit Costs	3,981	201	673
Expense	1,728	178	215
Net Income	(\$1,426)	(\$390)	(\$1,010)

¹ Actual numbers for all periods, not over/under

² Calculated based on average equity; 4Q09, 3Q09 and 4Q08 average equity was \$25B

³ See note 6 on slide 20

- Retail Financial Services net loss of \$399mm, down \$1.0B from 4Q08 and \$406mm from 3Q09
- Retail Banking net income of \$1.0B relatively flat YoY:
 - Total revenue of \$4.5B flat YoY as the benefit from a shift to wider-spread deposit products and an increase in debit card income were offset by declining deposit-related fees, time deposit balances and investment sales revenue
 - Credit costs of \$248mm reflecting continued weakness in the Business Banking portfolio
 - Expense growth of 2% YoY due to higher FDIC insurance premiums and headcount-related expense³, offset by efficiencies resulting from the WaMu transaction
- Consumer Lending net loss of \$1.4B compared with a net loss of \$416mm in the prior year:
 - Total revenue of \$3.1B, down 24% YoY, reflecting lower MSR risk management results and higher repurchase reserves, partially offset by wider loan spreads
 - Credit costs of \$4.0B reflect higher estimated losses and include an increase of \$1.5B in the allowance for loan losses
 - Expense growth of 14% YoY reflecting higher servicing and default-related expense

Home Lending update

Key statistics¹

	4Q09	3Q09	4Q08
EOP owned portfolio (\$B)			
Home Equity	\$101.4	\$104.8	\$114.3
Prime Mortgage ²	59.4	60.1	65.2
Subprime Mortgage	12.5	13.3	15.3
Net charge-offs (\$mm)			
Home Equity	\$1,177	\$1,142	\$770
Prime Mortgage ³	568	525	195
Subprime Mortgage	452	422	319
Net charge-off rate			
Home Equity	4.52%	4.25%	2.67%
Prime Mortgage ³	3.81%	3.45%	1.20%
Subprime Mortgage	14.01%	12.31%	8.08%
Nonperforming loans (\$mm)			
Home Equity	\$1,665	\$1,598	\$1,394
Prime Mortgage ³	4,309	3,974	1,876
Subprime Mortgage	3,248	3,233	2,690

¹ Excludes the impact of purchased credit-impaired loans acquired as part of the WaMu transaction

² Ending balances include all noncredit-impaired prime mortgage balances held by Retail Financial Services, including loans repurchased from Government National Mortgage Association (GNMA) pools that are insured by U.S. government agencies

³ Net charge-offs and nonperforming loans exclude loans repurchased from GNMA pools that are insured by U.S. government agencies

Overall commentary

- Some initial signs of stability in consumer delinquency trends, but we are not certain if this trend will continue
- Prime and subprime mortgage delinquencies impacted by foreclosure moratorium, extended REO timelines and trial modifications

Outlook¹

- Home Equity – quarterly losses could reach \$1.4B over the next several quarters
- Prime Mortgage – quarterly losses could reach \$600mm over the next several quarters
- Subprime Mortgage – quarterly losses could reach \$500mm over the next several quarters

Purchased credit-impaired loans

- Total purchased credit-impaired portfolio divided into separate pools for impairment analysis
- Increase in the allowance for loans of \$491mm in 4Q09 related to the Option ARM pool and \$1.1B in 3Q09 related to the Prime Mortgage pool

Card Services (Managed)

\$ in millions			
	\$ O/(U)		
	4Q09	3Q09	4Q08
Revenue	\$5,148	(\$11)	\$240
Credit Costs	4,239	(728)	273
Expense	1,396	90	(93)
Net Income	(\$306)	\$394	\$65
<u>Key Statistics Incl. WaMu (\$B)¹</u>			
ROO (pretax)	(1.18)%	(2.61)%	(1.16)%
ROE ²	(8)%	(19)%	(10)%
EOP Equity	\$15.0	\$15.0	\$15.0
<u>Key Statistics Excl. WaMu (\$B)¹</u>			
Avg Outstandings	\$142.8	\$146.9	\$159.6
EOP Outstandings	\$143.8	\$144.1	\$162.1
Charge Volume	\$83.6	\$78.9	\$88.2
Net Accts Opened (mm)	3.2	2.4	3.8
Managed Margin	9.40%	9.10%	8.18%
Net Charge-Off Rate	8.64%	9.41%	5.29%
30+ Day Delinquency Rate	5.52%	5.38%	4.36%

¹ Actual numbers for all periods, not over/under

² Calculated based on average equity; 4Q09, 3Q09 and 4Q08 average equity was \$15B

- Net loss of \$306mm compared to a loss of \$371mm in 4Q08
- Credit costs of \$4.2B driven by continued high levels of charge-offs and an addition of \$400mm to the allowance for loan losses:
 - Net charge-off rate (excluding the WaMu portfolio) of 8.64% in 4Q09 vs. 5.29% in 4Q08 and 9.41% in 3Q09
- End-of-period outstandings (excluding the WaMu portfolio) of \$143.8B down 11% YoY and flat QoQ
- Sales volume (excluding the WaMu portfolio) up 2% YoY and 7% QoQ
- Revenue of \$5.1B up 5% YoY and flat QoQ
- Managed margin (excluding the WaMu portfolio) of 9.40% up from 8.18% in 4Q08 and 9.10% in 3Q09

Commercial Banking

\$ in millions			
	\$ Q(U)		
	4Q09	3Q09	4Q08
Revenue	\$1,406	(\$53)	(\$73)
Middle Market Banking	760	(11)	(36)
Commercial Term Lending	191	(41)	(52)
Mid-Corporate Banking	277	(1)	34
Real Estate Banking	100	(21)	(31)
Other	78	21	12
Credit Costs	494	139	304
Expense	543	(2)	44
Net Income	\$224	(\$117)	(\$256)
Key Statistics (\$B)¹			
Avg Loans & Leases	\$100.2	\$104.0	\$117.7
EOP Loans & Leases	\$97.4	\$101.9	\$115.4
Avg Liability Balances ²	\$122.5	\$109.3	\$114.1
Allowance for Loan Losses	\$3.0	\$3.1	\$2.8
NPLs	\$2.8	\$2.3	\$1.0
Net Charge-Off Rate ³	1.92%	1.11%	0.40%
ALL / Loans ³	3.12%	3.01%	2.45%
ROE ⁴	11%	17%	24%
Overhead Ratio	39%	37%	34%
EOP Equity	\$8.0	\$8.0	\$8.0

¹ Actual numbers for all periods, not over/under

² Includes deposits and deposits swept to on-balance sheet liabilities

³ Loans held-for-sale and loans at fair value were excluded when calculating the loan loss coverage ratio and net charge-off rate

⁴ Calculated based on average equity; 4Q09, 3Q09 and 4Q08 average equity was \$8.0B

⁵ See note 6 on slide 20

- Net income of \$224mm down 53% YoY, driven by higher credit costs
- Average loan balances down 15% YoY, while average liability balances up 7% YoY:
 - Average loan balances down 4% QoQ due to reduced client demand
- Revenue of \$1.4B down 5% YoY
- Credit costs of \$494mm are due to higher net charge-offs, reflecting continued weakness in the credit environment, particularly in real estate-related segments
- Expense up 9% YoY due to higher performance-based compensation and FDIC insurance premiums, partially offset by lower headcount-related expense⁵; overhead ratio of 39%

Treasury & Securities Services

\$ in millions			
	\$ Q/(U)		
	4Q09	3Q09	4Q08
Revenue	\$1,835	\$47	(\$414)
Worldwide Securities Svcs	917	48	(264)
Treasury Services	918	(1)	(150)
Expense	1,391	111	52
Net Income	\$237	(\$65)	(\$296)
Key Statistics¹			
Avg Liability Balances (\$B) ²	\$250.7	\$231.5	\$336.3
Assets under Custody (\$T)	\$14.9	\$14.9	\$13.2
Pretax Margin	20%	26%	37%
ROE ³	19%	24%	47%
TSS Firmwide Revenue	\$2,537	\$2,523	\$3,090
TS Firmwide Revenue	\$1,620	\$1,654	\$1,909
TSS Firmwide Avg Liab Bal (\$B) ²	\$373.2	\$340.8	\$450.4
EOP Equity (\$B)	\$5.0	\$5.0	\$4.5

¹ Actual numbers for all periods, not over/under

² Includes deposits and deposits swept to on-balance sheet liabilities

³ Calculated based on average equity; 4Q09 and 3Q09 average equity was \$5B; 4Q08 average equity was \$4.5B

⁴ See note 6 on slide 20

- Net income of \$237mm down 56% YoY and 22% QoQ
 - Pretax margin of 20%
- Liability balances down 25% YoY and up 8% QoQ
 - Liability balances in the prior year reflected increased client deposit activity as a result of extraordinary market conditions
- Assets under custody up 13% YoY
- Revenue of \$1.8B down 18% YoY primarily driven by:
 - WSS revenue of \$917mm down 22% YoY due to lower balances and spreads on liability products, lower securities lending balances, and narrower spreads on foreign exchange, partially offset by the effects of market levels and net inflows of assets under custody
 - TS revenue of \$918mm down 14% YoY, reflecting lower deposit balances and spreads, partially offset by higher card product volumes
- Expense up 4% YoY, due to higher performance-based compensation and FDIC insurance premiums, predominantly offset by lower headcount-related expense⁴

Asset Management

\$ in millions			
	\$ O/(U)		
	4Q09	3Q09	4Q08
Revenue	\$2,195	\$110	\$537
Private Bank	723	84	93
Institutional	584	50	257
Retail	445	(26)	180
Private Wealth Management	331	(8)	1
Bear Stearns Private Client Services	112	10	6
Credit Costs	58	20	26
Expense	1,470	119	257
Net Income	\$424	(\$6)	\$169
Key Statistics (\$B)¹			
Assets under Management	\$1,249	\$1,259	\$1,133
Assets under Supervision	\$1,701	\$1,670	\$1,496
Average Loans	\$36.1	\$34.8	\$36.9
EOP Loans	\$37.8	\$35.9	\$36.2
Average Deposits	\$77.4	\$73.6	\$76.9
Pretax Margin	30%	33%	25%
ROE ²	24%	24%	14%
EOP Equity	\$7.0	\$7.0	\$7.0

¹ Actual numbers for all periods, not over/under

² Calculated based on average equity; 4Q09, 3Q09 and 4Q08 average equity was \$7B

³ See note 6 on page 20

- Net income of \$424mm up 66% YoY
 - Pretax margin of 30%
- Revenue of \$2.2B up 32% YoY due to higher valuations of seed capital investments, higher performance fees, the effect of higher market levels and higher placement fees
- Assets under management of \$1.2T up 10% YoY due to the effect of higher market levels and inflows
 - Net AUM outflows of \$24B for the quarter; inflows of \$28B for the past 12 months
- Good global investment performance:
 - 74% of mutual fund AUM ranked in the first or second quartiles over past five years; 62% over past three years; 57% over one year
- Expense up 21% YoY due to higher performance-based compensation and higher FDIC premiums, offset partially by lower headcount-related expense³
- Credit costs of \$58mm reflect continued weakness in the credit environment

Corporate/Private Equity

Net Income (\$ in millions)			
	\$ O/(U)		
	4Q09	3Q09	4Q08
Private Equity	\$141	\$53	\$823
Corporate	1,229	(40)	66
Merger-related items	(173)	(103)	(1,237)
Net Income	\$1,197	(\$90)	(\$348)

Private Equity

- Private Equity gains of \$273mm in 4Q09
- Private Equity portfolio of \$7.3B (6.3% of shareholders' equity less goodwill)

Corporate

- Noninterest revenue includes elevated trading and securities gains
- Benefit of higher investment portfolio net interest income

Capital Management

\$ in billions			
	4Q09	3Q09	4Q08
Tier 1 Capital ¹	\$133	\$127	\$136
Tier 1 Common Capital ^{1,2}	\$105	\$101	\$87
Risk-Weighted Assets ¹	\$1,198	\$1,238	\$1,245
Total Assets	\$2,032	\$2,041	\$2,175
Tier 1 Capital Ratio ¹	11.1%	10.2%	10.9%
Tier 1 Common Ratio ^{1,2}	8.8%	8.2%	7.0%

- Firmwide total credit reserves of \$32.5B; loan loss coverage ratio of 5.51%³
- January 1, 2010 implementation of FAS 166/167 expected to decrease Tier 1 Capital ratio by approximately 40bps

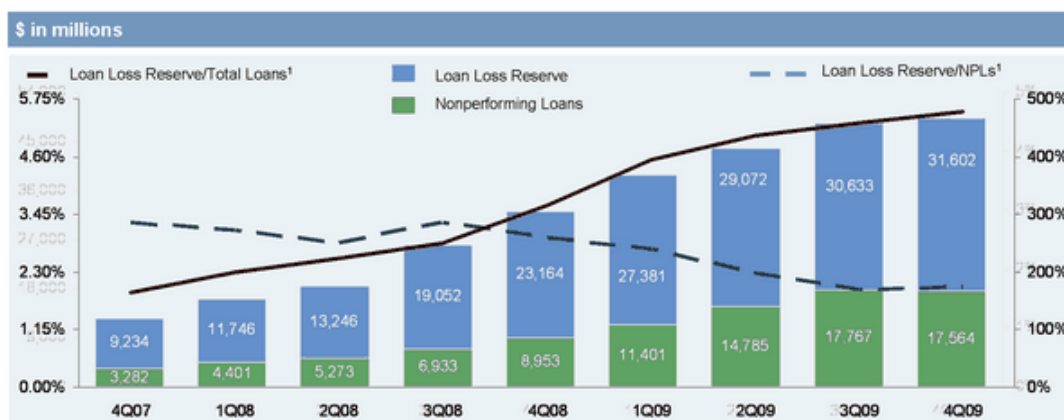
¹ Estimated for 4Q09

² See note 4 on slide 20

³ See note 3 on slide 20

Note: Firm-wide Level 3 assets are expected to be 6% of total firm assets at 12/31/09

Substantially increased loan loss reserves, maintaining strong coverage ratios



Peer comparison

	4Q09	3Q09	
	JPM ¹	JPM ¹	Peer Avg. ²
Consumer			
LLR/Total Loans	6.63%	6.21%	4.88%
LLR/NPLs	215%	212%	152%
Wholesale			
LLR/Total Loans	3.57%	3.76%	3.10%
LLR/NPLs	109%	107%	65%
Firmwide			
LLR/Total Loans	5.51%	5.28%	4.27%
LLR/NPLs	174%	168%	113%

¹ See note 3 on slide 20

² Peer average reflects equivalent metrics for key competitors. Peers are defined as C, BAC and WFC

- \$31.6B of loan loss reserves in 4Q09, up ~\$22B from \$9.2B two years ago; loan loss coverage ratio of 5.51%¹
- Strong coverage ratios compared to peers
- LLR/NPLs ratio naturally trends down as we move through credit cycle

Outlook

Retail Financial Services

- NSF/OD policy changes currently estimated to reduce annualized after-tax income by \$500mm +/-
- At current production and estimated run-off levels, the Home Lending portfolio of \$263B at the end of 4Q09 could decline by 10-15%, possibly to averages of \$240B +/- in 2010 and \$200B +/- in 2011
 - The preliminary estimate will reduce 2010 net interest income in the home lending portfolio by \$1B +/- from estimated FY2009 levels
- Credit environment remains uncertain
 - Signs of stability ≠ improvement
 - Home Lending quarterly loss guidance is unchanged
- Continued pressure on profits due to elevated servicing, default and foreclosed asset expense and mortgage repurchase activity
- Expense remains modestly above 2009 levels, reflecting
 - Investments in branch new builds and sales force hires

Card Services

- Chase losses could approach 11% by 1Q10 including the adverse timing effect of payment holiday of approximately 60bps
- 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 \$15B +/- to \$155B +/- in 2010 due to WaMu portfolio run-off of \$7B +/- and lower balance transfer levels
- Expect \$1B +/- net loss per quarter in 1H10, before potential reserve actions; 2H10 dependent on the environment and reserve actions
- Continue to invest in the business

Outlook cont'd.

Investment Bank

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

Commercial Banking

- Strong reserves, but credit expected to weaken further

Treasury & Securities Services

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

Asset Management

- Management and performance fees will be affected by market levels

Corporate/Private Equity

- Private Equity
 - Results will be volatile
- Corporate
 - Net interest income and securities gains will generally trend with the size of the securities portfolio
 - Quarterly net income expected to decline to \$500mm in the near-term and likely trend lower through the course of 2010

Overall

- If economy weakens further, additional reserving actions may be required

2009 Full year reconciliation of GAAP to non-GAAP results

\$ in millions		
	2009	2008
Revenue		
Reported Revenue	\$100,434	\$67,252
Impact of Card Securitizations	6,443	3,612
Tax Equivalent Adjustments	1,770	1,908
Managed Revenue	\$108,647	\$72,772
Merger-related Items	519	630
Adjusted Revenue	\$109,166	\$73,402
Credit Costs		
Provision for Credit Losses	32,015	20,979
Impact of Card Securitizations	6,443	3,612
Credit Costs	\$38,458	\$24,591
Merger-related Items	7	(1,944)
Adjusted Credit Costs	\$38,465	\$22,647
Expense		
Reported Expense	52,352	43,500
Merger-related Items	(636)	(585)
Adjusted Expense	\$51,716	\$42,915

4Q09 Reconciliation of GAAP to non-GAAP results

\$ in millions			
	4Q09	3Q09	4Q08
Revenue			
Reported Revenue	\$23,164	\$26,622	\$17,226
Impact of Card Securitizations	1,617	1,698	1,228
Tax Equivalent Adjustments	455	460	654
Managed Revenue	\$25,236	\$28,780	\$19,108
Merger-related Items	191	106	214
Adjusted Revenue	\$25,427	\$28,886	\$19,322
Credit Costs			
Provision for Credit Losses	7,284	8,104	7,313
Impact of Card Securitizations	1,617	1,698	1,228
Credit Costs	\$8,901	\$9,802	\$8,541
Merger-related Items	-	7	42
Adjusted Credit Costs	\$8,901	\$9,809	\$8,583
Expense			
Reported Expense	12,004	13,455	11,255
Merger-related Items	(89)	(135)	(248)
Adjusted Expense	\$11,915	\$13,320	\$11,007

Notes on non-GAAP financial measures and forward-looking statements

Non-GAAP financial measures

1. Financial results are presented on a managed basis, as such basis is described in the firm's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and its Annual Report on Form 10-K for the year ended December 31, 2008.

2. 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.

3. 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.

4. 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.

5. Tangible Common Equity ("TCE") is calculated, for all purposes, as common stockholders equity (i.e., total stockholders' equity less preferred stock) less identifiable intangible assets (other than MSRs) and goodwill, net of related deferred tax liabilities. Return on tangible common equity, a non-GAAP financial ratio, measures the Firm's earnings as a percentage of TCE, and is in management's view a meaningful measure to assess the Firm's use of equity. The TCE measures used in this presentation are not necessarily comparable to similarly titled measures provided by other firms due to differences in calculation methodologies.

6. Headcount-related expense includes salary and benefits, and other noncompensation costs related to employees.

Forward looking statements

This presentation 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 actual results to differ materially from those described in the forward-looking statements can be found in JPMorgan Chase's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2009, June 30, 2009 and September 30, 2009 and its Annual Report on Form 10-K for the year ended December 31, 2008, each of which has been filed with the Securities and Exchange Commission and is available on JPMorgan Chase's website (www.jpmorganchase.com) and on the Securities and Exchange Commission's website (www.sec.gov). JPMorgan Chase does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of the forward-looking statements.