UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10—Q/A
Amendment No. 1

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

For the Quarterly Period Ended March 31, 2006 **Commission file number 1-5805**

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☑ **Yes** o **No**

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☑ **Accelerated filer** o **Non-accelerated filer** o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o **Yes** ☑ **No**

Number of shares of common stock outstanding as of April 30, 2006: 3,474,553,532

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EXPLANATORY NOTE

JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm") is filing this Amendment No. 1 to its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006. This Amendment is being filed to reflect the restatement of the Firm's Consolidated statements of cash flows, as discussed in Note 1 of the Notes to the Consolidated financial statements contained in Part I, Item 1: Consolidated Financial Statements, herein. Except for Part I, Items 1 and 4, and Part II, Item 6, no other information included in the Form 10-Q is being amended by this Amendment. This Amendment continues to speak as of the date of the original filing of the Form 10-Q and the Firm has not updated the disclosure in this Amendment to speak as of any later date.

PAGES 3-59 NOT USED.

JPMORGAN CHASE & CO.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in millions, except per share data)

	Three months ended March 31,	
	2006	2005
Revenue		
Investment banking fees	**$ 1,169**	$ 993
Principal transactions	**2,602**	2,636
Lending & deposit related fees	**841**	820
Asset management, administration and commissions	**2,973**	2,498
Securities gains (losses)	**(116)**	(822)
Mortgage fees and related income	**241**	362
Credit card income	**1,910**	1,734
Other income	**556**	201
Noninterest revenue	**10,176**	8,422
Interest income	**13,301**	10,632
Interest expense	**8,241**	5,407
Net interest income	**5,060**	5,225
Total net revenue	**15,236**	13,647
Provision for credit losses	**831**	427
Noninterest expense		
Compensation expense	**5,600**	4,702
Occupancy expense	**602**	525
Technology and communications expense	**874**	920
Professional & outside services	**888**	1,074
Marketing	**519**	483
Other expense	**834**	1,705
Amortization of intangibles	**364**	383
Merger costs	**71**	145
Total noninterest expense	**9,752**	9,937
Income before income tax expense	**4,653**	3,283
Income tax expense	**1,572**	1,019
Net income	**$ 3,081**	$ 2,264
Net income applicable to common stock	**$ 3,077**	$ 2,259
Net income per common share		
Basic earnings per share	**$ 0.89**	$ 0.64
Diluted earnings per share	**0.86**	0.63
Average basic shares	**3,472.7**	3,517.5
Average diluted shares	**3,570.8**	3,569.8
Cash dividends per common share	**$ 0.34**	$ 0.34

The Notes to consolidated financial statements (unaudited) are an integral part of these statements.

JPMORGAN CHASE & CO.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in millions, except share data)

	March 31, 2006	December 31, 2005
Assets		
Cash and due from banks	**$ 36,903**	$ 36,670
Deposits with banks	**10,545**	21,661
Federal funds sold and securities purchased under resale agreements	**153,755**	133,981
Securities borrowed	**93,280**	74,604
Trading assets (including assets pledged of $86,839 at March 31, 2006, and $79,657 at December 31, 2005)	**312,025**	298,377
Securities:		
Available-for-sale (including assets pledged of $40,445 at March 31, 2006, and $17,614 at December 31, 2005)	**67,054**	47,523
Held-to-maturity (fair value: $74 at March 31, 2006, and $80 at December 31, 2005)	**72**	77
Interests in purchased receivables	**29,029**	29,740
Loans	**432,081**	419,148
Allowance for loan losses	**(7,275)**	(7,090)
Loans, net of Allowance for loan losses	**424,806**	412,058
Private equity investments	**6,499**	6,374
Accrued interest and accounts receivable	**21,657**	22,421
Premises and equipment	**8,985**	9,081
Goodwill	**43,899**	43,621
Other intangible assets:		
Mortgage servicing rights	**7,539**	6,452
Purchased credit card relationships	**3,243**	3,275
All other intangibles	**4,832**	4,832
Other assets	**49,159**	48,195
Total assets	**$ 1,273,282**	$ 1,198,942
Liabilities		
Deposits:		
U.S. offices:		
Noninterest-bearing	**$ 128,982**	$ 135,599
Interest-bearing	**309,779**	287,774
Non-U.S. offices:		
Noninterest-bearing	**6,591**	7,476
Interest-bearing	**139,113**	124,142
Total deposits	**584,465**	554,991
Federal funds purchased and securities sold under repurchase agreements	**151,006**	125,925
Commercial paper	**15,933**	13,863
Other borrowed funds	**14,400**	10,479
Trading liabilities	**160,098**	145,930
Accounts payable, accrued expenses and other liabilities (including the Allowance for lending-related commitments of $384 at March 31, 2006, and $400 at December 31, 2005)	**73,693**	78,460
Beneficial interests issued by consolidated VIEs	**42,237**	42,197
Long-term debt (including structured notes accounted for at fair value of $8.4 billion at March 31, 2006)	**112,133**	108,357
Junior subordinated deferrable interest debentures held by trusts that issued guaranteed capital debt securities	**10,980**	11,529
Total liabilities	**1,164,945**	1,091,731
Commitments and contingencies (see Note 17 of this Form 10–Q)		
Stockholders' equity		
Preferred stock	**—**	139
Common stock ($1 par value; authorized 9,000,000,000 shares; issued 3,644,744,120 shares and 3,618,189,597 shares at March 31, 2006, and December 31, 2005, respectively)	**3,645**	3,618
Capital surplus	**76,153**	74,994
Retained earnings	**35,892**	33,848
Accumulated other comprehensive income (loss)	**(1,017)**	(626)
Treasury stock, at cost (171,793,672 shares at March 31, 2006, and 131,500,350 shares at December 31, 2005)	**(6,336)**	(4,762)
Total stockholders' equity	**108,337**	107,211
Total liabilities and stockholders' equity	**$ 1,273,282**	$ 1,198,942

The Notes to consolidated financial statements (unaudited) are an integral part of these statements.

JPMORGAN CHASE & CO.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
(in millions, except per share data)

	Three months ended March 31,	
	2006	2005
Preferred stock		
Balance at beginning of the year	**$ 139**	$ 339
Redemption of preferred stock	**(139)**	—
Balance at end of period	**—**	339
Common stock		
Balance at beginning of year	**3,618**	3,585
Issuance of common stock	**27**	13
Balance at end of period	**3,645**	3,598
Capital surplus		
Balance at beginning of year	**74,994**	72,801
Issuance of common stock and commitments to issue common stock for employee stock-based awards and related tax effects	**1,159**	593
Balance at end of period	**76,153**	73,394
Retained earnings		
Balance at beginning of year	**33,848**	30,209
Cumulative effect of change in accounting principles	**172**	—
Balance at beginning of year, adjusted	**34,020**	30,209
Net income	**3,081**	2,264
Cash dividends declared:		
Preferred stock	**(4)**	(5)
Common stock ($0.34 per share each period)	**(1,205)**	(1,215)
Balance at end of period	**35,892**	31,253
Accumulated other comprehensive income (loss)		
Balance at beginning of year	**(626)**	(208)
Other comprehensive income (loss)	**(391)**	(415)
Balance at end of period	**(1,017)**	(623)
Treasury stock, at cost		
Balance at beginning of year	**(4,762)**	(1,073)
Purchase of treasury stock	**(1,291)**	(1,316)
Share repurchases related to employee stock-based awards	**(283)**	(232)
Balance at end of period	**(6,336)**	(2,621)
Total stockholders' equity at end of period	**$ 108,337**	$ 105,340
Comprehensive income		
Net income	**$ 3,081**	$ 2,264
Other comprehensive income (loss)	**(391)**	(415)
Comprehensive income	**$ 2,690**	$ 1,849

The Notes to consolidated financial statements (unaudited) are an integral part of these statements.

JPMORGAN CHASE & CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in millions)

	Three months ended March 31,	
	2006 (Restated)	2005 (Restated)
Operating activities		
Net income	**$ 3,081**	$ 2,264
Adjustments to reconcile net income to net cash (used in) operating activities:		
Provision for credit losses	**831**	427
Depreciation and amortization	**837**	1,165
Deferred tax provision	**554**	462
Investment securities (gains) losses	**116**	822
Private equity unrealized (gains) losses	**(84)**	(201)
Stock-based compensation	**839**	381
Originations and purchases of loans held-for-sale	**(26,733)**	(17,001)
Proceeds from sales and securitizations of loans held-for-sale	**25,760**	16,950
Net change in:		
Trading assets	**(9,330)**	545
Securities borrowed	**(18,676)**	(5,746)
Accrued interest and accounts receivable	**848**	338
Other assets	**(2,459)**	(6,974)
Trading liabilities	**11,383**	(472)
Accounts payable, accrued expenses and other liabilities	**(6,330)**	(4,730)
Other operating adjustments	**222**	184
Net cash (used in) operating activities	**(19,141)**	(11,586)
Investing activities		
Net change in:		
Deposits with banks	**11,405**	7,465
Federal funds sold and securities purchased under resale agreements	**(19,774)**	(31,239)
Held-to-maturity securities:		
Proceeds	**5**	9
Available-for-sale securities:		
Proceeds from maturities	**6,456**	8,703
Proceeds from sales	**30,369**	28,232
Purchases	**(56,931)**	(19,543)
Proceeds from sales and securitization of loans held-for-investment	**7,537**	4,929
Originations and other changes in loans, net	**(13,778)**	(6,237)
Net cash (used) in business acquisitions	**(663)**	(304)
All other investing activities, net	**873**	1,374
Net cash (used in) investing activities	**(34,501)**	(6,611)
Financing activities		
Net change in:		
Deposits	**25,483**	6,377
Federal funds purchased and securities sold under repurchase agreements	**25,081**	9,275
Commercial paper and other borrowed funds	**943**	1,543
Proceeds from the issuance of long-term debt and capital debt securities	**12,354**	15,796
Repayments of long-term debt and capital debt securities	**(9,316)**	(9,903)
Net issuance of stock and stock-based awards	**393**	190
Excess tax benefits related to stock-based compensation	**135**	—
Redemption of preferred stock	**(139)**	—
Treasury stock purchased	**(1,291)**	(1,316)
Cash dividends paid	**(1,215)**	(1,227)
All other financing activities, net	**1,393**	8
Net cash provided by financing activities	**53,821**	20,743
Effect of exchange rate changes on cash and due from banks	**54**	(121)
Net increase in cash and due from banks	**233**	2,425
Cash and due from banks at the beginning of the year	**36,670**	35,168
Cash and due from banks at the end of the period	**$ 36,903**	$ 37,593
Cash interest paid	**$ 8,395**	$ 5,191
Cash income taxes paid	**234**	1,187

The Notes to consolidated financial statements (unaudited) are an integral part of these statements.

See Glossary of Terms on pages 88–89 of this Form 10–Q for definitions of terms used throughout the Notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1 – BASIS OF PRESENTATION

JPMorgan Chase & Co. ("JPMorgan Chase" or the "Firm"), a financial holding company incorporated under Delaware law in 1968, is a leading global financial services firm and one of the largest banking institutions in the United States, with operations worldwide. The Firm is a leader in investment banking, financial services for consumers and businesses, financial transaction processing, investment management, private banking and private equity. For a discussion of the Firm's business segment information, see Note 20 on pages 84–86 of this Form 10–Q.

The accounting and financial reporting policies of JPMorgan Chase and its subsidiaries conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") and prevailing industry practices. Additionally, where applicable, the policies conform to the accounting and reporting guidelines prescribed by bank regulatory authorities. The unaudited consolidated financial statements prepared in conformity with U.S. GAAP require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and disclosures of contingent assets and liabilities. Actual results could be different from these estimates. In the opinion of management, all normal recurring adjustments have been included for a fair statement of this interim financial information. These unaudited consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in JPMorgan Chase's Annual Report on Form 10–K for the year ended December 31, 2005 ("2005 Annual Report").

Certain amounts in the prior periods have been reclassified to conform to the current presentation.

Accounting for certain hybrid financial instruments
SFAS 155 applies to certain "hybrid financial instruments" which are instruments that contain embedded derivatives. The standard establishes a requirement to evaluate beneficial interests in securitized financial assets to determine if the interests represent freestanding derivatives or are hybrid financial instruments containing embedded derivatives requiring bifurcation. SFAS 155 also permits an election for fair value measurement of any hybrid financial instrument containing an embedded derivative that otherwise would require bifurcation under SFAS 133. The fair value election can be applied to existing instruments on an instrument-by-instrument basis at the date of adoption and can be applied to new instruments on a prospective basis.

The Firm adopted SFAS 155 effective January 1, 2006. The Firm has elected to fair value all instruments issued, acquired or modified after December 31, 2005, that are required to be bifurcated under SFAS 133/149 and SFAS 155. In addition, the Firm elected to fair value certain structured notes existing as of December 31, 2005, resulting in a $22 million cumulative effect increase to Retained earnings. The cumulative effect adjustment includes gross unrealized gains of $29 million and gross unrealized losses of $7 million.

The substantial majority of the structured notes to which the fair value election has been applied are classified in Long-term debt on the Consolidated balance sheets. The change in fair value associated with structured notes is classified within Principal transactions on the Consolidated statements of income.

Restatement of the Consolidated Statements of Cash Flows

As reported in a Current Report on Form 8-K filed by the Firm on August 3, 2006, the Firm has filed an amended 2005 Form 10-K to restate the Consolidated statements of cash flows for the annual periods of 2005, 2004 and 2003 and is filing this amended Form 10-Q to restate the Consolidated statements of cash flows for each of the quarterly periods of 2005 and the first quarter of 2006. The restatements will not affect the Firm's Consolidated statements of income, Consolidated balance sheets or Consolidated statements of changes in stockholders' equity for any of the affected periods. Accordingly, the Firm's historical revenues, net income, earnings per share, total assets and regulatory capital remain unchanged.

The restatements result solely from the misclassification of cash flows related to certain residential mortgages and other loans that had been originated or purchased with the intent to sell. The cash flows from these loans had been classified as investing activities. However, in accordance with Statement of Financial Accounting Standards No. 102, "Statement of Cash Flows—Exemption of Certain Enterprises and Classification of Cash Flows from Certain Securities Acquired for Resale," cash flows from these loans should have been, and in the future will be, classified as operating activities, rather than investing activities. Accordingly, the restatements will solely affect the classification of these activities and the subtotals of cash flows from operating and investing activities presented in the affected Consolidated statements of cash flows, but they will have no impact on the net increase (decrease) in total Cash and due from banks set forth in the Consolidated statements of cash flows for any of the previously reported periods.

The Consolidated statements of cash flows for the quarterly periods ended March 31, 2005, June 30, 2005, September 30, 2005 and March 31, 2006, as previously reported and as restated, are reflected on the following pages.

JPMORGAN CHASE & CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Three months ended March 31, 2005		Six months ended June 30, 2005	
(in millions)	As previously reported	**Restated**	As previously reported	**Restated**
Operating activities				
Net income	$ 2,264	**$ 2,264**	$ 3,258	**$ 3,258**
Adjustments to reconcile net income to net cash (used in) operating activities:				
Provision for credit losses	427	**427**	1,014	**1,014**
Depreciation and amortization	1,165	**1,165**	2,221	**2,221**
Deferred tax (benefit) provision	462	**462**	(1,038)	**(1,038)**
Investment securities (gains) losses	822	**822**	752	**752**
Private equity unrealized (gains) losses	(201)	**(201)**	(35)	**(35)**
Stock-based compensation	381	**381**	—	**—**
Originations and purchases of loans held-for-sale	—	**(17,001)**	—	**(45,147)**
Proceeds from sales and securizations of loans held-for-sale	—	**16,950**	—	**39,357**
Net change in:				
Trading assets	545	**545**	(1,499)	**(1,499)**
Securities borrowed	(5,746)	**(5,746)**	(11,029)	**(11,029)**
Accrued interest and accounts receivable	338	**338**	(2,787)	**(2,787)**
Other assets	(6,974)	**(6,974)**	(6,813)	**(6,813)**
Trading liabilities	(472)	**(472)**	(18,300)	**(18,300)**
Accounts payable, accrued expenses and other liabilities	(4,730)	**(4,730)**	1,903	**1,903**
Other operating adjustments	184	**184**	—	**—**
Net cash (used in) operating activities	(11,535)	**(11,586)**	(32,353)	**(38,143)**
Investing activities				
Net change in:				
Deposits with banks	7,465	**7,465**	12,717	**12,717**
Federal funds sold and securities purchased under resale agreements	(31,239)	**(31,239)**	(29,273)	**(29,273)**
Held-to-maturity securities:				
Proceeds	9	**9**	18	**18**
Available-for-sale securities:				
Proceeds from maturities	8,703	**8,703**	17,008	**17,008**
Proceeds from sales	28,232	**28,232**	45,146	**45,146**
Purchases	(19,543)	**(19,543)**	(31,731)	**(31,731)**
Proceeds from sales and securitizations of loans held-for-investment	21,373	**4,929**	51,085	**11,761**
Originations and other changes in loans, net	(22,732)	**(6,237)**	(66,577)	**(21,463)**
Net cash (used) in business acquisitions or dispositions	(304)	**(304)**	(413)	**(413)**
All other investing activities, net	1,374	**1,374**	2,489	**2,489**
Net cash (used in) provided by investing activities	(6,662)	**(6,611)**	469	**6,259**
Financing activities:				
Net change in:				
Deposits	6,377	**6,377**	13,301	**13,301**
Federal funds purchased and securities sold under repurchase agreements	9,275	**9,275**	9,563	**9,563**
Commercial paper and other borrowed funds	1,543	**1,543**	3,914	**3,914**
Proceeds from the issuance of long-term debt and capital debt securities	15,796	**15,796**	23,068	**23,068**
Repayments of long-term debt and capital debt securities	(9,903)	**(9,903)**	(14,033)	**(14,033)**
Net issuance of stock and stock-based awards	190	**190**	337	**337**
Redemption of preferred stock	—	**—**	(200)	**(200)**
Treasury stock purchased	(1,316)	**(1,316)**	(1,910)	**(1,910)**
Cash dividends paid	(1,227)	**(1,227)**	(2,449)	**(2,449)**
All other financing activities, net	8	**8**	435	**435**
Net cash provided by financing activities	20,743	**20,743**	32,026	**32,026**
Effect of exchange rate changes on cash and due from banks	(121)	**(121)**	(218)	**(218)**
Net increase (decrease) in cash and due from banks	2,425	**2,425**	(76)	**(76)**
Cash and due from banks at the beginning of the year	35,168	**35,168**	35,168	**35,168**
Cash and due from banks at the end of the period	$ 37,593	**$ 37,593**	$ 35,092	**$ 35,092**
Cash interest paid	$ 5,191	**$ 5,191**	$ 11,056	**$ 11,056**
Cash income taxes paid	1,187	**1,187**	2,432	**2,432**

JPMORGAN CHASE & CO.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Nine months ended September 30, 2005		Three months ended March 31, 2006	
(in millions)	As previously reported	**Restated**	As previously reported	**Restated**
Operating activities				
Net income	$ 5,785	**$ 5,785**	$ 3,081	**$ 3,081**
Adjustments to reconcile net income to net cash (used in) operating activities:				
Provision for credit losses	2,259	**2,259**	831	**831**
Depreciation and amortization	3,255	**3,255**	837	**837**
Deferred tax (benefit) provision	(531)	**(531)**	554	**554**
Investment securities (gains) losses	796	**796**	116	**116**
Private equity unrealized (gains) losses	30	**30**	(84)	**(84)**
Stock-based compensation	—	**—**	839	**839**
Originations and purchases of loans held-for-sale	—	**(78,528)**	—	**(26,733)**
Proceeds from sales and securizations of loans held-for-sale	—	**70,581**	—	**25,760**
Net change in:				
Trading assets	(13,400)	**(13,400)**	(9,330)	**(9,330)**
Securities borrowed	(16,953)	**(16,953)**	(18,676)	**(18,676)**
Accrued interest and accounts receivable	(7,414)	**(7,414)**	848	**848**
Other assets	(7,315)	**(7,315)**	(2,459)	**(2,459)**
Trading liabilities	768	**768**	11,383	**11,383**
Accounts payable, accrued expenses and other liabilities	(290)	**(290)**	(6,330)	**(6,330)**
Other operating adjustments	—	**—**	222	**222**
Net cash (used in) operating activities	(33,010)	**(40,957)**	(18,168)	**(19,141)**
Investing activities				
Net change in:				
Deposits with banks	7,460	**7,460**	11,405	**11,405**
Federal funds sold and securities purchased under resale agreements	(21,364)	**(21,364)**	(19,774)	**(19,774)**
Held-to-maturity securities:				
Proceeds	26	**26**	5	**5**
Available-for-sale securities:				
Proceeds from maturities	24,113	**24,113**	6,456	**6,456**
Proceeds from sales	58,159	**58,159**	30,369	**30,369**
Purchases	(62,709)	**(62,709)**	(56,931)	**(56,931)**
Proceeds from sales and securitizations of loans held-for-investment	88,449	**16,586**	33,180	**7,537**
Originations and other changes in loans, net	(109,283)	**(29,473)**	(40,394)	**(13,778)**
Net cash (used) in business acquisitions or dispositions	(503)	**(503)**	(663)	**(663)**
All other investing activities, net	4,445	**4,445**	873	**873**
Net cash (used in) investing activities	(11,207)	**(3,260)**	(35,474)	**(34,501)**
Financing activities:				
Net change in:				
Deposits	12,153	**12,153**	25,483	**25,483**
Federal funds purchased and securities sold under repurchase agreements	15,617	**15,617**	25,081	**25,081**
Commercial paper and other borrowed funds	9,922	**9,922**	943	**943**
Proceeds from the issuance of long-term debt and capital debt securities	31,995	**31,995**	12,354	**12,354**
Repayments of long-term debt and capital debt securities	(22,211)	**(22,211)**	(9,316)	**(9,316)**
Net issuance of stock and stock-based awards	429	**429**	393	**393**
Excess tax benefits related to stock-based compensation	—	**—**	135	**135**
Redemption of preferred stock	(200)	**(200)**	(139)	**(139)**
Treasury stock purchased	(2,411)	**(2,411)**	(1,291)	**(1,291)**
Cash dividends paid	(3,669)	**(3,669)**	(1,215)	**(1,215)**
All other financing activities, net	804	**804**	1,393	**1,393**
Net cash provided by financing activities	42,429	**42,429**	53,821	**53,821**
Effect of exchange rate changes on cash and due from banks	(344)	**(344)**	54	**54**
Net increase (decrease) in cash and due from banks	(2,132)	**(2,132)**	233	**233**
Cash and due from banks at the beginning of the year	35,168	**35,168**	36,670	**36,670**
Cash and due from banks at the end of the period	$ 33,036	**$ 33,036**	$ 36,903	**$ 36,903**
Cash interest paid	$ 17,849	**$ 17,849**	$ 8,395	**$ 8,395**
Cash income taxes paid	3,585	**3,585**	234	**234**

NOTE 2 – BUSINESS CHANGES AND DEVELOPMENTS

Acquisition of the consumer, small-business and middle-market banking businesses of The Bank of New York in exchange for the corporate trust business
On April 8, 2006, JPMorgan Chase announced an agreement to acquire The Bank of New York's consumer, small-business and middle-market banking businesses in exchange for the Firm's corporate trust business plus a cash payment of $150 million. The Bank of New York businesses being acquired are valued at a premium of $2.30 billion; the Firm's corporate trust business being sold is valued at a premium of $2.15 billion. The Firm may also make a future payment to The Bank of New York of up to $50 million depending on the number of new account openings at the Firm's retail business. The transaction has been approved by both companies' boards of directors and is subject to regulatory approvals. It is expected to close in late third quarter or the fourth quarter of 2006.

Acquisition of Kohl's private label credit card portfolio
On March 5, 2006, JPMorgan Chase entered into an agreement with Kohl's Corporation ("Kohl's") to acquire $1.6 billion of Kohl's private label credit card receivables and 13 million accounts. The transaction was completed on April 21, 2006. JPMorgan Chase and Kohl's have also entered into an agreement under which JPMorgan Chase will offer private label credit cards to both new and existing Kohl's customers.

Collegiate Funding Services
On March 1, 2006, JPMorgan Chase acquired, for approximately $663 million, Collegiate Funding Services, a leader in education loan servicing and consolidation. This acquisition included $6 billion of education loans and enables the Firm to create a comprehensive education finance business.

Acquisition of certain operations from Paloma Partners
On March 1, 2006, JPMorgan Chase acquired the middle and back office operations of Paloma Partners Management Company ("Paloma"), which is part of a privately-owned investment fund management group based in Greenwich, CT. The parties have also entered into a multi-year contract pursuant to which JPMorgan Chase will provide daily operational services to Paloma. The acquired operations will be combined with JPMorgan Chase's current hedge fund administration unit, JPMorgan Tranaut.

JPMorgan and Fidelity Brokerage Company
On February 28, 2006, the Firm announced a strategic alliance with Fidelity Brokerage to become the exclusive provider of new issue equity securities and the primary provider of fixed income products to Fidelity's brokerage clients and retail customers, effectively expanding the Firm's existing distribution platform.

Sale of insurance underwriting business
On February 7, 2006, JPMorgan Chase announced that it had agreed to sell its life insurance and annuity underwriting businesses to Protective Life Corporation for a cash purchase price of approximately $1.2 billion. The sale, which includes both the heritage Chase insurance business and the life business that Bank One had bought from Zurich Insurance in 2003, is subject to normal regulatory approvals and is expected to close in the third quarter of 2006. JPMorgan Chase anticipates the transaction will have no material impact on earnings.

NOTE 3—PRINCIPAL TRANSACTIONS

Principal transactions is a new caption, effective January 1, 2006, in the Consolidated income statements. Principal transactions revenue consists of realized and unrealized gains and losses from trading activities including physical commodities inventories that are accounted for at the lower of cost or market, primarily in the Investment Bank, and Private equity gains (losses), primarily in the private equity business of Corporate. The prior period presentation of Trading revenue and Private equity gains (losses) have been reclassified to this new caption. The following table presents Principal transactions revenue:

	Three months ended March 31,	
(in millions)	**2006**	2005
Trading revenue	**$ 2,343**	$ 1,859
Private equity gains (losses)	**259**	777
Principal transactions	**$ 2,602**	$ 2,636

For a discussion of the accounting policies related to Trading assets and Trading liabilities and Private equity investments, see Notes 3 and 9 on pages 94 and 103–105, respectively, of JPMorgan Chase's 2005 Annual Report.

Trading assets and liabilities

The following table presents the fair value of Trading assets and Trading liabilities for the dates indicated:

(in millions)	**March 31, 2006**	December 31, 2005
Trading assets		
Debt and equity instruments:		
U.S. government and federal agency obligations	**$ 16,018**	$ 16,283
U.S. government-sponsored enterprise obligations	**18,175**	24,172
Obligations of state and political subdivisions	**7,650**	9,887
Certificates of deposit, bankers' acceptances and commercial paper	**9,169**	5,652
Debt securities issued by non-U.S. governments	**53,049**	48,671
Corporate securities and other	**155,214**	143,925
Total debt and equity instruments	**259,275**	248,590
Derivative receivables: *(a)*		
Interest rate	**31,328**	30,416
Foreign exchange	**2,179**	2,855
Equity	**6,813**	5,575
Credit derivatives	**3,881**	3,464
Commodity	**8,549**	7,477
Total derivative receivables	**52,750**	49,787
Total trading assets	**$ 312,025**	$ 298,377
Trading liabilities		
Debt and equity instruments*(b)*	**$ 104,160**	$ 94,157
Derivative payables:*(a)*		
Interest rate	**28,095**	28,488
Foreign exchange	**3,265**	3,453
Equity	**14,656**	11,539
Credit derivatives	**2,904**	2,445
Commodity	**7,018**	5,848
Total derivative payables	**55,938**	51,773
Total trading liabilities	**$ 160,098**	$ 145,930

(a) *Included in Trading assets and Trading liabilities are the reported receivables (unrealized gains) and payables (unrealized losses) related to derivatives. These amounts include the derivative assets and liabilities net of cash received and paid of $22.7 billion and $17.5 billion at March 31, 2006, and $26.7 billion and $18.9 billion at December 31, 2005, respectively, under legally enforceable master netting agreements.*

(b) *Primarily represents securities sold, not yet purchased.*

The following table presents the carrying value and cost of the Private Equity investment portfolio for the dates indicated:

	March 31, 2006		December 31, 2005	
(in millions)	**Carrying value**	**Cost**	Carrying value	Cost
Total private equity investments	**$ 6,499**	**$ 8,104**	$ 6,374	$ 8,036

NOTE 4 – INTEREST INCOME AND INTEREST EXPENSE

Details of Interest income and Interest expense were as follows:

	Three months ended March 31,	
(in millions)	**2006**	2005
Interest income		
Loans	**$ 7,497**	$ 6,034
Securities	**748**	1,078
Trading assets	**2,550**	2,232
Federal funds sold and securities purchased under resale agreements	**1,543**	727
Securities borrowed	**385**	221
Deposits with banks	**247**	154
Interests in purchased receivables	**331**	186
Total interest income	**13,301**	10,632
Interest expense		
Interest-bearing deposits	**3,665**	1,997
Short-term and other liabilities	**2,934**	2,214
Long-term debt	**1,235**	924
Beneficial interests issued by consolidated VIEs	**407**	272
Total interest expense	**8,241**	5,407
Net interest income	**5,060**	5,225
Provision for credit losses	**831**	427
Net interest income after provision for credit losses	**$ 4,229**	$ 4,798

NOTE 5 – PENSION AND OTHER POSTRETIREMENT EMPLOYEE BENEFIT PLANS

For a discussion of JPMorgan Chase's pension and OPEB plans, see Note 6 on pages 96–100 of JPMorgan Chase's 2005 Annual Report. The following table presents the components of net periodic benefit costs reported in the Consolidated statements of income for the Firm's U.S. and non-U.S. defined benefit pension and OPEB plan:

	Pension plans					
	U.S.		Non-U.S.		OPEB	
Three months ended March 31, (in millions)	**2006**	2005	**2006**	2005	**2006**	2005
Components of net periodic benefit cost						
Benefits earned during the period	**$ 68**	$ 75	**$ 7**	$ 5	**$ 2**	$ 4
Interest cost on benefit obligations	**107**	108	**28**	26	**18**	21
Expected return on plan assets	**(173)**	(173)	**(29)**	(27)	**(23)**	(22)
Amortization of unrecognized amounts:						
Prior service cost	**1**	2	**—**	—	**(5)**	1
Net actuarial loss	**3**	—	**10**	10	**6**	—
Curtailment loss	**—**	—	**1**	—	**—**	—
Subtotal	**6**	12	**17**	14	**(2)**	4
Other defined benefit pension plans*(a)*	**6**	7	**10**	9	**—**	—
Total defined benefit pension plans	**12**	19	**27**	23	**(2)**	4
Defined contribution plans	**59**	61	**44**	45	**—**	—
Total pension and other postretirement benefit expense	**$ 71**	$ 80	**$ 71**	$ 68	**$ (2)**	$ 4

(a) Includes U.S. defined benefit pension plans not subject to Title IV of the Employee Retirement Income Security Act of 1974 (e.g., Excess Retirement Plan) and immaterial non-U.S. defined benefit pension plans.

The fair value of plan assets for the U.S. pension and OPEB plans and material non-U.S. pension plans was $11.1 billion and $2.3 billion, respectively, as of March 31, 2006, and $10.9 billion and $2.2 billion, respectively, as of December 31, 2005.

NOTE 6 – EMPLOYEE STOCK-BASED INCENTIVES

The Firm has granted restricted stock, restricted stock units (“RSUs”), stock options, and stock-settled stock appreciation rights (“SARs”) to certain of its employees, as further discussed below. The Firm’s policy for issuing shares upon settlement of employee share-based payment awards is to issue either new shares of common stock or treasury shares. For the three months ended March 31, 2006, the Firm issued new shares of common stock to settle employee share-based payment awards.

Key employee stock-based awards
Effective May 17, 2005, the Firm adopted the 2005 Long-Term Incentive Plan (the “2005” Plan”). The 2005 Plan replaces three previous stock compensation plans (collectively, the “LTI Plans”). Under the terms of the 2005 Plan, 275 million shares of common stock are available for issuance during its five-year term. The 2005 Plan is the only plan under which the Firm is currently granting stock-based incentive awards.

Restricted stock and restricted stock units
Restricted stock and RSUs were granted under the LTI Plans at no cost to the recipient. These awards are subject to forfeiture until certain restrictions have lapsed, including continued employment for a specified period. The recipient of a share of restricted stock is entitled to voting rights and dividends on the common stock. An RSU entitles the recipient to receive a share of common stock after the applicable restrictions lapse; the recipient is entitled to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSU is outstanding. Effective January 2005, the equity portion of the Firm’s annual incentive awards is granted primarily in the form of RSUs.

Compensation expense for restricted stock and RSUs is measured based upon the number of shares granted multiplied by the stock price at the grant date, and is recognized in earnings over the required service period.

The following table summarizes JPMorgan Chase’s restricted stock and RSU activity for the three months ended March 31, 2006:

(in thousands, except weighted average data)	Shares	Weighed average fair value
Restricted stock / RSUs outstanding, January 1	**84,604**	**$ 35.22**
Granted	**41,988**	**39.16**
Lapsed*(a)*	**(30,610)**	**30.45**
Forfeited	**(2,732)**	**43.20**
Restricted stock / RSUs outstanding, March 31	**93,250**	**$ 38.32**

(a) Lapsed awards represent awards granted in prior years for which, in the case of restricted stock restrictions have lapsed and, in the case of RSUs, the awards have been converted into common stock.

The total fair value of shares vested during the three months ended March 31, 2006, and March 31, 2005, was $932.0 million and $982.7 million, respectively.

Key employee stock options and SARs
Under the LTI Plans, stock options and SARs are granted with an exercise price equal to JPMorgan Chase’s common stock price on the grant date. Generally, options and SARs cannot be exercised until at least one year after the grant date and become exercisable over various periods as determined at the time of the grant. These awards generally expire 10 years after the grant date.

The Firm uses the Black-Scholes valuation model to estimate the fair value of all stock options and SARs. Compensation expense, which is measured at the grant-date as the fair value of stock options and SARs, is recognized in earnings on a straight-line basis over the required service period.

The following table summarizes JPMorgan Chase's option and SARs activity for the three months ended March 31, 2006:

(in thousands, except weighted-average data)	Number of options/SARs	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value
Outstanding, January 1	**338,575**	**$ 37.93**		
Granted	**670**	**40.25**		
Exercised	**(17,175)**	**28.12**		
Forfeited	**(323)**	**36.61**		
Cancelled	**(1,772)**	**46.89**		
Outstanding, March 31	**319,975**	**$ 38.42**	**4.9**	**$ 2,000,498**
Exercisable, March 31	**285,095**	**38.89**	**4.5**	**1,749,350**

The weighted-average grant-date fair value of options granted during the three months ended March 31, 2006, and March 31, 2005, was $11.83 and $12.10, respectively. The total intrinsic value of options exercised during the three months ended March 31, 2006, and March 31, 2005, was $213.7 million and $94.4 million, respectively.

Broad-based employee stock options

No broad-based employee stock options were granted in 2005, or in the three months ended March 31, 2006. In prior years, awards were granted by JPMorgan Chase under the Value Sharing Plan, a nonshareholder-approved plan. For each grant, the exercise price was equal to JPMorgan Chase's common stock price on the grant date. The options became exercisable over various periods and generally expire 10 years after the grant date.

The following table presents a summary of JPMorgan Chase's broad-based employee stock option activity for the three months ended March 31, 2006:

(in thousands, except weighted-average data)	Number of options	Weighted-average exercise price	Weighted-average remaining contractual life (in years)	Aggregate intrinsic value
Outstanding, January 1	**105,582**	**$ 40.78**		
Granted	**—**	**—**		
Exercised	**(2,468)**	**25.46**		
Forfeited	**(410)**	**37.83**		
Cancelled	**(484)**	**46.08**		
Outstanding, March 31	**102,220**	**$ 41.14**	**4.3**	**$ 395,988**
Exercisable, March 31	**76,787**	**42.46**	**3.8**	**280,862**

The total intrinsic value of options exercised during the three months ended March 31, 2006 and 2005, was $36.4 million and $15.1 million, respectively.

Compensation expense related to stock-based incentives

JPMorgan Chase adopted SFAS 123, effective January 1, 2003, using the prospective transition method. SFAS 123 requires all stock-based compensation awards, including stock options and "SARs", to be accounted for at fair value. Unmodified stock options that were outstanding as of December 31, 2002, continued to be accounted for under APB 25 through December 31, 2005, using the intrinsic value method. Under this method, no expense was recognized for stock options or SARs granted at an exercise price equal to the stock price on the grant date, since such options have no intrinsic value.

Effective January 1, 2006, the Firm adopted SFAS 123R and all related interpretations using the modified prospective transition method. SFAS 123R requires all share-based payments to employees, including employee stock options and SARs, to be recognized in the income statement at their fair values. Results for prior periods have not been restated. The Firm also adopted the transition election provided by FSP FAS 123(R)-3.

Upon adopting SFAS 123R, the Firm began to recognize in the income statement compensation expense for unvested stock options previously accounted for under APB 25. Additionally, the Firm recognized as compensation expense an immaterial cumulative effect adjustment resulting from the requirement to estimate forfeitures at the grant date instead of recognizing them as incurred. Prior to adopting SFAS 123R, the Firm's accounting policy for share-based payment awards granted to retirement-eligible employees was to recognize compensation cost over the awards' stated service period. For awards granted to retirement-eligible employees in January 2006, which are subject to SFAS 123R, the Firm recognized compensation expense on the grant date without giving consideration to the impact of post-employment restrictions. The Firm also began to accrue in the first quarter of 2006 the estimated cost of stock awards to be granted to retirement-eligible employees in January 2007. The incremental expense in the first quarter of 2006 related to the Firm's adoption of SFAS 123R was $458.7 million. This amount represents a noncash charge and an accelerated recognition of costs that would otherwise have been incurred in future periods.

The Firm recognized noncash compensation expense related to its various employee stock-based incentives of $839.2 million (including the $458.7 million incremental impact of adopting SFAS 123R) and $380.9 million for the quarters ended March 31, 2006, and March 31, 2005, respectively, in its Consolidated statements of income. The total income tax benefit related to stock-based compensation arrangements recognized in the Firm's Consolidated statements of income for the quarter ended March 31, 2006 and March 31, 2005, was $335.7 million and $152.4 million, respectively. At March 31, 2006, $1.8 billion of compensation cost related to unvested awards has not yet been charged to earnings. That cost is expected to be recognized over a weighted average period of 1.5 years. The Firm does not capitalize any compensation cost related to share-based payment awards to employees.

As a result of adopting SFAS 123R on January 1, 2006, the Firm's Income before income tax expense and Net income for the three months ended March 31, 2006, are lower by $458.7 million and $285 million, respectively, than if the Firm had continued to account for share-based compensation under APB 25 and SFAS 123. The Firm's reported basic and diluted earnings per share for the three months ended March 31, 2006, were $0.89 and $0.86, respectively. Had the Firm not adopted SFAS 123R, basic and diluted earnings per share for the three months ended March 31, 2006, would have been $0.97 and $0.94, respectively.

The Firm's share-based payment awards generally have graded vesting schedules, with typically two vesting tranches: 50 percent vests in two years, and 50 percent vests in three years. The Firm separately recognizes compensation expense for each tranche of each award as if it were a separate award with its own vesting date. For each tranche granted (other than those granted to employees who either are or will become retirement eligible during the stated vesting period), compensation expense is recognized on a straight-line basis from the grant date until the vesting date of the respective tranche.

In December 2005, the Firm accelerated the vesting of approximately 41 million unvested, out-of-the-money employee stock options granted in 2001 under the Growth and Performance Incentive Program ("GPIP"), which were scheduled to vest in January 2007. These options were not modified other than to accelerate vesting. The related expense was approximately $145 million, and was recognized as compensation expense in the fourth quarter of 2005. The Firm believed that at the time the options were accelerated they had limited economic value since the exercise price of the accelerated options was $51.22 and the closing price of the Firm's common stock on the effective date of the acceleration was $39.69.

Cash flows and tax benefits

Prior to adopting SFAS 123R, the Firm presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in its Consolidated statements of cash flows. SFAS 123R requires the cash flows resulting from the tax benefits of tax deductions in excess of the compensation expense recognized for those options (i.e., excess tax benefits) to be classified as financing cash flows. The $134.7 million of excess tax benefits classified as a financing cash inflow in the quarter ended March 31, 2006, would have been classified as an operating cash inflow if the Firm had not adopted SFAS 123R. Cash received from option exercise under all share-based payment arrangements for the quarters ended March 31, 2006, and March 31, 2005, was $534.2 million and $173.4 million, respectively. The actual tax benefit realized related to tax deductions from the exercise of options totaled $51.4 million and $16.6 million, for the quarters ended March 31, 2006, and March 31, 2005, respectively.

Comparison of the fair and intrinsic value measurement methods

The following table presents net income and basic and diluted earnings per share as reported, and as if all outstanding awards were accounted for at fair value for 2005 only, as all share-based payments in 2006 were accounted for at fair value.

Three months ended March 31, (in millions, except per share data)	2005
Net income as reported	$ 2,264
Add: Employee stock-based compensation expense included in reported net income, net of related tax effects	229
Deduct: Employee stock-based compensation expense determined under the fair-value method for all awards, net of related tax effects	(289)
Pro forma net income	$ 2,204
Earnings per share:	
Basic: As reported	$ 0.64
Pro forma	0.62
Diluted: As reported	$ 0.63
Pro forma	0.62

The following table presents the assumptions used to value key employee stock options and SARs granted during the period under a Black-Scholes valuation model:

Three months ended March 31	**2006**	2005
Weighted-average annualized valuation assumptions		
Risk-free interest rate	**4.41%**	4.23%
Expected dividend yield	**3.38**	3.55
Expected common stock price volatility	**36**	41
Expected life (in years)	**7.0**	6.8

Prior to the adoption of SFAS 123R, the Firm used the historical volatility of its common stock price as the expected volatility assumption in valuing options. The Firm is currently evaluating whether the implied volatility of actively traded options on its own stock would represent a better valuation assumption.

The expected life assumption is an estimate of the length of time that an employee might hold an option before option exercise, option expiration or employment termination. The expected life assumption was developed using historical experience.

NOTE 7 – NONINTEREST EXPENSE

In the first quarter of 2006, Other expense includes insurance recoveries relating to certain material litigation of $98 million. In the first quarter of 2005, a litigation reserve charge of $900 million, relating to the settlement of WorldCom class action, was included in Other expense.

Merger costs

A summary of Merger costs by expense category is shown in the following table:

	Three months ended March 31,	
(in millions)	**2006**	2005
Expense category		
Compensation	**$ 4**	$ 55
Technology and communications and other	**67**	90
Total*(a)*	**$ 71**	$ 145

(a) All of the costs in the table require the expenditure of cash.

The table below shows the change in the liability balance related to the costs associated with the Merger:

(in millions)	**2006**	2005
Liability balance, January 1	**$ 797**	$ 952
Recorded as merger costs	**71**	145
Liability utilized	**(133)**	(180)
Liability balance, March 31	**$ 735**	$ 917

NOTE 8 – SECURITIES

For a discussion of accounting policies relating to Securities, see Note 9 on pages 103–105 of JPMorgan Chase's 2005 Annual Report. The following table presents realized gains and losses from AFS securities:

(in millions)	Three months ended March 31, 2006	2005
Realized gains	**$ 101**	$ 101
Realized losses	**(217)**	(923)
Securities gains (losses)	**$ (116)**	$ (822)

The amortized cost and estimated fair value of AFS and held-to-maturity securities were as follows for the dates indicated:

(in millions)	**March 31, 2006** Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value	December 31, 2005 Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Available-for-sale securities								
U.S. government and federal agency obligations:								
U.S. treasuries	**$ 5,890**	**$ 2**	**$ 32**	**$ 5,860**	$ 4,245	$ 24	$ 2	$ 4,267
Mortgage-backed securities	**71**	**3**	**1**	**73**	80	3	—	83
Agency obligations	**82**	**7**	**—**	**89**	165	16	—	181
Collateralized mortgage obligations	**25**	**—**	**—**	**25**	4	—	—	4
U.S. government-sponsored enterprise obligations	**41,703**	**55**	**1,070**	**40,688**	22,604	9	596	22,017
Obligations of state and political subdivisions	**663**	**18**	**8**	**673**	712	21	7	726
Debt securities issued by non-U.S. governments	**5,491**	**5**	**37**	**5,459**	5,512	12	18	5,506
Corporate debt securities	**5,934**	**12**	**115**	**5,831**	5,754	39	74	5,719
Equity securities	**3,055**	**115**	**3**	**3,167**	3,179	110	7	3,282
Other, primarily asset-backed securities*(a)*	**5,150**	**68**	**29**	**5,189**	5,738	23	23	5,738
Total available-for-sale securities	**$ 68,064**	**$ 285**	**$ 1,295**	**$ 67,054**	$ 47,993	$ 257	$ 727	$ 47,523
Held-to-maturity securities*(b)*								
Total held-to-maturity securities	**$ 72**	**$ 2**	**$ —**	**$ 74**	$ 77	$ 3	$ —	$ 80

(a) Includes collateralized mortgage obligations of private issuers, which generally have underlying collateral consisting of obligations of the U.S. government and federal agencies and corporations.
(b) Consists primarily of mortgage-backed securities.

NOTE 9 – SECURITIES FINANCING ACTIVITIES

For a discussion of the accounting policies relating to Securities financing activities, see Note 10 on pages 105–106 of JPMorgan Chase's 2005 Annual Report. The following table details the components of Securities financing activities at each of the dates indicated:

(in millions)	**March 31, 2006**	December 31, 2005
Securities purchased under resale agreements	**$ 147,111**	$ 129,570
Securities borrowed	**93,280**	74,604
Securities sold under repurchase agreements	**$129,238**	$ 103,052
Securities loaned	**14,170**	14,072

JPMorgan Chase pledges certain financial instruments the Firm owns to collateralize repurchase agreements and other securities financings. Pledged securities that can be sold or repledged by the secured party are identified as financial instruments owned (pledged to various parties) on the Consolidated balance sheets.

At March 31, 2006, the Firm had received securities as collateral that could be repledged, delivered or otherwise used with a fair value of approximately $347 billion. This collateral was generally obtained under resale or securities borrowing agreements. Of these securities, approximately $330 billion were repledged, delivered or otherwise used, generally as collateral under repurchase agreements, securities lending agreements or to cover short sales.

NOTE 10 – LOANS

For a discussion of the accounting policies relating to Loans, see Note 11 on pages 106–107 of JPMorgan Chase's 2005 Annual Report. The composition of the loan portfolio at each of the dates indicated was as follows:

(in millions)	**March 31, 2006**	December 31, 2005
U.S. wholesale loans:		
Commercial and industrial	**$ 73,830**	$ 70,233
Real estate	**12,980**	13,612
Financial institutions	**13,163**	11,100
Lease financing receivables	**2,513**	2,621
Other	**16,015**	14,499
Total U.S. wholesale loans	**118,501**	112,065
Non-U.S. wholesale loans:		
Commercial and industrial	**33,456**	27,452
Real estate	**1,397**	1,475
Financial institutions	**10,375**	7,975
Lease financing receivables	**1,070**	1,144
Total non-U.S. wholesale loans	**46,298**	38,046
Total wholesale loans:(a)		
Commercial and industrial	**107,286**	97,685
Real estate(b)	**14,377**	15,087
Financial institutions	**23,538**	19,075
Lease financing receivables	**3,583**	3,765
Other	**16,015**	14,499
Total wholesale loans	**164,799**	150,111
Total consumer loans:(c)		
Home equity	**75,241**	73,866
Mortgage	**57,690**	58,959
Auto loans and leases	**44,600**	46,081
All other loans	**25,060**	18,393
Credit card receivables(d)	**64,691**	71,738
Total consumer loans	**267,282**	269,037
Total loans(e)(f)(g)	**$432,081**	$ 419,148

(a) Includes Investment Bank, Commercial Banking, Treasury & Securities Services and Asset & Wealth Management.
(b) Represents credits extended for real estate–related purposes to borrowers who are primarily in the real estate development or investment businesses and for which the primary repayment is from the sale, lease, management, operations or refinancing of the property.
(c) Includes Retail Financial Services and Card Services.
(d) Includes billed finance charges and fees net of an allowance for uncollectible amounts.
(e) Loans are presented net of unearned income of $2.7 billion and $3.0 billion at March 31, 2006, and December 31, 2005, respectively.
(f) Includes loans held-for-sale (primarily related to securitization and syndication activities) of $34.2 billion at both March 31, 2006, and December 31, 2005.
(g) Amounts are presented gross of the Allowance for loan losses.

The following table reflects information about the Firm's loans held-for-sale, principally mortgage-related:

	Three months ended March 31,	
(in millions)	**2006**	2005
Net gains on sales of loans held-for-sale	**$ 164**	$ 152
Lower of cost or market adjustments	**(85)**	(126)

NOTE 11– ALLOWANCE FOR CREDIT LOSSES

For a discussion of the Allowance for credit losses and the related accounting policies, see Note 12 on pages 107–108 of JPMorgan Chase's 2005 Annual Report. The table below summarizes the changes in the Allowance for loan losses:

	Three months ended March 31,	
(in millions)	**2006**	2005
Allowance for loan losses at January 1	**$ 7,090**	$ 7,320
Gross charge-offs	**(882)**	(1,033)
Gross recoveries	**214**	217
Net charge-offs	**(668)**	(816)
Provision for loan losses	**847**	431
Other	**6**	—
Allowance for loan losses at March 31	**$ 7,275***(a)*	$ 6,935*(b)*

(a) Includes $118 million of asset-specific and $7.2 billion of formula-based allowance. Included within the formula-based allowance was $5.0 billion related to a statistical calculation and an adjustment to the statistical calculation of $2.2 billion.

(b) Includes $385 million of asset-specific and $6.5 billion of formula-based allowance. Included within the formula-based allowance was $4.5 billion related to a statistical calculation and an adjustment to the statistical calculation of $2.0 billion.

The table below summarizes the changes in the Allowance for lending-related commitments:

	Three months ended March 31,	
(in millions)	**2006**	2005
Allowance for lending-related commitments at January 1	**$ 400**	$ 492
Provision for lending-related commitments	**(16)**	(4)
Allowance for lending-related commitments at March 31*(a)*	**$ 384**	$ 488

(a) At March 31, 2006, includes $49 million of asset-specific and $335 million of formula-based allowance. At March 31, 2005, includes $144 million of asset-specific and $344 million of formula-based allowance. The formula-based allowance for lending-related commitments is based upon a statistical calculation. There is no adjustment to the statistical calculation for lending-related commitments.

NOTE 12 – LOAN SECURITIZATIONS

For a discussion of the accounting policies relating to loan securitizations, see Note 13 on pages 108–111 of JPMorgan Chase's 2005 Annual Report. JPMorgan Chase securitizes, sells and services various consumer loans, such as consumer real estate, credit card and automobile loans, as well as certain wholesale loans (primarily commercial real estate) originated by the Investment Bank. In addition, the Investment Bank purchases, packages and securitizes wholesale and consumer loans. All IB activity is collectively referred to below as Wholesale activities. JPMorgan Chase–sponsored securitizations utilize special purpose entities ("SPEs") as part of the securitization process. These SPEs meet the definition of a "qualifying" special purpose entity ("QSPE"), as discussed in Note 1 on page 91 of JPMorgan Chase's 2005 Annual Report; accordingly, the assets and liabilities of securitization-related QSPEs are included on the balance sheet of the QSPE purchasing the assets and are not reflected in the Firm's Consolidated balance sheets (except for retained interests, as described below). Assets held by securitization-related QSPEs as of March 31, 2006, and December 31, 2005, were as follows:

(in billions)	**March 31, 2006**	December 31, 2005
Credit card receivables	**$ 87.9**	$ 96.0
Residential mortgage receivables	**31.3**	29.8
Wholesale activities*(a)*	**85.0**	72.9
Automobile loans	**4.7**	5.5
Total	**$208.9**	$ 204.2

(a) Includes co-sponsored securitizations, which include non-JPMorgan Chase originated assets.

The following table summarizes new securitization transactions that were completed during the first quarters of 2006 and 2005, the resulting gains arising from such securitizations, certain cash flows received from such securitizations, and the key economic assumptions used in measuring the retained interests, as of the dates of such sales:

	Three months ended March 31,							
	2006				2005			
(in millions)	**Residential mortgage**	**Credit card**	**Automobile**	**Wholesale activities***(b)*	Residential mortgage	Credit card	Automobile	Wholesale activities*(b)*
Principal securitized	**$ 3,178**	**$ 4,525**	**$ —**	**$ 9,897**	$ 3,574	$ 425	$ —	$ 2,764
Pre-tax gains	**89**	**30**	**—**	**53**	10	2	—	36
Cash flow information:								
Proceeds from securitizations	**$ 3,140**	**$ 4,525**	**$ —**	**$ 10,006**	$ 3,596	$ 425	$ —	$ 2,803
Servicing fees collected	**—**	**12**	**—**	**—**	1	1	—	—
Other cash flows received	**—**	**69**	**—**	**—**	—	4	—	—
Proceeds from collections reinvested in revolving securitizations	**—**	**51,896**	**—**	**—**	—	31,464	—	—
Key assumptions (rates per annum):								
Prepayment rate*(a)*	**—**	**22.2% PPR**	**—**	**35-45%**	—	16.7% PPR	—	—
Weighted-average life (in years)	**—**	**0.4**	**—**	**1.5-4.7**	—	0.5	—	—
Expected credit losses	**—**	**3.3%**	**—**	**1.3-2.4%**	—	5.7%	—	—
Discount rate	**—**	**12.0%**	**—**	**14.5-18.5%**	—	12.0%	—	—

(a) PPR: principal payment rate.

(b) Wholesale activities consist of wholesale loans (primarily commercial real estate) originated by the Investment Bank as well as $6.7 billion and $537 million of consumer loans purchased from the market during the quarter ended March 31, 2006 and 2005, respectively, and then packaged and securitized by the Investment Bank.

In addition to securitization transactions, the Firm sold residential mortgage loans totaling $13.6 billion and $11.3 billion during the first quarters of 2006 and 2005, respectively, primarily as GNMA, FNMA and Freddie Mac mortgage-backed securities; these sales resulted in pre-tax gains of $10 million and $37 million, respectively.

At March 31, 2006, and December 31, 2005, the Firm had, with respect to its credit card master trusts, $18.1 billion and $24.8 billion, respectively, related to undivided interests, and $3.2 billion and $2.2 billion, respectively, related to subordinated interests in accrued interest and fees on the securitized receivables, net of an allowance for uncollectible amounts. Credit card securitization trusts require the Firm to maintain a minimum undivided interest of 4% to 12% of the principal receivables in the trusts. The Firm maintained an average undivided interest in principal receivables in the trusts of approximately 22% for the three months ended March 31, 2006, and 23% for the year ended December 31, 2005.

The Firm also maintains escrow accounts up to predetermined limits for some credit card and automobile securitizations in the unlikely event of deficiencies in cash flows owed to investors. The amounts available in such escrow accounts are recorded in Other assets and, as of March 31, 2006, amounted to $214 million and $61 million for credit card and automobile securitizations, respectively; as of December 31, 2005, these amounts were $754 million and $76 million for credit card and automobile securitizations, respectively.

The table below summarizes other retained securitization interests, which are primarily subordinated or residual interests and are carried at fair value on the Firm's Consolidated balance sheets:

(in millions)	**March 31, 2006**	December 31, 2005
Residential mortgage*(a)*	**$ 172**	$ 182
Credit card*(a)*	**816**	808
Automobile*(a)(b)*	**133**	150
Wholesale activities*(c)*	**470**	265
Total	**$1,591**	$ 1,405

(a) Pre-tax unrealized gains recorded in Stockholders' equity that relate to retained securitization interests totaled $62 million and $60 million for Residential mortgage, and $3 million and $6 million for Credit card at March 31, 2006 and December 31, 2005, respectively; and $5 million for Automobile at both March 31, 2006, and December 31, 2005.

(b) In addition to the automobile retained interest amounts noted above, the Firm also retained senior securities totaling $208 million at March 31, 2006, and $490 million at December 31, 2005, from auto securitizations that are classified as AFS securities. These securities are valued using quoted market prices and are therefore not included in the key economic assumption and sensitivities table that follows.

(c) In addition to the wholesale retained interest amounts noted above, the Firm also retained subordinated securities totaling $56 million at March 31, 2006, and $51 million at December 31, 2005, predominantly from re-securitization activities. These securities are valued using quoted market prices and are therefore not included in the key assumptions and sensitivities table that follows.

The table below outlines the key economic assumptions used to determine the fair value of the other retained interests at March 31, 2006, and December 31, 2005, respectively, and outlines the sensitivities of those fair values to immediate 10% and 20% adverse changes in those assumptions:

March 31, 2006 (in millions)	Residential Mortgage	Credit card	Automobile	Wholesale activities
Weighted-average life (in years)	**0.7-3.6**	**0.4-0.5**	**1.1**	**0.2-4.5**
Prepayment rate*(a)*	**16.6-44.2% CPR**	**18.2-22.2% PPR**	**1.4% ABS**	**0.0-50%***(d)*
Impact of 10% adverse change	**$ (2)**	**$ (45)**	**$ (2)**	**$ (5)**
Impact of 20% adverse change	**(5)**	**(90)**	**(4)**	**(11)**
Loss assumption	**0.0-4.4%***(b)*	**3.2-5.6%**	**0.8%**	**0.0-2.7%***(b)*
Impact of 10% adverse change	**$ (8)**	**$ (98)**	**$ (4)**	**$ (16)**
Impact of 20% adverse change	**(15)**	**(196)**	**(8)**	**(30)**
Discount rate	**14-30%***(c)*	**7.2-12.0%**	**7.6%**	**0.0-21.8%**
Impact of 10% adverse change	**$ (3)**	**$ (2)**	**$ (1)**	**$ (13)**
Impact of 20% adverse change	**(7)**	**(3)**	**(2)**	**(27)**

December 31, 2005 (in millions)	Residential Mortgage	Credit card	Automobile	Wholesale activities
Weighted-average life (in years)	0.5–3.5	0.4–0.7	1.2	0.2–4.1
Prepayment rate*(a)*	20.1–43.7% CPR	11.9–20.8% PPR	1.5% ABS	0.0–50.0%*(d)*
Impact of 10% adverse change	$ (3)	$ (44)	$ —	$ (5)
Impact of 20% adverse change	(5)	(88)	(2)	(6)
Loss assumption	0.0–5.2%*(b)*	3.2–8.1%	0.7%	0.0–2.0%*(b)*
Impact of 10% adverse change	$ (10)	$ (77)	$ (4)	$ (6)
Impact of 20% adverse change	(19)	(153)	(9)	(11)
Discount rate	12.7–30.0%*(c)*	6.9–12.0%	7.2%	0.2–18.5%
Impact of 10% adverse change	$ (4)	$ (2)	$ (1)	$ (6)
Impact of 20% adverse change	(8)	(4)	(3)	(12)

(a) CPR: constant prepayment rate; PPR: principal payment rate; ABS: absolute prepayment speed.
(b) Expected credit losses for prime residential mortgage and certain wholesale securitizations are minimal and are incorporated into other assumptions.
(c) The Firm sold certain residual interests from sub-prime mortgage securitizations via Net Interest Margin ("NIM") securitizations and retained residual interests in these NIM transactions, which are valued using an 18% yield.
(d) Prepayment risk on certain wholesale retained interests are minimal and are incorporated into other assumptions.

The sensitivity analysis in the preceding table is hypothetical. Changes in fair value based upon a 10% or 20% variation in assumptions generally cannot be extrapolated easily, because the relationship of the change in the assumptions to the change in fair value may not be linear. Also, in this table, the effect that a change in a particular assumption may have on the fair value is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another assumption, which might counteract or magnify the sensitivities.

The table below presents information about delinquencies, net credit losses and components of reported and securitized financial assets at March 31, 2006, and December 31, 2005:

	Total Loans		Nonaccrual and 90 days or more past due		Net loan charge-offs	
					Three months ended March 31,	
(in millions)	**March 31, 2006**	Dec. 31, 2005	**March 31, 2006**	Dec. 31, 2005	**2006**	2005
Home equity	**$ 75,241**	$ 73,866	**$ 451**	$ 422	**$ 33**	$ 35
Mortgage	**57,690**	58,959	**451**	442	**12**	6
Auto loans and leases	**44,600**	46,081	**157**	193	**51**	83
All other loans	**25,060**	18,393	**290**	281	**25**	28
Credit card receivables	**64,691**	71,738	**968**	1,091	**567**	673
Total consumer loans	**267,282**	269,037	**2,317**	2,429	**688**	825
Total wholesale loans	**164,799**	150,111	**801**	1,042	**(20)**	(9)
Total loans reported	**432,081**	419,148	**3,118**	3,471	**668**	816
Securitized loans:						
Residential mortgage*(a)*	**7,296**	8,061	**289**	370	**15**	32
Automobile	**4,629**	5,439	**8**	11	**4**	5
Credit card	**69,580**	70,527	**913**	730	**449**	917
Total consumer loans securitized	**81,505**	84,027	**1,210**	1,111	**468**	954
Securitized wholesale activities	**16,154**	9,049	**11**	4	**—**	—
Total loan securitized*(b)*	**97,659**	93,076	**1,221**	1,115	**468**	954
Total loans reported and securitized*(c)*	**$ 529,740**	$ 512,224	**$ 4,339**	$ 4,586	**$ 1,136**	$ 1,770

(a) Includes $5.3 billion and $5.9 billion of outstanding principal balances on securitized sub-prime 1–4 family residential mortgage loans as of March 31, 2006, and December 31, 2005, respectively.

(b) Total assets held in securitization-related SPEs were $208.9 billion and $204.2 billion at March 31, 2006, and December 31, 2005, respectively. The $97.7 billion and $93.1 billion of loans securitized at March 31 2006, and December 31, 2005, respectively, excludes: $92.8 billion and $85.6 billion of securitized loans, respectively, in which the Firm's only continuing involvement is the servicing of the assets; $18.1 billion and $24.8 billion of seller's interests in credit card master trusts, respectively; and $0.3 billion and $0.7 billion of escrow accounts and other assets, respectively.

(c) Represents both loans on the Consolidated balance sheets and loans that have been securitized, but excludes loans for which the Firm's only continuing involvement is servicing of the assets.

NOTE 13 – VARIABLE INTEREST ENTITIES

Refer to Note 1 on page 91 and Note 14 on pages 111–113 of JPMorgan Chase's 2005 Annual Report for a further description of JPMorgan Chase's policies regarding consolidation of variable interest entities ("VIEs") as well as the utilization of VIEs by the Firm.

Multi-seller conduits

The following table summarizes the Firm's involvement with Firm-administered multi-seller conduits:

	Consolidated		Nonconsolidated		Total	
(in billions)	**Mar. 31, 2006**	Dec. 31, 2005	**Mar. 31, 2006**	Dec. 31, 2005	**Mar. 31, 2006**	Dec. 31, 2005
Total commercial paper issued by conduits	**$ 34.2**	$ 35.2	**$ 9.0**	$ 8.9	**$ 43.2**	$ 44.1
Commitments						
Asset-purchase agreements	**$ 49.6**	$ 47.9	**$ 15.1**	$ 14.3	**$ 64.7**	$ 62.2
Program-wide liquidity commitments	**5.0**	5.0	**1.0**	1.0	**6.0**	6.0
Program-wide limited credit enhancements	**1.3**	1.3	**1.0**	1.0	**2.3**	2.3
Maximum exposure to loss *(a)*	**50.1**	48.4	**15.4**	14.8	**65.5**	63.2

(a) The Firm's maximum exposure to loss is limited to the amount of drawn commitments (i.e., sellers' assets held by the multi-seller conduits for which the Firm provides liquidity support) of $40.4 billion and $41.6 billion at March 31, 2006, and December 31, 2005, respectively, plus contractual but undrawn commitments of $25.1 billion and $21.6 billion at March 31, 2006, and December 31, 2005, respectively. Since the Firm provides credit enhancement and liquidity to these multi-seller conduits, the maximum exposure is not adjusted to exclude exposure absorbed by third-party liquidity providers.

The Firm views its credit exposure to multi-seller conduit transactions as limited. This is because, for the most part, the Firm is not required to fund under the liquidity facilities if the assets in the VIE are in default. Additionally, the Firm's obligations under the letters of credit are secondary to the risk of first loss provided by the customer or other third parties – for example, by the overcollateralization of the VIE with the assets sold to it or notes subordinated to the Firm's liquidity facilities.

Client intermediation

Assets held by credit-linked and municipal bond vehicles at March 31, 2006, and December 31, 2005, were as follows:

(in billions)	**March 31, 2006**	December 31, 2005
Credit-linked note vehicles*(a)*	**$15.4**	$ 13.5
Municipal bond vehicles*(b)*	**12.6**	13.7

(a) Assets of $1.8 billion and $1.8 billion reported in the table above were recorded on the Firm's Consolidated balance sheets at March 31, 2006 and December 31, 2005, respectively, due to contractual relationships held by the Firm that relate to collateral held by the VIE.

(b) Total amounts consolidated due to the Firm owning residual interests were $4.8 billion and $4.9 billion at March 31, 2006, and December 31, 2005, respectively, and are reported in the table. Total liquidity commitments were $6.0 billion and $5.8 billion at March 31, 2006, and December 31, 2005, respectively. The Firm's maximum credit exposure to all municipal bond vehicles was $10.8 billion and $10.7 billion at March 31, 2006, and December 31, 2005, respectively.

The Firm may enter into transactions with VIEs structured by other parties. These transactions can include, for example, acting as a derivative counterparty, liquidity provider, investor, underwriter, placement agent, trustee or custodian. These transactions are conducted at arm's length, and individual credit decisions are based upon the analysis of the specific VIE, taking into consideration the quality of the underlying assets. JPMorgan Chase records and reports these positions similarly to any other third-party transaction. These activities do not cause JPMorgan Chase to absorb a majority of the expected losses of the VIEs or to receive a majority of the residual returns of the VIE, and they are not considered significant for disclosure purposes.

Consolidated VIE assets

The following table summarizes the Firm's total consolidated VIE assets, by classification, on the Consolidated balance sheets, as of March 31, 2006, and December 31, 2005:

(in billions)	**March 31, 2006**	December 31, 2005
Consolidated VIE assets*(a)*		
Investment securities	**$ 1.9**	$ 1.9
Trading assets*(b)*	**9.5**	9.3
Loans	**10.1**	8.1
Interests in purchased receivables	**27.8**	29.6
Other assets	**5.6**	3.0
Total consolidated assets	**$54.9**	$ 51.9

(a) The Firm also holds $3.7 billion and $3.9 billion of assets, at March 31, 2006, and December 31, 2005, respectively, primarily as a seller's interest, in certain consumer securitizations in a segregated entity, as part of a two-step securitization transaction. This interest is included in the securitization activities disclosed in Note 12 on pages 74–77 of this Form 10–Q.

(b) Includes the fair value of securities and derivatives.

The interest-bearing beneficial interest liabilities issued by consolidated VIEs are classified in the line item titled, "Beneficial interests issued by consolidated variable interest entities" on the Consolidated balance sheets. The holders of these beneficial interests do not have recourse to the general credit of JPMorgan Chase.

NOTE 14 – GOODWILL AND OTHER INTANGIBLE ASSETS

For a discussion of accounting policies related to Goodwill and Other intangible assets, see Note 15 on pages 114–116 of JPMorgan Chase's 2005 Annual Report.

Goodwill and other intangible assets consist of the following:

(in millions)	**March 31, 2006**	December 31, 2005
Goodwill	**$43,899**	$ 43,621
Mortgage servicing rights	**7,539**	6,452
Purchased credit card relationships	**3,243**	3,275
All other intangibles:		
Other credit card–related intangibles	**$ 288**	$ 124
Core deposit intangibles	**2,567**	2,705
Other intangibles	**1,977**	2,003
Total All other intangible assets	**$ 4,832**	$ 4,832

Goodwill

As of March 31, 2006, goodwill increased by $278 million compared with December 31, 2005, principally in connection with the acquisition of Collegiate Funding Services. Partially offsetting this increase were reductions resulting from purchase accounting adjustments related to the November 15, 2005, acquisition of the Sears Canada credit card business. Goodwill was not impaired at March 31, 2006, or December 31, 2005, nor was any goodwill written off due to impairment during either the three months ended March 31, 2006 or March 31, 2005.

Goodwill attributed to the business segments was as follows:

(in millions)	**March 31, 2006**	December 31, 2005
Investment Bank	**$ 3,536**	$ 3,531
Retail Financial Services	**15,531**	14,991
Card Services	**12,693**	12,984
Commercial Banking	**2,656**	2,651
Treasury & Securities Services	**2,078**	2,062
Asset & Wealth Management	**7,028**	7,025
Corporate (Private Equity)	**377**	377
Total goodwill	**$43,899**	$ 43,621

Mortgage servicing rights

For a further description of the mortgage servicing rights ("MSRs") asset, interest rate risk management, and valuation methodology of MSRs, see Note 15 on pages 114–116 of JPMorgan Chase's 2005 Annual Report. The following tables summarize MSR activity during the first quarters of 2006 and 2005.

Three months ended March 31, (in millions)	**2006**
Balance at beginning of period after valuation allowance	**$ 6,452**
Cumulative effect of change in accounting principle	**230**
Fair value at beginning of period	**6,682**
Originations of MSRs	**344**
Purchase of MSRs	**151**
Total additions	**495**
Sales	**--**
Change in valuation due to inputs and assumptions	**711**
Change in valuation due to runoff and other	**(349)**
Fair value at March 31	**$ 7,539**
Weighted-average prepayment speed assumption (CPR)	**14.99%**
Weighted-average discount rate	**9.67%**

Three months ended March 31, (in millions)	2005
Balance at beginning of period	$ 6,111
Additions	374
Sales	—
Other-than-temporary impairment	—
Amortization	(339)
SFAS 133 hedge valuation adjustments	371
Balance at March 31	6,517
Valuation allowance at beginning of period	1,031
SFAS 140 impairment (recovery) adjustment	(177)
Less: Valuation allowance at end of period	854
Balance at March 31, after valuation allowance	$ 5,663
Estimated fair value at March 31	$ 5,663
Weighted-average prepayment speed assumption (CPR)	14.97%
Weighted-average discount rate	8.27%

CPR: Constant prepayment rate

JPMorgan Chase uses a combination of derivatives, AFS securities and trading instruments to manage changes in the fair value of MSRs. The intent is to offset any changes in the fair value of MSRs with changes in the fair value of the related risk management instruments. MSRs decrease in value when interest rates decline. Conversely, securities (such as mortgage–backed securities), principal-only certificates and certain derivatives (when the Firm receives fixed–rate interest payments) increase in value when interest rates decline. Contractual service fees, late fees, and other ancillary fees earned for the three months ended March 31, 2006 were $490 million, which is recorded in Mortgage fees and related income.

In the first quarter of 2006, the FASB issued SFAS 156. The standard is effective as of the beginning of the first fiscal year beginning after September 15, 2006, with early adoption permitted. JPMorgan Chase elected to adopt the standard effective January 1, 2006. The standard permits an entity a one-time irrevocable election to adopt fair value accounting for a class of servicing assets. The Firm has defined MSRs as one class of servicing assets for this election. This election is accounted for as a change in accounting principle. The difference between the fair value and the carrying amount, net of any related valuation allowance, of the MSRs as of the date of the initial application of the subsequent fair value measurement was recorded as a cumulative–effect adjustment to retained earnings of $150 million as of the beginning of the fiscal year. With the adoption of SFAS 156, changes in the fair values of the MSRs will be recorded in Mortgage fees and related income

For the three months ended March 31, 2005, MSRs were accounted for under SFAS 140, using a lower of cost or market method, with applicable hedging activity accounted for under SFAS 133. Changes to the valuation allowance represented the extent to which the carrying value of the MSR asset exceeded its estimated fair value for its applicable SFAS 140 strata. Changes in the valuation allowance were the result of recognition of impairment or the recovery of previously recognized impairment charges due to changes in market conditions during the period. The changes in the valuation allowance for MSRs are identified above.

Purchased credit card relationships and All other intangible assets

For the three months ended March 31, 2006, Purchased credit card relationship intangibles decreased by $32 million as a result of $185 million in amortization expense, partially offset by increases from purchase accounting adjustments related to the November 15, 2005, acquisition of the Sears Canada credit card business. During the three months ended March 31, 2006, all other intangible assets remained flat, as intangibles resulting predominantly from the acquisition of the Sears credit card business were offset by $182 million in amortization expense. Except for $513 million of indefinite-lived intangibles related to asset management advisory contracts which are not amortized but instead are tested for impairment at least annually, the remainder of the Firm's other acquired intangible assets are subject to amortization.

The components of credit card relationships, core deposits and other intangible assets were as follows:

(in millions)	**March 31, 2006** Gross amount	Accumulated amortization	Net carrying value	December 31, 2005 Gross amount	Accumulated amortization	Net carrying value
Purchased credit card relationships	**$ 5,478**	**$ 2,235**	**$ 3,243**	$ 5,325	$ 2,050	$ 3,275
All other intangibles:						
Other credit card–related intangibles	**$ 348**	**$ 60**	**$ 288**	$ 183	$ 59	$ 124
Core deposit intangibles	**3,797**	**1,230**	**2,567**	3,797	1,092	2,705
Other intangibles	**2,599**	**622** *(a)*	**1,977**	2,582	579 *(a)*	2,003
Total All other intangibles	**$ 6,744**	**$ 1,912**	**$ 4,832**	$ 6,562	$ 1,730	$ 4,832

(a) Includes $3 million and $4 million of amortization expense related to servicing assets on securitized automobile loans, which is recorded in Asset management, administration and commissions, for the three months ended March 31, 2006 and 2005.

Amortization expense (in millions)	Three months ended March 31, **2006**	2005
Purchased credit card relationships	**$ 185**	$ 175
Other credit card–related intangibles	**1**	11
Core deposit intangibles	**138**	157
Other intangibles	**40**	40
Total amortization expense	**$ 364**	$ 383

Future amortization expense

The following table presents estimated amortization expenses related to credit card relationships, core deposits and All other intangible assets at March 31, 2006:

For the year: (in millions)	Purchased credit card relationships	Other credit card–related intangibles	Core deposit intangibles	Other intangibles	Total
2006 *(a)*	**$ 712**	**$ 7**	**$ 547**	**$ 162**	**$ 1,428**
2007	640	11	469	147	1,267
2008	534	17	402	134	1,087
2009	390	23	329	125	867
2010	329	28	276	112	745

(a) Includes $185 million, $1 million, $138 million and $40 million of amortization expense related to purchased credit card relationships, other credit card-related intangibles, core deposit intangibles and other intangibles, respectively, recognized during the first three months of 2006.

NOTE 15 – EARNINGS PER SHARE

For a discussion of the computation of basic and diluted earnings per share (“EPS”) see Note 20 on page 119 of JPMorgan Chase’s 2005 Annual Report. The following table presents the calculation of basic and diluted EPS for the three months ended March 31, 2006 and 2005:

(in millions, except per share amounts)	Three months ended March 31, 2006	2005
Basic earnings per share		
Net income	**$ 3,081**	$ 2,264
Less: preferred stock dividends	**4**	5
Net income applicable to common stock	**$ 3,077**	$ 2,259
Weighted-average basic shares outstanding	**3,472.7**	3,517.5
Net income per share	**$ 0.89**	$ 0.64
Diluted earnings per share		
Net income applicable to common stock	**$ 3,077**	$ 2,259
Weighted-average basic shares outstanding	**3,472.7**	3,517.5
Add: Broad-based options	**5.2**	3.8
Restricted stock, restricted stock units and key employee options	**92.9**	48.5
Weighted-average diluted shares outstanding	**3,570.8**	3,569.8
Net income per share*(a)*	**$ 0.86**	$ 0.63

(a) Options issued under employee benefit plans to purchase 162 million and 305 million shares of common stock were outstanding for the three months ended March 31, 2006 and 2005, respectively, but were not included in the computation of diluted EPS because the options were anti-dilutive.

NOTE 16 – ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Accumulated other comprehensive income (loss) includes the after-tax change in unrealized gains and losses on AFS securities, cash flow hedging activities and foreign currency translation adjustments (including the impact of related derivatives).

(in millions) **Three months ended March 31, 2006**	Unrealized gains (losses) on AFS securities*(a)*	Translation adjustments	Cash flow hedges	Accumulated other comprehensive income (loss)
Balance at December 31, 2005	**$ (224)**	**$ (8)**	**$ (394)**	**$ (626)**
Net change	**(398)***(b)*	**(5)***(c)*	**12***(d)*	**(391)**
Balance at March 31, 2006	**$ (622)**	**$ (13)**	**$ (382)**	**$ (1,017)**

(in millions) Three months ended March 31, 2005	Unrealized gains (losses) on AFS securities*(a)*	Translation adjustments	Cash flow hedges	Accumulated other comprehensive income (loss)
Balance at December 31, 2004	$ (61)	$ (8)	$ (139)	$ (208)
Net change	(246)*(b)*	—*(c)*	(169)*(d)*	(415)
Balance at March 31, 2005	$ (307)	$ (8)	$ (308)	$ (623)

(a) Represents the after-tax difference between the fair value and amortized cost of the AFS securities portfolio and retained interests in securitizations recorded in Other assets.
(b) The net changes during the first quarter of 2006 and 2005 were due primarily to an increase in rates, partially offset by sales of investment securities at losses.
(c) At March 31, 2006 and 2005, included $58 million and $(130) million, respectively, of after-tax gains (losses) on foreign currency translation from operations for which the functional currency is other than the U.S. dollar, offset by $(63) million and $130 million, respectively, of after-tax gains (losses) on hedges.
(d) The net change for the three months ended March 31, 2006, included $12 million of after-tax losses recognized in income. The net change for the three months ended March 31, 2005, included $64 million of after-tax losses recognized in income and $233 million of after-tax losses representing the net change in derivative fair values that were reported in comprehensive income.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Litigation reserve

The Firm maintains litigation reserves for certain of its outstanding litigation, including material legal proceedings. While the outcome of litigation is inherently uncertain, management believes, in light of all information known to it at March 31, 2006, the Firm's litigation reserves were adequate at such date. Management reviews litigation reserves periodically, and the reserves may be increased or decreased in the future to reflect further litigation developments. The Firm believes it has meritorious defenses to claims asserted against it in its currently outstanding litigation and, with respect to such litigation, intends to continue to defend itself vigorously, litigating or settling cases according to management's judgment as to what is in the best interest of stockholders.

NOTE 18 – ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The majority of JPMorgan Chase's derivatives are entered into for trading purposes. Derivatives are also utilized by the Firm as an end-user to hedge market exposures, to modify the interest rate characteristics of related balance sheet instruments or to meet longer-term investment objectives. Both trading and end-user derivatives are recorded in Trading assets and Trading liabilities. For a further discussion of the Firm's use of and accounting policies regarding derivative instruments, see pages 67–70 and Note 26 on page 123 of JPMorgan Chase's 2005 Annual Report. The following table presents derivative instrument hedging-related activities for the periods indicated:

Three months ended March 31, (in millions)	**2006**	2005
Fair value hedge ineffective net gains/(losses)*(a)*	**$ (30)**	$ (101)
Cash flow hedge ineffective net gains/(losses)*(a)*	**(2)**	—
Cash flow hedging gains on forecasted transactions that failed to occur	**—**	—

(a) Includes ineffectiveness and the components of hedging instruments that have been excluded from the assessment of hedge effectiveness.

Over the next 12 months, it is expected that $26 million (after-tax) of net gains recorded in Accumulated other comprehensive income (loss) at March 31, 2006, will be recognized in earnings. The maximum length of time over which forecasted transactions are hedged is 10 years, and such transactions primarily relate to core lending and borrowing activities.

NOTE 19 – OFF–BALANCE SHEET LENDING-RELATED FINANCIAL INSTRUMENTS AND GUARANTEES

For a discussion of off–balance sheet lending-related financial instruments and guarantees, and the Firm's related accounting policies, see Note 27 on pages 124–125 of JPMorgan Chase's 2005 Annual Report. To provide for the risk of loss inherent in wholesale-related contracts an allowance for credit losses on lending-related commitments is maintained. See Note 11 on page 74 of this Form 10–Q for a further discussion regarding the allowance for credit losses on lending-related commitments.

The following table summarizes the contractual amounts of off–balance sheet lending-related financial instruments and guarantees and the related allowance for credit losses on lending-related commitments at March 31, 2006 and December 31, 2005:

Off–balance sheet lending-related financial instruments and guarantees

	Contractual amount		Allowance for lending-related commitments	
(in millions)	**March 31, 2006**	December 31, 2005	**March 31, 2006**	December 31, 2005
Lending-related				
Consumer*(a)*	**$ 669,402**	$ 655,596	**$ 15**	$ 15
Wholesale:				
Other unfunded commitments to extend credit *(b)(c)(d)*	**201,186**	208,469	**192**	208
Asset purchase agreements*(e)*	**34,821**	31,095	**5**	3
Standby letters of credit and guarantees*(c)(f)(g)*	**82,613**	77,199	**171**	173
Other letters of credit*(c)*	**3,955**	4,346	**1**	1
Total wholesale	**322,575**	321,109	**369**	385
Total lending-related	**$ 991,977**	$ 976,705	**$ 384**	$ 400
Other guarantees				
Securities lending guarantees*(h)*	**$ 283,111**	$ 244,316	**NA**	NA
Derivatives qualifying as guarantees*(i)*	**64,936**	61,759	**NA**	NA

(a) Includes Credit card lending–related commitments of $589 billion and $579 billion at March 31, 2006 and December 31, 2005, respectively, which represent the total available credit to the Firm's cardholders. The Firm has not experienced, and does not anticipate, that all of its cardholders will exercise their entire available lines of credit at the same point in time. The Firm can reduce or cancel a credit card commitment by providing the cardholder prior notice or, in some cases, without notice, as permitted by law.

(b) Includes unused advised lines of credit totaling $28.4 billion and $28.3 billion at March 31, 2006, and December 31, 2005, respectively, which are not legally binding. In regulatory filings with the FRB, unused advised lines are not reportable.

(c) *Represents contractual amount net of risk participations totaling $36.8 billion and $29.3 billion at March 31, 2006, and December 31, 2005, respectively.*
(d) *Excludes unfunded commitments to private third-party equity funds of $227 million and $242 million at March 31, 2006, and December 31, 2005, respectively.*
(e) *Represents asset purchase agreements with the Firm's administered multi-seller asset-backed commercial paper conduits, which excludes $31.2 billion and $32.4 billion at March 31, 2006, and December 31, 2005, respectively, related to conduits that were consolidated in accordance with FIN 46R, as the underlying assets of the conduits are reported in the Firm's Consolidated balance sheets. It also includes $1.3 billion and $1.3 billion of asset purchase agreements to other third-party entities at March 31, 2006 and December 31, 2005, respectively.*
(f) *JPMorgan Chase held collateral relating to $10.5 billion and $9.0 billion of these arrangements at March 31, 2006, and December 31, 2005, respectively.*
(g) *Includes unused commitments to issue standby letters of credit of $39.8 billion and $37.5 billion at March 31, 2006, and December 31, 2005, respectively.*
(h) *Collateral held by the Firm in support of securities lending indemnification agreements was $283 billion at March 31, 2006, and $245 billion at December 31, 2005, respectively.*
(i) *Represents notional amounts of derivative guarantees. For a further discussion of guarantees, see Note 27 on pages 124–125 of JPMorgan Chase's 2005 Annual Report.*

For a discussion of the off–balance sheet lending-related arrangements the Firm considers to be guarantees under FIN 45, and the related accounting policies, see Note 27 on pages 124–125 of JPMorgan Chase's 2005 Annual Report. The amount of the liability related to FIN 45 guarantees recorded at March 31, 2006, and December 31, 2005, excluding commitments and derivative contracts discussed above, was $315 million and $313 million, respectively.

In addition to the contracts described above, there are certain derivative contracts to which the Firm is a counterparty that meet the characteristics of a guarantee under FIN 45. For a discussion of the derivatives the Firm considers to be guarantees, and the related accounting policies, see Note 27 on pages 124–125 of JPMorgan Chase's 2005 Annual Report. The total notional value of the derivatives that the Firm deems to be guarantees was $65 billion and $62 billion at March 31, 2006, and December 31, 2005, respectively. The fair value related to these contracts was a derivative receivable of $197 million and $198 million, and a derivative payable of $945 million and $767 million at March 31, 2006, and December 31, 2005, respectively.

NOTE 20 – BUSINESS SEGMENTS

JPMorgan Chase is organized into six major reportable business segments (the Investment Bank ("IB"), Retail Financial Services ("RFS"), Card Services ("CS"), Commercial Banking ("CB"), Treasury & Securities Services ("TSS") and Asset & Wealth Management ("AWM")), as well as a Corporate segment. The segments are based upon the products and services provided or the type of customer served, and they reflect the manner in which financial information is currently evaluated by management. Results of these lines of business are presented on a managed basis. For a definition of managed basis, see the footnotes to the table below. For a further discussion concerning JPMorgan Chase's business segments, see Business segment results on page 13 of this Form 10–Q, and pages 34–35 and Note 31 on pages 130–131 of JPMorgan Chase's 2005 Annual Report.

Business segment financial disclosures
Effective January 1, 2006, JPMorgan Chase modified certain of its financial disclosures to reflect more closely the manner in which the Firm's business segments are managed and to provide improved comparability with competitors. These financial disclosure revisions are reflected in this Form 10–Q, and the financial information for prior periods has been revised to reflect the disclosure changes as if they had been in effect throughout 2005. A summary of the changes are described below.

Reported versus Operating Basis Changes
The presentation of operating earnings that excluded merger costs and material litigation reserve charges and recoveries from reported results has been eliminated. These items had been excluded previously from operating results because they were deemed nonrecurring; they are now included in the Corporate business segment's results. In addition, trading-related net interest income is no longer reclassified from Net interest income to trading revenue. As a result of these changes, effective January 1, 2006, management has discontinued reporting on an "operating" basis.

Business Segment Disclosures
Effective January 1, 2006, various wholesale banking clients, together with the related revenue and expense, are being transferred between CB, the IB and TSS. In the first quarter of 2006, the primary client transfer was corporate mortgage finance from CB to the IB.

Certain expenses that are managed by the business segments, but that had been previously recorded in Corporate and allocated to the businesses, are now recorded as direct expenses within the businesses.

Capital allocation changes
Effective January 1, 2006, the Firm refined its methodology for allocating capital (i.e. equity) to the business segments. As a result of this refinement, RFS, CS, CB, TSS and AWM have higher amounts of capital allocated to them, commencing in the first quarter of 2006, while the amount of capital allocated to the IB has remained unchanged. The revised methodology considers for each line of business, among other things, goodwill associated with such business segment's acquisitions since the Merger. In management's view, the revised methodology assigns responsibility to the lines of business to generate returns on the amount of capital supporting acquisition-related goodwill. As part of this refinement in the capital allocation methodology, the Firm assigned to the Corporate segment an amount of equity capital equal to the then-current book value of goodwill from and prior to the Merger. As prior periods have not been revised to reflect the new capital allocations, capital allocated to the respective lines of business for 2006 is not

comparable to prior periods and certain business metrics, such as ROE, are not comparable to the current presentation. The Firm may revise its equity capital allocation methodology again in the future.

The following table provides a summary of the Firm's segment results for the three months ended March 31, 2006, and 2005, on a managed basis. The impact of credit card securitization adjustments have been included in Reconciling items so that the total Firm results are on a reported basis. Finally, Total net revenue (Noninterest revenue and Net interest income) for each of the segments is presented on a tax-equivalent basis. Accordingly, revenue from tax exempt securities and investments that receive tax credits are presented in the managed results on a basis comparable to taxable securities and investments. This approach 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 (benefit). The following table summarizes the business segment results and reconciliation to reported U.S. GAAP results.

Segment results and reconciliation*(a)*

(in millions, except ratios) **Three months ended March 31, 2006**	**Investment Bank**	**Retail Financial Services*(d)***	**Card Services*(e)***	**Commercial Banking**
Net interest income	**$ 190**	**$ 2,562**	**$ 3,013**	**$ 667**
Noninterest revenue	**4,509**	**1,201**	**672**	**233**
Total net revenue	**4,699**	**3,763**	**3,685**	**900**
Provision for credit losses	**183**	**85**	**1,016**	**7**
Credit reimbursement (to)/from TSS*(b)*	**30**	**—**	**—**	**--**
Merger costs*(c)*	**—**	**—**	**—**	**--**
Other noninterest expense	**3,191**	**2,238**	**1,243**	**498**
Income (loss) before income tax expense	**1,355**	**1,440**	**1,426**	**395**
Income tax expense (benefit)	**505**	**559**	**525**	**155**
Net income (loss)	**$ 850**	**$ 881**	**$ 901**	**$ 240**
Average equity	**$ 20,000**	**$ 13,896**	**$ 14,100**	**$ 5,500**
Average assets	**646,220**	**231,587**	**145,994**	**54,771**
Return on average equity	**17%**	**26%**	**26%**	**18%**
Overhead ratio	**68**	**59**	**34**	**55**

(in millions, except ratios) **Three months ended March 31, 2006**	**Treasury & Securities Services**	**Asset & Wealth Management**	**Corporate**	**Reconciling Items*(e)(f)***	**Total**
Net interest income	**$ 572**	**$ 246**	**$ (545)**	**$ (1,645)**	**$ 5,060**
Noninterest revenue	**1,105**	**1,338**	**139**	**979**	**10,176**
Total net revenue	**1,677**	**1,584**	**(406)**	**(666)**	**15,236**
Provision for credit losses	**(4)**	**(7)**	**—**	**(449)**	**831**
Credit reimbursement (to)/from TSS*(b)*	**(30)**	**—**	**—**	**—**	**--**
Merger costs*(c)*	**—**	**—**	**71**	**—**	**71**
Other noninterest expense	**1,158**	**1,098**	**255**	**—**	**9,681**
Income (loss) before income tax expense	**493**	**493**	**(732)**	**(217)**	**4,653**
Income tax expense (benefit)	**181**	**180**	**(316)**	**(217)**	**1,572**
Net income (loss)	**$ 312**	**$ 313**	**$ (416)**	**$ —**	**$ 3,081**
Average equity	**$ 2,900**	**$ 3,500**	**$ 47,271**	**$ —**	**$ 107,167**
Average assets	**30,131**	**41,012**	**166,199**	**(67,557)**	**1,248,357**
Return on average equity	**44%**	**36%**	**NM**	**NM**	**12%**
Overhead ratio	**69**	**69**	**NM**	**NM**	**64**

(in millions, except ratios) Three months ended March 31, 2005	Investment Bank	Retail Financial Services*(d)*	Card Services*(e)*	Commercial Banking
Net interest income	$ 634	$ 2,653	$ 3,007	$ 600
Noninterest revenue	3,553	1,194	772	227
Total net revenue	4,187	3,847	3,779	827
Provision for credit losses	(366)	94	1,636	(6)
Credit reimbursement (to)/from TSS*(b)*	38	—	—	—
Merger costs*(c)*	—	—	—	—
Other noninterest expense	2,527	2,162	1,313	454
Income (loss) before income tax expense	2,064	1,591	830	379
Income tax expense (benefit)	736	603	308	148
Net income (loss)	$ 1,328	$ 988	$ 522	$ 231
Average equity	$ 20,000	$ 13,100	$ 11,800	$ 3,400
Average assets	568,222	225,120	138,512	51,135
Return on average equity	27%	31%	18%	28%
Overhead ratio	60	56	35	55

(in millions, except ratios) Three months ended March 31, 2005	Treasury & Securities Services	Asset & Wealth Management	Corporate	Reconciling Items*(e)(f)*	Total
Net interest income	$ 515	$ 282	$ (673)	$ (1,793)	$ 5,225
Noninterest revenue	983	1,079	(86)	700	8,422
Total net revenue	1,498	1,361	(759)	(1,093)	13,647
Provision for credit losses	(3)	(7)	(4)	(917)	427
Credit reimbursement (to)/from TSS*(b)*	(38)	—	—	—	—
Merger costs*(c)*	—	—	145	—	145
Other noninterest expense	1,067	934	1,335	—	9,792
Income (loss) before income tax expense	396	434	(2,235)	(176)	3,283
Income tax expense (benefit)	142	158	(900)	(176)	1,019
Net income (loss)	$ 254	$ 276	$ (1,335)	$ —	$ 2,264
Average equity	$ 1,900	$ 2,400	$ 52,745	$ —	$ 105,345
Average assets	29,534	39,716	178,088	(67,509)	1,162,818
Return on average equity	54%	47%	NM	NM	9%
Overhead ratio	71	69	NM	NM	73

(a) In addition to analyzing the Firm's results on a reported basis, management reviews the Firm's and the lines' of business results on a "managed" basis, which is a non-GAAP financial measure. The Firm's definition of managed basis starts with the reported U.S. GAAP results and includes certain reclassifications that do not have any impact on Net income as reported by the lines of business or by the Firm as a whole.

(b) TSS reimburses the IB for credit portfolio exposures the IB manages on behalf of clients the segments share.

(c) All Merger costs are reported in the Corporate business segment. Merger costs attributed to the business segments for 2006 and 2005 were as follows:

Three months ended March 31, (in millions)	**2006**	2005
Investment Bank	**$ 2**	$ 5
Retail Financial Services	**7**	26
Card Services	**13**	11
Commercial Banking	**—**	2
Treasury & Securities Services	**26**	20
Asset & Wealth Management	**6**	14
Corporate	**17**	67
Total Merger costs	**$71**	$145

(d) Retail Financial Services has been reorganized into three businesses: Regional Banking, Mortgage Banking and Auto Finance. For a further discussion see page 13 of this Form 10—Q.

(e) Managed results for Card Services exclude the impact of credit card securitizations on Total net revenue, Provision for credit losses and Average assets, as JPMorgan Chase treats the sold receivables as if they were still on the balance sheet in evaluating the overall performance of the net charge-offs and receivables. These adjustments are eliminated in Reconciling items to arrive at the Firm's reported U.S. GAAP results. The related securitization adjustments were as follows:

Three months ended March 31, (in millions)	**2006**	2005
Net interest income	**$ 1,574**	$ 1,732
Noninterest revenue	**(1,125)**	(815)
Provision for credit losses	**449**	917
Average assets	**67,557**	67,509

(f) Segment managed results reflect revenues on a tax-equivalent basis with the corresponding income tax impact recorded within income tax expense. These adjustments are eliminated in Reconciling items to arrive at the Firm's reported U.S. GAAP results. Tax-equivalent adjustments were as follows:

Three months ended March 31, (in millions)	**2006**	2005
Net interest income	**$ 71**	$ 61
Noninterest revenue	**146**	115
Income tax expense	**217**	176

JPMORGAN CHASE & CO.
CONSOLIDATED AVERAGE BALANCE SHEET, INTEREST AND RATES
(Taxable-Equivalent Interest and Rates; in millions, except rates)

	Three months ended March 31, 2006			Three months ended March 31, 2005		
	Average Balance	**Interest**	**Rate (Annualized)**	Average Balance	Interest	Rate (Annualized)
ASSETS						
Deposits with Banks	**$ 20,672**	**$ 247**	**4.85%**	$ 15,232	$ 154	4.11%
Federal Funds Sold and Securities Purchased under Resale Agreements	**147,391**	**1,543**	**4.25**	121,189	727	2.43
Securities Borrowed	**84,220**	**385**	**1.86**	52,449	221	1.71
Trading Assets — Debt Instruments	**185,679**	**2,597**	**5.67**	187,669	2,264	4.89
Securities: Available-for-Sale	**60,146**	**792**	**5.34***(a)*	93,332	1,133	4.92*(a)*
Held-to-Maturity	**77**	**1**	**6.63**	106	3	9.73
Interests in Purchased Receivables	**30,028**	**331**	**4.47**	29,277	186	2.58
Loans	**429,239**	**7,476**	**7.06**	398,494	6,005	6.11
Total Interest-Earning Assets	**957,452**	**13,372**	**5.66**	897,748	10,693	4.83
Allowance for Loan Losses	**(7,121)**			(7,192)		
Cash and Due from Banks	**32,286**			29,831		
Trading assets — Equity instruments	**70,762**			43,717		
Trading assets — Derivative receivables	**52,031**			65,237		
Other assets	**142,947**			133,477		
Total Assets	**$1,248,357**			$1,162,818		
LIABILITIES						
Interest-Bearing Deposits	**$ 434,100**	**$ 3,665**	**3.42%**	$ 388,355	$ 1,997	2.09%
Federal Funds Purchased and Securities Sold under Repurchase Agreements	**158,818**	**1,358**	**3.47**	151,335	924	2.48
Commercial Paper	**15,310**	**150**	**3.97**	12,665	62	2.00
Other Borrowings*(b)*	**124,773**	**1,426**	**4.64**	98,259	1,228	5.06
Beneficial Interests Issued by Consolidated VIEs	**42,192**	**407**	**3.92**	45,294	272	2.44
Long-term Debt	**118,875**	**1,235**	**4.21**	108,004	924	3.47
Total Interest-Bearing Liabilities	**894,068**	**8,241**	**3.74**	803,912	5,407	2.73
Noninterest-Bearing Deposits	**128,553**			127,405		
Trading liabilities — Derivative Payables	**54,842**			63,741		
All Other Liabilities, including the Allowance for Lending-related Commitments	**63,590**			62,076		
Total Liabilities	**1,141,053**			1,057,134		
STOCKHOLDERS' EQUITY						
Preferred Stock	**137**			339		
Common Stockholders' Equity	**107,167**			105,345		
Total Stockholders' Equity	**107,304**			105,684		
Total Liabilities, Preferred Stock and Stockholders' Equity	**$1,248,357**			$1,162,818		
INTEREST RATE SPREAD			**1.92%**			2.10%
NET INTEREST INCOME AND MARGIN ON INTEREST-EARNING ASSETS		**$ 5,131**	**2.17%**		$ 5,286	2.39%

(a) *For the three months ended March 31, 2006 and 2005, the annualized rate for available-for-sale securities based upon amortized cost was 5.29% and 4.90%, respectively.*
(b) *Includes securities sold but not yet purchased.*

GLOSSARY OF TERMS

ACH: Automated Clearing House.

APB: Accounting Principles Board Opinion.

APB 25: "Accounting for Stock Issued to Employees."

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.

Credit derivatives are contractual agreements that provide protection against a credit event of one or more referenced credits. The nature of a credit event is established by the protection buyer and protection seller at the inception of a transaction, and such events include bankruptcy, insolvency or failure to meet payment obligations when due. The buyer of the credit derivative pays a periodic fee in return for a payment by the protection seller upon the occurrence, if any, of a credit event.

Credit cycle: a period of time over which credit quality improves, deteriorates and then improves again. While portfolios may differ in terms of risk, the credit cycle is typically driven by many factors, including market events and the economy. The duration of a credit cycle can vary from a couple of years to several years.

FASB: Financial Accounting Standards Board.

FIN 39: FASB Interpretation No. 39, "Offsetting of Amounts Related to Certain Contracts."

FIN 45: FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirement for Guarantees, including Indirect Guarantees of Indebtedness of Others."

FIN 46R: FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities, an interpretation of Accounting Research Bulletin No. 51."

FSP FIN 46(R)-6: "Determining the Variability to be Considered in Applying FASB Interpretation No. 46(R)."

FSP FAS 123(R)-3: "Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards."

Interests in Purchased Receivables: Represent an ownership interest in a percentage of cash flows of an underlying pool of receivables transferred by a third-party seller into a bankruptcy remote entity, generally a trust, and then financed through a commercial paper conduit.

Investment-grade: An indication of credit quality based upon JPMorgan Chase's internal risk assessment system. "Investment-grade" generally represents a risk profile similar to a rating of a BBB-/Baa3 or better, as defined by independent rating agencies.

Litigation reserve charges and recoveries: There was a $98 million insurance recovery in the first quarter 2006 and a $900 million charge taken in the first quarter of 2005; both of which relate to certain of the legal cases named in the JPMorgan Chase Quarterly Report on Form 10—Q for the quarter ended September 30, 2004.

Managed Basis: Includes reclassifications related to credit card securitizations and taxable equivalents. Management uses certain non-GAAP financial measures at the segment level because it believes these non-GAAP financial measures provide information to investors in understanding the underlying operational performance and trends of the particular business segment and facilitate a comparison of the business segment with the performance of competitors.

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

Mark-to-market exposure: A measure, at a point in time, of the value of a derivative or foreign exchange contract in the open market. When the mark-to-market value is positive, it indicates the counterparty owes JPMorgan Chase and, therefore, creates a repayment risk for the Firm. When the mark-to-market value is negative, JPMorgan Chase owes the counterparty. In this situation, the Firm does not have repayment risk.

Master netting agreement: An agreement between two counterparties that have multiple derivative contracts with each other that provides for the net settlement of all contracts through a single payment, in a single currency, in the event of default on or termination of any one contract. See FIN 39.

NA: Data is not applicable or available for the period presented.

Net yield on interest-earning assets: The average rate for interest-earning assets less the average rate paid for all sources of funds.

NM: Not meaningful.

OPEB: Other postretirement employee benefits.

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

Principal Transactions: Represents Trading revenue (which includes physical commodities carried at the lower of cost or market), primarily in the Investment Bank, plus Private equity gains (losses), primarily in the Private Equity business of Corporate.

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 credit card securitizations, but excludes the impact of taxable equivalent adjustments.

Return on common equity less goodwill: Represents 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 also utilizes this measure to facilitate comparisons to other competitors.

SFAS: Statement of Financial Accounting Standards.

SFAS 123: "Accounting for Stock-Based Compensation."

SFAS 123R: "Share-Based Payment."

SFAS 128: "Earnings per Share."

SFAS 133: "Accounting for Derivative Instruments and Hedging Activities."

SFAS 140: "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a replacement of FASB Statement No. 125."

SFAS 142: "Goodwill and Other Intangible Assets."

SFAS 149: "Amendment of Statement No. 133 on Derivative Instruments and Hedging Activities."

SFAS 155: "Accounting for Certain Hybrid Financial Instruments — an amendment of FASB Statements No. 133 and 140."

SFAS 156: "Accounting for Servicing of Financial Assets — an amendment of FASB Statements No. 140."

Staff Accounting Bulletin ("SAB") 107: "Application of Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payment."

Stress testing: A scenario that measures market risk under unlikely but plausible events in abnormal markets.

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.

U.S. GAAP: Accounting principles generally accepted in the United States of America.

U.S. government and federal agency obligations: Obligations of the U.S. government or an instrumentality of the U.S. government whose obligations are fully and explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government.

U.S. government-sponsored enterprise obligations: Obligations of agencies originally established or chartered by the U.S. government to serve public purposes as specified by the U.S. Congress; these obligations are not explicitly guaranteed as to the timely payment of principal and interest by the full faith and credit of the U.S. government.

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

LINE OF BUSINESS METRICS

Investment Banking

IB's revenues comprise the following:

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

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.

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.

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 Regional Banking:

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.

Sales specialists — Retail branch office personnel who specialize in the marketing of a single product, including mortgages, investments and business banking, by partnering with the personal bankers.

Mortgage banking revenues comprise the following:

Production income includes Mortgage Servicing Rights created from the sales of loans, net gains or losses on the sales of loans, and other production-related fees. Also includes revenue associated with originations of subprime mortgage loans.

Mortgage servicing income

(a) Servicing revenue represents all gross income earned from servicing third-party mortgage loans including stated service fee, excess service fees, late fees, and other ancillary fees. Also includes income associated with the servicing of subprime mortgages.

(b) Changes in MSR asset fair value due to:

- inputs or assumptions in the model include interest rates and other market-based factors. Also includes updates to assumption used in the MSR valuation process and changes in the value of servicing assets associated with subprime loans.
- other changes in fair value include any factors other than those noted in the definition above. The single largest component of this line item is the change in MSR value due to servicing portfolio runoff (or time decay). For periods prior to January 1, 2006, this amount represents MSR asset amortization expense under SFAS 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities — a replacement of FASB Statement No. 125. Includes the results of both prime and subprime servicing assets.
- derivative valuation adjustments and other represents fair value adjustments to the derivatives and other instruments used to hedge the MSR asset.

Mortgage Banking's origination channels comprise the following:

Retail — Borrowers who are buying or refinancing a home are directly contacted by a mortgage banker employed by the Firm using a branch office, the Internet or by phone. Borrowers are frequently referred to a mortgage banker by real estate brokers, home builders or other third parties.

Wholesale — A third-party mortgage broker refers loan applications 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.

Correspondent (including negotiated transactions) — Correspondents are banks, thrifts, other mortgage banks and other financial institutions that sell closed loans to the Firm. Correspondent negotiated transactions occur when 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.

Card Services
Description of selected business metrics within Card Services:

Charge volume — Represents the dollar amount of cardmember purchases, balance transfers and cash advance activity.

Net accounts opened — Includes originations, purchases and sales.

Merchant acquiring business — Represents an entity that processes payments for merchants. JPMorgan Chase is a partner in Chase Paymentech Solutions, LLC.

Bank card volume — Represents the dollar amount of transactions processed for the merchants.

Total transactions — Represents the number of transactions and authorizations processed for the merchants.

Commercial Banking
Commercial Banking revenues comprise the following:

Lending includes a variety of financing alternatives, which are often provided on a basis secured by receivables, inventory, equipment, real estate or other assets. Products include Term loans, Revolving lines of credit, Bridge financing, Asset-backed structures, and Leases.

Treasury services includes a broad range of products and services enabling clients to transfer, invest and manage the receipt and disbursement of funds, while providing the related information reporting. These products and services include U.S. dollar and multi-currency clearing, ACH, Lockbox, Disbursement and reconciliation services, Check deposits, Other check and currency-related services, Trade finance and logistics solutions, Commercial card, and Deposit products, sweeps and money market mutual funds.

Investment banking products provide clients with sophisticated capital-raising alternatives, as well as balance sheet and risk management tools through Loan syndications, Investment-grade debt, Asset-backed securities, Private placements, High-yield bonds, Equity underwriting, Advisory, Interest rate derivatives, and Foreign exchange hedges.

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 purchased, and repurchase agreements).

IB revenues, gross — Represents 100% of the revenue related to investment banking products for which there is a sharing agreement between Commercial Banking and the Investment Bank and for the investment banking products that are sold through Commercial Banking.

Treasury & Securities Services
Treasury & Securities Services **firmwide metrics** include certain TSS product revenues and liability balances reported in other lines of business related to customers who are also customers of those other lines of business. In order to capture the firmwide impact of 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 management’s view, 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 purchased, and repurchase agreements).

Asset & Wealth Management
AWM’s client segments comprise the following:

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

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.

Retail provides customers worldwide with investment management services and retirement planning and administration through third-party and direct distribution channels.

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.

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Item 4 Controls and Procedures

As of the end of the period covered by this report, an evaluation was carried out under the supervision and with the participation of the Firm's management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. See Exhibits 31.1 and 31.2 for the Certification statements issued by the Chief Executive Officer and Chief Financial Officer. In light of the misclassification in the Firm's Consolidated statements of cash flows discussed below, the above-mentioned officers reevaluated the Firm's disclosure controls and procedures and determined that their earlier conclusion regarding such controls and procedures remains valid.

The Firm is committed to maintaining high standards of internal control over financial reporting. Nevertheless, because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, in a firm as large and complex as JPMorgan Chase, lapses or deficiencies in internal controls are likely to occur from time to time, and there can be no assurance that any such deficiencies will not result in significant deficiencies – or even material weaknesses – in internal controls in the future. See page 85 for Management's report on internal control over financial reporting, and page 86 for the Report of independent registered public accounting firm with respect to management's assessment of internal control, included in the Firm's 2005 Annual Report on Form 10-K ("2005 Form 10-K").

As reported in a Current Report on Form 8-K filed by the Firm on August 3, 2006, the Firm has filed an amended 2005 Form 10-K to restate the Consolidated statements of cash flows for the annual periods of 2005, 2004 and 2003 and is filing this amended Form 10-Q to restate the Consolidated statements of cash flows for each of the quarterly periods of 2005 and the first quarter of 2006. The restatements will not affect the Firm's Consolidated statements of income, Consolidated balance sheets or Consolidated statements of changes in stockholders' equity for any of the affected periods. Accordingly, the Firm's historical revenues, net income, earnings per share, total assets and regulatory capital remain unchanged.

The restatements result solely from the misclassification of cash flows related to certain residential mortgages and other loans that had been originated or purchased with the intent to sell. The cash flows from these loans had been classified as investing activities. However, in accordance with Statement of Financial Accounting Standards No. 102, "Statement of Cash Flows—Exemption of Certain Enterprises and Classification of Cash Flows from Certain Securities Acquired for Resale," cash flows from these loans should have been, and in the future will be, classified as operating activities, rather than investing activities. Accordingly, the restatements will solely affect the classification of these activities and the subtotals of cash flows from operating and investing activities presented in the affected Consolidated statements of cash flows, but they will have no impact on the net increase (decrease) in total Cash and due from banks set forth in the Consolidated statements of cash flows for any of the previously reported periods.

There was no change in the Firm's internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934) that occurred during the first quarter of 2006 that has materially affected, or is reasonably likely to materially affect, the Firm's internal control over financial reporting.

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Part II Other Information

Item 6 Exhibits

31.1 – Certification

31.2 – Certification

32 – Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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 thereunto duly authorized.

JPMORGAN CHASE & CO.
(Registrant)

Date: August 3, 2006

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

Executive Vice President and Controller
[Principal Accounting Officer]

INDEX TO EXHIBITS

SEQUENTIALLY NUMBERED

EXHIBIT NO.	EXHIBITS	PAGE AT WHICH LOCATED
31.1	Certification	98
31.2	Certification	99

The following exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. In addition, Exhibit No. 32 shall not be deemed incorporated into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

32	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	100

Exhibit 31.1
JPMorgan Chase & Co.

CERTIFICATION

I, James Dimon, certify that:

1. I have reviewed this quarterly report on Form 10–Q of JPMorgan Chase & Co.;
2. Based upon my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based upon my knowledge, the Consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based upon our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2006

/s/ James Dimon

James Dimon
President and Chief Executive Officer

Exhibit 31.2
JPMorgan Chase & Co.

CERTIFICATION

I, Michael J. Cavanagh, certify that:

1. I have reviewed this quarterly report on Form 10–Q of JPMorgan Chase & Co.;
2. Based upon my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based upon my knowledge, the Consolidated financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based upon such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based upon our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2006

/s/ Michael J. Cavanagh
Michael J. Cavanagh
Executive Vice President and Chief Financial Officer

Exhibit 32
JPMorgan Chase & Co.

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of JPMorgan Chase & Co. on Form 10–Q for the period ended March 31, 2006 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of JPMorgan Chase & Co., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of JPMorgan Chase & Co.

Date: August 3, 2006

By: /s/ James Dimon
James Dimon
President and Chief Executive Officer

Date: August 3, 2006

By: /s/ Michael J. Cavanagh
Michael J. Cavanagh
Executive Vice President and Chief Financial Officer

This certification accompanies this Form 10–Q and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section.

A signed original of this written statement required by Section 906 has been provided to, and will be retained by, JPMorgan Chase & Co. and will be furnished to the Securities and Exchange Commission or its staff upon request.